

The Science of Human Performance

“The measure of success is not whether you have
a tough problem to deal with, but whether it's
the same problem you had last year..”

J. Dulles

Executive Summary

What is an excellent customer service person worth to your bottom line?

40% more than what a mediocre one is worth.

One salary and a third more output.

(40% increased productivity in operations roles for high performers. McKinsey's War for Talent 2000 Survey of 410 Corporate Officers, McKinsey Quarterly, Number 2, 2001)

FACTS about Hiring Customer Service Representatives:

- Harvard Business Review has reported that over 50% of resumes contain false or beefed up information.
- The interviewee is on his/her best "dating" behavior and only puts their best foot forward.
- Further research indicates that a hire decision is made in the first 1 minute of the interview.
- Typical interviews have a mean validity of 20% in determining the best candidate. Flipping a coin would be only 2% less effective.. Univ. of Michigan

Next Level Results has a **predictive performance model** which statistically contrasts current low and high performers *in your business* which increases your chances of hiring like high performers to **85% - 97.5% probability**. Individuals are objectively assessed with the most validated instruments in the industry which **REMOVES BIAS**.



BIAS is deadly in the selection process **and** in the coaching process:

- Mediocre managers hire mediocre people. Or worse, they hire people who "need" a lot of help.
- Customer Service managers are caring people. They like people This introduces bias in hiring AND keeps low performers on the payroll due to personal ties that have little to do with performance. **Hire fast and fire slow costs you \$\$\$\$** This is so rampant that it seems normal– it doesn't have to be.
- The most expensive selection system is "sink or swim" in customer service: the national average turnover is **33%**. Money is leaking out of your budget!

Service organizations (your competitors?) have used this process to:

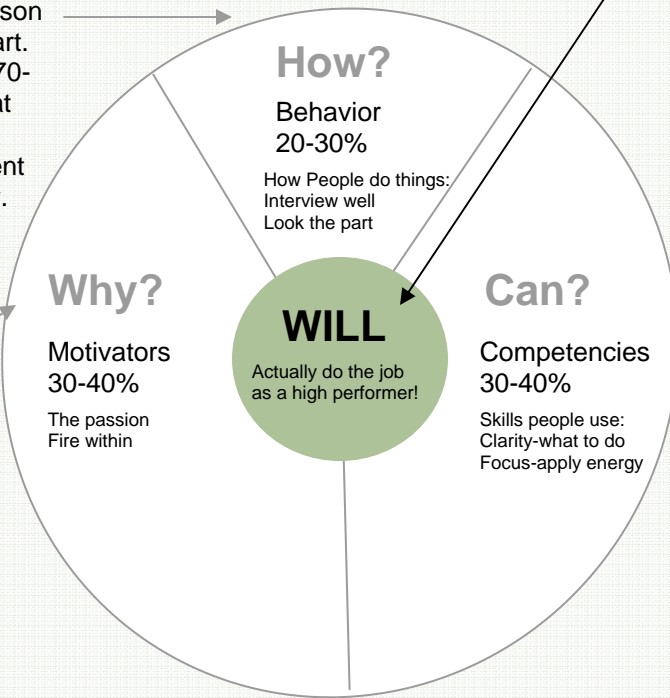
- Cut turnover to 25% .
- Teach supervisors how to focus on performance (rather than personalities).
- Reduce wasted training expenses (Average is \$9,000-\$15,000) per person on the many CSR's that leave in 90 days.

The Science behind the Science

Next Level Results measures three powerful perspectives to determine a high performance job fit.

- Most assessment vendors **ONLY** measure temperament!
- This is dating behavior in an interview . The person will look and act the part. What about the other 70-80% of that person that you can't see?
- Accuracy of assessment is 80-95% face validity.

- You cannot interview for a person's true passions. Passion may not be passion for the outcomes that this job requires.
- It is innate in the individual. It is felt and experienced. Very difficult to talk about.
- This assessment is an X-Ray of what motivates this person as they make decisions.
- Accuracy of assessment error rate of 8 in 10,000



The Percentages indicate our findings on the impact of that measurement on the job fit for a high performer.

High Performance SWEET SPOT

- **Motivated**
- **Competent**
- **Communicating appropriately**

The job gets done.

- You cannot see if a person can actually do the job now or interview for it.
- It is innate in the individual.
- They know what they know and don't know what they don't know.
- People can't see their blindspots!
- Accuracy of assessment error rate of 3 in 10,000

What It Is

The **Next Level Results Performance Process** is a streamlined process that takes input from key stakeholders and data from incumbents, to create an objective job benchmark that is predictive of high job productivity with up to 70-95% probability. Individuals are objectively assessed with the most validated instruments in the industry to determine fit to the job benchmark.

