

The Stronger Your Team, the More Successful Your Company

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“Right People in Right Jobs” makes managing people almost effortless. Think about it. As managers, your best workers require little of your time, while your struggling or poor performers take most of your time. It’s as if you are herding cats, which is senseless. That’s why hiring the right person is crucial for a company to be successful.

Hiring the best or hiring the right person is an extremely difficult responsibility. Even some of the best—Jack Welch and Bill Gates, to name a couple—have wrestled with this problem. One of the major reasons cited is that “talent goes downhill.” Another way of saying this is if the scale is 1 to 10, with 10 being the top performers, 8’s will hire 5’s, 6’s, or 7’s but never 9’s or 10’s. Inferior people work for superior people, which is simply how it always works out. Companies must hire as many 10’s as possible—people who are the best at what they do in their individual respective positions. A second powerful reason is that the benchmark or framework we use to measure and assess others is ourselves, which opens the whole process to vast amounts of subjectivity.

Businesses usually don’t expense out on a balance sheet how much hiring the wrong person costs, but the stakes as you well know are very high. The industry rule of thumb is about *three times* the person’s annual salary. This figure does not include opportunity cost, business lost, customers lost, and momentum.

Jack Welch stated it adeptly in his book *Winning*, “Hire the right people, train them in the skills necessary for the job, and then get out of the way.”

What Jack understood is that each job at GE had its own set of traits that were required to do the job well and to be the best. The same holds true for every position in every organization. It applies to salespeople, engineers, CEOs, nurses, customer service representatives, receptionists—virtually any job position in any company.

Most companies experience extreme difficulty in hiring the right people because of three common mistakes:

1. They hire people for what they know and fire them for who they are.

2. They hire too quickly and fire too slowly.
3. They base their hiring decision on previous experience.

Culture Index focuses on two primary goals: to significantly increase your ability to hire the right people (placing “round pegs into round holes”) and to help you more successfully motivate and maximize your current employees (understanding what makes them tick, and why they are the way they are). With over 94 percent accuracy, our tools assure you that your company will understand *who* you are hiring (unchangeable traits) and not just *what* (experience, education, resumes).

Have you ever managed an environment where attitudes were indifferent, perhaps even hostile, and productivity was secondary to the people problems you had to face on a daily basis? As you know, very little time is spent managing star performers. Instead, your time is spent dealing with nonproductive, unhappy employees. This costs your company money, productivity, efficiency, and growth. Can you really afford to absorb this kind of loss? Conversely, have you ever managed a harmonious situation in which personalities meshed and productivity came almost effortlessly? In either case, who or what made the environment the way it was? Why did that occur? Culture Index utilizes an instrument that easily and quickly gives you those answers. We can tell you why your department or company is struggling, identify your pain, and recommend ways to achieve positive change. If you are lucky enough to be running a smooth and successful business, we’ll show you how to keep it that way. Our program helps businesses at both ends of the success spectrum and everywhere in between. There are a number of similar tools on the market today, with several being comparable in style and reasonably accurate. However, at Culture Index we believe—and our clients will verify—that not only do we have the most accurate and cutting-edge program in the industry, but we also provide unmatched expertise as dedicated consultants to your company. This is what sets us apart from our competition and will enable you to separate yourselves from your competition as well.

Culture Index measures seven work-related traits that will give you unparalleled insight into understanding your employees and how to motivate them to perform at their highest level possible. We detect and define who they are as a person, what drives them, how they work, how they make decisions, and how they interact with others. These traits are inherent to all human beings as well as common to all positions in all companies. Therefore, this allows the hiring managers or human capital decision makers to directly compare and contrast a proper fit for the work or position set forth within the organization.

These seven traits define four major criteria:

1. **Motivation:** What drives a person? Some jobs require the person to be very self-confident and competitively driven, whereas other jobs require a person to be a team player.
2. **Thinking:** How a person gathers information and goes through the decision-making process. Some jobs require a person to be thorough and methodical, whereas other jobs require the person to be very time sensitive and deadline oriented.
3. **Behave:** How a person does her or his job. Some jobs require a person to work alone, whereas other jobs need people to work in a team environment.
4. **Interaction:** How a person interacts with others. Some jobs require a person to be proactive and decisive, whereas other jobs need someone who is deferential and accommodating.

