



WORKLIFE STRATEGIES

Talent Assessment for Strategic Selection and Deployment

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*The most important decisions business people make
are not “what” decisions but “who” decisions.*

--- Jim Collins

One of the most expensive mistakes a leader can make is to hire the wrong person for a job. The cost of a bad hiring decision is estimated at 5+ times annual salary (when the costs of lost productivity, replacement and the learning curve are included). For an employee earning \$200K, the hit to the bottom line is in the range of one million dollars. Investing \$1 in making better selection decisions generates a profit of \$8 to \$10 (ROI = 800% to 1000%).¹

Forecasting performance is like predicting the weather: you need to develop a model that covers the critical drivers of the phenomenon you are trying to predict. Extensive research on talent assessment and performance forecasting² indicates that the best predictors of a person’s job performance are their

- SMARTS: knowledge and problem-solving capacity (r = 0.5 to 0.8)
- SKILLS: job-relevant abilities (r = 0.5)
- STYLE: temperament/personality (r = 0.4; smarts + style = 0.65)

SMARTS

Most jobs, especially those that involve more than routine physical work, require a person to process words and numbers and use that information to solve problems and make decisions. For this reason, “general intelligence” (g) is one of the most powerful predictors of performance across a wide range of jobs.³

¹ J. Phillips, R. Stone & P. Phillips, *The Human Resources Scorecard: Measuring the Return on Investment*; J. Phillips, *Return on Investment in Training and Performance Improvement Programs* (2nd Ed.)

² Schmidt, F., & Hunter, J., The validity and utility of selection methods in personnel psychology, *Psychological Bulletin*; Sackett, P. et al., High stakes testing in higher education and employment, *American Psychologist*; F. Schmidt & J. Hunter, Development of a causal model of processes determining job performance, *Current Directions in Psychological Science*

³ M. Ree & J. Earles, Intelligence is the best predictor of job performance, *Current Directions In Psychological Science*

For many decades, job applicants and military inductees were given “IQ tests” to determine whether and where they should be deployed. During the 1980’s an argument was made that many so-called intelligence tests were in fact measuring more than “intelligence” and suffered from cultural biases that resulted in the discrimination against and exclusion of certain groups of individuals. A series of lawsuits culminated in a ruling by the Equal Employment Opportunity Commission (EEOC) that the assessment of general intelligence for job selection should be prohibited. This has had a chilling effect on cognitive ability testing in the workplace due to liability exposure.

At *Worklife Strategies*, we found a better way by building a measure of mental ability that is a job relevant work sample. This retains the predictive power of cognitive assessment while removing the legal risk of generic intelligence tests.

SKILLS

Every job requires specific competencies (skills, abilities, knowledge) for successful performance. Rather than just asking people about their “work experience”, best talent assessment practice involves defining the core competencies required for success in a specific job and determining if a candidate possesses adequate skill in those critical areas.

The most important job skills (critical/core competencies) are normally determined by asking a group of subject matter experts (current high performers as well as their boss, peers, reports, customers and other stakeholders) to generate a list of must-have abilities. Once a list of core competencies (competency model) is created, it can be used to support an organization’s selection and hiring decisions as well as its talent management and development programs.⁴

Hundreds of competencies have now been defined⁵, so it can be a challenge to balance the competing priorities of comprehensiveness and efficiency. It is wise to follow Einstein’s dictum that “*Things should be as simple as possible but no simpler*” by creating models with the fewest competencies without sacrificing coverage. Factor analysis of a wide range of competency models has made it possible to focus in on the skills and abilities that really matter.⁶

⁴ Cohen, D., *The Talent Edge*; Green, P. *Building Robust Competencies: Linking Human Resource Systems to Organizational Strategies*; Rothwell, W., *Effective Succession Planning: Ensuring Leadership Continuity and Building Talent From Within*

⁵ Rosier, R. H. & Jeffery, P. (Eds.) *The Competence Model Handbook* (Vol. 1-3); Whiddett, S. & Hollyforde, S. *The Competencies Handbook*; web-based models include <http://www.cs.state.ny.us/successionplanning/workgroups/competencies/competencylist.html>

⁶ Bartram, D., *The Great Eight Competencies: A Criterion-Centric Approach to Validation*, *J. Applied Psychology*

At Worklife Strategies we found a better way by developing a robust model that measures 5 meta-competencies and their 16 transferable skills:

- THINKING: understanding and using information
- PERFORMING: delivering results
- RELATING: building productive work relationships
- ADAPTING: managing stress and change
- LEADING: defining direction/strategy and managing people

This framework generates ~80% of the core competencies for most jobs; rounding out the model for a particular position involves adding in job-specific competencies based on input from on-site stakeholders. A person's competence level can then be assessed through the use of either structured interviews or 360 degree surveys.

STYLE

A well-known truth from the outplacement world is that *"People are hired for their skills and fired for their behavior"*. This means that even if a person is technically competent, they can still fail if they don't display the right temperament or behavioral "style" for their particular job/role and organization.

There are about 4500 words in the English language that describe people and how they differ from each other (the *real* diversity!). Over the past 20 years, extensive research⁷ has revealed 5 behavioral dimensions that capture these individual differences:

- Emotions
- Sociability
- Problem-solving
- Relationships
- Task management

Most measures of personal style are *self*-assessments which suffer from the distorting influence of human ego and reputation filters. **At Worklife Strategies we found a better way** by developing a proprietary assessment tool for describing a person's default behavioral/work style based on the wisdom of crowds.

By measuring a person's Smarts, Skills and Style, their future job performance can be predicted more accurately than is possible through the use of generic talent assessment strategies (interviews, resumes, references checks etc.). This enables an organization to deploy the right person in each position and to derive maximum return on its human capital investment.

⁷ Digman, J., Personality structure: emergence of the five factor model, *Annual Review of Psychology*; McCrae, R.. & Costa, P., Personality trait structure as a human universal, *American Psychologist*; Howard, P. & Howard, J., *Personality at Work*

AUTHOR

Baird Brightman PhD helps people succeed in their career and business by strategically managing the human side of work.

Trained as a behavioral scientist, Baird has worked as a health professional, leader and consultant. He has been a lecturer at the Harvard Medical School and an instructor/advisor at Harvard's office of executive education. Baird's publications include *Transforming Health Care: Action Strategies for Health Care Leaders* and *One Perfect Meal: Saving the World from the Calorie Crisis* as well as articles on professional and organizational effectiveness. He has been interviewed by Forbes, WebMD, The Washington Post, The Boston Globe and others on a variety of work-related topics.

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