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The Impact of Systematically Hiring Top Talent: A Study of Topgrading as a Rigorous Employee Selection Bundle

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THE IMPACT OF SYSTEMATICALLY HIRING TOP TALENT:
A STUDY OF TOPGRADING AS A RIGOROUS EMPLOYEE SELECTION BUNDLE

BY

MICHAEL SHEPHARD LORENCE

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ACCEPTANCE

This dissertation was prepared under the direction of the MICHAEL SHEPHARD LORENCE Dissertation Committee. It has been approved and accepted by all members of that committee, and it has been accepted in partial fulfillment of the requirements for the degree of Executive Doctorate of Business in the J. Mack Robinson College of Business of Georgia State University.

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DISSERTATION COMMITTEE

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DEDICATION

I lovingly dedicate this work to my wife, Erica. She is, by far, the most important person in my life. Erica worked substantially harder in her vocation as a mother and wife than I did in my vocation as a student writing this dissertation. Very few women have succeeded like she has in raising four young children with a husband who runs a business while simultaneously masquerading as a full time doctorate student. She deserves the "A Plus" and not me.

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Abstract

This research contributes to the employee selection literature by examining the various aspects of value creation derived from systematic approaches to selective hiring and onboarding best practices. These best practices covering the end-to-end spectrum of talent acquisition activities from pre-recruitment to post-hiring performance management are examined through the construct of employee selection bundles. A rigorous type of employee selection bundle called Topgrading is examined across six case studies. This research builds on the employee selection literature by exploring the cross section of organizational learning theory, goal setting theory, and process management theory on the employee selection bundle as a mechanism that positively impacts firm performance.

Keywords: employee selection bundle, selective hiring, organizational learning theory, double loop learning, goal setting theory, process management theory, attribution theory, firm performance, talent acquisition, Topgrading

Chapter I: Introduction

As the global economy becomes more competitive, CEOs are rigorously pursuing strategies to achieve better firm performance. Selective hiring is one of the most important strategies CEOs have to improve their firm's performance (MacDuffie 1995; Vlachos 2008; Vlachos 2009).

Despite one hundred years of organizational psychology research in the area of employee selection however, managers are still inept at hiring high performance employees. Previous research illustrated that the classic interview performs quite poorly as a selection instrument (Arvey and Campion 1982; Zedeck, Tziner et al. 1983; Arvey, Miller et al. 1987; Dreher, Ash et al. 1988; Harris 1989; Maxwell and Arvey 1993; Lombardo and Eichinger 1997; Dipboye, Gaugler et al. 2001). A study of the top human resource executives in Global 100 companies revealed that hiring managers across various industries averaged an eighty percent mis-hire rate of senior managers (Smart 2012 c). A mis-hire is defined as an employee who subsequently turned out to be an underperformer for his/her position (Smart 2005).

There are several reasons why hiring managers pick the wrong people to hire. First, the interview can cloud the judgment of the hiring manager. The attribution theory provides an explanation that hiring managers ascribe beneficial judgments to candidates who do not objectively merit such positive judgments (Herriot 1981; Ramsay, Gallois et al. 1997). Candidate deception is also a factor because candidates falsify information about themselves. Fifty-three percent of all people lie on their resumes (Rosenberg 2012).

Furthermore, interviewees have become sophisticated in their attempts to deceive discerning hiring managers. A review of this deception topic revealed ten common lies that

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interviewees tell hiring managers to fool the hiring manager into believe the candidate is the best choice (Hartsmith 2013).

Significance of the Study

Why do CEOs care about mis-hire rates?

Prior research revealed an important link between effective talent acquisition and firm performance (MacDuffie 1995; Vlachos 2008). Therefore, understanding the effectiveness of the firm's talent acquisition system is important. One approach to quantify the effectiveness of such a system is to monetize the cost of mis-hires on the firm.

When a hiring manager makes a bad hiring decision, termed a mis-hire, the company wastes valuable time, money, and effort. The direct costs of mis-hires include training and recruiting sunk costs; costs associated with testing, interviewing, and human resources (HR) department time; and travel, training, relocation, compensation, and severance for the mis-hired person (Smart 2005).

The average cost of each mis-hire is approximately three to five times a person's base compensation across all industries (Smart 2005; Gravelle 2012). The largest costs of mis-hires are indirect in nature relating to sub-par employee performance. For example, the average cost of mis-hiring a sales representative who earns $100,000 per year in compensation is over $500,000 (Smart and Alexander 2008). This includes the opportunity cost of missed sales by the low performing sales representative that a high performing sales representative would have closed.

Not only is the cost of mis-hiring high, but companies may be understating the cost of this mis-hire by setting the expectation bar too low on new hire performance. One way to measure this is with the metric known as quality of hire (QOH). QOH articulates the satisfaction

to which hiring managers are satisfied with their new hires (Sullivan, Brophy et al. 2009). Some firms are defining hiring success as the newly employee simply meets expectations or can do the job. This seems to set the bar too low for hiring high performers, thus producing low QOH measurements.

The Frequency and Cost of Mis-Hires

To put this into perspective, consider the cost of mis-hires on the U.S. economy. Using Gravelle (2012) and Smart (2005) as anchoring points, 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 Smart's longitudinal, multi-decade 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 U.S. economy, approximately fifty-one million people were hired across all industries in the U.S. 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, then 5.1 million of those hires were managers. Taking the twenty-five percent mis-hire rate previously cited as a benchmark, approximately 3.83 million mis-hires occurred at the manager level in 2011. Using the previously cited mis-hire cost factored at five times average salary, the cost of mis-hiring managers for the total U.S. economy is approximately $864.5 billion[1] annually, a colossal proportion.

Theme and Purpose of the Study

The purpose of this study is to study a holistic talent acquisition and talent management process, and to understand its impact on the firm. Given this purpose and the staggering cost of mis-hires, we arrive at three important questions that motivated this study.

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[1]$864.5 billion = $45,200 annual average salary x 5 times annual average salary cost x 3.83 million mis-hires made

Exploratory Questions

If hiring top talent using selective hiring best practices is a key determinant of better firm performance, why are hiring managers still selecting the wrong people at an alarmingly high rate? Are there best practices that improve their ability to hire high performers? If so, how do those best practices of selective hiring affect value creation for the firm?

Examples of employee selection bundles

These questions inspired a search for best practices of talent acquisition that span the spectrum of recruiting, selective hiring, onboarding, and post-hire performance management. These practices, defined as employee selection bundles, are the best HR practices linked through an end-to-end system of talent acquisition that enable the firm to achieve better performance.

There are several models of employee selection bundles that have been fully implemented in the business landscape over the past fifteen years. One example is the Sales Talent Acquisition Routine, or STAR process, invented by David Kurlan. This comprehensive multi-step process covers recruiting, assessing, selecting, and onboarding of high-performing sales representatives. Another example is Development Dimensions International assessment center offerings combined with its onboarding and interview offerings of Targeted Selection® and Strong Start®.

Another type of employee selection bundle that is both rigorous and accepted in the global business community is Topgrading. Topgrading is a talent acquisition and talent management process invented by Dr. Brad Smart in the mid-1970s. Topgrading includes best practices across a broad spectrum of talent acquisition activities including recruiting, job scorecard analysis, selective hiring, onboarding, and talent management. Topgrading has been

adopted by several thousand firms ranging in size from Global 100 to small businesses (Smart 2013).

The tactical purpose of Topgrading is to identify and hire only top performers. Top performers are termed "A Players" in Topgrading vernacular (Smart 2005). Smart defines A Players as the top ten percent of talent in a given geographic location, at a given salary range, for a predefined job scorecard. Over the years since its conception, Topgrading methods have been refined into a twelve-step methodology that is reported to increase hiring success rates to 90% A Players in some cases (Smart 2012 c; Smart 2012 d).

Building on previously cited research that linked selective hiring and firm performance, the more A Players a firm has, the better its operational and financial performance (Smart 2011; Smart 2012 b). Supporting this contention, Smart cited forty case studies that revealed companies who implemented Topgrading increased their hiring success rate from 26% to 85% (Smart 2012 d). This corresponds to a mis-hire rate change from 74% pre-Topgrading to 15% post-Topgrading. Given that 39 of the 40 CEOs of these firms stated that their firms' performance improved because of using the Topgrading methodology, mis-hire rate suggests a link to the value creation for the firm.

Unfortunately, the amount of research on employee selection bundles such as Topgrading is small. This brings us to the research question of this investigation.

Research Question

How do employee selection bundles such as Topgrading affect the different aspects of value creation in the firm?

Definition of Terms

Given that this research is grounded in employee selection literature but explores a novel approach to hiring, several acronyms and key terms are defined below.

Pre-Topgrading. The employee selection process a firm used before implementing Topgrading as their employee selection process.

Post-Topgrading. The employee selection process a firm used after implementing Topgrading.

Process compliance. The level of compliance that a firm implemented in Topgrading according to the prescribed twelve-step Topgrading process published by Dr. Smart.

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

Chapter II: Review of Existing Literature

The Interview as an Employee Selection Instrument

Employee selection is the process by which organizations select people to hire (Huber, Neale et al. 1987). It generally requires some analysis of the job itself, followed by a series of recruiting efforts and interview sessions. Ultimately, the process culminates in deciding whether to hire or not hire. The previously cited literature showed strong evidence that the standard interview is a rather poor selection instrument for hiring people. So why do so many companies still rely on the interview as the major selection tool for hiring? This seems a bit like banging our heads against a collective theoretical wall.

Decades of organizational psychology research in employee selection has produced a rich set of findings about the interview as a selection instrument. For instance, the interview is the most widely adopted selection instrument, and companies still favor unstructured interviews to structured interviews overwhelmingly (Guion 1976; Harris 1989; Hough and Oswald 2000). This seems counterintuitive given the fact that these studies proved that the selection validity of hiring managers is nearly double with a structured interview approach versus an unstructured interview.

Taxonomies for employee selection

A variety of taxonomies have been proposed to understand and analyze the literature stream of employee selection. A comprehensive review of this literature stream revealed two overarching schools of thought. One camp of researchers viewed the interview as a social interaction that can be explained through various decision-making frameworks (Huber, Neale et al. 1987; Ferguson and Fletcher 1989; Harris 1989; Hough and Oswald 2000) The other camp took a process-oriented approach by explaining employee selection as a series of actions,

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questions, and analyses that culminate in a "hire" or "no hire" decision (Herriot 1981; Graves 1993; Ramsay, Gallois et al. 1997).

Examination of the process-oriented approach revealed robust literature describing the types of interviews and the environmental factors that impact the process of employee selection. The two basic major forms of interviews are structured and unstructured (Harris 1989). Understanding the interview as a process is helpful in understanding how to lower mis-hire rates and increase selection validity. Dipboye provided a basic three-phased approach to understand the interview process. In this pre-interview, interview, and post-interview rubric, Dipboye elucidated how, when, and to what extent an interview collects and interprets data about the interviewee (Dipboye 1982). This intuitive model helped parse out the different stages of the interview and showed which stages have the greatest propensity of interviewer attribution.

The seminal work by Ferguson and Fletcher examined the process of an interview before the hiring decision. Ferguson and Fletcher conceptualized the interview into three steps: acquiring information about the candidate, retaining information about the candidate, and retrieving information about the candidate (Ferguson and Fletcher 1989).

Unfortunately, a process-oriented approach left several theoretical gaps in the way investigators explained interview validity. Arvey and Campion's landmark work on the selection interview gave insight into the variables that affect interviewers' decisions of applicants. They proposed three distinct constructs to explain how the applicant-interviewer-company interaction impacts interview validity. Applicant data (age, race, sex, appearance, and educational background), interviewer data (age, race, sex, psychological characteristics, experience as interviewer, and prior knowledge of applicant), and corporate interview environment (selection rationale, interview structure, and political, legal, and economic forces at

work in the hiring organization) should affect the ability of the hiring manager to make the correct hiring decision (Arvey and Campion 1982).

Furthering this holistic approach to a multi-construct view of the interview process, Hough and Oswald coined the term "personnel selection system" (Hough and Oswald 2000). They recommended a modular portfolio of constructs approach that can be mixed and matched to provide optimal interview validity.

However, taking a purely process-oriented approach silenced a competing viewpoint on the study of employee selection: the social interaction approach. Dipboye explored the social interaction between two actors (interviewer and interviewee) and discussed the merits of a social interaction approach to understand how the hiring managers' decision is impacted by self-fulfilling prophecy (1982). His three-phase framework debunked the myth that interviews are "one time" events. Phillips and Dipboye showed that each phase has certain activities that shape the impressions and ensure social interactions of the interview events (Phillips and Dipboye 1989).

Herriot and Rothwell's similar approach examined an interview as a social interaction by revealing how the behavior of the interviewee impacts the interviewer's decision to offer a candidate the job (Herriot and Rothwell 1983). Ramsay et al. straddled both the process and social interaction perspectives when exploring how the conformance or lack thereof, to basic social norms affected the selection decision of a hiring manager. They concluded that the interview is classified into two separate process related segments introducing the idea of social processes, which are the social norms that govern the separated out processes of the interview, and information processes, which cover the collection and synthesis of interview data (Ramsay, Gallois et al. 1997).

How are employee selection decisions measured?

The employee selection literature commonly makes use of validity as a quantitative research tool to measure hiring success rate and prove causality of a certain hiring technique(s) (Zedeck, Tziner et al. 1983; Arvey, Miller et al. 1987; Dipboye, Gaugler et al. 2001). Selection validity, defined as hiring success rate within the context of this paper, ranges from 0.1 to a high of 0.5 with an average validity of unstructured interviews hovering at approximately 0.2 (Arvey and Campion 1982; Zedeck, Tziner et al. 1983; Arvey, Miller et al. 1987; Dreher, Ash et al. 1988; Harris 1989).

The rate of allowable mis-hires has even garnered the attention of the U.S. government. The government claims that a validity range between .21 and .35 is an appropriate goal (Saad, Carter et al. 2000). In other words, hiring a productive employee three out of ten times is sufficient for the U.S. federal government standard.

However, a review of this literature revealed that investigators have not done a comprehensive job in defining the different types of validity used in industrial and organizational psychological research. Three different types of validity must be considered when building a thorough body of research. The three types are internal validity, construct validity, and external validity (Gibbert, Ruigrik et al. 2008). Investigation of the previous research for these three constructs reveals unclearly defined terms such as "overall validity", "predictive validity", "general validity", "content validity", "simple validity", "incremental validity", and "validity".

Multiple, unclearly defined terms create an obstacle for researchers. To understand the impact of employee selection bundles on the firm, reviewing the definitions of validity and related terms can clarify the implication of validity. Internal validity, also called logical validity, refers to the strength of the causal relation between two observed variables (Gibbert, Ruigrik et

al. 2008). Ideally, the researcher is to provide a logical, compelling reason that underlies the relationship between the input and output variables.

Construct validity refers to the purity of the construction or operationalization of the construct being observed; that is, the extent to which a study investigates what is claimed to be investigated (Gibbert, Ruigrik et al. 2008). Stated otherwise, what is being measured actually leads to an accurate instance of reality (Denzin and Lincoln 1994). In the previously cited employee selection research, the constructs studied which were used to measure validity may or may not have appropriate construct validity. Since construct validity was not addressed, conjecture cannot be made that construct validity was present.

Finally, external validity is derived from internal and construct validity. External validity deals with the very important topic of generalizability from the study to some other sample or to the rest of the world (Gibbert, Ruigrik et al. 2008). For this research, selection validity is a measure of the selection instrument's ability to predict a candidate's performance after being hired.

How should employee selection decisions be measured?

Given the previous findings, the use of validity as the chosen metric of measuring hiring performance creates questionable theoretical grounding since selective hiring is a key driver of firm performance. Therefore, understanding the hiring success rate within the context of firm performance is necessary. In other words, if we are not going to use validity, what should we use?

Herriot (1993) proposed a contrarian view to the widely held practice of using validity as the most important metric of employee selection by contending that validity is the wrong metric to study. He proposed that organizations do not care about validity. They only care about

achieving their business goals (Herriot 1993). Furthermore, Herriot claimed that validity is a largely academic metric that has little relevance to the hiring manager in the field.

Herriot's assertions encouraged a new stream of employee selection research that focused on measurements that are indirectly or directly related to firm performance instead of selection validity. Taking Herriot's point as an important call to action for practitioner-oriented, engaged scholar researchers, this research seeks to explore employee selection bundles and how they create or destroy value.

Why do hiring managers make bad hiring decisions?

Hiring managers want to hire top talent, although previous research showed they struggle with hiring top talent. Why? The literature suggested three common root causes. First, there is attribution bias which occurs when hiring managers draw incorrect conclusions about a candidate's future performance. Secondly, hiring managers do not have a mechanism to expose this mis-hiring problem, and thus they do not learn how to fix it. In essence, this is an organizational learning problem that lacks a structured feedback loop to cast a bright, shiny light on the problem of mis-hiring.

The third major root cause of mis-hiring relates to process management. Graves (1993) and Herriot (1981) conceptualized employee selection as a process-oriented phenomenon. Without a structured, systematized procedure that governs the employee selection process, organizational learning, along with process improvement required to improve the underlying process, is exponentially more difficult. The following literature review addresses these three separate root causes within the context of their respective literature streams and relates the prevailing theory in each stream to this practical problem of systemic mis-hiring.

Attribution theory

Attribution bias is a widely documented and well researched area of organizational psychology. The foundational attribution theory research between the early 1950s through the mid-1980s is summarized in two main bodies of work published by (Kelley and Michela 1980; Harvey and Weary 1984).

Kelley and Michela's investigation of this literature stream defined attribution theory as the examination of perceived causes of other persons' behavior (1980). Similar literature bore out several different applications of attribution bias and how it reduces interview validity. One example is the incorrect placement of causality regarding the results a candidate produced or failed to produce in a previous job. The interviewer may believe that a candidate was not the reason that the candidate's department created exceptional results in his previous company.

Theoretically this occurs when an interview is given consensus information that an interviewee's behavior mimics that of a consensus population. In this case the attribution that the interviewer gives the interviewee is credited to the environment the employee works in, rather than to the actions of the employee himself. For example, the interviewer makes the assessment that the sales person met sales quota for eight consecutive quarters because he had an easy territory in which to farm and close leads (Kelley and Michela 1980). Actually, the territory was not an "easy" territory.

Wiener (1979) showed that perceived stability of a person's skills is a factor in attributing his success to him or his environment. For instance, if the skills of a candidate are thought to be high, the hiring manager will be more apt to attribute success in the candidates' previous job to the candidate himself and not his environment.

Another form of attribution bias is trust based on similar experience. This is known as consistency of information. The more consistent or distinctive an observers' experience is with an event, the more confident he is in his assessment of the event, resulting in the thought that the observer trusts his reactions to these experiences when the experience is similar to historical experiences over time or distinctive from historical experiences over time (Kelley and Michela 1980).

The negative effect of information consistency bias does not stop there. Kelley and Michela (1980) cited several studies that revealed the effect of intensity of conformance or difference to an observer's own beliefs as it relates to confidence in the observer's assessment of another person. For example, if an interviewer interviewed two different people, and one of the persons displayed a behavior that had wide variance to an accepted norm, the interviewer would think he requires less observations than that of the high variance person to make an effective judgment of the wide variance person's abilities (Kelley and Michela 1980).

Primacy effect is a third type of attribution bias that suppresses hiring success. Salience and primacy were also shown to affect information as an antecedent. Kelley and Michela described how observers will attribute cause to the most salient of all observations (1980). Primacy was shown to effect attribution such that an observer will investigate a sequence of information until he is able to make an attribution from a piece of data. After the attribution is made, the observer will neglect later information or incorporate it into his already predefined attribution (1980).

Interviewer motivation creates yet another form of attribution bias. Human beings have motivations in the form of interests, desires, social standing, and a sense of abilities perceived by others. Those interests and desires become a variable to and are intermingled with the attribution

process. Motivations will drive a person to either make or not make attributions to the extent his desires are affected by such attribution (Kelley & Michela, 1980). For example, if a hiring manager is pressured to fill an open position quickly, he may attribute positive characteristics to a candidate that, under normal circumstances, would not elicit the same assessment.

Timing works similarly to interviewer motivation when committing attribution errors. Interviewers have a tendency of placing excessive importance on data gathered early in the interview (Herriot 1981). This is known as the "first impression effect," and Herriot showed that interviewers underestimate this effect.

Building upon Herriot's work, Ramsay et al. studied the impact of social norms that bind interview behavior. If an interviewee displays socially undesirable behavior such as not having good communication skills, displaying a lack of self-confidence, providing unclear answers, or not having a good vocabulary, then the interviewer tends to make negative attribution (Ramsay, Gallois et al. 1997).

First impression bias is closely related to timing bias as postulated by Herriot (1981). First impressions appear to be important in the employee selection process. Tucker and Rowe (1979) examined the effect of pre-interview review of a candidate's application data in relation to that candidate's selection. Their findings showed that an interviewer will likely attribute success to a candidate if the interviewer had a positive expectancy of the candidate based upon pre-interview data (Tucker and Rowe 1979). The same interviewer will tend to make stronger external attribution about any failure the candidate may have had.

A final example of attribution bias at work in the selection process is unfavorable information bias. When unfavorable information is brought forth during an interview, that information tends to be weighted significantly by the interviewer (Harris 1989). The interviewer

incorrectly assesses the candidate against the expected performance construct(s). This, in turn, increases the probability of a mis-hire.

Organizational learning theory

If attribution theory explains how hiring managers hire the wrong person, organizational learning theory explains why the problem has failed to be fixed. Rooted in action research, the organizational learning literature stream illustrates that the people who are thought to be the smartest and most capable people, such as executives and hiring managers, are in fact not very good at organizational learning (Argyris 1991).

As Argyris discovered, this organizational learning deficiency is particularly vexing for several reasons. For example, well-educated, motivated, "type A" people who occupy key leadership positions are adept at solving problems in the external environment. When they need to critically examine their own behavior and the contribution their own behavior has on organizational problems, however, learning breaks down.

Relating this to the mis-hiring problem, hiring managers are not capable of critically examining their own behavior to understand how, why, and to what extent they continue the perpetuation of mis-hiring. To make matters worse, executives, such as those who occupy hiring manager positions, rarely experience failure in their lives. This lack of experience in failure stunts their ability to learn from their mis-hiring failures. Argyris called this single loop learning (Argyris 1991).

Argyris coined the term single loop and double loop learning to conceptualize the theory behind organizational learning. Single loop learning occurs when errors are corrected without addressing the underlying root cause of the problem that generated the error. Double loop

learning occurs when errors are corrected by changing the overall governing values of the system in addition to the actions that create the errors (Argyris 2002).

Argyris also illustrated the point of difference between single loop and double loop learning by using a common household example. Single loop learning is like a thermostat that turns on the heat if the room becomes too cold. Double loop learning would be a thermostat that questions why it is programmed to turn on at sixty-eight degrees, and then adjusts itself upward to seventy degrees given the desires of those that live in the house (1991, 2002).

Single loop learning neutralizes the organization's ability to fix the mis-hiring problem. This concept, called antilearning, occurs with relative predictability (Argyris and Schon 1974). Antilearning is rooted in the theory of action perspective. Moreover, theory-in-use is the most prevalent set of rules for behavior that an individual uses to conceive and implement such behavior. These actions and rules become so engrained in a human being's thought process that people do not even recognize they are engaging in such behavior (Argyris 1991).

The theory-in-use that is most prevalent in a manager's behavior is known as Model I. Model I is composed of four governing variables. They are (a) be in unilateral control; (b) strive to win and not lose; (c) suppress negative feelings; and (d) act rationally. These four variables relate well to employee selection. See Table 1 which applies Argyris, Putnam, and McLain Smith's Model I description to the typical unstructured employee selection process (Argyris, Putnam et al. 1985).

Table 1

Model I Governing Variables of Single Loop Learning Adapted To Employee Selection

Governing variables	Employee selection context	Consequences for learning
Be in unilateral control	Hiring manager seeks authority and control in order to make himself look good with this hiring decision	Self-sealing
Strive to win and not lose	Hiring manager gets defensive when confronted with his role in mis-hires	Single loop learning
Suppress negative feelings	Hiring manager emphasizes diplomacy and tact in interviews, does not delve into risky questions that create negative feelings with candidate or HR department	No testing of hiring theories publicly, only test theories privately
Act rationally	Hiring manager conforms to previous hiring norms, avoids risk taking	

Model I, much like a piece of software running in the brain of the hiring manager without him knowing it, tells him to "form (his) positions, evaluations, and attributions in ways that inhibit inquiries into and testing of them with the use of independent logic" (Argyris 2002). Argyris points out that the consequences of this Model I software are likely to result in defensiveness and self-sealing processes (Argyris 1982). Hence, mis-hiring is perpetuated.

Extensive use of Model I strategies results in what Argyris referred to as organizational defensive routines. Organizational defensive routines, similar to Model I theories-in-use, suppress valuable, necessary organizational and individual learning. That is, these defensive routines have considerable inertia and are not easily overcome (Argyris, Putnam et al. 1985; Argyris 1990).

The following is an example of how the organizational defensive routine of mis-hiring might sound scripted into an organization. "John, we want you to hire great people. But don't take risks, and for heaven's sake, don't spend too much time interviewing people. Our time-to-fill metrics are way too high." The implication is that John gets a message that is inconsistent

with the governing values of the system. John must then act as if there is no inconsistency with this message. He is not permitted to discuss this inconsistency, nor is he permitted to talk about the inability to discuss his situation. In effect, he is trapped inside what Argyris calls the "doom loop" (Argyris 1990). The doom loop is a perpetual state of dysfunction with little chance of eliminating the dysfunction.

Model I strategies lie in sharp contrast to Model II strategies. The three governing values for Model II are (a) valid information, (b) informed choice, and (c) vigilant monitoring of the implementation systems that generated the choice in order to detect and defeat errors. See Table 2 which translates Argyris et al.'s Model II into employee selection (Argyris, Putnam et al. 1985).

Table 2

Model II Governing Variables of Double Loop Learning Adapted To Employee Selection

Governing variables	Employee selection context	Consequences for learning
Valid information	Hiring manager digs deeply into candidate's background including uncomfortable weaknesses; hiring manager's hiring success is measured, reported, and reviewed in a non-defensive manner	Unconfirmable processes
Informed choice	Hiring manager makes selection using an informed set of criteria without fear of his choice	Double loop learning
Internal commitment to the choice and constant monitoring to detect and defeat errors	Review mis-hire rate; understand and debate drivers that affect mis-hire rate	Public testing of theories

As discussed previously, valid information is a governing variable in the Model II system. If Argyris was correct, the reason for the systemic mis-hiring problem may very well be

lack of valid information on both the candidate and the hiring manager's performance. Furthermore, if there was a way to create a better, richer set of valid information on the hiring manager's performance as a hiring manager, and on the candidate's themselves, then Argyris's Model II system tells us that organizational learning will increase and selection performance will improve.

Argyris's action research concept of Model II system relates to Chandler and Torbert's model for action research perspectives. In their seminal 2003 article, Chandler and Torbert proposed a model that identifies "twenty-seven flavors" of action research built on three different variables of research voices, research practices, and the time continuum. The twenty-seven perspectives are derived from 3 Time Perspectives (past, present, future) x 3 Research Voices (first person, second person, third person) x 3 Practices (first person, second person, third person) = 27. This schema sought to organize inquiries and experiences into meaningful categories (Chandler and Torbert 2003).

Using a theoretical action research lens to view and understand the employee selection process is helpful. Consider the parallels between action research and employee selection. Action research is the methodology that seeks to understand past events, present phenomena, the ongoing interaction of human dynamics, and future intentions (Chandler and Torbert 2003). This is very similar to the methodology a hiring manager uses to vet, screen, and select a candidate for employment.

By conceptualizing every discrete employee selection decision as a mini action research project, better understanding of why hiring managers' mis-hire is acquired. Employee selection literature documents that a hiring manager uses information processing strategies to gather data about a candidate's past employee experiences, the events that shaped the candidate's career, and

the present circumstances of the candidate (Ferguson and Fletcher 1989). Chandler and Torbert's research perspectives model inferred that employee selection is largely a second person research activity (i.e., the hiring manager and his HR team) being conducted on first person performance in the past tense (i.e., the candidate's employment history) in order to make predictions about the candidate's future performance (i.e., the employee's likelihood of meeting expectations post-hire).

Furthermore, Chandler and Torbert contended that the more research perspectives the investigator includes in the research, the greater the variance explained by the observable outcome (Chandler and Torbert 2003). If Chandler and Torbert were correct, then the hiring manager who collects a greater proportion of the twenty-seven perspectives during the interview process will be able to make a better hiring decision. The selection apparatus that will help the hiring manager make an accurate hiring decision does so because he is better able to predict the post-hire performance of the candidate.