These traits have nothing to do with intelligence, knowledge, experience, or education, but they will define how you will apply all of them.

The Seven Constructs of Culture Index

1. **Autonomy** measures a person's ability to make independent decisions as well as her or his ability to be proactive.
2. **Social Ability** detects the way a person interacts with others and how comfortable she or he is in social settings.
3. **Pace** measures the speed at which a person takes life: relaxed, patient, and laid back, or with high energy and urgency.
4. **Conformity** measures the degree to which a person complies with social standards, rules, and regulations as well as attention to detail and order.
5. **Energy Units** determine the energy level or stamina a person possesses.
6. **Logic** indicates the level of rational thought and argument versus ideas that are influenced by emotion or whim.
7. **Ingenuity** determines the level of originality, cleverness, and imagination the person possesses; does she or he "think outside the box"?

How It Applies to the Hiring Process

Most people interview applicants based on education, experience, and their gut feelings as a result of how the applicant communicated during the interview. All three are important but fall way short of what is really important. What you are missing in this process is, rather, how the applicant can apply what she or he knows, and how she or he fits into your company culture as well as the requirements of the job.

Consider the following: Do you really know all the requirements of the job you are interviewing for? What process or steps have you taken to identify these requirements? Did you identify the ability to work with and fit in with the current team? What criteria do you use to determine if an applicant fits the requirements that you have identified? Unless you have identified a process that determines these requirements, how do you know how to determine them? What process do you use to determine if the applicant meets the requirements and if she or he is a good fit?

Most processes fail to consider the above questions, and as a result the hiring process falls short of the desired or intended results. At best we end up with a 50/50 chance of success. We win a few and lose a few. We have all hired people for a position who appeared to possess everything required for a specific job only to discover six months or a year into it that we finally have to face the facts and make a change. The reason is because we “hire too fast and fire too slow” as well fail to consider factors that influence the answers to the above questions. What we fail to include in the hiring process are three important factors:

1. What additional qualities and traits influence the success of the specific job within the culture of our company?
2. How do we identify these requirements in the applicant?
3. Does the person conducting the interview understand the other qualities and traits associated with the job, and how does she or he determine if the applicant meets these requirements?

Let's consider the following:

The Job: It is easy to identify if someone has the experience and education required for a specific position. We determine this by reviewing resumes, administering tests, and checking references. If the applicant satisfies all the above considerations, do you ever wonder why she or he is looking for a job? Often we accept that the applicant couldn't get along with a supervisor (didn't fit the culture of the company) or just needs a change (the company culture does not match that of the applicant). The truth of the matter is, people don't quit companies; they quit people. Worse yet, they don't quit at all, and we have to initiate the change that more often than not results in hard feelings and disappointment for the employees. More importantly, it costs the company money, time, and business. If you can figure this out, you can also identify why some people succeed while others fail, even after they passed your tests and other hiring processes. After all, we wouldn't hire people if we didn't think they would succeed. Then why didn't they? Could it be that we only identified 50 percent of the important factors of the job?

The Applicant: Does the applicant fit the culture of your company and fit in with the other employees with whom she or he will need to work to succeed in the position and contribute to the success of the team? Assume the applicant already possesses the education and experience required to do the job; otherwise we wouldn't consider her or him in the first place. What questions do you ask to determine this? People have a tendency to put their best foot forward when interviewing for a job. They wouldn't waste their time if they weren't interested. How do they know what they are getting themselves into until they accept the job? The answer is, they don't. They willingly accept the positions with hopes that they will find a match with a company; they already passed the tests and interviewing process. So why do some end up leaving the company 6 to 12 months later either because of your decision or theirs? How much does that cost in terms of dollars for the company and frustration and stress for you? It's much more productive managing "star performers" than nonproductive, unhappy employees.

