

# Research Briefing



## Making Every Hire Count: What Really Matters to the C-Suite

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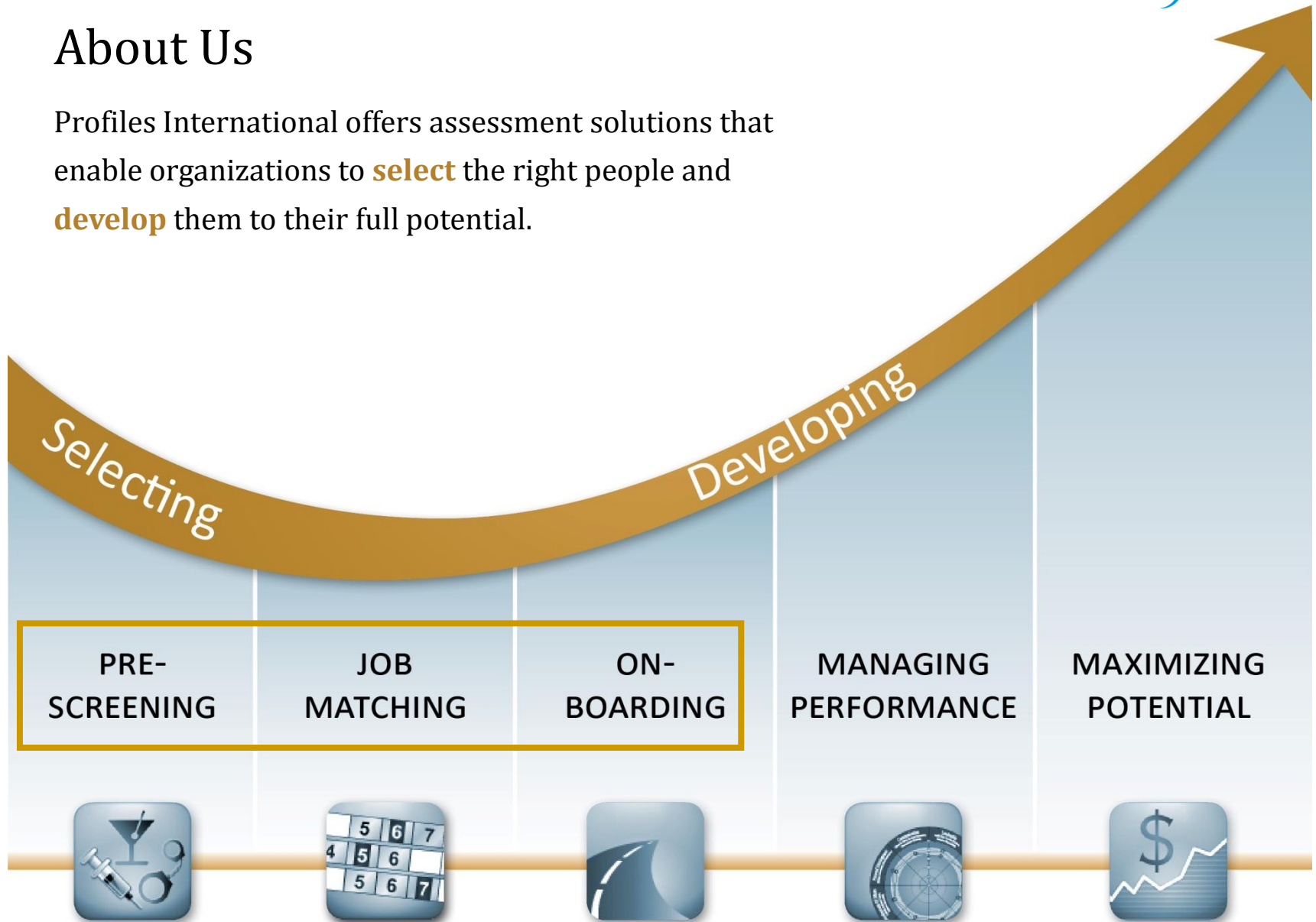
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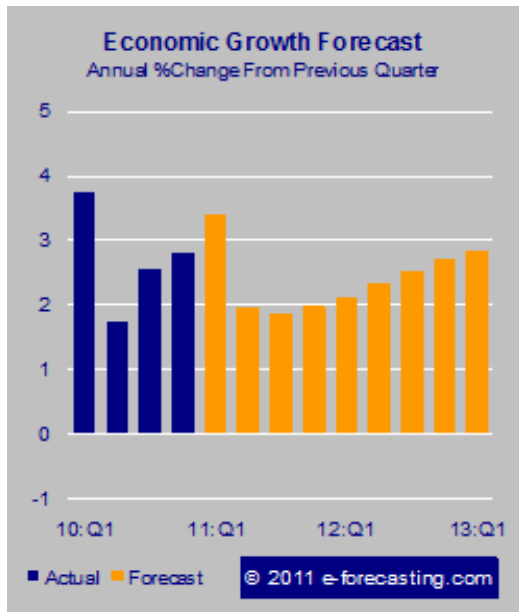
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# About Us

Profiles International offers assessment solutions that enable organizations to **select** the right people and **develop** them to their full potential.



