

## **CASTING THE BIG NET: A RECRUITING STRATEGY FOR A TIGHT LABOR MARKET**

**A**s we enter the new millennium faced with increasing levels of national and international competition, the challenge for individual business and industrial organizations will be a greater need to attract, identify, and hire superior people. While today's booming economy may wax or wane, the decline of the baby-boomer sub-population means that we will face a steadily shrinking labor force. The best solution is to develop creative evaluation and selection strategies that guarantee the ability to hire superior people, despite the shallowness of the labor pool. Happily, companies are already meeting this challenge by using an inventive candidate evaluation/selection strategy that we call the "Big Net."

### **Superior People Are Always Looking for Jobs**

The primary assumption behind the Big Net is that, despite increased competition for superior candidates, there are always superior people looking for job opportunities. In a competitive labor market, however, recruiting efforts need to be broadened to attract a large number of candidates from which to choose the superior people you need. However, it requires an aggressive approach — advertising for candidates on radio and television and signing up candidates in the malls — rather than relying on mail-in résumés, walk-ins, and state employment services. There are many potential candidates ready to make a change, but you may not be able to contact them via the usual channels.

The Big Net approach uses very little preliminary human resource time to evaluate the pool of candidates. If the hiring goal is ten, one hundred candidates may be screened and perhaps only 20 brought in for the much more costly and time-consuming phases of the evaluation. At the end of the screening process you are not making hiring decisions on each candidate, but you have identified a group of perhaps 20 people of the 100 who are potentially superior relative to the others. The bonus of the Big Net strategy is that you greatly reduce the time and money you could have spent on the 80 candidates who might not have the right stuff to succeed in the first place.

### **Group Testing**

The key to large scale screening is group testing. There is actually no limit to the number of people that can be tested at one time, and large group testing takes about the same time as single candidate testing.

PSP's contribution to the Big Net strategy is QRTS (Quick Response Testing System). QRTS combines PSP's decades of experience in professional test validation research with modern technology. While there are no short cuts to scientific test validation research in determining what test battery should be used for screening candidates, the actual testing, analysis and generation of reports is very rapid. One-day turnaround of results is the norm even from such distant places as Australia, the Far East, South America and Europe.

### **Work Behaviors Are Key**

While QRTS involves testing for required skills and abilities, it also involves PSP's unique measurement of Work Behaviors, which



might include measures of the candidates' drive, energy and work motivation, their stress tolerance, and their ability to work in a team environment. Feedback from companies using QRTS suggests that these Work Behaviors are even more important than the traditional measures of skills and abilities.

QRTS presents all of these measures of skills, abilities and work behaviors on a single

profile sheet for each candidate. The single sheet profiles make it very easy to compare candidates and to readily identify the superior 20 out of 100, or the 2 out of 10, that you send to the next phase of the candidate evaluation process.

**Companies using the Big Net strategy report that even in a tight labor market they have been able to hire highly motivated, technically competent new employees who get along well with one another, who adapt to a team environment and who produce more, at less cost, with fewer problems than their previously hired counterparts.**

## EXECUTIVE DEVELOPMENT — SUCCESSFUL EXECUTIVES CONTINUE TO GROW

**W**hy are some executives successful in managing their organizations well into their 60's and 70's, while others are put out to pasture long before they reach retirement? Part of the answer is that those executives who continue to succeed in their roles also continue to grow. They are continual learners who constantly strive for excellence and demand a great deal of themselves well into their later years. Many executives become unable to impact their organizations because they don't see themselves as servants of their organizations. They no longer exhibit the combination of physical and mental agility, inquisitiveness, and energy required to leap ahead of their competitors. As Peter Drucker states and, in fact, illustrates, "People grow according to the demands they place on themselves, and successful executives continue to ask what is the most important contribution I can make to the performance of this organization?" They ask, "What self-development do I need? What knowledge and skills



do I require to make a contribution? What standards do I need to set for myself?" Successful executives do not take their success for granted; they realize the importance of continual improvement so that they retain the ability to make contributions that count.

