

# Benchmark Construction and Application

The MERIT Profile provides for the construction of five types of benchmarks, each with its own unique features and application.

## Overview

- ◆ Benchmarks have one overriding **objective**: to help organizations hire significantly better job candidates than they would hire without them.
- ◆ **Professional benchmarks** achieve the objective exceptionally well, and in so doing **prove their value** in the following ways:
  - ◆ Every benchmark is **customized** for a particular purpose or position within the organization -- norms are organizational, not national.
  - ◆ Benchmarks are developed for positions that contain NO current employees to those containing **any number of employees**.
  - ◆ **Benchmarks simplify, speed up, and take much of the guesswork out of the hiring process.**

## All benchmarks predict success:

- ◆ Builder Benchmarks simply emulate preferred styles of behavior.
- ◆ Plus and Advanced Benchmarks reflect the complex statistical correlation between relevant character and behavioral competencies, and important client- selected criteria.
- ◆ Decision-making information is available at the click of a mouse in the form of **content-rich, descriptive reports** and **easy-to-interpret, graphic displays**.
- ◆ Benchmarks work for a wide range of applications, all designed to **improve the workforce** and **increase profits**. They include, but are not limited to, increasing sales, improving performance, or decreasing turnover, risk or abuses of Workman's Compensation.
- ◆ Benchmarks can be **verified for cost-effectiveness**.
- ◆ Development needs of individuals are identified and **steps for improvement** are provided.
- ◆ Benchmarks **do not discriminate** and Surveys **meet guidelines** for testing set by the Equal Employment Opportunities Commission (EEOC).

# 5

## Custom Position-Level Benchmarks

### Model 1: Builder Star Traits Benchmarks

These benchmarks can be created by the customer at the click of a mouse and used immediately. The authorized user simply goes to the appropriate location on the Website and selects one or more Star Traits, each of which is thoroughly described. These types of benchmarks are often used for new positions in which there are no existing employees or one that is different from that of existing employees. Star Traits is also an excellent training device since it helps to identify some traits in an individual for which a personal development plan could be designed.

**Primary Purpose:** To provide the *simplest-possible* Benchmarks for selecting the *best-available* job candidates.

#### Development:

- Developed online by the employer.
- Developed by selecting the preferred Position Profile from among four predefined Profiles.
- Can be ready for use with a few clicks of a mouse.
- Development is guided by simple instructions and prompts; such that Benchmarks can be fully functional within minutes.
- Reports include candidates' written personal character and behavior profiles and their percentage fits with the Benchmark, displayed graphically.

#### Applications:

- Excellent as a start-up selection tool.
- Especially useful where a position contains NO current employees or only one or a few employees.
- **Most effective when success is clearly associated with a particular behavioral style.**
- Used to **select** job candidates where requirements for more advanced benchmarks cannot be met.
- Used for **succession planning** where Benchmarks have been created for several positions.
- Provide information about future promotional paths even *before* the candidate is hired.

**Cost:** There is no separate charge for these Benchmarks; they are **FREE!**

#### Major Benefits:

- Easy to develop--developed online by the employer.
- Fast--can be ready to use in minutes.
- Minimal requirements--need NO employees in the position to emulate.
- Easy to use--everything is done online; Surveys can be taken online; reports can be viewed from any online computer, or they can be emailed to any online recipient.
- Same day service--available almost immediately; organization can begin using the Benchmarks for hiring on Day One.
- Used for selection where requirements for a more advanced benchmark cannot be met.
- Information--reports are the same as those for all benchmarks, succinct, easy to understand, accurate in their descriptions, and percentage fit scores are displayed graphically for easy interpretation.
- Effectiveness--**most effective when success is clearly associated with a particular behavioral style.**

## Model 2: Builder Star Performers Benchmarks

A second Builder benchmark is constructed from MERIT Profile Surveys taken by employees who have records of high performance. As a group, they are the kind of employees the employer would like to replicate. The authorized user selects particular *star performers* from a list of employees who have already completed the MERIT Profile Survey.

**Primary Purpose:** To identify the *best-available* job candidates relative to "*ideal*" employees in a given position or for a particular purpose.

### Development:

- Developed online by the employer.
- Represents the goodness-of-fit between candidates' Personal Profiles and a composite Star Performer Profile.
- Requires completed Surveys by 1 to 10 "star performers."
- Development is guided by simple instructions and prompts; such that Benchmarks can be fully functional within minutes.
- Reports include candidates' written personal character and behavior profiles and their percentage fits with the Benchmark, displayed graphically.

