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# Employer's Advantage

Edited by John W. Howard, Ph.D.

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This month's edition is something of a testimonial to the variety of areas that assessments can impact upon a business and its people. We discuss customization, preventing performance failures across disciplines, improving sales, development and rollout of a new honesty-integrity measure, and a book that cuts across all of those topics. Perhaps the quote summarizes it best—we're looking for gold in the form of great people; assessments help us decide where to dig. Needing more exercise is a separate topic—maybe in another issue! —Editor

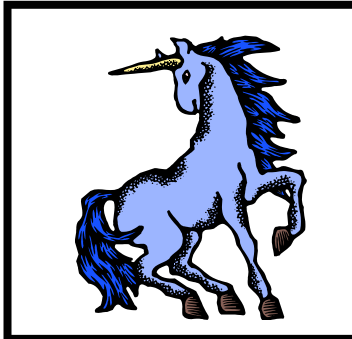
**In this issue:**

- **Locally Customized ?**
- **New book of business strategies!**
- **Job Fit or Mis-fit?**
- **Are you ready for the next STEP?**
- **Would you like more sales?**

## THE PERSISTENT MYTH—LOCALLY CUSTOMIZED ASSESSMENTS

All too frequently, you hear HR departments talking of developing an assessment of some sort customized to their own business and its unique characteristics and needs. When this topic is under serious discussion, unless they are Fortune 1000 material, you can count on several things:

- They can't afford the process of developing, validating, testing reliability, and testing for discrimination on a local level.
- Their time, money, and energies could almost certainly be better applied somewhere else.
- If they are able to afford the process, have the necessary expertise, and expend the effort—they are likely to discover they have re-invented the wheel!



Those Fortune 1000 companies who could afford the process and put together the expertise and perhaps deliver the numbers of employees and candidates to provide validation—what do they usually do. They nearly always rely on the expertise, reach, and delivery systems of the acknowledged leaders in the assessment field! (They didn't reach the 1000 by reinventing wheels.)

The process of creating a valid, reliable, and legally defensible assessment is a science, not an art. The hurdles are high, and pro-

viding the necessary numbers of test subjects (from real working environments) is a challenge, even to large companies.

So, what are we to do? We're firmly convinced that our business is unique, and we wish to use assessments that will predict behavior and success on our jobs, in our settings.

Find assessments designed for the purpose you plan to accomplish which are validated for that goal, are legally defensible and have built-in validated customization processes that allow benchmarking or profiling of the characteristics unique to your situation. Look for case studies that demonstrate success in a variety of settings. This strategy will save you time, money, and grief, and still provide the customized approach you were seeking all along!

### 40 STRATEGIES FOR WINNING IN BUSINESS



### NEW BOOK BY PROFILES INTERNATIONAL FOUNDERS

40 Strategies for Winning in Business, the new book by Bud Haney and Jim Sirbasku, is a book full of practical approaches to business success. The authors have captured the best ideas from a variety of sources and presented the materials in a concise form for easy reading. Each strategy can be read and applied on its own—one short read for one

great idea. The exciting four-color layout throughout makes the book eye catching and the entertaining illustrations provide a reminder of the lesson learned in each strategy.

In 40 Strategies for Winning in Business, Bud and Jim have distilled the wisdom of hundreds of authors, busi-

ness leaders, lecturers and personal acquaintances into a format for business owners, managers and salespeople to achieve maximum benefit. This book captures the best ideas from a variety of sources to give you a handbook for business success.

## JOB FIT OR MIS-FIT? PERFORMANCE BASED DISMISSALS

A GUEST ARTICLE BY JAY WERTH OF CAREERLIFE RESOURCES

*A performance-based dismissal is typically preceded by a period of discomfort when everyone realizes there's a bad fit to the job...*

"I'm sorry, but this just isn't working, I think it's best if we part company." Have you been on the giving or receiving side of that statement? Do you recall the unpleasant sense of regret, the foreshadowing and worry that led to those words?

A performance-based dismissal is typically preceded by a period of discomfort when everyone realizes there's a bad fit to the job. Remedial steps may be taken in the interest of fairness, but there's a sense that the situation will not improve. During this interim period, productivity dives, momentum is lost, and morale deteriorates as fellow employees watch and wait for the inevitable.

Since dismissals commonly play out like this, it is paramount to simply put the right person in the right place from the start. One way to determine whether or not there's a "job fit" between the prospective employee and your business is by using assessments.

Assessments can measure and accurately describe an

individual's attributes. According to the U.S. Department of Labor, "...appropriate use of professionally developed assessment tools enable organizations to make more effective employment-related decisions than the use of observation or random decision making."

You can integrate assessments into your operations from pre-hire through retirement. The goal is to address people challenges before they negatively affect your business. Information from assessments can help you diminish or avoid negative impact.

Properly used, assessments help managers better understand themselves and the people they supervise. They provide information on capabilities, capacity, behavioral style, compatibility with the business, and employee perceptions of management. Typically, 60% of a manager's time is spent fixing people problems and 40% of his or her time is spent reaching the company's goals. Using assessment tools to reduce people-related problems gives

managers more time to work toward achieving those goals.

Decision-making improves when a business has more complete information about job candidates and employees. Promotion and succession-planning decisions are enhanced, and training programs become more effective. When each individual's "occupational DNA" has been examined through an assessment, decisions can be tailored to an individual's specific needs and characteristics.

