

A Manager's Quandry: To Test or Not to Test

Dot-Com Bomb Yields Little Labor Help.

How naïve to believe that the dot-com bomb would explode the New Economy and out from the rubble of the bomb shelters would arise thousands of employees gasping for jobs, re-entering the workforce and at last, replenishing a workforce severely depleted of the best and brightest.

Just look at these recent headlines highlighted in the *middle column*. The shortage of labor—skilled and unskilled— is far from over.

“Breaking the Rules”

“After living through the last few years of labor shortages, the last people that will be fired are those with needed skills.”

Joel Naroff,
Naroff Economic Advisors

Firms including Disney, DuPont, DaimlerChrysler, Lucent and Union Pacific aren't letting go of workers they've spent years trying to recruit—that would be akin to eating seed corn.

Source:

US News & World Report, May 21, 2001

How to Avoid Motivational Mistakes Managers Make!

See Page 4

Ripped from the Headlines!

More firms cut workers ranked at bottom to make way for talent
USA Today, May 31, 2001

Changing jobs: About four million Americans do each month
Wall Street Journal, May 29, 2001

Demand for IT workers down, but still exceeds the supply
HR-News, May 2001

Companies hire even as they lay off
USA Today, May 15, 2001

Saving our schools
(teacher shortages in Canada)
Maclean's, May 14, 2001

Schools seeking teachers overseas
The Arizona Republic, April 22, 2001

Worker output plunges
USA Today, May 9, 2001

As beach season begins, lifeguards in short supply
Lancaster News Era, May 26, 2001

Unsafe medicines: Understaffed FDA can't regulate unsanitary conditions
Lancaster New Era, May 23, 2001

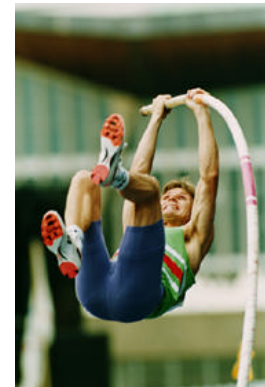
Tight labor market crimps Husky
Financial Post, May 15, 2001

Nursing burnout may lead to major health care crisis
USA Today, May 7, 2001

How high do you need to jump to recruit and retain employees? In the past, high jumping might have been good enough.



Today, even a good pole vault might find you missing the bar and falling right back down to earth on your rump.



No one seems to need convincing that in today's business environment the most frustrating and time-consuming challenge is recruitment and retention of top talent. Reluctantly more and more managers realize this labor shortage will not go away. They don't like it either. But many managers are beginning to build strategies to recruit only the talent that matches their business model and select and retain only individuals whose skills will produce the outcomes the company needs for profitable growth.



136 W. Main St.
Suite 200
Leola, Pa. 17540

(717) 656-4632
1-800-803-4303
(717) 656-7816 FAX
email: iwolfe@super-solutions.com

(continued from page 1, column 3) Unfortunately, managers have dumped a mountain of resources into recruitment and training efforts with a molehill of differences. The engine may be running but there is not much forward progress. This leaves many managers in a gut wrenching quandary. Faced with playing a new game with rules they don't understand, managers can either abandon the tried and tested interview as their primary tool for selection or they can keep doing the same thing over and over again – just playing harder.

“The interview is the most flawed process in the American business.”

Larry Brossidy,
Chairman and CEO of Allied Signal,
1991-1999

Selecting and promoting employees needs to be like an opportunity-seeking missile. The pool of available workers is depleted of the best and the brightest. Managers need to hone in on the talent, not just warm-bodies. “Being good at your job”, writes Jorgen Sanberg in *Understanding Competence at Work* (Harvard Business Review, March 2001), “means having the right understanding of your job.”

Larry Brossidy agrees - and knows - about hiring and developing the right people. In his tenure as Chairman and CEO of Allied Signal from 1991-1999, he delivered a nine-fold return for his shareholders, tripled operating margins, and nearly tripled the return on equity. Brossidy feels that the interview is the most flawed process in American business. “Some people interview well and some people don't. And a person who doesn't interview well may be the best choice for the job. It takes time and effort to drill down further – but it's always worth

the trouble...there is no way to spend too much time on obtaining and developing the best people.

Brossidy also admits to some “people” mistakes he made. He attributes these to three things. First, some mistakes came from an over-reliance on interviews. Second, many managers including himself assumed successful people in one environment would be able to thrive in another. And third, when a hiring mistake was made, corrective action was postponed. Sure, everyone was given a chance to improve but in the end some people just didn't work out. The decision to let someone go is difficult but it has to be done. Of course, the solution is not firing quickly but hiring people with the least probability of failure and the propensity to succeed.

How effectively can a manager avoid the bad apples and find the good ones who understand how to do the job and then actually apply what they know?

Managers are fed up with hiring people they like in the interview but can't seem to do the job they were hired to do, let alone show up on time if at all. A recent American Management Association survey showed that 60 percent required specific job-skill testing of applicants and 31 percent used psychological tests. Yet interviewing, the single most unreliable way to predict what a person will do on the job, remains the most used selection tool for hiring new employees.

