

# Helping your Clients Build World Class Performing Teams



A monthly program to develop  
BIG BILLERS and MILLION DOLLAR PRODUCERS

# The Worlds Most Admired Companies – got there for a reason...

**“Great Vision without Great Talent is Irrelevant” – Jim Collins – Good to Great**

## **Fortune 2015 Most admired Companies...**

### **Management Quality**

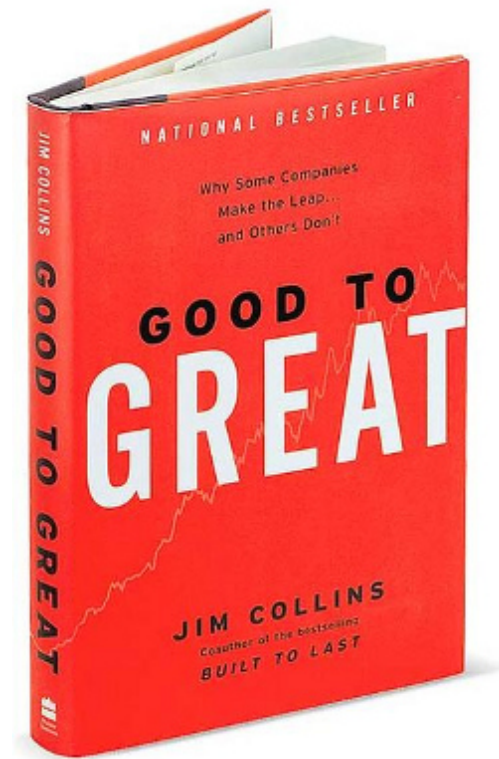
- Walt Disney
- Google
- US Bancorp
- Nike
- Goldman Sachs
- Apple

### **Quality of Product/Service**

- Walt Disney
- Nordstrom
- Apple
- Google
- Amazon

### **Ability to Attract and Retain Talent**

- Goldman Sachs
- Google
- Walt Disney
- Apple
- Nike



# How did they get there?

## Companies on it year after year after year....

- Apple
- Walt Disney
- Nike
- Goldman Sachs



\* A commitment to hiring “A” talent



# The Biggest Problem in Business today.... mis-hires

- **Mis-hires** – A hiring decision in which the candidate hired did not meet the performance expectations of the hiring manager.



*“ To put this into perspective, consider the cost of mis-hires on the U.S. economy. Using Gravelle(2012) and Smart (2005) as anchoring pints, assume the cost of mis-hiring a manager is five times the person’s annual compensation. To understand the rate of mis-hires, one can look to smarts longitudinal, multi-case study that showed only approximately twenty five percent of all managers are top performers(smart 2012 d). This translates to a mis-hire rate of seventy-five percent of all managers.*

*Extrapolating this data across the US economy, approximately fifty one million people were hired across all industries in the US in 2011 with an average salary of \$45,230(Huber, neale et al. 1987: statistics 2011). If ten percent of all hires in 2011 were managers, 5.1 million of those hires were managers. Taking the twenty five percent mis-hire rate previously benchmarked, approximately 3.83 million mis-hires occurred at the manager level in 2011. Using the previously cited mi-hire cost factored at five times average salary, the cost of Mis-hiring managers for the total US economy is approximately 864.5 Billion annually, a colossal proportion.*

Georgia State University

Michael Lorence

*The impact of Systematically Hiring Top Talent: a Study of Topgrading as a rigorous Employee Selection Bundle. May 2014*



# Critical Hiring Facts



- 1 out of 2 hires will be mis-hires....Jack Welch
- 66% of all hiring decision will prove to be false within the first year – Peter Drucker
- 75% of all hiring decisions are based on Personal Interview – HR Mag.
- Cost of Mis-hires is 5 – 24x the salary – Topgrading Brad Smart
- 21% of Bad hires due to insufficient Talent intelligence
- 43% of Bad hires due to Quick Hiring Decisions
- 36% of Bad hires due to Poor Skill Matching
- 80% of employee turnover due to mis-hires
- ROI of a mis-hire is calculated at -298%
- 75% of hiring due to replacing workers who left
- A players perform 8-10 times more of that of a B player – TopGrading Brad Smart



# Talent Management from the Beginning

*Peter Drucker – The knowledge Worker*

*Jack Welch*

- *The Bell Curve*
- *A, B and C Players*

*Brad Smart*

- *A, B and C redefined*
- *Cost of mis-hires*
- *CIDS interviews*
- *ScoreCards*
- *Accountabilities, Track Record, Skillset s*  
(topgrading, Straight from the Gut)



# Helping your Clients to find and attract world class teams

1. Track Record of Success
2. Skill Set Match
3. Accountabilities
4. Cultural Match
5. Career Path Match



# Problems with existing processes for hiring top talent....

- Job Postings
- Linked IN
- Employee Referrals
- Contingent Search
- Promoting from Within





# Finding and Attracting Top Talent Methodologies

## Define “A” talent

- Skill Set
- Track Record of Success
- Accountabilities
- Cultural Fit
- Experience

\*\* Its not about % of Match

The role of RISK in a hiring decision



# Finding and Attracting “A” players



- Direct Competition
- Companies with Similar Job Functions
- Similar Duties/Titles

Your job has just begun.....

# Attracting “A” players

- Employer Value Proposition
- Consistent Brand Messages to Talent Pool
- Gaining Interest from the top 5%
- Finding top 5-10% versus % Match
- Smoothly taking talent through the hiring experience in a win win methodology.



# Conclusion – steps to help your clients

1. Educate your clients on Talent Management and Mis-hires
2. Help them make the choice of the right way to find critical hires
3. Help them define their e-value proposition
4. Next is skillsets, Accountabilities, culture and track record of success fits

It all starts here.....

***“Is this a position where you can afford a mis-hire?”***





MAXIMUS

