

## Podcast Transcription

### **Real Advice for Selecting Talent in Today's Economy**

Interviewer: Rachel Moody

Thought leader: Scott Erker, Senior Vice President of Selection Solutions, DDI

Pre-recorded opening: Welcome. You're listening to the DDI Podcast series, heard around the world by people who propel their organization's talent strategies. Turn to DDI to close the gap between today's talent capability and the people you need for tomorrow's business strategy.

Rachel: Thank you for joining us. I'm Rachel Moody, your host for today's Podcast. I'm joined by Scott Erker, Senior Vice President of Selection Solutions at DDI. Today we'll be exploring the importance of hiring and selection systems even in a downturned economy. Scott, with so many uncertainties in today's economy and so much in the news about staff reduction, it almost seems contradictory to talk about hiring and improving hiring systems, but according to DDI's new White Paper, Surviving and Thriving in Today's Economic Environment, hiring is one of the seven essential issues that talent management professionals should be paying attention to right now. Why is that?

Scott: Thanks, Rachel, and it is nice to talk to you today. We do say that hiring is one of the leadership imperatives and we've identified seven of those here at DDI, and so hiring and selection is certainly one of those key things that you want managers to be paying attention to. And when it comes down to it, really what selection is about is making good decisions about people, taking data and trying to decide what's the impact of that data about that person going to be on the business. So if you look at down economy issues, it really is one of where I think the decisions are more important than ever. And what's happening in business, certainly hiring is down, but it is still occurring. People are still filling jobs, doing replacement hiring, the big difference now though is that there's more candidates than ever for these jobs and so selection decisions become more difficult to make. The other thing about that is that because there are fewer jobs out there and you have more candidates, candidates know that competition is fierce and so they are going to be judged against those other people that are applying for the jobs and that makes the decision for the leaders, for those hiring managers, that much more difficult. They've got more people to choose from, and therefore more noise in the system, so to say. So it is a time when organizations should be paying attention to their hiring and certainly their promotion

processes as well.

Rachel: Now are there different rules for hiring during a recession then perhaps in a more stable economic time.

Scott: I think there are and I've eluded to one of those already. Number one, there are more candidates than jobs. And so you've got to be quite choosy and this is a good position to be in, frankly, as an organization. It's a much different situation than the war for talent that we were in just prior to this downturn in the economy. And so that's a good thing if you can manage, as I'd said, that noise in the system. But there are a couple of other things that are different as well. So number two, these are high stakes decisions. Peoples' jobs and careers, their livelihoods, are on the line and I would even characterize it as being a point of desperation for some people. And so when you do have things like this desperation in high-stakes decisions, you're going to have candidates that are trying very hard to prove that they're the right person for the position and they'll go to great lengths. You know you read a lot about people exaggerating on resumes, even lying about past accomplishments or having certain credentials, and so the interviewer's job is much more difficult to try and sift and sort through that. We have seen an increase in the number of organizations seeking out testing systems and I think that for the background review companies this is a good time as well to sort through who's faking versus who's really got those skills for the high stakes to prove in these high stakes decision context. Thirdly, I think that the down economy, of course, puts more cost pressure on everyone and so there's pressure to make every hire count. You can't afford to make a bad decision right now because that decision costs you doubly. Not only does it take the money that you've spent on making the decision, but that may be money that you decided to spend on making a hire or a promotion that you could have spent elsewhere and there's less degrees of freedom with the budget, and so that's where that pressure is coming from. There's also something that we're tracking here at DDI and that is around legal challenges. And so we're wondering if in these high stakes decisions if when people are disappointed that they didn't get the job and might feel that they were treated unfairly, if they're more likely to create a challenge and even to seek legal support in that challenge. And if that's the case then organizations really need to be careful to have their ducks in a row, so to say, to make sure they have a good job analysis in place, to make sure that the interviewers are trained to be consistent, to make sure that every candidate is given a fair shot so that they don't fall prey to the candidate that might be more

likely to file such a grievance. So those are some of the ways that hiring, I think, is changing in this down economy.

Rachel: And do you have some additional tips for hiring during a recession or a downturn economy?

Scott: Well there's a couple of things that come to mind and I'd already suggested making sure that the job analysis was in place. In layman's terms what that means is making sure that you understand the job and the job requirements and in a down economy, especially when there's restructuring going on, those jobs and job requirements can change rapidly. And so if the set of competencies that you used yesterday might have changed because you've restructured, you've moved around job responsibilities because you've had to combine jobs where you used to have three people doing something and now it's one, you've got to make sure that's all up-to-date. And then, of course, the knock on effect is that if the job, job requirements, and competencies change, then the interview and testing system should change as well. Not that it has to be completely thrown out but just updated to meet those new job requirements. Another tip here would be to really watch how overwhelmed recruiters might get. There's lots of stories out about how when there's job fairs there's lines around the block for those job fairs or when jobs are posted you get thousands of candidates applying for those jobs. And while recruiters might not be filling many jobs these days, if they've got 1,000 or even just 500 candidates for one job, that's quite a lot of work to be able to sort through that. And so the old-fashioned way of doing resume reviews and screening interviews just won't work, you need to use technology to drive efficiency. And so organizations should be looking at their testing systems, they should be looking at ways to automate screening processes, and so that's one thing that could be done now as well just as a tip.

Rachel: Now Scott these are great tips for the many organizations that are still making a limited amount of hires, but what if your organization is one of the ones that is on a complete freeze for the near future. Why should you still be thinking of selection now?

Scott: Well, I'd like to suggest two reasons, first of all, while organizations may not be hiring as much from the external candidate market, there's still a lot of movement going on as companies are figuring out how to respond and to drive sales, drive cost management, and also to drive innovation right now because those companies that are able to innovate now will be much better placed when this

economy turns around and when there is more opportunity. And so selection systems are applied not only to external hiring but to internal promotion and to succession. And so you've got to make sure that you don't fall prey to making bad decisions and having bad processes for those internal movements. Those are extremely important as you decide especially who are going to be the leaders in your organization through these tough times. So don't forget to have some rigor in selection for the internal movements and promotions.

I think secondly this situation will turn around, maybe we won't get back to the glory days of growth that we had over the last five to ten years but certainly there is going to be opportunity that creates growth. And those organizations that are best poised to take advantage of that growth that come out with new products and services and solutions and then staff up appropriately to be able to deliver on the customer promise, those organizations are going to be more successful. And so organizations should be thinking about what they need to have in place to be prepared for that inevitable turnaround and that could include putting in place a solid testing system, making sure that the competencies or the success profiles, as we call it here at DDI, are linked to the new drivers of the business, to make sure that interviewing is seen as a core skill and is trained and people are supported in being able to make great decisions about people, and that those skills don't erode. That will be some of the blocking and tackling that if that's in place then I think that level of preparedness will be much higher to support the operations in the growth. So now is not a time to be asleep at the wheel, even though there may be not as much demand for recruitment, certainly there's some things to be done to make sure that every decision about a person, in terms of moving in the organization, is solid and that the organization isn't completely rebuilding when the turnaround does happen and to make sure there are some things in place that are foundational so that we can help our business partners take advantage of those growth opportunities.

Rachel: Well, Scott, thank you.

Scott: Thanks very much, Rachel.

Rachel: If you'd like to learn more about today's topic you can download a copy of [Surviving and Thriving in Today's Economic Environment](#) at [ddiworld.com](http://ddiworld.com).

Pre- You've been listening to the latest edition of the DDI Podcast



recorded  
close:

series. Talk to DDI to close the gap between today's talent capability and the people you need for tomorrow's business strategy. Contact us at [ddiworld.com](http://ddiworld.com).