



# Employer's Advantage

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*The lead story in this edition considers ideas about making businesses more successful. Like many other "process-focused" approaches, though, it would benefit from increased attention to people, and their "fit" to their jobs. —Editor*

**CHEATING ON DRUG TESTS PROLIFERATES**

According to *Business Insurance*, as quoted in *Workforce Week*, "...job candidates and employees can now choose from more than 400 products to help them cheat on drug tests..." For employers, that may shift worries from the consequences of "false positives" to the more destructive error potential of "false negatives," and erode what may be a false sense of security for those relying on pre-hire drug tests. More employers are now considering pre-hire screening with "honesty-integrity" tests which include substance abuse attitudes in their scores.

**"LEAN SOLUTIONS" REQUIRE PEOPLE — PEOPLE WHO MATCH THEIR JOBS WELL!**

Authors James Womack and Daniel Jones have been well-read proponents of the theories and practices of "lean manufacturing" and "lean operations." In their most recent book, *Lean Solutions: How Companies and Customers Can Create Value and Wealth Together*, they carry their analysis of the concept further suggesting "good business starts with the customer." While that's a difficult concept to argue against, each time they provide examples of what they mean, **they inevitably come back to the person (employee) who talks to the customer.**

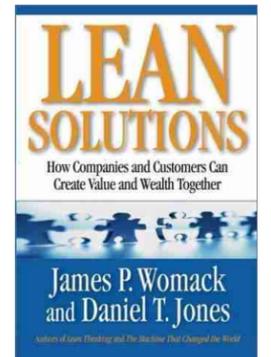
They identify a list of things customers want a business to do for them:

- Solve problems completely
- Don't waste my time
- Provide exactly what I want
- Deliver value where I want it
- Supply value when I want it
- Cut the number of decisions I must make to solve my problems.

Each of those things, ultimately, depends on a very good match between the person representing the business and the job he or she is trying to accomplish. For example, they suggest so-called

"help desks" are a place where few or none of the items on the customer's wish list commonly occur. (Help desks seldom solve problems completely. They inevitably waste huge amounts of time, as an underqualified employee runs through a mandated, computer-generated hierarchy of possible solutions eventually turning the customer over to a [presumably] more qualified employee who applies greater knowledge to the problem *ad infinitum*...) The solution, according to the authors: "...put knowledgeable people on help desks to solve problems faster and better." We would add: be sure the knowledgeable person communicates well at the level of the customer, is persistent, has a high degree of tact, and has a genuine interest in helping people. In other words...**Job Fit.** Apply the concept to health care. Instead of having patients talk to a receptionist to schedule an appointment, put them in touch with a knowledgeable professional who can do a more appropriate job of scheduling, and who can cut out unnecessary preliminary appointments and decrease the hated waiting time before treatment. We would add that this professional should have good

communication skills, high objective judgment, interest in people service, moderate assertiveness...**Job Fit.** While the authors suggest we may need a whole new set of industries to, essentially, outsource business logistics, by building lean organizations to deliver these services, we would argue against the idea. It's a red herring. Existing or-



ganizations could provide what we would call "lean customer service," if they are conscientious in matching service providers with the jobs they perform. In the process, more efficient and valuable service could be provided by fewer people who do a better job. My goodness, we could even pay service providers more, if they were more effective and the job required fewer employees! Every level of service delivery presents this opportunity, as well as a wide range of living examples of excellent performance—models who **Fit the Job!**

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**"I'd rather be a failure at something I love than a success at something I hate."**

**-- George Burns**

## UNDERSTANDING THE PEOPLE YOU MANAGE... ASSESSMENT TOOLS CAN HELP!

Writing in last spring's *Working Knowledge*, a publication of the Harvard Business School, Marcus Buckingham asserted, "Average managers treat all their employees the same. Great managers discover each individual's unique talents and bring these to the surface so everyone wins."

*"...most managers are not likely to know exactly what to do with this advice: "To identify a person's strengths, first ask, 'What was the best day at work you've had in the past three months?'"*

Many managers in North American business circles would probably agree. While Buckingham's credentials are impeccable, and his research with the Gallup organization is based on very large samples in real-world settings, his recommendations are sometimes a bit general, and therefore limited in utility. For example, most managers are not likely to know exactly what to do with this advice: "To identify a person's strengths, first ask, 'What was the best day at work you've had in the past three months?'" Interpretations of the answers to this question are probably as varied as the managers who ask it! Fortunately, many more specific tools are available to help a manager discover each individual's unique talents. For example, most managers would be likely to benefit from knowledge of the individual's cognitive style: does this person learn quickly and accurately with little repetition, or should information be metered out, repeated, and practiced to ensure it's understood? It would be beneficial to know something about several important behavioral traits: how long can this person work without a break, before

quality of work suffers? In a staff meeting, are we likely to hear important ideas offered freely, or will we need to encourage, or even insist on participation to find out what he or she is thinking? Will plans be accepted too freely because this person's expectations are that "things will all work out OK?"

Our hypothetical manager might pay attention to a worker's occupational interests, too. Top performance rarely accompanies disinterest.

