

**Delivering Improved
Business Outcomes
Through Innovative
Selection, Assessment and
Professional Development
Processes**

Human Resource Management Summit

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Introduction

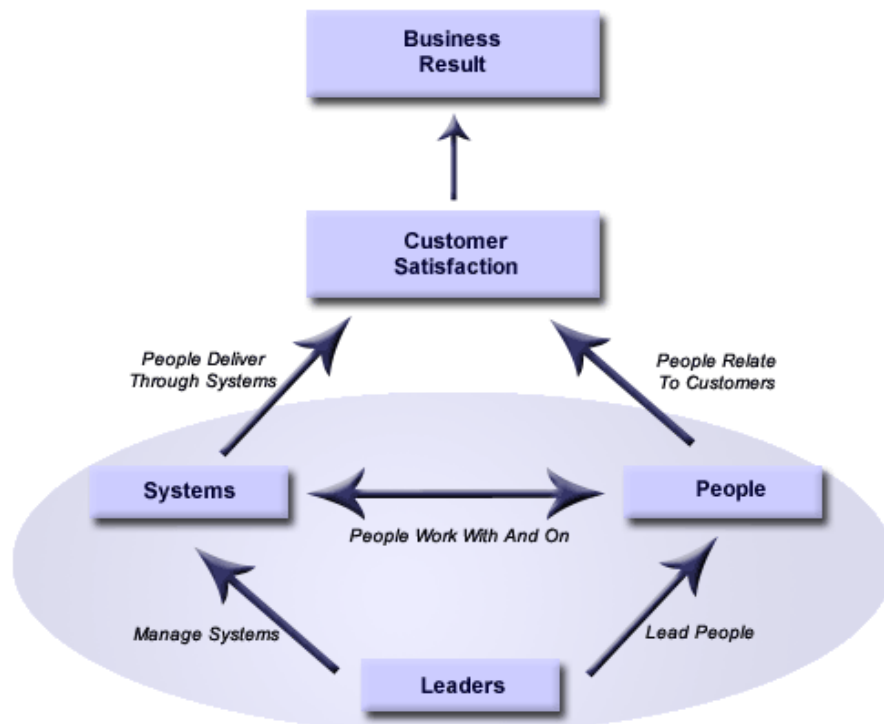
Over the next ten to twenty years organisations will no longer be able to afford the current level of waste of Human Resources. It is our responsibility to address this issue now by finding ways to reduce this irresponsible waste of human resources and potential.

Achieving the Changes

To achieve the changes in attitude and practice that are needed requires a real partnership between Management and HR practitioners. HR practitioners will need to have a greater understanding of the language of management and how their professional advice will benefit the business outcomes be that in the private sector where money and the demands of shareholders are critical or in the public sector where community or political factors are the key drivers.

The following model is one way of highlighting the critical importance of human capital to the success of any business. As the people component is pivotal to the performance of the business any waste or inefficiency in this area will have a significant impact across the whole business.

Table 1



The New Concept of Waste

A traditional way of considering waste in organisations has been to use the following table where any activity not categorised as “Doing the Right Thing Right” has to be regarded as waste. This approach focuses on what activity is done and how it is done.

Table 2

		What We Do	
How We Do It		<p>Right Things Right</p> <p>65% Value Adding</p>	<p>Wrong Things Right</p> <p>30% Waste</p>
		<p>Right Things Wrong</p> <p>5% Waste Training needed</p>	<p>Wrong Things Wrong</p> <p>Waste</p>

When focussing on the people factors, this model can be re-conceptualised as in Table 3.

Table 3

		Who Does It	
What Is Done	Right Person doing the Right thing Value Adding	Wrong Person doing the Right thing Waste	
	Right Person doing the Wrong thing Waste	Wrong Person doing the Wrong thing Waste	

Again the potential of the people in the business will only be realised when the Right Person is engaged in performing the right task. Significant waste will occur in the other three quadrants.

The Origins Of Waste Using Current Practices

Current practices in three key areas have the potential to create significant waste of the human resources of an organisation. They are:

- **Recruitment**
- **Promotion**
- **Development**

Recruitment

The traditional recruitment practice has utilised experts in specialist areas using Interviews and Reference Checking to match the past experience of applicants with the tasks required in the new role. Over the last twenty years this matching process has been enhanced through the use of behavioural interviews. Over the next twenty years these techniques may not be adequate to ensure the right person is matched to the right job.