There is tremendous potential for greater efficiency when assessments help match the prospective employee or existing employee's talents to the talents the position requires. Using assessments, any business can provide the right fit between jobs and employees. The results change average performance into winning performance. Research across a broad cross-section of businesses makes it clear that people are happiest and most productive when their competencies and core behavioral traits are well-aligned with their jobs.

## ARE YOU READY FOR THE NEXT STEP? (STEP ONE SURVEY II)

Regular readers of this newsletter are already familiar with the numerous and powerful positive effects of the systematic use of the Step One Survey, a prehire screener. The Step One helps assure that your business is hiring good people, likely to show up when scheduled, work hard, exhibit high integrity, and avoid substance abuse.

Now, Profiles International has introduced the Step One Survey II.

This new measure is not designed to replace the Step One Survey.

The new product has been designed to offer improvements in areas of greater concern in mid-level, technical, and executive positions. It includes a new, one-page

summary report for quick screening of applications while also looking for specific information on data theft, and other "white-collar" concerns.

Ask your Profiles representative for a full presentation on the features and benefits of the Step One Survey II — it might be just right for your business!

## IF YOUR SALES ARE LESS THAN YOU'D LIKE (AND WHOSE AREN'T)—CASE STUDY

The client company in this case study is in what most would call a "mature" segment of the economy—Corporate Accounts in the Retail Office Supply industry. While the company had done well for years, like most companies, it was highly interested in increasing its share of this inelastic market. At the same time, the company was experiencing relatively high turnover in its sales positions. We suggested that an analysis of the sales force, followed by recommendations for selection process changes, could be their solution. The assessment chosen was the Profiles Sales Indicator (PSI). In the first year, two groups of 12 salespeople were assessed, using the PSI: A group of the Top Performers (based on annual sales volume), and a group at the very bottom of annual production, the Bottom Performers. Using the Top Performers to produce a Success Pattern, it was found that the two groups were markedly different in their Match Scores to the pattern; they were even

more remarkably different in their sales production. These results are summarized below.

This company had previously developed documentation of the cost of turnover in the sales department. When advertising, recruiting, hiring, training, compensation, and termination were figured in, the average cost per turnover was estimated at \$15,000!

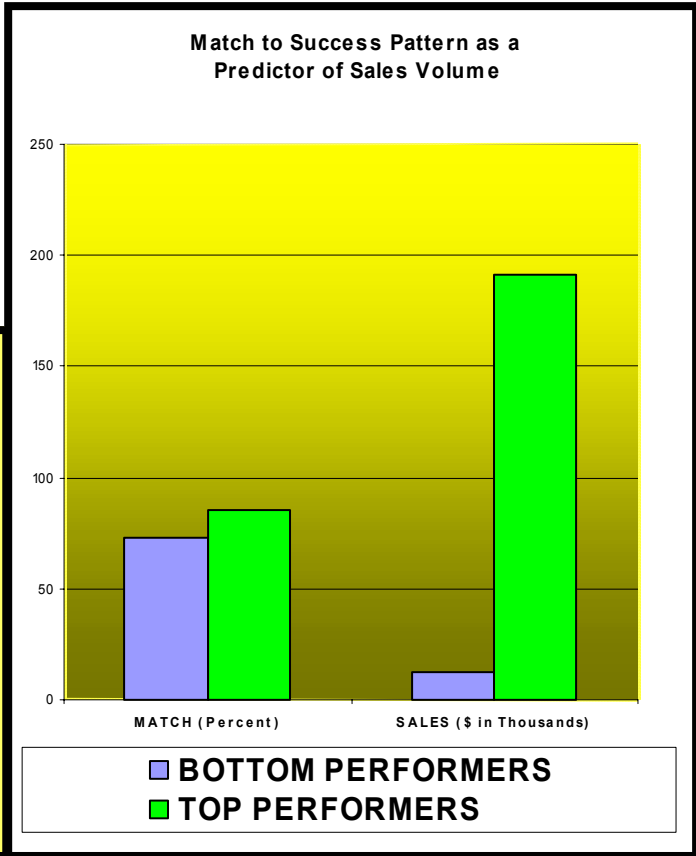
In the second year, following the recommendations developed from the PSI data, the company applied the PSI as a selection tool, and also used the Management Reports to coach the existing employees and new hires throughout the year. In the first 10 months of the year, these were the results: **Sales turnover dropped from an annual**

**rate of 65.48% to 23.26%, a reduction by two-thirds!**

The company calculated potential annual sales increase available, if all 12 Bottom Performers were replaced by Top Performers: \$2,150,940! Over three years, with a turnover rate reduced to an acceptable rate of 25% or less, total costs of the PSI in use were estimated at \$36,000. Even if all of the sales gain were deferred until the end of a three year term, sales volume increase would exceed costs by a factor of 58:1. As the Bottom Performers continue to be replaced with potential Top Performers additional gains will be realized. Ultimately, market share will increase!

*The company calculated potential annual sales increase available... **\$2,150,940!***

Note that, while the difference in match score is only 10 percentage points, it is highly predictive of sales performance!  
  
(This is a quite common finding.)



**Dig where the gold is...  
unless you just need  
some exercise.**

**-John M. Capozzi**



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