

Organizational Alignment Research



Selection Strategies for Re-organization, Re-deployment and Recovery

C-level vs. Non C-Level Comparison Report

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Introduction

The higher people rise in an organization, the more likely they are to over-rate themselves and develop blind spots that hinder their decision making.

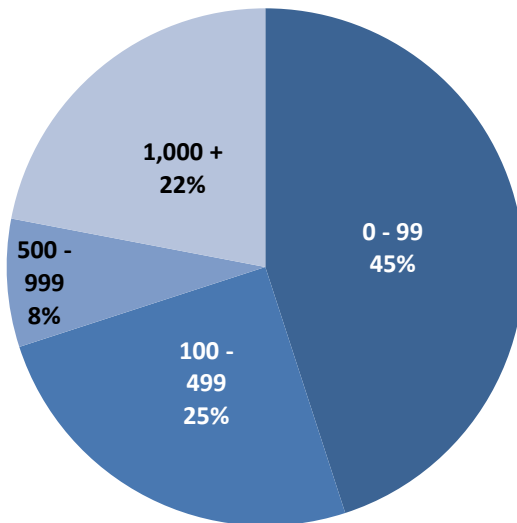
In today's economy, nearly every organization faces pressure to reduce waste and run at peak efficiency. For many, this means making difficult personnel decisions to eliminate positions that do not add sufficient value to the organization and either eliminating or re-deploying people in those roles.

The climate in the organization becomes tense as these changes take hold, and the stakes are high with little room for error. Ironically, the higher people rise in an organization, the more likely they are to over-rate themselves and develop blind spots that hinder their decision making.

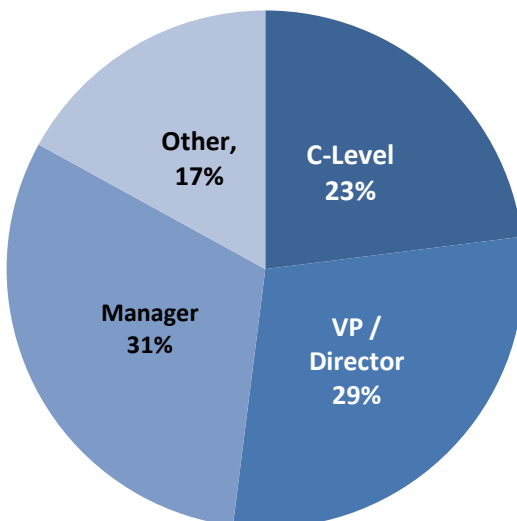
Given the importance of this issue, our study had 4 objectives:

1. Identify the "Top 10" questions an organization needs to answer leading up to a re-structuring effort.
2. Identify primary challenge areas for organizations when implementing re-organization plans.
3. Identify how well C-level executives making decisions are aligned with their people on the front lines who will need to implement the changes.
4. Identify key actions for aligning your organization with a new strategic direction.

Participants – Company Size



Participants - Role



Total Participants = 785

Research Methodology

Profiles International researchers conducted a comprehensive review of organizational design and talent management practices to identify over 50 “best practices” in the context of organizational restructuring. We then asked several experts to rank order their top 20 best practices from this list. From this, we determined our “Top 10” best practices list.

From these “Top 10” best practices we designed a brief 10-question survey to poll our clients on how well they believed their organizations followed these practices and how well they would be prepared for a major re-organization and re-deployment event.

We had nearly 800 participants from multiple industries. Over 30% worked in companies with more than 500 employees and over 50% had Director-level roles or higher.

This large sample enabled us to segment the response data into two groups: C-Level participants and Non C-Level participants, to identify trends and measure the amount of discrepancy.

Our findings highlight some considerable differences between these two study groups on nearly every dimension we measured. This heightens concerns that the C-suite may be out of touch with what is actually happening on the front lines as it relates to re-organizing and re-deploying talent in the midst of change.

