How to Make Successful Employee Selection Decisions Easier & Less Costly

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Is your firm having difficulty finding the "right" candidates? You are not alone. Despite record unemployment, employers are taking months to fill job vacancies because of the lack of qualified candidates. According to the **Wall Street Journal,**

- 47% of employers blame prospects' lack of "hard" job skills or technical skills

- 35% of companies cite candidates' lack of experience

- 25% of companies blame lack of business knowledge or formal qualifications

- 52% of U.S. companies report difficulty filling jobs in general

(*Source: "Why Companies Can't Find the Right Workers," by Peter Cappelli, Wall Street Journal, 10/24/11*)

The solution to this talent dilemma is finding* strong applicants and using an accurate method to identify the best candidates. Conventional recruiting, promotional, and screening processes are not enough.   It is time to scrap these practices. This paper will focus on a proven approach to identify true talent whilst preventing imposters and misfits from being hired.

Understanding What Isn't Working

Before delving into the solution, it is important to understand what isn't working**.** Below are **seven traps** to hiring mistakes and lackluster results.

You need to STOP:

1. Relying too heavily on rigid educational and experiential criteria – *don't be so black and white!*

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*Note: If <u>finding</u> external talent and getting enough applicant flow is a tough challenge for your organization, may I suggest you read: "The Recruiting Revolution: How Technology is Transforming Talent Acquisition" by Shelly Gorman, Director of Career Management MBA at University of North Carolina. Source for referenced article: http://www.kenan-flagler.unc.edu/executive-development/custom-programs/~/media/BBB48B9180E84B5397BC3DE758FF9437.ashx

On page 4 of this paper, we cover <u>how to find</u> "hidden talent" within your organization. Keep in mind, internal hires are already loyal, they know your customers and your business.

- HR departments are known for screening out top candidates who do not meet "exact requirements" to the letter. For example, one of our clients has an HR Director who is a stickler. If "7 years" is required for a given job and a strong candidate has merely 5 years 3 months, they are screened out without a thought.

- Or, maybe your firm is part of the exclusive club screening and only takes MBAs from Wharton or Harvard or similar? Perhaps an MBA graduate from Arizona State University, University of Texas, or even Wheaton University may be the best candidate. Open your horizons.

2. Making decisions based primarily on interviews.

- Most socially skilled people can interview well in their sleep. <u>Those who interview best often perform worst</u>. Conversely, many who stumble on interviews, or who lack polish or visible confidence, may be superstars that just need to be identified and supported a bit to shine.

3. Allowing management's personal bias' and need to surround themselves with clones, replicas or 'feel good' types impact selection. Decision makers need to step out of their current comfort zones or restrictive paradigm and image of what a successful candidate looks or acts like. Exceptional talent is diverse, and yes, different.

- I've had a Sr. VP tell me, yes I can understand that this is undoubtedly the best-fit candidate, but he just doesn't fit the executive mold here. *What??? You can sign him up at Macy's with a wardrobe coach; we can teach etiquette; we cannot re-hardwire* inherent capability.

4. Interviewing or wasting time on non-fit candidates.

5. Conducting cursory reference and background checks.

6. Listening to the advice of head-hunters. (i.e., external recruiters)

- They can get you people to consider; but then you have to identify the talent. Don't rely heavily on recommendations made by recruiting firms. Many are like car salesmen, albeit smoother in their communications skills. They sell and earn a commission. We've seen many hiring disasters because of following the advice of recruiters.

- It should be no surprise that recruiters resent what we do for obvious reasons. Many of the candidates they try to push on our clients don't make it in the door for an interview.

7. Using your current (leadership promotional) and succession processes that rely too heavily on ticket punching, political savvy, technical know-how and superficial performance results.

The Solution

1. Use a well-established multiple hurdle selection or promotional decision process. (See the process example on Attachment #1)

2. Early in the process, **before any interviews are scheduled**, administer a scientifically validated personality character, risk and motivational assessment such as the CDR 3-D Suite that is validated for selection and succession planning purposes. We suggest that you administer the assessments to those candidates who you "think" you want to interview. If you are concerned about sufficient numbers passing the screen, you can add more candidates to this assessment screening process.

