



EXECUTIVE WHITE PAPER

Employee Selection is Everything

The fastest, easiest and least costly strategy to achieve better results

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Abstract

This paper discusses the fastest, easiest and least expensive method for achieving better organizational results in your company, simply by hiring applicants who are a better fit for the job.

More than 50 percent of all accidents, as well as most other performance problems such as attendance, productivity, availability, customer-service and paperwork compliance are the result of behaviors emitted by fewer than ten percent of the employee population.

The character traits that make a person a safe employee are also the traits that make a productive employee. But how do these traits come to be? Is it nature or is it nurture? What can you really do to influence your existing employees?

Can you rely on expertise, management and culture to mold and shape the behaviors of your employees? Does technology provide an adequate solution? Or, does your future success rely mostly on hiring the right type of person who has the inherent traits, including values, motivations and personality to perform positively?

Looking at several studies including Heinrich's landmark work on industrial accidents, Malcolm Gladwell's analysis of employment interviews and contemporary research into risk compensation and risk homeostasis, this paper will explore the options and make a case for the best way to create a safety culture, control your cost of loss and reduce employee turnover.

Lessons from The Godfather

In the late 1960's novel, *The Godfather*, the thoughtful and calculating Don Corleone reflects on people who are easily angered. He muses, -What kind of person jumps out of his car after an auto accident and starts screaming and shouting? He goes on to speculate that such characters are courting death. The example is telling.

Ironically, his son, Santino (Sonny), is prone to this impulsive, destructive instinct and demonstrates corresponding behaviors that we might today call character flaws. In the movie version (where there is a bias for action over psychology), these character defects lead to Sonny's sensational death in the iconic tollbooth scene.

The US government, specifically the Federal Motor Carrier Safety Administration (FMCSA), discovered a lesson here for carriers and truck drivers alike. In their 2008 survey, they asked safety managers and transportation experts to identify and rank traits believed to be associated with crash risk. Their findings, based on a four point scale, closely matched the Godfather's theories:

Personality Trait	Safety Managers	Other Experts
Aggressive/Angry	3.4	3.4
Impatient/Impulsive	3.4	3.5
Inattentive	3.4	3.4
Inexperienced	3.2	3.2
Unhappy with job/Company	2.6	2.4

Hundreds of experts provided input and consistently agreed upon four of the top five characteristics likely to result in higher risk for vehicular crashes. Furthermore, the majority of the raters felt that the worst ten percent of drivers were responsible for 50 percent (or more) of a fleet's crash risk. These are the outliers that everyone would like to remove from the driver pool.

The issue is far from trivial. Truck drivers face a disproportionately higher risk for vehicular fatalities and for serious health disorders. The 2004 fatality rate for U. S. heavy truck and tractor-trailer drivers was 48.2 per 100,000 workers, approximately 11 times the rate for the general population. In that year, the non-fatal rate was also the second highest of any occupation. It is no coincidence that CSA regulations target this high risk group, with the overtly declared goal of removing them from the highways.

FMCSA asked what personal traits are most associated with accidents

The worst 10% of drivers cause 50% of the accidents

The survey results and statistical findings presented in the FMCSA report support the view that commercial drivers differ greatly in their levels of crash risk, and that a relatively small percentage of drivers (10-15 percent) account for a disproportionate percentage of total fleet risk (30-50 percent). Although no fan of governmental intervention, it is likely that Mr. Corleone would agree that CSA is well-intentioned.

Lessons from the experts

Safety pioneer H.W. Heinrich said much the same thing when he introduced his domino theory of accident causation in 1932 in his breakthrough paper, *Industrial Accident Prevention*. The first domino was based on worker personality, including traits like recklessness, stubbornness and greed. He demonstrated how specific behaviors, when repeated often enough, lead to accidents.

...unsafe behaviors
always lead to
accidents.

In the past several years, many well-known business gurus have posited similar theories for achieving organizational success. Peter Drucker asserts that business success begins with, –getting the right people on the bus and making sure they’re in the right seat. Jack Welch introduced us to Top- Grading, a systematic methodology for continuously removing C players from the workforce. Both experts, and a veritable host of others, agree that the quality of any team or business is predominantly dependent upon the talent acquisition process. How is it then, that fleet managers have been so slow to embrace this approach to organizational improvement? Could it be the age-old perception of a *driver shortage*?

Few industries today suffer from greater employee turnover than transportation. On one hand, this represents an enormous financial burden on fleet owners and on the other, it poses a remarkable opportunity. If winning begins with selecting and hiring *winner*s, why is it that just about everyone is willing to settle for the first applicant who shows up with the minimum qualifications? Worse, why do recruiters seemingly ignore the most important traits during the hiring process and, instead, focus on qualities and characteristics that are rarely predictive of on-the-job success?