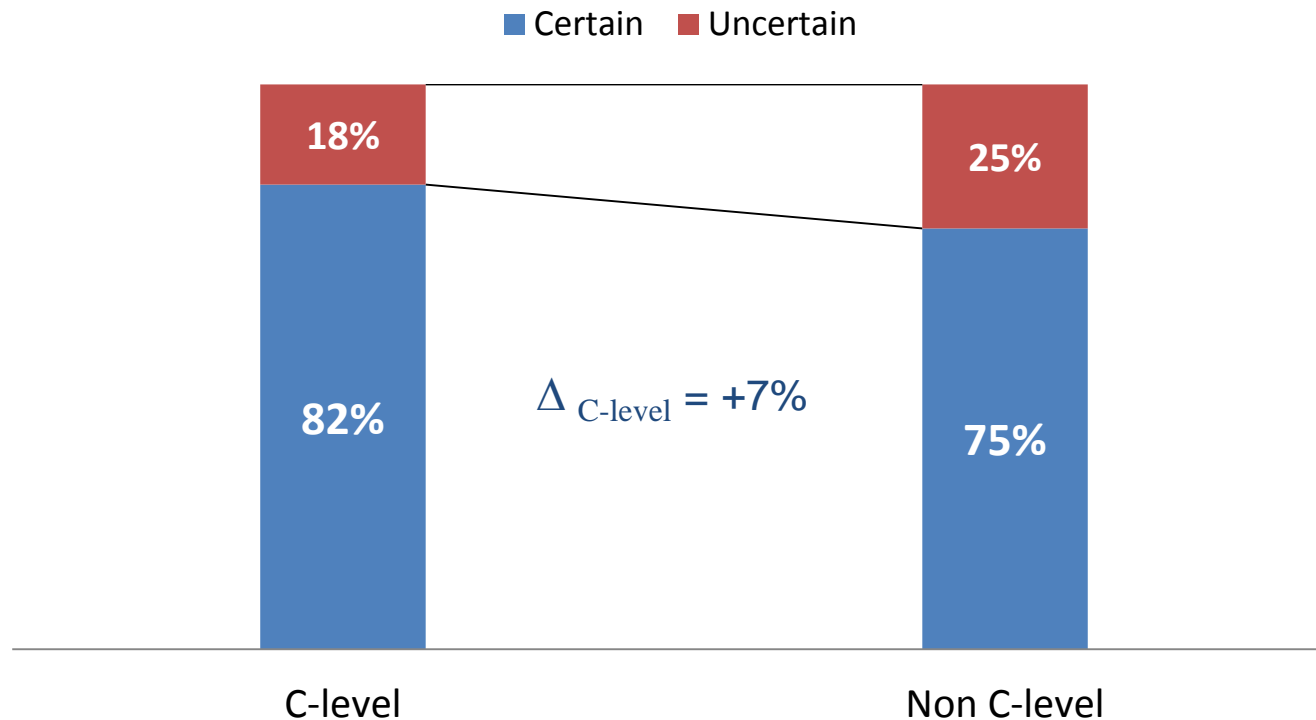
Part 1: Top 10 Selection Best Practices

Our findings highlight considerable differences between the C-suite and the front lines they relate to when re-organizing and re-deploying talent in the midst of change.

- 1. Know how each job supports your organization's key objectives.**
- 2. Consider both internal and external candidates for open positions.**
- 3. Use objective evaluation criteria based on known outstanding performers in that job.**
- 4. Ensure compensation is competitive, based on current market rates for the job.**
- 5. Apply a consistent selection process to all candidates.**
- 6. Include key stakeholders in your employee selection process.**
- 7. Train your interviewers in your employee selection process.**
- 8. Give your interviewers guidance to help them probe deeper into a candidate's suitability.**
- 9. Conduct comprehensive reference and background checks on job candidates.**
- 10. Ensure your orientation process helps re-deployed people become productive faster.**

Alignment Analysis: C-level vs. Front Line

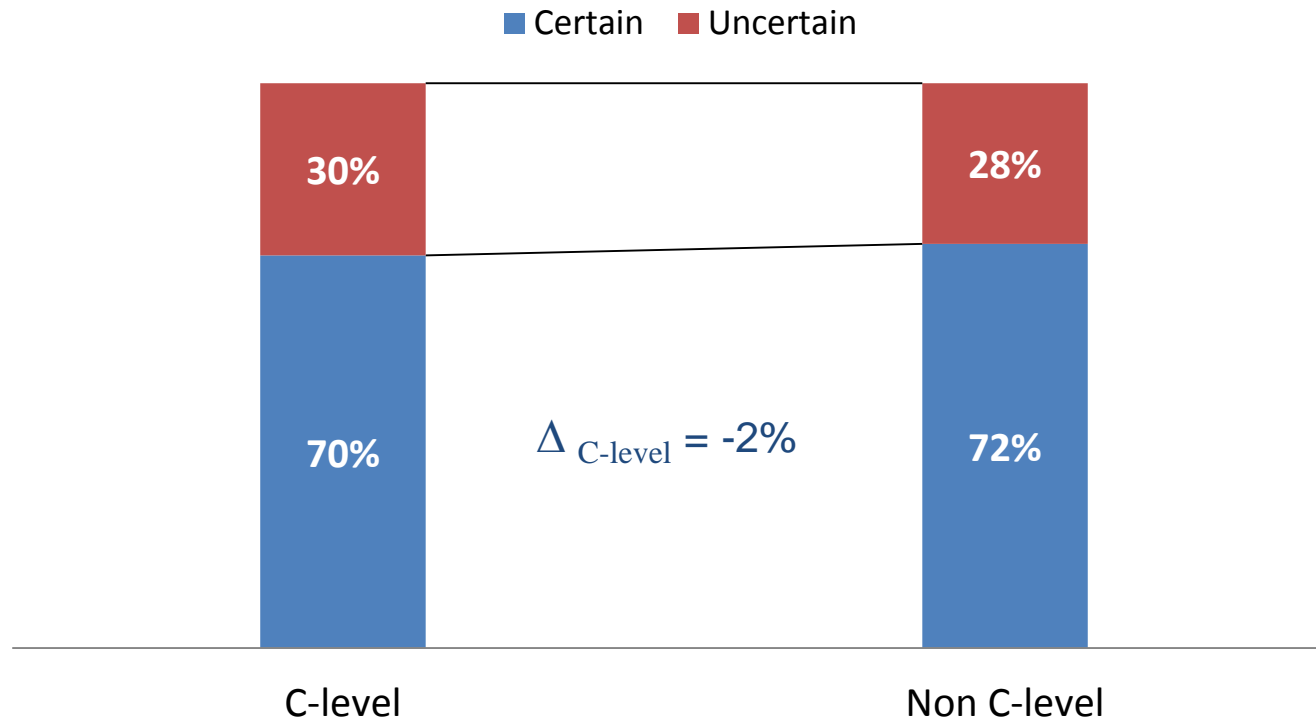
Q1: We know how each job supports our company's key objectives.