    The assessment results will reveal what type of jobs the candidate is well suited to perform or not. From there, you can begin scheduling interviews or further consideration for those who pass the cut-off scores. Virtually all jobs, or job families, have been studied with validation research which forms the basis of the "cut-off" scores, so this is not a delaying factor.

3. Use the assessment data at the scale and subscale level to help you select and develop your interview questions, based on each candidate' specific results relating to the job vacancy, business requirements, and performance needs. Below are sample questions with related CDR 3-D Suite Scale/Subscale references in parenthesis:

    *   Tell me how you delegate. (High Perfectionist, High Prudence)

    *   Have you ever lost your cool at work? (High Hyper-Moody, Low Even Tempered on Adjustment)

    *   How do you manage stress at work? (Low Adjustment, High Hyper-Moody)

    *   How do you rate your decision making skills and why? (High Worrier)

    *   Who do you trust most and who do you trust least and why? (High Cynic)

    *   Tell me how you do in giving presentations. (Low Presentation Confidence, Low Exhibitionist/Entertaining)

    *   Tell me about feedback you received that you disagreed with. (High Egotist, High False Advocate). What did you do about it?

4. You may have to beef up recruiting efforts to attract more candidates. Yes, this could require a bit more upfront effort by HR and management staff. Often, clients will only identify 2 or 3 candidates for an executive position – and, it is not unusual for all 3 to be poorly suited for the job. So, expanding the candidate pool is a good idea.

5. We had an HR Executive client recently complain that using the CDR 3-D Suite poses a problem because it forces them to find more candidates for executive positions – which is difficult. *What? How important is it to find a highly capable executive and what is the toll on the business if a mistake is made?*

6. The assessments are objective and EEO neutral. Be sure that your overall selection process is open, sufficiently comprehensive, and that backgrounds and references are fully vetted. Cursory checks are not sufficient; be sure to dig and probe for information and verification.

7. Don't dismiss the assessment results. On occasion, when someone is referred or favored to get the job, a manager will say that *the results can't be right, this person is a highly capable leader – I have it on good advice from a friend…* Invariably, when the data is ignored, a hiring mistake is made and the decision comes back to haunt the company.

8. Provide training for your managers who are responsible for hiring and promotional decisions. Help them to understand the process and the assessment tools they are using so that they can maximize the results. If they are in the dark on what traits are measured, they will not be equipped to understand and make effective decisions.

9. Once your new selection process is in place, perform utility analysis and calculate the ROI on regular intervals to measure the increased success of your new selection and promotional process. The numbers matter.

What Does Success Look Like?

Jim Collins's research provides the answer:

> *When we began the research project, we expected to find that the first step in taking a company from good to great would be to set a new direction, a new vision and strategy for the company, and then to get people committed and aligned behind that new direction.*
>
> *We found quite the opposite.*
>
> *The executives who ignited the transformations from good to great did not first figure out where to drive the buses and then get people to take it there.*
>
> **No, they first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it.**

Collins, Jim, Good to Great, Page 41

Bottom line, sustained success depends on finding the best fit talent to meet or surpass your performance goals. Or, as Jim Collins says, it is getting the right people on the bus.

Success is becoming the employer of choice for the high flyers. Success is having the courage and wherewithal to scrap what doesn't work and replace it with a proven scientifically valid approach that does works. Most surprisingly, success is much easier and less costly than failure when it comes to selecting the best talent.

While hiring the right people is the answer – the methodology of identifying the right people is where the ball gets dropped. There is one approach that is proven, fast, cost effective and accurate. That is administering a validated personality suite and motivational instrument as outlined in #2 above.

