

Introducing LeadersWay



The purpose of this white paper is to provide practical knowledge about the use of Talent Assessments for the purpose of employee selection and development, to discuss broader issues related to employment assessments, and to introduce the reader to the services provided by LeadersWay, Inc.

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What we do

LeadersWay's mission is simple - To create a lasting, profitable impact on your business.

We accomplish this mission by protecting the business you have today and positioning it for growth by putting you in complete control of your decisions regarding the management of your human capital – your team.

Consider the following...

Would you do things differently if you knew that a single hiring mistake would cost your company hundreds or thousands of dollars? How about if the same losses applied to the people who didn't leave – the under-performing, disengaged members of your staff? The reality is, a mistake does cost you that much. Any person who runs a business or is in management has had the frustrating experience of learning the hard way that a bad hiring decision or promotion costs the organization in poor performance, low morale, mistakes and failure experiences, diminished team relationships, and wasted time and talents.

Diligent, well-intentioned owners and managers make such costly mistakes in selection and development for several reasons:

1. PROMOTION OF THOSE WHO DO THEIR JOBS WELL

It seems logical. If people perform well in their current job, reward them with advancement. However, the new job often calls for very different competencies. The very talents that made the person technically outstanding may not fit at all in a job that calls for the complex interpersonal skills of leadership.

2. HIRING OF "PEOPLE LIKE THEM"

We have a natural tendency to believe that our way is the best way. Furthermore, we tend to feel a connection with those who are similar to us. For those reasons, we may hire those with whom we feel a kindred spirit because they resemble us in some way. This can be a big mistake, as the job the person will fill may require very different strengths than our own.

3. HIRING ON “GUT FEEL”

This error is similar to the hiring of clones in that there is some kind of “emotional recognition” of the applicant. The attraction of “chemistry,” however, is often based on our own biases, past experiences, or personal emotions, and these may be unrelated to the actual requirements of the job.

4. HIRING FOR PERSONALITY

The fact that someone has a “good personality” does not mean that his or her personality will fit with the emotional and interpersonal tasks of a particular job. For instance, research shows that many outgoing people make very poor salespeople because they do not have the type of motivation that allows them to actually close the sale. Here’s another example: you might be inclined not to hire a person who is quiet in the interview. However, if that person is applying for a job that requires concentration and detail work, you may be interviewing the person who will be outstanding in that job. The desirability of certain personality characteristics is very situational; it depends on the job.

5. FAILURE TO ANALYZE THE REAL JOB REQUIREMENTS.

Good hiring decisions must be based on solid information about the competencies needed for the job. This goes beyond a standard job description or a list of the technical skills needed (though these are necessary). Before you can select someone who will fit, you must have a clear understanding of all of the aspects of the job, including both interpersonal and self-mastery skills.

6. LACK OF VALID MEASUREMENTS FOR THE “EMOTIONAL INTELLIGENCE” ASPECTS OF THE JOB.

The attitudes and behaviors that make up “emotional intelligence” are critical in determining the success of a leader or employee. Simply stated, emotional intelligence is effectively relating with others and skillfully managing yourself.

Our goal is to help you screen applicants and current employees for job fit, work ethic, integrity, aptitude and core competencies. By using our services, your company can make the right decision in managing your staff, reduce employee turnover and have a highly motivated and compatible workforce.



The selection and development of your people assets

Throughout the workplace in virtually all industries, we are all being asked to “do more with less”. It is critical for you as a business owner / manager to ensure you find the “right fit” for each employee. Employees whose talents are recognized, supported and channeled appropriately will excel in their jobs and deliver to you a stellar effort day in and day out. The results? Increased revenues and profitability, happy employees, loyal customers, and the crushing of your competition.

By using hard assessment data, we are able to maximize the “fit” between an individual’s talents and competencies and the job he or she is being asked to do. The right person in the right job maximizes an individual’s performance and an organization’s return on human capital investments.

FAQ: What will Talent Assessments tell me about my people?

The value of utilizing talent assessments is that you will have an unbiased assessment that reveals:

- The behaviors people will bring to the job
- The values that motivate them to do a job
- Whether they have the specific talents - or attributes - needed for the job
- Opportunities and areas for further development

FAQ: When should I use Talent Assessments?

Ask yourself the following:

1. Will I have to make changes to my staff in order to meet our company goals a year from now?
2. Have I ever been disappointed with the performance of an employee who I thought was the best person for the job?
3. Have I ever lost revenue or a customer due to the poor performance of anyone on my team?
4. Do I wish there was a way to accelerate the time it takes for my managers to become effective on the job?