There is a large gap in perception between C-level executives and the managers on the front line. Organizations may be behind the curve if job designs have not changed with a revamped plan of action. It is quite common for executives to make changes in strategy, but the message gets diluted as it gets passed down. And, it takes more than just communication to truly affect strategic change. Managers and employees need to know what to do differently, and receive the training to perform their new duties. Even better, new goals should be set to align behaviors and priorities with the new direction and objectives.

Alignment Analysis: C-level vs. Front Line

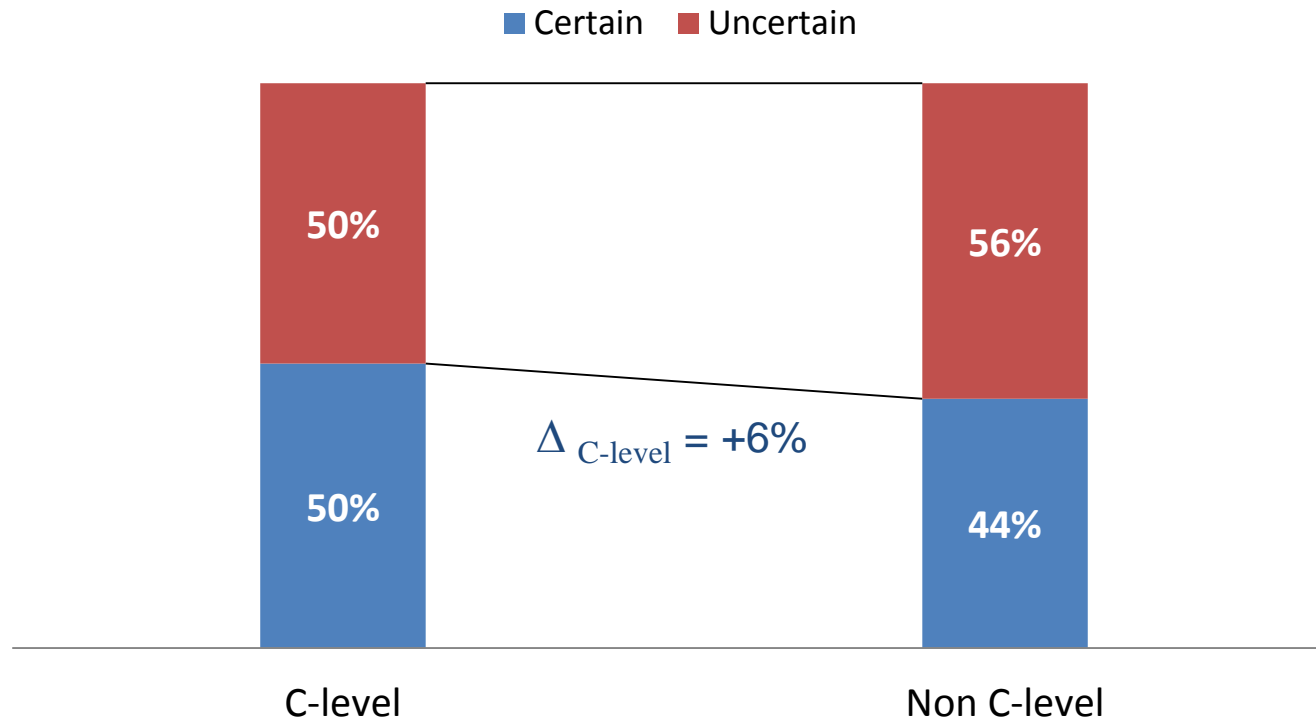
Q2: We consider internal candidates before opening opportunities to external candidates.



This was the only question where the Non-C-levels were more certain than the C-levels. But, this isn't necessarily a positive point. We encourage our clients to always hire the best person for the job, regardless if they are internal or external recruits. Times of change and uncertainty also present unique opportunities for organizations. The supply of talent has never been so abundant or so affordable, and it costs very little to assess and interview qualified candidates. This is especially true when you're re-designing jobs to drive efficiencies in the organization. Although hiring outside candidates is usually viewed as being higher risk, not having a preconceived notion of how things had been done in the past, may actually enable them to adapt better than a tenured employee.