Job Benchmark

Dramatically saves TIME and MONEY

It's Fast and Easy

Applicant Input is online and only takes 30 minutes.

- No more unproductive management meetings with "ain't it awful" chit chat about what is or is not needed in the job specification.
- All results are automatically sent to the proper company manager or supervisor
- Provides management with effective scientific tools to avoid wasteful individual interviews to discuss the job .
- Creates customized individual job interview questions that match the job benchmark. Creates shorter interviews that target high performance and job specification match.
- Managers/supervisors use the specific job benchmark input that is job related: not based on personality or unproductive politics.

Removes bias from hiring and performance development

Creates statistical analysis of your high and low performers in the job.

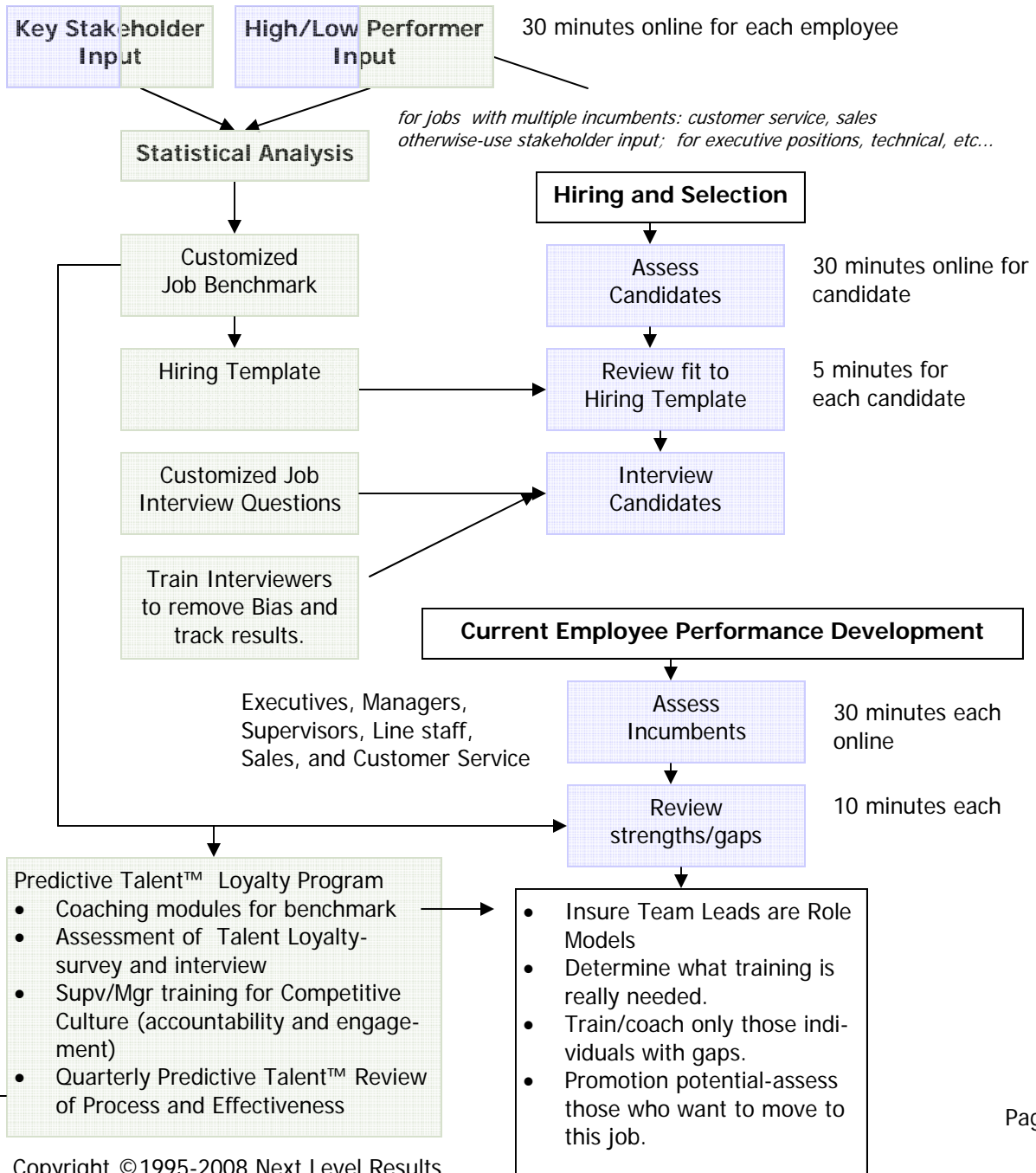
- The true job differentiators are determined based on data rather than opinion, personalities, or wishes.
- The job benchmark data is applicable to your company's unique challenges: culture, job design, work load, location, and customers.

