

# “Hire The Best - Avoid The Rest”



## The 7 Steps To Hiring The Right Person First Time

No matter what the role, or size of your organisation, this eBook will give you the guidance you need to develop your own “bullet proof” hiring system

By:

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**Assess**Systems

Workplace Selection & Development Solutions

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## **ABOUT THE PUBLISHERS**

AssessSystems Aust/NZ Ltd are Leaders In Workplace Assessment

Our Business Is Assessment. Our Focus Is People in Organisations – Who to Hire and Promote, Who to Train and Develop and How to Maximise Employee Performance. Our key point of difference is our Industrial Organisational Psychology training and experience.

Our team uses research-based psychological techniques to help organisations and individuals reach peak performance. We aim to establish a down-to-earth, friendly, and professional relationship with our clients and offer a wide range of assessment solutions to meet their needs.

## **ABOUT THE AUTHOR**

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Rob has an extensive background of 25 plus years in the New Zealand and Australian broadcasting industries. He pioneered commercial FM radio on both sides of the Tasman. Being an owner, operator and consultant of many radio properties, small and large, Rob has a solid base of general business and marketing knowledge in an industry that is very dependent on “people performance”.

After selling his radio interests in the early 90s, Rob decided to go back to school! Over five years of full-time study he gained a BA in Business Psychology and a MA(Hons) in Industrial & Organisational Psychology from Massey University. Rob's interests lie in assessment for employee selection (especially sales persons), competency development and behavioural based interviewing.

## **ABOUT THIS BOOK**

Volumes of academic literature and years of personal in-field experience have highlighted the benefits of a structured selection system. Despite this overwhelming evidence, managers still persist on hiring people based on *what a*

*person knows* – what they can do, leaving the judgement of *who they are* – how will they do it, to gut feel. Most managers simply hire people they like, who present well, who usually “talk the walk”, but once on the job fail “walk the talk”.

The publisher and authors are skilled and experienced in the theory and practise of the total selection process, in particular psychometric profiling. The goal of this book is to encourage you to set up a systematic selection system. This way you can compare “apples to apples” ensuring all people get treated the same way, all selection processes are covered diligently and the final decision is made in an unbiased manner.

We have tried to keep this book short, simple, and in plain language. A quick and easy to grasp guide that is by no mean exhaustive, but will set you and you company on the right path to a structure selection process.

Comments, suggestions or criticisms are welcomed. Please feel free to email the authors at the above address.

## **ABOUT SMALL TO MEDIUM BUSINESSES (SMEs)**

Most SMEs are owned by people skilled in a particular field, but without formal business training or experience. To drive a successful business they are faced with the near-impossible task of doing the **three essential tasks** of business well–

- The **reason for the business**, like running a retail electrical store, a motor vehicle repair service, or clothing manufacture. This is usually what the owner likes doing, and what they are skilled in. It's often the reason they got into the business in the first place – be they an electrician, a motor mechanic or a clothes designer.
- Getting **the next job** through sales and marketing. Every business must sell their products or services to gain revenue, to exist. Many business owners are good at making, fixing, designing, but poor at selling.
- **Finance and administration**, including paying the staff, sending out invoices, paying creditors, PAYE and GST returns, keeping an eye on the bank balance and cash flow.

Almost without exception, owners get one of the three right – the thing they like doing. As time passes, they come to understand the importance of the other two, but since they have no training or experience in these areas, they usually thoroughly dislike them, and carry them out poorly. Also, as they devote more time to the other two functions, the thing they went into business for suffers, and soon all three elements of the business are done poorly.

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## CHAPTER 1 – INTRODUCTION

Choosing staff is one of the most important tasks that managers and business owners face. This book aims to help minimise the risk of hiring substandard performers, a tendency inherent in the traditional hiring processes. By adhering to the steps of a systematic selection process, it's much more likely that your search for employees will end with a good result.

### **The Cost of a Bad Hire:**

- Recruiting, Screening, Interviewing, Hiring & Training costs 300 to 700 times the hourly wage rate. Other estimates, as much as half the annual salary.
- There's increased legal exposure every time you hire. In today's litigious employment environment it's very difficult to correct a bad-hiring decision.
- Hiring "bad attitude" also has hidden expenses. It's estimated that 68% of clients change suppliers because of the employees' attitude towards them.
- Managers tend to "penny-pinch" when hiring. For example, they may refuse to pay \$50 to check out a candidate's attitude, mental ability and personality with a valid employee profile preferring to rely on their gut feel. Hiring is only costly when it's **not** done well.

### **The Three Challenges in Managing People:**

- **Challenge One:** Getting the right people into the business.
- **Challenge Two:** Ensuring expected levels of performance once people are employed.
- **Challenge Three:** Dealing with people who are not performing as expected.

By ensuring that Challenge One and Two are met, you can minimise the costs of Challenge Three. Dealing with poor performance or problem employees usually consumes about 80% of your “people management” time.

Although Challenge One – “getting the right person for the job” – is critical to the success of any business, most businesses rely on the traditional hiring practices of the “classic selection trio”, namely:

- **A CV or Resume** – An Application Form is more efficient, it collects the information you want – CVs only give you the information the applicant wants you to have.
- **An informal interview** – a basic chitchat, with the employer doing most of the talking! Judgement is always based on “gut feel”.
- **A cursory reference check** – usually done at the end of the process. At this stage the hiring manager has made up his or her mind and only listens to the positive comments, dismissing negative issues as being able to be dealt with via management and wall training.

Businesses, large and small, short-change the selection process because they think a more thorough, comprehensive process will be too costly, or because the hiring manager believes that no structured process is needed – they believe they can “pick ‘em when they see ‘em”.

If this were the case, these managers would have teams of super performers and there would be little need for recruitment. The cost of hiring the wrong person far exceeds the costs involved in following a comprehensive, systematic selection process involving sound recruiting, astute screening, a validated employment test, structured behavioural interview conducted by two or more people and a diligent reference and or background check.

## **The Tree Analogy**

A good visual way to understand the selection process is by thinking of a tree.

The *fruits of the tree* represent the knowledge, skill and experience to do the job. These three qualities are observable, coachable and trainable and as such, can be tested through the interview, responses on the Application Form or, resume, and through reference/background checking.

***The fruits of the tree represent what a person can do.***

The *roots of the tree* represent the candidate's personality, mental ability, attitudes, values and motivations. These attributes are innate, that is they are basically developed by the time we are in our late teens. Whilst we may have the ability to adapt our behaviour in specific situations we will always revert back to "homebase". The roots can only be tested through valid and reliable employee profiles – such as personality assessments and numerical, verbal and spatial ability tests.

**The roots of the tree represent *who* the person is. By understanding the roots we get a better understand of knowing *how will* the candidate do the job?**