

Predictive Hiring With An Interview

'80% of turnover is caused by bad hiring decisions'
... Harvard Business Review

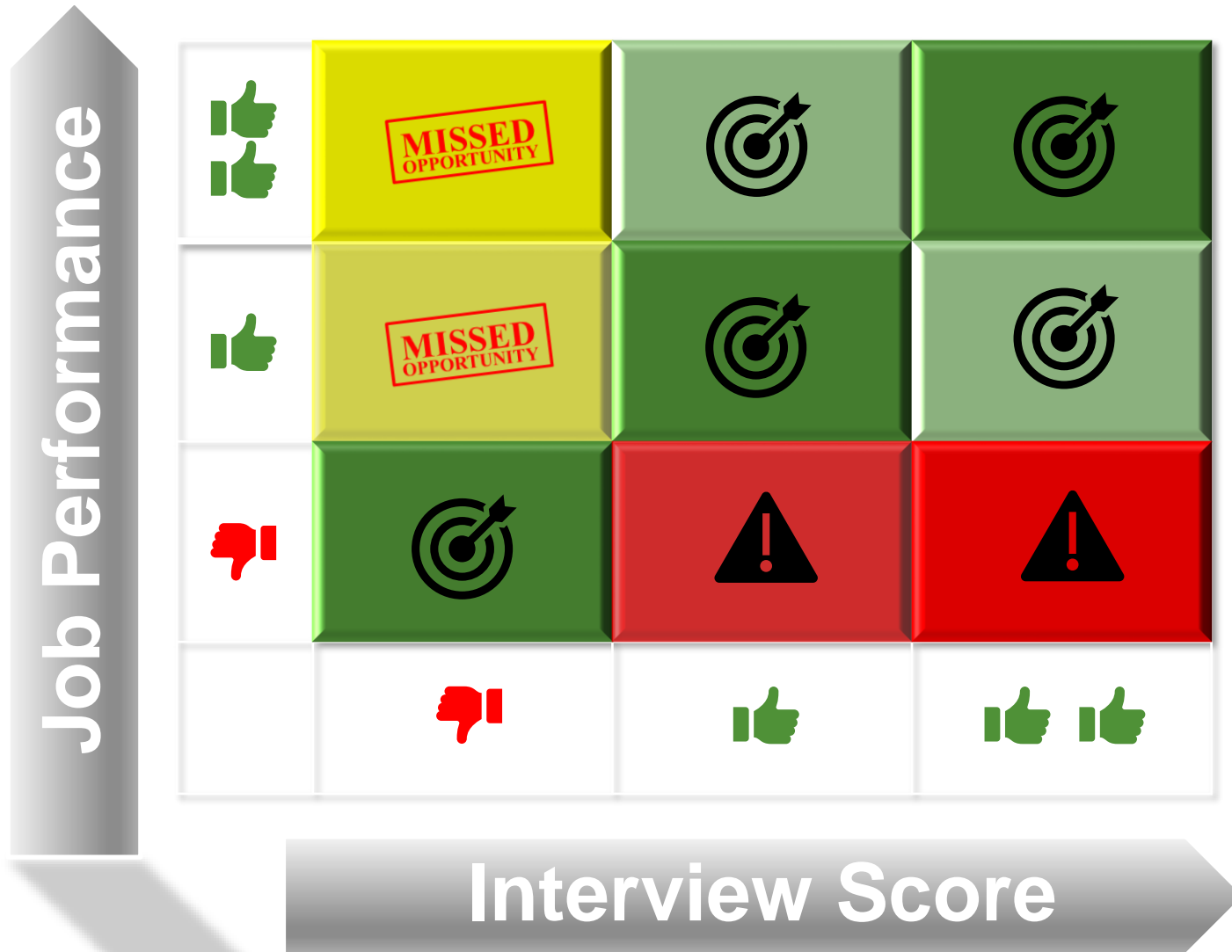
Agenda

- Explain predictive hiring
- Make better hiring decisions
- Spread your company's brand:
 - Convey company culture
 - Convey job expectations
 - Communicate your brand
 - Help candidates self-select in or out of the hiring process