Alignment Analysis: C-level vs. Front Line

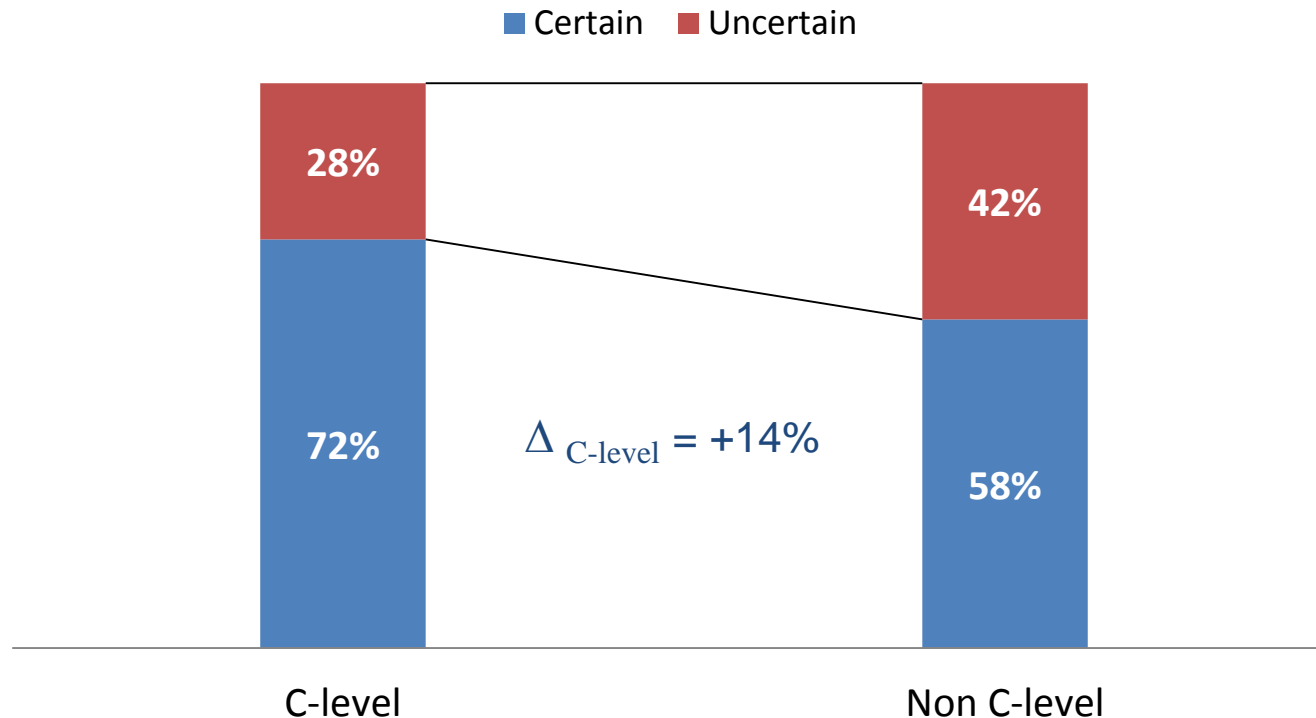
Q3: We have objective evaluation criteria based on known outstanding performers in that job.



The significant difference in perception here could highlight a training or communication issue. It is not unusual for senior executives to sponsor the purchase of competency studies or assessment instruments. However, these programs need to filter down through the organization and the hiring managers who will be using the tools need to be trained to realize maximum benefit for the organization. The data also suggests that many organizations don't take advantage of "peak performance models" when selecting job candidates. If you want to make better hiring decisions, first identify the characteristics of top performers in the job. Then use this as criteria to help you evaluate candidates for the position. This is far superior than merely "hiring with your gut".

Alignment Analysis: C-level vs. Front Line

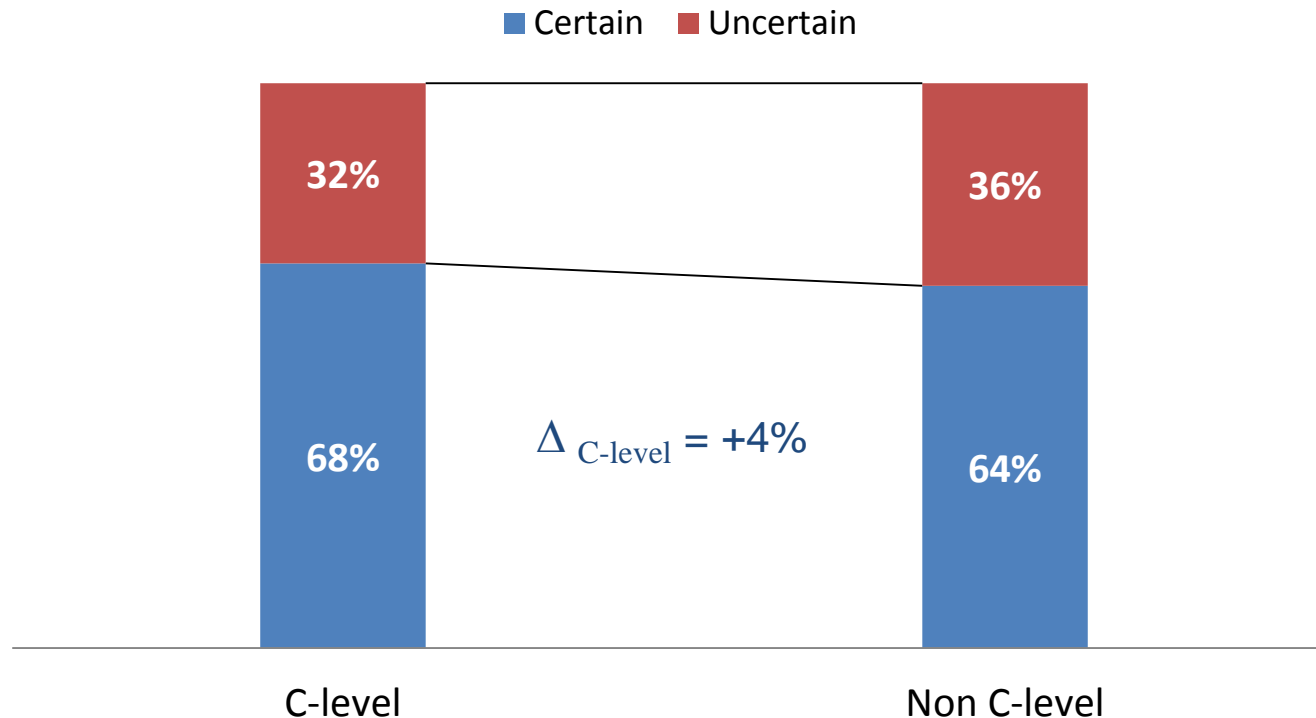
Q4: Our compensation is competitively based on current market rates for the job.