Identification of these, and similar characteristics, can be accomplished with difficulty and a great investment of time by managers willing to pursue the matter long-term in close contact with a worker. But most managers don't have that kind of time to invest, even if they possess the skills to accurately appraise all these things. A valid and reliable whole-person assessment, however, can give a very accurate picture of this type of information in a very short time.

Are you managing customer service? Would it be useful to know the employee's characteristics regarding trust, tact, conscientiousness and flexibil-

ity? A well-designed assessment can identify these characteristics efficiently. Does your sales force need persistence and a high energy level to succeed? An assessment can help you identify the extent to which each of your people possess these characteristics, and perhaps help you compensate for weaknesses with systems and support.

Viewed objectively, the dilemma of "understanding the people you manage" is nearly impossible with simple, biased, one-person observation...but very solvable with a combination of valid and reliable assessment tools. Managers who take this challenge to heart will be well-served by investigating the broad array of assessments available, determining the appropriateness of these tools to their own responsibilities, and then weighing the very high returns on investment available in proper use of good assessments.

Good information, in the hands of a manager also invested in interacting with his/her people and learning by observation, may well make possible Buckingham's elusive goal where everyone wins.

### RETENTION GAINS IMPORTANCE AS WORKFORCE SHRINKS

Faced with the reality of a shrinking workforce over the next decade, more attention is being focused on retaining the employees already in place. "It's going to be harder to replace your employees than it will be to keep them," said Arthur Papas, co-founder and CEO of [Bullhorn Inc.](#) quoted in the *Boston*

*Business Journal*. A natural consequence of focusing on retention, keeping workers at work beyond conventional "retirement age" is increasingly palatable. These trends will accelerate as baby boomers leave the workforce and retention will become the focus of more business initiatives

## SETTING CUTOFF SCORES IN HIRING — JOB-RELATEDNESS IS CRITICAL

If you read the Department of Labor's (DOL) guidance in the area of "Processing Test Results to Make Employment Decisions" (page 76 in their *Guide to Testing and Assessment*), it will become clear that the ability to prove the relationship between a cutoff score on an assessment and success on the job is a primary concern. The actual guidance goes like this: "a cut-off score is the minimum score that a candidate must have to qualify for a position. Employers generally set the cut-off score at a level which they determine is directly related to job success. Candidates who score below this cut-off generally are not considered for selection." How, then, do you make your case for job-relatedness in the area of pre-employment screening assessments? Elsewhere in the DOL guide, under the heading of "Situations in Which an Organization May Benefit From Testing," they include "high employee turnover or absenteeism." The following case study shows how a manufacturer of heavy construction supplies collected data, analyzed hire failures leading to unacceptably high turnover and provided strong justification for using a cut-off score approach to help-

ing eliminate candidates who were unlikely to succeed on the job long-term. The prescreening instrument used was the Step One Survey II™ (SOSII), an honesty-integrity measure that includes a distortion scale, that has been tested and found to meet the DOL's recommended levels for validity and reliability and that has also been tested for disparate impact on protected groups. Over a period of 10 months, the company provided the assessment to 321 candidates in their normal hiring process. Eventually, 122 candidates were hired, based on their application, experience, reference checks and interview. The hiring team had access to the SOSII reports, but did not utilize a cutoff score approach. Data was subsequently collected on the hired employees; hire date, termination date if they left employment, reasons for terminations and whether termination was voluntary or involuntary. (As previous articles in this publication have documented, involuntary terminations are much more expensive for employers, on average, than voluntary terminations.) It came as no surprise to the employer, hire failures

ran very high. Only 28 percent of those hired were still employed 90 days after hire, about their usual failure rate. The question is how do the SOSII scores relate to success or failure and what cutoff, if any, could help attack the problem? The use of cutoff scores is almost always a two-edged sword. If you set the cutoff too high, jobs will go unfilled; set it too low, the problem will not be sufficiently reduced. Careful analysis of the data, as reflected in the tables below, resulted in a decision to apply a cutoff score at the level of "no scale score below four." Based on clearly job-related data, and in pursuit of the legitimate goal of reducing early hire failures, application of this cutoff is expected to reduce involuntary early hire failure by approximately 35 percent and reduce voluntary early hire failure by about half as much, while only eliminating approximately 15 percent of the candidates statistically predicted likely to stay employed beyond 90 days. Predicted return on investment for the next year's assessment program is in the range of 2000 percent, based on annual assessment costs of \$6,000.

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### Factors Considered in Setting Job-related Cutoff Criterion

**Over the entire study period, predicted effects:**

**If no hires with a scale score < 4, 33% less involuntary terminations.**

**If no hires with a scale score < 4, 18% less voluntary terminations.**

**If no hires with a scale score < 4, 22% still working would not be hired.**

**Considering the 90-day failure/success point:**

**Of the 27 people still employed beyond 90 days, only 4 (15%) scored <4.**

**Of the 39 people who failed voluntarily in < 90 days, 10 (26%) had a score <4.**

**Of the 17 people who failed involuntarily in < 90 days, 6 (35%) had a score <4.**