Key Trends in Employee Hiring

- Greater awareness about the cost of bad hire:
 - Tangibles: Lost productivity, Recruiting/hiring/training costs, Time/effort by coworkers
 - Intangibles: Negative impact on employee morale and customer relations (wrong order, mistakes, redo's, poor customer service, etc.)
- Sample turnover costs:
 - For entry level positions....50% salary (e.g.,
 - For Sales positions...100% of salary (e.g.,
 - For higher level management 2x or 3x salary
 - Survey:
 - 40% say 1 bad hire last year cost that at least \$25,000
 - 25% say 1 bad hire last year cost them at least \$50,000
- If a candidate has a negative hiring experience, it sets the stage for negative results
 - 5% less discretionary effort on the job
 - 38% less likely to stay in the job
- Millennials
 - Technology
 - Job expectations

Accuracy is the Goal of Predictive Hiring



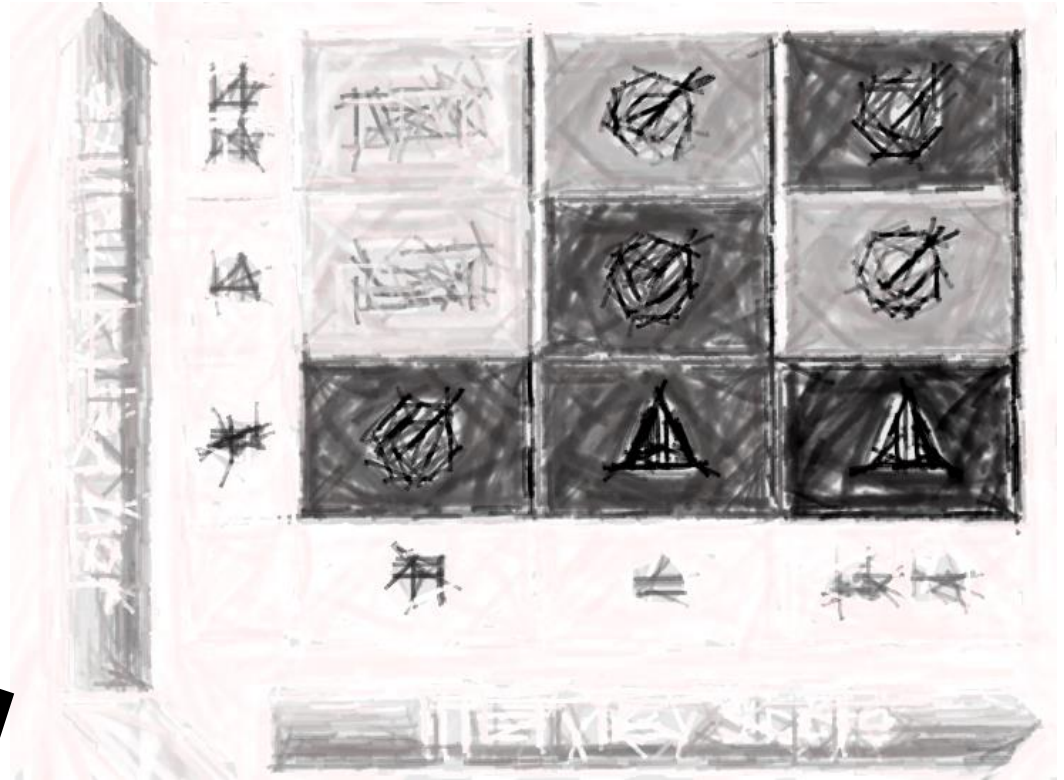
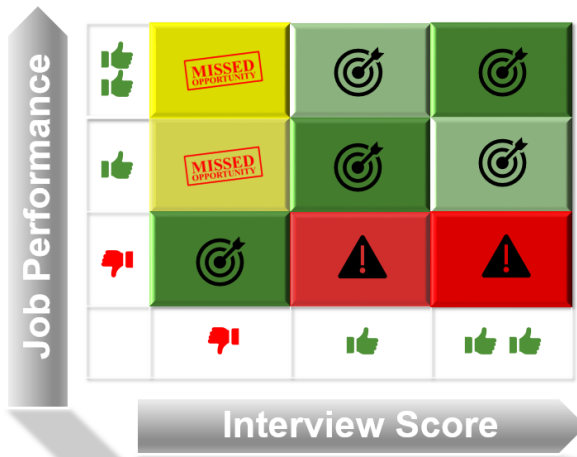
Traditional Interview