The Interviewer: Does the interviewer understand beyond the obvious basic job requirements to the point of what it takes to assemble a team of talented individuals and then ensure their success by building a culture or matching the culture of the company? Does the interviewer understand how to do this, and is she or he equipped with the proper tools to succeed? Unfortunately, the answer is most often no. Not because the interviewer isn't capable but because the interviewer hasn't been given the proper tools to build a team. The interviewer is only looking for the obvious—the same thing the competition is looking for. Therefore, the interviewer is caught up in the same recycling of talent that everyone else is. What most companies fail to realize is that talent, though

important, is only a small part of the equation. What separates successful people from mediocre people is individuals and how they work together. Concentrating on the less obvious along with the obvious is what makes our jobs less stressful and more enjoyable. That not only works for us but also works for the team. People don't quit companies, they quit people. If we arm our people with the proper tools to succeed themselves and all succeed as individuals, it doesn't get any better than that. Measure your success on how you contribute to the success of your people; your success depends on them.

Technical Summary

This information is provided to supply potential clients with a basic understanding of the technical/statistical construction of the Culture Index Survey. It is also written to serve as a primer for those who need to have a basic understanding of the requirements for determining acceptable standards when evaluating any psychometric instrument.

Italicized words reflect language used in the Equal Employment Opportunity Commission (EEOC) Guidelines as well as common statistical terms pertaining to psychological measurement. We have attempted to clearly define them in this report.

Inventories and Tests

While the EEOC does not make a legal distinction between tests and personality inventories, there is a practical distinction between the two. Tests usually produce pass or fail scores of a cognitive nature, meaning measure of learned skills such as mathematics and vocabulary. These types of scores can be easily compared. For example, if two people take a vocabulary test and one scores 75 percent and the other 85 percent, then the latter person clearly received the higher score.

Personality and behavior inventories, on the other hand, rarely produce pass or fail scores but report noncognitive traits, aptitudes, interest, and other qualities, which are not "book learned." As a result, personality inventories are more difficult to use, particularly when comparing individuals against each other or against job demands, and require specialized training and monitoring. For the sake of simplicity, however, the term *score* will be used in this report in reference to test or inventory results.

Today there are common misperceptions and confusion regarding “testing”—some of it due to contradictions in federal law, some due to hearsay information, and some due to people’s opinions. For instance, some people believe that testing is illegal. This is not true. The Supreme Court has ruled that testing “is not only legal, but valuable” when done appropriately (*Griggs v. Duke Power Co.*, 1971). Appropriate usage means that a test is relevant to job demands, and scores are linked to job performance. For example, why administer a typing test to someone who is applying for a sales position?

Under law, verbal interviews and other common selection practices come under EEOC scrutiny just as do personality assessments. In fact, the vast majority of discrimination suits lodged over the past 20 years have been the result of an interviewer’s statement or question, as opposed to a test score.

Some employers fear that the results of testing will result in stereotyping and pigeonholing employees. This can result where there has been inadequate or inappropriate training and where test results have been extended beyond their proper contexts and applications. It is the responsibility of the trainer and consultant to have the qualifications and provide client support to prevent these occurrences.

Another major issue is *adverse impact*—whereby an instrument possesses an *inherent bias* against a minority (sex, race, religion, national origin). One of the most common areas of adverse impact is test result differences between men and women. If women consistently score differently than men on a specific test, then it has adverse impact and is discriminatory. This alone does not rule out the use of the test, but studies must be done comparing test scores against valid job performance measures, resulting in *statistically significant* measures that particular scores do, in fact, accompany higher performance.

A tougher issue is adverse impact between whites and African Americans and Hispanics. This is due to the difficulty of researchers gathering enough data across the job hierarchy (unskilled labor to professional/executive). Unfortunately, there are relatively few senior executives represented by these minority groups, making it difficult to conduct thorough and valid research. The Culture Index shows no evidence of bias against African Americans or Hispanics, but, like other researchers, we do not yet possess a sufficient sampling in the higher job levels to report conclusively.

