

MaxImizing Insights

Workforce Trends, Forecasts and Solutions from Maximizing Insights

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Diamonds in the Rough: Recognizing Talent When You See It

Faulty Reasoning

Everyday we are asked if our tests (personality) are validated. In effect, what these clients are asking is "are they legal to use".

If a test, any test, is used it must show job relatedness. If an individual's personality or work ethic has a demonstrable impact on successful performance, then personality testing can be used.

Yet, many managers and human resource professionals reject testing while they continue the use of the following tools which are easily and often challenged by rejected candidates:

- Interviews, which are subjective.
- Criminal background checks, which exhibit disparate impact.
- Drug testing, which is invasive.

Of more than 80,000 complaints received by EEOC in 1998, only 200 involved personality testing.



The Whole Person Approach to Hiring and Retaining Employees

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It's hard enough to find enough skilled and motivated employees these days. The last thing a manager needs to do is pass over or dismiss a potential top performer who is a great fit for the job in favor of a less suitable one.

In fact, finding the "right" employees these days is a lot like looking for the proverbial diamond in the rough. When the talented employee presents him- or herself, you need to know how to recognize the diamond that can cut glass from the fake jewel that is as fragile as glass.

As much as personality tests and job benchmarking are touted as the solution to avoid hiring the wrong person for a job, an overlooked – and possibly the most valuable – benefit of personality testing is helping to identify employees who are the right fit but under-performing or identifying employees who have the potential to fit into other positions within an organization as vacancies open or new positions are created.

You wouldn't throw out a diamond because it came loose from its settings. And you can't afford to dismiss the "precious" employee whom you think is just a piece of broken glass, only to discover you just tossed out a high grade flawless precious stone that just needed a little polish and a new setting.

Top Performer Almost Misses the Cut

Nearly twelve months ago, a colleague of ours evaluated and benchmarked the top performing sales managers for a publicly traded mortgage company. Management was ultimately interested in promoting two to four team leaders into the manager position. Management was deadlocked on the best choices.



They had the incumbent managers complete a series of assessments to assess their behavioral styles, attitudes and values, general abilities and personality traits. They found many similarities and not surprisingly, a few distinctive and impressive trends between the top performers (defined by

management) and the others.

They then assessed the pool of candidates and matched them to the top performer job model.

Lo and behold, the assessments concurred with three out of four of the finalists. But one of the candidates, who was already disqualified by management, was in their opinion the best match of all the candidates.

They persuaded senior management to select their choice as one of the new sales managers.

Eight months later, the overlooked employee is now is one of THE top performers, a diamond in the rough.

The Ball is in the Employer's Court

Congress and the Courts have influenced the selection process by placing the burden of proof on the employer to show that any given selection requirement, including the interview, must have a specific relationship to the job in question.

In several landmark cases, the Courts ruled that "the cornerstone in the construction of a content valid examination is the job analysis" (*Kirkland v. New York State Department of Correctional Services*) and "job relatedness cannot be proven through vague and unsubstantiated hearsay" (*Albermarle Paper Company v. Moody*).

One of the most important court cases involving job analysis was *Griggs v. Duke Power*. This case outlined the need for conducting an analysis of the job for which a selection procedure has been developed. In this case, the court emphasized that a selection tool should measure the person for the job. In other words, hiring employees because they seem like a hard-worker, they have a good personality, or they go to your church isn't enough. What matters is can they do the job?

Commenting in this case on Title VII of the the 1964 Civil Rights Act, the court stated:

Nothing in the Act precludes the use of testing or measuring procedures; obviously they are useful. What Congress has forbidden is giving these devices and mechanisms controlling force unless they are demonstrably a reasonable measure of job performance...What Congress has commanded is that any tests used must measure the person for the job and not the person in the abstract

Neither Congress nor the Courts has said that tests are illegal. They just say that any tests, inventories, or procedures (which includes the interview) used for selection must test for job-specific and job-related skills or traits.

When HR Compliance Runs Counter to Common Sense

Many Human Resource Departments are so busy guarding their houses against discriminatory hiring and unlawful firing that the competition is just walking in and raiding their chicken coop of talent.

Now I'm certainly not advocating a disregard for employment laws but these laws and common sense seem to be growing diametrically opposed to improving productivity and profitability in today's workplaces.

For example, a manufacturer was recently fined over \$600,000 for discriminating against minorities. Several years ago this company implemented a requirement that all new hires must have a high school degree or equivalency certificate. They supported a program to encourage our youth to complete high school and at the same time to ensure a higher quality and safer workforce. (Literacy and safety are related.) Sounds like a good thing, right?