XYZ Company: Job Candidate Interview

- What are your strengths?
- What are your weaknesses?
- Where do you see your career going 5 years from now?
- How well do you get along with people?
- Why should we hire you?
- Do you have any questions for me?

Predictive Hiring is Unreliable with a Traditional Interview

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 - What are your weaknesses?
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Best Interview Process for Predictive Hiring

MATERIAL HANDLER INTERVIEW CATEGORIES

- | | |
|------------------|------------------------|
| 1. Work History | 5. Energy |
| 2. Dependability | 6. Quality Orientation |
| 3. Flexibility | 7. Safety Awareness |
| 4. Teamwork | 8. Communication |

Ask: Can you think of a time when you noticed an unsafe situation while working on a job? Tell us about the situation.

Probe: Why was the situation unsafe? What did you do?

Situation:

Action:

Result:

Ask: You ranked **Safety** as (#) on the Pre-Interview Questionnaire. Please tell us why you ranked it there?

Probe if ranked #1 or #2: Why did you rank Safety as one of your best areas?

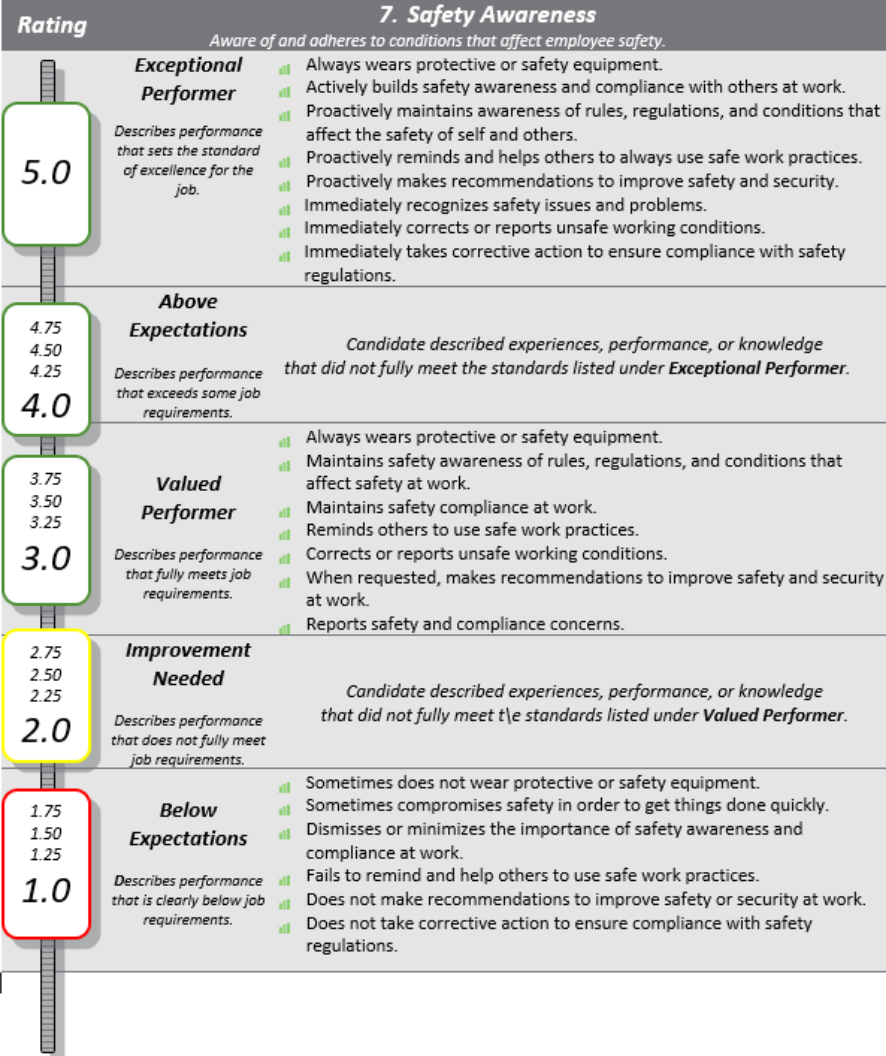
Probe if ranked #4 or #5: Why did you rank Safety as one of your least effective areas?