What do managers need to do to have the highest probability of making a good hiring decision? Job matching and behavioral and interests testing improves the odds of hiring the right person anywhere from two to five times over using the interview alone (See chart 1). Pre-employment assessments generally include disqualifying (or screen-out) tests and qualifying (or select-in) tests.

Disqualifying tests such as SELECT™

weed out applicants that an employer doesn't want in the selection pool. These instruments, many position-specific and industry-specific, eliminate, at an early stage, unqualified or unsuitable persons from consideration for employment.

Qualifying tests such as *Managing for Success Series™* or *Personal Soft Skills Indicator™* measure the ABC's of employee performance: attitudes, behavior, and competencies.

These employment and performance assessments – screen-out and select-in alike - provide a variety of efficiencies, saving time and money for employers. They reduce the expense of high turnover by helping to determine who will do well in a particular job on the front end of the interviewing process. The assessment capabilities can be used as well to size up the existing workforce for the purposes of team-building.

To request a complimentary *Managing for Success* report (valued at \$150):

- Call us today at 717-656-4632 for your response code
- Specify your choice—Sales or Employee/Manager,
- Provide us your email address

It's that simple!

Probability of predicting success on the job using various selection tools:

Interview—1.4 out of 10

Reference Check—

2.6 out of 10

Personality test

3.8 out of 10

Abilities test—5.4 out of 10

Interests test—6.6 out of 10

Job matching—7.5 out of 10

Improve your odds over 400% before hiring your next employee by job matching.

Just a Click Away

18 million employee profiles and resumes are posted on Monster.com, representing nearly 13 percent of the U.S. labor force.

Hispanic Power

The Hispanic population grew by 58% in the 1990's.

Hispanic Purchasing Power: Disposable income jumped 118% during 1990 to \$452 billion in 2001. (Disposable income jumped 68% during 1990 for non-Hispanics).

Total national disposable income: \$7 trillion.

E-mail vs. Snail Mail

9.7 billion e-mails were sent DAILY in 2000; it is projected that by 2005, 35 billion emails will be sent.

700 million pieces of first class mail were sent in 2000, declining 3.6% annually through 2005 to 583 million.

Since 1995 the number of email boxes in the US has increased 600% and the number of households with email access has increased 19% from 1999-2001.

USA Today, May 15, 2001

Job tension making us sick

In a national health survey of Canadians released May 16, 2001:

- Two-thirds of the participants suffer from a "great deal of stress" on the job.
- One in three claim to have been physically ill because of stress at work.

Aventis Healthcare Survey

- Anxiety, stress and depression accounted for 30 percent of all doctor visits in the province of Alberta.
- Visits to the doctor for depression increased 36 percent over the past five years.
- The World Health Organization estimates by 2020, depression will be the leading cause of disability worldwide.
- One of the greatest risk factors for having a second heart attack is the presence of depression.

Calgary Herald, May 17, 2001

Four Steps to Winning The Talent War

1. Attract the right people.
2. Screen effectively.
3. Make decisions quickly.
4. Extend the offer and hire.

Subscribe Today!

To receive your next 12 issues absolutely FREE (a \$79 value), simply fax, email or call with your information.

I prefer to receive Your M.A.I.L. by

Fax E-mail Mail

Name _____

Title _____

Please send a free subscription to Your MAIL to :

Name _____

Company _____

Telephone _____

Fax _____

E-mail _____

Payroll employment, while having fallen 276,000 since February, is far from matching the declines in the 1990-91 recession, which totaled 1.8 million.

Business Week/, June 4, 2001

A proposed bullying law in Portugal would make it illegal to harass workers by giving them tasks for which they were over-qualified.

New Articles authored by Ira S. Wolfe are available on our website at www.super-solutions.com/articles.html or by calling 717-656-4632 to request a copy.

Business2Business: Motivational Mistakes Managers Make (May 2001)

Central Penn Business Journal: Leadership Succession is No Rush to Judgment (April 20)

*How to Avoid
Motivational Mistakes
Managers Make*

June 20, 2001

8:30 AM—Noon

**Early Registration: Only \$69 per person
(Valued at \$410.00)**

(After June 10—\$109 per person)

Includes complimentary breakfast, Work Environment and Style
Analysis workbooks, complimentary Managing for Success,
Personal Interests, Attitudes and Values and Personal Soft Skills
Indicator Reports and
CD-ROM- Why This Labor Shortage Will Not Blow Over

Best Western Eden Resort Inn
and Conference Center

Reserve your seat today— Call **(717) 656-4632**
Seating limited to first 30

In This Issue

**A Manager's Quandry: To Test or Not
To Test**

Dot-com Bomb Yields Little Labor Help

**Improve your odds over 400% before
hiring your next employee**

Job tension making us sick

And more.....

NEW! Live Interviews with Ira S. Wolfe—Call today to order.

Audio—QR77 Afternoons Live Talk with host Dave Taylor

Video—A-Channel The Big Breakfast Show with host Dave Kelly

Your MAIL has arrived!

Success Performance Solutions
136 West Main Street
Suite 200
Leola, Pa. 17540
717-656-4632
www.super-solutions.com

