

GALLUP CONSULTING®

Employee Selection and the Importance of Securing Top Talent during these Tumultuous Economic Times

Gallup, Inc 2008

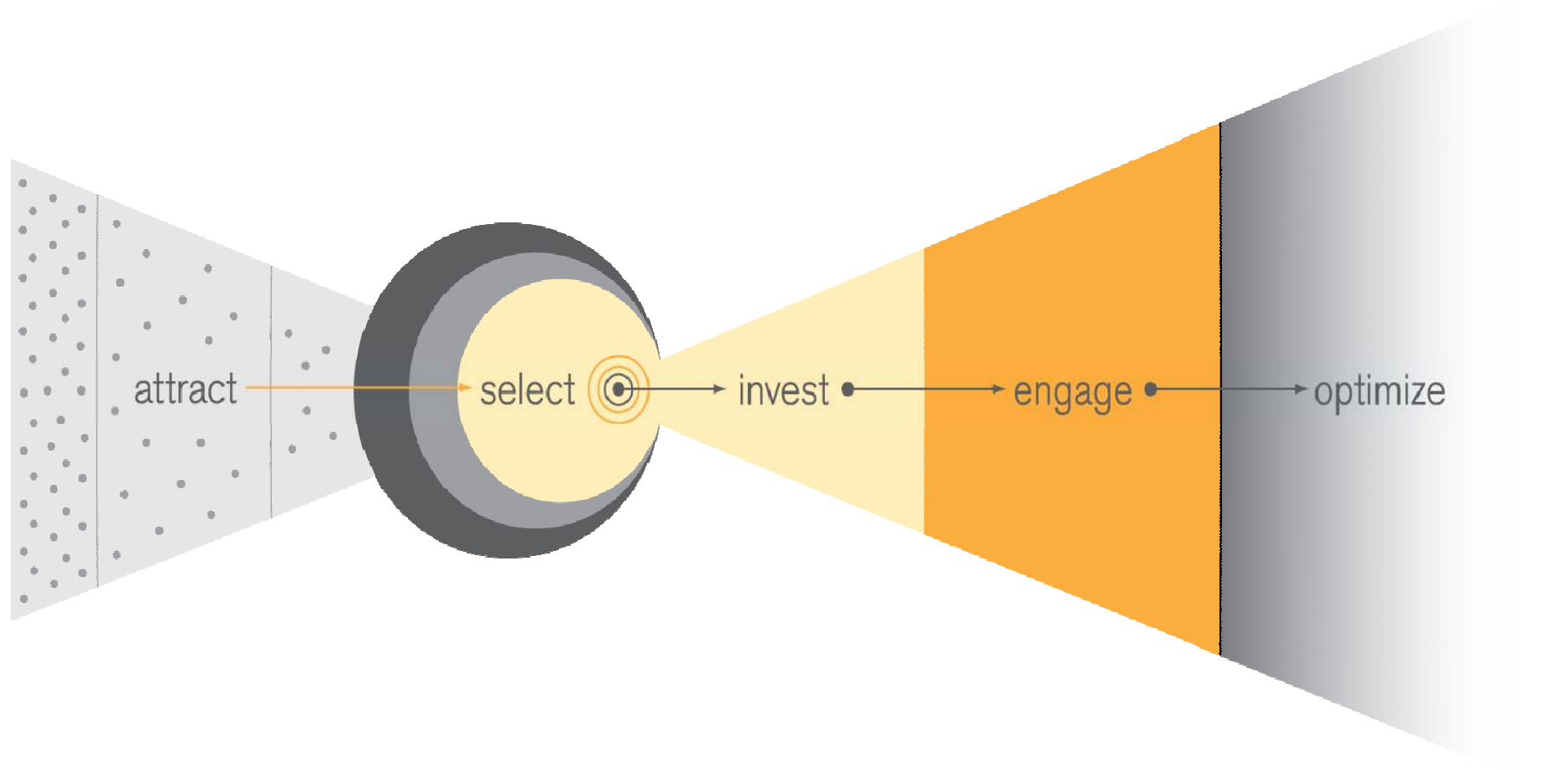
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Employee Optimization



Attract

Job Applicants are Customers, Too

- Key Research Questions
 - Which organizational & job characteristics are important to job applicants?
 - What causes an applicant to accept or decline an offer?
 - What are the reactions/attitudes about selection practices?

Job Applicants are Customers, Too

Why are these questions important?

