

# Maximizing Insights

Workforce Trends, Forecasts and Solutions from Maximizing Insights

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## Situational Interviewing: Boost Your Hiring Odds 10-Fold

### What is situational interviewing?

Situational interviewing focuses on what applicants **would** do in a specific situation. (Behavioral interviewing, on the other hand, asks applicants to relate what they **did** do in a specific situation characterized by questions like, "What would you do in this situation?")

Open-ended questions apply to specific job situations such as "describe to me how you engage a key prospect who refuses to accept your call". An applicant's response should indicate if he or she has the skill not the intention. During one recent interview the candidate replied "a cold call is just a cold call. It doesn't bother me if I have to call the CEO."

Based on this response, it is easy to become comfortable with this confident behavior. Unfortunately, upon more probing, the candidate was never able to describe how he would or did call upon senior managers, just that he could call.

Situational interviewing helps separate good intentions from top performance. Situational interviewing is not casual however and follows system of job-focused questions, you can improve your hiring hit rate.

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The interview is a verbal test. But unlike personality and ability tests, interviews rely on the interpretation of human beings. Maybe that is why as few as 1 in 14 job candidates hired by the interview are successful.



Depending on the questions asked, the answers given and the interviewer's personal bias, the potential for error and bias is huge. This creates two very expensive problems for employers: the cost of hiring the wrong employee and the risk of discrimination due to personal bias.

Two solutions then emerge to enhance an interviewer's predictive accuracy in assessing employee performance and fit for a job: situational interviewing and behavioral interviewing.

Both techniques rest on job analysis, a structured process that involves asking both jobholders and their managers a very detailed list of job-specific and results-focused questions. The sole purpose of job analysis is to develop a list of critical job competencies.

These competencies become the target list against which each applicant is measured. By assessing what candidates know (competency) and how well they can apply what they know (proficiency or competence), managers can increase the predictability of selection up to ten-fold. Regardless of the interview or technology used, any system that skips this process will be highly inaccurate.

To accurately assess employee competence and evaluate job fit, interviewers need to be skilled at both asking probing questions, evaluating responses and observing behaviors.

### 10 Must-Reasons Every Manager Needs to Pay Attention to Employee Productivity

1. Persistent shortages of qualified employees is a given.
2. Competition for skilled employees will increase.
3. Increased competition raises the cost of labor.
4. Increased labor costs without increases in productivity raises costs, not profitability.
5. Lower profits leads to slower growth.
6. Slower growth leaves fewer dollars for competitive compensation.
7. Compensation, that is wages and benefits, is a reward for effort and an incentive for productivity.
8. Increasing compensation without increased productivity becomes a cost.
9. Unnecessary costs reduce profits.
10. The pressures on profits will escalate due to global competition, skilled worker shortages, an aging workforce, and increasing health care and other insurance costs.

### Brain Drain

- Nineteen percent of baby boomers holding executive, administrative and managerial positions are expected to retire by 2008.
- Between 2010 and the mid-2020s, 12,480 boomers per day will leave the workforce.
- By 2005, 71 percent of senior executive federal government employees will be eligible for retirement.

## Good riddance to the interview?

Success rates in predicting job performance (Source: Handbook of Industrial and Organizational Psychology)

Standard Interview	7%
Resume Analysis	37%
Work Sample Test	44%
Assessment Center	44%
<b>Situational Interview</b>	<b>54%</b>

Other assessment success rates:

Reference Checks	25%
Personality Test	38%
<b>Job Matching</b>	<b>75%</b>

## Unemployed people on your payroll?

No - that's not a trick question.

How many times have you hired an employee who didn't meet your expectations?

Are any of them still on your payroll?

You pay employees a wage in exchange for labor - whether it be manual labor, service labor or knowledge manual. When the employee doesn't deliver what you expected, it makes no difference who you pay. Money goes out the door and you receive nothing in return.

Whether the cause of low productivity is absenteeism, job dissatisfaction or inadequate skills, it doesn't really matter. The bottom line is your bottom line can't afford non-productive or ineffective workers.

One of the biggest problems today in evaluating and improving productivity is that managers describe what they want but they don't understand nor do they know how to measure the skills.

For example. Say that you're looking for an enthusiastic or self-motivated employee. Well, how much of each are you looking for? On a scale of 1 to 10, are you looking for a 3? 5? 9?

Let's say you decide you need a 7 in motivation, how do you know that your candidate has enough - and not too much? If they have it today, how do you know they can sustain it? Can they remain motivated during tough and stressful times? How about when the pace quickens or when the competition increases?

By first identifying the core competencies required to do a job well and then linking desirable personality traits, abilities, work styles and work values to the essential competencies, managers can now hire for higher performance without the guesswork.