Promotion

In the civilian world organisations have tended to take the best practitioners in an organisation and promote them to supervisory roles as a reward for performance. e.g. accountants, engineers, mechanics and IT specialists. The promotion process often doesn't take into account the suitability of the person to perform in a role that is significantly different to their current role.

The military insists on training and assessing candidates' supervisory skills before considering them for promotion, but this is a luxury the commercial world may not be able or willing to afford.

The negative result of the commercial process is often the loss of a good specialist in return for the gain of a poor supervisor. To reverse this situation the assessment for promotion must focus on the employee's potential to perform in a new role that does not necessarily depend on their competency in their current role.

Development

Generic type training programs, particularly in the areas of leadership and management, tend to be the norm in many organisations. These broad programs cover a wide range of areas but rarely to the depth required to support employees in the necessary transition to leadership and management roles. Thus the risk of waste occurring increases because the leader does not have the skills needed to lead the employees and the employees lack the support and direction required to maximise their contribution to the business.

The Impact of Current Practices

Recruitment

Where a poor match is made between the capability of an employee and the requirement of the role, the employee is being set up for failure. Poor performance and a poor attitude to work are the likely results. For the organisation, this means lower productivity and for both the organisation and the employee it means increased levels of stress.

Promotion

Where poor promotional decisions are made the impact is twofold:

- The person promoted becomes dissatisfied as they find that they are unsuitable and uncomfortable in the supervisory role

- Their subordinates performance is adversely affected by poor or dysfunctional supervision

Development

When Leadership and Management training is generic rather than tailored to an employee's needs:

- Time is wasted covering areas in which the employee is already competent
- The training needs of the employee are often not covered in sufficient depth
- The overall impact of the training is reduced as the employee perceives it as a waste of their valuable time.

Summary

Where recruitment, promotion and development practices don't meet the needs and challenges facing organisations in the future increased levels of stress and the consequences of that will be the result and we are likely to see the following,

- Less than optimal performance
- Increased absenteeism
- Increased psychosomatic disorders
- Workplace cultures not aligned to the business needs of continuous improvement.

Increases in the Levels of Risk, the Changing Employment Environment

A number of factors in society are now starting to have an impact on the employment environment. Some of the key factors are:

- The ageing population
- Insufficient funds available to pay liveable pensions to retirees from Government sources
- A reduced pool of potential employees in key roles to support the growth of the economy resulting in the often reported skill shortage
- Financial pressures on business to reduce waste as competition in the global market place increases

Unless we address the waste and the less appropriate recruitment, promotion and development practices, our organisations will be exposed to an increasing level of risk as the above factors put increasing pressure on employment over the next two decades.

Enhanced Assessment Processes

Interviews will always retain a place in the selection process and there will always be a place for some generic training of the new supervisor. However, there is an increasing need for organisations to consider enhanced assessment techniques that provide more detailed, specific, reliable and valid information to support decision making. If these enhanced techniques are combined with a structured approach to integrating the data then the risk of making inappropriate decisions will be reduced.

To maximise the benefits of enhanced techniques, they should be used to support the more critical selections and to assess the most critical competencies for a role. The following comments may be useful in determining when they will add the most value to the assessment process.

Recruitment

When applicants for a role have had little or no prior experience in the role, a number of techniques will provide objective data on their potential to succeed in the role. Typically, these selections tended to focus on graduates or applicants entering the workforce for the first time.

As we see an increasing number of older applicants applying for a new position in a new area in which they have no past record on which to base predictions about their suitability, enhanced techniques will help define their skills in the relevant areas.

Promotion

Enhanced assessment techniques add most value in promotions to levels that have a requirement for skills not critical in the employee's current role. The two most obvious of these are:

- Promotion to first level supervisor
- Promotion from operational management roles to roles that are predominately strategic

At both these levels assessment tasks can be structured to provide applicants with the opportunity to demonstrate abilities that have not been evident in their current roles.

Development

In this area assessment tasks should be built around the critical competencies required for performance at the target level -eg senior management. Careful and comprehensive assessment of these key areas will provide the basis for valid feedback and the construction of a targeted development plan.

The following Assessment Matrix provides a guide to the types of assessment tasks that can be used to generate valid data for the listed competencies. Ideally performance on critical competencies is assessed by more than one technique and many of the assessment techniques provide data on more than one competency.