## Introduction: Making Every Hire Count



*Economists say the U.S. economy is gaining strength.*

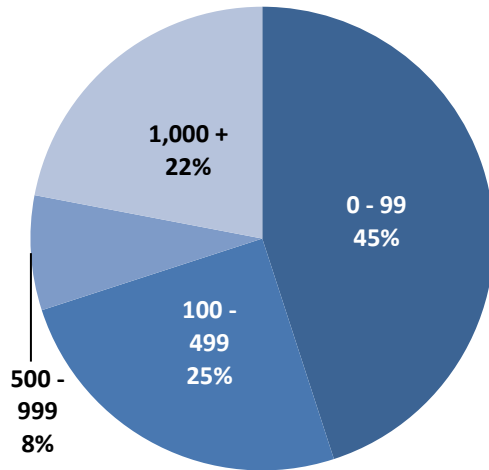
In today's economy, nearly every organization faces pressure to reduce waste and run at peak efficiency. Although the economy has shown signs of improvement and the unemployment rate has dropped modestly, organizations are still extremely cautious when it comes to hiring.

Now more than ever, organizations strive to do more with less, and when it is necessary to hire, make every hire count. The climate in organizations remains tense—the stakes are high, and there is little room for error. It is crucial for senior-level leadership, human resources, and hiring managers to all be on the same page and do the right thing.

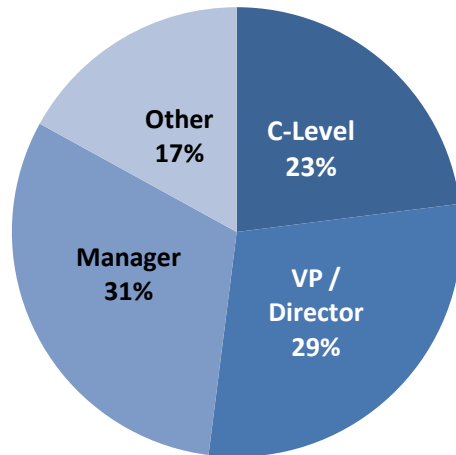
Given the importance of this issue, our study had four objectives:

1. Identify the “Top 10” questions an organization needs to answer to make every hire count.
2. Identify primary challenge areas for organizations when implementing an enterprise-wide system to select employees for open positions.
3. Identify how well c-level executives making decisions are aligned with their people on the front lines who will need to implement the changes.
4. Identify key actions necessary for aligning your organization with a new strategic direction.

**Participants – Company size**



**Participants - role**



**Total participants = 785**

## Making Every Hire Count: Research Methodology

Profiles International researchers conducted a comprehensive review of organizational design and talent management practices to identify over 50 “best practices” in the context of hiring and onboarding new employees. We then asked several experts to rank order their top 20 best practices from this list, from which we determined our “Top 10” best practices list.

Using these “Top 10” best practices, we designed a brief 10-question survey to poll our clients on how well they believed their organizations followed these practices and how well they would be prepared for selecting and on-boarding new hires.

We had nearly 800 participants from multiple industries. Over 30% worked in companies with more than 500 employees and over 50% had director-level roles or higher.

This large sample enabled us to segment the response data into two groups (C-Level participants and Non C-Level participants), and to identify trends and measure the amount of discrepancy between them.

Our findings highlight some considerable differences between these two study groups on nearly every dimension we measured. This heightens concerns that the C-suite may be out of touch with what is actually happening on the front lines as it relates to selecting and on-boarding talent in the midst of change.