This was the question with the largest gap in the study. The C-level thinks they're paying competitively, but most employees vehemently disagree. This is often the result of the C-Level looking at the employee's full-loaded costs and the employee looking only at their base salary. Make sure that employees understand the full breadth of their total compensation package because base salary is usually only about 60% of this amount. Compensation commensurate to what employees can earn in similar positions is critical to keeping your workforce motivated and attracting top talent. Organizations can compete in many areas—work environment, benefits, growth opportunities—but expecting top performers to stay with you because you offer these things is not realistic if they can earn significantly more money doing a similar job elsewhere.

Alignment Analysis: C-level vs. Front Line

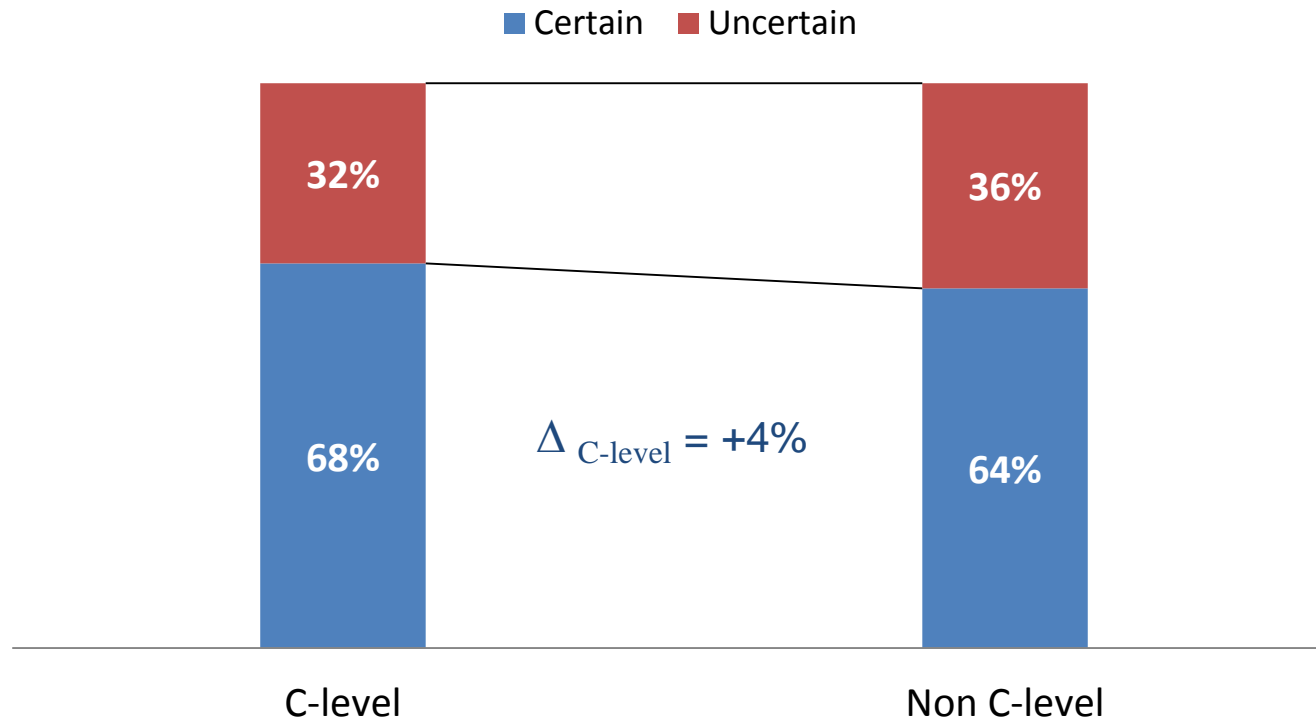
Q5: We apply a consistent selection process to all candidates.



A modest difference here between the two groups, but an overall low score. If an organization answered this question as “certain” then its selection processes are objective and fair. These are important, not only because it is the right thing to do, but also because legal challenges to employee selection standards are expensive and can create considerable negative PR for an organization. Remember when WalMart was the poster child for unfair employment practices? To their credit, they did a masterful job of cleaning-up their act. The best employee selection process ensures that selection standards are job-related, validated, and standardized. An ounce of prevention will definitely be worth a pound of cure in the future.