The method of using the CDR 3-D Suite or a similar set of measures makes the process quicker, less costly, and more successful. Administering the CDR 3-D Suite only takes about an hour for all three. Costs are minimal compared to the cost involved in just interviewing one candidate. The **no-go's** are screened out immediately. Then, interviewers are provided a clear road map for interviewing the best-fitting candidates.

As a direct result of using the CDR 3-D Suite measures provided for employee selection, select clients have experienced:

- ⬇ **Turnover reduction from 140% to 18%** (retail)

- ⬇ **Reduction in accident rates by 75%** (truck drivers)

- ⬆ **Increase in sales by 24%** (more than $250,000 annually per sales rep)

- ⬆ **Improve error-free productivity from 54% to 97%** (insurance claims processors)

- ⬇ **Decrease in lost time injuries by 20% and the cost per claim by 57%** and more.

Another way to boost your selection process and candidate sourcing is by finding "hidden talent" from within your own organization and to help you quickly sort through the candidates to find those with the capability to meet your business needs. The article, **"Out of Oz – Finding Hidden Talent"** is an actual case study where a company in the energy industry used our assessment measures to identify potential talent for three key positions. The article focuses on the "system analyst" positions where we screened in candidates who were then sent to a 12-week boot camp training. T**he success rate of those found and screened through, after a year on the job, was 100%!** Here is what the instructor had to say one year after the Boot Camp training.

> Stonebridge Technologies was hired to design and conduct the IS Boot Camp for Williams. This endeavor was led by Tom May. This was not his first camp experience. Tom's first transitional or re-tooling training boot camp expertise was gained with a large high tech business based in Texas. Tom explained that:

> The major difference between Tom's first boot camp and his experience with Williams was the application of quality measurement tools (the assessment process) to screen in candidates. Additionally, the first boot camp for the Texas-based firm was designed for a more specialized, narrower IS role than the Williams' position. When asked how the classes stacked up Tom explained,

>> "At the first boot camp my grading scale for the graduates ranged from an A+ to a C-. In fact, we could not turn a few of the individuals loose to assume the full duties of the new job as originally anticipated. All were able to perform within the IS function, but some landed in more supportive or limited roles.

>> My experience with the Williams' Boot Camp was quite different. The graduate grade range for this broader-in-scope IS position for graduates was a remarkable A+ to A-. Further, though both groups formed cohesive bonds as teams, the Williams' class seemed less stressed and not as confrontational with instructors.

>> Ironically, there was one exception to this. We had an individual in the Williams class who struggled from the outset. During the first week this individual could not grasp the basic concepts. After some in-depth management discussions on how to resolve this participant's training dilemma (which was beginning to affect the class), we eventually learned that this individual had been added to the class as a political favor and had somehow by-passed the assessment screening. Once the Company understood the predicament created, this employee was placed back in their former position with full pay and the class sped forward to outstanding completion."

Stonebridge Technologies communicated to the client that this class was the best transitional training class ever. To access the complete article go to:
http://www.cdrassessmentgroup.com/News.php

Success is selecting the best capable performers and not having to deal with trouble makers, marginal performers, or non-fit candidates. Why risk failure when success is easy and less costly?

Comments and questions are welcomed at: *nparsons@cdrassessmentgroup.com*

The Employee Selection Process using CDR Assessments:

1. <u>**Selection Process Design**</u> **–** CDR offers assistance for designing or "fine tuning" a client's selection process.   We suggest:

   Using a Multiple Hurdle Selection Process -- To assure that the best hiring decisions are made, <u>the selection processes should be a well designed multiple hurdle process that includes CDR Assessments</u>. This is the best way to minimize selection mistakes and a company's exposure to:

   - wrong candidate selection
   - information gaps about a candidate's "fitness" for a specific position,
   - blind spots that can negatively impact performance and retention
   - misinterpretations
   - by-passing an opportunity to select key talent and a *best-fit* performer
   - susceptibility to relying on natural biases
   - cloning
   - adverse impact
   - developing interpersonal connections that may not correlate to performance on the job, and
   - not being clear about what a candidate's developmental needs and promotional capabilities may be.