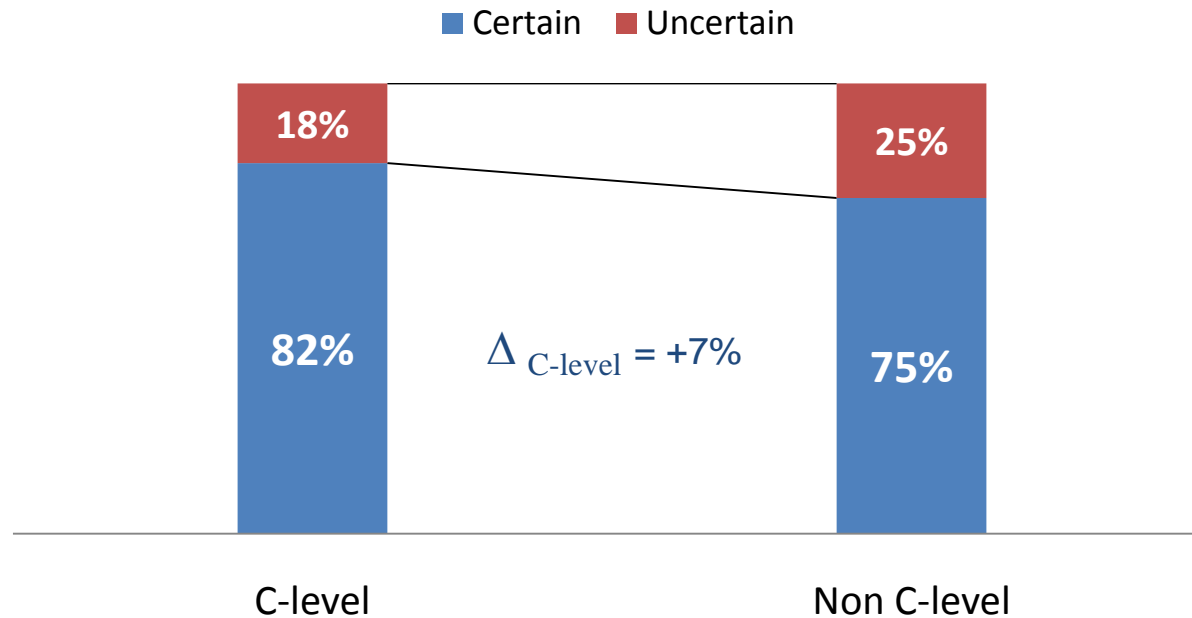
## Top 10 Selection Best Practices



- 1. Know how each job supports your organization's key objectives.**
- 2. Consider both internal and external candidates for open positions.**
- 3. Use objective evaluation criteria based on known outstanding performers in that job.**
- 4. Ensure compensation is competitive, based on current market rates for the job.**
- 5. Apply a consistent selection process to filling all positions.**
- 6. Include key stakeholders in your employee selection process.**
- 7. Train your interviewers in your employee selection process.**
- 8. Give your interviewers guidance to help them probe deeper into a candidate's suitability.**
- 9. Conduct comprehensive reference and background checks on job candidates.**
- 10. Ensure that your orientation process helps new hires become productive faster.**

## Making Every Hire Count: What Matters to the C-Suite

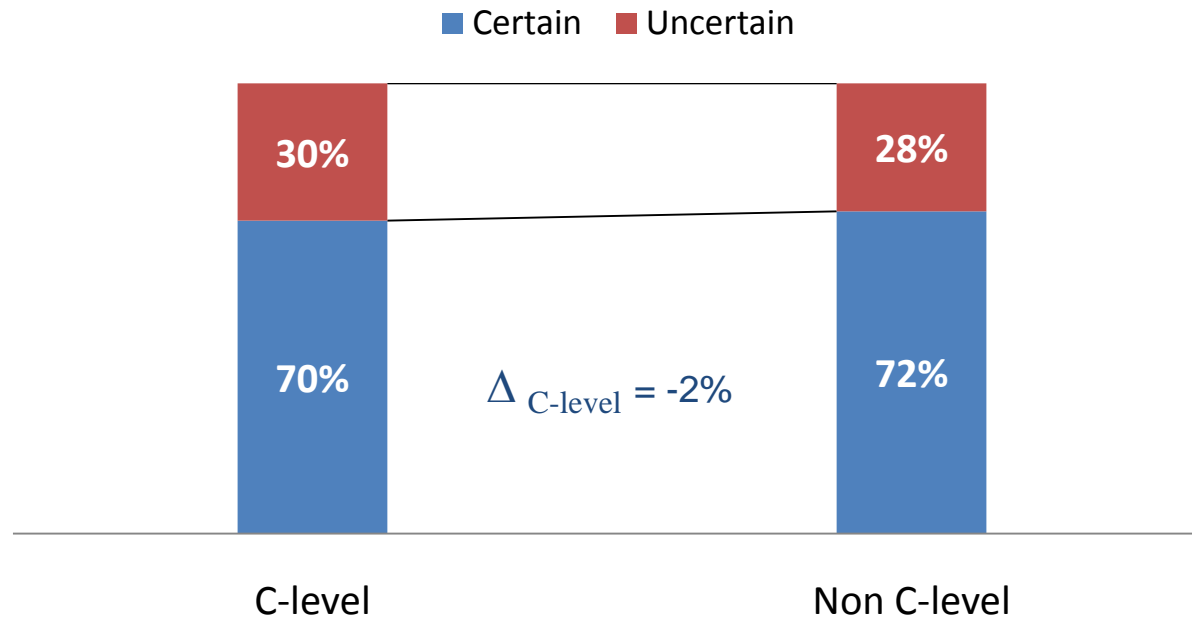
Q1. We know how each job supports our company's key objectives.



There is a large gap in perception between C-level executives and front-line managers. Organizations may be behind the curve if job designs have not changed with a revamped plan of action. It is quite common for executives to make changes in strategy, but the message gets diluted as it gets passed down. And, it takes more than just communication to truly affect strategic change. Managers and employees need to know what they need to do differently and receive the training to perform their new duties. Even better, new goals should be set to align behaviors and priorities with the new direction and objectives. All of this needs to be considered when filling open positions. You need to ask: Why does the position exist, and have the requirements changed in light of any strategic or organizational change?