Alignment Analysis: C-level vs. Front Line

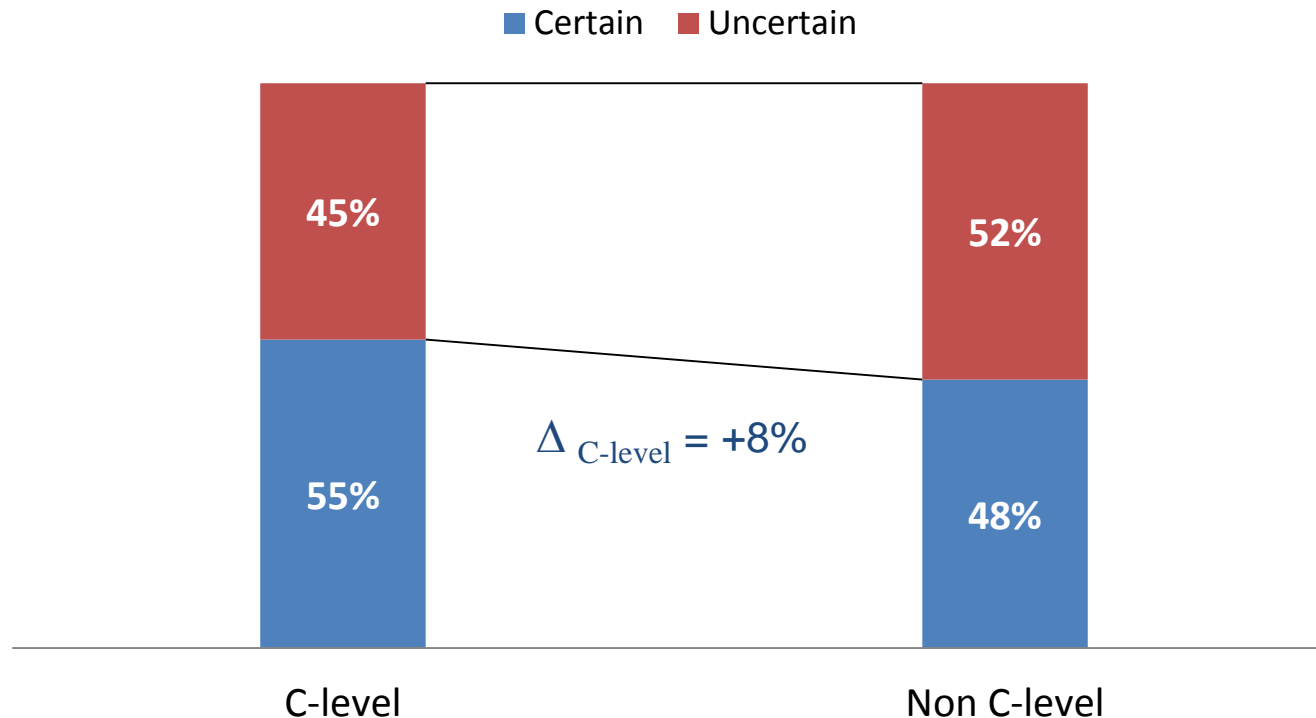
Q6: We include key stakeholders in our employee selection process.



A modest difference between the two groups and again, an overall low score considering the impact of this practice on the organization. Key stakeholders are those affected, for better or worse, by our operations, those who have an interest in what we do, and those who influence what we do. That includes almost everyone, but a big-tent approach is profitable: Inc. Magazine reports that "organizations with more effective hiring systems rank higher in financial performance, productivity, quality, customer satisfaction, employee satisfaction and retention."

Alignment Analysis: C-level vs. Front Line

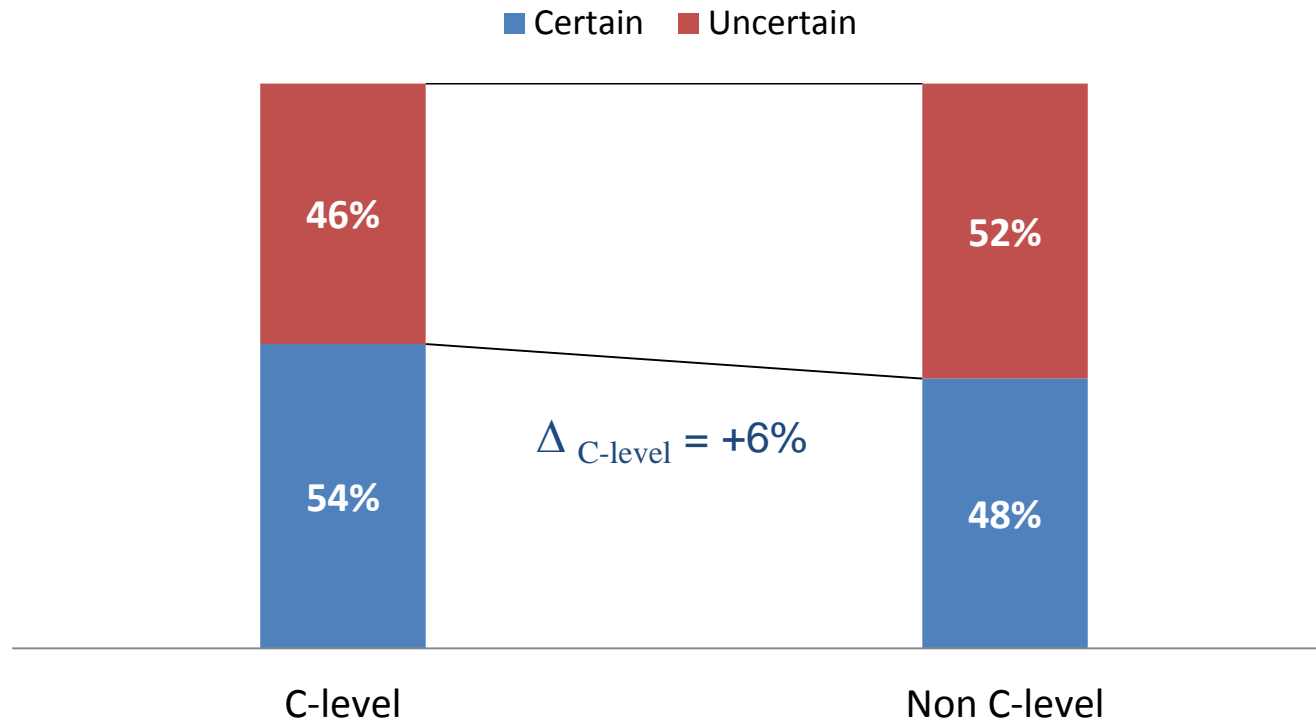
Q7: We train our interviewers in our employee selection process.