How It Works

The Predictive Talent™ Loyalty Program is an accountability system for hiring, developing and keeping superior performers for maximum productivity and profitability.

We begin with two foundational pieces; the Job Benchmark and the Individual Assessments.

Establishing the Job Benchmark:



Skills you cannot interview for:

Case Study: The company had a conservative culture and a history of 100 plus years. Customer Service had been charged with a major budget reduction and call center consolidation.

We began with measuring the high performers vs. challenged performers. ALL had passed the interview and were paid for 12 weeks of training prior to being put on the phones. We created a Job Benchmark based on statistically modeling the differences between the two groups. We generated the structured interview questions customized to match the Job Benchmark. The Interview was one third of the hiring decision, the Predictive Job Fit of the candidate's Personal Talent Assessment a third and the resume/background check the other third.

Prior to using Predictive Talent™ over 80% of the prior class quit within one week of completing training. After implementation less than 10 percent quit. The HR person reported a dramatic decrease in drama, harassment claims, porn site visits, and absenteeism.

ABC Customer Service 10/18/03

		.88-.77 .78-.78		.92-.91 .98-.83	
		Challenged Performers		High Performers	
Validity score					
5.1 to 6.6 = FAIR					
6.7 to 7.6 = GOOD					
7.7 to 8.8 = VERY GOOD					
8.9 to 10 = EXCELLENT					
National Norm					
Skills	Norm				
Customer Focus	7.8	7.5	6.5	8.0	8.7
Self Management	7.4	6.2	6.0	7.2	6.9
Continuous Learning	7.4	6.7	6.8	7.9	7.4
Goal Achievement	7.4	6.5	5.6	8.1	7.7
Resiliency	7.2	6.3	5.5	7.8	8.0
Objective Listening	7.7	7.5	6.5	8.0	8.7
Decision Making	7.4	6.8	6.3	7.9	7.8
Conflict Management	7.8	7.3	6.8	7.6	8.5
Influencing Others	7.7	7.4	7.2	7.9	8.0
Self Starting	7	6.9	5.4	8.6	7.9
Conceptual Thinking	7.3	7.1	6.2	7.9	9.5

These four performers were incumbents on the job.
Note: they had all passed the interview!

The supervisors of the challenged performers had very specific coaching objectives to raise productivity of the challenged performers to benchmark ranges.

Sample Job Template for Hiring and Coaching from Benchmark

ABC Company, Sales Representative TriMetrix© Benchmark (09/05)

Candidate:

Validity (.70 or better on both equations bottom left of Page 2) Rev:

Driving Forces

Attributes (Can?)

High Performer Range

Challenged Range

Other

Problem Solving

95% probability

7.7-10

5-7.6

Empathetic Outlook

95% probability

7.6-8.6

5-7.5

Results Orientation

95% probability

7.9-10

5.0-7.8

Personal Accountability

95% probability

7.5-8.4

6.7-7.4

Diplomacy and Tact

68% probability

7.5-8.2

6.6-7.4

Goal Achievement

68% probability

7.8-8.3

5.5-7.7

Planning/Organizing

68% probability

7.9-8.4

6.7-7.8

Motivators (Why?)

Utilitarian

95% probability

7.9-8.4

6.7-7.8

Traditional

95% probability

7.9-8.4

6.7-7.8

Behaviors (How?)

