

Case Study: Early Measurement of Effects of a Strategic Hiring System

A good-sized credit union is thoroughly committed to a learning culture, and development of superior leadership from within its own ranks. It was a natural step in their evolution to institute a strategic hiring system with multiple goals; to reduce turnover and increase retention of quality employees, to improve the overall quality of employees hired, and to hire people who were likely to succeed and develop within their service and sales oriented culture.

To accomplish these goals the credit union, working closely with their Profiles representative, adopted a "funnel" model of selection. At the wide end of the funnel, applicants are screened for suitability on the basis of their application documents. Those chosen to enter the interview process first complete an honesty-integrity assessment (the Step One Survey IITM, or SOS2). With a strong applicant pool, the credit union applies a relatively high criterion to the scores on that instrument. The criterion, combined with an initial interview (using the assessment's interview guide) selects approximately 40% of the pool to continue the process. At this point,

candidates remaining in the pool complete a job match assessment specific to customer service jobs (the Customer Service Perspective™): If their match to the success pattern for the job under consideration is favorable, they also complete a job match assessment specific to sales, the Profile Sales Indicator™ (PSI). A final interview is conducted, considering the complete file of information on hand (assessments, employment history, reference checks, and interview results) and a job offer decision is reached.

This very comprehensive strategic hiring system is expected to produce a superior set of hiring decisions, within the context of the goals stated above. When will effects be apparent?

This program was implemented in the Spring of this year, with 20 hires under the system between the end of March and the middle of July. At the end of July, supervisors were asked to rate these employees on a simple, three-tier system: Top-excellent, expected to be a top performer. Middle-average, acceptable, expected to become a good employee,

but not a top performer. Bottom-below average performance, may not be a long-term employee.

The table below summarizes the very preliminary findings. Supervisors' ratings weakly correlated on the Customer Service Perspective job match scores, more strongly with employee's performance on the Company Service Perspective score (a measure of agreement with the company's approach to customer service.) A positive correlation also appeared with the job match on the Profile Sales Indicator, and with the distortion scale (only) on the Step One Survey II.

Of the 18 employees hired in the six months prior to the system, five failed to remain employed for four months beyond their hire; of the 17 hired under the new system, only one has failed, so far.

These preliminary findings, and the turnover results support the general direction of the hiring system, and provide support for continuation of this effort. A more thorough data analysis will follow in the 4th quarter.

Relationships between Supervisors' Ratings and Selected Variables from Assessments: (Averages)

Supervisors' Ratings	CSP Match	Company Perspective	PSI Match	SOSII Distortion
Top	84.20	72.20	82.60	7.17
Middle	83.00	68.80	77.60	6.50
Bottom	83.00	59.00	No data	6.00