Up to this point the literature has provided several root causes that help explain why hiring managers make bad decisions. These causes include attribution errors and organizational learning problems; however, there is one more literature stream that provides insight into why mis-hires occur—business process management. Because Dipboye and Harris conceptualized employee selection as a process-oriented phenomenon, an examination of process-related literature may give understanding as to how and why employee selection processes work or fail (Dipboye 1982; Harris 1989).

Process management theory

Process management based view of the firm defines a business as a system of interlinked processes. These interlinked processes require substantial effort to map, improve, and control.

Additionally these interlinked processes roll up to create organizational routines (Benner and Tushman 2003). If these organizational routines are not stabilized, efficiency and financial performance are sacrificed (Hammer and Stanton 1999).

Process management theory provides an important link between a process management based view of the firm and the organizational learning ability of the firm mentioned previously. Recalling Argyris's single loop learning model, Argyris used the same construct of organizational routines. He described how those organizational routines that damage the company's ability to learn are considered defensive organizational routines. Thus if a firm's processes for organizational learning are not stable, defensive organizational routines cannot be overcome, single loop learning persists, and mis-hires continue.

This science and practice of improving organizational processes has proven difficult for practitioners. Much to the chagrin of management, process improvement efforts frequently yield only short-term efficiency improvements that fade over time. In some instances organizational performance is worse after the improvement effort has concluded than before the effort began. Scholars see these efforts as implementation failure (Morrison 2011).

Understanding and recognizing these process improvement modes of failure provide further insight into why hiring managers continue to mis-hire. Moreover, understanding how and why process improvement initiatives fail may preempt the roadblocks that will inevitably stand in the way of process improvement initiatives focused in the employee selection process.

Previous research in process management has shown that there are several attributes of successful process management. One of those attributes relates to an organization's commitment to changes in its human resource management practices, and organizational commitment (Ittner

and Larcker 1997). Digging deeper into these two attributes provides insight into some of the

boundary conditions necessary for executing successful, enduring process change.

There are several components to an organization's human resource practices that must

change in order for process changes to remain in place and efficacious. Examples of those

changes include increased training in problem solving and learning, greater use of teams for

cross-functional cooperation, and increased decentralized autonomy for employees to respond to

errors in the process without requirement of management approval.

Information utilization and organizational commitment are two additional attributes of

successful process management. Information utilization refers to the idea that a process will

likely not be improved unless some benchmarking of the processes to be improved is done and

communicated to the workforce (Ittner and Larcker 1997). Ittner and Larcker also showed that

researchers regard organizational commitment as one of the most important conditions necessary

for successful, lasting process improvement (1997). Without the commitment of top

management, the organizational inertia that must be overcome to create enduring change is too

great.

How Can Hiring Success Be Improved?

The three literature streams of attribution theory, organizational learning theory, and

process management theory reviewed in the previous sections shed insight into the numerous

problems that rob the hiring manager of making a good decision. What can be done to reduce

mis-hires?

The literature suggests several antidotes. First, using a hiring process that attenuates the

negative impact of attribution bias can help improve a hiring manager's ability to select the right

person for the job. Second, accounting for and implementing the strategies that address the

successful attributes of process management covered in the previous section are necessary.

Third, increasing organizational learning by snuffing out single loop learning and replacing it

with double loop learning will help. These three strategies may be efficacious, but they will

likely not occur unless there is a paradigm shift in the way employee selection is viewed.

Therefore, a redefinition of employee selection is needed. Redefining employee selection

as an end-to-end collection of processes rooted in best practices that encompass a broad spectrum

of employee selection, onboarding, and talent management is necessary to generate better hiring

success, resulting in better firm performance. To illustrate this point, a discussion about hiring

methods that lead to better hiring success rates will be reviewed, followed by a section about

redefining the employee selection paradigm as employee selection bundles.

Choosing a structured over an unstructured interview

When a hiring manager seeks to attenuate attribution error, the type of interview format

chosen is important. Structured interviews produce better selection validity than unstructured

interviews (Arvey and Campion 1982; Harris 1989; Hough and Oswald 2000). A review of

different interview formats and their corresponding hiring success rates provides additional

insight regarding improving hiring success.

Harris proposed three major interview formats that explain how corporate America hires

people. Behavioral Description Interviews (BDI) focus on past behaviors as it is based on the

closely held belief that "the best predictor of future behavior/performance is the past

behavior/performance" (Harris 1989). Comparatively, Situational Interviews focus on what the

applicant would do in a particular situation. Comprehensive Structured Interviews (CSI) use a

scorecard to rate a host of variables such as situation, job simulation, and job requirements of

each interviewee (1989).

Harris (1989) showed that the validity of structured interviews is double that of unstructured interviews. Of the three main types of interviews, CSI yielded the highest validity at 0.56. The next most effective interview format was BDI. BDI is less structured than CSI but more structured than Situational Interviews and yielded a validity of 0.54. The poorest performing interview type was Situational Interviews. These types of interviews yielded a validity of 0.3. The validity is lower likely because this format is a less structured approach.

Given this link between lower mis-hire rates of highly structured interviews, Harris (1989) provided an explanation of the linkage. He stated that the negative effects of attribution are better attenuated in a structured interview. One reason is that structured interviews reduce the variability questions asked during the interview. When the interviewer asks a standard set of questions to all candidates, the interview reduces overemphasizing negative information discovered early in the interview. This supports the earlier reference to primacy. Previously stated, once an observer determines an attribution, he stops looking for additional attribution opportunities. In a sense, structured questions neutralize the effect of attribution.

Reduction of attribution bias due to primacy is also seen in the number of questions asked during an interview. Harris (1989) proved that when negative views of the candidate form in the mind of the interviewer, which is termed confirmatory bias, the interviewer will tend to ask fewer questions. Structured interviews help the interviewer from slipping into this mistake.

Another reason why structured interviews produce better selection validity is that the interviewee cannot manipulate the interviewer as easily. Drawing on Gilmore and Ferris's research on impression management, interviewees are not as able to provide "right" or "wrong" answers to questions, which is often the case in unstructured interview questions (Gilmore and Ferris 1989).

Harris (1989) showed the effects of mis-attribution are less pronounced during structured interviews because the interviewer is forced to ask a relatively scripted set of questions to each interviewee. In an unstructured interview, the interviewer tends to ask fewer questions if a negative view of the candidate is perceived by the interviewer.

Arvey and Champion confirmed some of the same findings of Gilmore, Ferris, and Harris by postulating several root causes of lower validity in unstructured interviews. One reason is that there are inconsistent questions asked across the interviewee population leading to different data collected and different answers provided by the candidates (Arvey and Campion 1982). Also, interviewers tend to do most of the talking in an unstructured interview, and finally, interviewers tend to make their hiring decision too quickly in unstructured interviews.

Synthesizing this literature, structured interviews clearly reduce mis-hire rates. However, addressing the causes of attribution theory in employee selection does not go far enough in addressing the mis-hiring problem. A complete paradigm shift on how hiring managers view the hiring process is proposed. The approach will be reviewed in the follow section.

Redefining the scope of the employee selection process

Redefining the paradigm of employee selection is the second of two actions to improve hiring performance. Although this seems to be nothing more than a nuance at first pass, this is perhaps one of the most important insights of this research. The justification for such a redefinition of employee selection is that much of the previous literature cited on employee selection narrowly defines hiring success through the lens of a standalone interview. A more contemporary view of employee selection uses the paradigm of an HR bundle to define an effective employee selection system.

In review, Zedeck et al. defined employee selection as job analysis tasks, followed by a series of recruiting efforts and interview sessions (Zedeck, Tziner et al. 1983). The culminating event ends in a hire or no-hire decision. Given that some firms engage in other human resource related activities that fall outside of Zedeck et al.'s definition of employee selection, a broader view of employee selection should be taken. Firms also engage in recruiting, performance management, and aligning company strategy to individual performance, sometimes called performance management.

The entire spectrum of HR best practices in recruiting, job evaluation, interviewing, onboarding, and post-hire performance management can be better defined as an HR bundle (MacDuffie 1995). The bundle concept was introduce in MacDuffie's work on HR best practices in which he showed that HR bundles are interrelated to HR best practices that work together to create value for the firm by improving firm performance (MacDuffie 1995).

MacDuffie provided justification for this bundle paradigm by citing previous works which showed that focusing on and measuring an individual HR tactic (i.e., hiring success rate) may produce misleading results when linking those observations to firm performance (Ichniowski, Shaw et al. 1993). In other words, there can be a generalizability problem when trying to isolate the impact of a singular HR best practice, like interviewing method, to a macro measurement relating firm performance.

Human resource bundles: What do we know about them?

MacDuffie defined a human resource bundle as an isolated set of HR practices that cluster into work system or HR policies (1995). He argued that that human resource bundles can be a primary source of competitive advantage in a firm, and he reviewed the three conditions under which HR bundles can be linked to firm performance. The conditions that must be met are

(a) employees possess skills that managers lack; (b) employees are motivated to apply this skill through discretionary effort; and (c) the firm's strategy can only be achieved when employees contribute this discretionary effort (Levine and Tyson 1990; Bailey 1992). The converse is true. If any of these three conditions are not met, then the HR bundle may not be causally linked to firm performance.

Building on MacDuffie's work, Vlachos's review of Pfeffer's work on the seven HR management best practices provides the justification necessary to merge together the concepts of HR bundles and employee selection into the construct of employee selection bundles.(Pfeffer 1998; Vlachos 2008). Specifically, Pfeffer identified seven major HR best practices: (1) employee security; (2) selective hiring; (3) self-managed teams and decentralization of decision making; (4) compensation linked to organizational performance; (5) extensive training; (6) reduced status distinction between managers and front line workers; and (7) extensive sharing of financial and performance information across the entire organization.

Vlachos proved that selective hiring, Pfeffer's second of seven best practices, was found to be a significant predictor of all firm performance measures (2008). Therefore, employee selection is one of the most, if not the most, important component of the HR bundle. Given the importance of selective hiring, employee selection is defined in this research as its own unique HR bundle termed the employee selection bundle.

Topgrading as an employee selection bundle

This leads to an important question. Does Topgrading stand up to MacDuffie's (1995) test of being an employee selection bundle that can be linked to improved economic performance of the firm? The short answer is yes. Drawing in MacDuffie's use of this same rubric, Table 3 indicates how Topgrading, a rigorous employee selection bundle, meets the three necessary

conditions required to causally link increased economic performance to this employee selection

bundle.

Table 3

The Employee Selection Bundle of Topgrading Meets the Three Conditions Necessary for Causal

Attribution of Economic Performance (MacDuffie 1995; Smart, Mursau et al. 2012)

Step	Description of Topgrading steps	Skill/ knowledge	Motivation/ commitment	Integration of HR with execution and strategy
1	Measure hiring success rate of A players pre-Topgrading		X	X
2	Create job scorecard		X	X
3	Recruit from networks	X	X	
4	Use Topgrading career history form	X	X	X
5	Conduct telephone screening interviews with candidates	X	X	
6	Conduct competency (behavioral) interviews	X	X	
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	X	X	X
8	Master advanced interviewing techniques	X	X	X
9	Analyze all data: Write draft executive summary	X	X	
10	Candidate arranges references calls with current and former bosses: finalize executive summary	X	X	
11	Coach new hire in first few weeks	X	X	X
12	Measure hiring success annually & compare against pre-implementation of Topgrading		X	X

Topgrading steps three through eleven serve as the engine of selectivity in the hiring

process, illustrating how Topgrading creates an environment where the employees who are hired

possess skills that managers do not have.

Recruiting from networks, Topgrading step three, injects more high quality candidates into the top of the funnel. Just like a funnel, Topgrading steps four through eleven create a filtering mechanism that systematically reduce the pool of candidates until the hiring manager is left with only the highest quality candidates. Resultantly, persons hired through Topgrading are inclined to have differentiated, unique skills and knowledge as compared to their managers.

Addressing MacDuffie's (1995) second necessary condition for economic performance of the firm, motivation and commitment are thought to be created by all twelve Topgrading steps. Using MacDuffie's logic, employee selection bundles are additives such that different individual practices of the bundle reinforce other elements. The Topgrading steps that create unique skill and knowledge (steps three through eleven) help reinforce those steps that create employee motivation.

Topgrading steps one and twelve create motivation for the hiring manager to improve his hiring success rate. Smart (2012c) showed that the average hiring success rate, as defined by percent of A Players hired, was approximately 25%. When hiring managers understand how few A Player they have hired in the past, they have motivation to improve their hiring success rate. Furthermore, when the hiring managers understand that the cost of mis-hires is three to twenty-four times (Smart 2005; Gravelle 2012), and they monetize those costs against their previous mis-hires, they have even greater motivation to improve hiring success rate.

Topgrading step one encourages goal setting of hiring success rate. Specifically, Smart instructed hiring managers to set the hiring success rate at between eighty and ninety percent (2012c). Topgrading steps two through eleven are postulated to create well-defined expectations with appropriate measurable goals for newly hired employees. It is reasoned that these

Topgrading steps reduce the common confusion of ill-defined position descriptions, vague goals, and improper fit of the candidate to the position.

Topgrading also incorporates MacDuffie's third necessary condition for causal linkage to economic performance. When the employee selection bundle is integrated with core business practices, it is thereby linked to the firms execution and strategy (MacDuffie 1991). In reference to Table 3, there are several Topgrading steps that link directly to the firm's strategy and execution. Those steps are those that reinforce measurement of hiring performance and link day to day employee activities to overall firm strategy.

Job scorecarding, which is Topgrading step two, links the employee's activities to the firm's strategy by creating a set of specific, measurable accountabilities. The measurable accountabilities of those scorecards are cascaded from the firm's strategy into the individual job for which the candidates are being considered (Smart 2012 d). Furthermore, those job scorecards are discussed during the various steps of the interviewing, screening, and reference checking processes (Topgrading steps three through ten). The job scorecards are implemented and used as a feedback and coaching tool during the onboarding phase (Topgrading steps eleven and twelve).

Measurement of hiring success rate is thought to link the firm's talent acquisition practices with the firms overall strategy. Kaplan and Norton called this alignment (Kaplan and Norton 1996). Alignment provides direct linkage between the newly hired person's day to day activities and the firm's overall strategy. This seems to be supported by the forty case studies in which thirty-nine of the forty CEOs of those case study firms cited the employee selection bundle Topgrading as being directly responsible for improving the performance of their firms (Smart, 2012c).

Summarizing the literature review up to this point, the argument for this proposal is built on several theoretical insights. First, previous research shows that firm performance is connected to human resource best practices called HR bundles (MacDuffie 1995). Selective hiring, featured here as an employee selection bundle, drives better firm performance (Vlachos 2008). Third, the employee selection bundle Topgrading meets the three criteria required to ascribe causal attribution of this employee selection bundle to firm performance (MacDuffie 1995; Smart 2012 d). Fourth, the employee selection bundle Topgrading has been shown to improve firm performance through a case study body of research (n=40) (Smart 2012 c).

The question remains of which theoretical lens should be used to understand how employee selection bundles create or destroy value for the firm. Goal setting theory provides a practical theoretical lens through which to understand value creation derived from employee selection bundles.

Goal setting theory as a rival explanation

Quite simply, what gets measured gets improved. But according to Smart (2012c), hiring managers rarely track, measure, and report their hiring success rate. If hiring success rate is not measured, tracked, and reported over time, there is little incentive for the hiring manager to improve his selective hiring skills.

Goal setting theory states that setting specific, challenging goals leads to higher performance (Locke and Latham 2002). Moreover, goal setting has the ability to focus a person's efforts towards a stated goal, sustain that person's efforts over time, and motivate the goal chaser until the goal is ultimately met (Colineau and Paris 2009). Lock and Latham reported that goals affect action by arousing a goal chaser to use task relevant knowledge and strategies at his disposal to achieve the goal (2002).

The employee selection literature is silent on using goal setting theory to explain how or why employee selection impacts the firm. This new application of goal setting can be applied to employee selection bundles by measuring hiring manager hiring success rate. When a firm implements an employee selection bundle such as Topgrading, hiring managers are measured against their firms' hiring success rate goal. Moreover, these hiring managers are expected to eventually achieve eighty-five percent or better hiring success rate which corresponds to 15% or lower mis-hire rate.

This measurement, tracking, and reporting system of mis-hire rate serves as an enduring feedback loop to the hiring manager. Therefore, the author hypothesizes that goal setting theory is a theoretical root cause that will help explain how employee selection bundles create value for the firm. See Figure 1 for a depiction of this process.

Figure 1. The enduring feedback loop of Topgrading.
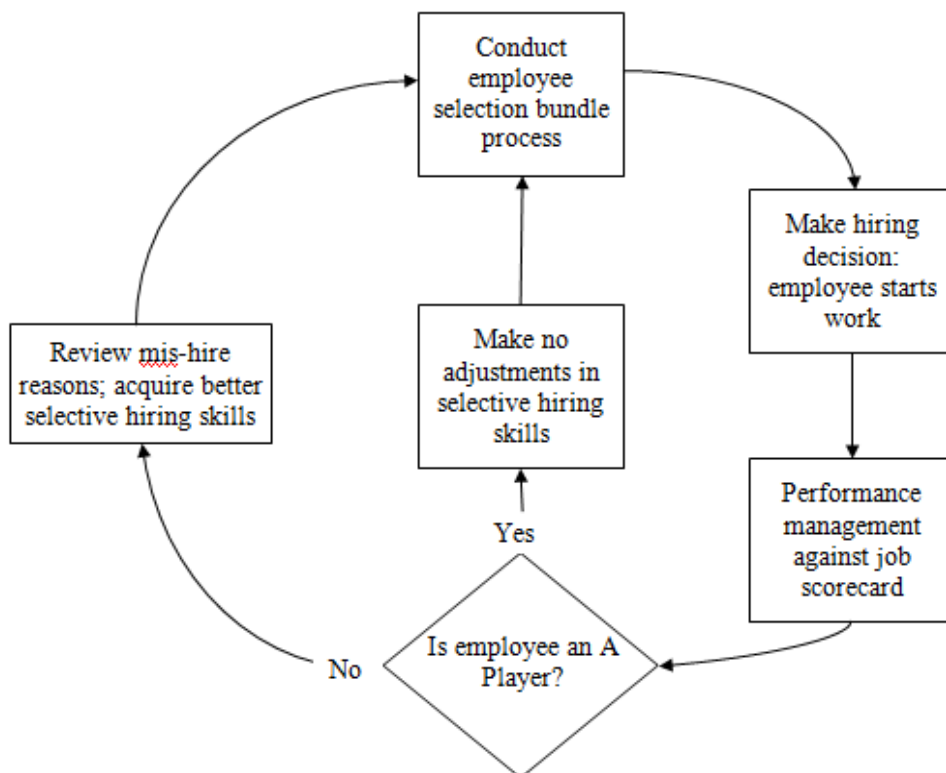
Performance management and onboarding

Goal setting theory applies not just to the employee selection process but also to the onboarding process because goal setting theory is inextricably linked to performance management, a key part of the onboarding process in employee selection bundles. A review of the performance management literature finds that continuous feedback on employee performance against a stated goal improves performance (Burke, Weitzel et al. 1978; Lombardo and Eichinger 1997; Shantz and Latham 2011). In summary, if the employee has a well-defined, specific, measurable set of performance measures, the person will perform better as compared to not having any standards at all.

Lombardo and Eichinger (1997) and Shantz and Latham (2011) proved that a rigorous performance management system shows that employee performance improves when there is continuous feedback regarding skill against a targeted success level. Burke et al. proved that in some cases employee performance increased twice as much when a rigorous performance management system with stated targets and ongoing measurement against those targets was in place (Burke, Weitzel et al. 1978).

Taking these research insights into account, employee selection bundles may be accretive to firm value simply because there is a continuous feedback look regarding the new hire's performance over the onboarding period and beyond. The author hypothesizes that if an enduring feedback loop exists in the onboarding process, APRH will increase. Smart called this the process of "calibration" of the hiring manager (Smart 2011). In a sense, the construct of enduring feedback loop is operationalized through goal setting theory in the form of monitoring the mis-hire rate metric through the first year of the new hire's tenure at the

Chapter III: Research Model

Design/Approach

The purpose of this study is to examine employee selection bundles and their impact on the firm. Given that no peer-reviewed research of employee selection bundles or Topgrading exists, this study additionally sought to understand the context within which employee selection bundles such as Topgrading create or destroy value for the firm. The research question explored was: How do employee selection bundles affect the different aspects of value creation in the firm?

Method

This research was a multi-case, process model, qualitative study. There were several reasons for this approach. First, qualitative case study investigations allow for a more open approach of discovery of employee selection bundles. Employee selection bundles are by their nature a collection of individual steps that form a process. Since the research is void of this topic, there are no pre-existing accepted outcome variables of observation that have been investigated which link firm performance and employee selection bundles.

Secondly, Topgrading is a rigorous type of employee selection bundle (ESB). The author hypothesized that, given the complexity of the Topgrading process, differences in implementation and compliance to the Topgrading process across firms would likely exist. A qualitative study allowed for a more contextual understanding of these differences as contextual proclivity is a hallmark of qualitative research (Myers 2009). Fundamentally, this study sought to "get behind the eyes" of the executives who have implemented Topgrading, so that the hiring manager community can better understand how Topgrading works as an employee selection

bundle to create firm value. This "how" question naturally orients this research down the path of a process study.

However, this study would be quite useless if left there. The Topgrading process is a very well-defined, twelve-step process (Smart 2005; Smart, Mursau et al. 2012). There are training manuals, DVDs, CDs, seminars, and a wide range of information products that detail the specifics of each step of the Topgrading process (Smart 2013). Consequently, this study was not about codifying the already well-defined Topgrading process. This study was structured to decompose the methodological approach of this rigorous employee selection bundle. Furthermore, the study was structured to explore how employee selection bundles either destroy or create value for the firm.

The purpose of using Topgrading as the ESB exemplar is threefold. The data is more easily accessible to the investigator. Those firms who have implemented Topgrading are more widely known than those firms who have implemented the other exemplars of ESBs. Forty case studies of firms who implemented Topgrading were published in the 2012 version of *Topgrading* (Smart 2012 d) . The firms who have implemented the other types of ESBs outlined previously in this study have not made their implementations well-known.

Secondly, Topgrading appears to be the most rigorous ESB of those exemplars mentioned. It is the only ESB that incorporates a measurement of pre- and post-implementation hiring success rates. Lastly, there is greater transparency with Topgrading. The Topgrading twelve-step process and their associated definitions for each step are publicly available. The process steps for the other ESB exemplars are deemed proprietary and not publicly available.

This study is retrospective since it has the advantage of knowing the effects of employee selection bundles that are linked to firm performance. Contrasted with real-time observations, a

retrospective study has the advantage of greater investigative insight since the researcher is less likely to disregard a critical insight that might otherwise be lost in a real-time study (Grabowski 2011).

Case study firms

There were six firms studied in this investigation. A high level description of each firm is described. The firm names have been changed to protect their anonymity.

Case 1: Good Eats Company (GEC). GEC is a publicly traded food retailer. The firm has several hundred stores located throughout the U.S. employing more than 10,000 personnel, and was founded more than one hundred years ago. GEC generates more than one billion in annual revenues.

Case 2: Brand Consultants Inc. (BCI). BCI is a privately held U.S. small business located on the west coast of the United States. It is a services business that provides custom branding, marketing, website, and social media services to a wide range of privately and publicly held clients. The firm is more than ten years old, and has several offices located between the mid-west and west coast. BCI generates more than ten million in annual revenues.

Case 3: Auto Supplier Firm (ASF). ASF is a publicly held U.S. original equipment manufacturer that sells metal components to the auto industry. The firm was founded more than one hundred years ago, and has more than fifteen facilities located in multiple continents, which include North America, Europe, Asia, and South America. ASF generates more than one billion in annual revenues.

Case 4: Fun Time Leisure (FTL). FTL is a publicly traded U.S. retailer of leisure equipment. The firm has more than 50 locations spanning the northeast, southeast, Midwest, and west coast of the United States. FTL generates more than $400 million in annual revenues.

Case 5: Rewards for You (RFY). RFY is a privately held U.S. owner and producer of rewards and loyalty programs. The firm is located in the Midwest and serves several thousand clients in the U.S. and abroad. RFY employs more than one hundred personnel and is more than twenty-five years old.

Case 6: Soft Drink Distributor (SDD). SDD is a privately held U.S. beverage distributor in the Pacific Northwest. The firm has more than one hundred employees. SDD was founded more than sixty years ago.

Case study selection process. One major objection of case study research is lack of generalizability to a large population. With this in mind, the author chose a maximum variation sampling technique to select participatory firms in this study to maximize generalizability. The major differentiators of business demographics were used as sampling variables. Those factors were ownership, firm size, and operating location.

There are several reasons why these factors were chosen. Ownership, which is defined by publicly traded verses privately held firms, is an important variable due to firm hiring practices. Publicly traded firms, or at least the decision-makers employed by them, behave differently than privately held firms (Asker, Ljungqvist et al. 2013). The question may arise, "Is there a difference in employee selection bundle implementation or the sources of value creation derived from them?" Therefore, three privately held firms and three publicly traded companies were selected as cases.

Firm size was another firm demographic variable used for determining case studies. The same rational was used with respect to ownership. Specifically, owners of smaller firms make different decisions and operate differently than managers of larger firms (Smith, Gannon et al. 1988). Are there any noticeable differences between large and small firms when it comes to

value created by employee selection bundles? Three of the firms selected for this investigation were 'small' defined as having 250 employees or less. The other three case study firms were 'large' with staffing headcount ranging from one thousand to ten thousand plus.

Operating location was a third variable used in case study selection. Regionalism is the new economic unit of competition within the United States (Babcock 2003). Therefore, there may be some operating and performance differences of those firms located in different regions of the United States (e.g., located in northeast verses pacific west). Three of the firms chosen had more than fifty locations spread across multiple states. One had operations in several continents. Three of the cases operated out of three or less locations. Of those three, two had only one location.

An additional variable was used concerning the stability of the Topgrading system within the sampled firms. Number of years since implementation of Topgrading was used as the proxy for judging stability of the underlying Topgrading process. Firms were required to have implemented Topgrading for at least three years to be included in this study.

Within each firm, the highest level executive who implemented Topgrading or currently oversees the ongoing use of Topgrading was targeted for this study. In two cases, the CEO was interviewed. In two other cases, which were privately held companies, a co-owner of the firm was interviewed. In other cases, a senior or top level executive who brought Topgrading into the company was interviewed.

Given the time pressures of day to day working environments, the interview subjects had little interest for the investigator to interview multiple people within the same firm. The collective feeling the investigator received from the interview subjects was, "I'll give you my time for an interview, but you are not going to go off and interview a bunch of other people."

Procedures

This study followed the basic principles discussed and recommended by Yin (2009). This investigation used a case study database and maintained a chain of evidence for the data. The researcher conducted semi-structured interviews telephonically with the firm CEO or executive decision-maker.

The media used to conduct the interview is important given the contextual insights that are being sought from the hiring managers. In order to gain the richest insights from that interview, the interviewer would have preferred to interview the subjects face to face. However, given the fiscal constraints of this research, this was not possible. The interviews were conducted telephonically with a limited amount of email correspondence follow up.

There were two interviews for each respondent. The purpose of the first interview was to gather data about the employee selection methodology which the firm used. Each step of the Topgrading process was examined before and after implementation of Topgrading by each firm. The researcher used a documented template in Excel for collecting and annotating this pre- and post-Topgrading reality.

The purpose of the second interview was to discuss the impact on the firm of each step in Topgrading. Specifically, each subject was asked to rate each step of the pre- and post-Topgrading selection process as beneficial, unfavorable, or neutral. A (+) was assigned to each Topgrading step that had beneficial consequences for the firm. A (-) was used to assign an unfavorable consequence for the firm. An (N) was assigned to each Topgrading step that had neutral consequences. An (N/A) was used for specific Topgrading processes that were not implemented.

Methods of Analysis

The author used an inductive approach for analysis of the data. The data was examined as an entire sample set of cases in order to identify commonalities and divergent themes. This was done at two levels. First, the process level was analyzed. The author curiously wanted to see if each of these firms who were mature in their Topgrading implementation were actually implementing Topgrading in the prescribed manner. If not, why not? Secondly, the value creation construct was analyzed. Where the firms creating the same value? Were those sources of value being generated from the same steps? If not, why not?

The Researcher

The researcher is an engaged scholar researcher and full-time student at the Georgia State University Executive Doctorate of Business program. The researcher is also a seasoned practitioner in the area of employee selection. The researcher has hired or fired more than seventy people in the previous eighteen months while running a small division of a Fortune 500 company.

Chapter IV: Results and Analysis

Analysis of Topgrading Hiring Success Rate: Firm Level

All case studies experienced a rather dramatic improvement in hiring success from their pre- to post-Topgrading environments. Looking at it from the opposite perspective, this improvement in hiring success came with a commensurate, precipitous drop in mis-hire rates.

