



Personality makes a difference in a new hire's success

Testing can help you make the best decision

At the May 2000 Human Resources Forum, aboard the *Queen Elizabeth 2* cruise liner Jim Collins, author of *Built to Last* (HarperBusiness, 1994), wisely said, "People are your most important asset. Actually, the right people are your most important asset and you can't get the right behaviour (performance) from the wrong people. Therefore, how do you measure the right behaviour?"

Selecting an awesome employee can be more difficult than finding the perfect mate. At least dating disasters occur in a matter of hours; bad hires are not as immediately evident. If couples complain about not really knowing their mates even after years of marriage, how can front-line hiring managers truly know a job applicant after a 30 to 45 minute interview? They can't. It's virtually impossible to really know someone in such a short time.

Traditionally, potential hires are assessed on experience, skills and appearance. But that's a minuscule part of the big picture. The paradox is that 50 to 70 percent of most job qualifications may be more inherent in personality than skill. For example, consider the qualities you would seek out in the interview process. If you're looking for a salesperson, you might want an individual who is assertive, convincing, self-confident, an excellent communicator, pressure oriented, competitive, independent, resourceful and goal-oriented.

But what about a bookkeeper? You would probably seek an individual who is detail-oriented, patient, methodical, analytical, a problem solver, accommodating, agreeable, a team player and a follower.

Now, ask which of these adjectives are skills — things you go to school for or take classes to learn — and which are more naturally determined by our personality. The answer is most of these qualities are personality traits,

not skills, that may be learned for the short term but aren't usually sustainable characteristics.

Unfortunately, without objective assessment, appropriate business traits are the least-known assets in the decision-maker's arsenal. Traditional hiring practices focus the interviewer on demeanour, personal appearance, and what applicants have done, not who they actually are. Ultimately, job performance — good or bad — hinges on how well the individual's personality meshes with the job. Behavioural assessments, when accurately implemented, are quintessential tools for managing and motivating individuals and matching the right person to the right position.

What's your picture of the perfect employee?

"If we take job fit into account when making selection decisions, we have a much better chance of matching the right person into the job and that's better for everybody", says Maureen Townson, Vice President and Marketing Director of The McQuaig Institute™. McQuaig, a Toronto-based company, produces software tools for assessing behavioural attributes in the workplace. "We spend an inordinate amount of time at work and I think it is absolutely critical there be a good fit", she says. The McQuaig System™ measures the behaviour that's required by a given job, and then it compares that measurement to the behavioural attributes of the applicant or incumbent. Measuring the required job behaviours is done through a process called benchmarking. Looking at the personalities of several high performers in a given position, who have been on the job at least six months to one year, helps to spell out the behavioural requisites associated with the position. Typically, this is conducted by the HR department, in concert with the management team that will ultimately be



responsible for the position. No one knows the culture of a given corporation better than those who are in the human resources department. Yet another approach is to have a manager indicate his or her impression of the best personality for the position. The manager's profile is then compared to the feedback that's collected from the top performers. The end result is a composite about what the job requires from a person behaviourally.

Just as every job has a set of ideal characteristics, every individual has strong personality attributes that determine fitness for a specific job, promotion, or company culture. For example, most executives assume everyone wants to be a leader. But according to statistics from a 12-year study conducted by Hagberg & Associates, 36 percent of engineers promoted from line positions had problems in a position of leadership.

Even though they possessed the skills, many did not have the personality for the promotion; thus, the Peter Principle.

Ross Weinberg, president of Line One Teleservices in New Rochelle, New York, a telemarketing company for the financial industry, knew his company's employee turnover rate was too high. Three years ago, for every 10 new employees, seven were performing poorly on the job during the first three weeks. "New hires were initially enthusiastic, but they did not know what they were getting into, and they ultimately hated it", he says.

Today, seven of 10 new hires are performing well in that same time frame. The turning point for Line One Teleservices was when personality testing was implemented in order to standardise hiring practices.

"Before that, we did not have an understanding of the behavioural profiles necessary for telemarketers. The assessments gave structure and framework to our hiring process", Weinberg says. "I would never run a business without them now. It hits me every day, especially when hiring telemarketing salespeople." Anytime a company is hiring salespeople, the evaluation of behaviour becomes more critical because so much of

their success is behaviourally driven. On the other hand, when a surgeon is being hired, skills far out-weigh the promise of a pleasant personality. So personality testing is particularly helpful in determining candidates for positions in which person-to-person contact is a priority.

While behavioural testing can make the difference for a company, the effectiveness of this testing depends on a few factors:

- ◆ *The type of role* for which people are being promoted or selected.
- ◆ *The type of test being used.* Personality, IQ and skill-based surveys range widely. Prices range from the Wonderlic Survey (\$8 per survey) to the Caliper Survey which may cost several hundreds of dollars.
- ◆ *The insight and knowledge of the people doing the testing.* What type of person should conduct the survey depends largely upon whether the company uses the surveys for tactical or strategic purposes. If testing is conducted on an annual basis, typically the user provides an individual fully trained in implementation and follow-up. On the contrary, the strategic application of personality tests gives any executive team a better overall understanding of the people side of the business.
- ◆ *Other benefits:* fewer levels of management can manage greater numbers of employees, companies will be able to maintain higher levels of alignment among their staff members, and turnover, absenteeism and accidents will go down while profits surge.
- ◆ *The factoring of test results in the overall evaluation process.* In other words, what is the ease of administration? Are the tests scored in-house or elsewhere? Has the company been trained in how to interpret the test results or will an outside source provide objective interpretation?