- The employment game has changed — the organization must market itself as much as the applicant must market himself/herself.
- Organizations need to understand how to attract high-quality candidates by marketing themselves as an “employer of choice” and offering a compelling employee value proposition.
- Organizations must protect their employment brand image.

Methodology

- The Gallup Panel
 - The Gallup Panel is the only multi-method, probability-based panel in the United States.
 - Our members are recruited using random digit dialing methodology, and we conduct our research using all modes of data collection (phone, mail, Web). We are NOT an opt-in web panel.
 - As of today, The Gallup Panel consists of over 47,000 households and over 67,000 members – and we are growing every day!
 - Our members receive NO incentives for participating, and agree to be surveyed on average three times per month.
 - Web-based survey
 - Participants were recruited for the study from a previous pool of unemployed panel participants, and the general household participants (those not looking for a job) were screened out

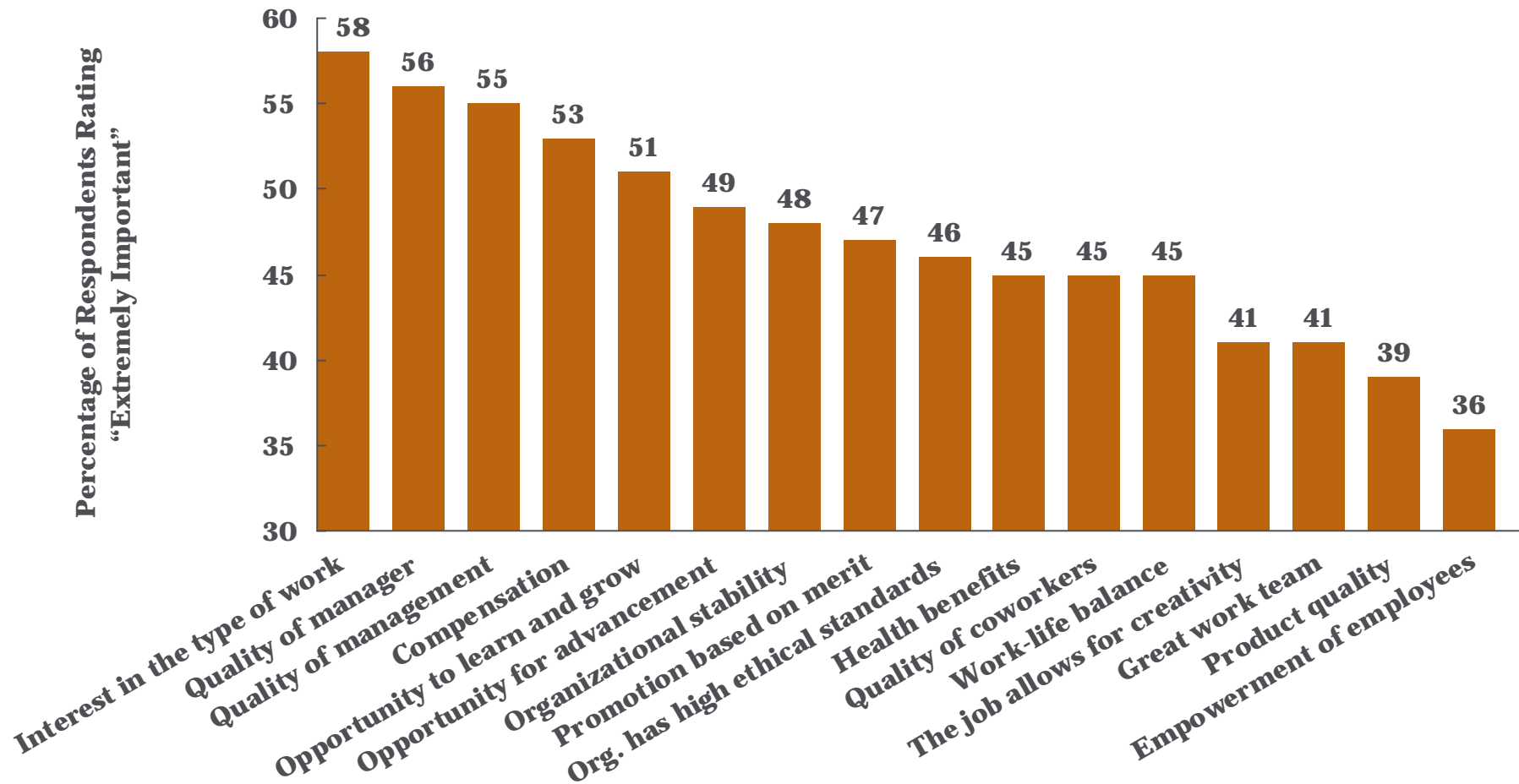
The Job Applicant Study

- Participants:
 - Gallup Panel
 - n=1,376 (weighted)
 - Male (n=658) Female (n=717)
 - Average Age = 44
- Looking for a full-time or part-time job?
 - 922 full-time job seekers
 - 454 part-time job seekers
- Average time spent looking for a job:
 - 16 weeks
- Top three reasons participants were looking for a job:
 - Money
 - Laid off/unemployed/needed a job
 - Job Fit