Table 4 illustrates that the average pre-Topgrading mis-hire rate across all cases was 69.3%. The average post-Topgrading mis-hire rate was 10.5%. The overall average reduction in mis-hire rate from pre- to post-Topgrading environment was 85.1%. The average years of experience with Topgrading was 7.7 years.

Table 4

Pre- and Post-Topgrading Mis-Hire Rate and Years of Topgrading Experience by Firm

Firm	Type	Size	Location	Mis-hire rate before Topgrading	Mis-hire rate after Topgrading	% change in mis-hire rate	Number years of Topgrading
Good Eats Company	Public	Large	Mid-west and northeast	80%	20%	-75.0%	5
Brand Consultants Inc.	Private	Small	West coast	80%	10%	-87.5%	4
Auto Supplier Firm	Public	Large	Global	62%	21%	-66.1%	13
Fun Time Leisure	Public	Large	Southeast	60%	0% for management	100%	14
Rewards for You	Private	Small	Mountain west	67%	4%	-94.0%	7
Soft Drink Distributor	Private	Small	Pacific northwest	67%	8%	-88.1%	3
Average				69.3%	10.5%	-85.1%	7.7

To further put this into perspective, these firms were, on average, committing employee selection mistakes (i.e., mis-hiring) approximately seven out of ten times before Topgrading. After Topgrading, the firms were committing selection error about one out of ten. Four of the six case studies achieved the Topgrading standard of 90% hiring success rate, which translates to a 10% or less mis-hire rate, prescribed by Smart. The four firms that achieved the 10% or less mis-hire goal were Brand Consultants Inc., Fun Time Leisure, Rewards for You, and Soft Drink Distributor.

Taking a closer look at this data, Figure 2 illustrates that four out of the six case studies reduced their mis-hire rate by 80% or more. Not only was the current post-Topgrading mis-hire rate low, the improvement achieved between the pre- and post-Topgrading environment was large.

Figure 2. Post-Topgrading percentage decrease of mis-hire rates.
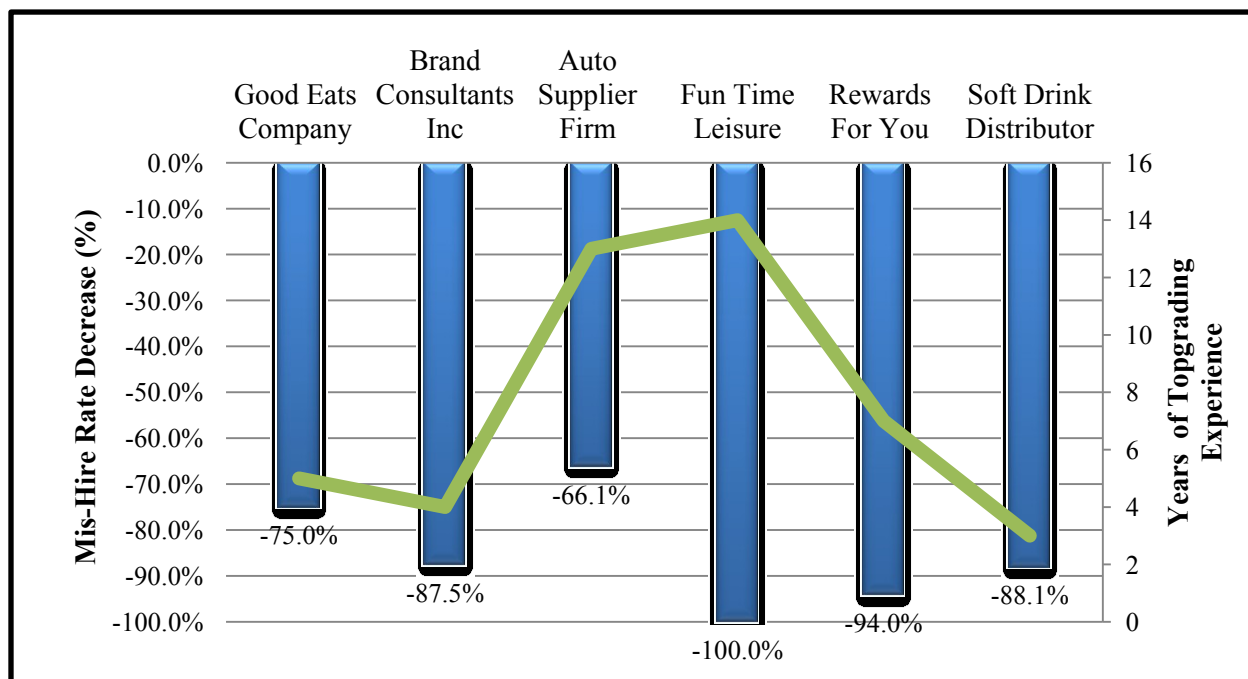
The following data is a summary of the pre- and post-Topgrading mis-hire rates. See Figure 3 for the mis-hire rates in pre- and post-Topgrading by firm.

Figure 3. Pre- and post-Topgrading mis-hire rates by firm.
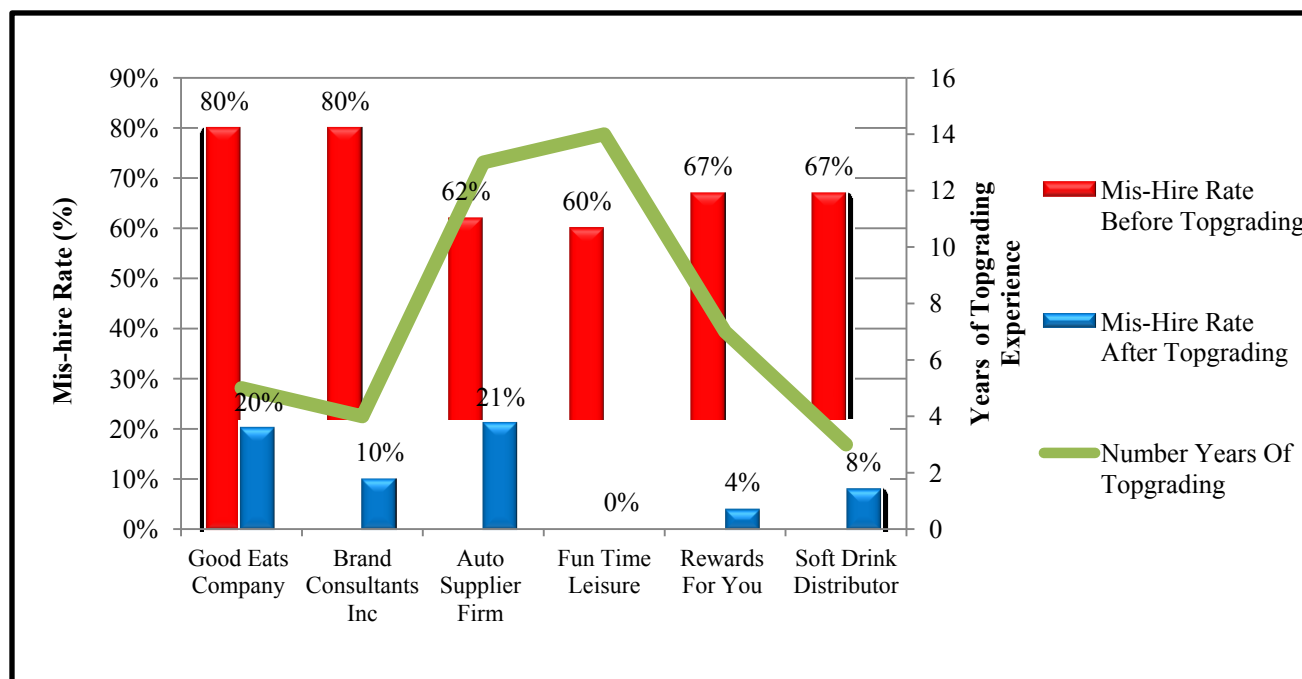
By examining these cases through different categorical lens, other patterns emerge. From an ownership perspective, 75%, or three out of those four cases that achieved the 10% or less mis-hire goal were privately held businesses. Also, these three firms were small businesses as defined by having no more than 250 employees. This means that the three of the four businesses that achieved the 10% or lower mis-hire rate were small businesses.

Looking through the lens of location, the global firm (Auto Supplier Firm) enjoyed the least improvement from Topgrading at a 66.1% reduction of mis-hire rate. The reader will note that even though this firm improved the least in mis-hire rate (62% mis-hire rate pre-Topgrading; 21% mis-hire rate post-Topgrading) for a total reduction of 66.1%, this firm was still

outperforming the average mis-hire rate of all firms, cited at 60-70% in the literature review, by a sizeable margin. Firms located in the western part of the U.S. enjoyed the lowest mis-hire rate. Of the three firms that achieved a 10% mis-hire rate or lower, they were located either on the West coast, Pacific Northwest, or mountainous west.

Analysis of Topgrading Hiring Success Rate: Category Level

Yet another level of analysis that provided meaningful insight was done at a group level; one level of analysis higher than the firm level. This analysis was done by grouping case study firms into semi-homogenous categories. See Table 5 for the categorization scheme.

Table 5

Mis-Hire Rates and Topgrading Experience by Case Category

Long tenured implementation (=>7 years Topgrading)	Performers Auto Supplier Firm	Masters Fun Time Leisure Rewards for You
Short tenured implementation (<7 years Topgrading)	Risers Good Eats Company	Aggressives Soft Drink Distributor Brand Consultants Inc.
	Moderate Results (>10% mis-hire rate)	Exceptional Results (=<10% mis-hire rate)

Each of the six case study firms have been placed into four categories based upon two variables: mis-hire rates post-Topgrading and amount of Topgrading experience. The break point for Topgrading experience, defined as the number of years that the firm has been using Topgrading, is seven years. The break point for mis-hire rates is 10%.

The mis-hire rates and Topgrading tenure, illustrated in years of Topgrading experience, are shown in Table 6.

Table 6

Average Performance and Implementation Tenure by Case Category

	Performers	Masters
Long tenured implementation (=>7 years Topgrading)	Mis-hire rate: 21% Tenure (years): 13	Mis-hire rate: 2% Tenure (years): 10.5
	Risers	Aggressives
Short tenured implementation (<7 years Topgrading)	Mis-hire rate: 20% Tenure (years): 5	Mis-hire rate: 9% Tenure (years): 3.5
	Moderate Results (=>10% mis-hire rate)	Exceptional Results (<10% mis-hire rate)

These average break points of the matrix were chosen purposefully. The mis-hire break point for firm categorization is linked to Smart's Topgrading prescription of hiring success rate. Smart stated that firms can achieve a hiring success rate of 90% or better, which corresponds to a 10% mis-hire rate or less, if the firm uses the Topgrading process (Smart 2012 d).

Taking a horizontal view of the matrixed categorization scheme in Table 6, performers and masters are located across the top vertical layer. They have been implementing Topgrading for seven years or more. Examining the bottom horizontal layer, the reader will notice that risers and aggressives have been implementing Topgrading for less than seven years. When analyzing the matrix using a vertical orientation, the reader will note that masters and aggressives achieved mis-hire rates of equal to or less than 10%. Comparatively, performers and risers achieved a mis-hire rate above 10%. A visual representation of these data is found in Figure 4.

Figure 4. Pre and post-Topgrading mis-hire rates by category.
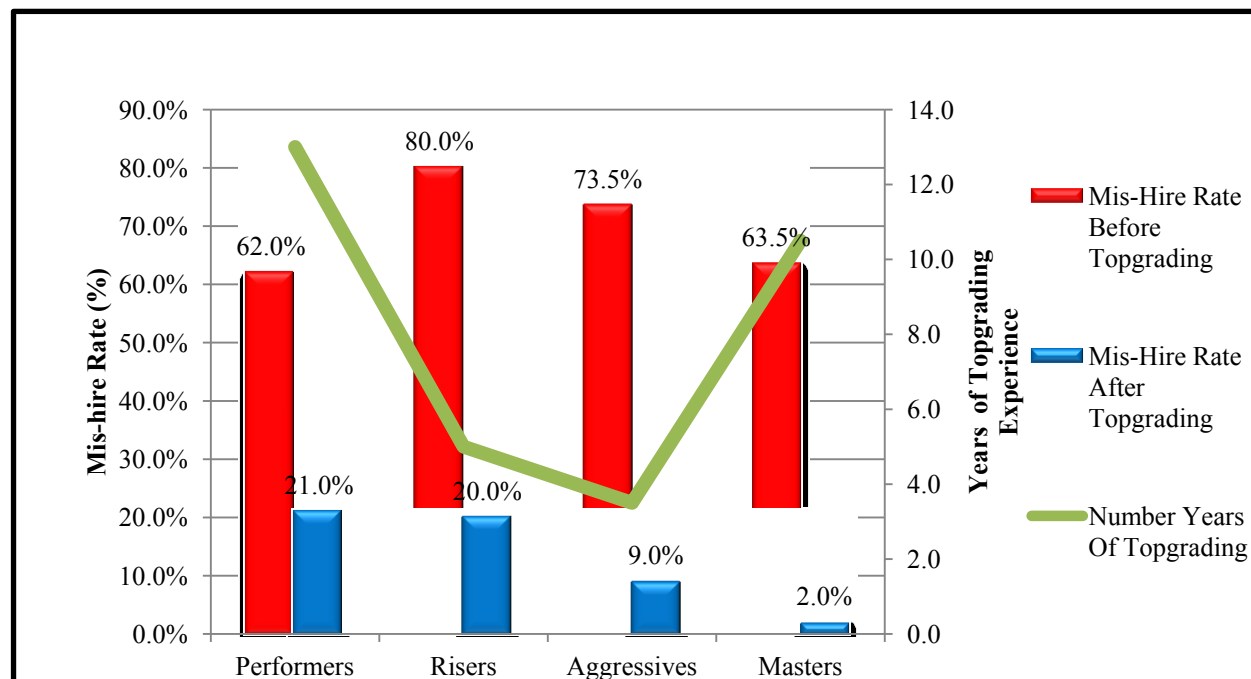
Not surprisingly, the highest performing firms (i.e., lowest mis-hire rate) are also some of the most experienced in Topgrading. The two categories of firms that achieved a mis-hire rate of 10% or below were the masters and the aggressives. The masters achieved a combined mis-hire rate of 2.0% with an accompanying Topgrading experience of 10.5 years. The Aggressives, which only have 3.5 years of average combined Topgrading experience, achieved an average mis-hire rate of 9.0%. The two categories of firms who did not achieved the 10% or lower mis-hire rate, those being performers and risers, had an average Topgrading tenure of five years and 13 years, respectively. The total mis-hire rate reduction by firm category is shown visually in Figure 5.

Figure 5. Post-Topgrading percentage decrease of mis-hire rate by category.
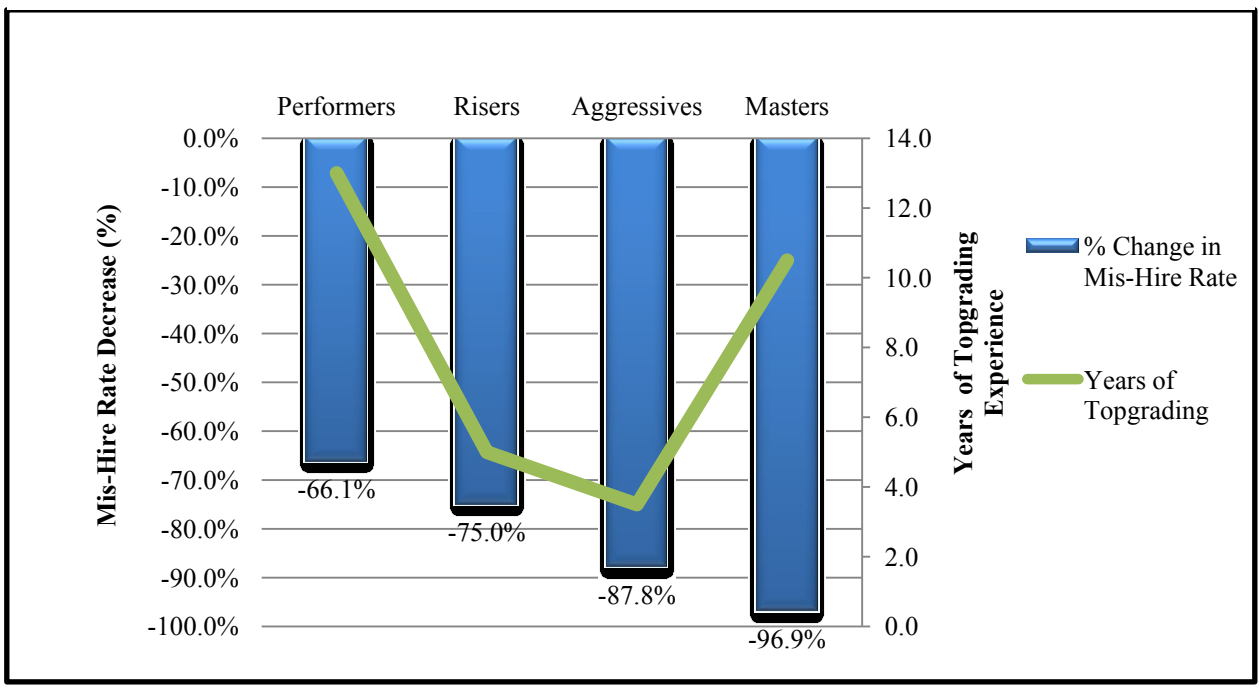
Analysis of Topgrading Hiring Success Rate: Ownership Type

Firm size and ownership type are two additional perspectives that were used to analyze

mis-hire rates. Regarding firm size, three out of four case study firms were small businesses.

All three small businesses were privately held. All three large businesses were publicly owned.

For the purposes of this study, small businesses are defined as having less than 250 employees.

See Table 7.

Table 7

Post-Topgrading Mis-Hire Rates by Firm Type and Size

	Firm Name	Mis-Hire Rate Before Topgrading	Mis-Hire Rate After Topgrading	Topgrading Experience (Yrs)	Firm Name	Mis-Hire Rate Before Topgrading	Mis-Hire Rate After Topgrading	Topgrading Experience (Yrs)
Public	Not applicable				Good Eats Company	80%	20%	5
					Auto Supplier Firm	62%	21%	13
					Fun Time Leisure	60%	0%	14
Private	Rewards for You	67%	4%	7	Not applicable			
	Brand Consults Inc	80%	10%	4				
	Soft Drink Distributor	67%	8%	3				
	Average	71.3%	7.3%	4.7	Average	67.3%	13.7%	10.7
	Small				**Large**			
	<250 employees				>= 250 employees			

Perhaps the most striking finding within this data set is the difference of mis-hire rates in the post-Topgrading environment. Large publicly owned firms achieved an average mis-hire rate of 13.7% after an average of 10.7 years of Topgrading experience. Comparatively, small privately held firms achieved an average mis-hire rate of nearly half of that at just 7.3%. The Topgrading experience that the small privately held firms had was 4.7 years which is less than half the Topgrading experience that the large publicly held firms had at 10.7 years. Also, this data is summarized visually in Figure 6.

Figure 6. Pre- and post-Topgrading implementation statistics by firm type.
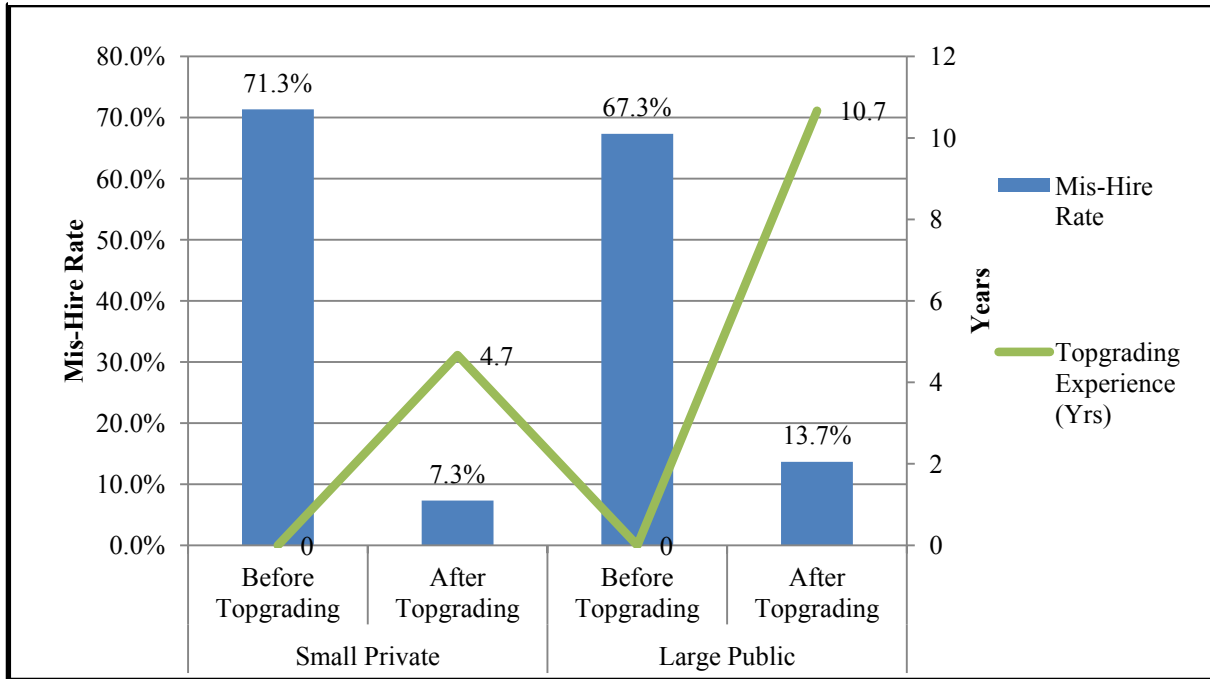
The percent change of mis-hire rates from pre- to post-Topgrading implementation reflects a similar relationship. The small privately held cohort achieved an average mis-hire rate reduction of -89.7% compared to -79.7% achieved by their large publicly held counterparts. See Figure 7.

Figure 7. Post-Topgrading mis-hire rates by firm type.
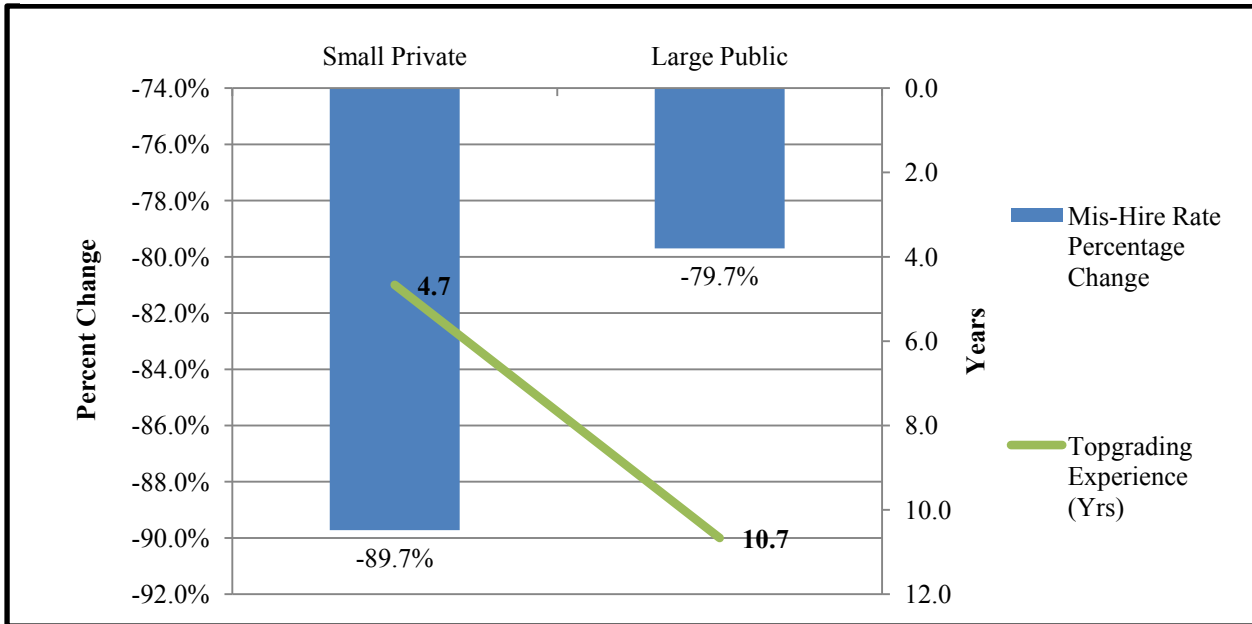
Analysis of Topgrading Implementation Conditions

Data that points to implementation conditions for Topgrading were collected. Two of the

six cases experienced a recognized crisis prior to the implementation of Topgrading. See Table

8. In the case of Auto Supplier Firm, bankruptcy precipitated a new CEO and a necessary major

improvement in operational and financial performance. In the words of the CEO, "we could not

service the debt, [and there] was a burning platform to improve the capability and people. The

situation was either get good people or go away"(CEO 2013a).

Table 8

Topgrading Implementation Conditions

Firm	Type	Size	Implementation Conditions
Good Eats Company	Public	Large	Newly appointed CEO had used Topgrading in previous firm. CEO was champion for Topgrading.
Brand Consultants Inc.	Private	Small	Four co-founders of this startup were mis-hiring at an alarming rate; costs paid to recruiters were exorbitant. Founders were champions for Topgrading.
Auto Supplier Firm	Public	Large	Newly appointed CEO came into the firm when it was going through Chapter 11 bankruptcy; new CEO had used Topgrading in previous firm. CEO was champion for Topgrading.
Fun Time Leisure	Public	Large	Newly appointed CEO took over firm when it went public. After two years in the job, CEO read Topgrading because his managers were not producing results desired. CEO was champion for Topgrading.
Rewards for You	Private	Small	Newly appointed COO had used Topgrading in a previous firm and learned Topgrading first hand from Jack Welch working in the General Electric system. COO became champion for Topgrading.
Soft Drink Distributor	Private	Small	President/owner passed away with no succession plan. New executive team came in and hired a business coach. Business coach recommended Topgrading. VP of HR, a part owner in firm, became champion of Topgrading.

In the case of Soft Drink Distributor, a small privately held firm, the president, who was also the majority shareholder, died. After his passing, it became clear to the remaining owners that the business was going to have to improve. The business was not operating off of a budget. Additionally, a co-owner said, "It was getting to the point where the business had to be professionalized and systematized. We had a real culture of anti-empowerment (and) some bad people" (EVP-HR 2013b).

Although not defined as a crisis, two other firms experienced serious challenges before their Topgrading implementation. These were Brand Consultants Inc. and Fun Time Leisure.

The four co-founders of Brand Consultants Inc. were also their firm's hiring managers. In the early years of the firm before Topgrading, Brand Consultants Inc.'s employee selection process relied heavily on recruiters. This approach to hiring created a particularly vexing three part problem. The new hires were underperformers. Many of these recruited employees "had to be fired or left within twelve months of being hired," according to a co-founder (EVP-HR 2013b). In exchange for these mis-hires, Brand Consultants Inc. was also required to pay a large amount of recruiting fees.

One co-founder of the firm described this experience in detail. This person said that "we were paying external search firm finder's fees for people who were not the right fight. These new hires would work six to twelve months and then they would be terminated or resign" (EVP-HR 2013b). This same executive went on to say that "we lost money in two forms. One was from a lack of referrals from that customer. Two, the account size [of the customer] remained stagnant whereas most customer accounts grow in size because the same customer spends more and more money with us."

Fun Time Leisure experienced different pressures. Being a newly publicly owned company, the CEO had a strong desire to upgrade the talent of the senior executives. That CEO read Smart's book on Topgrading. He called Smart and asked him "to Topgrade some of his team" (CEO 2013c).

Four of the six cases experienced a change in top level management immediately before implementation of Topgrading. Some of these cases that experienced top level leadership change have something else in common. In three out of those four firms that experienced a crisis, the new executive who entered the company had previous experience with Topgrading and

was a committed champion for Topgrading. Specifically, those three firms were Good Eats Company, Auto Supplier Firm, Fun Time Leisure, and Rewards for You.

Analysis of Topgrading Implementation—Twelve Step Process Conformance: Firm Level

Given that Topgrading is a prescribed, step-by-step process, each firm was examined as to how closely they implemented Topgrading per the twelve step prescribed method. Within this context, each of the twelve steps of Topgrading was analyzed from multiple perspectives. Taking a firm level view, the percentage of Topgrading steps implemented was calculated in the pre- and post-Topgrading environments.

Taking a process-oriented horizontal view, percent firms that implemented each step in their pre- and post-Topgrading environments were analyzed. If the firm self-reported evidence that it was implementing any step of Topgrading, that step was coded as a "yes" for implementation. If the firm reported a partial implementation of any step, it was coded as a "no." For a review and description of each of the twelve Topgrading steps, reference Table 3 found in the literature review section earlier in this document.