Competitiveness

95% probability

7.9-8.4

6.7-7.8

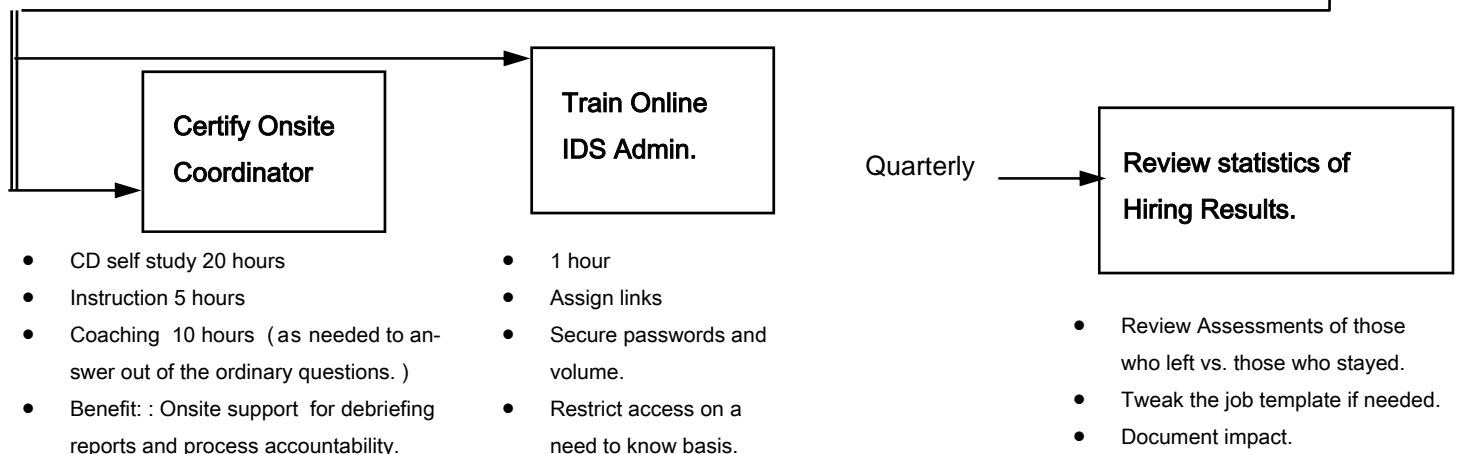