Creating a Quality Employee Value Proposition

“Good jobs are hard to find.”

Most Important Organizational & Job Characteristics



Ratings of Organizational & Job Characteristics

Percentage of Respondents Rating “Extremely Important”

30-35%	20-29%	10-19%	Below 10%
<ul style="list-style-type: none"> Management focuses on employee strengths Organization is a fun place to work Good workspace Office location Potential impact of job Retirement benefits Pay based on performance Organization is socially responsible 	<ul style="list-style-type: none"> Organization’s public reputation Type of industry Recognition in the workplace Excellent training programs Organization uses new technology Flex-time opportunities Organization is environmentally responsible Desired vacation time Innovative organization Management measures performance regularly Organization’s mission Senior leadership reputation Diversity in the workplace Organization’s culture 	<ul style="list-style-type: none"> Customer-oriented workplace Informal work environment Availability of parking Excellent onboarding process Similarity with other employees Market position of organization Organization’s growth rate Your familiarity with the organization Organization size Product brand awareness Public transportation accessibility 	<ul style="list-style-type: none"> Company-sponsored events Opportunity for transfer to another location Opportunities for business travel Employees socialize outside work Personal technological devices provided Fitness facilities Privately held company Formal work environment Publicly traded company Daycare facilities Cafeteria

Less than 5% of participants rated these attributes as “extremely important”

Creating a Positive Applicant Experience

*“I was amazed at the lack of respect shown to applicants during the interview process, mainly in the area of no contact as to whether the job was ever filled or not. It amazed me because this was a **clear indication as to how I would be treated as an employee and caused me concern as to whether I would accept a job offer should there have been one extended.**”*

Reasons Applicants Accept Offers

- Participants were asked to list up to five reasons why they accepted a job offer. The most commonly listed reasons were:
 - Good pay/compensation – 74%
 - Convenient/good work location – 43%
 - Matches my job skills/what I enjoy doing/interesting/fulfilling – 42%
 - Favorable work schedules/flexible hours – 29%
 - Opportunity to learn/grow/advance – 25%

Reasons Applicants Decline Offers

- Participants were asked to list up to five reasons why they declined a job offer. The most commonly listed reasons were:
 - Pay/Compensation – 55%
 - Location/Travel/Commute/Parking – 41%
 - Didn't like manager/other employees – 28%
 - Hours: too many/no flex schedule/poor schedule – 27%
 - Boring work/didn't like work involved/industry/company not of interest – 25%

Frustrations About Job Application Process

- 72% of Job Seekers shared a frustrating aspect of their job search
 - Half of those participants responded that those frustrations made them question whether they wanted to work for that organization

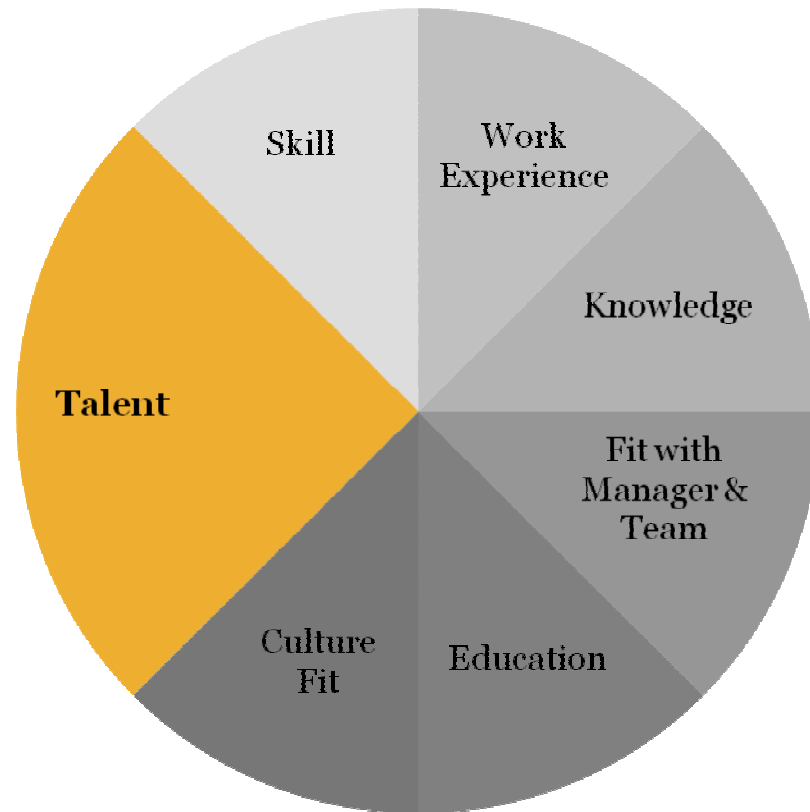
Frustrations About Job Application Process