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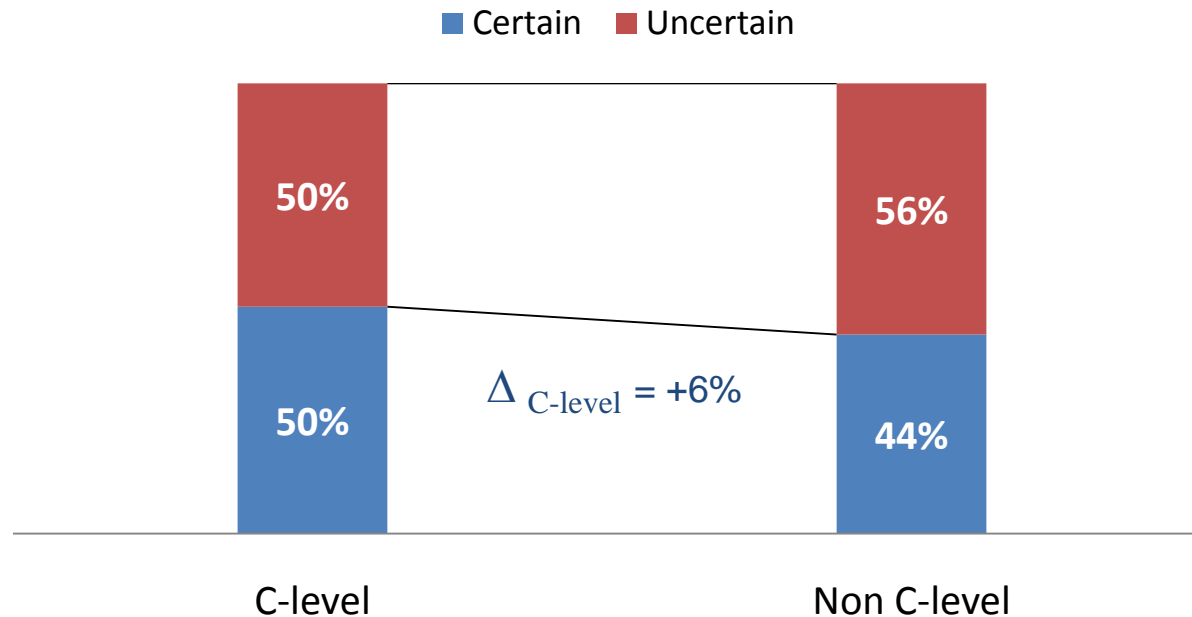
**Q2. We consider internal candidates before opening opportunities to external candidates.**



This was the only question where the Non-C-level respondents were more certain than the C-levels. But, this isn't necessarily a positive point. We encourage our clients to always hire the best person for the job, regardless if they are internal or external recruits. Times of change and uncertainty also present unique opportunities for organizations. The supply of talent has never been so abundant or so affordable, and it costs very little to assess and interview qualified candidates. This is especially true when you're redesigning jobs to drive efficiencies in the organization. Although hiring outside candidates is usually viewed as being higher risk, not having a preconceived notion of how things were done in the past may actually enable them to adapt better than a tenured employee.

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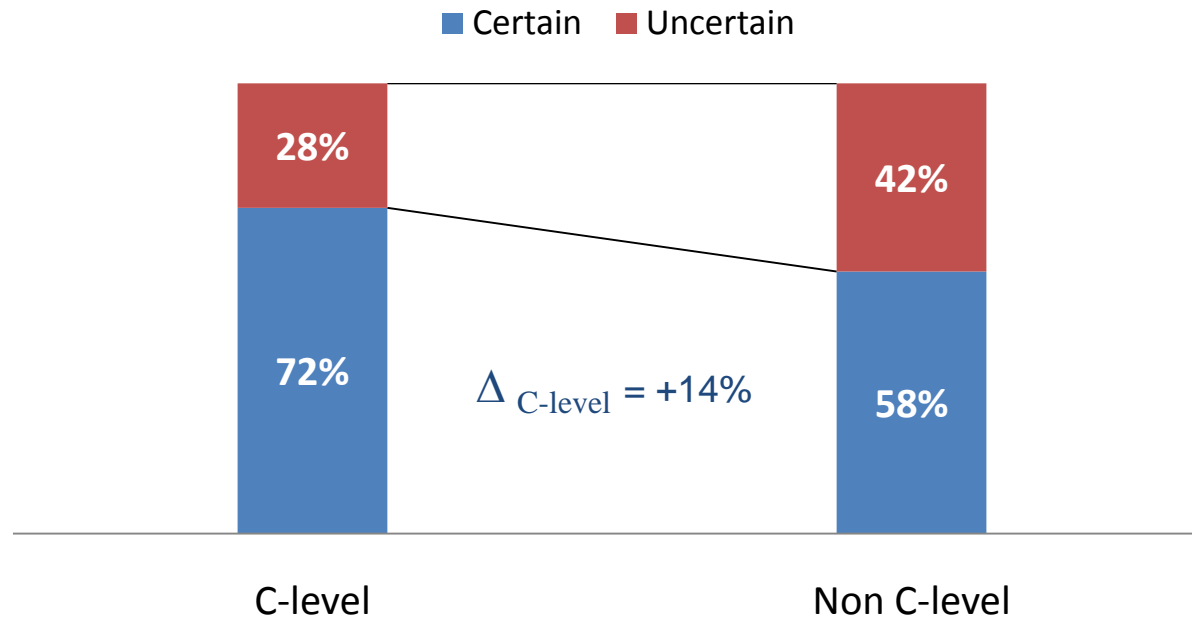
**Q3. We have objective evaluation criteria based on known outstanding performers in that job.**



The significant difference in perception here could highlight a training or communication issue. It is not unusual for senior executives to sponsor the purchase of competency studies or assessment instruments. However, these programs need to filter down through the organization, and the hiring managers who will be using the tools need to be trained to realize maximum benefit for the organization. The data also suggests that many organizations don't take advantage of "peak performance models" when selecting job candidates. If you want to make better hiring decisions, first identify the characteristics of top performers in the job. Then use this as criteria to help you evaluate candidates for the position. This is far superior than merely "hiring with your gut."