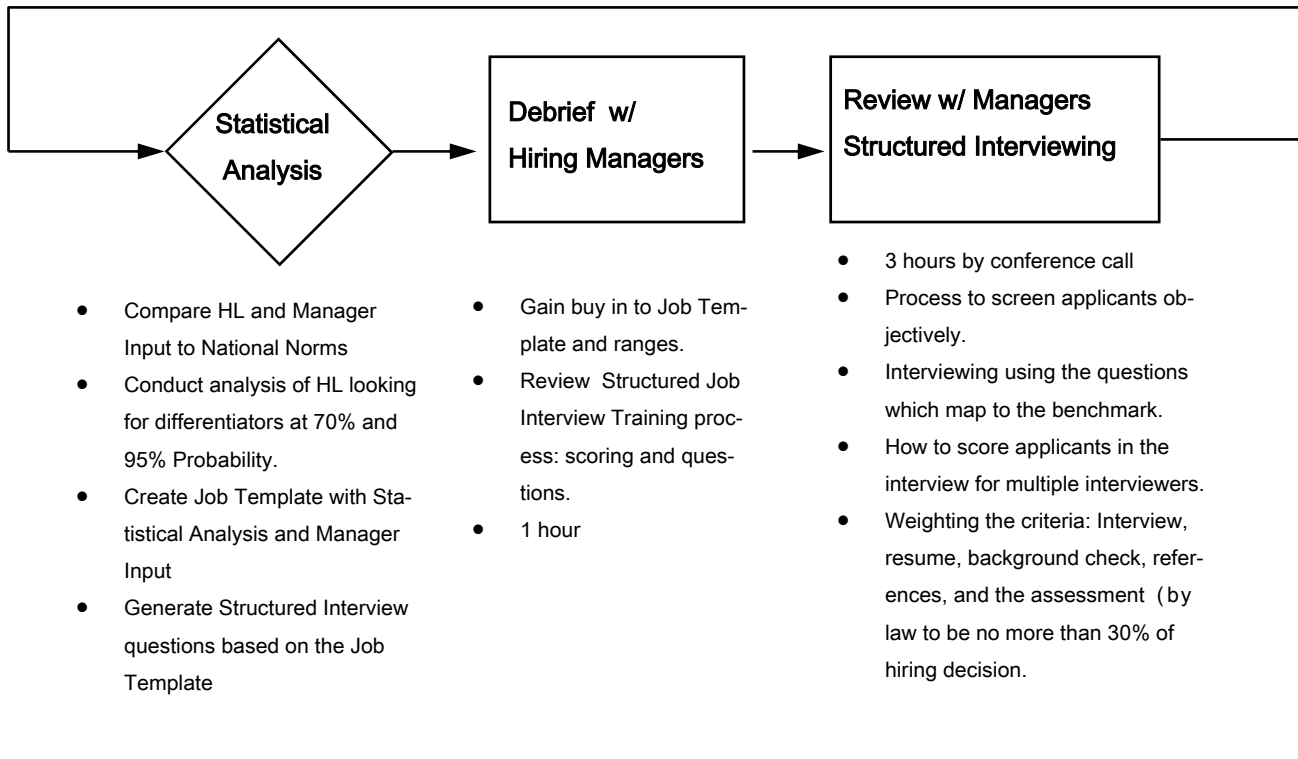
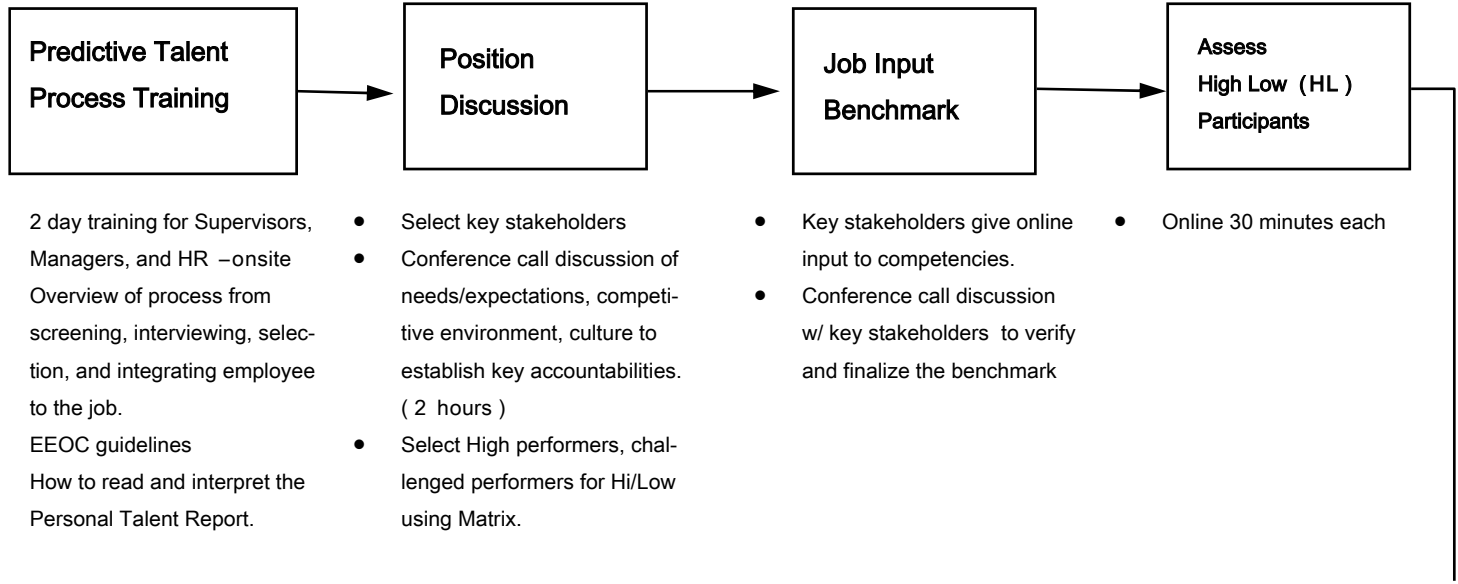
Organized Workplace