- Top Three Frustrations:
 - Waiting for results/Length of time between application pieces
 - Interview process in general
 - Not hearing back/No response

*“As a job seeker, you’re at the mercy of others who **do not treat you with respect when they never get back to you**, especially if you took the time to come in for an interview. Those difficult websites with dozens and dozens of fields to fill in, each with different passwords and other blocks that make them frustrating, are extremely time-consuming and anger-provoking.”*

Select

Factors Influencing Job Performance



Talent: A recurring pattern of thought, feeling, or behavior that can be productively applied

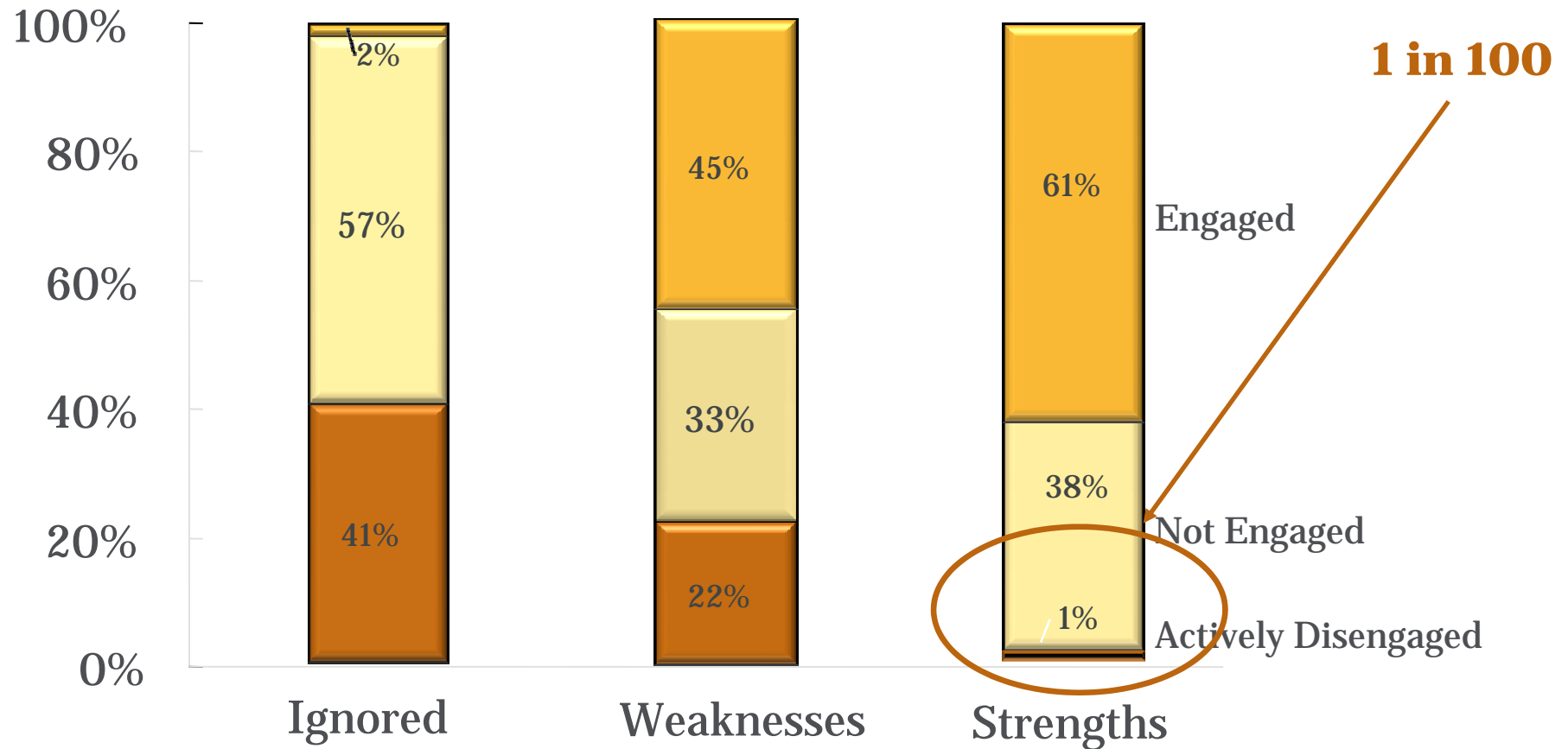
What Part Does Talent Play in Job Performance?

