

Will You Be Ready When It's Time to Hire Again?

Effective Assessment Solutions to Get the Best Talent First



INTRODUCTION

Unevenly and slowly, the economy is rebounding. The gradual and inconsistent but convincing turnaround spans company size, industry and geography. It's occurring up and down the ladder, from within the corporate C-suite to the loading docks of retail stores.

That's the good news. The other side of the coin is a post-recession employment landscape that is quickly shifting and evolving. It will very soon be an incredibly convoluted, densely populated and highly diverse world of candidates. If you're involved in HR and hiring, you'll find it increasingly difficult to navigate the candidate terrain and find the best hires to move your business forward.

If you want your company to be competitive coming out of the recession, you must be poised to take advantage of the high migration and churning sea of talent. Optimally, that means using an integrated talent management system to find candidates who are the right culture fit and the best qualified, without assuming that those who survived the cuts during the recession are necessarily better candidates.

As part of that system, you'll need a highly effective and objective assessment solution to find and hire the best talent for your unique organization. It will be critical to efficiently identify individuals who not only have the skills you need amid the growing pool of talent but who also possess the personality, career goals, work style and background that reflect your organization's objectives and culture.

TalentQuest uniquely understands that at its best, your strategy for achieving these hiring goals will hit on all cylinders and include:

1. Executive assessments.
2. Online assessments.
3. The ability to draw from organizational surveys to make your recruiting process more meaningful.

When leveraged as components of an integrated talent management strategy, these assessments and tools give you practical, reliable solutions to several challenges in securing the best candidates for your organization as the economy turns around. They make it easier and faster to get a shorter list of qualified candidates who also are a strong cultural fit for your organization.

Bottom line: You'll need a partner with the experience to efficiently incorporate assessments into all key talent processes - assessments that look not only at skills but at a candidate's personality and behavior, assessments that are based on the competencies your unique organization needs and the culture it seeks to maintain or evolve.

SLOWLY, SURELY HIRING IS COMING BACK

Despite unemployment hovering around 9 percent, the recession has officially been declared over. Even if it doesn't feel that way in your industry or look like that for your business right now, the change is occurring. The anticipated uptick in hiring will cut across company size, industry and even geography.

One recent poll of economists for private companies and trade groups nationwide found that they expect hiring to increase in 2011, while the number of U.S. companies planning to hire workers has risen to a level not seen in over a decade.¹

But who are the faces in this new, churning employment pool, and how will you determine if they are the right fit for your organization?

The candidate pool already included the massive number of candidates who were set adrift during the recession. Now, employees who survived the wrath of the recession are emboldened to seek new jobs or even find new careers as they, too, dive into the job-hunting waters.

Consider that 50 percent of workers who left private sector jobs in September quit, compared with 42 percent who were laid off or fired.³ And North American employees are now twice as likely to leave their companies as they were before the recession.⁴

BETTER JOBS OUTLOOK SPANS THE ECONOMY AND COUNTRY

The job market is expected to show stronger gains in 2011 as consumers spend more and businesses cast off their hesitancy to hire, according to *USA Today*.²

Highlights of the newspaper's review of economic forecasts, research reports and surveys were:

- Employers will add 183,000 jobs a month through 2011, compared with 94,000 a month in 2010.
- Every state and 98% of the nation's metro areas will see at least small job gains this year.
- The gains will touch every sector of the economy except government.
- The gains will occur up and down the ladder, "generating low-wage retail and hotel jobs as well as higher-paying positions for accountants, engineers and architects."

1. National Association of Business Economists, January 2011, NABE Industry Survey January 2011, <http://www.nabe.com/publib/indsum.html>

2. USA Today, Jan. 7, 2011, Jobs To Pick Up in 2011, Analysts Predict, http://www.usatoday.com/money/economy/2011-01-07-1Ajobs07_CV_N.htm

3. U.S. Bureau of Labor Statistics, Nov. 2010, Job Openings and Labor Turnover-Sep. 2010

4. PR Web, Sept. 29, 2010, Risk of Losing High Performers Increases Post-Recession, BlessingWhite, <http://www.prweb.com/releases/2010/09/prweb4572354.htm>

THE CHALLENGE AS THE DELUGE BEGINS

The impending upheaval in the candidate marketplace will bring several challenges to be aware of if your organization wants to hire for optimal culture fit.

DECIPHERING THE POOL OF SURVIVORS

A key component of rebuilding your workforce will be deciphering the two camps of candidates who survived the recession without losing their jobs. On the one hand are candidates who kept their jobs and are truly qualified and can bring great value to your organization. On the other are those who are merely perceived to be well qualified and valuable because they hung on out of fear while their colleagues were let go or their departments simply were spared the ax.