   Hiring mistakes, or the selection of less than the best-fit candidates, are costly, time consuming, difficult to address amicably, and counter-productive.

   In order to ensure that clients make the <u>best</u> hiring decisions, we recommend a multiple hurdle selection process that incorporates:

   - well documented position requirements, team participation expectations and dynamics, organizational culture and values, and work environment
   - careful review of candidate credentials/applications
   - pre-screening interviews
   - CDR 3-Dimensional Assessment Suite® (includes Character, Drivers & Rewards and Risk Assessments)
   - well-planned panel or series of interviews
     - o Use CDR data sheet to develop specific questions for each candidate to probe into their strengths, risks and needs.
   - careful work experience and professional credentials scrutiny
   - skills testing (if appropriate)

- role playing or problem solving scenarios

- thorough background checks

- astute reference checking (based on experience and CDR Data), and

- substance abuse testing (as appropriate), etc.

The CDR tools should be one hurdle to determine employment suitability and to identify the "best" candidate(s) for selection.

2. **Process & Profile Validation** – We use generalized validity research for most of our selection services as most jobs and job families have been studied. However, should a validity study be necessary, the validity process we typically perform for clients using our assessment tools is as follows:

- **Purpose** – **Scientific Validation of the Selection Tool** -- the purpose of conducting a validation study is to assure that the essential personality and motivational traits are defined for a position. This establishes the parameters for selecting the best-qualified candidates, based on measures of high performing incumbents.

- The validity process performed by CDR Assessment Group generally includes: testing a sample of incumbents; job analysis; performance measures and relevant business results; and statistical analyses including benchmarking industry data of comparable positions. This process is, for the most part, <u>invisible</u> to the client with the exception of incumbent testing and data collection. Performance data is typically already available at the client's site.

- The validation process is usually completed in advance; however, occasionally, it is accomplished concurrently with actual selection assessment administration. So, using CDR Assessments for selection can begin immediately. Once the validation process is completed, a CDR Assessment Group consultant (I/O Psychologist) recommends selection cut-off scores based on validation results.

- Sample validity reports available on request.

3. **Communications & Orientation**

- **Communications Support** – CDR Assessment Group works closely with clients to effectively roll out communications to internal and external constituents. We provide sample letters for clients to use with applicants, share in the development of internal communications, participate in hiring team meetings -- Q & A sessions (typically by teleconference), and more. Most of these services are provided for clients who use our tools for selection on an ongoing basis without additional consulting fees. For onsite or extensive consulting hours, fees or retainer provisions may be necessary.

- **Management / Selection Team Orientation** – Clients find it beneficial for their management selection teams and human resources staff to participate in an orientation when implementing the use of CDR Assessments for the staffing process. Because our tools are significantly different and:

- given their technical strength, history, and depth,

- to adhere to HR standards and business requirements; and

- in order to best respond to recruiting market demands

Orientation sessions are recommended. These optional sessions range from 2 to 4 hours, depending on the client's specific needs.

4. **CDR Consultative Support & Guidance** – Besides providing solid, practical and break-through assessment tools, CDR Assessment Group, Inc.'s service, expertise and support are unmatched. We offer boutique-like care and service at a level and pace that best meets the client needs, culture and business demands.

5. **Administering the Process**

   - **Processing & Scoring Results -** Most clients prefer to use online assessment services. Typical CDR Assessment report turnaround time is within 24 hours and most often are sent out during the same day. Processed client selection reports are emailed to the designated hiring manager or human resource representative. Generally, each assessment questionnaire takes about 15 to 20 minutes to complete, or about an hour for an applicant to take the full CDR 3-D Suite.

   - **When, Where & Who to Test** - For selection, it is recommended that the tests should be given, <u>onsite</u>, after pre-screening activities are completed, and ***before*** in-depth interviews are conducted. This is to assure that you are acquiring the candidate's natural responses; not with input from or participation of others.

