



Selection Strategies for Re-organization, Re-deployment and Recovery

Comprehensive Report of Findings

Leadership Results, Inc.

928 Riverstone Drive

Aurora, IL 60502

March 2009

SHRM predicts this Congress could advance the most active workplace policy agenda in the last 30 years.

Introduction

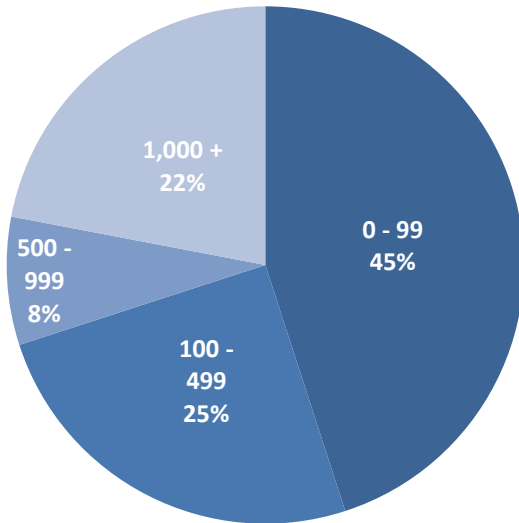
In today's economy, nearly every organization faces pressure to reduce waste and run at peak efficiency. For many, this means making difficult personnel decisions to eliminate positions that don't add sufficient value to the organization and either eliminating or re-deploying people in those roles.

The climate in the organization becomes tense as these changes take hold, and the stakes are high with little room for error. This is compounded by our country's new administration, which will likely propose changes in workplace regulation making it much more difficult and costly to terminate an underperforming employee.

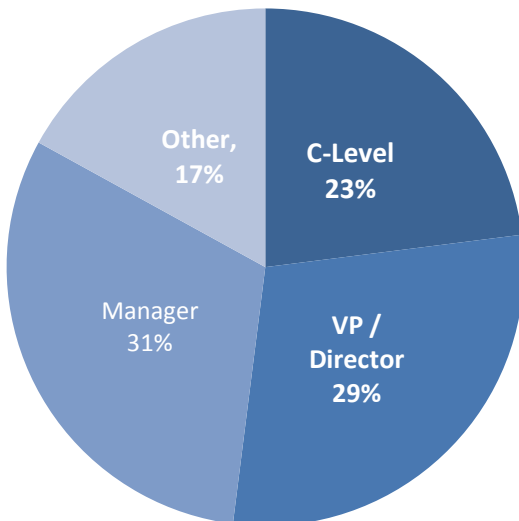
Given the importance of this issue, our study had 2 objectives:

1. Identify the "Top 10" questions an organization needs to answer leading up to a re-structuring effort.
2. Identify primary challenge organizations face when implementing re-organization plans.

Participants – Company Size



Participants - Role



Total Participants = 785

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 organizational restructuring. We then asked several experts to rank order their top 20 best practices from this list. From this, we determined our “Top 10” best practices list.

From 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 a major re-organization and re-deployment event.

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.