Several insights emerge from the pre-Topgrading and post-Topgrading implementation data in Table 9.

Table 9

Post-Topgrading Process Compliance by Firm

Step	Description of Topgrading Steps	Good Eats Company	Brand Consultants Inc	Auto Supplier Firm	Fun Time Leisure	Rewards For You	Soft Drink Distribu	% of Firms Implementing (Avg)
1	Measure hiring success rate of A Players pre-Topgrading	Yes	Yes	Yes	Yes	Yes	No	83.3%
2	Create Job Scorecard	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
3	Recruit from Networks	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
4	Use Topgrading Career History Form	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
5	Conduct Telephone Screening Interviews with candidates	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
6	Conduct Competency (Behavioral) interviews	No	Yes	No	No	No	No	16.7%
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
8	Master Advanced Interviewing Techniques	Yes	No	No	No	Yes	No	33.3%
9	Analyze All Data: Write Draft Executive	No	Yes	Yes	Yes	No	Yes	66.7%
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
11	Coach New Hire In First Few Weeks	Yes	Yes	Yes	Yes	Yes	Yes	100.0%
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	No	Yes	Yes	Yes	Yes	Yes	100.0%
	Average Number of Steps Firm Is Implementing	75.0%	91.7%	83.3%	83.3%	83.3%	75.0%	

There is generally high compliance with the entire Topgrading twelve step process. Brand Consultants Inc. achieved the highest conformance to Topgrading. They are implementing eleven steps or 91.7% of all twelve Topgrading steps. Three firms tied for second highest conformance to the twelve step Topgrading process: Auto Supplier Firm, Fun Time Leisure, and Rewards for You. Those firms implemented ten of the twelve Topgrading steps or 83.3% of all Topgrading steps. Two firms tied for third highest conformance to the twelve step Topgrading standard. They are Soft Drink Distributor and Good Eats Company. They implemented nine of the twelve Topgrading steps or 75.0% of all Topgrading steps. For a visual representation of this data, see Figure 8.

Figure 8. Post-Topgrading process compliance by firm.
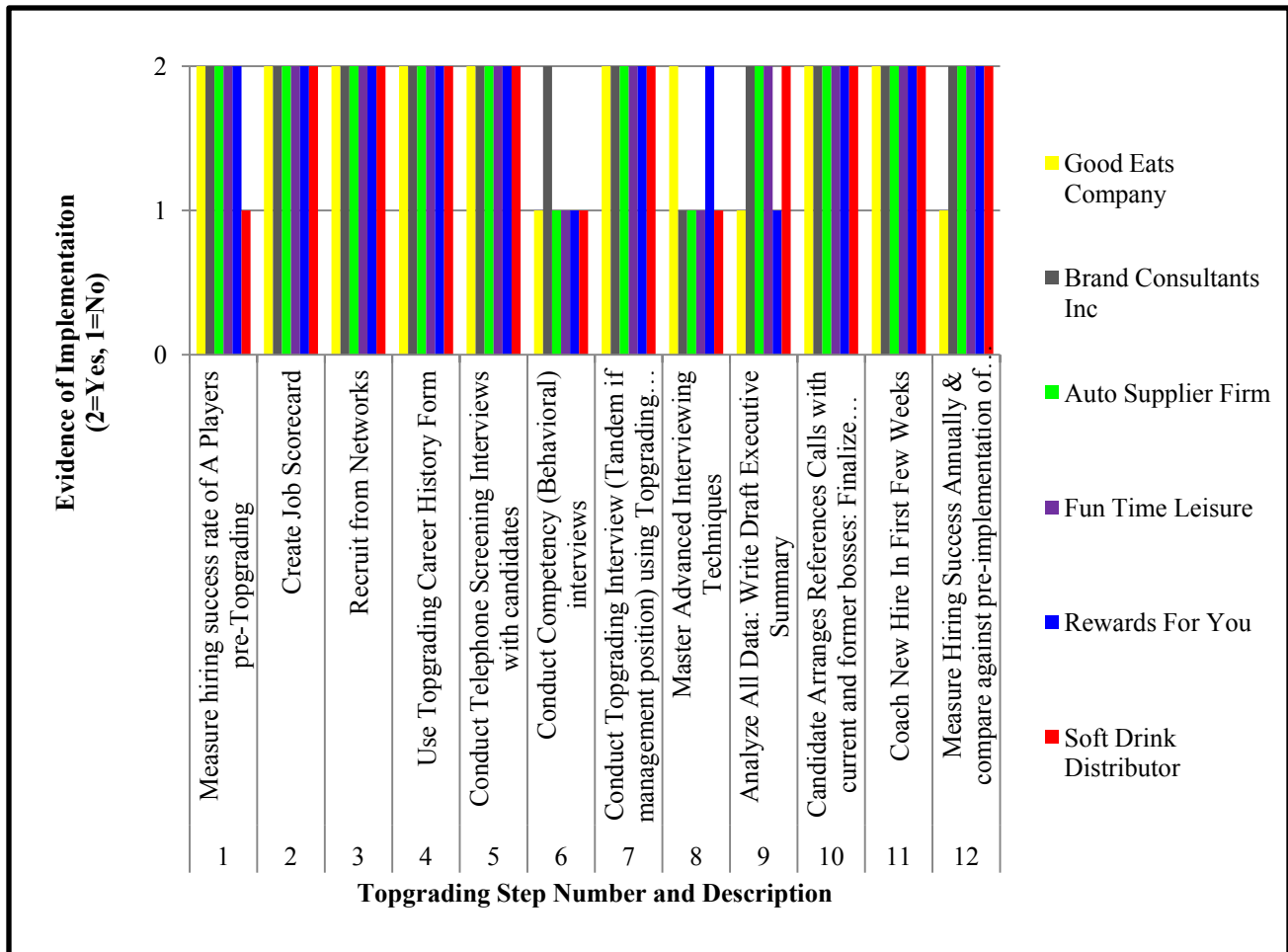
This data reinforces the previous data set through a more visual media. Using a dummy variable of 2 for yes and 1 for no, that bar graph gives the reader a visual sense for which Topgrading steps have heavy implementation and which have light implementation. The more white space there is on the bar graph, the less implementation there is of that individual step. For example, Topgrading step six had the lowest implementation out of all Topgrading steps across all six case study firms.

This implementation data was used to determine a forced ranking of each Topgrading step based on the percent of firms implementing individual steps in their post-Topgrading environment. See Table 10.

Table 10

Ranking of Topgrading Step Implementation Across All Firms

Step	Description of Topgrading steps	Implementation by firm (avg)	Rank
2	Create job scorecard	100.0%	1 (tied)
3	Recruit from networks	100.0%	1 (tied
4	Use Topgrading career history form	100.0%	1 (tied
5	Conduct telephone screening interviews with candidates	100.0%	1 (tied
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100.0%	1 (tied
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	100.0%	1 (tied
11	Coach new hire in first few weeks	100.0%	1 (tied
12	Measure hiring success annually & compare against pre-implementation of Topgrading	100.0%	1 (tied
1	Measure hiring success rate of A players pre-Topgrading	83.3%	2
9	Analyze all data: Write draft executive summary	66.7%	3
8	Master advanced interviewing techniques	33.3%	4
6	Conduct competency (behavioral) interviews	16.7%	5

Eight of the twelve steps tied for first place in this forced ranking as all firms implemented these eight steps. Those steps where two, three, four, five, seven, ten, eleven, and twelve. Compliance to Smart's twelve step Topgrading process fell off in the remaining four steps. Second place in the forced ranking was Topgrading step one which was implemented in

five out of the six case studies, or 83.3%. The third most implemented step in the post-Topgrading environment was step nine at 66.7%. The fourth most implemented step was Topgrading step eight at 33.3%. Finally, the fifth most implemented step was step six implemented by just one of the six case studies, or 16.7% of all firms.

The study also examined the difference between the pre-Topgrading and post-Topgrading of the firm's employee selection process in order to see how much process change occurred after the firm implemented Topgrading. See Table 11.

Table 11

Implementation of Each Topgrading Step in Pre- and Post-Topgrading Environments—Average

of All Firms

Step	Description of Topgrading steps	% of firms implementing this step: pre-Topgrading	% of firms implementing this step: post-Topgrading	% change in number of firms implementing from pre- to post-Topgrading
1	Measure hiring success rate of A players pre-Topgrading	0.0%	83.3%	N/A
2	Create job scorecard	0.0%	100.0%	N/A
3	Recruit from networks	33.3%	100.0%	200.3%
4	Use Topgrading career history form	0.0%	100.0%	N/A
5	Conduct telephone screening interviews with candidates	100.0%	100.0%	0.0%
6	Conduct competency (behavioral) interviews	100.0%	16.7%	-83.3%
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	0.0%	100.0%	N/A
8	Master advanced interviewing techniques	0.0%	50.0%	N/A
9	Analyze all data: Write draft executive summary	0.0%	50.0%	N/A
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	0.0%	83.3%	N/A
11	Coach new hire in first few weeks	0.0%	100.0%	N/A
12	Measure hiring success annually & compare against pre-implementation of Topgrading	0.0%	83.3%	N/A

Several firms were implementing a portion of the Topgrading twelve step process even before they had knowledge of Topgrading. Topgrading steps three, five, and six had evidence of implementation in the pre-Topgrading environments. Topgrading steps five and six were implemented in all of the case study firms in their pre-Topgrading environment while Topgrading step three was used by two of the six, or 33.3% of the case study firms. See Figure 9 for a visual representation of this data.

Figure 9. Evidence of implementation of Topgrading steps in pre- and post-Topgrading environment.
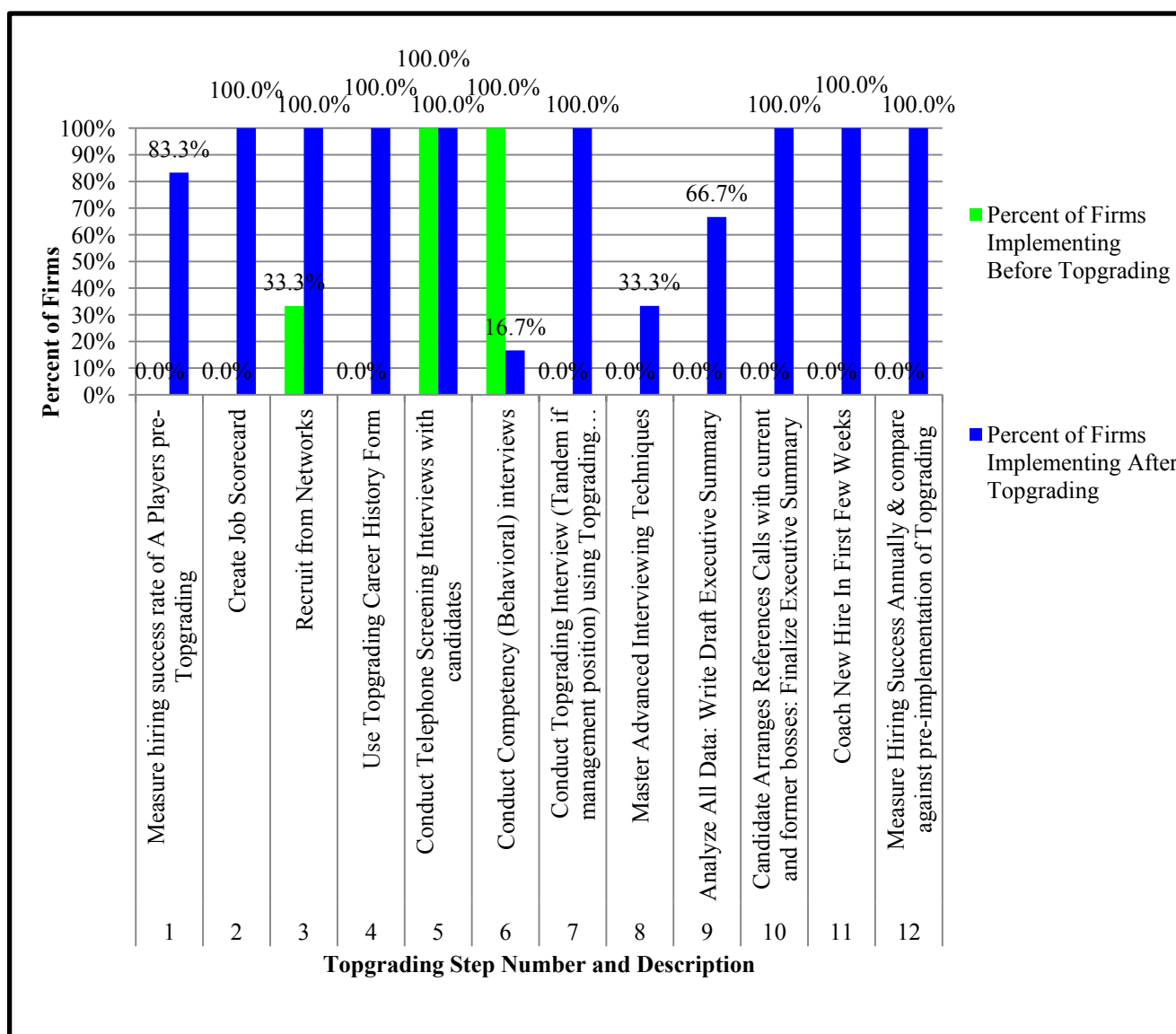
The pre-Topgrading interview process illustrated a strong reliance on just two steps: telephone screening calls and competency interviews. Both steps were implemented an average of 100% across all cases. Two out of the six case studies, or 33.3%, deliberately recruited from their networks before Topgrading was implemented.

The percent change in the average number of firms implementing each Topgrading step before and after their Topgrading implementation was calculated. This is shown in the right-most column in Table 11. The percent change for Topgrading steps that had no evidence of implementation in any firm's pre-Topgrading environment cannot be calculated as this results in an infinite percent increase. Those fields were coded as "N/A" for this reason.

Perhaps the most striking insight is that only 16.7%, or one out of six case study firms, is implementing behavioral competency interviewers in the Post-Topgrading environment. This computes to an average -83.3% change of use of behavioral competency interviews from pre-Topgrading to post-Topgrading. In fact, this was the only step out of all twelve steps of Topgrading that showed evidence of decrease of use after Topgrading was implemented. All other eleven steps increased in their use in the firms' post-Topgrading environment.

Drilling deeper into the process related data, two interviewees stated that the most important steps in the Topgrading process are job scorecard (step two), tandem Topgrading interview (step seven), and candidate arranged reference checks (step ten). This is corroborated by the implementation statistics. Step two, step seven, and step ten realized a post-Topgrading average implementation across all six case study firms of 100%, 100%, and 83.3%, respectively.

Upon closer look, there are several unique differences when examining the three steps that were implemented in the pre-Topgrading environment. Of the three Topgrading steps that were implemented in the pre-Topgrading and post-Topgrading environment, only one step

realized an increased implementation from pre- to post-Topgrading environment. This step was Topgrading step three, recruit from networks. One step had no change in its implementation from pre- to post-Topgrading, that being step five, conduct telephone screening interviews. Finally, step six, conduct competency interviews, decreased in implementation from pre to post-Topgrading as previously cited.

Recruiting from network, which is Topgrading step three, realized an average increased implementation of 200.3% implementation across all case study firms when comparing pre- to post-Topgrading implementation. 33.3% of these firms were recruiting from networks prior to implementing Topgrading. Although not a requirement of Topgrading, none of these firms were offering any incentive to refer candidates. Aside from Topgrading step 5 (conduct telephone screening interview) and step 6 (conduct competency interviews), this was the only Topgrading step that had any incidence of implementation in the pre-Topgrading environment.

Analysis of Topgrading Implementation—Twelve Step Process Conformance: Category Level

Similar to the previous analysis comparing mis-hire rates at the firm level, Topgrading process compliance was also measured at the category level. The reader may recall that each of the six firms were placed into one of four categories based on the firms' Topgrading experience and mis-hire rates. See Table 6 for a review of that categorization scheme. The following data reveals what percent of firms in each category are implementing each step.

This data, when measured at the category level, is similar to the post-Topgrading implementation statistics at the individual firm level. See Table 12.

Table 12

Topgrading Process Compliance by Firm Category

Step	Description of Topgrading steps	Masters	Aggressives	Performers	Risers	Average implementation this step
1	Measure hiring success rate of A players pre-Topgrading	100%	50%	100%	100%	87.5%
2	Create job scorecard	100%	100%	100%	100%	100.0%
3	Recruit from networks	100%	100%	100%	100%	100.0%
4	Use Topgrading career history form	100%	100%	100%	100%	100.0%
5	Conduct telephone screening interviews with candidates	100%	100%	100%	100%	100.0%
6	Conduct competency (behavioral) interviews	50%	50%	0%	0%	25.0%
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100%	100%	100%	100%	100.0%
8	Master advanced interviewing techniques	0%	0%	0%	100%	25.0%
9	Analyze all data: Write draft executive summary	50%	100%	100%	0%	62.5%
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	100%	100%	100%	100%	100.0%
11	Coach new hire in first few weeks	100%	100%	100%	100%	100.0%
12	Measure hiring success annually & compare against pre-implementation of Topgrading	100%	100%	100%	0%	75.0%
	Average total implementation by firm	83.3%	83.3%	83.3%	75.0%	

Seven of the twelve steps of Topgrading were implemented by all firm categories. Those were Topgrading steps two, three, four, five, seven, ten, and eleven. Topgrading step six and step eight are the least implemented steps of Topgrading with both receiving an average of 25.0% implementation for all categories.

Performers, aggressives, and masters implemented, on average, 83.3% of the prescribed Topgrading steps. Risers implemented 75% of all Topgrading steps. See 10 which makes this data visual.

Figure 10. Evidence of implementation for each step of Topgrading after Topgrading implementation by category.
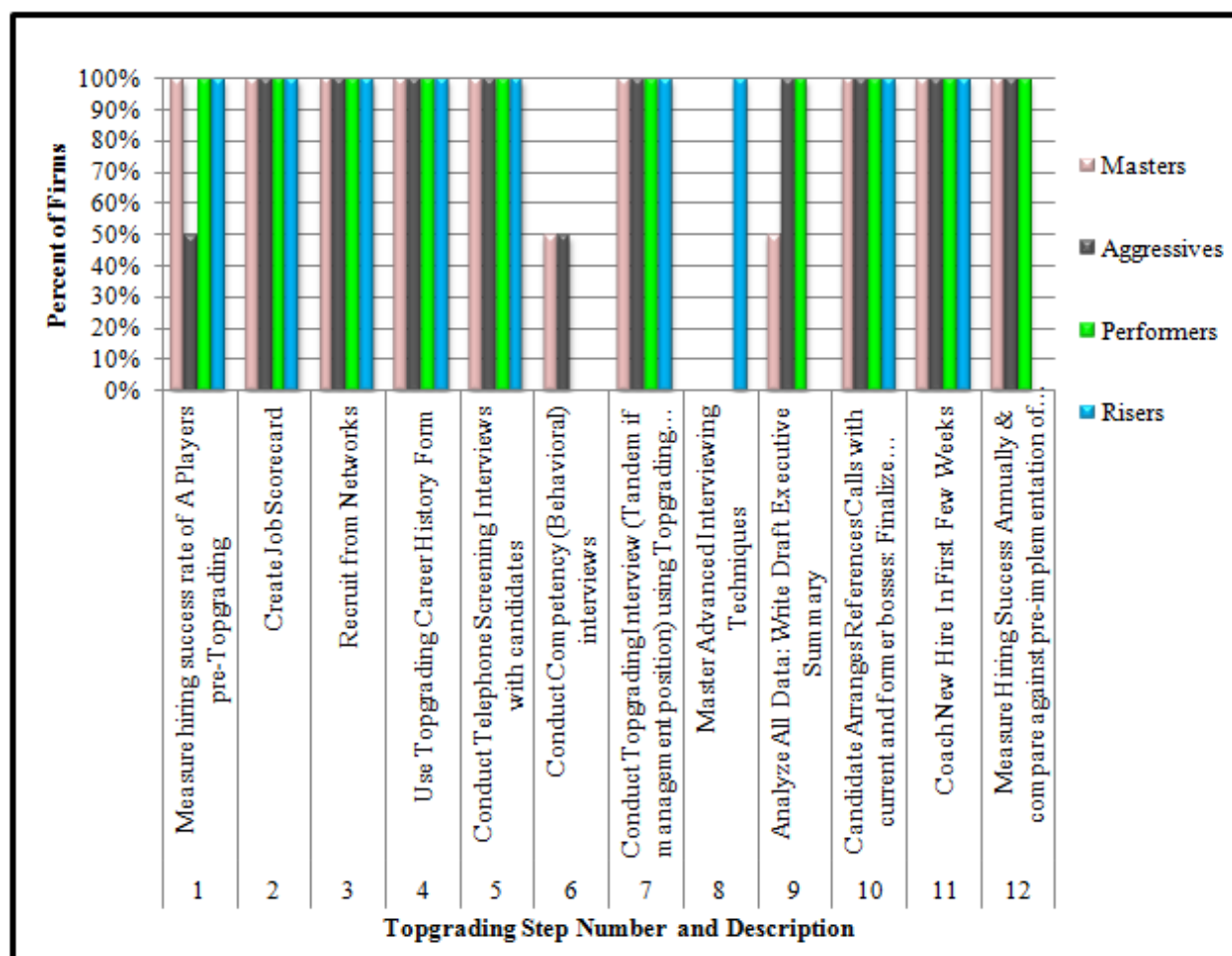
Table 13 shows this data using the same forced ranking structure discussed in the firm

level data. The category level implementation data reveals that seven steps tied for first place in

that they were implemented across all firm categories. Those were Topgrading steps two, three,

four, five, seven, ten, and eleven. Topgrading steps one, twelve, nine, six, and eight had evidence

of implementation in the Post-Topgrading environment in descending ranked order ranging from

87.5%, 75.0%, 62.5%, and 25.0%, respectively. Step six and eight tied for fifth most

implemented Topgrading step at 25% across all categories.

Table 13

Topgrading Steps Ranked by Implementation by Firm Category

Step	Description of Topgrading steps	Implementation by category (avg)	Rank
2	Create job scorecard	100.0%	1 (tied)
3	Recruit from networks	100.0%	1 (tied)
4	Use Topgrading career history form	100.0%	1 (tied)
5	Conduct telephone screening interviews with candidates	100.0%	1 (tied)
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100.0%	1 (tied)
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	100.0%	1 (tied)
11	Coach new hire in first few weeks	100.0%	1 (tied)
1	Measure hiring success rate of a players pre-Topgrading	87.5%	2
12	Measure hiring success annually & compare against pre-implementation of Topgrading	75.0%	3
9	Analyze all data: Write draft executive summary	62.5%	4
6	Conduct competency (behavioral) interviews	25.0%	5 (tied)
8	Master advanced interviewing techniques	25.0%	5 (tied)

Analysis of Topgrading as a Double Loop Learning Model

Using the Model II system (Argyris, Putnam et al. 1985), there is evidence that Topgrading is a double loop learning system. This Model II system is built on three governing variables: valid information, informed choice, and internal commitment to the choice with constant monitoring. There are three Topgrading steps that address the construct of valid information. They are Topgrading steps four, seven, and ten. For the second Model II governing variable of informed choice, there are three Topgrading steps that address this. They are Topgrading steps two, seven, and ten. For the final Model II governing variable, which is internal commitment, there are two Topgrading steps which address this. They are Topgrading steps one and twelve. See Table 14 for a detailed explanation of the evidence of how each Topgrading steps links to each Model II governing variable.

Table 14

Topgrading as a Double Loop Organizational Learning Tool

Governing variables	Action strategies	Consequences for the behavioral world	Consequences for learning	Topgrading step	Evidence in Topgrading
Valid information	Design situations or environments where participants can be origins and can experience high personal causation (psychological success, confirmation, essentiality)	Actor experienced as minimally defensive (facilitator, collaborator, choice creator)	Disconfirmable processes (i.e., learn root cause of problems)	4	Career history form mines valid data such as former bosses ratings on their performance, reason for leaving previous jobs, and assessments of their own failures in past jobs
				7	Tandem Topgrading interview creates high level of transparency using valid insights about candidates record of past performance and future goals and aspirations
				10	Reference checks with every supervisor over the past ten years provides confirmatory information on perceived weaknesses; Threat of Reference Check (TORC) created in step 7 reduces incentive for candidate to lie or embellish
Informed choice	Tasks are controlled jointly	Minimally defensive interpersonal relations and group dynamics	Double loop learning (i.e., discover strategies to attack root causes of problems)	2	Job scorecard is jointly created and controlled by hiring manager and existing employees using previous performance history of top performers; scorecards are used as a tool for hiring decisions to assess if a candidate will be able to meet performance expectations
				7	Tandem Topgrading interview is done with two interviewers simultaneously who provide joint control of the interview process
				12	Hiring success is measured annually and accompanied by a talent review system where talent assessments (A Player, B Player, C Player, etc.) are jointly assigned and, in many cases, rigorously and openly debated
Internal commitment to the choice and constant monitoring to detect and defeat errors	Protection of self is a joint enterprise and oriented toward growth (speak in directly observable categories, seek to reduce blindness about own inconsistency and incongruity)	Learning-oriented norms (trust, individuality, open confrontation on difficult issues)	Public testing of theories (i.e., test efficacy of strategies for attacking problems)	1	Measurement of hiring success rate (i.e., mis-hire rate) before Topgrading creates awareness and benchmark as to just how far away the firm is from the 10% or less mis-hire rate goal
				12	Annual and quarterly reviews and measurements of hiring manager performance reduces blind spots about hiring

Topgrading steps one, two, four, seven, ten, and twelve directly link to Argyris's governing variables of his Model II Double Loop Learning construct. To see a process-oriented perspective that links these steps with the rate of implementation of those specific Topgrading steps by the case study firms, review Table 15. This shows the average implementation rate of each Topgrading step that links to Argyris's Double Loop Learning model (2002).

Table 15

Linkages Between Topgrading and Argyris's Model II Double Loop Learning (2002)

Step	Description of Topgrading steps	% of firms implementing (avg)	Argyris Model II governing variable link
1	Measure hiring success rate of a players pre-Topgrading	83.3%	Internal commitment & constant monitoring
2	Create job scorecard	100.0%	Informed choice
3	Recruit from networks	100.0%	
4	Use Topgrading career history form	100.0%	Valid information
5	Conduct telephone screening interviews with candidates	100.0%	
6	Conduct competency (behavioral) interviews	16.7%	
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100.0%	Valid information; informed choice
8	Master advanced interviewing techniques	33.3%	
9	Analyze all data: Write draft executive summary	66.7%	
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	100.0%	Valid information
11	Coach new hire in first few weeks	100.0%	
12	Measure hiring success annually & compare against pre-implementation of Topgrading	100.0%	Informed choice; internal commitment & constant monitoring
Average implementation of Topgrading steps 1, 2, 4, 7, 10, and 12		97.2%	

This analysis would be meaningless if the case study firms did not implement these Topgrading steps that are linked to the Model II construct. Fortunately, this was not the case. There is evidence of high levels of implementation of those Topgrading steps that are linked to the Model II construct across all firms in their post-Topgrading environments. Specifically, Topgrading steps two, four, seven, ten, and twelve, which provide direct linkage to Argyris's Model II system, have evidence of implementation in all six case studies. Only Topgrading step one was not implemented unanimously. Five of the six firms, or 83.3% of firms, implemented step one in their post-Topgrading environments. This computes to an average implementation of the 97.2% for the six Topgrading steps that link to Argyris's Model II construct.

Analysis of Topgrading as a Goal Setting Tool

Using Locke and Lantham's (2002) goal setting theory model of efficacious goal setting, there is evidence that Topgrading meets the five criteria for effective goal setting. To analyze this, each of the twelve steps of Topgrading was analyzed against Locke and Lantham's five criteria which were previously cited. The five goal setting criteria were coded against the specific Topgrading steps. This data was merged with the post-Topgrading implementation data to examine the percentage of firms that implemented the Topgrading steps that linked to the five goal setting theory criteria.

The analysis shows that two of the twelve Topgrading steps link to all five goal setting theory criteria. Topgrading step one meets the criteria of clarity and challenge. Topgrading step twelve meets the criteria of feedback, commitment, and task complexity. 83.3% of the firms implemented Topgrading step one and all firms implemented Topgrading step 12. See Table 16.