   - **Testing before extensive interviewing** saves significant dollars and time (for the company and the candidate). Further, once a candidate is interviewed, an interviewer's bias may cause them to become too interested or "hooked" on a particular candidate who may not be a good fit for the vacant. This can be a difficult connection to undo. Although the interview scheduling process is at the client's discretion, we recommend *eliminating* unnecessary interviews when possible.

   Report Options

   - **CDR 3-D Suite Data Reports** – **this one-page report is the most popular** with clients today who are using all three reports to screen and select candidates. These are used regularly for executive and leadership positions as well as other high risk or high profile jobs.

   - **CDR 3-D Suite Interpretive Reports** (samples enclosed with spiral bindings -- These reports can be used for selection and provide in-depth, robust information about each candidate. This can be especially helpful to selection team members who are just becoming more familiar with using CDR instruments. Also, this can be used for coaching feedback for the selected candidates, without the need to reprocess.

   - **Sales Staffing Reports** – developed once validation research is complete (See Attachment #2). These custom reports identify candidates that "meet" or "do not meet" profile scoring ranges. Includes brief narrative highlights for sales positions.

   - **Leadership Potential Reports** – Customized for clients; these samples provide useful snapshots of profile summaries of the CDR 3-D Suite insights and two different leadership profiles. (Provided in Coaches' Training Manual)

   Monitoring the Selection Procedure - As is the case with any business process, it is important to monitor the selection procedure. Suggestions include:

   - The applicant flow should be examined closely to determine if the recommended cut-off scores allow enough applicants to pass while screening out the low performing applicants. Cutoff scores that fail everyone are just as ineffective as those that pass everyone.

White Paper: Attachment #2

Leadership Candidate with Strategic-Visionary Competencies based on CDR Character Results for Vincent Sample

The boxed areas represent the Passing Zones for a strategic-visionary leader profile. The Diamonds are the scores achieved by the applicant. All Diamonds should appear in boxed areas in order for the applicant to be considered further in the selection process.
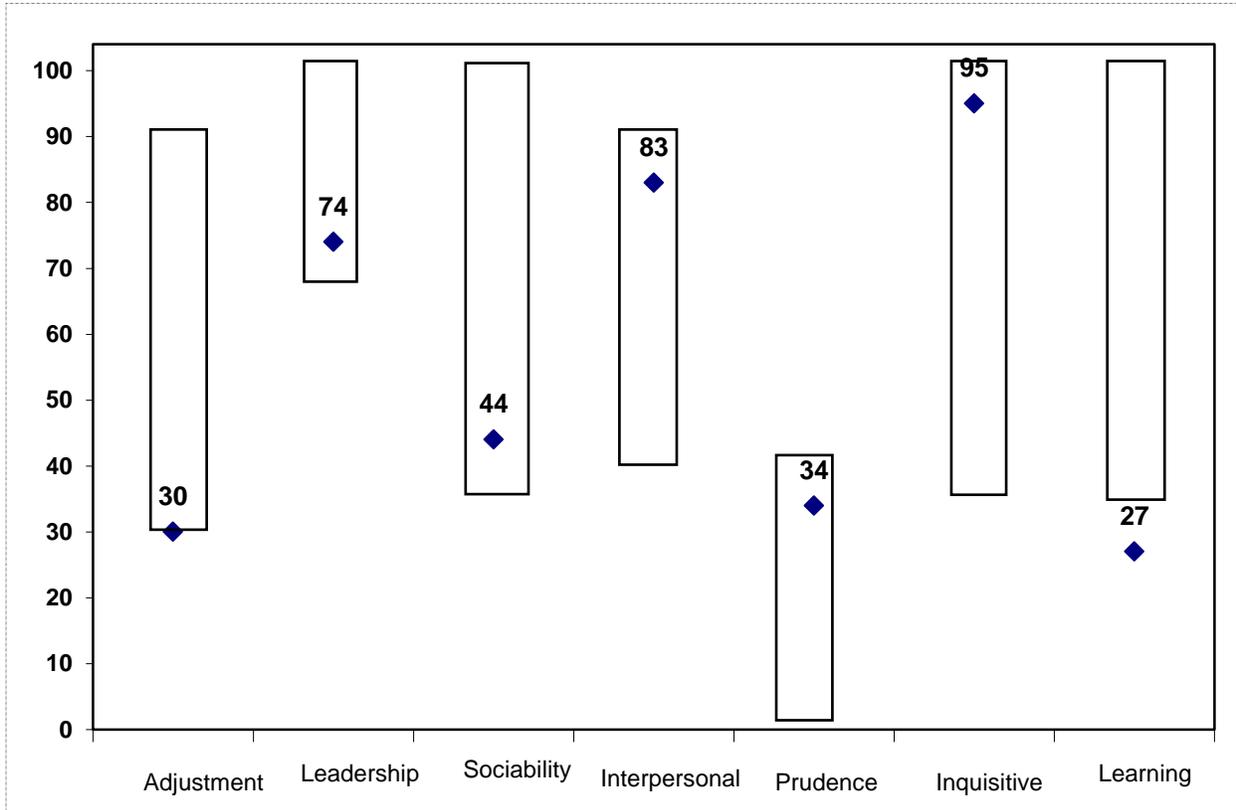