95% probability

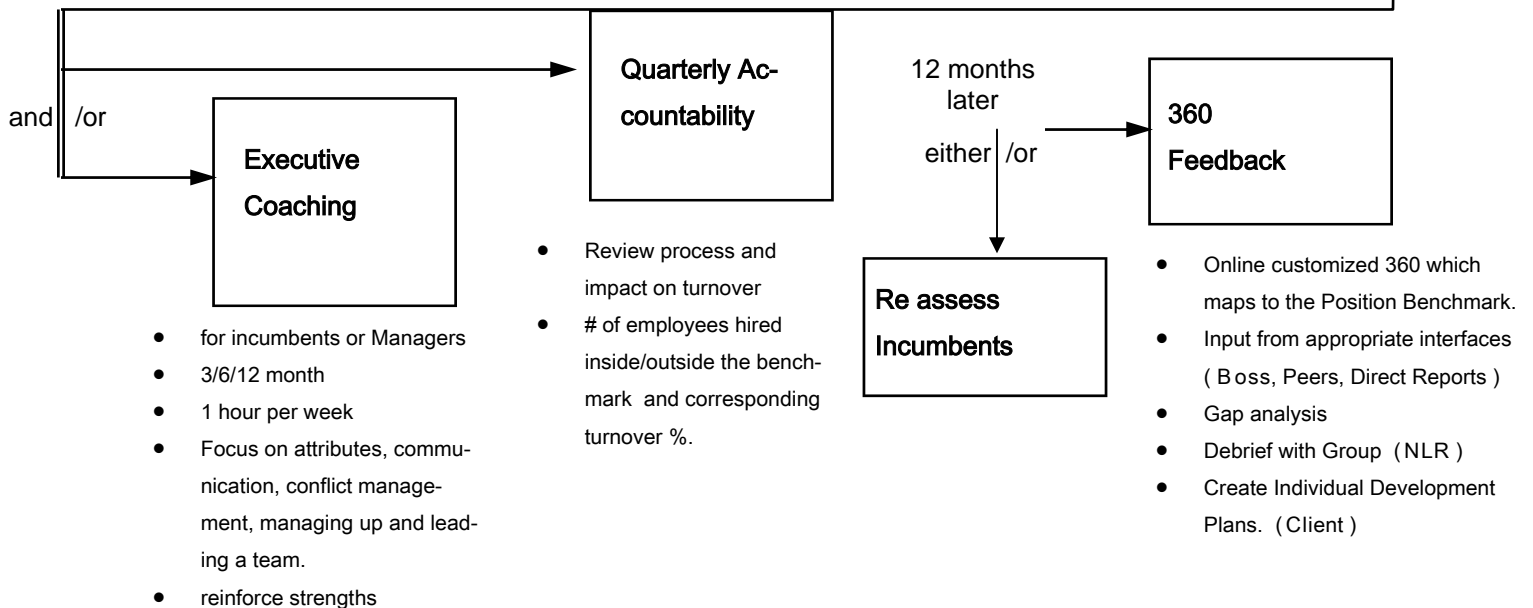
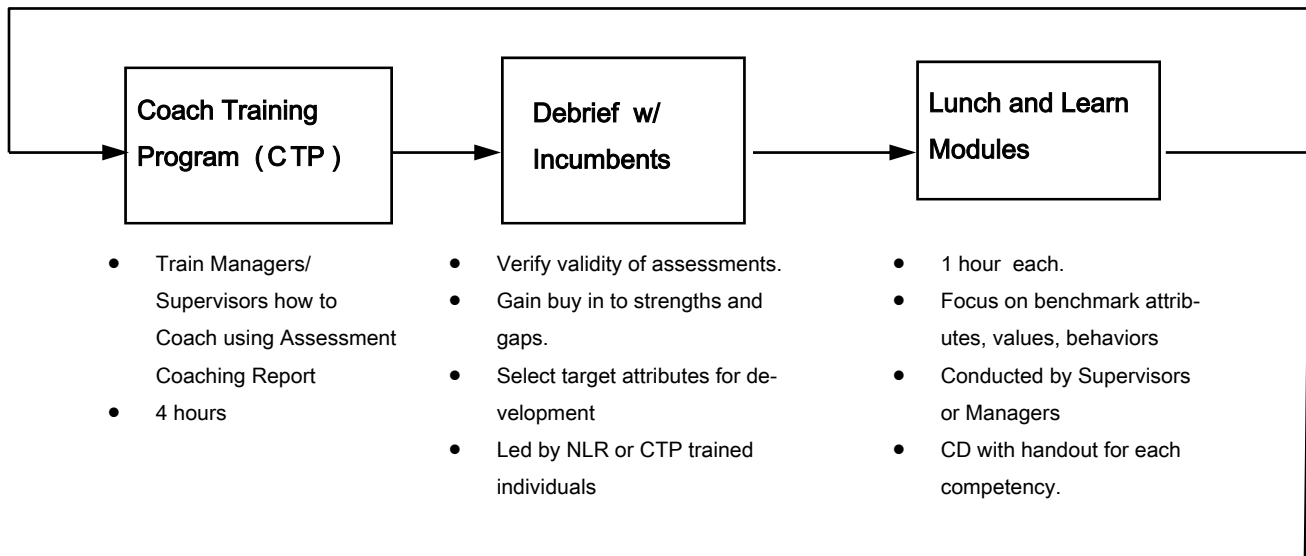
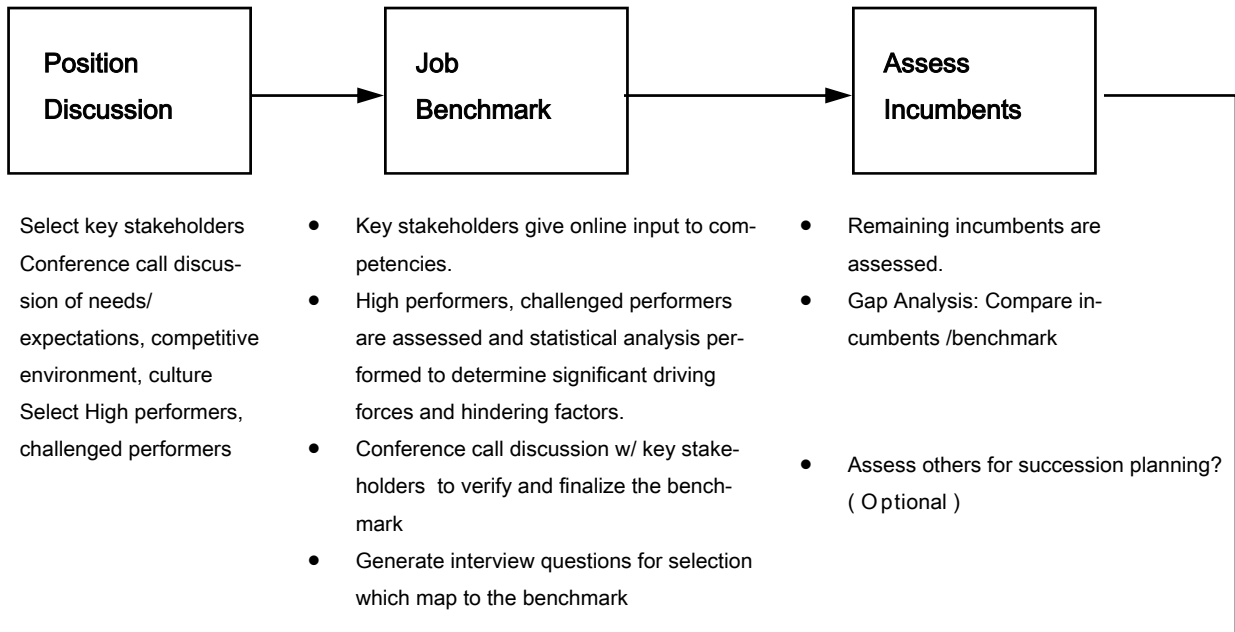
7.9-8.4

