



# Job Matching and Performance

Have you ever stopped to think about how dependent you are on your staff? Even if every other aspect of your organization is working well, people problems may mean the difference between profit and loss, extinction and survival. Can this be true?

Yes, that's exactly what 85 years of research has clearly shown! Frank Schmidt and John Hunter, foremost experts in workforce productivity and psychology, undertook a major review of numerous studies on the impact people have on the success of organizations.

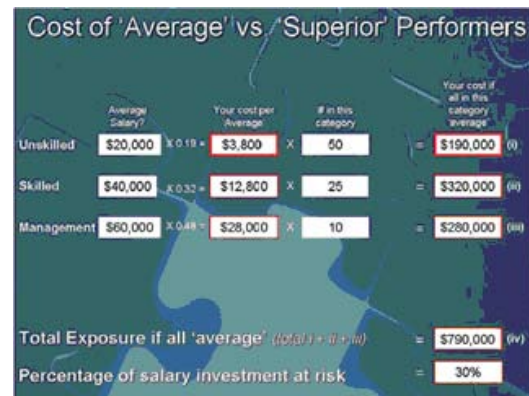
Their goal was to glean practical, usable information that could help businesses determine the impact their employees have on productivity, and how workers' performance impacts the company's bottom line. Schmidt and Hunter's compelling statistics on productivity should be thought-provoking to all employers.

Schmidt and Hunter found that for every job reviewed, there were employees who consistently outperformed the majority of their peers in the same position. About 16% of the people in any position fell into the category of "superior performers." Conversely, their findings show that other workers within a given position were "non-producers" who consistently produced much less than the majority of their peers in the same job. These "non-producers" made up about 16% of the total people in a particular position.

Further, Schmidt and Hunter found the vast majority of workers produced at a level somewhere between these two extremes; hence, approximately 68% of workers are "average performers."

Even more interesting than these facts is the comparison between levels of output produced by each of the performer categories. When unskilled or semi-skilled workers were compared, the findings showed that "non-producers" produced 19% less than their "average" peers; "superior performers" produced 19% more than their "average" peers. The difference in output between "non-producers" and "superior performers" was a sizeable 38%!

Schmidt and Hunter also found that "non-producer" skilled workers produced 32% less than their "average" peers; and "superior" skilled workers produced 32% more than their "average" peers. The difference in output between "non-producers" and "superior performers" in skilled positions was about 64%!



Finally, the researchers found that "non-producing" managers produced 48% less than "average" managers; "superior" managers produced an extraordinary 48% more than their "average" peers. This represents an incredible 96% difference between non-producing managers and their superior counterparts.

Schmidt and Hunter suggested the cost to an organization for each average employee can be stated minimally as the appropriate percentage of the salary those workers are paid each month.

What does this mean in practice? Imagine a small organization with 50 unskilled or semi-skilled workers, and 10 managers. Let's say that an unskilled worker earns an average of \$20,000 per year.

To "dollarize" the difference between average and superior performers in each of these positions, estimate the cost of production lost to average workers at a minimum of 19% of their salary, or \$3,800 per position! For every position where an average, instead of a superior, worker is placed, the minimum cost to the company is \$3,800. In the example above, there are 50 unskilled workers; the total potential impact is \$190,000.

Calculate the totals for each type of worker and the cost could be enormous. A loss of this magnitude could mean the difference between profit and loss, and possibly even survival and extinction.

The message is clear: For every single position where decisions are made or actions are taken to raise performance levels from average to superior, there is an immediate impact to the organization's bottom line.

These numbers are not "worst case": If any or all employees are performing below average, the loss associated with that position is doubled, but so is the potential for improvement.

Unless all workers are superior performers, the organization is losing. To avoid unnecessary people costs, an organization must ensure that every time a people decision is made – hiring someone new, transferring a staff member from one position to another, promoting, investing in training and development – you are doing so with a goal of promoting superior performance in the target position.

How do you do this? Research published in the Harvard Business Review answered this question with the largest study of its kind. For 20 years, 360,000 workers in 14 industries were followed through their careers to determine what made superior performers successful. The results were staggering: current practices for selecting people for their jobs did not have any significant ability to predict whether they would be successful in their jobs!

However, the research did show that when people were “matched” with jobs they were capable of doing and were motivated to do the job in an environment suited to their personality and behavior, THEN they were successful.

Further studies confirmed these findings. Through one study, some employees were hired using a job-matching approach, and some were hired using conventional approaches. The results were conclusive: Not only did the employees who were job-matched to their positions outperform the non-job-matched peers during the first six months on the job, but the performance gap widened significantly after 14 months. Likewise, those who were job-matched to their positions tended to stay in their jobs much longer, significantly reducing employee turnover and the costs associated with rehiring.

In the high employee-turnover industries, employees stayed twice as long when they were matched to their jobs; while in low employee-turnover industries, they stayed as much as five times longer!

**They also stay longer – saving a fortune on recruitment costs!**

	Without Job Match	With Job Match
<b>High Turnover Industry</b>		
% left / fired after 6 months	46%	24%
% left / fired after 14 months	57%	28%
<b>Low Turnover Industry</b>		
% left / fired after 6 months	25%	5%
% left / fired after 14 months	34%	8%

Source: Herbert M. Greenberg and Jeanine Greenberg, "Job Matching for Better Sales Performance," Harvard Business Review, Vol. 58, No. 5

Have you ever hired a staff member who failed to live up to the expectations you formed at the time of hiring? Conversely, has a staff person turned out to be a much better worker than you originally expected? How did the hiring process differ between the two situations? **THERE WAS NO DIFFERENCE!**

Most organizations use a two-step approach. First, the Human Resources department “predicts the future” by looking at candidates’ educational qualifications, skills, experience, or indications of past performance gleaned from resumes, application forms and reference letters. Secondly, once a candidate is determined to possess the basic skills needed to meet the job requirements, an interview is held, at which time the hiring manager decides if the candidate is a good match for the organization.

A hiring decision is often made with flawed or inadequate information. Interviews simply do not obtain the appropriate data needed to make critical hiring decisions.

What results could be expected if the information gathered by traditional methods was combined with the output from job-matching tools? The table below outlines what the research has found.



Pre-employment assessments, like the ProfileXT™, provide insights into the personalities and behaviors unique to the candidate, including the candidate’s ability to cope with the informational and intellectual demands of the position.

Profiles would like the opportunity to demonstrate how to create predictive job matches by incorporating the ProfileXT™ into your selection and promotion process. We believe that the use of the ProfileXT™ will lower your operating costs, increase employee productivity, and improve the bottom-line results of your organization.

Please call **Susan Priest** at 254.399.5544, or email to [susan.priest@profilesmail.com](mailto:susan.priest@profilesmail.com) for information of the ProfileXT™.

Source: Harvard Business Review, Frank Schmidt and John Hunter