Talent assessments will enable organizations to make the best decision possible when aiming to hire, promote, and/or effectively manage the most talented individuals available. The assessments can be used for a multitude of business applications, including:

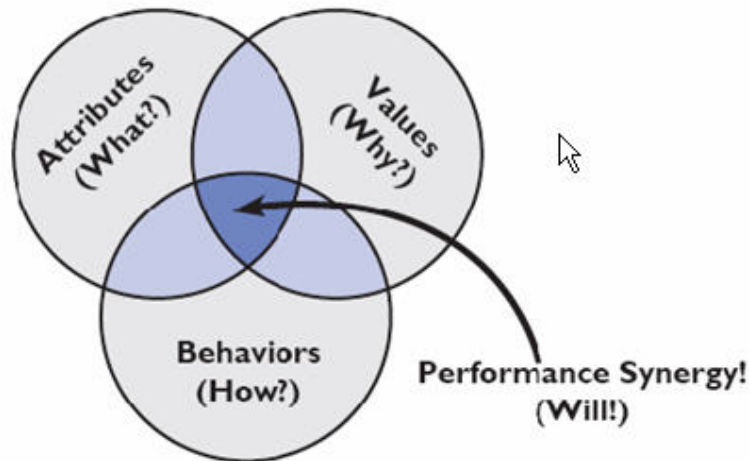
- Job Benchmarking
- Talent Selection
- Employee Coaching
- Employee Development
- Performance Appraisals
- Succession Planning
- Organization Development

The Takeaway Point – Distinguish Talent from Skill

An important aspect of a successful job fit process is distinguishing natural talents from skills and knowledge. You want to hire for talent and train for skill. In other words, focus on talent and natural strengths when selecting people for jobs. You can teach them the specific skills they need but you can't teach talent. And it's talent that has the bigger impact on performance.

[LeadersWay](#) believes people are the most important asset of an organization. Actually, RIGHT people are the most important assets. So companies need to hire the right people who have the right skills for the projects the company is working on, and are the right organizational fit. A person who has the required skills fits into the job role faster and better, increasing his / her chances of staying with the organization longer. Hence, the organization gets maximum returns on its investment. Also, it diminishes the costs of rehiring if the person is there to stay. Having the right people builds strong, motivated teams that will increase productivity and add to the bottom line. The right person with the right skill set will enhance the skills of other people working on the same project.

You are responsible for training the hard job skills to do the job. Experts state that this counts for approximately 12% of ensuring job performance and success. [LeadersWay](#) ensures you get the other 88%, comprised of the following:



The Cost of Hiring the Wrong People

The cost of hiring wrong people is two pronged – while the person is there in the organization, and after they leave. The wrong person will take a longer time in fitting into the organization and job role, increasing training costs and loss in revenue. While there, they will have poor productivity and be the weak link in the team. The performance of the team will suffer, as they will be unable to meet the deadlines, resulting in delayed project execution and loss in revenue. Once the person leaves the organization, the first direct cost to the company is in the form of recruitment cost:

- Cost of compensation package if the employee has been terminated
- Cost of advertising for the job
- Cost of consultancy

The indirect costs are in the form of:

- Depletion in the skill pool of the company
- Cost of retraining new people for the project
- Loss in revenue
- Lost opportunity
- Loss of investments made in recruitment and training

These are the tangible losses for the organization. They can be measured, but there are numerous intangible losses that often companies don't even bother to assess. A person leaving an organization can affect the motivation level and loyalty of the existing employees, especially that of the team they were working with. If it's a recurring phenomenon, the employees can lose their trust in the management, and even right people might start looking elsewhere for opportunities.

Even the most conservative estimates that measure turnover show costs in the range of 2 to 3 times annual salary. For a professional making \$80,000 a year, that's \$160,000 to \$240,000. How many \$200,000 dollar mistakes can you afford to make? Bear in mind that these are average statistics for average employees. For an executive, the cost increases to 3X - 5X the executive's salary plus benefits. Let's look at some numbers:

The base salary for an executive averages \$189,543 for a \$3 million company up to \$268,092 for a \$10 million company (1). Six months severance for an executive of a \$10 million company will cost a company \$134,046 in salary severance, health insurance, outplacement services and any bonuses or immediate vesting, plus recruiting, hiring and training costs for a replacement and costs of productivity loss. This seemingly small severance package could easily run up a bill in the \$300,000+ range.

Although the impact to your bottom line for a lower paying position is less, there is often more turnover at this level, causing a significant drain on your finances. The loss of three \$32,000 a year employees, for instance, could easily add up to \$144,000 or more in replacement costs. And yet, candidates at this level are seldom given the kind of thorough assessment that is necessary. At all levels, turnover costs are a reality that you cannot afford to overlook.