Wrong! By requiring a high school education as a condition of employment, a disproportionate number of minorities were disqualified. Why? Because Blacks and Hispanics have a higher dropout rate than Whites. Many of the jobs required minimum reading levels to follow the instructions and read the blueprints and schematics. In order to find people who could read, the company had to discriminate. But discrimination is illegal and so this company was fined.

Sometimes selecting the most competent and motivated employee may run afoul of all the paradoxical and even hypocritical regulations governing how to hire, promote and fire. But organizations who want to employ the most competent and motivated employees do what it takes to ensure that their organizations remain productive, profitable and safe – even when it means using a little common sense.

Interviews:

Do They Pass The Test?

Have you ever interviewed a candidate on the phone and gained a completely different impression about them when you met face-to-face? Did your assessment change based on their appearance, age, size? Were you able to block out any biases based on hair style, color, language, tattoos, or piercing?

Whether you use the interview alone or assessments to complement your selection and promotion process, all your techniques and tools must meet three requirements:

1. Legality. The information you ask, through an assessment or interview must not violate the rights of the candidate or employee protected under the American for Disabilities Act or Title VII of the Civil Rights Act of 1964.

2. Validity. The tool or technique you use, including the interview, must be valid. In other words, can you prove that the information is job relevant and it consistently differentiates between fact and fiction.

3. Reliability. The results of the tool or technique must be reliable over time. Can the results be duplicated?

Reliability is a major weakness when relying on the interview for selection. Specifically, different managers using the same questions and tools interpret responses in different ways. In fact, the same managers on different days interpret responses in different ways.

The reliability of the interview due to human nature is less than 1 in 7. The reliability of a quality personality, interests, or behavioral assessment on the other hand is as high as 9 out of 10.

Are your current selection, development and promotion techniques reliable, valid, legal and predictive?

To learn how you can improve performance in your workforce legally and reliability, call us today at (512) 278-1200.

Stormy Labor Forecast Facts

Do As I Say, Not As I Do

85% of senior level managers identified ethics, integrity and values among the most important leadership competencies.

Only 31% of respondents replied that leaders perform at the most competent level in their organizations with respect to ethics, integrity and values.

20% replied that employee development was the single most important leadership challenge.

Only 4% replied that leaders currently perform at the most competent level with respect to employee development.

Source: Training, September 2002

Only 2700 Days Left

We're facing a shortage of 10,033,000 workers in about 2700 days.

U. S. Bureau of Labor Statistics projections report that by 2010 (just over seven years from now) we will have 167,754,000 skilled jobs to fill in the United States alone and only 157,721,000 people in the workforce in 2010 to fill those jobs.

Assuming that five percent of the workforce (7,886,050) holds two jobs, we still have approximately 2,146,950 jobs unfilled.

1980

Jobs Available - 99.3 million
Workers Available - 106.9 million
Unemployment - 7.1%

1990

Jobs Available - 124.3 million
Workers Available - 125.8 million
Unemployment - 5.6 %

2000

Jobs Available - 145.6 million
Workers Available - 140.8 million
Unemployment - 4.0 %

2010

Jobs Available - 167.7 million
Workers Available - 157.7 million
Unemployment - 2.0 %

Source: Human Trend Alerts, Oct. 2, 2002

Job Growth and Dropping Out

The Bureau of Labor Statistics projects a 15 percent increase in job growth in the United States through 2012.

Occupations requiring a college degree or post-secondary degree accounted for 29 percent of all jobs in 2000. Job growth in these occupations will increase 42 percent between 2000 and 2010.

At the same time, 1.56 million U.S. residents ages 16 to 19 were not high school graduates and not enrolled in school in year 2000. 528,000 (34 percent) were Hispanic.

In 1990, 1.59 million U.S. residents ages 16 to 19 were not high school graduates and not enrolled in school and only 346,000 (22 percent) were Hispanic.

In North Carolina, the Hispanic dropout rate jumped from 2 percent in 1990 to 25 percent in 2000.

"People ask the difference between a leader and a boss.....the leader works in the open, and the boss in the covert. The leader leads and the boss drives."

Theodore Roosevelt

Carpal Tunnel

Half of all people who suffer from carpal tunnel syndrome miss 30 or more days of work a year and the average cost is more than \$13,000 per case.

More than half of carpal tunnel syndrome cases are not work related

Workforce, September 2002

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Aging in the Workforce

What impact will an aging population have on the workplace

No Impact At All

2001 - 33%
Next 2 years - 15%
Next 5 years - 6%

Great Impact

2001 - 5%
Next 2 years - 16%
Next 5 years - 26%

Very Great Impact

2001 - 1%
Next 2 years - 2%
Next 5 years - 11%

Source:

SHRM 2002 Workplace Demographic Trends Survey

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