Notes:

Back-up: The Material Handler position calls for strict adherence to safety procedures and safe work practices. Tell us about how you would make sure you followed our safety standards?

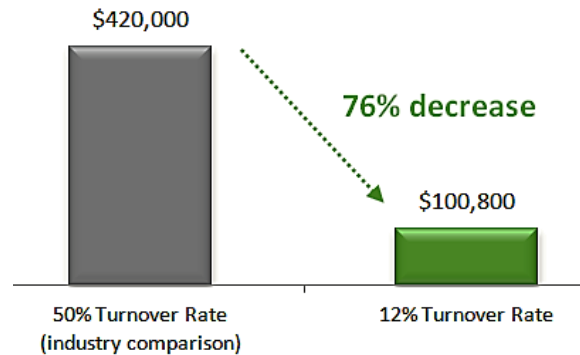
Probe: What would you do on a day-to-day basis? What would you do if you found something you thought was unsafe?

Notes:



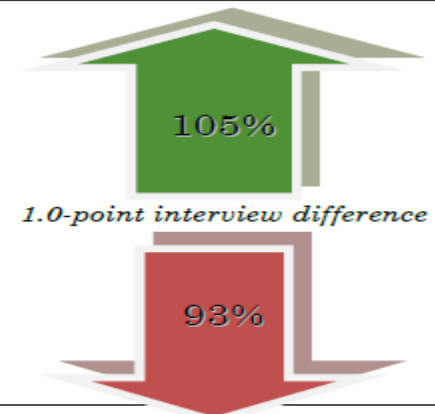
Sample Results

Reduced Turnover Costs



During a recent client engagement, there was an opportunity to investigate these questions and the results were surprising:

- Production employees in the top quartile performed at 105% of standard and averaged 4.4 on their interview.
- Production employees in the bottom quartile performed at 93% of standard and averaged 3.4 on their interview.



These results demonstrate that a seemingly small 1.0-point difference in interview scores can translate into substantial performance differences; an impressive 12% increase in this case.

Job Candidates Also 'Interview' Companies



- Smarter employer branding
- Help candidates decide on 'match' (consult with them)
- Not, 'sell' candidates
- Link to corporate goals, reason for job and how 'links' to strategy.

Summing up

- Candidate---how will I fit in? How will I add value to the company? What is the meaning of the work I do?
- For customers?
- For example,---not make a car part, 'help customers drive safely'

Desired Job Candidate Experiences

- They helped me understand the reality of working there (how I would contribute to their goals)
- The hiring process was thorough, objective, and professional
- If hired, I feel like I belong there and know the expectations of how I'll be able to contribute to the team
- I'd be proud to be part of this company and tell my most talented colleagues and friends to apply
- I was treated professionally and fairly at all times