Part 1: Top 10 Selection Best Practices

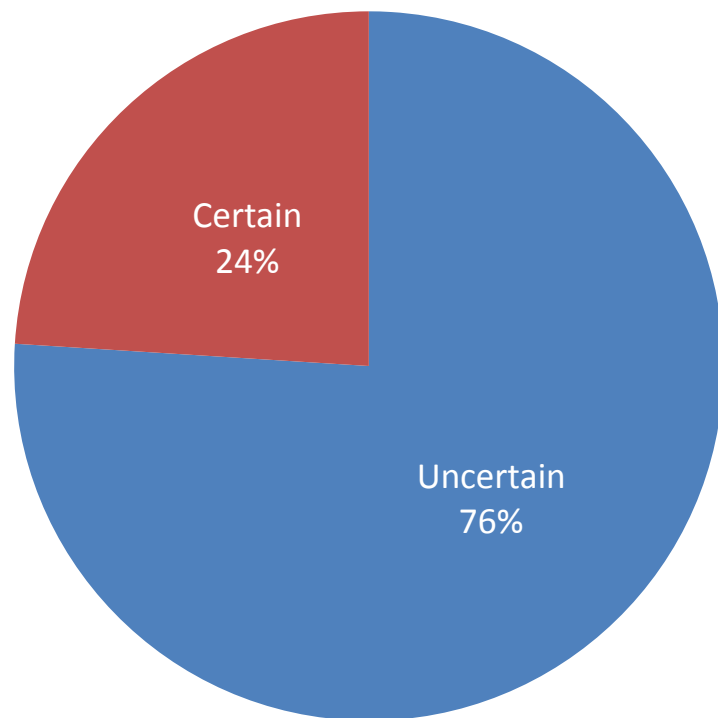
“Your survey was a real eye-opener. We have a lot of room to ensure we put the right people in the right jobs as we strive to become more competitive.”

*Fortune 2000
HR Director*

- 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 all candidates.**
- 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 your orientation process helps re-deployed people become productive faster.**

Comprehensive Report of Findings

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



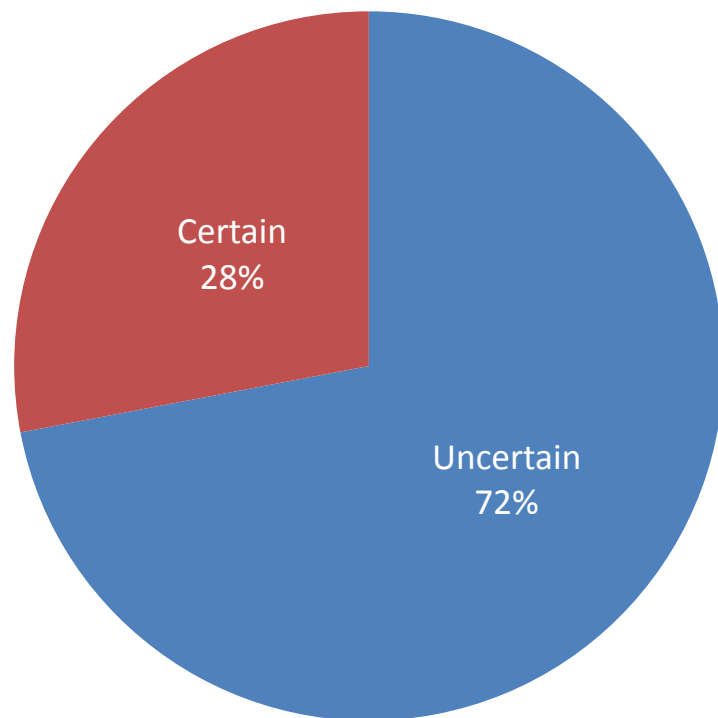
More than three-quarters of our participants expressed some uncertainty about this important point.

Your organization may be behind the curve if job designs have not changed with your revamped plan of action. If employees are performing their jobs the same old way, they are holding the company back.

Make sure top leaders buy into the strategy and share it with employees down the line so that every worker knows how to put the plan into action.

Comprehensive Report of Findings

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



Nearly three-quarters of our participants expressed some uncertainty about this key issue.