In case you're thinking you're off the hook because turnover isn't a problem in your company – think again. Research by the Gallup organization suggests that the costs of low productivity or “disengagement,” as they call it, may be even higher than that associated with turnover! Not only are disengaged employees not making you any money, they're also costing you money because they're the ones making all the mistakes. Lost productivity cost is estimated at \$3400 per \$10,000 of salary. Which means that the \$80,000 a year not so great professional that you wish had left, costs you \$27,200 a year in lost productivity. And that's only if they do not make any really costly mistakes. And remember, that's not a one-time cost – it's an ongoing one.

(1) Data from the Economics Research Institute of Redmond, Washington



Business Coaching

Are any of the following scenarios remotely possible with your company?

“We have all these planning meetings, review mounds of research, have endless discussions, and finally agree on a plan. And then nothing happens. Absolutely nothing. We just keep doing the same thing. Oh, we still talk about it a lot, but in reality nothing has changed.”

“We’re just not as sharp as we used to be. Oh, we’re profitable, but new ideas are scarce or nonexistent. I’m really nervous about the future and our ability to compete.”

Or, as many organizations put it, ***“Our strategy is brilliant! So why is our organization struggling?”***

Scan the business section of any bookstore today (or attend a management seminar) and you’ll find literally hundreds of books designed to motivate you, teach you better management skills, and make you a more effective boss. What you’ll find is, most management books are long on hyperbole and short on practical methods for really improving the quality of communications in your place of business.

LeadersWay’s REAL TIME COACHING is different. Truly different. It’s a well-developed system for bringing out the best in your employees and yourself, every minute of every day. We submit that once you experience our REAL TIME COACHING, you’ll never again be stuck for a way to resolve difficult situation in your organization. In truth, you’ll find Real Time Coaching to be of benefit to your not only in your workplace, but in your communications with your spouse, your friends, your family, and everyone else in your life. It’s a powerful tool for smarter, better communications that truly gets tangible results.

Real time coaching is designed for practitioners: managers, executives, and leaders who day to day, minute by minute, are trying to accomplish their organizational goals with and through people.

[LeadersWay](#) specializes in helping managers and executives implement their plans with their employees. We would be delighted to learn more about your organization and how we can assist in the following areas:

- Motivate your teams and turn them into high performing and highly motivated units.
- Help you to communicate with authority and confidence to people at all levels.
- Be an outstanding and inspirational leader.
- Improve your team's sales performance.
- Develop planning and strategic thinking skills.
- Improve your business skills to think and act like a leader.



Performance Improvement Seminars

Our seminars are designed to create a difference and provide real tools to address real issues that business owners and managers face every day. You have EVERYTHING to gain, and NOTHING to lose! Please contact us for a course outline on any of our following Performance Improvement Seminars (all of our seminars will be tailored to fit your industry and/or business situation):

Management Training	Interpersonal Skills	Sales Performance
Wanted...Great People	Dynamic Communication I & II	Closing More Sales
The Profit Chain	Taking Down the Walls	Sales Management Training
Whose Job is it Anyway?	Keeping Down the Walls	Power Speaking
Not Just Another Meeting	It's About Time I	Telemarketing Selling
Press/Media Training	It's About Time II	Trade Show Selling

The Top Three Benefits to Your Business

The primary objective of our services is to assist you in developing staff strategies that have a strong positive influence on sales and profits immediately and long-term. We have identified three powerful benefits to your business:



Benefit 1: **Protect your Business**

By this we mean the prevention of losing your customers. A customer's decision is based on "who looks after me best." Provide poor customer service just once, and your customer is gone. What matters is your customer's perspective of your service and your people. The cost of acquiring a new customer is 20X – 30X more expensive than keeping a current one. If you receive poor service even once, wouldn't you consider leaving? Of course! Your customers are no different. It only takes once and they are gone. The average business loses 25% to 30% of revenue per year due to poor service and customers who simply do not come back. Is this remotely possible with your company?



Benefit 2: **Grow your Business**

Can you think of an employee, past or present who you thought was a terrific hire, and then two months into the job, you thought, *“What have I done? Where is the person I thought I hired?”*

Consider this...

Regardless of the type of business or industry you are in, a current or new competitor could, in a matter of months or even weeks, “open its doors” for business, outperform and outsell your business in every way – all with the same product or service, the same financial position, the same distribution and pricing, the same everything as you. Within months, this competitor can have you shaking your head asking, *“What happened? We were the same in every way yet they won and we lost...”* You are correct in that you both were the same – with one important exception: Your staff, your team, your employees... in short, your people talent.

The only sustainable competitive differentiator and advantage remaining in business today is your people!

