

Fixing the Sloppiest Process in American Business: A “Headway” Case Study in Performance Model Assessments

| By Roger Hokanson

Introduction

This nonprofit used data-driven tools to uproot its old-school HR practices and save tens of thousands of dollars while increasing employee engagement and reducing the financial risks of high turnover. By employing our systematic approach, they increased the capacity and competency of their workforce, increased employee retention, and increased performance results. They saved tens of thousands of dollars in training costs and secured new multi-million-dollar contracts because of their strengthened performance.

Here’s how they did it.

A Traditional Approach

In 2012, Brad Kopecky realized he had a problem. He was working to elevate employee performance at Headway, a nonprofit focused on emotional and behavioral health. His goal: recruit, hire, train, and retain expert staff who are well-equipped for a stressful but rewarding career in a growing nonprofit sector. The Great Recession lingered, and his employee retention resembled a revolving door.

Brad and his team approached HR like most organizations: place an ad, pick the resumes with the hottest keywords, call those candidates for a group interview, and hope that someone bubbles to the top. The result: new hires were the candidates most-liked by hiring managers. They interviewed well. They had skills on paper. At this point, perceptions of a candidate’s personality trumped any true and logical reasoning for a match with the job. Candidates were forced to jockey for position in an ongoing hiring horse race driven by first impressions and generalized skillset matches.

Headway’s approach was common – and costly. According to the Society for Human Resource Management (SHRM), “63% of all hiring decisions are made during the first 4.3 minutes of an interview.” This problem of interviewer bias leads to poor hiring decisions.

Up until 2012, Headway pushed forward with this old-school model. And therapists were failing at an alarming rate – even if they had all the right skills on paper. At one point, retention averaged less than a year for key positions.

Headway was attracting talent, but they weren’t hiring the right people for the right jobs. The budget effects were immediate. On average, they spent \$10,000 to recruit, hire, and train each new employee. Poor retention became a costly risk.

Brad decided it was time for an overhaul. “I can’t transform HR,” he remembers thinking. But that’s exactly what we helped him do.

Our initial analysis highlighted a few truths about Brad’s problems; his hiring managers needed objective data about the roles for which they were hiring. Headway was dealing with a problem of interviewer bias and a lack of job matching insights. Similarly, they needed unbiased insights about each candidate before ever conducting interviews.

A New Approach

Beginning in 2012, Headway implemented the tools needed to create a system that ignores biased first impressions and empowers decisions based on core behavioral traits, problem solving, passion, personality, intuition, working style, and data-driven insights. Headway hasn’t looked back since.

Here’s how we helped:

Step one: Increase Recruitment. Headway established a robust Applicant Tracking System that allows it to market job openings, recruit from the right sources, and track candidates electronically. Now, Headway can rapidly market its job openings to the best possible candidates.

Step two: Research. Headway analyzed specific job openings and employed a validated job matching assessment tool. Successful recruiting often means looking as closely at the open position as you do the candidates. Headway worked to clearly define the skills, attributes, personalities, and insights necessary for a strong job match. Once a validated Performance Model is built for each position, Headway is ready to recruit the right candidates.

Step three: Transform. Headway abolished rote group interviews. Instead, resumes are reviewed and top candidates receive an emailed questionnaire focusing on behavioral and instinctual skills necessary for the high-stress world of mental and behavioral health.

Then, candidates with a high probability for a job match go through a phone screening. This step is vital to Headway’s success, as it minimizes the interviewer’s bias – which can be influenced by a candidate’s demeanor, appearance, likeability, and so many factors that have little to do with their potential job match. It was time to stop hiring candidates who simply got along well with hiring managers.

Finally, three to five candidates go through a full performance model assessment before they ever meet face-to-face with anyone. A full assessment gauges their compatibility with a position and with the organization itself. Out of this small handful, the top candidates complete a dual interview with a hiring manager and a member of the leadership team using questions tailored to that position and that individual.

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The Bottom Line

Since up-ending their approach, Headway has become a stronger and more competent organization. But that's putting it simply.

Here's a sample of their success:

Headway organized its recruitment and selection process with a robust Applicant Tracking System. This process reduced paperwork and headaches; more importantly, it gave Headway access to more of the right candidates by increasing their recruitment reach. This automated approach saves time, money, and stress.

Headway dives deep with full data-driven assessments, creating a systematic selection process that creates Performance Models for each role and objectively analyzes candidates for a potential job match. This removes interviewer bias and identifies the right candidates consistently.

Since embracing our solutions and upending Headway's approach to recruitment and hiring in 2012, Brad says he "can't really remember the last time we made a hire and looked back and realized it was a mistake. Retention is up across the board." In fact, retention has doubled, tripled, and quadrupled in this new system. Managers are now free to perform their jobs rather than focusing only on recruitment and the daily firefighting that comes with a broken system.

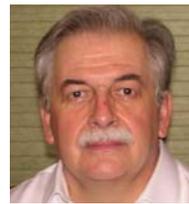
From 2009 to 2015, Headway grew from a staff of 65 to 165. Over that six-year period, their client base grew from about 4,000 to a whopping 18,000. Brad credits this success partly to Predictable Performance System's data-driven approach to recruitment and hiring.

With well-matched employees serving in crucial, client-facing roles, Headway has steadily grown for three years. Despite a slow economy

and budget reductions in the education industry, Headway has grown its contracts while districts cut overall budgets. In a recent survey of educational clients, Headway achieved a 98% satisfaction rate. To Brad, this means the right people are in the right jobs. Their clients see longevity, stability, and confidence.

These changes quickly affected this nonprofit's budget. Headway secured an expanded contract with a school district worth millions of dollars – all while the district was cutting costs elsewhere. Brad was sure their contract would be sliced, too, but "the right tools and the right process create better outcomes," according to Brad. Nothing has proved this more than securing a new business in the face of great odds. After three years of implementing a data-driven approach to recruitment and performance, Headway is nimble and ready for sustainable growth in the years to come. ■

Data-driven Performance Models and robust Applicant Tracking Systems allow an organization to focus on the right variables while hiring. Our approach allowed Headway to pave a successful path forward, increase its bottom line, and strengthen its teams. With the right tools, it's possible to reverse the trend of sloppy HR and create a stronger business. If you'd like to know more about Applicant Tracking Systems and data-driven Performance Model tools, visit www.PredictablePerformance.com.



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