6.7-7.8

Hiring & Selection Performance Benchmarking



Current Employee Benchmarking/Development



How We Differ...

Personal Assessment

- **How we differ from “assessment” vendors**

Other assessment vendors will tell you what they think will be successful in the job, we use hard science to tell you who will be successful.

Next Level Results uses a scientific approach with your data and guarantees your successful end result.

- We customize the job benchmark for your company’s culture, your competitive challenges, your needs to make the right things happen now.
 - We use a statistical process to find the true difference in the competencies of high performers and low performers in your company. No trust required. It’s your data from your shop that creates your company’s benchmark. Your new hires matched against the customized benchmark will be a direct reflection of those skills, attitudes and values that match your high performers.
 - We guarantee results. If a person who matches the job benchmark is fired *due to nonperformance to the company standard* in the first year we will refund DOUBLE your money back on their assessment.
- **Measurable Results you can expect to receive using the Next Level Results Performance Process**
 - Increased Retention
 - Increased Productivity
 - Increased Cohesion and Trust
 - Reduced Supervisor/Manager costs

Our Zero Risk Guarantee

Next Level Results is providing hard scientific solutions to human problems and challenges. We use the most sophisticated scientific personal assessment tools available. Our test results have mathematically all but eliminated errors in matching individuals to your customized job specifications benchmark.

For any individual that is hired using the Next Level Results Performance Process (i.e. matches the benchmark) that is terminated for reasons of nonperformance on the job within the first year of employment we will refund **DOUBLE** the money back to you for the cost of their personal assessment.

Professional Service Disclosure

By Law any assessment can only be no more than 30% of a hiring decision.

The other 70% is to take into account the individual's experience, skills, requirements, and education. The Next Level Results Structured Interview based on your company's benchmark is in this portion.

The reading level of the assessment is geared for the 8th grade reading level. This is the minimum reading ability required for entry level jobs in a business environment. Recent research shows that only 40% of U.S. high school seniors have a reading proficiency high enough to find, understand, summarize, and explain complicated literary and informational material. The assessment is not intended to be a literacy test.

Increases EEO Compliance

A scientific hiring process that bases hiring decisions on your company's benchmark rather than personal bias which safeguards your firm against lawsuits and claims for improper hiring.

- Structured behavioral interview with questions that are structured to the job competencies identified in the benchmark insure that candidates are equally evaluated regardless of age, race, or sexual orientation.
- The Assessment is administered online in a neutral environment and objectively scored without knowledge of a candidate's age, race, or sexual orientation.
- The Internal Consistency statistic insures that the data which is generated from the assessment is an accurate reflection of that individual's capacities. This is a level of accuracy that is unparalleled in the industry.
- The reading level of the assessment is for the 8th grade. This is the minimum reading level for entry level jobs in a business environment. Recent research is that only 40% of U.S. high school seniors have a reading proficiency high enough to find, understand, summarize, and explain complicated literary and informational material. The assessment is not intended to be a literacy test.
- A Customized Next Level Results Benchmark that is consistent for all candidates removes the personal bias of managers who unconsciously hire clones of themselves discriminating against others based on sex, race, age, or religion.

Cost of Turnover

Excerpt from McKinsey Quarterly Report, 4th Quarter, 2005

“Getting more from call centers:

Used properly, they can be strategic assets.”

Keith A. Gilson and Deepak K. Khandelwal

“Reduce employee turnover

In most call centers, the turnover of agents is high. Often it is considered simply a cost of doing business. But with **average attrition levels of 33 percent a year**, and with the cost of hiring and training a new person averaging **\$15,000**, attrition at even a small center of 200 agents could **cost \$1 million a year**. Some turnover is to be expected given the often challenging nature of the job and the demographics of the workforce. Yet managing attrition actively will yield not only direct cost savings but also higher productivity from an increasingly experienced staff.