Education, training, and experience are important but excellence is reserved for talent.



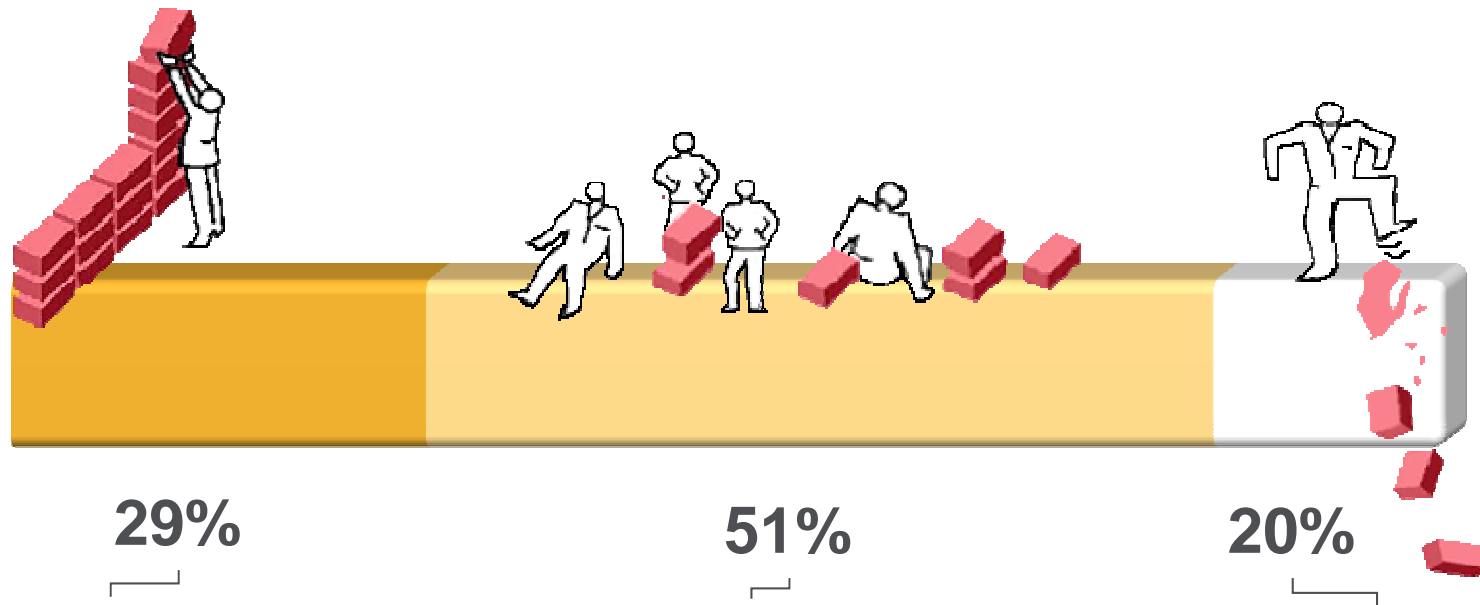
Invest

Curing Disengagement?



Engage

71% of U.S. Workers Not Reaching Full Potential



Engaged

These employees are loyal and *psychologically committed* to the organization. They are more productive and more likely to stay with their company for at least a year.

Not Engaged

These employees may be productive, but they are *not psychologically connected* to their company. They are more likely to miss workdays and more likely to leave.