As the recession slowly fades into the rearview mirror, you can't assume that employees who kept their jobs are necessarily better candidates. Did those people simply manage to hold on to their current jobs, without necessarily being dedicated employees?

Did the survivor simply have seniority? Maybe his or her organization - or this particular candidate's division within that organization - was blessed to have avoided layoffs.

Even if you are wowed by their skills and their resilience during the recession, do you know enough about these candidates to place them where they can hit the ground running for you, versus simply doing the job? Based on personality factors, do you know where you can best use their skills to ensure that they succeed and not simply fill a hole as you move forward?

ANTICIPATING EXECUTIVE TURNOVER AND MIGRATION

Deloitte's 2010 Shift Index predicted that executive turnover may rise as executives seek new opportunities with the end of the recession and companies become more willing to make leadership changes.⁵ In September, ExecuNet's Executive Job Creation Index (EJCI), in fact, pointed to a continued higher percentage of employers who expect to add executive jobs compared with those planning to eliminate or postpone filling top roles.⁶

It would be disastrous to neglect the expected trend of turnover among senior and executive leadership as the economy recovers. Even before the recession, the ability to have accurate, robust personality assessments was arguably more crucial at the executive level than at any other level in an organization. This ability will be even more crucial in the aftermath of the recession, which has greatly tarnished the brand image of the C-suite in general and of many leaders in particular.

5. Deloitte, The Shift Index Macroeconomic Report 2010, http://www.deloitte.com/view/en_US/us/About/Catalyst-for-Innovation/Center-for-the-Edge/the-shift-index/7f7d13c8d767b210VgnVCM2000001b56f00aRCRD.htm

6. ExecuNet, Feb. 23, 2011, Executive Job Creation Reveals Corporate Growth Plans, <http://insights.execunet.com>

Executives who managed to keep their jobs during the ravages of the recession undoubtedly had to make tough and often unwelcome decisions day after day. They made the decisions - if not the pronouncements - about belt-tightening measures, layoffs and curtailed benefits.

It's fair to wonder and important to assess how those situations and the stress of the recession affected any executive, how those experiences could affect their leadership style moving forward, and how the people they lead react to them.

You can also use assessments within your organization as part of career development to be prepared to move mid-level leaders up the ladder when the time comes. And as industry research suggests, executive migration could impact your organization sooner than you might think.

RETAINING YOUR BEST PEOPLE

But wait. There's more. At the same time, you need to be sure you retain your best talent - the people who have stayed with you thus far - so they don't start looking elsewhere. Deloitte's 2010 Worker Passion Survey revealed that only 23 percent of U.S. workers are passionate about their current jobs.⁷

SETTING THE STAGE FOR EFFECTIVE ASSESSMENTS

To fully leverage the opportunities in the candidate landscape, it's crucial to have a firm grasp on four key areas, starting with the value of an integrated talent management system and drilling down to focusing on the importance of competencies before assessments.

INTEGRATED TALENT MANAGEMENT

For starters and overall, an integrated talent management strategy and system is optimal if you are going to identify and hire employees ahead of the competition and keep your current high performers from leaving the nest as the economy continues to turn around.

Bersin & Associates has found that companies in the "intermediate" or "advanced" stage of applying an integrated talent management strategy have lower turnover rates, experienced less downsizing through the recent recession and have higher revenue per employee than companies without an integrated talent management strategy.⁸

The employee experience from start to finish has four primary components: sourcing, recruiting, career development and succession management. The more unified these components are, the greater the employee experience. Clearly defined competencies are the glue that binds the four components, and an integrated talent management system is the mechanism that applies the glue.

7. WorkCompWire.com, Nov. 4, 2010, Deloitte Survey: Worker Passion Is Key to True Economic Recovery, <http://www.workcompwire.com/2010/11/deloitte-survey-worker-passion-key-true-economic-recovery>

8. O'Leonard, Karen, Bersin & Associates, July 2009, 2009 Talent Management Factbook.

Another key advantage of an integrated talent management system with assessments is the efficiency it brings to sourcing and recruiting. With the improving economy and expected growth in the candidate pool, you'll be bombarded with résumés. Assessments are critical to being able to quickly and efficiently hire the best people - but only if they are tied to your unique organizational needs and culture.

COMPETENCY, SKILLS AND BEYOND

As important as integrated talent management is, the first step is focusing on competencies; they create the foundation for true and sustainable integration. (For a more detailed discussion of the importance of competencies within an integrated talent management solution, see the TalentQuest white paper "[Custom Competencies: The Key to Driving Authentic Process Integration.](#)")

Competencies are the clearly identified characteristics necessary for success in any position or job within your organization, and they're at the heart of identifying the right candidates in this convoluted landscape. When you have a clear understanding of the unambiguous competencies for a position, you remove the guesswork from the selection process.