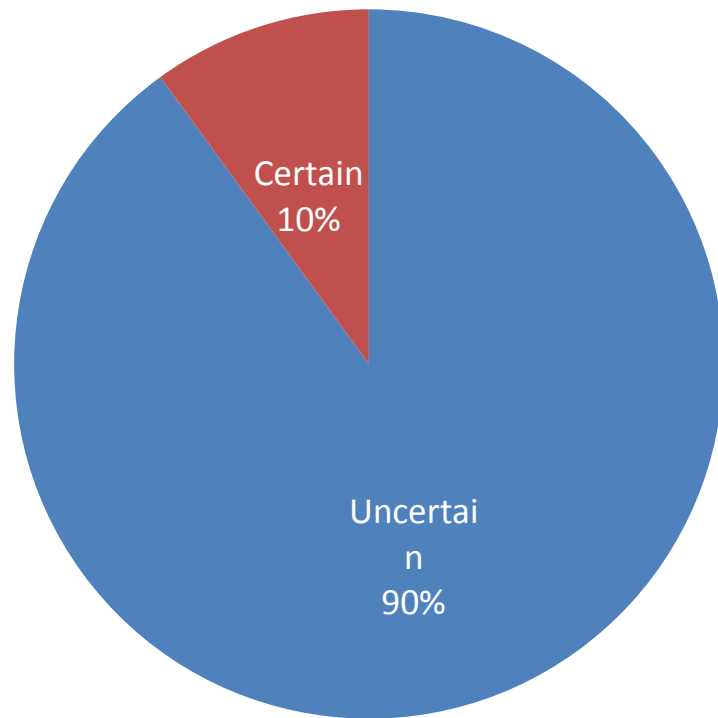
Internal "hiring" demonstrates that you believe in the training practices of your company and in your employees' accomplishments. Such a policy encourages top performers to take initiative and exercise creative thinking.

You don't have to train them in crucial aspects of the job, such as the job's scope and how it relates to other employees and departments, because they already know how the company works.

There's a science and a strategy to successful reorganization, redeployment and recovery.

Comprehensive Report of Findings

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



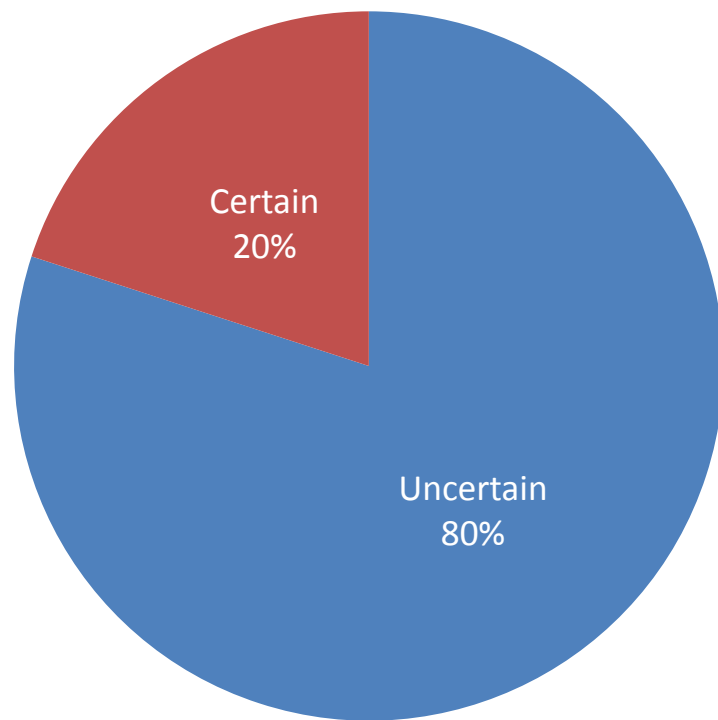
There is a tremendous amount of uncertainty when it comes to this question.

If you want to ensure that each worker fits the job, measure how top performers in the same position do their jobs. Then apply the same assessment to candidates for the position and see how well they match the top performers.

This approach works because it applies objective standards to the position instead of requiring you to rate a person via subjective standards or to "hire with your gut."

Comprehensive Report of Findings

Q4: Our compensation is competitive based on current market rates for the job.



