HIRING PEOPLE: THE BIGGEST MISTAKE YOU’LL EVER MAKE AS AN EMPLOYER

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EMPLOYERS TEND TO THINK THEY ARE GOOD AT HIRING

- I know people.
- I trust my gut.
- I’ve been around the block.
COST OF A BAD HIRE

• ADP has a “Bad Hire Calculator” to determine how much it costs an organization for every bad hire.


• In one scenario, an employee making $45,000 a year would cost the company between $40,000 and $53,000 in replacement costs.

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PARTS OF FINDING GREAT PEOPLE

• Ads
• Resumes
• Recruiters
• Initial Screening Interview
• Interview
• Assessment
• Background Check

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MISTAKES

• Ads
  – Looking for love in all the wrong places

• Resumes
  – Pabulum stories
  – Resume writers
MISTAKES

• Recruiters / Head Hunters
  – Looking for a warm body
• Initial Screening Interview
  – Isn’t done
MISTAKES

• Interview
  – No system
  – Only one person
  – No pre-set list of questions
  – No one taking notes
  – Focusing on trivia instead of substance

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MISTAKES

• Assessment
  – None used
  – EEOC non-compliant assessments used
  – Results applied inconsistently
  – Results worshipped a truth
  – No criterion / benchmark created against which to measure
MISTAKES

• Background Check
  – None used
  – If one is used, no criterion as to which things matter for success
  – Never check the references – assuming no one will tell you anything
HOW TO FIX THEM

• Ads
• Resumes
• Recruiters / Head Hunters
• Initial Screening Interview
• Interview
• Assessment
• Background Check

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ASSESSMENT

- Criterion Validity (Benchmarking)
- Convergent and Divergent Validity
- Ease of Use
- Price Point
- “Clinical” versus “Empirical” Questions
ASSESSMENT: TYPES OF TESTS

• Ability
  – Intelligence
  – Task Ability (Skill)
  – Can unwittingly become EEOC non-compliant
ASSESSMENT: TYPES OF TESTS

• Achievement
  – Grades
  – SAT or ACT or GRE scores
  – Can unwittingly become EEOC non-compliant
ASSESSMENT: TYPES OF TESTS

• Personality
  – Many have very little correlation to job performance
  – Some correlation to organizational fit, but must have criterion (benchmarking) already completed
  – Can unwittingly become EEOC non-compliant
ASSESSMENT: TYPES OF TESTS

• Judgment / Priorities
• Work Sample / Assessment Center
PARTICULAR CHALLENGES OF HIRING MILLENNIALS

• Helicopter Parents
• Self Esteem leading to narcissism
• Failure to understand that hard work predicts success better than intelligence.
PARTICULAR CHALLENGES OF HIRING MILLENNIALS

• Believe the technology will solve every problem
• Believe in the myth of modernity
• Believe that faster is better
PARTICULAR CHALLENGES OF HIRING MILLENNIALS

• Low frustration tolerance for long boring tasks
• Frustrated that they aren’t progressing faster
• Frustrated that they aren’t considered for more exciting jobs

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GETTING PAST THE PROBLEMS

• The Why…
CONCLUSIONS

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