## Can an employee change short of a miracle?

Scott isn't a bad guy. It's just that the job he holds is just more complex than ever before and more difficult than he ever imagined.

Scott was recently promoted to management. And Scott is beginning to think that God put employees on earth to frustrate managers.

The more Scott gets stressed, the more he snaps at his co-workers and reverts to micromanagement. He is beginning to wear people down both physically and psychologically.

An executive coach was retained to help Scott. The first thing that Scott learned was that he needed to listen to his employees and colleagues.

Scott was a quick learner - intellectually. But improving emotional intelligence takes time and a conscious effort to practice and improve.

Scott didn't have time for all this soft stuff. (Scott's the guy who calls his doctor for a prescription without a visit because he never has time to make an appointment.)

Do you have a Scott on your team? Wondering if he'll ever change? Adapting behaviors requires both flexibility and versatility. To deal effectively with changing situations and relationships requires a willingness on the part of the individual to change and an ability to do it.

Flexibility is the willingness to change and versatility is the ability to change.

The good news is that individuals can become more adaptable. Both flexibility and versatility can be learned but they both require a conscious effort and time.

Do you have a Scott on your team? Contact us to learn more about improving the flexibility and versatility of your employees.

# Stormy Labor Forecast Facts

## I've fallen and I can't get up

Afraid she'd lose her job if she took another personal day, Joanne shows up to work. But while at work, she spends hours on the phone trying to place her mother in a nursing home. When she finally finds a facility, the calls continue because a friendly nurse on the floor reports her sheets are not being changed, she is not receiving her medications and her dirty towels are not being replaced.

Even the workers like Joanne who do show for work may be present only in body. Their minds are anywhere but on their work. These distracted and many times absent workers on payrolls are costing businesses billions of dollars in lost productivity each year and the situation is only going to get worse.

The estimated dollar cost to U.S. employers is \$17 billion a year or \$2500 per caregiver per year. Included in these costs is time missed from work and the cost of replacing those who quit to care for relatives.

### Who Are The Caregivers?

Many of them are your employees. Many of them are co-workers just like you and me - hourly workers to the board room.

- The National Alliance for Caregiving estimates that between 22 million and 25 million Americans care for an older or disabled relative.
- The number of people aged 65 years and over relative to the number aged between 20 and 64 years - is expected to double in the next five decades to almost 50%.
- 44 percent of the Sandwich Generation - ages 45 to 55 - have children under 21 years of age and living in-laws or parents or both.
- Between 20 percent and 40 percent of caregivers are in the "sandwich generation," caring for children under 18 as well as a disabled older relative.
- Between one-third and two-thirds of caregivers also work outside the home.

## Young minds, aging bodies

Retaining older workers longer is one necessary solution to the filling (or postponing) of vacancies in the workforce. But older workers will dramatically increase the cost of labor.

Below are a few strategic implications of retaining older workers:

- People over age 50 are responsible for 58% of all healthcare resources and consume 74% of all prescription drugs.
- The 65 and over segment of the population will grow more than 80% and represent 21% of the population by 2030, compared with 13% today.
- The 65 and older group also uses 36% of total national healthcare expenditures and 50% of all days in the hospital.



## Here today, gone today.

When push comes to shove, care-giving affects work performance.

Caregivers is a workforce issue today and will become more of a problem as people live longer.

It is one more challenge to keeping productivity high.

- 69% of caregivers report arriving late or leaving work early.
- 67% took time off during the day to attend to an elderly dependent. 64% used sick days or vacation time for caregiving duties.
- 22% took a leave of absence.
- 20% reduced their career from full- to part-time.
- 16% quit their jobs.

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## Who says you don't need a degree to get a good job?

- Fifty-one percent of our workforce will be over 70 in 30 years and the number of employees under age 40 is insufficient to replace them.
- Within the next 10 years, 18 million jobs will require a baccalaureate degree. At the current rate, the available number will not reach 12 million.
- Of the 16 million net new jobs created in the US between 1992 and 2002, more than 99 percent went to persons with at least some college training.
- Jobs for persons with less than a high school diploma fell by nearly 500,000.

Unless America dramatically increases college graduation rates, the American workplace will face a crippling deficit of qualified employees to fill the growing demand for skilled and educated workers.

Source: Employment Policy Foundation

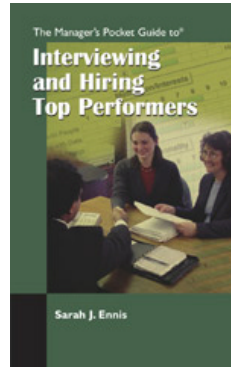


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