Table 16

Linkages Between Topgrading and Goal Setting Theory

Step	Description of Topgrading steps	% of firms implementing (avg)	Goal setting theory
1	Measure hiring success rate of A players pre-Topgrading	83.3%	**Clarity**: mis-hire rate goal is set at 10% or less; **Challenge**: setting mis-hire rate at 10% or less is substantially more aggress than average mis-hire rate of 80%
2	Create job scorecard	100.0%	**Clarity**: job scorecard has objectively defined outcomes linked to performance; **Challenge**: stretch goals are set for measurable outcomes on job scorecard
3	Recruit from networks	100.0%	Not Applicable
4	Use Topgrading career history form	100.0%	Not Applicable
5	Conduct telephone screening interviews with candidates	100.0%	Not Applicable
6	Conduct competency (behavioral) interviews	16.7%	Not Applicable
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100.0%	Not Applicable
8	Master advanced interviewing techniques	33.3%	Not Applicable
9	Analyze all data: Write draft executive summary	66.7%	Not Applicable
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	100.0%	Not Applicable
11	Coach new hire in first few weeks	100.0%	**Clarity**: job scorecard is reviewed during onboarding process to set expectations and re-prime the new employee
12	Measure hiring success annually & compare against pre-implementation of Topgrading	100.0%	**Feedback:** mis-hire rate performance is measured annually; **Commitment:** hiring managers buy into 10% mis-hire rates; **Task Complexity**: hiring managers are given 12-18 months to develop mastery
	Average implementation of steps 1 and 12	91.7%	

Analysis of Topgrading Modes of Value Creation for the Firm

This investigation's main purpose was to understand how employee selection bundles affect the different aspects of value creation in the firm. For a detailed view by firm illustrating the impact of Topgrading, see the six separate figures in the appendices that reveal the coding for how Topgrading improves or hinders the different aspects of value creation in the firm (Appendix A, B, C, D, E, and F).

This analysis was examined through two perspectives: a process-oriented perspective that assessed the types of value each step of Topgrading creates, and a value oriented perspective that analyzed the proportion of Topgrading steps creating each type of value. The research question allowed for an open ended investigation of how Topgrading creates value, either positively or negatively. There is evidence that Topgrading overwhelmingly creates positive value. To illustrate this, each interviewee self-reported the impact that each Topgrading step has on firm value. The self-reported choices were restricted to positive, negative, neutral, or N/A for not applicable. See Figure 11.

Figure 11. Impact of each Topgrading step on firm value post-Topgrading.
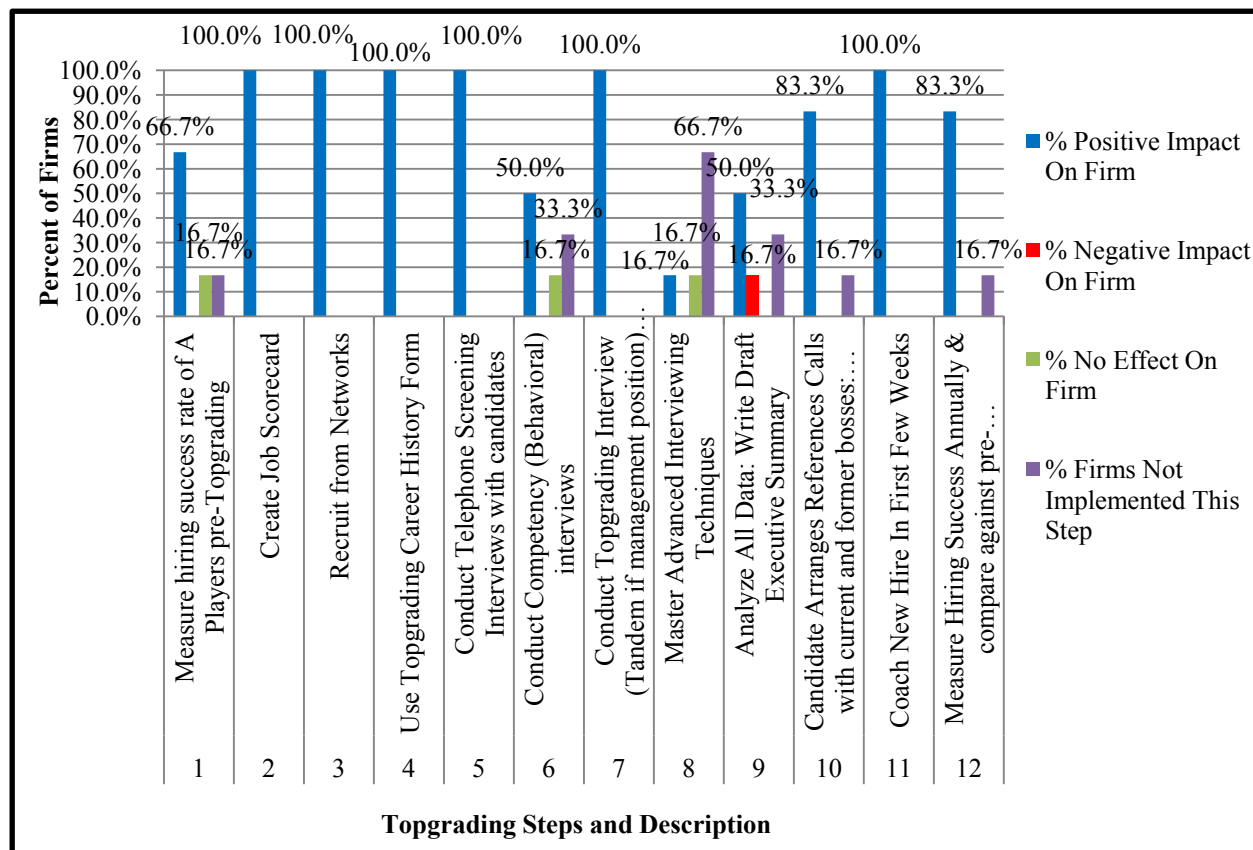
The impact on firm value derived from Topgrading was examined in more detail. This analysis takes a two step approach. First, the horizontal analysis for each Topgrading step was computed based upon the respondent's choice on the type of value that each Topgrading step provided the firm. Then, a horizontal approach to the analysis was done to compute the overall average of the percent of Topgrading steps that create, destroy, or have no impact on firm value. Given that implementation of each step of Topgrading was binary (yes or no; partial was coded as no), this measurement is better understood in totality.

For example, 79.2% of the Topgrading process has positive impact on firm value. This does not mean that 79.2% of the Topgrading steps create positive value. If this data were interpreted in that manner, this would mean that 79.2% of the twelve steps, or 9.5 steps, of

Topgrading created value. Given the structure of how steps were coded, no firm was assumed to have partially implemented any step.

Keeping this same line of totality of analysis, there is evidence that Topgrading has little negative impact on the firm. This is evidenced by the 1.4% "Negative Impact On Firm" statistic. Specifically, one out of the six case studies reported one of the twelve Topgrading steps as having a negative impact on the firm which computes to 1.4% of all processes across all six case studies. 4.2% of the Topgrading process has no impact on firm value. 15.3% of the Topgrading process was not implemented by the six case studies. A visual representation of this data is shown in Table 17.

Table 17

Impact of Topgrading Process Steps on Firm Value

Step	Description of Topgrading steps	% positive impact on firm	% negative impact on firm	% no effect on firm	% firms not implemented this step
1	Measure hiring success rate of A players pre-Topgrading	66.7%	0.0%	16.7%	16.7%
2	Create job scorecard	100.0%	0.0%	0.0%	0.0%
3	Recruit from networks	100.0%	0.0%	0.0%	0.0%
4	Use Topgrading career history form	100.0%	0.0%	0.0%	0.0%
5	Conduct telephone screening interviews with candidates	100.0%	0.0%	0.0%	0.0%
6	Conduct competency (behavioral) interviews	50.0%	0.0%	16.7%	33.3%
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	100.0%	0.0%	0.0%	0.0%
8	Master advanced interviewing techniques	16.7%	0.0%	16.7%	66.7%
9	Analyze all data: Write draft executive summary	50.0%	16.7%	0.0%	33.3%
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	83.3%	0.0%	0.0%	16.7%
11	Coach new hire in first few weeks	100.0%	0.0%	0.0%	0.0%
12	Measure hiring success annually & compare against pre-implementation of Topgrading	83.3%	0.0%	0.0%	16.7%
Overall average		79.2%	1.4%	4.2%	15.3%

The data shows evidence that Topgrading provides value for the firm in three major categories: increased financial and operational performance, improved individual employee performance, and reduction of mis-hire rate. See Figure 12.

Figure 12. Average number of Topgrading steps that create value by mode: All firms.
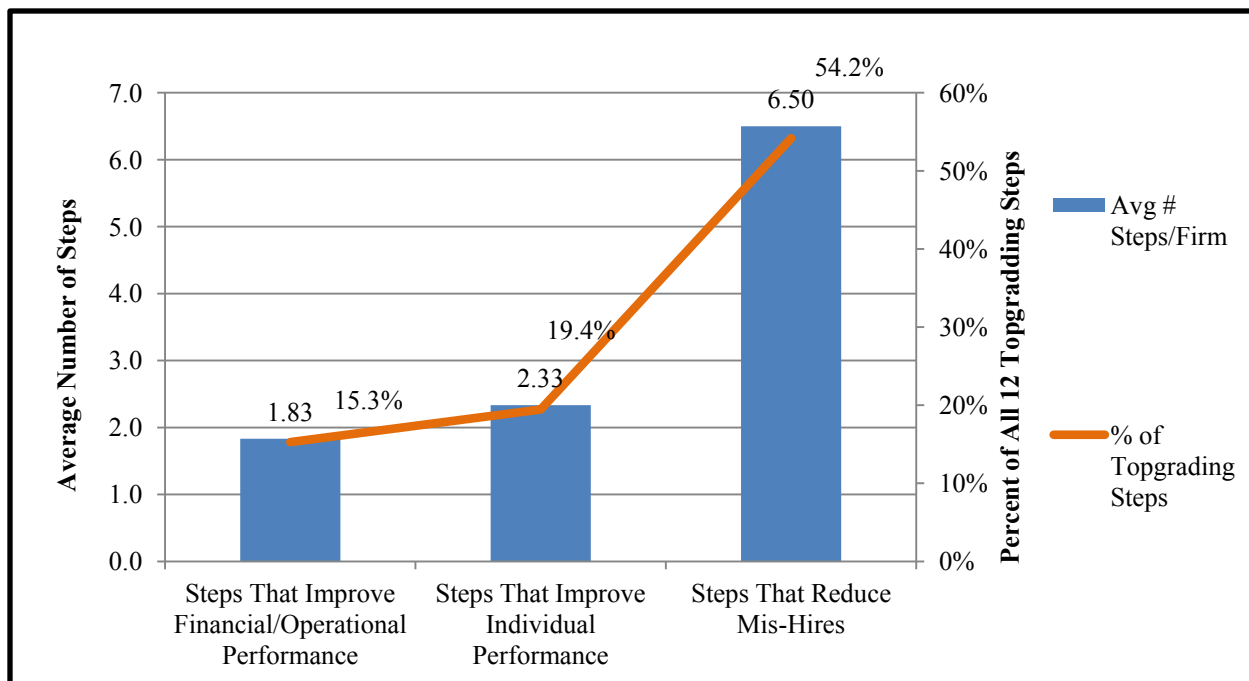
Reduction of mis-hire rate is the most common source of value provided by Topgrading. On average across all firms, 6.50 of the twelve steps of Topgrading provided direct value for lowering the mis-hire rate. Given that a firm does not implement a portion of a step, this figure is to be taken in totality. Otherwise said, approximately half, or 54.2%, of Topgrading methodology directly reduced mis-hire rate in the case study firms.

Comparatively, improvement of individual performance and improvement in financial or operational performance were found in a fewer proportion of the Topgrading steps. On average, 2.33 Topgrading steps, or 19.4% of the Topgrading system, directly improved individual performance of the employees across all cases study firms. On average, 1.83 Topgrading steps, or 15.3% of the Topgrading system, directly improved the financial or operational performance across all case study firms.

Looking at this data from a process-oriented perspective, the investigator found that Topgrading steps four, seven, and ten directly reduced mis-hire rate in all six cases. This is corroborated with case interviews in which two of the executives stated that steps four, seven, and ten were the three most important steps in Topgrading. Topgrading steps two and eleven showed evidence of improving employee performance in all six cases. Topgrading step three showed evidence that it improved financial or operational results in all six case studies.

Merging the findings of both process and value creation modes, a forced ranking was created to illustrate the importance of each Topgrading step relative to each mode of value creation. See Table 18.

Table 18

Forced Ranking for Value Creation: Financial or Operational Improvement

Forced ranking for value creation: Financial or operational improvement		Financial/operational improvement		
Step	Description of Topgrading steps	# reported	% of firms	Rank
3	Recruit from networks	6	100.0%	1st
12	Measure hiring success annually & compare against pre-implementation of Topgrading	2	33.3%	2nd
2	Create job scorecard	1	16.7%	3rd (tied)
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	1	16.7%	3rd (tied)
11	Coach new hire in first few weeks	1	16.7%	3rd (tied)
1	Measure hiring success rate of a players pre-Topgrading	0	0.0%	4th (tied)
4	Use Topgrading career history form	0	0.0%	4th (tied)
5	Conduct telephone screening interviews with candidates	0	0.0%	4th (tied)
6	Conduct competency (behavioral) interviews	0	0.0%	4th (tied)
8	Master advanced interviewing techniques	0	0.0%	4th (tied)
9	Analyze all data: Write draft executive summary	0	0.0%	4th (tied)
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	0	0.0%	4th (tied)

For the value creation mode of increasing financial or operational firm performance, Topgrading step three showed evidence of being the most commonly cited Topgrading step in creating financial or operational improvement. Topgrading step 12 was the second most commonly cited step at 33.3%, or two out of six case study firms. Topgrading steps two, seven, and eleven were tied for third place as the most commonly cited steps for this type of improvement at 16.7%, or one of six case study firms. No other Topgrading step was cited as directly creating financial or operational improvement.

A similar analysis was done for the value creation mode of increasing individual employee performance. See Table 19.

Table 19

Forced Ranking for Value Creation: Individual Employee Performance Improvement

Forced ranking for value creation : Individual employee performance improvement		Individual performance improvement		
Step	Description of Topgrading steps	# reported	% of firms	Rank
11	Coach new hire in first few weeks	6	100.0%	1st
2	Create job scorecard	3	50.0%	2nd
3	Recruit from networks	1	16.7%	3rd (tied)
8	Master advanced interviewing techniques	1	16.7%	3rd (tied)
9	Analyze all data: Write draft executive summary	1	16.7%	3rd (tied)
10	Candidate arranges references calls with current and former bosses: finalize executive summary	1	16.7%	3rd (tied)
12	Measure hiring success annually & compare against pre-implementation of Topgrading	1	16.7%	3rd (tied)
1	Measure hiring success rate of a players pre-Topgrading	0	0.0%	4th (tied)
4	Use Topgrading career history form	0	0.0%	4th (tied)
5	Conduct telephone screening interviews with candidates	0	0.0%	4th (tied)
6	Conduct competency (behavioral) interviews	0	0.0%	4th (tied)
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	0	0.0%	4th (tied)

Topgrading step eleven was unanimously cited as creating this type of value across all six case studies. Topgrading step two was the second most commonly cited for creating this type of value at 50.0% of all case studies. Topgrading steps three, eight, nine, ten and twelve were tied for the third most commonly cited step at improving employee performance. One out of six, or 16.7%, of case studies reported so. Topgrading steps one, four, five, six, and seven were not cited by any case as directly improving employee performance.

The third source of value creation cited by the case study firms was mis-hire rate reduction. See Table 20.

Table 20

Forced Ranking for Value Creation: Mis-Hire Reduction

| Forced ranking for value creation: Mis-hire reduction | | Mis-hire reduction | | |
Step	Description of Topgrading steps	# reported	% of firms	Rank
4	Use Topgrading career history form	6	100.0%	1st (tied)
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	6	100.0%	1st (tied)
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	6	100.0%	1st (tied)
1	Measure hiring success rate of a players pre-Topgrading	5	83.3%	2nd (tied)
5	Conduct telephone screening interviews with candidates	5	83.3%	2nd (tied)
3	Recruit from networks	3	50.0%	3rd (tied)
9	Analyze all data: Write draft executive summary	3	50.0%	3rd (tied)
12	Measure hiring success annually & compare against pre-implementation of Topgrading	3	50.0%	3rd (tied)
2	Create job scorecard	1	16.7%	4th (tied)
6	Conduct competency (behavioral) interviews	1	16.7%	4th (tied)
8	Master advanced interviewing techniques	0	0.0%	5th (tied)
11	Coach new hire in first few weeks	0	0.0%	5th (tied)

Topgrading steps four, seven, and ten were unanimously cited across the six case study

firms as directly reducing the mis-hire rate. The second most commonly cited Topgrading steps

for directly reducing mis-hires were steps one and five. These were cited by 83.3% of five of the

six firms. Topgrading steps three, nine, and twelve tied for third place by being cited by 50.0%,

or three out of the six case studies as creating this type of value. A visual representation of this

data is shown in Figure 13.

Figure 13. Value creation by mode by each Topgrading step: All firms.
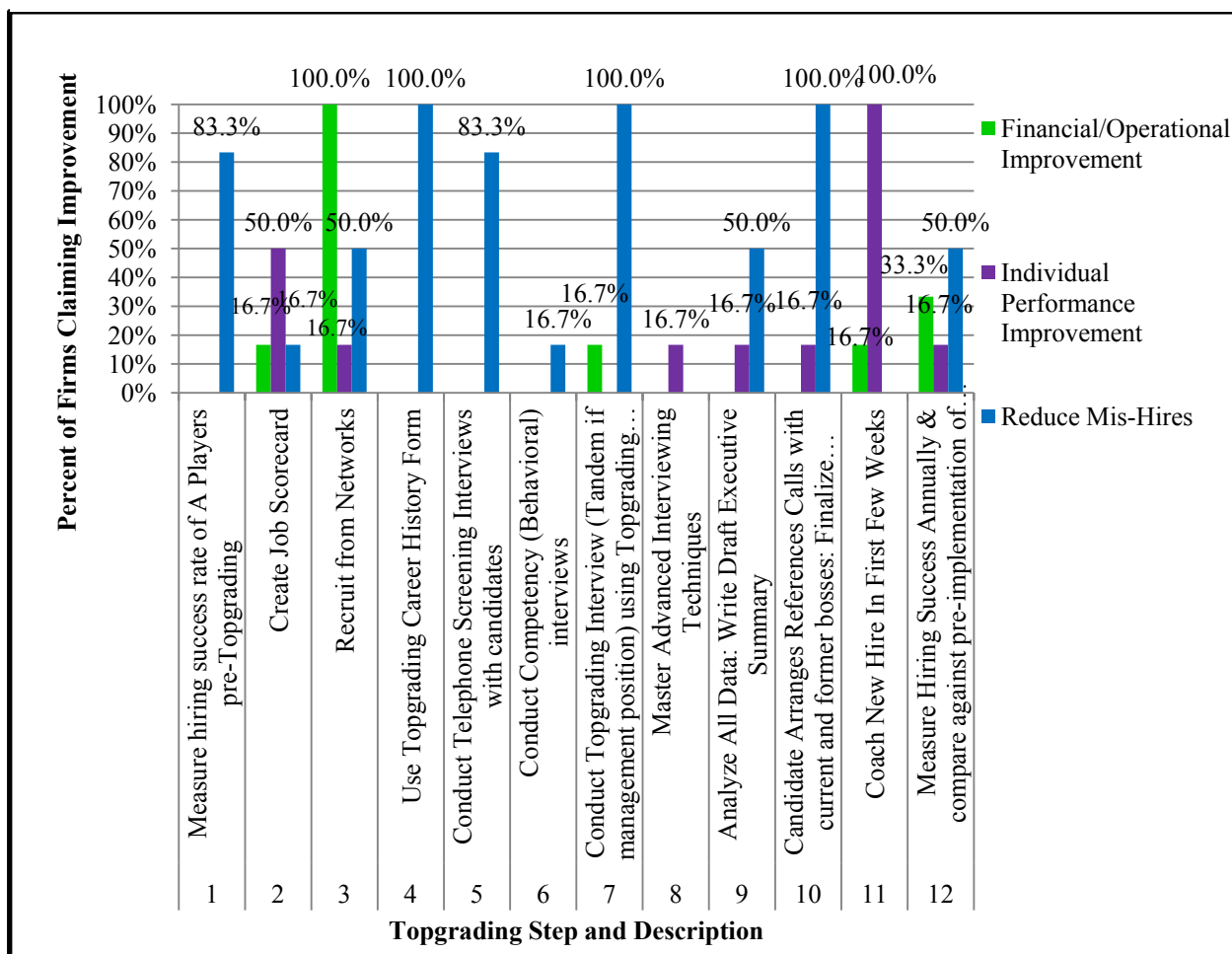
Analysis of Topgrading: Volume of Data Collection

The number of data points collected during the pre-Topgrading process was computed by reviewing the pre-Topgrading process of each firm. The same methodology was used for the post-Topgrading data collection with one major difference. The investigator collected artifacts of Topgrading implementation to include samples of job scorecards, career history forms, annual hiring success measurement tools, etc. The investigator counted the discrete number of data points minded in these artifacts and averaged them across the artifacts collected.

Each individual Topgrading step was analyzed for the number of data points collected during the post-Topgrading process. As a point of comparison, 35 data points were collected in the Pre-Topgrading process compared to the 462 data points collected in the post-Topgrading process. This represents a 1220.0% increase in the data collected. Of the 462 data points collected, Topgrading steps two, four, seven, and twelve yielded the most data points at 40, 119, 193, and 40, respectively. See Table 21.

Table 21

Topgrading Steps With Number of Data Points Collected Pre- and Post-Topgrading

Step	Description of Topgrading steps	Approximate number of data points	
		Pre-Topgrading	Post-Topgrading
1	Measure hiring success rate of a players pre-Topgrading	0	5
2	Create job scorecard	0	40
3	Recruit from networks	0	0
4	Use Topgrading career history form	0	119
5	Conduct telephone screening interviews with candidates	5	10
6	Conduct competency (behavioral) interviews	30	30
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	0	193
8	Master advanced interviewing techniques	0	0
9	Analyze all data: Write draft executive summary	0	5
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	0	20
11	Coach new hire in first few weeks	0	0
12	Measure hiring success annually & compare against pre-implementation of Topgrading	0	40
Total		35	462
% Difference			1220.0%

For a visual representation of this data for each Topgrading step, see Figure 14.

Figure 14. Number of data points collected during each selection process.
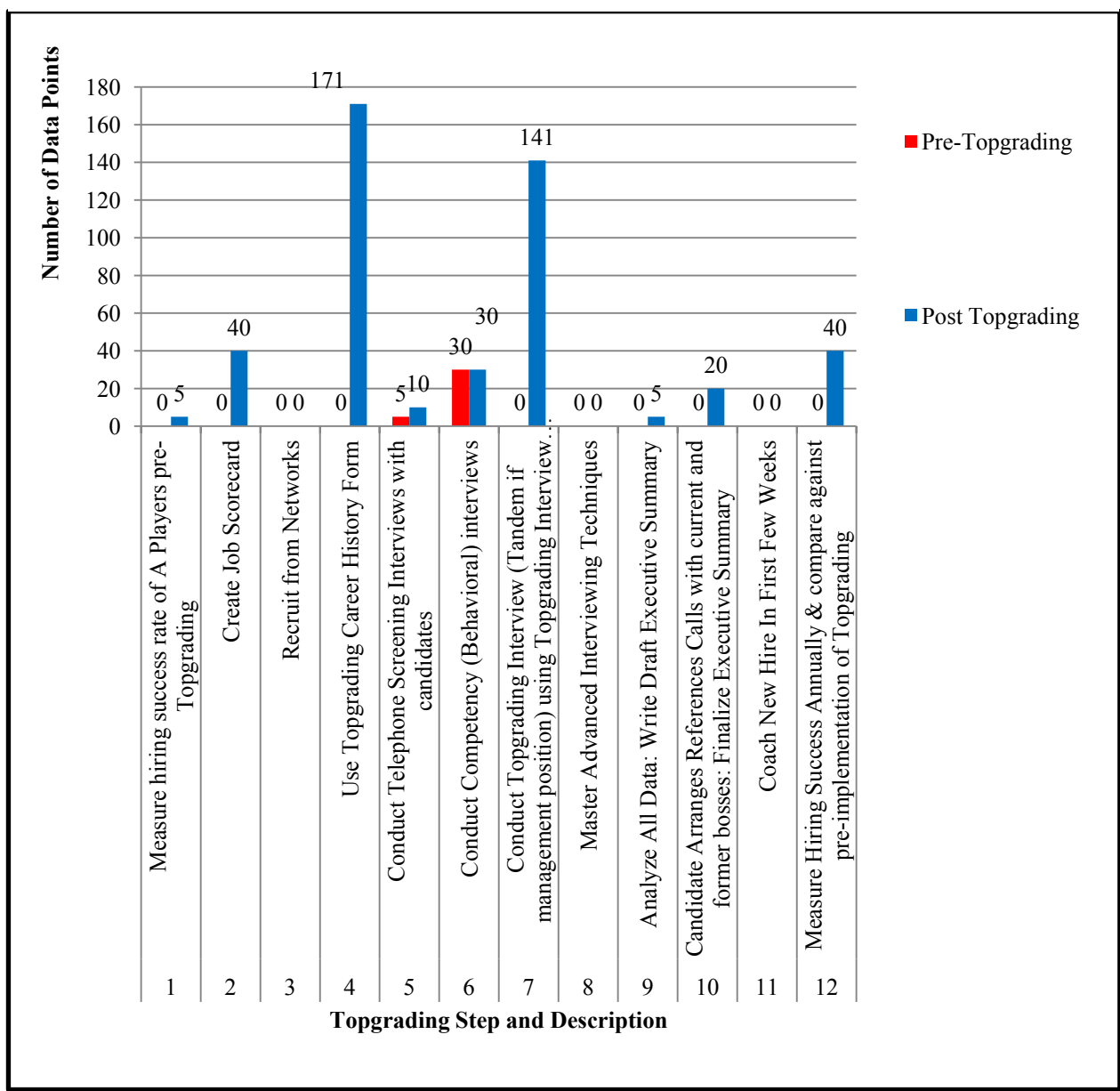
For a visual representation of the data at the total process level, see Figure 15.

Figure 15. Comparison of total data points collected pre- and post-Topgrading.
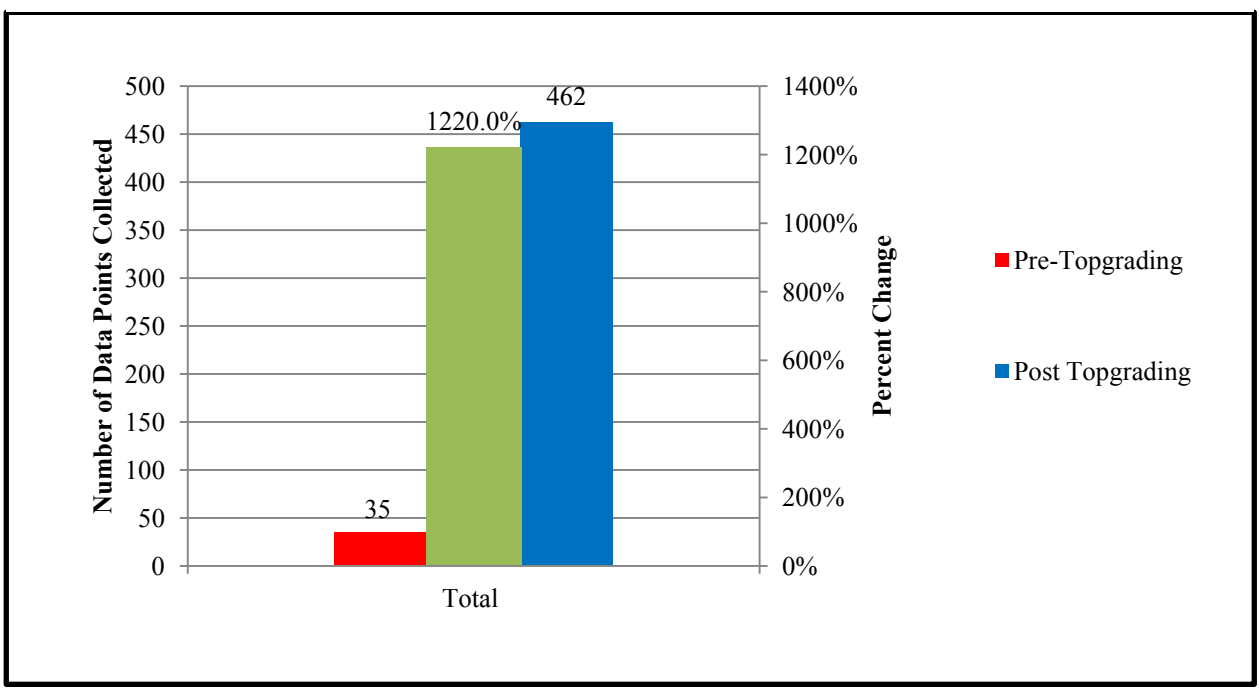
Analysis of Topgrading Using Action Research Perspectives

The number of action research perspectives captured during the pre- and post-Topgrading environments were coded and measured. For a detailed analysis of the data collected in the pre- and post-Topgrading environments, and how they were coded to each research perspective, see Appendix G and Appendix H. Those previously mentioned tables are summarized into Table 22.