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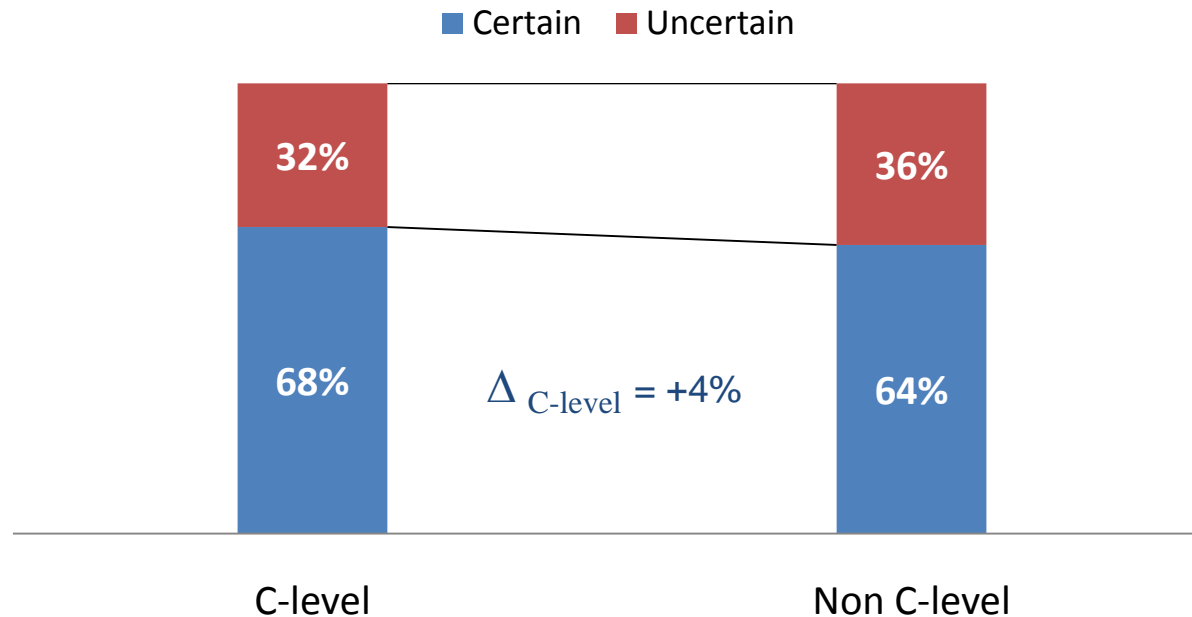
**Q4. Our compensation is competitively based on current market rates for the job.**



This was the question with the largest gap in the study. The C-level thinks they're paying competitively, but far fewer employees agree. This is often the result of the C-level looking at the employee's fully loaded costs and the employee looking only at their base salary. Make sure that employees understand the full breadth of their total compensation package because base salary is usually only about 60% of this amount. Compensation commensurate to what employees can earn in similar positions is critical to keeping your workforce motivated and your ability to attract top talent. Organizations can compete in many areas—work environment, benefits, growth opportunities—but expecting top performers to stay with you because you offer these things is not realistic if they can earn significantly more money doing a similar job elsewhere.

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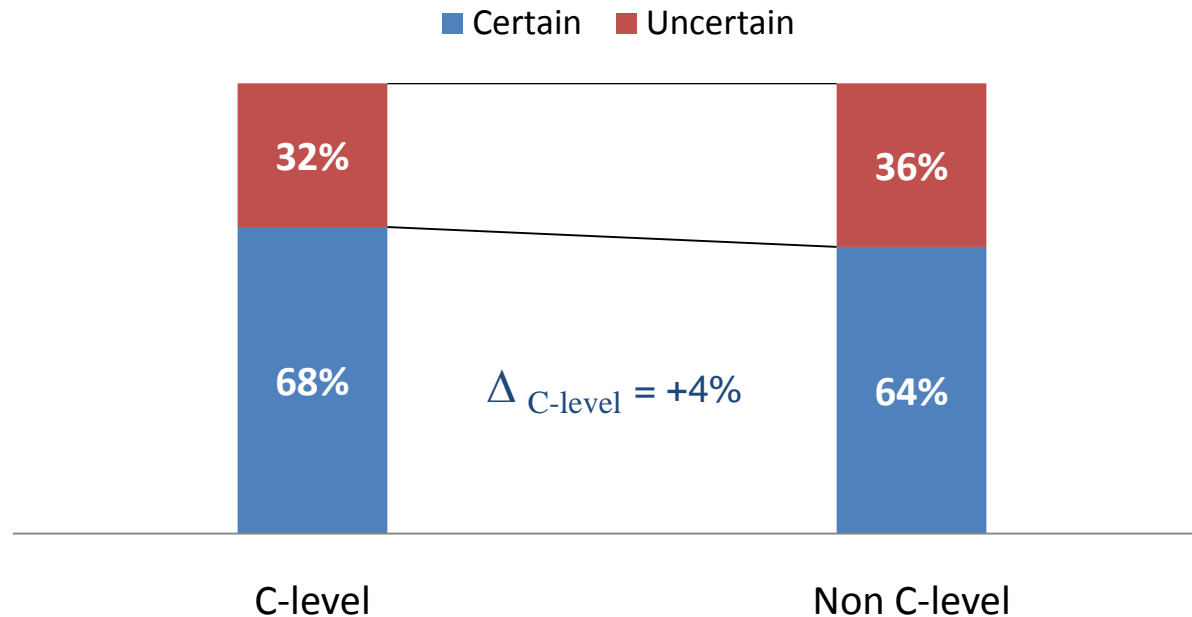
**Q5. We apply a consistent selection process to filling all positions.**