In summary, Vincent Sample will tend to be perceived as: having intensity about achieving success; a take charge performer; relishing private time and may avoid communicating; being helpful with others and concerned about "stepping on toes"; risk-taking, spontaneous & impulsive; grasping the big picture and strategic about project management; content to apply "current" skill base to problems.

As a leader, Vincent Sample will tend to:
  Seek new uses for products and innovative solutions for client challenges
  Take charge, be decisive, and
  Be a bit impatient with routine and will follow through on bureaucratic tasks only when they are clearly linkable to a rewarding outcome
  Struggle with making difficult people-related choices and may be too easily "brushed off" in sales meetings with clients
  Be impulsive and unaware of the consequences of personal actions
  Have real creative potential and value innovation
  Seek out training and development only when the need is perceived and a highly desirable outcome is obvious
  Be introspective and reflective of own performance and accountabilities

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Sales Candidate CDR Drivers & Rewards Results for Vincent Sample

The boxed areas represent the Passing Zones for sales applicants. The Diamonds are the scores achieved by the applicant. All Diamonds should appear in boxed areas in order for the applicant to be considered further in the selection process.
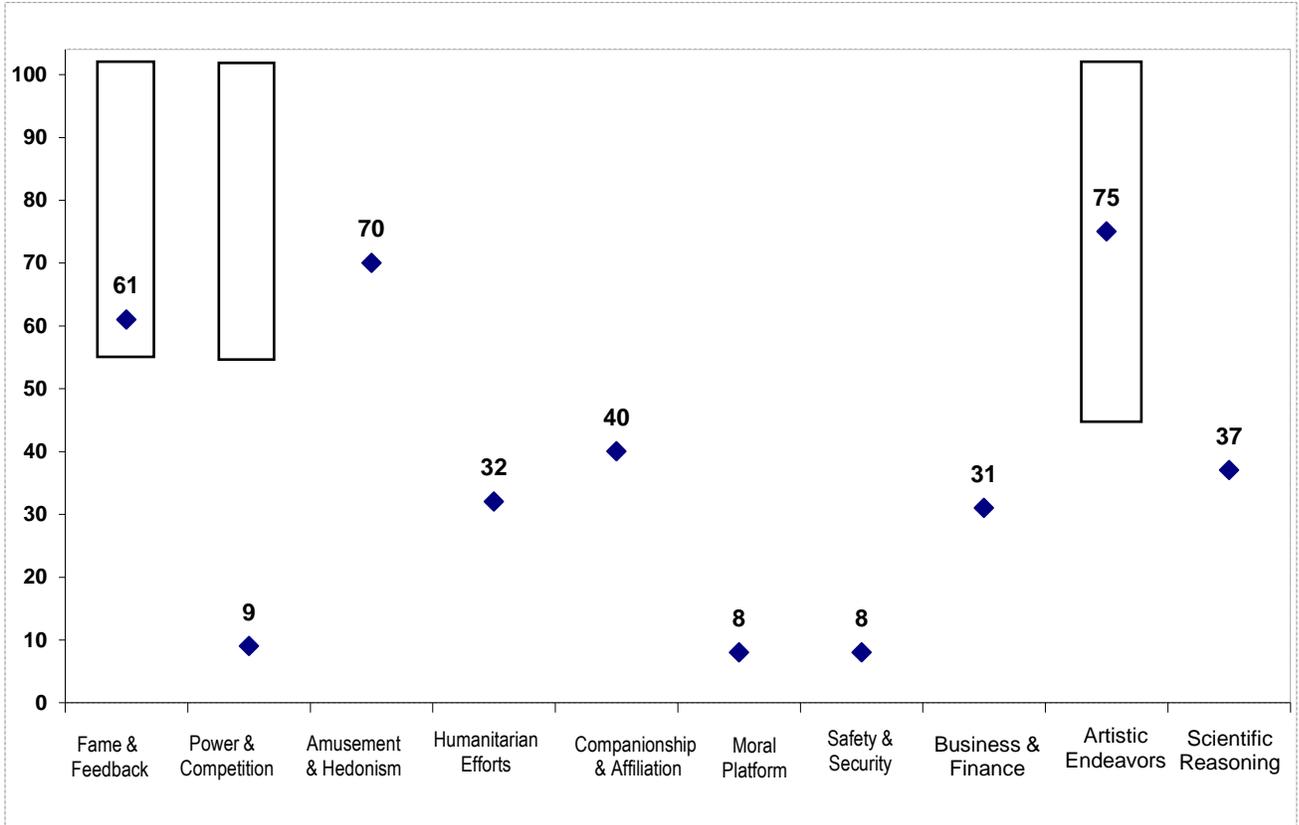
Vincent Sample will tend to value, or feel rewarded by: recognition from superiors and associates and visibility for achievements; vacation time, opportunities to live life to the fullest, and freedom to control personal timelines; an aesthetically interesting work environment and opportunities to express creatively; some flexibility to take "time out" from the crowd to work alone on the projects that matter personally; chances to take risks and adapt to changes in environment or job demands; opportunities to work with people who share a conservative value system.

