



917 Hillfield Court
Oceanside, CA 92058

Phone (760) 754-2449
Fax (760) 754-2453

www.americanincite.com
talent@americanincite.com

**Longitudinal Field Validation Study
of the Effectiveness and Reliability
of Core Values Alignment
and Top Performer Profiling**

Managing more than 300 companies for one year or longer provided the opportunity to perform a beginning benchmark, identifying A-performers, and B, C, D performers in each of these companies. This was first done very informally. As the Index and its Human Capital Audit capabilities developed into a much more formal approach it became possible to illustrate the degree of core value misalignment that exists in most positions in most companies in most industries today.

The clearest illustration of the effects of Core Values alignment with job tasks occurred with 16 companies, in which 29 positions were studied, and reorganized in accordance with Top Performer Profiles over the course of 4 years beginning in 2001 and ending in December, 2004. A minimum of 1 year was spent in each company, and less than 15 months in all cases. The following table documents the summary results for the first 12 months in each company.

**Longitudinal Top Performer
Selection Effects on Business Performance**

Case Study Metrics											
Dec.'04											
	# Pos.	# Emp.	A performers		Percent	D Performers		Percent	One	Year	Increase
Company	Profiled	People	Start	End	Increase	Start	End	Decrease	Sales	Profits	Profits
										Beginning	End
Outbound Call Center	1	265	14	57	307%	147	15	90%	33%	N/A	N/A
Transmission Dist.	1	10	2	5	150%	2	0	100%	2%	<1%	8%
Pipe/Wire Distributor	2	32	4	10	150%	5	0	100%	7%	2%	9%
Ntl. Financial Planning	1	33	2	21	450%	5	3	88%	420%	<1%	15%
Wood Products Mfr.	2	23	4	9	125%	5	2	60%	80%	<1%	18%
HVAC Service Co.	2	37	5	13	160%	6	2	67%	91%	<1%	20%
Transport Company	7	27	4	23	475%	8	1	88%	89%	1%	8%
Wood Products Mfr.	4	256	15	54	260%	53	9	83%	22%	1.5%	18%
Boat Manufacturer	2	57	8	20	150%	15	4	73%	112%	4%	7%
Software Services Co.	1	28	3	5	67%	2	1	50%	20%	<1%	8%
Image Processing Co.	1	18	2	5	150%	5	1	80%	35%	<1%	17%
Metals Machine Shop	1	19	3	7	133%	4	0	100%	63%	<1%	17%
Sign Making Company	1	16	4	7	75%	3	0	100%	5%	2%	4%
Trucking Company	1	46	7	14	100%	11	2	82%	40%	<1%	3%
Promo. Materials Dist.	1	13	1	3	200%	2	0	100%	70%	<1%	8%
Engineering Company	1	17	2	3	50%	3	2	33%	45%	N/A	16%
Totals	29	897	80	256	220%	276	42	85%	71%	1%	12%

**** During the course of this study three client companies did not adhere to hiring guidance and discontinued their contract. We deem these failures must be mixed in with the above companies for full disclosure.**

This Longitudinal Study (data collected over a period of time from a group of similar entities) illustrates the importance of several important governing principles that always improve business performance across a broad spectrum of industries.

1. There exists in almost every position with more than five persons doing the same job, a natural spread of performance levels from A Performance to D Performance. The overall mix is approximately 5-15% A Performers, 20% B, 40% C and 20-30% D level performers.
2. The A and B Performers have uniformly better productivity when measured by quantity of output (objective metrics including the number of specific tasks), and also are generally considered superior in the manner in which they do the job (subjective metrics).
3. When D Players are removed from such a job position, in greater than 80% of the situations, we have witnessed an improvement in productivity of the remaining higher performers sufficient to more than compensate for the reduction in total number of staff. In fact, we are often able to increase total output from the people in a given job by 30% or more while reducing the absolute number of employees doing the work.
4. When we add in the recruitment of new Top Performers (A or B level performers) we are often able to achieve a 100% or greater output from the equal investment of human capital before and after such a reorganization.
5. More than 80% of all D and C level Performers who are terminated in this type of reorganization were considered at the point of hiring, good employees: Reliable, capable, experienced, intelligent, knowledgeable and skilled. When we move people from a position in which they are identified as C or D Performers into jobs “across the hall” in which their core capacities closely match those of the Top Performers in the new position, they are generally able to perform (complete the tasks) at a B level or above.

Top Performer Profile Validation

In a study of 6 businesses where we developed an internally validated Top Performer Profile we drew the following observations:

1. Out of a total of 823 persons who had taken the assessment and were previously ranked for their performance, 14% were considered Top Performers by their employers. Given the Top Performer Profiles developed for each position, 14% would have been recommended for hiring.
2. Of the 119 Top Performers, as ranked by their employers, we would have highly recommended 74 and given a low recommendation to 44, rejecting 1.
3. In total we would have highly recommended 91 persons, 420 would have been given low recommendation and 312 (38%) would have been rejected and never interviewed.
4. 17% of our identified Top Performers would turnover during the following twelve months, compared to a turnover of 85% of the C- and D level performers of the study group.

So, we use this tool to accomplish **two missions (A & B)**:

- A. Avoid hiring future non-performers and reduce the overall cost of turnover and non-productive employment groups.
- B. Dramatically increase the productivity of employee groups, enabling the business entity to generate dramatic growth while increasing profits.

If the Top Performer Profile had been used to make hiring decisions for this group prior to their current employment, only 91 of the 823 would have been highly recommended, and we would have hired as many as 48 low or non-performers, which presumably would turnover. Thus we could have avoided the cost of hiring over 650 low or non-performers. Assuming a nominal cost per employee of \$40,000 per year, in this study, we would have saved nearly \$26 million in the first year. **This satisfies mission A.**

Furthermore, assuming we wanted to fill all 823 positions, we would have sought candidates who fit the Ideal Profile™. If we had succeeded, and if each Top Performer contributed \$100,000 of value (approximate average of the test group), then we would have found 600 Top Performers contributing \$60 million of value, compared to \$9.0 million of contribution from the study group of Top Performers. That is a six times improvement in productivity. **This satisfies mission B.**

SUMMARY OBSERVATIONS:

While research shows *only 15% of employees are poor workers*, 80% of an organization's production comes from a mere 20% of its people, their *Top Performers*. In fact the Human Capital Institute found that most company's human capital efficiency is an astonishing 33%. There is little doubt that hiring processes are flawed, even non-existent; moreover, people charged with doing the hiring are either ill suited for the job, poorly trained...or both. The result is poor hiring decisions that have consequences.

This dilemma of flawed hiring practices and poor performance is explained in the observations of Abraham Maslow, Peter Drucker, Warren Buffett and others that every person is born with a unique, innate core nature. Gallup, in an extensive 1997 research study confirmed these observations, finding that a person's innate "wiring" has a profound effect upon a person's predisposition for success in a particular job.

This Longitudinal Study clearly demonstrates the effects of aligning Core Values with job tasks, something behavioral assessments can't do. By simply aligning the inherent core nature energy and motivation of a person, with the work that is required we dramatically increase the number of *Top Performers*, becoming the most important initiative a company can undertake.

Now proven in the fires of over *400 business turnaround and business optimization projects*; these legally defensible, state-of-the-art ***talent selection, team alignment, and corporate learning*** protocols have been used across a wide range of industries, company sizes, levels of organizational development and profitability.

Call us now to see how this system can align your business strategy with desired business results.