Why is career development critical for executives? Perhaps the most important reason, as Drucker notes, is "to help their organizations achieve the goals that are expected." Organizations change only when people change, and

executives model behaviors for others to follow. In short, executives who strive for excellence continue to learn and stimulate others to do the same. This synergy exponentially increases the contributions executives can make to their organizations. It helps them gain greater control over factors that affect their own performance as well as the performance of their direct reports. Ultimately, this advances and extends their careers.

Where should the direction and standards for executive development come from? The direction is derived primarily from the needs of the business, and, just as we identify **business** goals, we also should identify **individual** goals for personal development. These goals are inferred from the strategic business plan that an executive is expected to implement. Each executive should think broadly and ask Drucker's question. Other sources of information naturally include customers—knowing their present expectations and anticipating their future needs. Reading and being aware of changing technologies (the Internet) and economics (global competition) also helps you to anticipate what preparation is needed.

Progressive companies recognize that achieving business goals requires more of their leaders than good analytical skills and the ability to set appropriate numerical targets. "Soft" leadership skills are essential for reaching targeted objectives, especially in today's flattened organizational structures. Thus, a number of companies have found it helpful to clarify leadership expectations for executives. An Executive Leadership Competency Model assists executives in benchmarking their skills and planning their development accordingly. A competency model is developed with input from members of the executive team, who first identify the important competencies needed for successful implementation of the business strategy. Specific behaviors are then selected for each competency. For example, the word "leadership," no matter how well-defined, does not indicate the specific behaviors desired. In competency models, leadership is defined and examples are given to illustrate the behavioral expectations for leadership in the organization.

Gauging one's effectiveness in light of an Executive Leadership Competency Model requires acquiring self-knowledge through outside feedback. Sometimes a trusted mentor or friend can provide helpful suggestions. Usually, however, more direct and objective feedback is necessary. This can be obtained through a 360° feedback questionnaire as well as through the use of benchmark executive assessments by an industrial psychologist. Correct feedback allows precious time to be invested working on the "right" things rather than being wasted in pursuit of wrong or unnecessary development initiatives.

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Executives committed to development need to distinguish between short-term and long-term learning requirements. Short-term learning may be obtaining information that affects one's industry or functional area, such as a change in tax laws, whereas long-term learning may require improving one's listening skills or developing one's leadership and social presence. These require great commitment and involvement over a long period of time.

Executives who continue to grow will not only impact the bottom line and extend their careers, but also develop the next generation of leaders, preparing their organization for success in the future.

*This article is an abridgement of an article by PSP that appeared in the July issue of the **International Journal for Career Development**. For a copy of the full article, please contact PSP.*



# THE SCIENCE OF EMPLOYEE SELECTION

## PSP DATABASES AND NORMS ESTABLISH BENCHMARKS

**A**t PSP, whenever we hear that an employee's work performance is "average," we always ask the question: "Average compared to what?" The comparison group, or benchmark, adds meaning to the term "average." After all, if an individual displays average performance compared to new employees who are just learning the job, the term "average" means one thing. However, if an individual is "average" compared to highly experienced and successful workers, the term "average" has a very different meaning.

### Databases Add Relevance

So it is with PSP's tests and surveys. The benchmark chosen for comparison with an applicant's test or survey results adds meaning, value, and relevance to those results. And, because of PSP's strong foundation in research for over 50 years, we have an unusually wide variety of comparison groups from which to choose. As a result, we can compare applicants to many different databases in order to meet our customers' specific requirements. We have become quite skilled at organizing these databases hierarchically into bands, thus creating norms for comparison to both occupational titles and to industry groups.

