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Selecting the Best Employees

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Imagine you have an open position and a good response to your recruiting. Now you have several applicants for the job. How do you choose among all potential employees the one you really want?

Today the national unemployment rate is around 4%, a rate that was supposed to be impossible when I was in college. Economists considered around 5% full employment, here we are at 4% and all companies are having a difficult time finding the people to fill the slots. Locally, unemployment as I write this is 3.2%.

This leads to a tendency to hire almost anyone who shows up. The reason this is foolish is simple: Hiring the wrong person costs! Consider these:

Early turnover: You lose the new hire, often within a few weeks, and certainly within the first six months.

Wasted training costs: Your orientation, coaching and training all go right down the drain.

Loss of productivity: The wrong person just doesn't produce.

Poor customer service: Whether attitude or aptitude, you end up with . . .

- Lost sales
- Lost customers
- Reputation damaged
- Morale costs to the organization are an especially important aspect. Let me explain.

Morale costs to the organization: You can't do the right thing because there is no right thing. No matter what you do, there are costs.

- Keep? Resentment by your best workers is understandable, since you are keeping a person around who should move on, making the job harder for your good employees.
- Fire? Feeling of failure in the organization. The committee who selected and the trainers who trained all feel the loss.

When you put the wrong person in a position, it costs around 200% of the employee's annual salary! We must attract, select, train, motivate and lead to have and keep the best employees. But

matching the person to the position is a vital step toward a high performance team.

And the higher up the organization, the more important it is to select carefully. Imagine picking a CEO, President, or Senior Vice President whose style and direction turn out to be incompatible with the organization. There the costs can (and have been) catastrophic.

One simple solution to picking the most likely candidate is psychometric testing. Some likely tests would include:

Interest and aptitude tests. My colleague, Dr. Steve Chen, was running a testing program for a client company and a candidate for an accounting position was referred. The testing indicated this person actually had very low interest in accounting procedures and practices. Steve counseled with this candidate who then admitted that he didn't really enjoy accounting even though he had majored in it in college. He had always found math easy and needed a job. Steve suggested another position that was open, that of a sales person. This applicant did have high interests in sales and marketing, even though his skill level was low in that area. It is always easier to train someone who has an aptitude or interest than to try to make a person fit a job that doesn't fit him or her.

Honesty and integrity tests. These tests can predict how ethically a person will be on the job, and in positions that involve dealing with the public, dealing with financial decisions, and so on, to leave out this tool is just plain foolish. One study demonstrated that losses were cut by 20% when all new employees were screened with integrity tests. Could you use 20% fewer problems?

Personality tests. A company has a definite personality, and if you can match the person and the company, you will be much better off than trying to force the round peg into the square hole. Something as simple as giving a person feedback about his or her personality and how it may influence teamwork can be very powerful. Most leadership training courses include some feedback from personality tests.

Given the costs to the organization, psychometric testing is an excellent investment with a clear payoff. Please contact us for practical help at selecting the right person for the right job.