A modest difference here between the two groups, but an overall low score. If an organization answered this question as “certain,” then its selection processes are objective and fair. These are important, not only because it is the right thing to do, but also because legal challenges to employee selection standards are expensive and can create considerable negative PR for an organization. Remember when Wal-Mart was the poster child for unfair employment practices? To their credit, they did a masterful job of cleaning up their act. The best employee selection process ensures that selection standards are job-related, validated, and standardized. One ounce of prevention will definitely be worth a pound of cure in the future.

## Making Every Hire Count: What Matters to the C-Suite

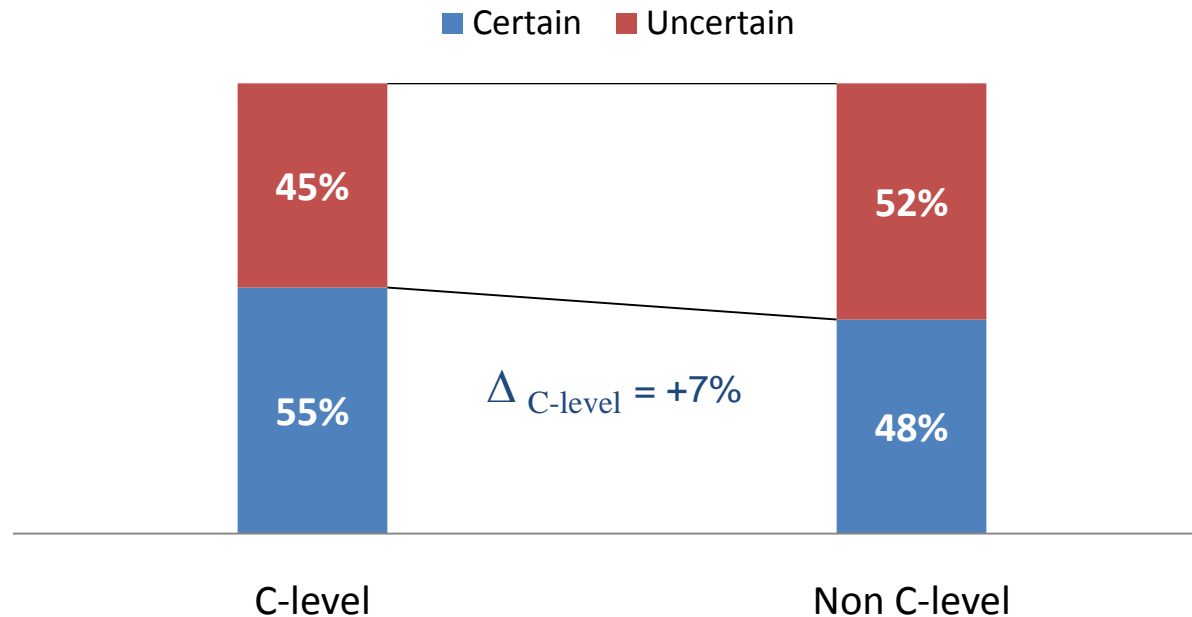
**Q6. We include key stakeholders in our employee selection process.**



Another small difference between the two groups and an overall low score considering the impact of this practice on the organization. Key stakeholders are those affected (for better or worse) by our operations, those who have an interest in what we do, and those who influence what we do. That includes almost everyone, but a big-tent approach is profitable: Inc. Magazine reports that "organizations with more effective hiring systems rank higher in financial performance, productivity, quality, customer satisfaction, employee satisfaction, and retention."