Occupational databases are at the heart of PSP's measurement systems. Not only do we have databases of test and survey results for a wide variety of hourly worker jobs, but also for supervisors, middle managers, and even company presidents. In addition, we have developed norms for a broad array of professional positions, including key jobs such as plant manager; electrical, mechanical, chemical, industrial engineers; MIS professionals; and outside or inside sales representatives. PSP also has been able to accumulate

databases on specialty positions such as customer service representative and power system operator, as well as administrative assistant and maintenance technician.

We have also developed numerous databases and norms for the manufacturing, consumer products, electronics, banking, health care and electric utility industries. Our doctoral level industrial psychologists make sure that the correct norms are used for every position we assess.

### Company Norms Create Competitive Advantage

PSP's work with hundreds of companies has enabled us to learn a great deal about differences between occupations and industries. Passing on this knowledge to our customers in the form of database-referenced assessment profiles is our core business. But increasingly, customers are asking us to create norms specifically for their companies.

Why create norms? The answer is quite simple: To pick new employees who are as good as or better than a company's existing workforce. This practice allows a company to upgrade itself with each new hire. Knowing the profile of one's current workers provides an employer with the ability to "raise the bar" for new workers, and thus to become more competitive in the marketplace and the industry.

### Start Benchmarking Now

It has become popular across industries to benchmark other successful companies, with an eye toward adopting "best practices" back home. At PSP, we believe that benchmarking also can be conducted at one's own company, profiling existing employees to establish norms which can be used to gauge future applicants. These norms can help you to hire the best applicants available in your market, giving you an edge over your competition.

If you are interested in establishing norms for your company prior to a major initiative such as a plant start-up or business expansion, contact your PSP consultant today. The care you take in selecting employees today will pay off well for your company tomorrow.



# WHAT'S NEW @ PSP

- ❖ Deployed "The Big Net" strategy to hire superior people in tight labor markets for steelmaking, tiremaking, and chemical manufacturing companies.
- ❖ Instituted a successor development program for the third generation of an Ohio-based family business.
- ❖ Initiated plant start-up programs for new customers in North Carolina and Tennessee.
- ❖ Employed our career development services for a large reorganization project in a major chemicals company.
- ❖ Created a "bench strength" development program for a major home building company.
- ❖ Achieved one-day turnaround in screening entry level job candidates for new plant startup in Queensland, Australia by using faxable answer sheets.
- ❖ Completed a CEO succession project for a worldwide minerals company.
- ❖ Conducted a highly successful validation research project with a major specialty steel producer.
- ❖ Honored long-time PSP employees Bobbie Krieger and Dorothy Schulz on their retirement.
- ❖ Welcomed new PSP employees Patty Pender and Debbie Meledandri.



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## TRAINING RESOURCES ON ORGANIZATIONAL DEVELOPMENT

If you have not yet had a chance to read ***Built To Last*** (James Collins & Jerry Porras), we encourage you to do so. In book or audiotape format, this material emphasizes the establishment of core values and a culture which stimulates progress.

An excellent article on the importance of shared beliefs in an organization, e.g. the Marines, is David Freedman's piece, "Corps Values," in ***Inc.***, April 1998, p.54.

We have heard good things about the AMA Self-Study CD-ROM on ***Championship Teams***. This program provides a realistic, interactive simulation of team building activity in a manufacturing firm.

For all-around organizational growth advice, we still like ***Flight Of The Buffalo: Soaring To Excellence, Learning to Let Employees Lead*** by James Belasco and Ralph Stayer. Practical advice — quick to read, easy to apply.

Belasco has a new book on organizational change, ***Soaring with the Phoenix: Renewing the Vision, Reviving the Spirit, and Re-creating the Success of Your Company***. This is a lengthy but worthwhile volume and is also available on audiocassette.

***For recommendations on training resources on any management topic, contact PSP directly via telephone or fax.***

***For further information visit our website:  
[www.psp-hrd.com](http://www.psp-hrd.com)***



**PSP is Y2K ready!**