Table 22

Chandler and Torbert's Research Voices (2003) Summary for Pre- and Post-Topgrading Environments

		Pre-Topgrading environment			Post-Topgrading environment		
Past tense		1st person	2nd person	3rd person	1st person	2nd person	3rd person
		Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)	Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)
Participants	1st person	Yes	Yes	No	Yes	Yes	Yes
	2nd person	No	No	No	Yes	Yes	No
	3rd person	No	No	No	No	Yes	No
Present tense		1st person	2nd person	3rd person	1st person	2nd person	3rd person
		Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)	Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)
Participants	1st person	No	No	No	Yes	Yes	No
	2nd person	No	Yes	No	Yes	No	No
	3rd person	No	Yes	No	No	Yes	No
Future tense		1st person	2nd person	3rd person	1st person	2nd person	3rd person
		Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)	Subjectivity	Inter-subjectivity	Rigorous inter-subjectivity (objectivity-seeking)
Participants	1st person	No	No	No	Yes	Yes	Yes
	2nd person	No	No	No	Yes	Yes	No
	3rd person	No	No	No	No	No	No

Furthermore, these data were analyzed to compare the pre- and post-Topgrading environments.

See Table 23.

Table 23

Number of Research Perspectives Captured

	Pre-Topgronding environment			Post-Topgrading environment		
	Actual	Maximum	% coverage	Actual	Maximum	% coverage
Past	2	9	22.2%	6	9	66.7%
Present	2	9	22.2%	4	9	44.4%
Future	0	9	0.0%	5	9	55.6%
Total	4	27	14.8%	15	27	55.6%
Average	1.3	9.0	14.8%	5.0	9.0	55.6%
			Percent change from pre- to post-Topgrading			275.0%

This data shows that the number of research perspectives covered in the post-Topgrading environment is substantially higher than that of the pre-Topgrading environment. Specifically, the pre-Topgrading environment drew upon just 4 of the 27 perspective available in action research, or 14.8% of the total research perspectives available. Topgrading, on the other hand, drew upon 15 of the 27 action research perspectives available, or 55.6% of them. This represents that, on average, 1.3 of 9 perspectives were captured for each past, present, and future tense before the firm implemented Topgrading. This was compared to the average of 5.0 perspectives captured for each tense in the post-Topgrading environment.

Analysis of Unique Adaptations of Topgrading

The researcher discovered 20 unique adaptations of Topgrading across all six case studies. See Table 24.

Table 24

Topgrading Unique Adaptations by Firm

Firm	Type	Size	Location	Mis-Hire Rate Before Topgrading	Mis-Hire Rate After Topgrading	% Change in Mis-Hire Rate	Years of Topgrading	Number of Unique Adaptations
Good Eats Company	Public	Large	Mid-West and Northeast	80%	20%	-75.0%	5	2
Brand Consultants Inc	Private	Small	West Coast	80%	10%	-87.5%	4	4
Auto Supplier Firm	Public	Large	Global	62%	21%	-66.1%	13	1
Fun Time Leisure	Public	Large	Southeast	60%	0%	-100.0%	14	5
Rewards For You	Private	Small	Mountain West	67%	4%	-94.0%	7	5
Soft Drink Distributor	Private	Small	Pacific Northwest	67%	8%	-88.1%	3	3
Average				69.3%	10.5%	-85.1%	7.7	3.3
Total								20

A unique adaptation is defined as a discretionary addition to Topgrading not prescribed by Smart. For example, Topgrading step six had one unique adaptation. Several Topgrading steps were found to have multiple unique adaptations. This was the case with Topgrading step seven. It was found to have two unique adaptations. Topgrading steps two and three had three unique adaptations each.

Topgrading step 11 had five unique adaptations compared to Topgrading step twelve, which had four unique adaptations. Topgrading steps one, four, five, eight, and nine were found to have no unique adaptations by the six case study firms. See Table 25.

Table 25

Unique Adaptations of Topgrading by Step

Step	Description of Topgrading steps	Number of unique adaptations
1	Measure hiring success rate of a players pre-Topgrading	0
2	Create job scorecard	3
3	Recruit from networks	3
4	Use Topgrading career history form	0
5	Conduct telephone screening interviews with candidates	0
6	Conduct competency (behavioral) interviews	1
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	2
8	Master advanced interviewing techniques	0
9	Analyze all data: Write draft executive summary	0
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	2
11	Coach new hire in first few weeks	5
12	Measure hiring success annually & compare against pre-implementation of Topgrading	4
	Total	20

See Figure 16 for a graphical plot of this same data.

Figure 16. Number of unique adaptations of Topgrading by step.
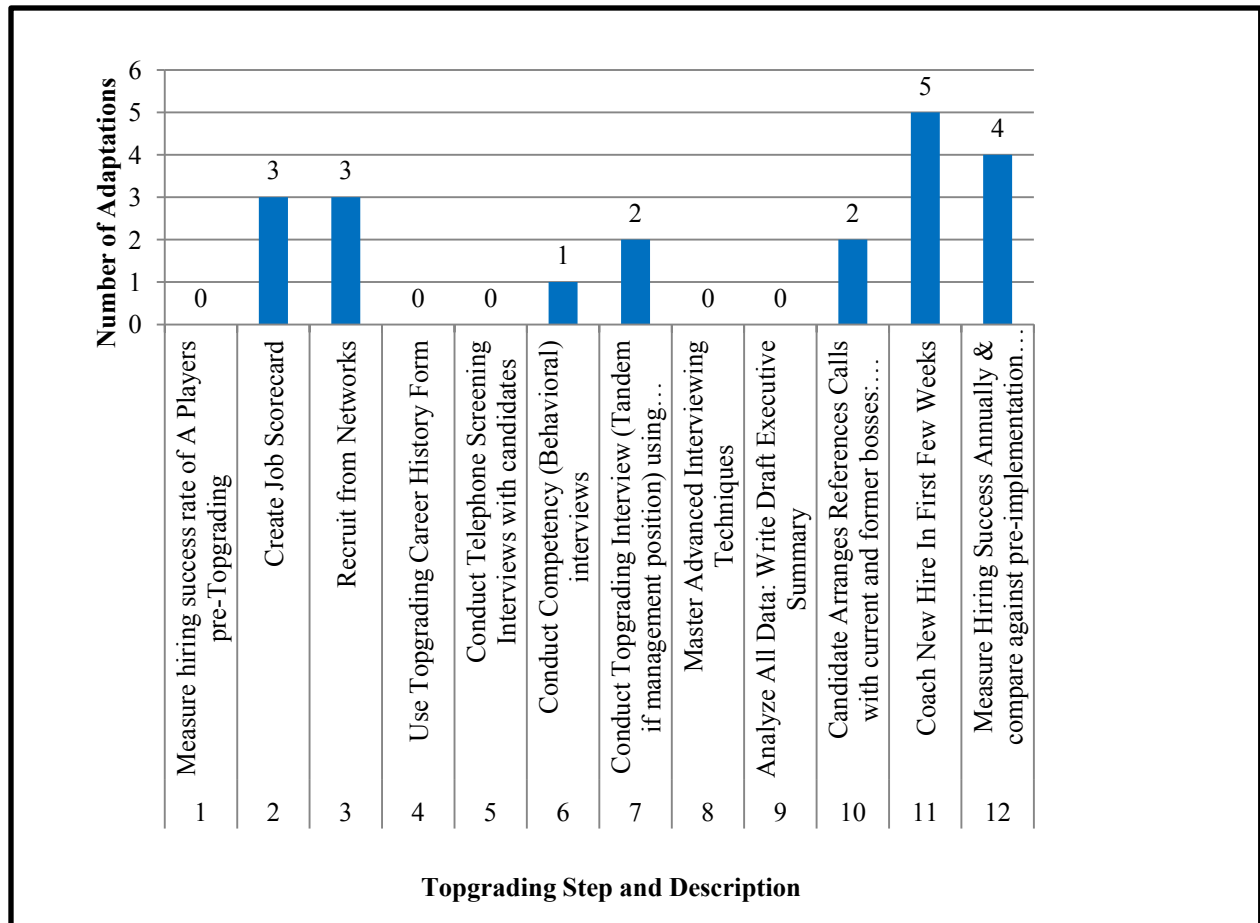
See Table 26 for a detailed description of each adaptation for each Topgrading step by firm. The reader will note that not every step in Topgrading showed evidence of a unique adaptation. Only those steps that showed evidence of a unique adaptation are shown in the ensuing table.

Table 26

Detailed Description of Unique Adaptations of Topgrading by Step

Step	Description of Topgrading step	Adaptations according to firm
2	Create job scorecard	**Brand Consultants Inc.:** Has a rule: No requisition is posted unless a job scorecard is created for that position. **Good Eats Company:** There is a dedicated HR person who is responsible for drafting every job scorecard for every employee. **Rewards For You:** Job scorecard is co-created by employee and supervisor.
3	Recruit from networks	**Brand Consultants Inc.: (**1) Hiring managers are required to create virtual benches through job postings that are not made publicly available on firm website. Hiring managers must get candidates to apply against those ghost job openings. (2) Also, $3,000 hiring bounty is paid to anyone who refers a person who gets hired. **Soft Drink Distributor:** When the company tweets a job opening, the firm's managers are able to send it out to their networks via LinkedIn mail.
6	Conduct competency (behavioral) interviews	**Fun Time Leisure:** Candidate takes a CALIPER assessment which is a psychometric profiling tool measuring ego strength, ego drive, empathy, etc., in order to assess candidate's behavioral competencies.
7	Conduct Topgrading interview (tandem if management position) using Topgrading interview guide	**Fun Time Leisure:** Candidate performs a "Self-Administered Interview" (SAI) before the actual Topgrading interview. All of the questions that would be asked in a standard Topgrading interview are asked in this SAI. **Rewards For You:** Firm created a training and certification process for hiring managers to be certified at bronze, silver, or gold level with Topgrading. At least (1) tandem interviewer must be gold certified.
10	Candidate arranges references calls with current and former bosses: Finalize executive summary	**Brand Consultants Inc.:** Reference checks are done on college interns to the extent that references are checked with college professors, high school sports coaches, etc. **Good Eats Company:** Industry experts are also called upon for reference checks of management persons who have been in the industry.

Step	Description of Topgrading step	Adaptations according to firm
11	Coach new hire in first few weeks	**Auto Supplier Firm:** Firm uses a robust mentoring program for management. Example: First time plant manager gets (3) to (4) mentors. (1) mentor is retired and spends 1to 2 days per month with this person. Other mentors are other plant managers where new hire goes and tours other plants to see best practices and successes. **Brand Consultants Inc.:** Offer letter is sent to candidate with job scorecard stapled to it. In order to accept the offer, the candidate must sign the offer letter and the job scorecard. The hiring manager must also sign the job scorecard to make the offer binding. **Rewards For You:** Hiring manager must submit to HR the training plan in a day by day schedule for first 10 days before employee starts. **Soft Drink Distributor:** (1) Firm uses 90-day blueprint model which breaks down new hire's job description into 30-day chunks and spells out all technical competencies that are to be mastered during that period. Results in a day to day schedule for new employee's first 30 days. (2)Training curriculum are used during this period and instructed by senior executives.
12	Measure hiring success annually & compare against pre-implementation of Topgrading	**Fun Time Leisure:** (1) Employees rate themselves against scorecards before manager rates employee. (2) Also, firm hired an on-staff clinical psychologist before Topgrading. This person keeps very accurate records for mis-hire rates, talent assessments, etc. **Rewards For You:** (1) Employees rate themselves against scorecard before manager rates employee. (2) Rating system used has (3) categories: A Player, A Potential, Non-A Player; no B or C Players.

There were three unique adaptations discovered with Topgrading step two which surrounds the job scorecard. Two of these adaptations deal with how the job scorecard is created. Good Eats Company controls for the variability in the creation of the job scorecard by appointing a human resources person to create the first draft of the job scorecard. In Rewards For You, the Job Scorecard is co-created using both the supervisor's and employee's ideas. Brand Consultants Inc. controls for the chance of a newly hired employee not having a job scorecard through a simple process control. No requisition is approved by the human resource group until a job scorecard is created.

There were several unique adaptations regarding recruiting from networks. Soft Drink Distributor relies on heavy use of social media to generate leads for positions. The three major social media sites used in this lead generation process include Facebook, Twitter, and LinkedIn.

Brand Consultants Inc. created several novel approaches to Topgrading step three. This firm uses an electronic system of job postings that are not made public to persons outside the firm. This "virtual bench" for each hiring manager is measured by how many candidates the hiring manager generated for each ghost job posting. This firm also financial incents its employees to refer candidates. The firm pays a $3,000.00 hiring bounty to anyone who refers a candidate that is eventually hired.

There was one unique adaption found with Topgrading step six. Fun Time Leisure uses a psychometric profiling tool called CALIPER. This tool supplements behavioral competency data that the firm collects on candidates through other steps within the Topgrading process. For example, the tool measures ego strength, ego drive, and empathy which the firm found to be correlated with successful sales persons.

There were two unique adaptations to Topgrading step seven. Fun Time Leisure uses a Self-Administered Interview before the tandem Topgrading interview. This is different than the standard prescribed process because the data that is typically collected during the tandem Topgrading interview by the tandem interviewer is instead self-reported by the candidates in advance of the Topgrading interview. This allows the firm to "focus on the two or three chinks in the armor" of the candidate during the tandem Topgrading interview.

Rewards For You took a different approach to their adaption of Topgrading step seven. They designed a three-tiered certification program for their hiring managers. Every hiring manager is able to test and earn a Topgrading certification at either the bronze, silver, or gold

level. This certification is tied to promotions. The COO of the company said, "Anyone who wants to be a manager must go through Topgrading training. This is a pre-requisite to be promoted" (COO 2013d).

The COO had experience with Topgrading while he was associated with General Electric. It was during that experience that he discovered that the principles and strategies must be implemented within the business at all levels from the top level executives down to hourly employees. By creating a certification program, he felt that this drove Topgrading into every level of the firm.

Topgrading step ten also showed evidence of unique adaptation. Good Eats Company expands on the population of people for reference checks to include industry experts, not just former supervisors. Brand Consultants Inc. does reference checks for college interns. Given that college interns have little or no work experience, the reference checks are conducted with college professors and former high school sports coaches.

Topgrading adaptations did not stop at the selection process. Unique adaptations were found in the onboarding process as well. Topgrading step 11 had four adaptations. Rewards For You requires the hiring manager to submit a day by day scripted training plan to human resources for the first ten days of employment. Soft Drink Distributor uses a rigorous 90-day training plan blueprint for new hires. This 90-day plan is broken into three 30-day modules. All technical competencies are clearly documented to the new hire. Additionally, the delivery of the onboarding training and the development of its curriculum is not done by human resources but by senior line executives.

Auto Supplier Firm has a very rigorous mentoring process for senior line managers. For someone who is promoted to a "first time" plant manager position, he or she is assigned three to

four mentors. One mentor is retired. This mentor spends one to two days per month with the new plant manager. The other mentors assigned to the new plant manager consist of other successful plan managers. The new plant manager is given the ability to go and tour other plants to see and learn best practices.

There are three unique adaptations to Topgrading step 12. Fun Time Leisure and Rewards For You invite the employee to self-rate themselves for the annual performance review process. In Rewards For You, the final letter grade score assigned to each employee is either A Player, A Potential, or Non-A Player. This is different than the standard three ratings A Player/A Potential, B Player, and C Player ratings. When asked why they have this unique rating system, the COO of Rewards For You indicated that his firm had created numerous additional ratings to include A-, A+, and B+. He said that "People started thinking B+ was ok. We realized that we only wanted to keep around A players. Using the other (grading) method incentivizes mediocrity" (COO 2013d).

Fun Time Leisure has an additional unique adaptation to Topgrading step 12. The CEO hired a permanent on-staff clinical psychologist. This person serves as the controller of data for mis-hire rates and talent assessments.

Finally, the investigator merged two disparate data sets together for the purposes of illustrating a correlation. See Figure 17.

Figure 17. Number of unique adaptations and post-Topgrading mis-hire rate by firm.
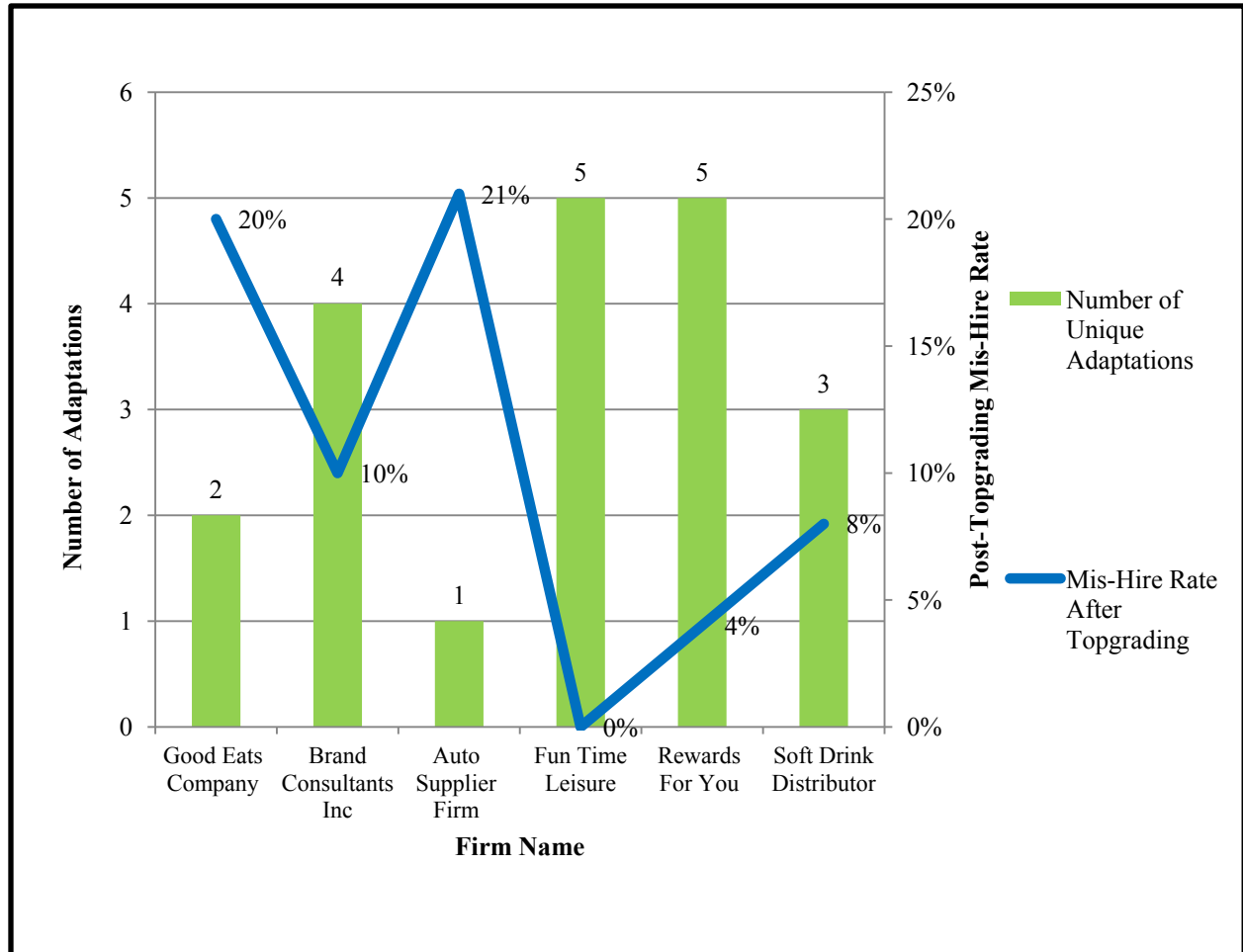
This graphs plots post-Topgrading mis-hire rates by firm against the number of unique adaptations implemented by that firm. The more unique adaptations a firm has, generally the lower the mis-hire rate. For example, the firm with the least unique adaptations had the highest mis-hire rate. This was Auto Supplier Firm with 21% mis-hire rate and one unique adaptation. Comparatively, the two firms tied with the most unique adaptations achieved the two lowest mis-hire rates. This was Fun Time Leisure with 0% mis-hire rate and Rewards For You with 4% mis-hire rate. Both firms had evidence of five unique adaptations of Topgrading.

Chapter V: Discussion of Findings

Discussion of Findings

This investigation was motivated by the impact of the mis-hires epidemic in the United States. Hiring managers mis-hire approximately 70% to 80% of the time across all industries (Smart 2005). This mis-hiring carries with it an associated annual cost of approximately $864.5 billion when accounting for the cost of mis-hire rate, the total number of people hired in the U.S. annually, and the average salary of the U.S. worker[2]. This computes to approximately 5.28% of the total GDP for the United States in 2013 (Sousa 2013).

Given the size of this problem, the investigator was interested in studying why managers mis-hire, what can be done to improve this mis-hire rate, and understanding how these improvements work to attack the root causes of the mis-hire problem. These interests were encapsulated in a singular research question: How do employee selection bundles such as Topgrading affect the different aspects of value creation in the firm?

Six case studies were included in this investigation. These cases represented a cross section of firm size, firm ownership, geography, and industry. Three of the firms were small businesses. Three of the firm were publicly traded. The firms were geographically diverse in their location. Two of the firms are located on the west coast, one is in the mountain west region, one firm is globally arrayed with numerous locations, and one firm is located in the southeast, and one firm is in the mid-west. Regarding their mis-hire rate, the average mis-hire rate across all six in the pre-Topgrading environment was 69.3%. The average mis-hire rate in the post-Topgrading environment was 10.5%.

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[2] $864.5 billion = $45,200 annual average salary x 5 times annual average salary cost x 3.83 million mis-hires made

These findings contribute to the employee selection literature in a number of ways. Each of these contributions is summarized in three separate insights with accompanying discussion. They are as follows:

Insight 1: As a rigorous employee selection bundle, Topgrading breaks the destructive organizational routine that causes perpetual mis-hiring. The employee selection literature provides a rich set of findings that describe why hiring managers mis-hire. This literature stream reveals attribution bias as a theoretical root cause to why hiring managers mis-hire. Attribution bias creates mis-hires because hiring managers make incorrect judgments about a candidate's future performance (Herriot 1981; Arvey and Campion 1982; Zedeck, Tziner et al. 1983; Harris 1989). This investigation confirms these previous findings. The pre-Topgrading selection process produced high mis-hire rates because, in the words of several interviewees, the selection decision was "a beauty contest" and "a hit or miss process because there was no thorough evaluation of the candidate" (CEO 2013a).

Employee selection literature cites yet another root cause of mis-hiring to the use of unstructured interviews. Previous studies illustrated that firms overwhelming prefer the use of unstructured interviews, and that the mis-hire rates of those firms who engage in this selection method approach 60% to 90% (Dreher, Ash et al. 1988; Hough and Oswald 2000; Dipboye, Gaugler et al. 2001). As another comparison point, firms that used structured interviews had mis-hire rates at approximately 30% to 40% (Abrahams, Alf et al. 1971). This investigation supports these previous findings. In their pre-Topgrading environment, five out of six, or 83.3%, of the case study firms used unstructured interviews and yielded a combined average mis-hire rate of 69.3%.

The organizational learning and goal setting literature streams provide important clues as to why hiring managers continue to engage in perpetual mis-hiring behavior. Organizational learning theory states that organizational defensive routines create "antilearning." This is especially true in problems where the executives themselves are the root cause for the lack of performance.

This antilearning phenomenon perpetuates low performance in financial and non-financial performance measures (Argyris, Putnam et al. 1985; Argyris 1990; Argyris 1991). Conversely, when managers and executives engage in double loop learning to address the root causes that suppress performance, problems are more effectively addressed and organizational performance improves (Argyris 2002).

The literature involving goal setting theory states that when setting specific, challenging goals, employee performance increases when combined with task relevant knowledge and strategies (Locke and Latham 2002; Colineau and Paris 2009). Performance management compliments this by stating that continuous feedback on employee performance against a stated goal improves performance. At the extreme, employee performance can be twice as high with goal setting and performance management (Burke, Weitzel et al. 1978; Lombardo and Eichinger 1997; Shantz and Latham 2011).

This investigation provides evidence that employee selection bundles (ESB) harness the power of goal setting theory while simultaneously creating a double loop learning environment. Efficacy is seen through the abnormally low mis-hire rates that the firms achieved after implementing an ESB such as Topgrading. The average Pre-Topgrading mis-hire rate across all cases was a 69.3%. The average Post-Topgrading mis-hire rate was 10.5%. The overall average

reduction in mis-hire rate from pre- to post-Topgrading environment was 85.1%. The average years of experience with Topgrading was 7.7 years.

In the six case studies, goal setting and double loop learning likely combine to substantially reduce the mis-hire rates. The results revealed that six of the twelve steps of Topgrading link directly to the governing variables of Argyris's Model II Double Loop Learning model. These six steps were implemented 97.2% of the time across all six case studies. Topgrading steps one and twelve meet all five of the criteria required for Lock and Lantham's goal setting theory model (1990). These two steps were implemented 91.7% of the time across all six case studies.

Further complimenting this organizational learning literature is the action research theory literature. That literature stream articulates the concept that the more research perspectives an investigator engages in, the greater the variance that the research will explain (Chandler and Torbert 2003). Taking Torbert and Chandler's view of action research, this investigation viewed employee selection as a miniature action research project. Chandler and Torbert might say that employee selection is largely a second person research activity (i.e., the hiring manager and his HR team) being conducted on first person performance in the past tense (i.e., the candidate's employment history).

This investigation provides evidence that ESBs make use of substantially more research perspectives than unstructured interviews. The case study firms made use of 4 research perspectives when assessing the candidate in their pre-Topgrading environments compared to 15 of the 27 research perspectives in their post-Topgrading environments. This translates to use of 14.8% of the research perspectives used before Topgrading and 55.6% of them used after Topgrading, or a 275% increase in the number of research perspectives.

Perhaps the two most salient insights of this research are the discoveries of why the ESB under study works, and how it reduces mis-hire rates to abnormally low levels. If Argyris, Chandler, and Torbert are correct, then ESBs create abnormally low mis-hire rates because they are effective at predicting the future performance of any candidate against the defined job scorecard. The evidence for this, as the reader will recall, is that the average mis-hire rate for the six case studies before Topgrading was 69.3% compared to 10.5% after Topgrading.

There seem to be three reasons that enable these abnormally low mis-hire rates in the six cases featured in this investigation. First, ESBs collect more data in both volume and action research perspectives than unstructured or structured interview methods. Secondly, when mis-hires are made, ESBs such as Topgrading create an environment where hiring managers and executives openly debate, measure, and gain insight into mis-hires through the annual hiring performance reviews. Third, hiring managers are primed with the expectation of achieving 10% or less in mis-hire rates. When these expectations are made publicly known and measured, performance increases (i.e., mis-hire rates go down).

If the academic community desires to make a lasting and impactful contribution to the practitioner community, two recommendations should be considered. More research that links employee selection to organizational learning and goal setting theory will be necessary. This will be dealt with in the future research section.

Second, theorists should embrace the idea that structured interviews do not go far enough at lowering mis-hire rates. Employee selection bundles seem to be a more powerful tool in reducing mis-hire rates and improving organizational performance. Structured interviews produce mis-hire rates of approximately 40% as previously cited. The ESB under study

produced mis-hire rates of 10% or less. This is a substantial difference. 10% mis-hire rates, or

.90 validity of hiring success should be the new standard.

To help motivate more research on this topic, the author has conceptualized the ESB

under study in the following graphic. There are four main components to this construct. First,

the inner component is termed the Selection Quadratic. See Figure 18.

