



GUEST COLUMN — Building High Performance Teams by Selecting Top Talent

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In 2012, the first of almost 80 million Baby Boomers (those born between 1946 and 1964) will begin reaching retirement age. Some analysts have predicted that their move to retirement could cause a huge deficit in available employees in the workforce. Other research, though, has yielded a far different story.

An AARP study¹ conducted in 2004, revealed that 79% of eligible Baby Boomers do not plan on fully retiring when they reach retirement age, but will instead remain in the active workforce, perhaps choosing a new career or working part time. Therefore, the catastrophe called for by many forecasters is not likely to occur.

The real “brain drain,” however, could occur as Baby Boomers make these career moves. Intellectual capital will exit certain workforces, leaving a large void to be filled by companies if they are to continue to compete effectively.

Current hiring practices used by many organizations are contributing to this “brain drain.” Too many firms are using outdated selection methods that are based on experience-based job descriptions rather than on competency models that analyze the skills, knowledge and abilities required for top performance.

Job descriptions listing minimum education levels and years of experience can be helpful during the applicant process, but too often are the driving force behind the entire selection process. For example, simply because a candidate has five to seven years experience does not mean that candidate was successful or even a good employee. More importantly, it doesn't indicate what the candidate's predicted success will be in the role for which they are currently being considered. It becomes strategically vital that companies shift from traditional hiring practices to those that can predict future performance of their employees.

Basing your selection process solely on data gleaned through resumes is already proving to be disastrous and will continue to be a problem unless steps are taken to reverse this trend. A large company in Texas reported that, in the first twelve months of employment, 84% of their sales team turned over because they were using outdated selection methods. After developing a more formalized interview process and through the use of an assessment tool, the turnover was reduced to 58% - a 31% decrease! Since the cost of turning over a salesperson is estimated to be 150% of their annual salary, this firm immediately recognized a huge reduction in recruiting costs, not to mention the time savings of its managers, all of

¹ Kenneth Kolosh and James J. L'Allier, Ph.D., “Preparing for Baby Boomer Retirement,” Chief Learning Officer June 2005

which helped to drive increased business. At the same time, its customers were able to obtain a greater sense of continuity due to the increased stability of the company's sales force.

So, how do you develop a better selection process? It all starts with the definition.

The first step is to determine the competencies necessary to be successful in the position. To better understand competencies, let's look at the three key ingredients: ability, knowledge and skill.

- Ability is the individual's personality, i.e. the attributes that they bring to the position.
- Knowledge is learned and developed through life experience.
- Skill is the behavior we exhibit – the combination of our ability and knowledge to reach a purpose.



The following example of the 'Influencing Ability' competency illustrates how competencies are developed using ability, knowledge and skill:

Example: Competency → Influencing Others

- **Ability** – Assertiveness, aggressiveness, drive to influence, confidence, listening ability, reasoning. The foundation upon which competency is built.
- **Knowledge** – Product, client, and industry know-how, mastery of a process.

- **Skill** – Effectively builds rapport, enjoys working with others, thrives on problem solving, has a good sense of humor.

Hiring against the job description indicates that you are assessing the individual's ability to meet the output requirements of the role. This method is purely experience-based, and denies the hiring manager the ability to determine if the candidate has the potential to excel, regardless of past experience. With this method, can the hiring manager know if the candidate is going to be the next top employee, but needs training around skill and knowledge to be successful? Regardless of how Baby Boomers move into retirement, this huge segment of the workforce will have a significant impact in shaping tomorrow's professional environment. As such, successful companies have no choice but to assess candidate potential and then train for the required job-specific knowledge and skills, while those companies who fail to do so will be left in the dust.

With this understanding in mind, how are these competencies used in the selection process?

Developing competency-based selection and hiring criteria requires companies to break down the position and functions into people terms. Continuing to use the competency example "Influencing Others" will show that developing business, managing leads and providing service before the fact are bona fide position outcomes, while competency models go beyond this and answer the question, "How?"