Turnover cost takes its toll

Although the true cost of employee turnover is difficult to calculate, and rarely seen on a profit and loss statement, few disagree that bad hiring decisions affect the bottom line.



Assessing tangible and non-tangible (or soft) costs can be an eye-opener for most managers. Since time is money, personnel costs — the number of hours multiplied by wages — plus burden costs mount up when one considered staff's time to interview, check references, review resumes, and place employment ads.

Hard costs also include advertising, employment agency fees, professional assessment, relocation expenses, start-up costs (business cards and incidentals), training, salaries and benefits, staff changes, termination and outplacement fees. Meanwhile, the intangible costs, those that cannot be weighed accurately, are business losses resulting from customer relations problems and lost sales, ebbing employee morale, lost productivity, and missed opportunities.

Eric McDonald, Vice President of Operations for Dallas-based Mutuals.com, a fee-less, international mutual fund investment company, started using personality surveys as an initial screening tool, via the Internet, about two and a half years ago. "We are looking for very select people here. We only hire two employees for every 80 applicants," McDonald says. In the case of Mutuals.com, their turnover rate dropped by as much as 70 percent, but they had to screen more applicants in the process.

Using Internet job lines the company throws a wide net and receives a high volume of queries. Interested parties are then linked to the company's Web site, and an on-line intelligence test and personality survey are given.

The questions are prioritised into 11 groupings of four words each. Typically, it can be completed in 10 to 20 minutes. This process eliminates about 50 percent of the applicants before the first in-person interview, says McDonald, who believes his 25-employee company saved more than \$50,000 last year alone. "No one has quit since we began doing this," he says.

"Personality profiling is very helpful in hiring and retaining the right people," says Mary Geving, HR manager for Netcom Systems, a Calabasas, California-based company that

produces testing equipment for Internet systems and employs 270 people. "We had a need for better retention, and this was a tool for making better decisions in hiring and keeping the right people. We use assessments prior to the first interview. These assessments generate questions based on personalities. After the hiring decisions is made, we use the information as a guide to the do's and don'ts on how to manage people." Geving says.

Personality counts

Awesome performance takes place naturally when key behavioural requirements of the job, and a candidate's personality attributes, are well matched for the position. Coaching and motivating people are far more successful when employers treat employees as individuals. Many managers have one style of management, which works best with employees with similar personalities. For employees with a different type of personality, it's important for managers to modify their approach in order to get peak performance.

Generally, behavioural testing helps managers understand their employees' needs, which creates more alignment up and down the organization.

Anthony Folan is manager of employee relations for Russell Metals Inc., in Mississauga, Ontario, which employs 2,000 people. They initially used The McQuaig System™ as a recruitment and assessment tool. The feedback reports have since become an integral part of supervision and management strategies at Russell.

"We try to hire people with the ideal profile, combined with their experience and academic background. Personality testing is a check-and-balance system. We also provide in-house training on conducting behavioural-based interviews. It is both a competency and behaviourally based interview." Folan says.

The template of success for salespeople is a dominant, independent, drive, competitive, results-oriented personality, not compliant and accepting, he explains. "We focus on those behavioural traits," says Folan.



Clearly, this approach allows management to better understand an individual's motivation for doing a good job. In turn, it allows for management and motivation based on each individual's personal needs.

McDonald from Mutuals.com adds, "A personality profile is only as useful as you make it. You have to understand the tool and use it to successfully integrate it into the culture of the company. Management has to make a commitment. It's an excellent tool if you use it right."

About a year ago, when he presented the largest cheque ever to his highest sales producer, the salesman replied, "I want a plaque. I produce more than anyone else here." McDonald was surprised. "If I had understood this salesman's personality in advance, I would have know that he likes accolades and public recognition in front of others, and I may not have had to pay him as much," says McDonald, tongue in cheek.

Don't rely on skills alone

Ron Krueger II, Chief Operations Officer of Wehrenberg Theatres Inc., of St. Louis, knows that some turnover is unavoidable. "We went through the highest level of transient people," says Krueger, who owns and operates movie theatres, traditionally the first work environment for many teens. "Now we make better hiring decisions for teens. We use it for everybody in the organisation, from executives to new hires." Wehrenberg

Success or failure is usually the result of personal characteristics, such as attitude, motivation, and especially, temperament. Regardless of the industry or the nature of the business, periodically it's important for CEOs and human resource professionals to stand back and determine who is winning the war for talent. If your company isn't, remember there are viable options, and surrender is not one of them.

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