Sample Adjustment Scale & Subscale Scores

ADJUSTMENT	34
Easy Going	22
Not Anxious	14
No Regret	77
Calmness	100
Even Tempered	59
Stress Stamina	100
Trusting	63
Childhood Authority Relationships	24

Sample (3 of 8) CDR Character Assessment Subscale Definitions

Adjustment Subscale Title	High Scores (50% and above) indicate:	Low Scores (49% and below) indicate:
Easy Going	doesn't let others' actions affect their mood, patient with colleagues' idiosyncrasies	frequently disappointed by other's performance and impatient with colleagues' idiosyncrasies
Not Anxious	seldom tense or nervous—even when deadlines are pressing or others' expectations are high	frequently tense or nervous— regularly feels pressure to perform; may be too intense at times or edgy
No Regret	doesn't tend to be introspective, has very little that they feel guilty about	very introspective, extremely responsive to feedback; tends to be overly hard on oneself; can be unforgiving of self, tends to focus on personal flaws

Interview questions should be customized based on how the individual scores on the scales and select subscales that are important to job performance.

For example with a job candidate that has high Adjustment overall and has 100% on No Regret, appropriate line of questions would be around:

- what kind of feedback they have had? (360s, from their boss, direct reports, etc.)
- have they agreed with it?
- who's feedback do they value most and why?
- who's feedback do they value least and why?

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This is because they often dismiss or disregard feedback because they have an over-developed sense of self and confidence.