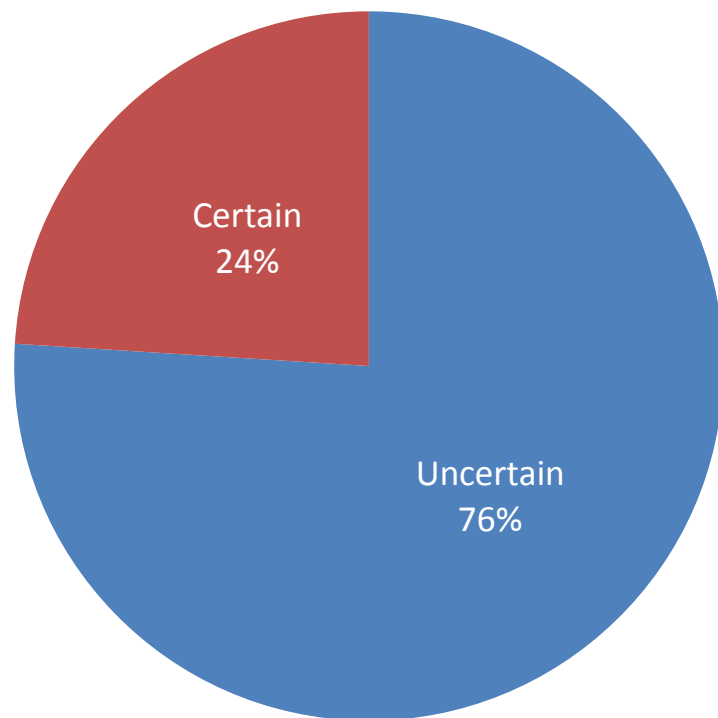
Our research indicates that there is a lot of room to improve here. Only about 20% of participants are certain about their compensation practices.

Paying a salary commensurate to what employees can earn in similar positions is critical to keeping your workforce motivated and attracting 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.

Comprehensive Report of Findings

Q5: We apply a consistent selection process to all candidates.



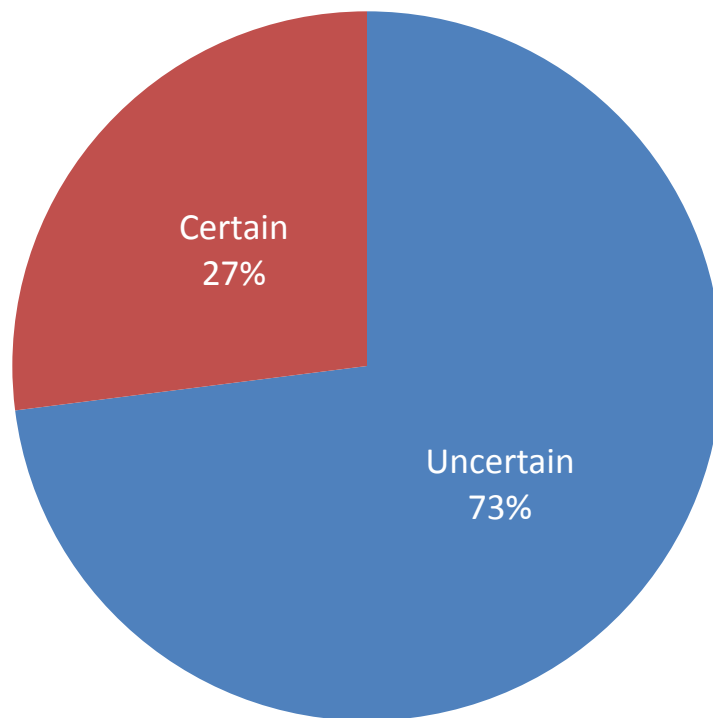
Nearly three-quarters of our participants expressed some uncertainty about this important point.

If your answer is yes, it means that your selection processes are objective and fair. These are important, not only because you want to do the right thing, but also because legal challenges to employee selection standards are expensive.

The best employee selection process ensures that selection standards are job-related, validated, and standardized.