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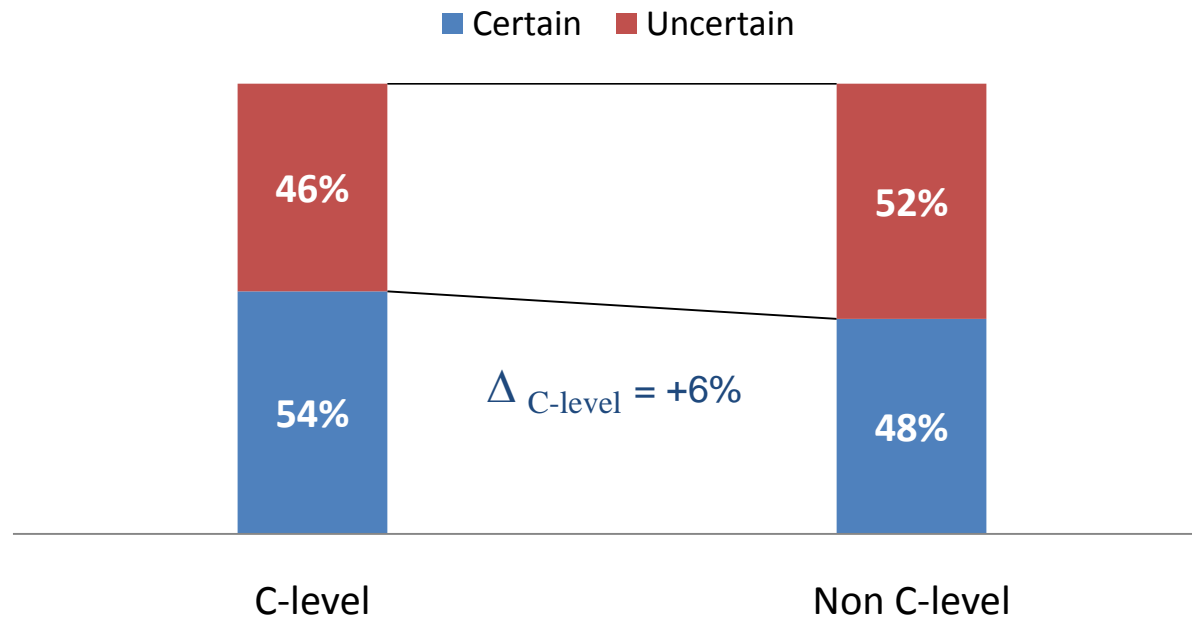
### Q7. We train our interviewers in our employee selection process.



Similar to question #3, the significant difference in perception here could highlight a training or communication issue. Again, senior executives commonly sponsor the purchase of hiring systems and aids, but the tools and training don't resonate as strongly down to the hiring managers who will be doing most of the interviews. Once an organization determines that it wants structured interviews—those in which questions and tasks are chosen beforehand, and that are designed to ensure consistency—it is imperative to train and coach the interviewers. The process is more likely to go smoothly if interviewers understand it, buy into the reasoning behind it, and know what to do. The unstructured interview is weak for purposes of selecting the best candidates.

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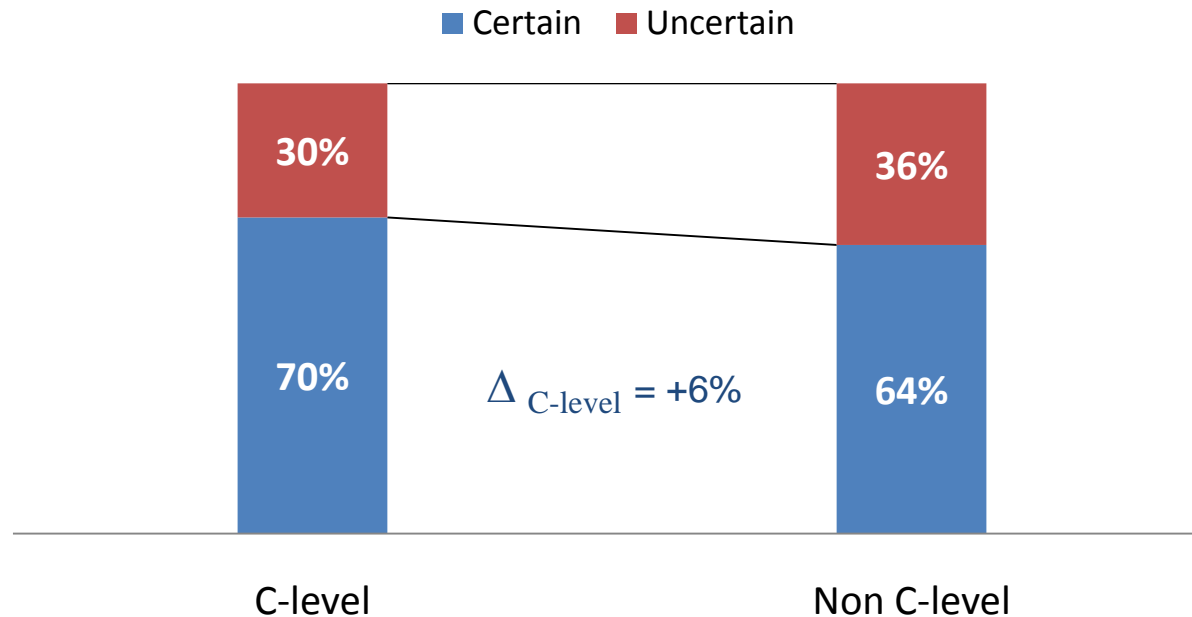
**Q8. We give our interviewers guidance to help them probe deeper into a candidate's suitability.**



Similar to questions #3 and #7, the significant difference in perception here could highlight a training or communication issue. The more startling point is that interviewers are most likely left to their own devices when it comes to interviewing and selecting the best candidate for a job. According to Leadership IQ, a firm that provides research and executive education to top companies, a study of 20,000 newly hired employees showed that "46 percent of all new hires fail within 18 months." This happens not because the new employees lack technical skills, but because they are not coachable, have the wrong temperament, are not motivated, or demonstrate other problems "that never get assessed in the interview." To catch these mismatches, screening interviewers need expert coaching to help them look beyond technical skills and ask the right follow-up questions.