Appropriately used, personality inventories produce a wealth of information to companies. Their results can be used for self-awareness, individual management and coaching, identifying and understanding necessary traits and behaviors for specific jobs, developing job descriptions, outlining organizational strengths and weaknesses, identifying training needs, and selection and placement. They are one more tool for management to consider when the Culture Index Survey underwent five years of research and was introduced to the market in the autumn of 2004.

The Culture Index Survey

There were four separate administrations of the survey from 1999 to 2004. The sample size of each administration was 180, 312, 428, and 493 cases, respectively. Each administration reflected job hierarchy samples (e.g., executive, sales, supervisor, and production) and were very near 50 percent between sexes.

There is no inherent bias or discrimination (*adverse impact*) between women and men in the survey. The number of racial minorities included in the analyses was comparatively small due to the difficulty of gathering appropriate data. However, research to date has not found evidence of inherent discrimination in the instrument along racial lines. Literacy, obviously, was necessary for understanding and completion of the survey. This survey is not appropriate for individuals who are illiterate.

It takes approximately ten minutes to administer and complete the survey and four minutes to machine score and generate a report.

The survey is a *self-report inventory*, which measures seven personality traits and seven behaviors that most researchers and users consider important to work-related activities. The seven constructs are Autonomy, Social Ability, Pace, Conformity, Energy Units, Logic, and Ingenuity. Self-report means that individuals complete the survey based upon their own perceptions and beliefs of their personality and required job behaviors.

The Culture Index has also been used as an *other-report inventory* whereby individuals check words, which they believe describe another. This has been found to be very valuable in team-building exercises.

The survey format consists of 174 words in each of two sections. Section One asks respondents to check those words that describe themselves. Section Two asks respondents to check those words that describe how they

must behave to be successful in their current position. It is a *free-choice* technique, meaning individuals can choose to check a word or not and do not have to pick one word from a series or group (*forced-choice*).

Some of the words are experimental—they are not calculated but are for future research.

Words checked are keyed into a computer where the raw scores (the actual number of words checked within each personality or behavior construct or dimension) are converted to *standardized* (or *Z*) *scores*, which are in turn converted into centile scores.

Technical Standards

Acceptable personality inventories must exhibit statistical evidence of their validity and reliability.

Validity means that the instrument measures what it purports to measure. For instance, the Culture Index measures the trait or construct called Autonomy (or assertiveness), and there are 21 words in each section, which reflect the construct. In order to prove all 21 words do, in fact, measure Autonomy, a construct validity study was conducted using a statistical technique called “factor analysis.”

An item analysis was performed in which each item correlation with total score was examined; only those items with statistically significant correlation with total score were retained. Users of personality inventories should be extremely wary of a test publisher who cannot or will not exhibit construct validity analyses results. Any claims that the information is proprietary or the only evidence of validity is a comparison of the test’s results against job performance measurements (*job or criterion-related validity*) should be considered highly suspect.

There are various reliability tests (e.g., test-retest, alternate form, split-half). The Culture Index Survey used the split-half reliability technique (specifically, Cronbach’s alpha).

Again, reputable test publishers will document their reliability correlation coefficients, and the figures should be at least .750 or better.

Faking

All inventories can be susceptible to faking (avoidance)—checking words that the respondent believes the employer would like to see checked. It would be absurd to state that any inventory (or resume, for that matter) could not be faked. However, research has shown that few people attempt to fake, particularly when they are told that faked responses can be detected. It has also been shown that deceptive responses often manifest themselves in work performance.

The trick is how to minimize faking, or detecting it when it does occur: Let the respondent know that faked responses can be detected.

Make certain that a rapport and trust is established between the survey administrator and the respondent. The respondent should be told that feedback will be provided, and what the inventory's purpose is and what it is not. However, the administrator must be careful not to explain the inventory's measurements because this could bias the responses.

The administrator should never coach the respondent. Providing hints or statements as to the type of personality the employer is looking for will almost certainly lead to biased responses.