**Table 4
Assessment Matrix**

Competencies	Tests Reasoning Aptitude Achievement	TPT	Work Style Quest	Behavioural Simulations					Work Related Activities			Interviews	Reports
				Fact Finding & Decision Making Interview	In Baskets / In Trays	Role Play Interview	Problem Solving: Written Exercise	Problem Solving: Group Discussion	Training Demonstration	Written Papers	Presentation		
Team Work			✓			✓		✓				✓	✓
Oral Communication			✓	✓		✓		✓	✓		✓	✓	✓
Written Communication					✓		✓			✓			✓
Problem Solving & Analysis	✓		✓	✓	✓		✓			✓		✓	✓
Leadership			✓			✓		✓	✓	✓	✓	✓	✓
Innovation		✓	✓				✓					✓	✓
Planning & Organising			✓	✓	✓							✓	✓
Technical Knowledge							✓		✓	✓	✓	✓	✓
Decision Making			✓	✓	✓							✓	✓
Future Focus			✓		✓			✓			✓	✓	✓
Managing processes and systems			✓		✓	✓		✓				✓	✓
Change Management			✓					✓				✓	✓
Customer-Orientation			✓			✓		✓			✓	✓	✓
Initiative			✓	✓								✓	✓
Adaptability			✓			✓		✓				✓	✓
Business Acumen	✓		✓	✓	✓		✓				✓	✓	✓

Case Studies

The four examples illustrate the use or potential use of enhanced techniques to meet special needs.

Study One

On purchasing and assuming control of an ageing power station operating in an industrially sensitive environment, the company planned to reduce the operational staff but wanted to ensure it identified and retained a number of high quality operators. Many of the operators had worked at the station for most of their working lives and had few qualifications. Many were from ethnic backgrounds with limited English and none had ever been interviewed.

It was considered that a traditional interview would not be effective in identifying the most appropriate workers to retain and there was concern that they could not rely on the judgement and impartiality of the supervisors.

The selection process developed was very simple, with each applicant demonstrating to the panel within the station how a range of tasks and processes would be performed. The applicant guided the panel to the appropriate parts of the station and then actually demonstrated what was done on plant that had been taken out of service.

Being in their usual environment resulted in applicants being less stressed and the resultant selection was considered to have identified the best performers.

Study Two

A large mine in Papua New Guinea had implemented a testing program for recruitment and promotion within the mine. They used traditional psychological tests of ability and work styles. All the tests were in Bahasa. The mine lease is owned by a number of related tribes with limited education and knowledge of Bahasa. The mine was anxious to increase the proportion of indigenous employees but needed an accurate measure of their potential to be trained for a wide range of technical and trade roles. Both the mine and the tribal chiefs expressed concern that the tests being used were unfair to the indigenous employees and were not valid measures of their trainability.

By identifying, validating and norming a culture fair test, the “Q Test”, and then introducing the test for all assessments of the potential indigenous employees the mine is now finding that training and employment outcomes are improving.

Study Three

A major public utility identified a need to create a pool of senior employees with the potential to fill Regional Manager positions in the future. They recognised that there were some who may be able to fill the roles with a minimal amount of development while others would need more extensive training. They conducted a number of 1 day Development Centres titled “A day in the life of a Regional Manager”. The Centre included the following:

- A role play with a staff member
- A strategic paper
- A presentation
- A group discussion
- A group problem solving discussion
- Reasoning tests
- A work style questionnaire

An analysis of the results provided senior management with the following:

- A number of participants who have the potential and are almost ready to operate at the required level
- A number of participants with the potential to operate at that level but require significant development in specific areas before being ready
- Some participants with very little potential to perform at that level
- Clearly identified development needs for each of the applicants.

Individual development plans were then developed to meet the specific needs of each participant

Study Four

It is reported that the mining industry and other industries operating in remote areas are having difficulty identifying those indigenous employees with the potential to be trained as operators and maintenance workers. Some employers are already using some enhanced techniques to help identify the most suitable applicants. We are currently exploring the use of tests like the “Q Test” to improve the validity of the selection process and ensure that all those selected are able to be trained and employed to meet the requirements of the organisation and to gain the personal satisfaction from being competent in their role.

Our Challenge

The challenges facing HR practitioners are part of what makes the role so interesting and satisfying. Finding solutions to the problems facing organisations over the next two decades will ensure the role remains interesting. Focussing on helping managers reduce waste in recruitment, promotion and development by introducing more reliable and valid assessment techniques will contribute significantly to improving business performance.