Defined and understood competencies are the linchpins of objective and meaningful interview guides, all forms of assessments and many other tools within a mature integrated talent management system.

Performance data can also be measured more objectively and accurately when it is based on clearly defined competencies. You increase your odds of identifying high performers and can move more quickly to retain them.

You also enhance the recruiting process when you support skills and competency assessments with total personality profiling. Optimally, this should apply across low, average and high performers and include an analysis of:

- **Personality data:** How well a candidate can be expected to perform in specific situations.
- **Competency data:** What a candidate needs to learn or which skills need to be acquired for career advancement.
- **Performance data:** How well a candidate has performed against defined goals.

Let's assume you're hiring someone who will need to supervise people with a certain personality type - a group of creative designers, for example. It would be valuable to have objective data about a candidate's personality profile to know how they would mesh with that group. The recruiting process is similarly enhanced when objective competency and performance data can be used to help predict success or fit with an organizational culture.

STAY AHEAD OF THE COMPETITION: APPLY AN EFFECTIVE ASSESSMENT SOLUTION

To stay competitive as you dive into this new churning talent pool, it's crucial to use assessments strategically, as an integral part of your talent management process. (For a more detailed look at the role that assessments play in an optimal talent management process, see the TalentQuest white paper “Don't Put the Cart Before the Horse: Why Process Should Come Before Talent Management Technology.”)

You want a partner who can help your business understand its talent needs beyond skills and competencies, and you want to invest wisely in developing a strategy to encourage optimal employee performance. If you want your organization to thrive and not just survive coming out of the recession, you need to be positioned to find candidates who have the right qualifications to meet your most essential needs as you retool.

First, evaluate your specific needs. Determine which particular assessments address your selection or retention needs: Executive assessments? Online assessments? Position-specific assessments? When you plan like this first, you limit the number of candidates you'll need to sift through, saving time and reducing time-to-hire.

Even if you're not boldly moving into new markets or launching new products or services, you want your business to continue to thrive and remain competitive. You need to identify the specific competencies and skills that will continue to drive business results. And you need to focus on those competencies as part of your selection for retooling criteria and procedures.⁹ You also need to use those identified competencies to strengthen and enhance your skills assessment strategy.

For example, the following are commonly expected competencies for a high-performer sales manager:

- Has written goals that are clear, specific, realistic, measurable and compelling.
- Is independent and doesn't need approval, will “ask the tough questions” and confront others appropriately, doesn't tolerate stalling or procrastination.
- Grows salespeople, challenges them and allows them to fail, makes sure a lesson is learned from each failure, provides proper encouragement, will terminate salespeople who can't be trained.

With a clear understanding of expected competencies such as the ones above for a sales manager, you can construct more valid assessments - assessments that will get to the heart of how well a candidate meets those skills - or doesn't meet them. Without first knowing that you expect a sales manager to have written goals that are clear and measurable, how do you know what to assess for?

9. Greaner, Jackie and Jamie Hale, Economic Recovery Brings Workforce Challenges and Opportunities, Towers Watson.

EXECUTIVE ASSESSMENTS

The importance of optimizing your assessment strategy is crucial at every key rung on your corporate ladder. But as introduced previously, it is particularly crucial when filling senior leadership roles.

Not only does the traditionally overlooked high failure rate among executives persist (40 percent in the first 18 months on the job, surveys have found),¹⁰ but you'll also see a new kind of leader developing coming out of the recession. It's a highly sophisticated leader who is "equipped to succeed in today's diverse, dynamic and relationship-driven environment."¹¹

Executive assessments enhance succession planning and reduce the cost of turnover, which is a significant expense at the executive level. To swim with the fastest and biggest fish as the speed of the candidate river accelerates, apply these best practices within your organization:

- Closely examine the success factors that are relevant to the specific position, determined by trained organizational psychologists.
- Apply the best and most recent testing tools to fully assess an executive's past behaviors and business decisions, their influences and mentors, and their self-view, personality, culture fit for your organization and other key leadership features.
- Incorporate formal and well-designed behaviorally based interview protocols. These are "situation-based" questions and are being used increasingly as part of assessing executive candidates. For example, "Describe a situation in which you were able to use persuasion to successfully convince someone to see things your way" or "Describe a time when you were faced with a stressful situation that demonstrated your coping skills."
- Integrate developmentally focused, written assessment reports with suggestions for such areas as performance improvement or future learning and development.
- Provide timely and comprehensive feedback to the hiring manager, HR personnel and other individuals who are critical to the candidate's success.