Comprehensive Report of Findings

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



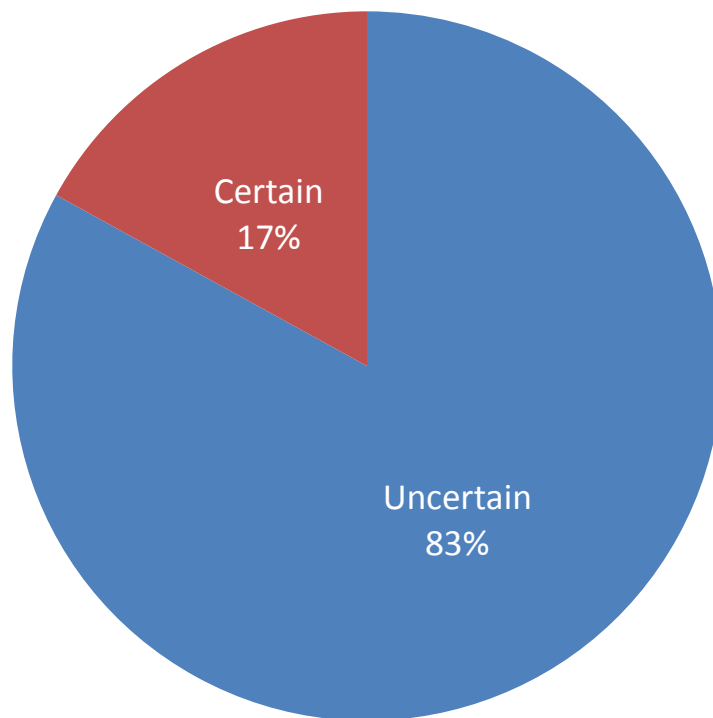
Nearly three-quarters of our participants expressed some uncertainty about this important point.

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."

Comprehensive Report of Findings

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



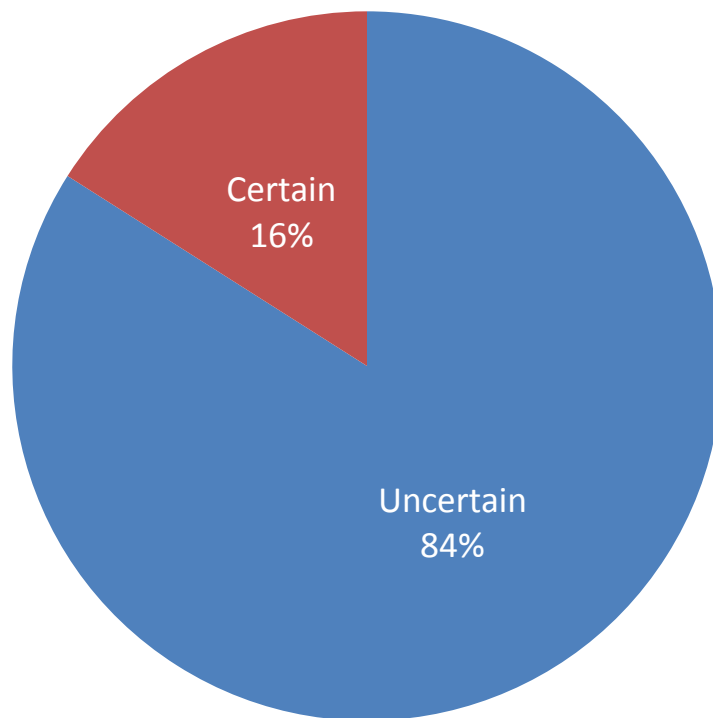
Our research indicates that there is a lot of room to improve here. Fewer than 20% of participants are certain about training their interviewers.

Once we determine that we want structured interviews—those in which questions and tasks are chosen beforehand, and that are designed to ensure consistency—it is imperative that we coach our 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 identifying the best candidates.

Comprehensive Report of Findings

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



This result was quite shocking, especially given the following statistic.