Figure 18. Topgrading conceptualized as a double loop learning, multiple research perspective, goal motivated employee selection bundle.
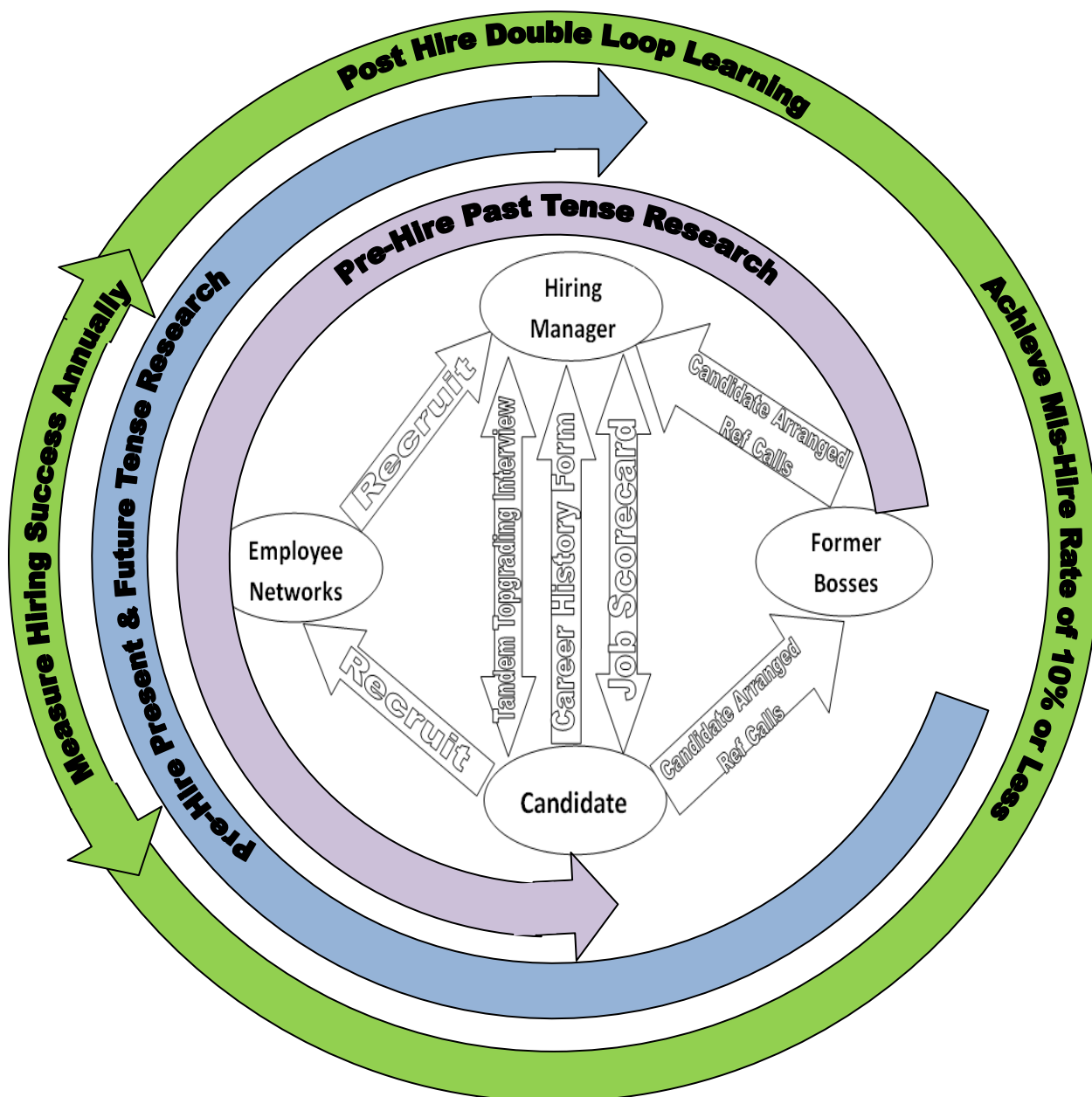
The Selection Quadratic is the group of four inter-connected constituencies that serve as actants in the selection bundle. Each of these constituencies is connected via various steps of the ESB under study. Employee networks are situated in the middle of the "recruiting from networks" which link the hiring manager and the candidate. Former bosses are situated in the middle of the reference call process. The reference call process links the candidate back to the hiring manager. The hiring manager and candidate are further linked through the career history form, job scorecard, and tandem Topgrading interview.

The career history form and reference checks provide a foundation of first and second person research on first, second, and third person practices of things that occurred in the past tense. This is annotated by the inner circle research loop that spins counter-clockwise labeled "pre-hire past tense research." Researching the candidate against future expectations on the job scorecard is largely a future tense research event. This is annotated by the second loop that spins clockwise. This clockwise spinning loop is labeled "pre-hire present and future tense research."

After the candidate is hired, the hiring success rates and individual employee performance are measured annually. This is the foundation of the double loop learning process. This is a past tense and future tense research activity. Thus, it is conceptualized through the outer loop that spins in both directions.

Insight 2: As a rigorous employee selection bundle, Topgrading creates value in three modes: Financial or operational improvement, improvement in individual employee performance, and reduction of mis-hire rate. The employee selection literature stream shows that selective hiring is directly linked to improving firm performance (MacDuffie 1995; Vlachos 2008; Vlachos 2009). This research provides evidence that employee selection bundles (ESB)

improve firm performance. These improvements come in three modes: financial or operational improvement, individual employee performance improvement, and reduction of mis-hires.

Across the six case studies, 79.2% of processes concerning the ESB under study had positive impact on firm value. On average, 54.2% of all discrete steps were reported as directly reducing the mis-hire rate. 19.4% of all steps were directly linked to improving individual employee performance. 15.2% of the all steps were directly linked to improved financial or operational improvement.

Given that firm performance is most closely correlated to selective hiring when compared to the other components of MacDuffie's HR bundle, the three modes of positive impact on firm value in this study are likely related. The logic of this linkage would follow that when mis-hire rates go down and employees are measured against a well-defined job scorecard, then individual employee performance increases. When individual employee performance increase, operational and financial performance of the firm increases.

The size and scope of those improvements were outside of the scope of this study. However, the impact of the ESB under study in the case study firms was likely substantial given that three of the six case studies are now the leader in their respective industries.

Insight 3: Employee selection bundles such as Topgrading require top level executive support. Process management literature explains the inner workings of creating and maintaining effective and efficient processes. The studies regarding popular process management practices such as Lean and Six Sigma show mixed results. In the short-term, process improvement methodologies produce productivity gains (Benner and Tushman 2003; Morrison 2011).

However, over the long-term these gains fade away in many cases. Part of the root cause of this short lived improvement is that managers are incapable of changing their processes, procedures, and systems. In fact, there are five necessary attributes of proper process management. Two of the most important attributes are changes in human resources practices and organizational commitment realized through executive support (Ittner and Larcker 1997).

This study confirms the findings of process management literature. Every case study is still implementing the ESB under study which provides evidence that success process management change was both implemented and sustained. Four of the six cases experienced a change in top level management immediately before the implementation of an ESB.

Four of the six case studies also experienced a crisis immediately before the ESB under study was implemented. In three of those firms, the new executive who entered the company had previous experience with the ESB under study and was a committed champion for the ESB studied in this investigation. On average, the case study firms had 7.7 years of experience in the ESB under study. These findings suggest that existence of a crisis or "burning platform" event, may not be necessary but helpful in establishing executive support for implementation of an ESB.

This has serious yet practical implications for the practitioner community. Once such implication may be that the road to low mis-hire rates is paved with awareness at the CEO level. This investigation provides evidence that, if the benefits of ESBs are to be unlocked, CEOs must first be made aware of the financial and operational impact of mis-hiring at the 40% to 80% levels. This may be one of the keys to creating their support for an overhaul of their talent acquisition process. The firm does not need a crisis to reap the benefits of an ESB; it just needs a highly committed CEO or executive leader.

Contributions

Contribution to employee selection literature stream

This research contributes to the employee selection literature by proposing a new construct called employee selection bundles (ESB). These ESBs are proposed to be taken as a subset of MacDuffie's HR bundles (1995) in that they provide a novel approach to defining HR best practices for the employee selection component of all human resource activities.

Along with ESBs, another contribution to this literature stream is conceptualizing every discrete employee selection decision as a mini action research project. This comingles Chandler and Torbert's research perspectives model (2003) with employee selection to make better predictions about a candidate's future performance (i.e., the employee's likelihood of meeting expectations post-hire).

Furthermore, this research challenges the status quo of what is an acceptable mis-hire rate level. The federal government supports the goal of achieving 0.40 selection validity which corresponds to a 60% mis-hire rate. Structured interviews show evidence of 0.60 validity or 40% mis-hire rate. This study shows that achieving validity of 0.90 or 10% mis-hire rates are possible with the use of an ESB.

Contribution to theory

One of the most popular theoretical tools used by employee selection researchers to explain why interviews produce low employee selection validity is attribution theory. Researchers use this theory to explain that hiring managers hire the wrong people because they infer incorrect judgments about a candidate's future performance based on information gathered before and during the interview.

However, this study challenges the status quo that attribution bias is a major root cause to mis-hiring. The investigator proposes that attribution bias is merely a symptom of the real root cause of mis-hiring. The more likely root causes of mis-hiring are linked to organizational learning theory and action research theory.

Building on this awareness, a new theoretical construct was conceptualized in the graphic in Figure 18 in order to better explain why ESBs work and, more importantly, to motivate future research that links organizational learning, action research, and employee selection. Within this construct, a new sub-construct called the employee selection quadratic was created to identify the intersection of organizational learning theory, action research theory, goal setting theory, and employee selection. The desire of this researcher is that this sub-construct will motivate future research involving the theoretical implications of this four pronged group of actants in the employee selection process.

Contribution to method

This research made use of a unique methodological approach to employee selection research. This research was oriented at the discrete "step level." This was achieved by analyzing the level of implementation of and value created by each step of the ESB under study in each firm. To this end, the pre- and post-Topgrading employee selection process was documented on a detailed process matrix.

This method helped to isolate the theoretical constructs in use with an ESB. Each individual step in the selected ESB was able to be linked to the various theoretical frameworks such as organizational learning theory, action research theory, and goal setting theory. This method provided more structure to the data collection. This additional structure likely generated a richer insight and better objectivity from the interviewee regarding their explanation and

assessment of their selection process in both the pre- and post-Topgrading environments. A

simple conversation about the ESB under study without this process level structure would have

likely not yielded the same richness of data.

Chapter VI: Conclusions

Significance of the Study

This investigation revealed that employee selection bundles (ESB) can produce abnormally low mis-hire rates, improve individual employee performance, and improve overall firm operational and financial performance. The findings of this study show that mis-hire rates of 10% or less are achievable. These results necessarily challenge the status quo that 40% or higher mis-hire rates are acceptable.

Given that the substantial financial impact of mis-hires on the U.S. economy is cited at more than $800 billion annually, this study features a methodological approach to employee selection that could dramatically reduce that $800 billion figure if it were widely adopted. This study also proposes several reasons for how and why ESBs work. These insights make combined used of organizational learning theory, action research theory, and goal setting theory.

Limitations

The challenge of much of the previous experiments conducted in employee selection is centered on low sample size (Hough and Oswald 2000). Given the fact that the unit of analysis is set at the firm level, the number of subjects is much lower than if the unit of analysis were at the hiring manager level. As such, a review of these previous experiments revealed a common unit of analysis in previous studies as the individual hired employee.

As a matter of generalizability, the number of hires encompassed in this study is thought to be more than 1,000. Given the magnitude of this number, the external validity of the findings of this study may be higher than those of other previously conducted studies.

However, the self-reported data of firms regarding the measured independent variables could suffer from several problems. Overstatement of positive performance measures, such as

low mis-hire rates, and understatement of negative performance measures related to Topgrading are possible. Additionally, these self-reported results may have fallen prey to faith-in-supervision bias. For example, most of the interview subjects in this study were the CEOs who led the implementation of Topgrading at their firm. If faith-in-supervision bias were implicated in this study, mis-hire rates before Topgrading may have been overstated and mis-hire rates after Topgrading may have been understated.

Other potential data problems exist. The researcher did not explore the methodologies of case study firms to understand how these firms classified people as mis-hires in their pre-Topgrading environments. It is likely that these methodologies differ across the case studies.

Recommendations for Action

For government

One method of creating substantial change in the business community is to change firm behavior through the use of government incentives. The researcher recommends that federal tax incentives be considered for firms to actively improve their mis-hire rates by implementing employee selection bundles to address those problems.

This concept already exists in the partnership between federal and state governments to provide workforce development training opportunities for activities such as manufacturing and technical related training. To create tax incentives for programs that reduce mis-hire rates, increasing the scope of the workforce development program would be needed. This suggests the requirement for an entire new set of tax legislation, which would likely require substantially more time to implement.

For educational institutions

Institutions of higher education do not adequately address the problem of mis-hiring. A scan of the top ten full-time and executive master's of business administration programs in the U.S. revealed that no course directly addressed employee selection. The investigator proposes that these institutions include employee selection and employee selection bundles in their course offerings. This will likely create basic awareness for the executives who are now or will one day be CEOs or senior executive decision-makers.

For industry

To increase the knowledge and understanding of employee selection bundles, the author proposes several areas of support from the Society of Human Resource Management (SHRM). SHRM funding of future research of employee selection bundles through their foundation research grant program would create better awareness of the concepts for practitioners in the HR space. Adding courses on employee selection bundles to their annual conference is a low cost way to increase awareness of the topics found in this research.

Areas for Future Research

More in-depth studies of ESBs are necessary. The author recommends a portfolio of quantitative studies that measure the statistically significant correlates of mis-hire rates as a dependent variable. Several independent variables should be considered, such as level of process compliance to the prescribed ESB process, years of experience in the firm with the studied ESB, mis-hire rates before the ESB was implemented, and level of executive commitment. For example, a study comparing mis-hire rates with years of ESB implementation experience might uncover valuable insights that show whether or not mis-hire rates increase or decrease over the long-term after the firm has reached proficiency and achieved their 10% mis-hire rate goal.

The findings of this study suggest that not all discrete steps within an ESB provide equal value for the firm. Therefore, it would be helpful to know which ESB steps are the most important. A future study that explores the amount of variance of each step in an ESB would help to explain regarding a dependent variable of firm performance.

A study of this nature may prove fruitful for understanding why behavioral competency interviews were used by all firms pre-Topgrading but only one firm post-Topgrading. This study may also be able to highlight the suspected cannibalization of behavioral competency interviews by an ESB such as Topgrading. Moreover, the utility of behavioral competency based interviews may prove to be replaced with job scorecarding and the tandem Topgrading interview.

Research that links organizational learning, action research, and employee selection together would likely create insight into adaptations of ESBs. A study that tests the effects on mis-hire rates of including additional action research perspectives in the selection process may prove useful if the study included control group(s) that collected candidate information using more than the fifteen action research perspectives leveraged in the ESB under study.

Improvement of efficacy of employee selection bundles should also be explored. Given the findings of this study, testing the impact of mis-hire rates through the addition of psychometric profiling tools such as CALIPER should be explored. In essence, this would be using Chandler and Torbert's (2003) concepts by adding additional action research perspectives to the employee selection process. Moreover, this study suggests that the ESB under study accounts for only about half of the available research perspectives. Additional research that incorporates a greater number of the twenty-seven research perspectives is necessary to understand the impact of Chandler and Torbert's ideas on the impact of mis-hire rates.

APPENDICES

Appendix A

Value Creation Attributed to Each Topgrading Step: Good Eats Company

+ = Positive Impact
N = No Impact   N/A= Not Applicable
- = Negative Impact

Step	Description of Topgrading Steps	Impact	Description of Impact
		Good Eats Company	
1	Measure hiring success rate of A Players pre-Topgrading	+	Reduces mis-hire rate by creating awareness around the hiring problem
2	Create Job Scorecard	+	Improves firm performance by increasing individual performance through clearly defined set of quantitative measures that are linked to the business goals which creates alignment in day to day, week to week actions
3	Recruit from Networks	+	Reduces cost of hiring by mining names of candidates
4	Use Topgrading Career History Form	+	Reduces mis-hires by removing common biases in hiring
5	Conduct Telephone Screening Interviews with candidates	+	Reduces mis-hires by removing common biases in hiring
6	Conduct Competency (Behavioral) interviews	N/A	Not implemented
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Reduces mis-hires by providing a tool for the CEO to review after interviews to ensure all questions are being asked during the interview. "no one wants to get caught sandbagging" on an interview
8	Master Advanced Interviewing Techniques	N/A	Not implemented
9	Analyze All Data: Write Draft Executive Summary	+	Reduces mis-hire by providing a synthesis of strengths and weaknesses of candidate
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hire rate by corroborating the most important points discovered in Topgrading interview
11	Coach New Hire In First Few Weeks	+	Improves individual performance through rigorous coaching and onboarding process
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	N/A	Not implemented

Appendix B

Value Creation Attributed to Each Topgrading Step: Brand Consultants Inc.

+ = Positive Impact N = No Impact N/A= Not Applicable - = Negative Impact		Brand Consultants Inc	
Step	**Description of Topgrading Steps**	**Impact**	**Description of Impact**
1	Measure hiring success rate of A Players pre-Topgrading	+	Tells you how your hiring process was doing before Topgrading was implemented.
2	Create Job Scorecard	+	Increases financial performance because individual employee performance goes up because they know exactly what is expected of them (example: budget verses actuals by project is on job scorecard for account managers)
3	Recruit from Networks	+	Decreases mis-hire rate by getting more candidates and better quality candidates
		+	Increases financial performance by saving money on recruiters (firm has not paid a recruiter fee in over three years) and by decreasing the time-to-fill open positions
4	Use Topgrading Career History Form	+	Reduces mis-hires by asking the same question to every candidate
5	Conduct Telephone Screening Interviews with candidates	+	No response given
6	Conduct Competency (Behavioral) interviews	+	Reduces mis-hire rate because these are the (2)-(5) interviews done after the Topgrading interview but before reference checks to ensure there is a good cultural fit
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Reduces mis-hire rate
8	Master Advanced Interviewing Techniques	N/A	Not implemented
9	Analyze All Data: Write Draft Executive Summary	+	Increases individual performance by creating development concepts that the supervisor uses in coaching the new hire
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hires by validating perceived weaknesses
11	Coach New Hire In First Few Weeks	+	increases individual performance by setting clear expectations on day one and reinforcing those expectations continually; start off coaching process with valuable development concepts from previous step
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	+	Increases firm performance by "packing the team with top talent" by decreasing mis-hire rate and creating transparency and accountability in the hiring process

Appendix C

Value Creation Attributed to Each Topgrading Step: Auto Supplier Firm

+ = Positive Impact
N = No Impact   N/A= Not Applicable
- = Negative Impact

Step	Description of Topgrading Steps	Impact	Auto Supplier Firm — Description of Impact
1	Measure hiring success rate of A Players pre-Topgrading	N	No response given
2	Create Job Scorecard	+	Reduces mis-hires and mis-promotions by creating alignment in the hiring process because it requires both performance data and behavioral characteristics to define success.
3	Recruit from Networks	+	Reduces mis-hires by taking some of the risk out of the hiring process
		+	Lowers costs for recruiting and selection.
4	Use Topgrading Career History Form	+	Reduces mis-hires because it is a great tool; it takes some of the risk out of the hiring process
5	Conduct Telephone Screening Interviews with candidates	+	Reduces mis-hires because it is a great tool; it takes some of the risk out of the hiring process
6	Conduct Competency (Behavioral) interviews	N/A	Not implemented
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Improves firms operational and financial performance because it creates differentiate in their selling, execution, and product development processes
		+	Reduces mis-hires because by taking variability out of selection process
8	Master Advanced Interviewing Techniques	N/A	Not implemented
9	Analyze All Data: Write Draft Executive Summary	-	Lowers productivity in hiring process because this step does not provide value for the time spent on it
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hires
11	Coach New Hire In First Few Weeks	+	Improves organizational performance because it gets better employee performance faster
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	+	Improves organizational performance by improving ability to sell and execute because Topgrading constantly moves the performance expectation of he individual and the organization upward

Appendix D

Value Creation Attributed to Each Topgrading Step: Fun Time Leisure

			Fun Time Leisure	
+ = Positive Impact N = No Impact N/A= Not Applicable - = Negative Impact				
Step	Description of Topgrading Steps	Impact	Description of Impact	
1	Measure hiring success rate of A Players pre-Topgrading	+	Hiring success rate improves because it is being measured and reviewed annually	
2	Create Job Scorecard	+	Improves employee performance by setting clear expectations which are specific and measurable and behaviorally based	
3	Recruit from Networks	+	Financial performance improves due to more and hire quality sales people and executives with the proper competency profile.	
4	Use Topgrading Career History Form	+	Reduces mis-hires by removing variability that occurs during interview and screening process	
5	Conduct Telephone Screening Interviews with candidates	+	Reduces mis-hires by removing candidates are obviously not a fit for the roll	
6	Conduct Competency (Behavioral) interviews	+	Reduces mis-hires by allowing interviewer to zero in on the top 2-5 competencies and any that were questionable on CALIPER	
		+	Substantially increases productivity of hiring process by using CALIPER which automates portion of behavioral assessment	
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Reduces mis-hire rate by 1. further reinforcing findings of CALIPER and 2. eliminating the most common sources of mis-hires which is when hiring manager already has relationships with candidate	
8	Master Advanced Interviewing Techniques	+	Reduces time it takes to get a hiring manager proficient with Topgrading	
9	Analyze All Data: Write Draft Executive Summary	+	Reduces mis-hire rate by forcing a pass/fail decision immediately at the end of this process. This eliminates the tandem interviewers from influencing each others' view of the candidate	
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hire rate by confirming assessments made about Candidate.	
		+	Improves individual performance by providing very good feedback for weaknesses that are used in the employee development plan	
11	Coach New Hire In First Few Weeks	+	Improves employee performance by using insights from CALIPER, Career History Form, and reference checks in coaching process.	
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	+	Reduces mis-hires by creating transparency around selection success of hiring managers.	

Appendix E

Value Creation Attributed to Each Topgrading Step: Rewards For You

+ = Positive Impact N = No Impact N/A= Not Applicable - = Negative Impact		Rewards For You	
Step	**Description of Topgrading Steps**	**Impact**	**Description of Impact**
1	Measure hiring success rate of A Players pre-Topgrading	+	Lowered mis-hire rates by providing accountability to hiring
2	Create Job Scorecard	+	Increased individual employee performance because expectations are extremely clear because it generates "buy-in" from employees
3	Recruit from Networks	+	Saves money on recruiting fees paid to recruiters
		+	Less reliance on recruiters to find people reduces time-to-fill
4	Use Topgrading Career History Form	+	Increases Hiring Managers productivity by automatically screening out less desirable candidates due to 1. time commitment of form, 2. Threat of Reference Check, 3. mines data predictive of bad fit (salary history and reason for leaving)
5	Conduct Telephone Screening Interviews with candidates	+	Increases Hiring Managers productivity by screening out candidates that should not make it to the lengthy Topgrading interview
6	Conduct Competency (Behavioral) interviews	N	No response given
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Reduces mis-hire rate by removing biases of each interviewer.
8	Master Advanced Interviewing Techniques	N	
9	Analyze All Data: Write Draft Executive Summary	+	Reduces mis-hire rate by removing biases of each interviewer by eliminating the influence one interviewer might have on the other through subtle verbal queues
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hire rate by getting accurate and honest information from candidate because Threat of Reference Check (TORC) eliminates their incentive to lie or embellish during interview. "One of most important steps."
11	Coach New Hire In First Few Weeks	+	Improves individual performance because it reinforces performance expectations using Job Scorecard
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	+	Reduces mis-hire rate through public accountability of every hiring manager's track record; provides tool for talent review discussion to better understand what success really looks like.

Appendix F

Value Creation Attributed to Each Topgrading Step: Soft Drink Distributor

		Soft Drink Distributor	
Step	**Description of Topgrading Steps**	**Impact**	**Description of Impact**
1	Measure hiring success rate of A Players pre-Topgrading	+	Provided insight into the effectiveness of the hiring process
2	Create Job Scorecard	+	Increased individual employee performance due to clear expectations and guidance
3	Recruit from Networks	+	Saves money on fees paid to temporary labor agencies
4	Use Topgrading Career History Form	+	Standardization of form provides great insight into candidates background which removes "ad hoc" nature of interview
5	Conduct Telephone Screening Interviews with candidates	+	Creates efficiency in the screening process by determining who to invite to Topgrading interview
6	Conduct Competency (Behavioral) interviews	N/A	Not implemented
7	Conduct Topgrading Interview (Tandem if management position) using Topgrading Interview Guide	+	Removes bias of interviewer because all interviews require the tandem Topgrading interview
8	Master Advanced Interviewing Techniques	N/A	Not implemented
9	Analyze All Data: Write Draft Executive Summary	+	Reduces time required to conduct post interview write up.
10	Candidate Arranges References Calls with current and former bosses: Finalize Executive Summary	+	Reduces mis-hire rate by screening out seeming good candidates
11	Coach New Hire In First Few Weeks	+	Sets crystal clear expectations and cuts time it takes for employee to become productive
12	Measure Hiring Success Annually & compare against pre-implementation of Topgrading	+	Creates awareness around hiring performance because everyone who is hired is ranked.

+ = Positive Impact
N = No Impact   N/A= Not Applicable
- = Negative Impact

Appendix G

Chandler and Torbert's Research Voices Raw Data Coded for Pre-Topgrading Environment by

Step

Past Tense		Chandler and Torbert's Research Voices (2003) - Pre-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t s	1st Person	Phone Screen: candidate discusses past performance	Review candidate's resume Interview candidate about their past performance and competencies	No evidence
	2nd Person	No evidence	No evidence	No evidence
	3d Person	No evidence	No evidence	No evidence

Present Tense		Chandler and Torbert's Research Voices (2003) - Pre-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t s	1st Person	No evidence	No evidence	No evidence
	2nd Person	No evidence	Work with recruiters to find candidates that fit position	No evidence
	3d Person	No evidence	Run ads in newspapers to solicit candidates	No evidence

Future Tense		Chandler and Torbert's Research Voices (2003) - Pre-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t s	1st Person	No evidence	No evidence	No evidence
	2nd Person	No evidence	No evidence	No evidence
	3d Person	No evidence	No evidence	No evidence

Appendix H

Chandler and Torbert's Research Voices Raw Data Coded for Post-Topgrading Environment by

Step

Past Tense		Chandler and Torbert's Research Voices (2003) - Post-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t s	1st Person	Step 4: Complete Career History Form (CHF) – what candidate liked, didn't like, reason for leaving, etc	Step 10: Reference checks with former supervisors - discuss past performance Step 4: Completing CHF – how candidate's boss rated him/her Step 9: write executive summary of candidate with implications about previous performance Step 11: coach new hires – give clear performance feedback against job scorecard	Not prescribed by Topgrading: Psychometric profiling test taken by candidate (CALIPER, etc)
	2nd Person	Step 7: Topgrading Interview – candidate appraising his/her former bosses strengths and weaker points	Step 3: Create job scorecard - analyze previous top talent and judge what the standards are from past experiences Step 12: Measure Hiring Success Annually & compare against pre-implementation of Topgrading	No evidence
	3d Person	No evidence	Step 1: Measure hiring success of all previous hires Step 7: Conduct tandem Topgrading interview - candidate gives appraisal of candidates' view on industry Step 10: Candidate arranges reference calls – former supervisor ranks candidate against everyone that former supervisor ever managed	No evidence

Present Tense		Chandler and Torbert's Research Voices (2003) - Post-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t	1st Person	Step 4: Complete CHF – candidate states current career needs Step 5: Conduct screening interview with hiring manager	Step 6: Competency Interview – review candidate's performance in present job	No evidence
	2nd Person	Step 7: Topgrading Interview – candidate appraising his/her current boss' strengths and weaker points	Not applicable	No evidence
	3d Person	No evidence	Step 3: Recruit from networks - existing employees reach out to their own networks to mine for candidates	No evidence

Future Tense		Chandler and Torbert's Research Voices (2003) - Post-Topgrading Environment		
		1st Person	2nd Person	3d Person
		Subjectivity	Rigorous Subjectivity	Objectivity
P a r t i c i p a n t s	1st Person	Step 11: coach new hires – new employee writes draft/gives comments on Job Scorecard/Individual Development Plan	Step 3: Create job scorecard – assessing how candidate will perform against the scorecard Step 9: write executive summary of candidate with implications about future performance Step 10: Reference checks with former boss; former boss gives opinion on candidate's future performance against this new job opportunity Step 11: coach new hires – boss finalizes Individual Development Plan	Step 10: Candidate arranges reference calls – reference talk about expected future performance in the role in question
	2nd Person	Step 4: Complete Career History Form (CHF) – Candidate reveals future compensation expectations	Step 8: Tandem Topgrading interviewers give each other feedback on interview that just occurred and state implications for future interviews Step 12: Measure Hiring Success Annually & compare against pre-implementation of Topgrading – determine future development needs for employees and ways to decrease mis-hire rate	No evidence
	3d Person	No evidence	No evidence	No evidence

Appendix I

Example of a Topgrading Job Scorecard with Self-Evaluation by Employee for an

Administrative Assistant

Job   Scorecard

Job Title: Receptionist/Admin Assistant

Employee Name	Jane Doe
Department	Operations
Manager	Alice Adams
Supervisory Status	_x_Nonsupervisory __Supervises others
FLSA Status	_x_Nonexempt /hourly __Exempt/salary
Date	
Scoring Period	Q1 2014 - January
Rating	__A Player _x_A Potential __Non-A
Recommendation	Jane needs to step up her learning and improve attendance to get to A Player status next month

Company Mission

To create the world's best consumer-discount programs that inspire loyal, profitable relationships between merchants, organizations & their members.

