

## **The Problem with Low Unemployment Rates, and How to Deal with It**

### **The Problem**

A low unemployment rate creates challenges in your company's selection process for new employees, with on-boarding efforts, and with future performance goals for employees.

A low unemployment rate means that you are competing for fewer qualified candidates. It also means that you may need to hire less-qualified people who will need extra training and coaching to be able to perform at your company's standards.

To maintain optimal staffing levels and organizational effectiveness, therefore, you need to understand, *before* you make hiring or promotion decisions, what training or coaching your candidates will need to become productive on the job, as quickly as possible.

### **It's Fair to Everyone to Assess a Candidate's Training/Coaching Needs**

Identifying a candidate's specific coaching needs before he or she is hired is essential in order to make a decision that is fair to both the company and to the candidate. It's fair to the candidate because it helps prevent early turnovers that result from lack of experience or skills that are not addressed in time by the company. It's fair for the company because knowing, and addressing, a new employees coaching needs avoids turnover, and turnover costs a company about 20% of the first year's salary.

Knowing the candidate's coaching needs during the selection process enables you to determine whether the cost of the using the company's resources to bring the candidate up to speed is justified by the value of the person's future contribution to the company.

Identifying a candidate's coaching needs is not always easy. During interviews, we all tend to focus on our strengths and try to downplay or avoid talking about our weak areas. Because of the low unemployment rate, you may be looking at many more applicants who have little or no direct experience or skills in the area for which they are now applying.

### **The Solution: Psychological Employment Testing (PET)**

*(Full disclosure: Developing, validating, and providing pre-employment psychological tests for targeted skills, attitudes, and management/executive potential is what Helm and Associates has been doing since 1980. The purpose of this article is less to sell you on using our tests, and more*

to share with you the usefulness of psychological employment testing in evaluating less-qualified candidates.)

There are three ways in which PET helps you deal with the problems associated with a low unemployment rate:

- *In the evaluation of less-qualified candidates*  
PET can identify personality- and character-driven issues that are not obvious during an interview (or on a resume), but that can be problematic on the job. This information can help determine the candidate's suitability for the job in question.
- *During on-boarding*  
PET can identify any issues that would have a negative effect on the new-hire's adjustment to the company. The best psychological employment tests also suggest customized strategies for dealing with on-boarding issues.
- *On the job*  
The best psychological employment tests give specific, customized suggestions for how to use one's strengths to strengthen one's weaknesses. PET results presented to the new-hire in a positive way engage the person with the process of job-relevant development. PET results not only show the person how to play to his or her strengths, but also show how some aspects of his or her behavior can be counter-productive to success on the job

### **Look for Progress, Not Perfection**

Learning new skills and abilities is a process that usually means trying new ways of doing things. Making mistakes and learning from them are normal, *and essential*, parts of that process. Simply pointing it out to someone that he or she has made a mistake, and telling them to do better in the future, is usually not enough to assure change (as anyone who's raised teen-agers will attest.) The learning curve for an employee will be shorter if there is a coach who has an understanding of what may be causing those mistakes, and that's the kind of information the PET can provide.

### **It's Not Business as Usual**

The challenges of hiring less-qualified people, on-boarding them, and then continuing their development into the job can be met if those specific challenges are recognized early as being different from business as usual. Psychological employment testing reduces the negative impact of hiring individuals who lack experience or skills by making these processes more focused on an individual's specific, job-relevant needs.

**P. S.** Some of the most valuable people in any organization started out their careers as "less qualified." What a less qualified person may lack in knowledge and skills they often make up for in motivation, hard work, and a fresh set of eyes. I wonder, if I asked a group of C-level

executives how many of them started out as “less qualified,” how many hands (in addition to my own) I would see?