### Applications:

- Excellent for use when the Benchmark sample is too small to develop more advanced benchmarks.
- **Most effective when success is associated with "star performers" in the position.**
- Used for **selection** to emulate the "success" demonstrated by "ideal" employees in a position.
- Used for **succession planning** where Benchmarks have been created for several positions.
- Provide information about promotional paths even *before* the candidate is hired.

**Cost:** There is no separate charge for these Benchmarks; they are **FREE!**

### Major Benefits:

- Easy to develop--developed online by the employer.
- Fast--can be ready to use in minutes.
- Requirements--need results on Surveys from 1 to 10 current "ideal" employees in the position.
- Easy to use--everything is done online; Surveys can be taken online; reports can be viewed from any online computer, or they can be emailed to any online recipient.
- Same day service--available almost immediately; organization can begin using the Benchmarks for hiring on Day One.
- Information--reports are the same as those for all benchmarks--see Model 1.
- Effectiveness--**most effective when success is associated with "star performers" in the position.**
- Results--**appropriate long-term use should result in at least a 30 percent improvement over previously used procedures.**

### Model 3: Plus Benchmarks

Whereas the user can construct Builder Benchmarks, Plus Benchmarks require statistical analysis of data by a professional statistician. For Plus Benchmarks, employees are first assigned to categories of “above average” or “below average” by a manager or supervisor who is sufficiently knowledgeable to accurately make those judgments. This benchmark is recommended when the sample includes from ten to thirty individuals.

**Primary Purpose:** To take advantage of the larger samples to predict success, based on character and behavioral competencies rather than on behavioral style alone.

#### Development:

- Developed for positions/purposes for which 10 to 30 employees with the same job description have completed Surveys.
- Requires employers to classify employees into two categories, "below average" or "average or above" with reference to an important performance criterion, sales, tenure, risk, etc.
- Benchmarks are developed by professional research investigators and applied statisticians.
- Predictive mathematical equations that make the Benchmark work are loaded onto the Website for effective, long-term application.
- Reports include candidates' written personal character and behavior profiles and their percentage fits with the Benchmark, displayed graphically.

#### Applications:

- Used to increase "success" when the sample is too small to develop more advanced benchmarks.
- Used for **selection** where certain qualities of character and/or behavioral **competencies** lead to above-average outcomes.
- Used for **succession planning** where Benchmarks have been created for several positions.
- Provide information about promotional paths even *before* the candidate is hired.

**Cost:** Discuss cost with a Future Achievement Sales Associate.

#### Major Benefits:

- Development--accomplished entirely by professionals.
- Can be all-inclusive--can include up to 24 metrics that have predictive relevance for outcomes in addition to character and behavior, such as, indices for cognitive abilities and skills.
- Information--reports are the same as those for all benchmarks--see Model 1.
- Effectiveness--**increased by the use of "attributes" or competencies as predictors of "success" versus "behavioral style."**
- Results--**appropriate long-term use should result in at least a 35 percent improvement over previously used procedures.**
- Opportunities for improvement--development needs for each individual are identified and **steps for improvement**, provided.
- Does not discriminate; meets guidelines for testing set by EEOC.

## Model 4: Advanced I Benchmarks.

Two features distinguish Advanced I Benchmarks from Plus Benchmarks.

1. The sample must contain Survey results from at least thirty individuals.
2. The criterion must be an objectively obtained measurement of "performance." The data for these benchmarks are processed, analyzed, and posted by the same procedures, as are Plus Benchmarks.

**Primary Purpose:** To maximize predictive efficiency by basing Benchmarks on objectively measured criteria and large samples.

### Development:

- Developed for positions/purposes for which 30 to 60 employees with the same job description have completed Surveys.
- Employer must enter "scores" onto the Website that represents each employee's "performance" on the criterion of interest.
- Benchmarks are developed by professional research investigators and applied statisticians in accordance with the employer's desired performance standards.
- Predictive mathematical equations that make the Benchmark work are loaded onto the Website for effective, long-term application.
- Reports include candidates' written personal character and behavior profiles and their percentage fits with the Benchmark, displayed graphically.

### Applications:

- Used to increase "success" when the sample is too small to develop Advanced II Benchmarks.
- Used for **selection** where certain qualities of character and/or behavioral **attributes** lead to above average outcomes.
- Used for **succession planning** where Benchmarks have been created for several positions.
- Provide information about promotional paths even *before* the candidate is hired.

