niche consulting ltd

Niche Update

Human Nature — It's not all bad

Well it has been a difficult start to the 2011 year with the Australian floods, Christchurch earthquake, and Japan earthquake and subsequent Tsunami. Our hearts and good wishes go out to all those affected by these tragic events. It seems the world is in turmoil and there does not seem to be an end in sight for many of the world's problems.

However on the bright side there have been some amazing things we can be proud of as human beings when we see some of the actions people have done to assist others. It is easy to think the worst of people and human nature however what these disasters have shown us is collectively we can work together and achieve things that as individuals are near to impossible.

The following are only a few examples that illustrate to us that the human spirit has some fine qualities and maybe we just need to show these more:

- The "Farmy army" who are assisting with the Christchurch cleanup and have removed tonnes of silt and rubble.

- 2000 university and polytechnic students who decided to assist people in need and cleanup some of the worst hit Christchurch areas.

- The "Fukushima 50" Japanese samurai who are willing to sacrifice themselves to look after the greater good and lessen the likelihood of a serious nuclear disaster. This is in spite of probably exposing themselves to high, if not lethal, doses of radiation in the process.

Not to mention all the other people who have given time, donations, supplies, clothing, and food to assist others to cope with the disasters.

While there may have been a few incidences of looting and selfishness, overall we have seen people come together to help each other as the norm. It is nice for a change to see the good side of people in the media and in many ways these tragedies, while horrible for all involved, from what I can see seem to have brought people, communities, and countries together.
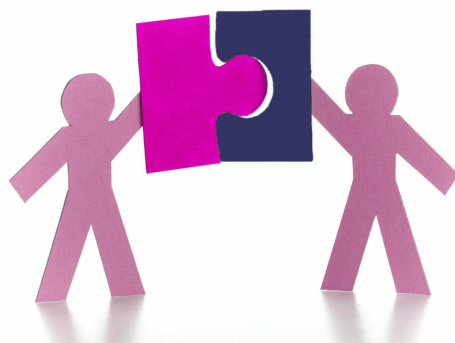
Spotlight on the California Psychological Inventory (CPI434)

As most of our clients know, Niche Consulting is a big advocate of the California Psychological Inventory (CPI) assessment and here are some of the reasons why:

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Number of Scales	20 Primary scales and 7 Special scales
Number of items	434 True/False items
Time to Complete	45-60 minutes (untimed)
Test Development	The CPI was developed using an "empirical keying" strategy. The scales were devised based on a comparison of what the scale suggested about an individual, with the way observers described them, and measurable performance data about them.
	Theoretically, scales developed in this way have a much greater likelihood of accurately predicting behaviour than other methods. The CPI has been designed based on an instrumental standpoint, meaning evaluation of whether a scale is useful or valid has more to do with the outcome of the test than the "look" or "face validity" of the items being asked.
Norms	Niche Consulting has Australasian norms from over 13,000 business people, split into many different job categories.
Buros Test Review	"Over the nearly five decades since the creation of the CPI, an extensive body of research has formed that examines its performance in diverse assessment populations and age groups. This body of knowledge provides a wealth of comparative reference materials. The CPI provides a substantiated method to aid in the consensual description of differences between individuals and groups across many substantiated dimensions of personality. Since its inception, the CPI has been quite successful in its groundbreaking attempt to describe a broad array of fairly robust personality characteristics across a wide cross-section of society."

CPI Case Study- 3,100% ROI & 31% reduction in Turnover
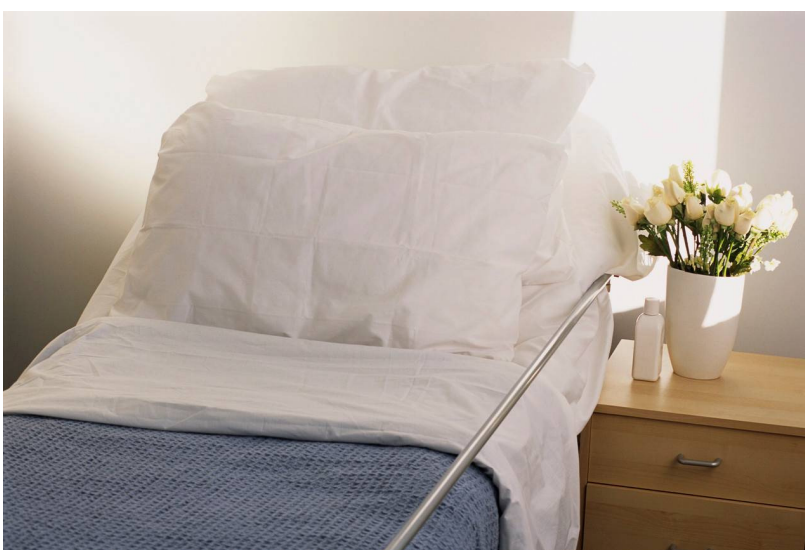
St Luke's Hospital in America has studied the implementation of the California Psychological Inventory (CPI434) into their recruitment process and found amazing bottom line results.