Similar to question #3, the significant difference in perception here could highlight a training or communication issue. Again, senior executives commonly sponsor the purchase of hiring systems and aids, but the tools and training don't resonate as strongly down to the hiring managers who will be conducting most of the interviews. Once an organization determines that it wants structured interviews—those in which questions and tasks are chosen beforehand, and designed to ensure consistency—it is imperative to train and coach the interviewers. The process is more likely to go smoothly if interviewers understand it, buy into the reasoning behind it, and know what to do. An unstructured interview is weak for purposes of selecting the best candidates.

Alignment Analysis: C-level vs. Front Line

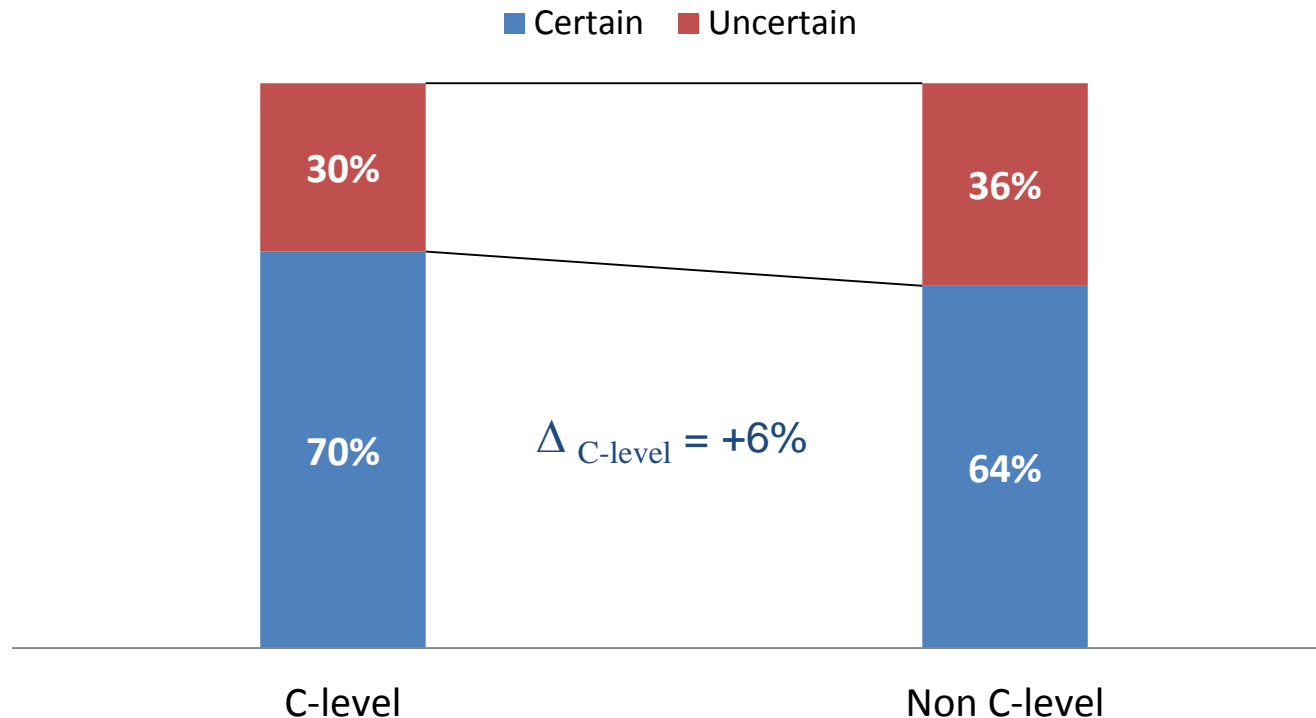
Q8: We give our interviewers guidance to help them probe deeper into a candidate's suitability.



Similar to question #3 and #7, the significant difference in perception here could highlight a training or communication issue. The more startling point is that interviewers are usually left to their own devices when it comes to interviewing and selecting the best candidate for a job. According to Leadership IQ, a firm that provides research and executive education to top companies, a study of 20,000 newly hired employees showed that “46 percent of all new hires fail within 18 months.” This happens not because the new employees lack technical skills, but because they are not coachable, have the wrong temperament, are not motivated, or demonstrate other problems “that never get assessed in the interview.” To catch these mismatches, screening interviewers need expert coaching to help them look beyond technical skills and ask the right follow-up questions.