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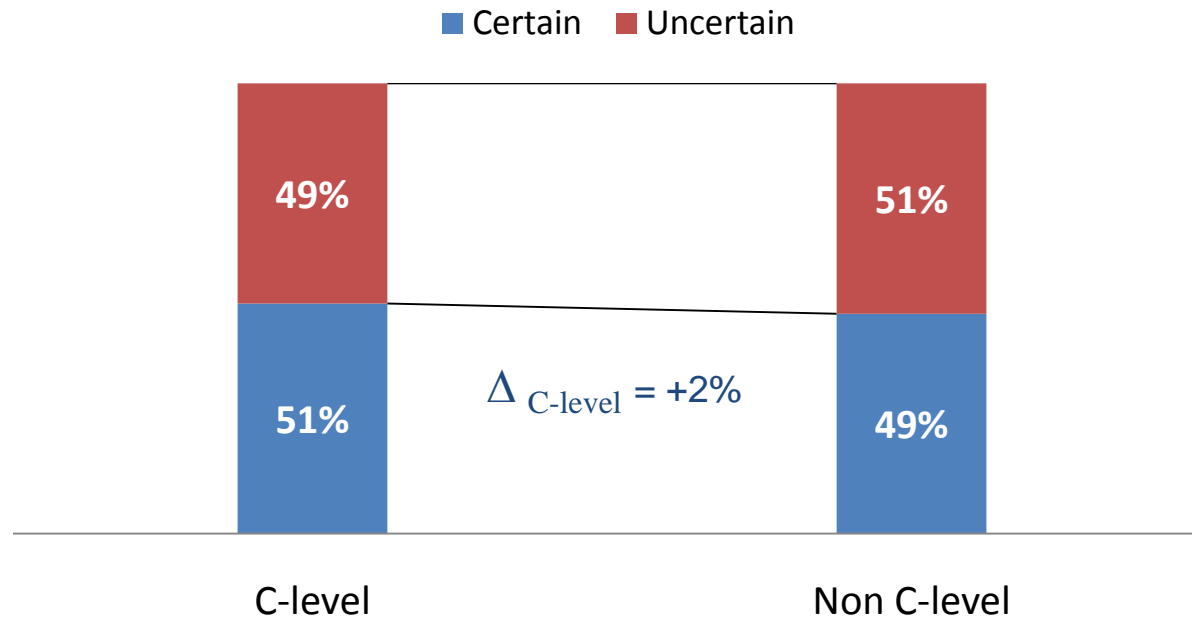
**Q9. We conduct comprehensive reference and background checks on job candidates.**



A modest difference in perception between our two groups. Leaders might view reference and/or background checks as a bother when they "know" someone is right for a position. But employment experts estimate that almost one-third of all résumés contain false or exaggerated information. According to a Purdue University newsletter, falsified information consists mostly of expanded dates to cover employment gaps. Background checks are quick and inexpensive. And, in this day and age where trust and integrity are so important to a high-performing organization, it seems inexcusable that anyone—especially those in the C-suite—would allow their organization to overlook this step.

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**Q10. Our orientation process for newly hired people helps them become productive faster.**



There seems to be quite a bit of agreement on this question—both groups express a high degree of uncertainty around the organization’s ability to accelerate the productivity of new hires. A Bersin & Associates/Randstad case study shows that productivity measures increased by 25 percent among employees who participated in an onboarding training program. Onboarding is a process, and like any other process, it should be well documented, strictly followed, measured, and refined for continuous improvement. This helps give the employee positive momentum, increases their enthusiasm and their odds of success, and helps them make a more significant contribution to the organization faster.



## Summary: Lessons Learned to Make Every Hire Count

1. Know how each job supports your organization's key objectives.
2. Consider both internal and external candidates for open positions.
3. Use objective evaluation criteria based on known outstanding performers in that job.
4. Ensure compensation is competitive, based on current market rates for the job.
5. Apply a consistent selection process to filling all positions.
6. Include key stakeholders in your employee selection process.
7. Train your interviewers in your employee selection process.
8. Give your interviewers guidance to help them probe deeper into a candidate's suitability.
9. Conduct comprehensive reference and background checks on job candidates.
10. Ensure that your orientation process helps redeployed people become productive faster.

# imagine great people™

## Recommended Next Steps

Profiles International offers assessment solutions that enable organizations to select the right people and develop them to their full potential.

Companies that work with us gain a competitive advantage by understanding their people at the deepest levels: how they think; their natural tendencies, behaviors and preferences; and attitudes toward key workplace issues. We are highly confident that your organization will find this risk-free study to be of great value.

Profiles can help you ensure that you have the right people in the right jobs to achieve your objectives.

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