An inventory should not be administered when there is a volatile climate in the organization, i.e., impending layoffs or where there is antagonism between the administrator and the respondent.

In rare circumstances invalid responses may occur if the respondent lacks insight into her or his own characteristics, is self-deceptive, is extremely fearful of criticism, or has an inordinate desire for attention or sympathy.

The Culture Index Survey was not designed to be a diagnostic of personality disorders or to be used in a clinical setting. If an employer suspects that an employee or candidate may be unduly anxious or disturbed, we recommend that the employer use the services of a licensed psychologist, social worker, or psychiatrist.

A faked response alone by a job applicant should never be considered a reason for not pursuing the applicant's qualifications. An inventory or test is only one criterion or component in the selection process.

Last, one should be skeptical when interpreting any personality self-report inventory of adolescents or people of very low intelligence. These individuals frequently have distorted self-concepts. We do not recommend that the Culture Index Survey be used in these circumstances.

Predicting Job Success

The Culture Index Survey should never be used alone to predict job success, either for a new hire or promotion or placement of a tenured employee.

In selection, promotion, and reorganization decisions, other critical variables have to be used and properly considered—interviews, past experiences, job knowledge, skills, intellect, education, job stability, and performance appraisals. The survey should always be integrated and reported within a complete job-related context. It is not designed to ensure job success but to improve the predictability of job success.

Most importantly, a thorough job analysis should be conducted. A proper analysis can define and weigh the variables important to present and future successful performance. The C-Job Analysis Questionnaire supplies information pertaining to the behavioral job demands, and our consultancy support is available to assist clients in defining and measuring the other components. Culture Index conducts job validity studies for its clients, often with no additional charge. We are also available and experienced in helping the client develop job performance measurements in order to conduct such studies. This information usually leads to the development of performance appraisal programs for ongoing use by the client.

Usage

The interpretation and evaluation of the Culture Index Survey (and other inventories) must be limited to those who have received formal training in its measurements, applications, and limitations. Even after training, expert consultancy support should always be available. Also, passing along a workshop or interpretive manual to another person for a “quick read” is no substitute for the in-depth instruction, discussions, and exercises of the workshop.

Administration and scoring of the Culture Index Survey is fairly simple and can be taught to someone who has not attended the seminar. We are available to teach administration and scoring, usually at no extra charge to the client.

Employees or applicants should never be coerced into taking any questionnaire; it should always be voluntary. Coercion frequently leads to faked responses.

The Culture Index Survey should always be administered in the individual's primary language. Foreign language personality inventories must always go through stringent validity and reliability tests before use. Simple translations will invariably result in a degradation of the instrument's accuracy.

Access to any test or inventory results should always be limited to those who need to know and should always be accompanied by an individual who has formal training in the instrument. Confidentiality of these records is mandatory.

Employees should always be provided feedback of their test or inventory results. It is mandatory that someone who has been formally trained and available to answer any questions provide it. Feedback to applicants is not required but may be useful in certain circumstances.

Personality survey results older than five years (or less, depending on the instrument) should be interpreted cautiously. Re-administration is advised if the information is necessary and the respondent has not learned the measures.

Conclusion

The use of inventories and tests must always be within the contexts for which they were designed. This may seem an obvious statement, but there has long been an enigmatic aura around testing, particularly personality and vocational.

In purchasing tests, companies are subject to caveat emptor. There are no federal or state laws preventing the sale of poorly constructed or outright bogus tests. Visibility or longevity in the marketplace is no assurance of a test's validity—we long ago lost our amazement at certain tests' tenacity in the marketplace.

It is the buyer's responsibility to determine test quality and its suitability in her or his company. Test publishers who are secretive about their research should be scrutinized closely. Also, "oldie but goodie" does not apply to tests unless they have been periodically checked, updated, and supported by documentation.

Reputable firms publish their research or allow it to be reviewed. They will point out their products' limitations, as well as applications and advantages, and, finally, they will make certain that the products are properly explained to company personnel and positioned within the company.