Competency-based selection models assess a person's personality, their ability to assert their views, manage employees and clients, overcome opposition and press for success, and their ability to bounce back quickly from tough situations. Moreover, by using behavioral-based and situational interview questions, a hiring manager can assess a candidate's past behaviors, regardless of the position held, to determine their future performance on the job. Questions like, "Tell me about the toughest situation you have encountered and how it concluded," will provide the hiring manager with far more valid information than asking a job description-based question such as, "What is your experience in working with large corporate accounts?" The first question yields answers that are predictive of success regardless of industry experience; the answer to the second question only yields a discussion of what the candidate might know.

Let's consider the impact of competency models on the development of employees. One of our clients had an executive who, year after year, had "learn to delegate" as a development initiative. However, upon focusing on this person's competency, in particular his personality or ability, it was uncovered that he was so cautious that his failure to delegate had nothing to do with his capability to delegate but rather his fear of the other person failing to perform to the necessary standard. Once this limitation was uncovered, targeted development could take place. Today, for the first time in six years, "learn to delegate" is no longer a part of his development plan. This change came about because the company shifted from a focus on the outcome to a focus on the skills, knowledge and abilities needed to achieve that outcome.

There are several ways to develop competency models, from in-house discussions to securing the support of a Human Resource consulting firm. However, both approaches have their limitations. Developing these models in-house with a lack of expertise in this field can lead to the selection of the wrong people – competency

models can be built on what people think is required rather than on what is validated to be essential. On the other hand, hiring an outside consultant can be costly, preventing many smaller firms from accessing these resources. A third and less expensive, yet proven, approach is to use a valid psychological profile as the basis for building the competency model.

First, your top and bottom performers are selected to complete the personality assessment profiles. This assessment tool is designed to unveil a series of personality characteristics common to all of us and will help you to understand the critical and differentiating abilities that lead to superior performance in either a potential job candidate or an existing employee. Your top performers share certain personality attributes that assist them in performing at peak levels. A study can be conducted to identify the success qualities of this group, thereby creating a top-performance model of the personality characteristics that lead to success in your organization.

All future candidates selected for follow-up interviews are required to complete the same personality assessment. The employer is then able to determine the core and desired competencies of candidates for each position and hire the ideal candidates based upon how their profile matches those competencies.

The assessment tool can accurately and predictably measure the candidate's ability to perform successfully in the company. Customized selection models are then developed for each position. These models are based upon cultural fit of the candidate for the company, if there is a fit to the company's strategic objectives and client needs for the individual positions being considered. These custom models will include an in-depth analysis of the predicted success of the candidate based upon their ability, knowledge and skills.

Ability is unchangeable, so focusing on skill and knowledge is the most effective way of growing one's competency.

How can you focus on skill and knowledge?

A structured interview process can be created with standardized questions for each position to make certain that a consistent selection process is followed for each position and each candidate. The answers to these questions will give the interviewer additional insight into the experience and capabilities to perform in the role. This consistent process will help protect the employer from potential discrimination lawsuits, and will ensure that all candidates have a "level playing field" when moving through the interview process.

As new positions are created, employers are able to determine whether they can effectively fill that position with a candidate possessing the necessary industry knowledge and experience. If the employer cannot reasonably do so, candidates entering the workforce immediately after college or those candidates considering a career change may be evaluated if their potential and their fit for the position merit further consideration.

Additionally, once the candidate is hired, the personality assessment can be used to manage employee performance by leveraging the information uncovered during the selection process to determine their training and development needs. Further, it will assist the hiring manager in understanding how to coach and mentor each

employee and will reinforce to employees that management cares about their career development and progression.

One further instrument to aid in managing employee performance and performance development is a performance appraisal system that provides a 360-degree view of the employee's performance through self-assessment, manager ratings and peer feedback. This multi-rater performance evaluation tool identifies employee competency, performance trends and learning and development opportunities. It also offers key solutions to busy line management by being self-empowering, easily administered, cost-effective and time efficient.

Your goal is to reduce turnover and hire the best person each and every time to allow you to build a world-class workforce. By using each of these tools mentioned above during the selection process, you can select the top performers for each position. Moreover, you can use these same tools to train and develop your existing team to increase their performance. You are hiring, promoting and retaining top talent based upon their actions and behaviors rather than on their experience and education alone.

Greatness can be developed and achieved to make your organization more effective and successful!

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