Successful businesses realize that employee retention and talent management is integral to sustaining their leadership and growth in the marketplace. Attracting, hiring, and retaining high-caliber employees in today’s market challenges businesses to manage talent at all levels. To maximize effectiveness, businesses owners and managers must understand their team’s strengths and have a well-defined plan to have every employee reach their potential. How well they do this makes the difference between an exceptional company and an average one.



Benefit 3: **You are in Control**

You gain control to make the best decisions possible when hiring, firing, and developing your staff. The services you will receive from us have been designed specifically for businesses. They will enable you to secure the people necessary to ensure the success of your business. For all your employees, you will understand the VALUES that motivate them to do the job, the BEHAVIORS they will bring to the job, and whether they have the specific talents – the ATTRIBUTES – needed for the job.

Our Products

LeadersWay provides you with the ability to select, manage, and develop the best workforce available by providing reliable and valid assessments as well as personalized development plans. Whether you own a one-person start-up or an established company with 1000's of employees, what we bring to you can help you protect and grow your business by leveraging people talent.

Maximizing the effectiveness and productivity of your people is our bottom line.

LeadersWay utilizes a suite of talent assessment tools plus coaching and development services that help you identify, allocate, retain, and develop the most talented people for your organization. **LeadersWay** provides the leading edge in pre-employment assessment technology and selection strategies to business and industry. Services provided range from the sale of pre-employment assessment software and Internet based testing services to the development of employee retention strategies, training and seminar programs. We have spent years researching and developing innovative pre-employment testing and selection strategies that result in "precision" hiring and improved employee retention.

Results from using Talent Assessments have a developmental use with your existing employees.

You can compare your incumbents in a particular position to the established benchmark for the job, and then formulate a plan to help your employees improve key skills. **After you identify an employee's shortcomings, you can work with him / her to create a performance improvement plan.** Many average employees can be turned into stars once they understand what's expected of them and are given the opportunity to learn the required skills. For those few that continue to fail, you really owe it to that person to end their employment and start again.

Our Commitment to You

Convenience. Assessments are completed online in under 40 minutes. Assessment results, a candidate debriefing, and a final report are completed and in a company's possession within a very short time frame.

Experience. Data and candidate analysis is performed by our Certified Professional Behavioral, Values and Attributes specialists.

Depth. You will discover information seldom found in a typical interview process (work habits, motivators, learning preferences, attitudes, people skills, management styles). You will find out how a candidate will behave while transitioning into a job as well as how he or she behaves once settled into the job.

Customization. You will not receive results that you will be left to analyze on your own. Results are thoroughly reviewed with you, and an additional observational analysis is written up by [LeadersWay](#) and delivered to your company with a debriefing.

Usability. Assessment results are presented in an easy-to-read format. The information can be used to make immediate decisions but are also invaluable as a future management tool. The results will show you how to manage, motivate, and communicate most effectively with your employees.

Confidence. [LeadersWay](#)'s assessment process will help you be more confident when interviewing candidates outside of your known network, reducing the amount of risk and increasing your likelihood of successful hiring.

Facts on Employment Assessments

There is a lot of misinformation regarding employment assessments. There are many different types of personality assessments and profile testing that fall under the "pre-employment assessment umbrella" ranging from honesty and integrity tests to the full-blown management evaluations that measure career competency. There are also clinically-oriented psychological profile assessments that are diagnostic in nature. Unfortunately, those distinctions are not made very clear. There is a major difference between noninvasive pre-employment assessments and clinically oriented psychological assessments. Most of the assessment instruments involved in litigation are "restricted use," psychological assessments that generally should not be used in the business environment. [LeadersWay](#) does not market those types of psychological profile assessments.

Validation

The assessment tools used by [LeadersWay](#) have been validated and proven to meet the rigorous standards for employment assessments referenced by the US Federal Government Equal Employment Opportunity Commission (EEOC). Validation has also been documented in the areas of Construct Validity, Concurrent Validity, Face Validity and Predictive Validity. Ongoing research continues to underscore the value of these unique assessment tools.

Privacy Policy

We are committed to protecting your privacy. The information we obtain from you is only used for billing purposes and for servicing your accounts. No information is ever sold, rented, traded or otherwise provided to third parties for marketing or other purposes.

Assessment Information

Naturally, the results of assessments are provided to the employer or contracting party paying for the assessment. The personal information collected such as phone number and email address is collected for the express purpose of contacting the test taker in the event that there is an incomplete assessment or other technical problem. That information is never provided to anyone except to the employer that authorized the assessment as either a part of a database or in the assessment report format.

Your Consent

You can feel free to call us or send email inquiries to us without fear of being hounded by unwanted sales calls or email solicitations. We are committed to protecting your privacy.