While they were already using behavioural interview techniques, they added the CPI into the managerial selection process, while altering nothing else, and this yielded a reduction in managerial turnover from 41% down to 10%, in just 2 years. The CPI was not the sole determinant in the hiring process, it was used as an additional piece of the recruitment process to assess leadership skills in managerial applicants.

Not only did they use the CPI for recruitment, but they utilised the results in the development plans for individuals for the first 6 months. The hospital estimates a ROI (return on investment) of 3,100% based on yearly savings on managerial recruitment and replacement costs.

# Are Our Executives and Managers really that Bright?

A recent commentary in the Society for Industrial and Organizational Psychology Journal by Ones and Dilchert (2009) commented on the special abilities and attributes of executives compared to the general population. They based their findings on published norms for IQ and reasoning tests that were based on American samples. They split the managerial norms into three groups:

1. Executives
2. Mid-level Managers
3. Supervisors & first-line managers

They found all levels of managers had significantly higher levels of General Mental Ability (IQ) and verbal reasoning ability than the general population. Interestingly however they found this was not the case for the Watson Glaser critical thinking test, where only the executives had significantly higher levels of ability than the general population. While the middle managers had similar levels, the supervisors had somewhat lower levels of critical thinking ability than the general population.

We decided to see if we would get a similar result with the people we have tested in NZ and Australia over the years. The following graph shows the mean-score differences (Cohen's d scores) between the general population and the managerial norms at different levels.
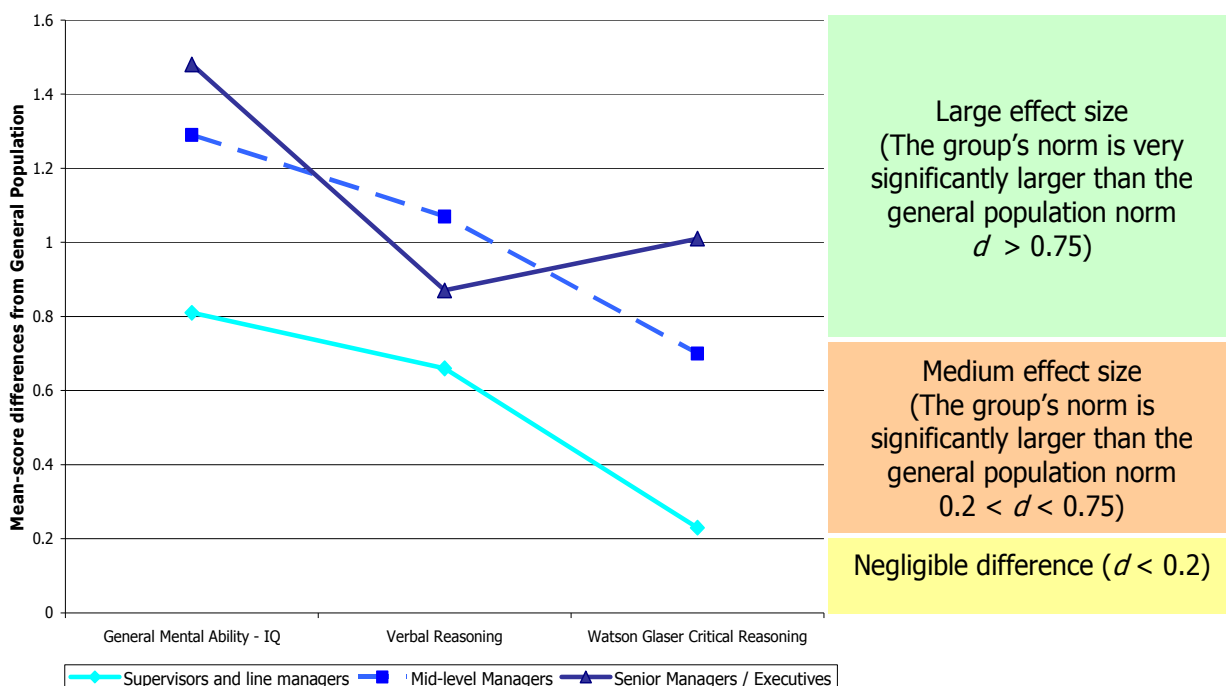
The above graph shows a similar pattern of results to the Ones and Dilchert results, however our differences are larger than theirs for all three tests and groups. Our executives, mid level and line managers are all significantly brighter and more logical than the general population norms. Executives seem to have higher IQs and critical thinking scores than lower level managers, apart from their verbal reasoning score which was slightly lower than mid level managers. On average, it appears the higher up in the organisation the brighter and better the critical thinkers there are in roles. Since IQ has been shown to be related to better performance in all levels of roles (Schmidt & Hunter, 2004) having those who are bright in these roles should bode well for the performance of the individual and therefore the organisation.