Alignment Analysis: C-level vs. Front Line

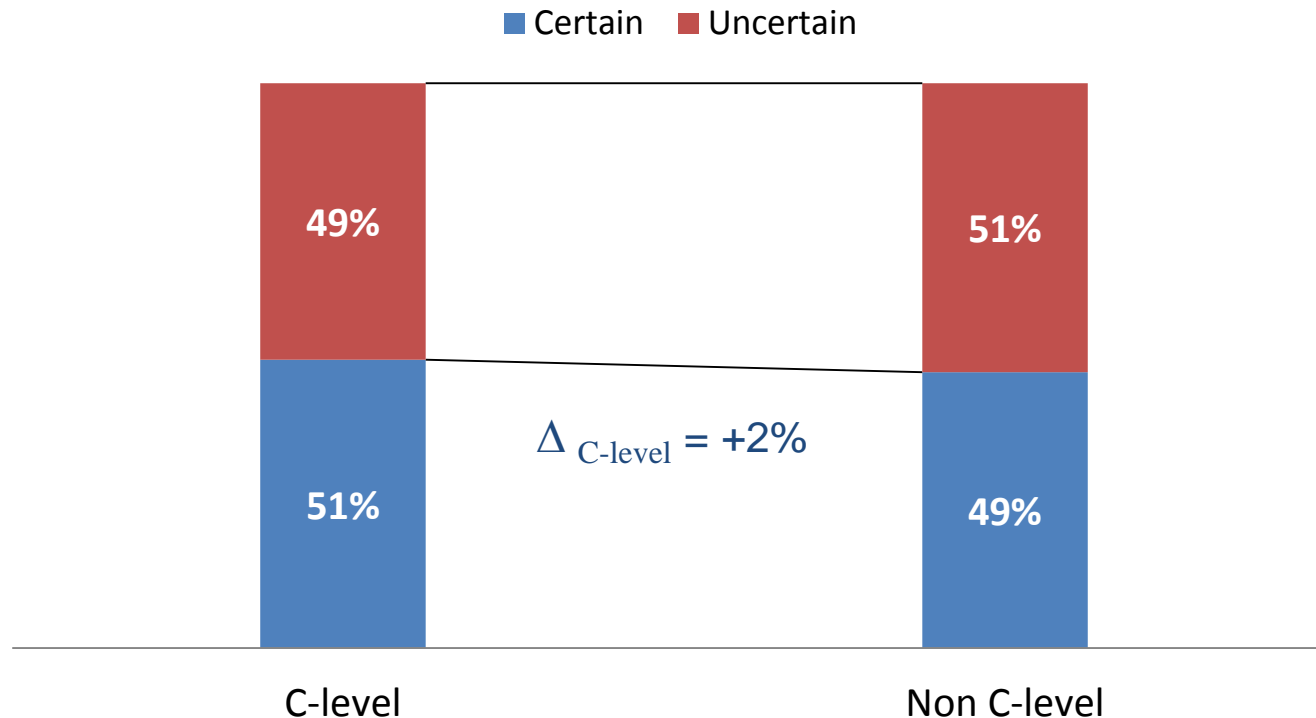
Q9: We conduct comprehensive reference and background checks on job candidates.



A modest difference in perception between our two groups. Leaders might view reference and/or background checks as a bother when they "know" someone is right for a position. But employment experts estimate that almost one-third of all resumes contain false or exaggerated information. According to Purdue University, falsified information consists mostly of expanded dates to cover employment gaps. Background checks are quick and inexpensive. And, in this day and age where trust and integrity are so important to a high performing organization, it seems inexcusable that anyone – especially those in the C-suite – would allow their organization to overlook this step.

Alignment Analysis: C-level vs. Front Line

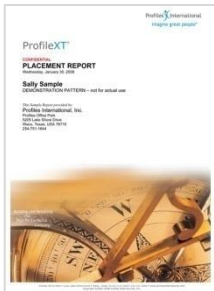
Q10: Our orientation process for newly hired people help them become productive faster.



There seems to be quite a bit of agreement on this question — both groups express a high degree of uncertainty around the organization's ability to accelerate the productivity of new hires. A Bersin & Associates/Randstad case study shows that productivity measures increased by 25 percent among employees who participated in an on-boarding training program. On-boarding is a process, and like any other process, it should be well documented, strictly followed; measured and refined for continuous improvement. This helps give the employee positive momentum, increases their enthusiasm and their odds of success, and helps them make a more significant contribution to the organization faster.

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Summary of Lessons Learned:

Essential actions for re-organization and re-deployment

- 1. Know how each job supports your organization's key objectives.**
- 2. Consider both internal and external candidates for open positions.**
- 3. Use objective evaluation criteria based on known outstanding performers in that job.**
- 4. Ensure compensation is competitive, based on current market rates for the job.**
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Summary of Lessons Learned:

Aligning your organization with a new strategic direction

- 1. Set a clear, compelling and realistic destination for the organization.**
- 2. Consult front-line managers to uncover landmines and build buy-in.**
- 3. Establish a clear and consistent process to communicate the strategic change downward.**
- 4. Adapt the organizational structure and re-design jobs to support the new strategic direction.**
- 5. Ensure employees understand new job requirements and how they support the new strategy.**
- 6. Provide managers and employees with resources and training to succeed in their new jobs.**
- 7. Establish new metrics and goals to track progress to key objectives.**
- 8. Regularly inspect management and employee progress, engagement and alignment.**
- 9. Correct course as necessary at both the organizational and individual levels.**
- 10. Reinforce the new strategic direction through both your actions and your words.**

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