Company Vision

To become the nation's leading merchant content provider, as measured by:
- Member value
- Ease of use
- Program usage

Position Mission

The Receptionist ensures that all employees, visitors and callers to <firm name>'s office view <firm name> in a positive way. This is accomplished by being friendly and helpful, performing high-quality work, and projecting a professional image at all times.

Scorecard Instructions:

(1) Enter the gray Employee section, Team WIG and Position Mission Statement above.
(2) List, in order of importance, the position's accountabilities and duties *that performance will be measured against* in the Accountabilities & Responsibilities section below. (Typically 3-6 Accountabilities)
(3) Ensure that all Competencies *essential for the position to be an A Player* are listed; remove competencies that the position is not scored against (i.e., an entry-level individual contributor will not be scored against most Management competencies.)
(4) Within each Competencies subsection, arrange each Competency in order of importance.
(5) Manager and Employee review the completed Scorecard together so that all expectations are known.
(6) Quarterly or monthly (or more often), Manager should score the Employee, and Employee should score him/herself, by marking "+" or "-" for each Accountability (every time) and Competency (at least annually).
(7) Meet to discuss and agree upon all scores and make necessary adjustments to the Scorecard.

Accountabilities & Responsibilities

*List Accountabilities **in order of importance**, most important first*

Accountability	Expected Minimum Performance	E	M	Comments / Action
Greet Visitors	Welcomes all visitors (employees, vendors, guests, etc.) to <firm name> warmly and professionally, incurring no complaints; notifies employees within 3 minutes of a guests arrival; is ready to greet all pre-scheduled guests with visitor badges and signage prepared ahead of time; maintains a tidy and professional-appearing lobby area at all times; ensures that the receptionist workstation is attended at all times during business hours.	**+**	**+**	*I believe I have genuinely been inviting and diligent in my organizational skills regarding greeting guests and admitting them into the facility properly.* Nice job with this.
Security	Maintains security logs, visitor logs, visitor badges and employee loaner key card records with 99%+ accuracy; informs Security Manager or IT Operations within 2 hours of a key card being unreturned or reported as lost; notifies appropriate personnel immediately of possible security breaches.	**-**	**-**	*I have done my best to track the whereabouts of all badges. I do think that communication could be improved a bit to ensure that they are returned within the set amount of time.* Agreed. Let's work out a system to make sure our security and documentation are consistently met.
Admin Assistance	Provides administrative assistance to all departments as needed, ensuring that all data is entered with 98%+ accuracy and that projects are completed within the agreed upon time 99% of the time; processes all assigned movie ticket orders 99% error free and on time; management gets fewer than 1 complaint in 100 projects about service or quality of work; proactively offers assistance to others so that each workday is filled productively with less than 5% idle time.	**-**	**-**	*I believe I could be given a heavier work load and more consecutive/frequent tasks to do throughout the day; I now have a better understanding after meeting with Lynne about how the movie ticket orders work.* You are bright and a quick learner; I'd like to see you ask for specific training or assistance whenever a new project, application or method is given to you. I would also like for you to ask for direct feedback from the people you do the work for, until you are fully trained.
Conference Rooms	Posts conference room schedules by 8:30 daily; if conference rooms are double-booked, helps meeting owners find alternate meeting spaces or times; notifies appropriate personnel when conference rooms are untidy or in need of supplies.	**+**	**+**	*To the best of my knowledge, I've been consistent in posting schedules, administering conference room keys and making sure that the proper rooms are booked at the right times for the right people. I do think I need to expand my knowledge about the supplies that are available, though.* Good job with this. I will arrange training about conference room supplies.

Competencies

List all competencies essential to the position. "<firm name>Core" competencies are essential to <u>every</u> position. Remove nonessential Competencies from Scorecard

Competency	Description	E	M	Comment/Action
TECHNICAL (in order of importance, most important first)				
<firm name> **Office**	Knows corporate history, products, office procedures, departments and internal procedures sufficient to answer questions, banter with guests, direct callers and visitors to the appropriate party, and provide adequate assistance to all personnel.	**-**	**-**	*I need to improve my knowledge somewhat of the company's employees and their positions.* You're doing well learning

				this; I will arrange some training for you. Be sure to ask questions.
Professionalism	Uses appropriate verbal and visual communications; dresses appropriately as the "face of the Company" every day; recognizes and is able to greet all employees and known visitors by name. Knows the names, workstation locations, and job titles of all employees; recognizes and can screen spam telephone calls; does not divulge confidential information to unauthorized parties	**+**	**+**	*I need to improve my knowledge somewhat of the company's clients/customers. I use appropriate verbal and communicational skills.*
Computers	Can create and edit most documents and spreadsheets. Can navigate the internet. Can send/receive emails, add meetings in Outlook; can instruct others how to schedule conference rooms. Can create JIRA tickets. Can navigate the Wiki. Is able to learn new applications quickly.	**-**	**-**	*With the provided knowledge, and some previous, I can satisfactorily complete these tasks.* What applications or projects are you unable to complete? What training can be arranged for you?
Conference Rooms	Knows the name, location, seating capacity, and equipment available to all onsite conference rooms; knows of alternate meeting spaces; knows how to schedule a conference room, edit a conference room reservation, and can teach others how to schedule and edit conference room reservations in Outlook.	**+**	**+**	*I can navigate outlook to schedule the conference rooms satisfactorily. I know the locations of the rooms.*
Movie Tickets	Knows how to process movie ticket orders with 99% accuracy	**-**	**-**	*After meeting with Lynne she gave me the proper knowledge of how to process movie ticket orders correctly.* Since getting proper training, Lynne says your work has been "spot on"

PERSONAL (in order of importance, most important first)				
Integrity **(<firm name> Core)**	Doesn't lie, cheat or steal. Does not cut corners, ethically. Remains consistent in terms of what one says and does and in terms of behavior toward others. Earns trust of coworkers and clients. Maintains confidences. Puts organization's interests above self. Does not sacrifice doing what's right for financial or political gain. Works all scheduled hours and properly records work time and time off in Paylocity.	**+**	**+**	*I have been honest in my endeavors, trustworthy, and organized.*
Self Awareness & Coachability **(<firm name> Core)**	Recognizes not just one's own strengths but also weaker points and areas for improvement. Demonstrates the courage not to be defensive, rationalize mistakes, nor blame others for one's own failures. Learns from mistakes. Embraces coaching, feedback and training.	**+**	**+**	*I acknowledge the areas I need improvement in as well as those that I have strengths in; I always welcome constructive criticism.*
Organization & Planning	Plans, organizes and schedules in an efficient, productive manner. Focuses on highest priorities. Effectively juggles multiple projects when needed. Anticipates reasonable contingencies. Pays appropriate attention to detail. Manages personal time well. Accomplishes assigned work within the scheduled workday without working overtime.	**-**	**-**	*I have maintained my organizational skills to the best of my ability, as well as completed tasks upon being informed about them.* You have had a lot of unscheduled absences; therefore, all tasks have not been completed on time
Excellence	Sets high, "stretch" standards of performance for self and coworkers. Demonstrates low tolerance for mediocrity. Requires high quality results.	**-**	**-**	*I am always looking to improve.* This is a training issue as was demonstrated with a lot of movie ticket errors at first. There has been great improvement. Continue to ask questions and request

				training as needed.
Adaptability	Adapts to new challenges (from new priorities, competition, loss of talent, etc.). Converts high self-objectivity into self-correction and personal improvement. Not rigid – intellectually, emotionally, interpersonally. Adjusts quickly to changing priorities.	**+**	**+**	*I am also always open to ideas and new ways of doing things. I would always like to be preoccupied and challenged.*

INTELLECTUAL (in order of importance, most important first)				
Education & Learning (<firm name> Core)	High school diploma or equivalent. Exhibits continuous learning through reading, workshops, classes, and seeking assistance from others. Can cite examples of recent learning applied to daily work.	**+**	**+**	*I have completed the following, and continue to learn each day and if it's relevant, apply it to my work.*
Intelligence	Demonstrates ability to acquire understanding and absorb new information rapidly. A "quick study."	**+**	**+**	*Catch on satisfactorily to new procedures, and retain information as well as ask questions to ensure tasks are completed properly.* Ask more questions until both you and the assigner are both confident in your understanding of the project
Pragmatism	Generates sensible, realistic, practical solutions to problems.	**+**	**+**	*I shoot for efficiency in challenging times, and try to maintain high quality problem solving skills.*
Experience	Has sufficient working knowledge of office practices to be able to prioritize work and represent <firm name> in a professional way	**+**	**+**	*I apply my recognizable knowledge of office practices to the best of my ability, especially based off of the training I've been provided thus far.* Though you have general office and work experience, you are continually learning about how **<firm name>** operates.

INTERPERSONAL (in order of importance, most important first)				
Customer Focus (<firm name> Core)	Exhibits, through actions and conversations, a clear understanding for who their external *and* internal customers are. Regularly monitors customer satisfaction. Meets customer needs in ways that provide satisfaction and excellent results for the customer. Establishes "partner" relationships with customers. Regarded by their customers as visible, accessible and service-oriented.	**+**	**+**	*My first priority is the customers and employees here. I would like to expand my knowledge of the client list, though.*
Team Player (<firm name> Core)	Overcomes "we-they" relationships. Has a reputation for leading peers toward support of what is best for total company. Cooperates with supervisors and establishes collaborative, positive and productive relationships with peers.	**+**	**+**	*I have demonstrated the ability to take on given tasks and if asked of me I can thrive in leading them as well.*
First Impression	Professional in demeanor. Creates favorable first impressions through appropriate body language, eye contact, posture, voice qualities, attire, attitude, etc.	**+**	**+**	*I strive to be inviting in greeting guests and making sure their needs are met.*
Likeability	Puts people at ease. Warm, sensitive and compassionate. Builds and maintains trusting relationships with all constituencies (associates, customers, vendors, managers). Does not "turn people off." Not arrogant. Exhibits friendliness, sense of humor, genuineness, caring. Even when frustrated, treats people with respect.	**+**	**+**	*I have a genuine and sincere persona, and make conversation easily to ensure that guests feel comfortable. I am a respectful, mature individual.*

Communications – Oral	Communicates effectively one to one, in small groups and with guests and visitors. Demonstrates fluency, clarity, good organization of thought processes, and command of the language.	+	+	*I aim to communicate in all senses in a way that is beneficial to everyone I come in contact with.*

MOTIVATIONAL (in order of importance, most important first)				
Track Record **(<firm name> Core)**	Has successful career history, especially in most recent performance. Doesn't have repeated failures with "good excuses". Delivers "A Player" results month after month.	-	-	*I strive for consistence and quality in my history.* You've demonstrated great improvement in work quality and work hours; improve your attendance and I anticipate this being a "+" next month.
Passion	Passionate, excited and enthusiastic about their job, their division, their customers and the company.	+	+	*I am, even through challenges kind, respectful, and ebullient pretty much daily.*
Energy	Exhibits a contagious energy in job duties. Appropriately high dedication level.	+	+	*I am diligent in my work, and happy to do it.*

This Scorecard was reviewed and the scores agreed upon on: _____

                                                                       Date

_____

         _____

Employee

Appendix J

Example of a Topgrading Job Scorecard for Technology Professional

Role Description

Mission

Name: Click to type
Job Title: Senior Business Manager
Department: Client Services
Hiring Manager: <name>
Date: 9/4/2013

Mission of the role:
Delivers inspiring strategic consulting experiences that deepen and grow Agency of Record (AOR) engagements by bringing the right resources to clients on a consistent basis; for high-potential 1-2 services clients, discovers additional needs that <firm name> can help solve and ultimately grows them into AOR relationships.

Key selling points of the role: Why would the candidate or employee want this role?

Selling Point 1	Professional and personal development opportunities within interactive marketing
Selling Point 2	Investment in career development including training opportunities
Selling Point 3	Opportunity to work w/top tier clients
Selling Point 4	Regular performance feedback and mentoring
Selling Point 5	Click here to enter text

Knowledge and Experience:

Minimum Education (or substitute experience) required:	B.A. or B.S.
Minimum Experience required:	7-10 years in a related role (Digital Agency experience a must; experience in other verticals or business models (e.g. traditional media, retail, software development) a plus.)
Skills Required:	Intermediate experience with MS Excel, Word, and Outlook or other business productivity software; knowledge of tools and platforms in digital marketing and site development. Experience with interactive marketing) online advertising, SEO, PPC, social media and/or mobile a must. Excellent verbal and written communication skills, including the ability to clearly and effectively communicate and present analysis findings to internal and external stakeholders at decision-maker levels. Strong organizational skills and the ability to effectively prioritize your own and others' work in a rapid turnaround, deadline-driven atmosphere. Understand and analyze input, synthesize large volumes of information and complex questions into strategic decisions that meet client goals. Understanding of accounting principles for client management.

Accountabilities

Make sure each accountability is clear and can be used to assign measurable goals in your Goal Plan.

Accountabilities listed in order of importance:

Accountability 1	Fulfills Matrix Manager responsibilities as detailed in <firm name>General Work Responsibilities document.
Accountability 2	Comprehends each client's business goals, objectives, industry and competitors, and leads strategy, execution of conceptual deliverables such as assignment briefs, POVs, and recommendations for meeting client goals on a day-to-day basis.
Accountability 3	Guides client budget allocations and priorities autonomously; ensures account profitability; knows when to escalate issues.
Accountability 4	Act as strategic point of contact with clients. Knows each client's KPI and communicates effectively to meet or exceed goal on a day-to-day basis. Leads overall client relationships for 2-4 key accounts, and builds and strengthens relationships with day-to-day client contacts as well as decision makers & influencers within clients' organizations.
Accountability 5	Maintains scores of 8+ for client experience from clients in third party client satisfaction surveys
Accountability 6	Supports <firm name> Company sales goals and takes ownership of sales and growth goals for accounts you lead.
Accountability 7	Owns SOW process, including proposal writing, estimates and pricing, as well as win-win negotiation with the client.
Accountability 8	Work with VP to develop, manage and maintain team processes and templates for clients and prospects.
Accountability 9	Balances bulls-eye new client acquisition to deliver on revenue targets, reach new industries, or service offerings; seeks additional target companies or expansion of client ecosystems, and new or revised decision makers for bull's eye client list.
Accountability 10	Contributes to effective marketing and PR strategy in California market.

This role also requires significant presence in the office during regular office hours, fulfillment of Individual Contributor responsibilities as detailed in <firm name>General Work Responsibilities document, and upholding** <firm name>**Interactive Core Values: Inspire, Share, Evolve, Exceed, and 100% Jerk Free. Other related duties may be assigned.**

Standard of Care/Financial Responsibility/Authority
Please customize according to the job position.

Equipment: Reasonable care and operation of standard office equipment and any additional company equipment distributed to employees.

Financial: Has authority to bind company through signature or proposal submission for contracts and/or services in amounts not to exceed **$75,000**

External Business Contacts: Responsible for maintaining good customer, partner, and vendor relations.

Employee Relations: Responsible for maintaining good employee relations. No authority to make binding promises.

Supervisory Authority: Fulfill Supervisory Duties (as outlined in Manager Responsibilities Manual)? No If yes, with regard to the following positions: However, serves as Matrix Manager for Business Coordinators, Assoc Business Managers and Business Managers working on assigned accounts.

I have reviewed and understand the contents of this job scorecard. I have been provided a copy of this document.

Employee Signature   Date

I have reviewed this job scorecard with and provided a copy to the Employee.

Supervisor Signature

Appendix K

Sample Topgrading Job Scorecard for Store Director

Job Scorecard for Store Director

Accountability	Metric	Standard	Points	Comments
DRIVING FINANCIAL PERFORMANCE Running a profitable and operationally efficient business			25 Points	
	EBITDA	Equal to or greater than X% actual sales		
	Sales	Sales to budget		
	Controllable Shrink	Less than or equal to X% of actual sales		
	Labor Efficiency	Less than or equal to X% of actual sales		
	Supplies	Less than or equal to X% of actual sales		
DELIVERING THE CUSTOMER EXPERIENCE Creating a compelling and memorable experience			25 Points	
	Customer Interviews & Surveys	90 points or greater		
	Mystery Shops	90 points or greater		
	Merchandising			

Appendix L

Sample Topgrading Job Scorecard for Home Health Care Giver

Accounta bility	Metric	Standard	Rating (A, B, C)	Comments
Administrative/Reliability/Punctuality				
	Starts shift +/- 8 min. from schedule	100%		
	Uses call-in time clock	100%		
	Follows handbook policies	100%		
Communication				
	Communicates any emergency or changes in client immediately	100%		
	Returns messages within 60 min.	100%		
	Min. 4 hours' notice for call-offs	100%		
	Communicates schedule changes in advance	100%		
Customer Service				
	Service Continuation	Cancellation of service other than for death, relocation, health change, financial, or end of assignment		
	Customer Complaints	Receives no customer complaints		
Upholds Home Instead/North Shore Senior Care's values				
	Competency ratings	Average rating of 4, with no competencies rated "1"		
Availability				
	Able to work, sometimes on short notice	75% "yes" when request was during stated availability		
Training				
	Training completed on time	Initial training within 90 days. Ongoing training within 1 month		

Competency Rating System

Rating Scale: 5-Excellent; 4-Very Good; 3-Good; 2-Only Fair; 1-Poor

Green: Easy to Improve; Red: Very Difficult to Improve; Yellow: In-Between

Competencies	Definition	Rating	Comments
Compassion	• Sympathetic to client needs • Focuses on the client • Truly cares about the client		
Rapport and Relationship Building	• Sets the client at ease • Engages the client in conversation • Acts like a guest in the client's home • Can "win clients over"		
Likeability	• Warm and friendly • Able to relate to their clients • Makes the client feel as though the client is in charge		
Professionalism	• Physically presentable • Does not involve client in personal affairs • Does not share personal information that may burden or stress the client • Does not share personal contact information with the client • Does not have contact with the client outside of work hours		
Adaptability/Flexibility	• Adjusts behavior to client behavior mood • Able to change shifts at last minute • Allows client to live life the way the client wants to • Responds quickly and effectively in emergency situations		
Communication	• Proactive communicator • Able to understand clients • Consistent message to client, office, and family • Asks questions when they don't		

	understand or are unsure • Consistent communication with the office		
Integrity	• Trustworthy • Refuses inappropriate gifts • Does not try to "get away" with things • Keeps promises to office personnel and clients		
Initiative	• Perform necessary tasks without needing to be asked • Finds things to do that helps the client • Recognizes that they need to "earn their keep" • Actively does things that help the client's situation		
Patience/Stress Management	• Interacts positively with coworkers (in the office) • Calm under pressure; does not show a temper with the client • Able to separate work and personal life • Ask for help when necessary in stressful situations		
Track Record (hiring)	• Evidence that they can stay with a client • No significant career gaps • Good references/relationships with previous supervisors • Minimal call-offs		

Appendix M

Sample Topgrading Career History Form

APPLICATION FOR EMPLOYMENT (Career History):

Applicant: Please open this form in Adobe Reader. Download Acrobat Reader @ get.adobe.com/reader/.

Upon completion save and email to [1]

This information will not be the only basis for hiring decisions. You are not required to furnish any information that is prohibited by federal, state or local law.

Last name:		First name:		MI:	Date:
Address:		City:		State:	Zip:
Phone:		Email:			
Position applied for:		Earnings expected: $			

- ◯ website
- ◯ Job Fair
- ◯ employee: Name:
- ◯ Electronic job board (Please specify):
- ◯ Other:

I. BUSINESS EXPERIENCE:

Please start with your present or most recent position. Reminder: do not combine jobs – fill out a complete section of this form for every job where your job title changed.

A. Firm:		City/State:		
Kind of business:		Job title:		
Summary of your day-to-day job duties:				

Starting date (mo/year):	Final (mo/year):	Did you supervise others? ◯Yes ◯No
Total staff in the company:	Staff at this location:	Staff on your team:

Compensation (total, at hire): $	Base: $	Bonus: $	Commission: $	Other: $
Compensation (total, current): $	Base: $	Bonus: $	Commission: $	Other: $

Name and title of immediate supervisor:

What is your best guess as to how this supervisor would rate your overall performance?

◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide

Please explain this rating:

What do (did) you like most about your job?

What do (did) you least enjoy?

If you are leaving or have left this company, please indicate your motivation to leave:

◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances

Please explain:

I. BUSINESS EXPERIENCE (continued):

B. Firm:	City/State:

Kind of business:	Job title:

Summary of your day-to-day job duties:

Starting date (mo/year):	Final (mo/year):	Did you supervise others? ○ Yes ○ No

Total staff in the company:	Staff at this location:	Staff on your team:

Compensation (total, at hire): $	Base: $	Bonus: $	Commission: $	Other: $
Compensation (total, current): $	Base: $	Bonus: $	Commission: $	Other: $

Name and title of immediate supervisor:

What is your best guess as to how this supervisor would rate your overall performance?

○ Excellent   ○ Very good   ○ Good   ○ Fair   ○ Poor   ○ Impossible to provide

Please explain this rating:

What do (did) you like most about your job?

What do (did) you least enjoy?

If you are leaving or have left this company, please indicate your motivation to leave:

○ 100% mine   ○ Mutual   ○ Lay-off   ○ 100% Company's (I was fired)   ○ Other circumstances

Please explain:

C. Firm:	City/State:

Kind of business:	Job title:

Summary of your day-to-day job duties:

Starting date (mo/year):	Final (mo/year):	Did you supervise others? ○ Yes ○ No

Total staff in the company:	Staff at this location:	Staff on your team:

Compensation (total, at hire): $	Base: $	Bonus: $	Commission: $	Other: $
Compensation (total, current): $	Base: $	Bonus: $	Commission: $	Other: $

Name and title of immediate supervisor:

What is your best guess as to how this supervisor would rate your overall performance?

○ Excellent   ○ Very good   ○ Good   ○ Fair   ○ Poor   ○ Impossible to provide

Please explain this rating:

What do (did) you like most about your job?

What do (did) you least enjoy?

If you are leaving or have left this company, please indicate your motivation to leave:

○ 100% mine   ○ Mutual   ○ Lay-off   ○ 100% Company's (I was fired)   ○ Other circumstances

Please explain:

I. BUSINESS EXPERIENCE (continued):

D. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			
Type of Work:		Can we contact this employer?: ◯ Yes ◯ No	

E. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			
Type of Work:		Can we contact this employer?: ◯ Yes ◯ No	

F. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			
Type of Work:		Can we contact this employer?: ◯ Yes ◯ No	

G. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			
Type of Work:		Can we contact this employer?: ◯ Yes ◯ No	

H. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			
Type of Work:		Can we contact this employer?: ◯ Yes ◯ No	

I. Firm:		Your Title:	
City, State:		Supervisor:	
Start Date:	End Date:	Initial Compensation:	End Compensation:
Performance Rating: ◯ Excellent ◯ Very good ◯ Good ◯ Fair ◯ Poor ◯ Impossible to provide			
Motivation for Leaving: ◯ 100% mine ◯ Mutual ◯ Lay-off ◯ 100% Company's (I was fired) ◯ Other circumstances			

II. MILITARY EXPERIENCE:

If in service, indicate branch:		Date (mo/yr) entered:	Date (mo/yr) discharged:
Nature of duties:			
Highest rank or grade:		Terminal rank or grade:	
Awards, ribbons, recognition:			

III. EDUCATION:

High School: ① ② ③ ④   College/Graduate School: ① ② ③ ④ ⑤ ⑥ ⑦ ⑧

Name of High School:	Location:

Final grade point average: _____ - _____ (A - _____)   Rank from top: _____

Extracurricular activities:

Offices, honors, and awards:

Part-time and summer work:

College/Graduate School:

Name and location:	Date start	Date to	Degree	Major	G.P.A.	Credit hrs.	Extracurricular activities, honors & awards

What undergraduate courses did you like most? Why?

What undergraduate courses did you like least? Why?

How was your education financed?

Part-time and summer work:

Other courses, seminars, or studies:

IV. ACTIVITIES:

Membership in professional or job-relevant organizations:
(You may exclude groups that indicate race, color, religion, national origin, disability, or other protected status.)

Publications, patents, inventions, professional licenses, or additional special honors or awards:

What qualifications, abilities, and strong points will help you succeed in this job?

What are your weak points and areas for improvement?

V. CAREER NEEDS:

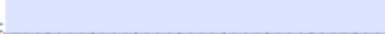|	
Willing to work in our Salt Lake City office?　○ Yes　○ No	
If no, explain:	
Amount of overnight travel acceptable:	
What are your career objectives?:	

VI. OTHER:

Do you have the legal right to work for any employer in the United States?	○ Yes	○ No
Would you be willing to arrange reference calls with supervisors you've had in the past decade, as a last step before a final job offer?	○ Yes	○ No
Have you ever been convicted of a Felony? (A felony conviction does not necessarily prevent employment with Access Development.)	○ Yes	○ No
If yes, please describe:		

I certify that answers given in this Internal Job Application are true, accurate and complete to the best of my knowledge. I authorize investigation into all statements I have made on this Form as may be necessary for reaching an employment decision. I understand that I may be asked to arrange reference calls with managers I've worked for.

I understand that any false or misleading information I knowingly provided in this Internal Job Application may result in discharge and/or legal action. I understand that I am required to abide by all rules, regulations and policies of _____, and that nothing in this Internal Job Application alters at-will employment.

Signature: _____　　　Date: _____

Please return this form to　　　　　　**HR:**
Human Resources FAX

Appendix N

Sample Reference Check Call Script and Form

Reference Check Conducted by:
Date:
Name of Applicant:
Home Phone:
Office Phone:
Individual Contacted (i.e. former boss of candidate):
Company Name:

General Principles
- These in depth reference checks should be done by the Hiring Manager or one of the Tandem Topgrading interviewers.
- Reference checks should be performed after the Topgrading Interview.
- Contact every supervisor in at least the last ten years
- Ask the candidate to arrange all reference calls.
- Promise those contacted total confidentiality
- Create a tone in which you are a trusted colleague, a fellow professional who knows (candidate's name) very well, and that I might hire (candidate's name), and I would be much more apt to manager (candidate's name) much better if you would be kind enough to share some insights.
- Keep record of these calls for at least 12 months.

Script to use when you call:

"Hello (name of former boss). Thanks so much taking my call. (candidate's name listed you as a reference) and setup this reference calls with us. As (candidate's name indicated) we are considering hiring him/her and I would very much appreciate your comments on strengths, areas for improvement, career potentials, and how I might best manager him/her. Anything you tell me will be held in the strictest confidence so you can feel safe that nothing will ever be repeated.

Are you ready to chat for a few minutes? (assuming concurrence)

Great..thanks so much…

(candidate's name) and I have spent _____ hours together. I have thoroughly reviewed his/her career history, and I was particularly interested in his/her sales record when he/she reported to you. If you don't mind, why don't we start with a very general questions:

What would you consider (candidate's name)

Strengths, Assets, Things You Like and Respect About (candidate's name)	Shortcomings, Weak Points, and Areas for Improvement?

Accountabilities
Would you please clarify what (candidate's name)'s responsibilities and accountabilities were in that position? What was his/her actual performance in relation to those accountabilities?

Overall Performance Rating
On a scale of excellent, good, fair, or poor, how would you rate (candidate's name) overall's performance?

Why?

Reason for leaving?

Would you rehire (candidate's name)?

Confirmation of Dates/Compensation
Just to clean up a couple of details….

What were (candidate's name) starting _____   and final _____ employment dates?

(Candidate's name) has given me permission to ask about their compensation. Might you tell me what were (candidate's name) starting and compensation rates?

	Starting	Ending
Base Salary		
Bonus/other		
Other compensation		
Total		

How did (candidate's name) rank amongst other folks in the same position?
      Top 1%
      Top 10%
      Middle of the pack
      Bottom of the Pack

Description of Position Applied For
Let me tell you more about the job (candidate's name) is applying for. (Describe the job)

Good/Bad Fit
Now, how do you think (candidate's name) might fit in that job? (Probe for specifics)

Good Fit Indicators	Bad Fit Indicators

Comprehensive Ratings
Now that I've described the job that (candidate's name) is applying for and you've told me quite a bit about (candidate's name)'s strengths and weaker points, would you please rate (candidate's name) on eleven skills, six aspects of sales knowledge, and eight general competencies? It sounds like a lot but we'll go very quickly. We'll use a 1-6 scale (1= very bad; 6=excellent).

(go through all cells that have grey cell and write down what former boss says)

Advice For Me as Hiring Manager
What would be your best advice to me as to how I could best manager (candidate's name)?

Final Comments
Have you any final comments or suggestions about (candidate's name)?

Thanks!
I would like to thank you very much for your insightful and useful comments.

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Publications

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