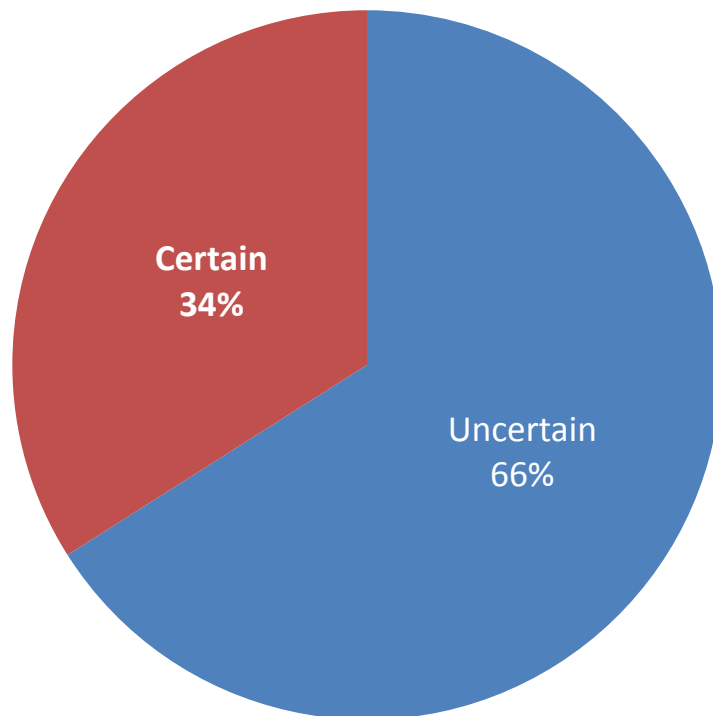
According to Leadership IQ, a firm that provides research and executive education to top companies, a study of 20,000 newly hired employees showed that “46 percent of all new hires fail within 18 months.”

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.

Comprehensive Report of Findings

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



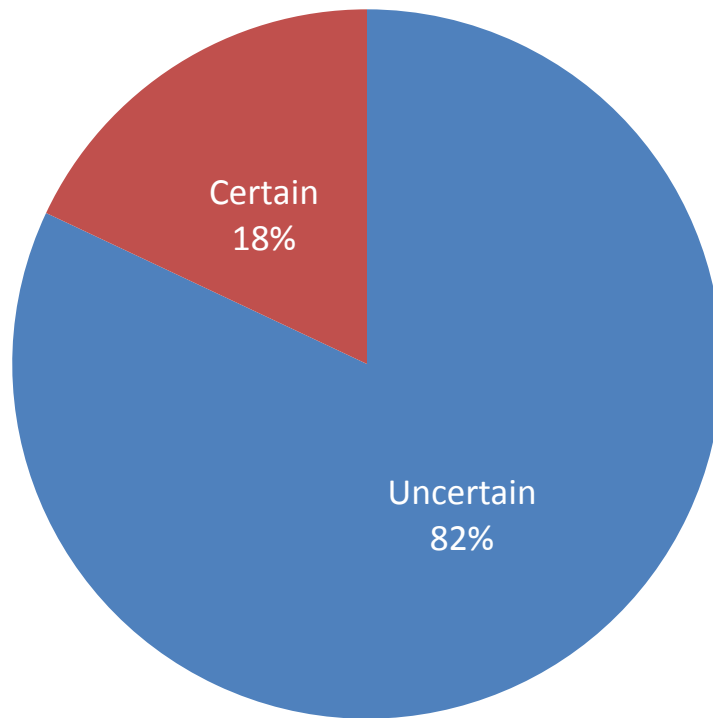
This question received the highest “certain” response of all of the questions in our survey.

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 nearly one-third of all resumes contain false or exaggerated information.**

According to a Purdue University newsletter, falsified information consists mostly of expanded dates to cover employment gaps.

Comprehensive Report of Findings

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



This is an often over-looked area of the re-organization and re-deployment process.

A Bersin & Associates/Randstad case study shows that productivity measures increased by 25 percent among employees who participated in an on-boarding training program.

Employee job descriptions can help by communicating the company's direction and telling the employee where he fits in the big picture.

Conclusion: Top 10 Selection Best Practices

Need Help?

Our research clearly shows that our clients are better prepared than non-clients to manage their human capital through a challenging business climate.

Leadership Results, Inc.
630-898-5600, ext. 1

- 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 all candidates.**
- 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 your orientation process helps re-deployed people become productive faster.**