Is it time to Create of Redo your High Performance Model?

A High Performance Model is a tailor made approach to ensuring you are hiring people who have the highest likelihood of being successful in the role and in your unique organisation. By testing people already in the role, we can create a model of high performing individuals on the assessment tools that applicants can be compared to. Models can be created for any role, ideally however there should be enough people in the role for a cross section of people to be assessed to ascertain those preferences most critical for those who have done well in the role.

For those clients who already have High Performance Models it may be good to review these either after 2 years or if your business has changed and impacted on the role's structure and accountabilities. It is important to ensure that the competencies for the role have not changed and that the types of people who are successful in the role have not changed. After all in today's fast paced environment what may have been seen as a high performer yesterday may not be in a year or two's time.

New Individual Development Planning Report

Some of our clients have requested different report formats to suit their needs over time and one that has recently got popular is our Development Planning Report. This report can be used either for a successful applicant to use once employed to assist them with their development or as a development tool for someone within the organisation who wants development areas for a role they aspire to. It has the following sections:

♦ Competency table with assessment ratings—(see diagram to right) place is left for manager to also give ratings against the competencies for those who have been in the role a sufficient time. When used this way it is a good discussion starter between the manager and employee about development areas.

♦ Summary overview of all results

♦ Areas for development—with descriptions

♦ Recommended Training areas

♦ Ability Results and Personality graphs

Competency Grid for Business Manager		
Competency	**Assessment Result Rating**	**Manager's Rating**
Relationship building – Interacts confidently with others, builds strong relationships through mutual respect, questioning and listening skills.	✓	
Negotiation - Negotiates high level complex agreements between multiple parties ensuring all stakeholders needs are met, decisions are accepted and relationships retained or improved.	✓	
Team work / Enhancement - Promotes harmony, openness and positive team interactions across situations. Takes joint responsibility to achieve team goals and actively contributes to the team dynamic.	✓?	
Achievement / Drive - Highly motivated and goal focused, setting difficult challenges and stretch goals. Remains focused irrespective of adversity or setbacks.	✓	
Intellectual Ability - Thinks intellectually through the most complex issues and quickly comes up with intelligent and workable solutions.	✓✓	
Performance Management - Sets standards and manages performance positively and regularly in own area. Gives positive feedback for good performance and appropriately manages average or poor performers.	✓	
Leading Others - Sets goals and direction, communicates and gains commitment to achievement of objectives. Leads through honesty, leading by example and providing inspiration to the team.	✓	
Coaching - Actively coaches own staff, providing support, assistance and development or facilitating the attainment of these through others.	✓?	
Business Development - Actively finds and pursues new business within own area and identifies opportunities for other areas or future business.	✓	
Strategic Orientation - Takes a strategic view of area and ensures others do also. Ensures decisions and future direction takes into account the wider ramifications and big picture.	✓	
Ownership - Takes ownership for work area and possibly beyond to ensure all work is completed to speck, on time and as if one's personal reputation counted on it. Resolves issues and takes ownership until completion is guaranteed.	?	
Planning & Organising - Actively plans own and others work, ensuring the most efficient use of time enabling priorities to be set, goals to be achieved, and optimum time use.	?	
Technical Knowledge & Project Delivery		

✓✓   Strong fit with competency (meets all behavioural descriptors)
✓   Sound fit with competency (meets most of behavioural descriptors, minor development areas)
✓?   Meets some areas, but also has some development areas for this competency
?   Development required, though has some positive indications for competency
??   Significant development areas for this competency

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