**Cost:** Discuss cost with a Future Achievement Sales Associate.

### Major Benefits:

- Development--accomplished entirely by professionals.
- Can be all-inclusive--can include up to 24 metrics that have predictive relevance for outcomes in addition to character and behavior, such as, indices for cognitive abilities and skills.
- Information--reports are the same as those for all benchmarks--see Model 1.
- Effectiveness--**increased by the use of "attributes of character and behavior" as predictors of "success" versus the exclusive use of "behavioral style."**
- Results--**appropriate long-term use typically results in 40-50 percent improvement over previously used procedures.**
- Opportunities for improvement--development needs for each individual are identified and **steps for improvement**, provided.
- Coaching services--where indicated, these services can provide **in-depth professional help**.
- Does not discriminate; meets guidelines for testing set by EEOC.

## Model 5: Advanced II Benchmarks

The key to predictive accuracy is the control of error. These benchmarks are customized for each organization and each position within the organization, and each criterion within the position. In addition, they require samples of at least 60 individuals who have the same job description. Benchmarks are created separately for each primary trait. This means that, for most positions, four benchmarks are derived for each criterion, one for each highest trait, Dominance, Extroversion, Patience, and Conformity.

**Primary Purpose:** To increase predictions of success by creating separate Benchmarks for each one of the four behavioral traits.

### Development:

- Developed for positions/purposes in large organizations.
- Requires at least 20 employees with the same job description and highest behavioral trait (D, E, P, or C); three or 4 times 20 = 60 to 80 employees, minimum.
- Employer must enter "scores" onto the Website that represent each employee's "performance" on the criterion of interest.
- Developed by professional research investigators and applied statisticians in accordance with the employer's desired performance standards.
- Predictive mathematical equations that make the Benchmark work are loaded onto the Website for effective, long-term application.
- Reports include candidates' written personal character and behavior profiles and their percentage fits with the Benchmark, displayed graphically.

### Applications:

- The preferred model when the requirements for development can be met.
- Used for **selection** where certain qualities of character and/or behavioral **attributes** lead to above average outcomes.
- Used for **succession planning** where Benchmarks have been created for several positions.
- Provide information about promotional paths even **before** the candidate is hired.

**Cost:** Discuss cost with a Future Achievement Sales Associate

### Major Benefits:

- The ultimate in benchmarking services.
- Development--accomplished entirely by professionals.
- Can be all-inclusive and have up to 24 metrics that have predictive relevance for outcomes in addition to character and behavior, such as, indices for cognitive abilities and skills.
- Information--reports are the same as those for all benchmarks--see Model 1.
- Effectiveness--**developing Benchmarks, separately, within each behavioral trait group increases effectiveness. Typically, correlations are so strong that they would not occur by chance 1 time in 10,000 repeated studies with equally large samples, conducted under similar conditions ( $p < 0.0000$ ).**
- Pre-validatable--when samples are large enough, double blind applications can be performed that simulate the hiring process, affirming effectiveness **before** Benchmarks are released for use.
- Results--**typical ROI's are highly cost effective. ROI in one application was \$600 return for every \$1 invested in Surveys, based on five years of information.**
- Opportunities for improvement--development needs for each individual are identified and **steps for improvement**, provided.
- Does not discriminate; meet guidelines for testing set by EEOC.

## Summary

It is important to understand that **the benefits of the MERIT Profile increase with the depth of the Benchmarks**. That fact is consistently documented by research evidence, and it is due to a methodology that eliminates sources of error by the more advanced benchmarks.

When samples reach 100 or more, **Advanced II Benchmarks** can be validated before they are posted and used. This is accomplished by conducting double blind studies. First, the criterion for a Group is randomized to form Subgroups A and B. Then, a benchmark is developed using data from Subgroup A for blind application on individuals in Subgroup B, thereby, simulating the selection process. Subsequently, the procedure is reversed, such that, the benchmark is created on individuals in Subgroup B and applied to Subgroup A. In this way, predictive accuracy that reaches statistical significance validates the benchmark.

Confirmation of validity is achieved when actual benchmarks are applied for a period of time and the real-time results are analyzed. In fact, the results reported for Mercury Insurance Group were based on a five-year study in which use of Advanced II Benchmarks reduced early terminations from 56 percent prior to eighteen months of employment to 28 percent prior to eighteen months of employment, in entry-level positions.