The highest rates of attrition come during the first year, often in the first few months. Executives tend to blame poor pay for high turnover—usually with reason. But as well as addressing pay, they need to motivate agents to stay by recognizing effort and offering good work conditions and career opportunities.

There is no quick way to create these conditions. Many things have to be done well across seven dimensions—recruitment, training and development, compensation incentives, career advancement, operations design, site selection, and culture. Certain steps can help a company to ensure, quickly, that it hires the right candidates: requiring senior coaches to conduct interviews, using predictive models to develop agent profiles, recruiting through referrals (which have a lower attrition rate), and hiring only with the site director's approval.

As a result of attitudes stemming from the days when call centers were considered little more than a cost to be minimized, they are among the most underused of all corporate assets. High-performing companies, though, understand the strategic value of a call center. They define a customer service strategy that balances cost cutting with revenue generation, integrates the centers with the rest of the organization, and offers segmented service based on the value of each call. To realize this strategy, they use outsourcing and technology in appropriate ways to create a diversified infrastructure. And they ensure that agents perform well by giving them careful coaching and integrating the relevant performance metrics and incentives. Companies that have acted on these imperatives are already generating higher revenues and providing better service—at a lower cost.”

Validity

Compare our Validity error rate against any assessment in the industry!

Over 90% of assessments are self reports which indicate temperament. That is why many people think assessments are useless. They are! The lie factor (which is what good people do unconsciously when they need a job!) is always present in personality tests. It is undetectable! People don't even know that they are fudging the truth. They justify their answers and put on a good show for you during the interview process to get the job. We call it "dating behavior."

We scientifically measure how people think and make decisions. It is a mathematical exercise (not a psychological assessment) which reports the outcome of how an individual value ranks 2 sets of 18 items. There is a **zero lie factor** because it is an exercise that forces the individual to make choices that reflect how that individual makes decisions with tradeoffs between self, others, the organization, and getting the work done. The error rate is only 3 in 10,000. There isn't an assessment in the industry that can claim this degree of accuracy. Furthermore, we measure how consistently a person made decisions thru the exercise. This guards against the tendency of some individuals to randomly check items out of fear, lack of concentration, or inability to focus on the task. This increases the predictive confidence of the reported results to a level of accuracy which cannot be matched by our competitors. See our guarantee-also unprecedented in the industry.

Because of the extraordinary accuracy of this instrument, we can measure the performance capacity of a candidate with confidence and predict how effective that individual will be on the job. A much higher standard (70-95% predictability) than an interview alone (14% predictability) of high performance.

Here is a sample Hiring Template and the probability of being a high performer:

Customer Service Representative (Large Insurance Provider)

1. Self Management (good -very good) **95% probability** of high performance.

Realistic in evaluating their capability and time to complete a task.

2. Conflict Management (very good-excellent) **70% probability** of high performance

Ability to resolve different points of view constructively.

These capacities are NOT DISCERNABLE in an interview. Without a scientific measure you find out the hard way, on the job, that the new hire is unable to perform the job.

We know our process is accurate. That's why we guarantee the results 200%!

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Questions and Answers

Questions from **HR Magazine** 11/05– How to evaluate an assessment vendor?

1. What is the assessment designed to measure and accomplish, and how will that benefit the organization?

Next Level Results assessments measure: how a person thinks, communicates, and is motivated for high performance. Job fit benefits the organization by maximizing the productivity of every person: for the job you need done, for your strategy and your culture. Payroll is often the largest line item expense for an organization and insuring that you hire, train, retain, and develop top producers is critical to your long term success.

2. Does the assessment come with an accompanying job analysis tool that allows for the thorough identification of the job's requirements?

Yes. Next Level Process has an online analysis tool that identifies the top 5-7 Competencies, the top 2 Motivators, and the top 2 Behaviors for High Performance in a position based on your answers to 96 questions.

3. Is the assessment free of bias with respect to the respondent's age, gender, or ethnic group?

Yes. The assessment is geared to the eighth grade reading level. It is available in English, Spanish, and French. It is age, gender, and ethnically neutral.

4. Is the assessment reliable? That is, are people's scores on it relatively consistent over time (repeatable)?

Yes. The measurement of communication and motivation is consistent over time. People don't change these aspects over a lifetime unless there is a significant emotional event. The measurement of how a person thinks (focus and clarity which is a measurement of competencies such as self starting, personal accountability, etc...) is stable over a six month period without intervention (such as coaching). Individuals vary their focus on the job based on their internal self concept and external demands. Life happens: being intelligent beings we make adjustments for better or worse. With those adjustments our competency on the job varies over a six month period. Next Level Results measures focus and clarity at this point in time.