Actively Disengaged

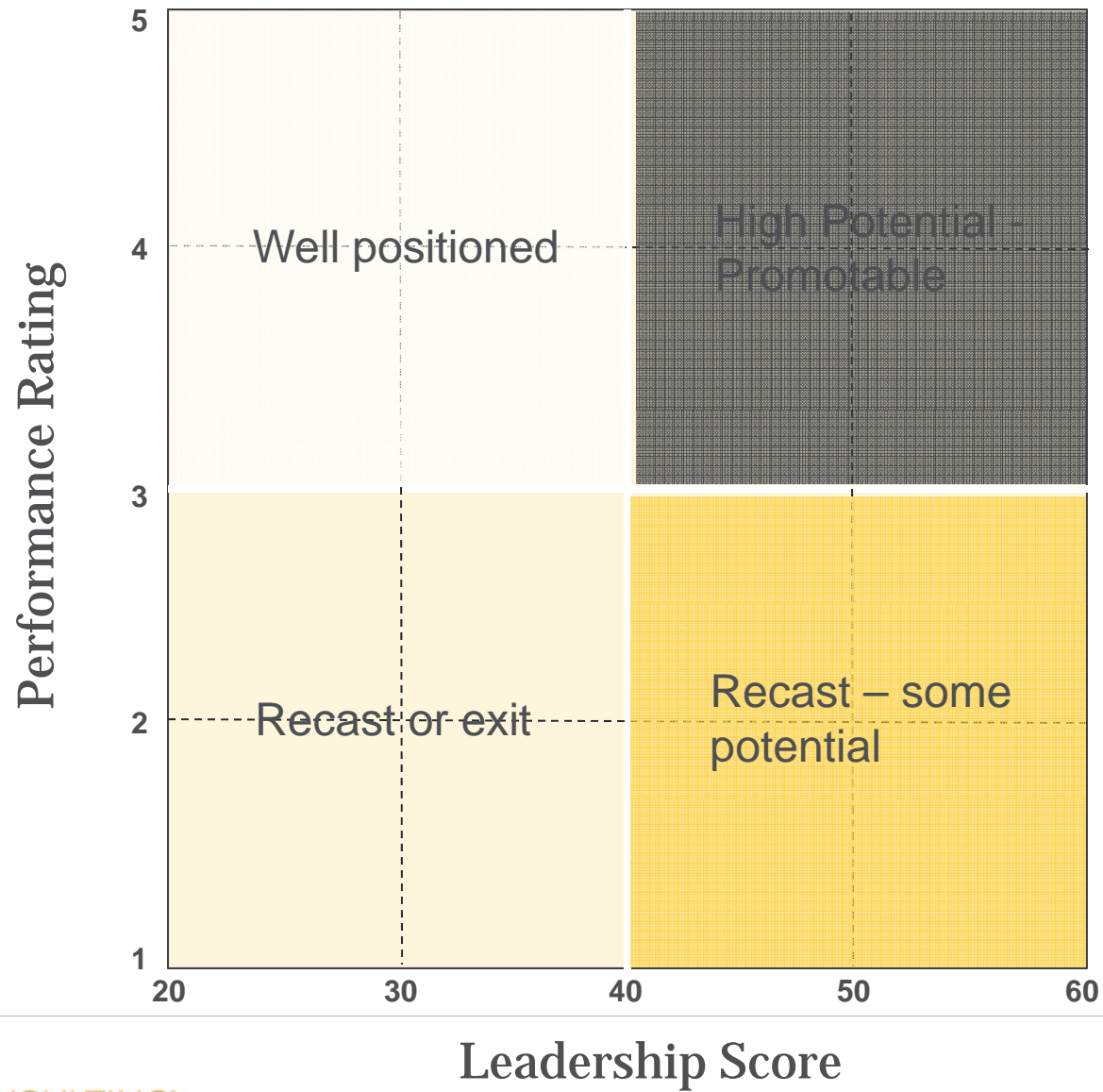
These employees are physically present but *psychologically absent*. They are unhappy with their work situation and insist on sharing this unhappiness with their colleagues.

The Questions That Matter

- I know what is expected of me at work.
- I have the materials and equipment I need to do my work right.
- At work, I have the opportunity to do what I do best **every day**.
- In the **last seven days**, I have received recognition or praise for doing good work.
- My supervisor, or someone at work, seems to care about me as a person.
- There is someone at work who encourages my development.
- At work, my opinions seem to count.
- The mission/purpose of my company makes me feel my job is important.
- My associates (fellow employees) are committed to doing quality work.
- I have a **best friend** at work.
- In the last six months, someone at work has talked to me about my progress.
- This last year, I have had opportunities at work to learn and grow.

Optimize

Succession Matrix



Questions?