ONLINE ASSESSMENTS

With the expected increase in the candidate pool and the need to assess a wider-than-ever range of candidates, the value of getting a shorter list of more qualified candidates is obvious. Online tests also have the benefit of being quicker and requiring less administration, reducing costs and saving time.

10. Franzoni, Lauryn, May 21, 2009, Avoiding the 40% Executive Failure Rate, <http://www.safetyxchange.org/the-safety-profession-and-your-career/avoiding-40-executive-failure-rate>

11. Towers Watson, 2010 Global Workforce Study

Personality and problem-solving profiling has been identified as one of the best predictors of job success. When properly validated, online tests are robust, objective and error-free. Assessments also help build employer brand, an added value effect that's easy to overlook. Online assessments give candidates the advantage of knowing sooner if they have been accepted for a position and the reasons why. This, in turn, helps improve the candidate experience overall and enhances your employer brand.

What about whether the candidate is a positive fit for you in terms of culture and values? In addition to possessing the necessary competencies, do the candidate's personality, working style and attitudes toward his or her career align with your organization's culture as you look toward expanding and rebuilding your workforce? Assessments that deliver personality data can help answer those questions.

But it's not only the recruiting and selection processes that benefit from applying online assessments. Online testing and assessments can drive improvements in business performance, as your business objectives are mapped against your selection criteria from the onset of the process.

To get those kinds of results, you need to select a solution that:

- Complements behavioral-based interviews, to quickly, cost-effectively and objectively evaluate a candidate's suitability.
- Highlights issues that need further investigation. For example, it is important to model your assessments on your top performers so the resulting evaluations will help predict a candidate's likelihood of success in your organization.
- Applies highly predictive custom profiling across all strata of your performers (low, average and high) through analysis of personality, competency and performance data.
- Provides ongoing resources, so employees can continually evolve and expand their abilities.
- Provides candidates with tangible tips and takeaways that target each one's individual needs, potential limitations and opportunities for growth.

ORGANIZATIONAL SURVEYS

Organizational surveys are an often-overlooked but highly valuable source to inform the recruiting process. Consider this: Towers Watson's 2010 Global Workforce study determined that "building from a solid base of workforce knowledge, employers have the raw material to design and deliver increasingly tailored talent and reward strategies for various segments of their populations."¹²

12. Towers Watson.

What this means is that insight into your workforce can help you create tools to assess candidates and their fit with your organization. For example, an integrated talent management system that enables you to view the skills and competencies among your high performers is especially useful for gaining benchmark data that can, in turn, help you identify candidates who fit the same mold - quickly, easily and cost effectively.¹³

Several uses of organizational and employee engagement surveys can be used in this way to enhance candidate assessments. These include:

- Assessing perceptions among senior leadership.
- Determining whether your current organizational structure facilitates productivity and achievement.
- Revealing levels of employee satisfaction and perceptions of empowerment.
- Identifying barriers to enhanced employee performance.
- Ascertaining if employees understand your organization's mission or vision.
- Evaluating how employees feel about organizational changes - whether they're occurring too quickly or not quickly enough.

CONCLUSION

Emerging out of the recession, companies that want to stay ahead of the competition will need to employ assessment tools as part of integrated talent management strategies. The challenge is exacerbated by the expected high turnover and employee migration, not only among middle management and the more junior positions but among senior leadership and executive roles as well. The hiring landscape is on the cusp of changing significantly.

Executive assessments, online assessments and organizational surveys, leveraged as components of an integrated talent management strategy, provide objective, reliable solutions to several challenges in securing the best candidates as the economy turns around. They not only shorten the list of qualified candidates from a vast talent pool, but they also help determine who is a good cultural fit for your organization, a critical factor in the long run.

Unlike other talent management technology providers, TalentQuest has a best-in-class suite of assessment consulting expertise and software solutions to bolster your organization. TalentQuest can help you identify and onboard the best talent ahead of the competition as the economy improves, the number of candidates on the market grows and the clamor for top performers escalates. Contact us today to find out more about how we can help.

ABOUT TALENTQUEST

What does TalentQuest offer that talent management software providers don't? Authentic integration. Our consulting expertise and powerful software enable you to integrate the components of your talent management process, achieving both strategic and operational excellence. Building from a foundation of client-specific competencies, we provide the knowledge and technology to connect every critical process from talent assessment and acquisition to leadership development and succession management. Where other talent management software vendors cannot help you, TalentQuest can. That's the power of authentic integration.

Founded in 1972, TalentQuest is headquartered in Atlanta, Ga.
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