In some cases, these are the very same –experts who identified such traits as *aggressive, angry, impatient, impulsive* and *inattentive* as being most predictive of vehicular accidents.

So what is an accident? An accident is an unplanned event that disrupts activity, affects people and has a cause. Almost without exception, that cause is a driver's behavior.

To make the highways safer either:

- 1) **Correct** the unsafe behaviors or
- 2) **Eliminate** drivers from the work force who are willing to behave in unsafe ways.

But which strategy works best?

Lessons from mom

Your mom was right. If you don't want to get burned, quit playing with matches. And, if you want better results, quit hiring your own miscreants.

Of course, if you haven't read our earlier white paper, *The Perversion of Safety in the Transportation Industry*, you may be thinking, –we avoid the bad drivers. We always abide by the federal regulations. Not so fast. Which regulations assess an applicant for the traits most likely to cause you problems: *aggressive, angry, impatient, impulsive* and *inattentive*? That's right, if you rely on 391.41, you're going to come up short.

If you rely on 391.41, you'll come up short.

Maybe you're thinking, –we've got a great defensive driving course, or, –we have on-board devices such as DriveCam, SmartDrive or Qualcom that help us ferret out unsafe driving behaviors. These strategies can be helpful when done correctly, but we caution you that all too often they amount to no more than slapping lipstick on a pig. Face it. You will never alter a driver's fundamental personality through training and education. At best, you may, over time, get them to consciously, yet begrudgingly, abide by your rules and standards.

But why go to all that trouble? Why not learn from science and take the easy road to success? Millions of hours of research has gone into understanding the human psyche and we've begun to peel back the complexity of the human experience. We can define and quantify certain characteristics or traits and, through validated assessment protocols, we can assess for their presence. When it comes to selecting professional drivers, nothing is more important than hiring applicants who are inherently safe.

Each and every human being on the face of the planet has an inborn level of risk acceptance. Risk acceptance is closely linked to the characteristics identified in the FMCSA study: *aggressive, angry, impatient, impulsive* and *inattentive*. But other qualities also play a role such as *locus of control, conscientiousness, emotional stability* and *compliance*.

Generally, people become more risk-averse as they age, which is why insurance companies charge you a king's ransom for your teenage driver. Similarly, many fleet managers turn away youthful driver applicants. But still, they're willing to play with matches by hiring risk-taking drivers who are, in all other ways, qualified for the job. Maybe they believe they can engineer the risk away.

We live in a modern era surrounded by marvelous technologies and many have been introduced in the past few years with a promise for making us all safer. These range from the ubiquitous safety belt to highly advanced on-board g-force computer systems that can be used to rat out unsafe driving behaviors.

Perhaps with advances in safety technology and equipment, risky drivers won't be so risky after all. Maybe technology has taken much risk out of the equation. But, before you quickly agree, let's explore an emerging socio-psychological phenomena known as risk compensation, or risk homeostasis.

Risk compensation and karate

Suppose you have two karate studios for kids. One uses no padding to protect them. The other uses extensive body padding. Which studio will have the lower rate of injuries? Interestingly enough, this is an actual case study and the results are not as intuitive as you might think. Both ended up with about the same frequency of injuries. This is an example of risk compensation. When padding was provided, the participants felt that it gave them and their opponent more protection. It did. But it also caused them to become more aggressive precisely because of the additional protection.

That's risk compensation. Least you think it's an aberration, there are hundreds of examples of this happening that have been documented through multiple studies both in the United States and internationally. To wit:

- In 1982 John Adams of University College, London, published a paper called *The Efficacy of Seatbelt Legislation: A Comparative Study of Road Accident Fatality Statistics from 18 countries*. It showed that in the

**Do safety devices
make us safer?**

countries studied, which included those with and without seat belt laws, there was no correlation between the passing of seat belt legislation and the total reductions in injuries or fatalities. In fact, in three countries, which enacted seatbelt laws, **the accident rate actually increased.**

- Three independent studies show that drivers' respond to antilock brakes by driving faster, following closer and braking later. This accounts for the failure of ABS to result in any measurable improvement in road safety.
- A study published in the March 2007 issue of *Accident Analysis & Prevention*, showed that automobile drivers consistently passed closer to motorcycle riders when the motorcycle rider wore a helmet versus not wearing a helmet.
- The better the parachute the skydiver uses, the more likely he/she is to pull the rip cord when closer to the ground and to try more risky maneuvers. Safer, better equipment actually led to an increase in skydiving deaths.

These studies, and hundreds more just like them, support the premise that **people have a natural target level of risk they find acceptable and often the homeostasis occurs at the sub-conscious level.** This applies to physical risk, financial risk, personal risk... you name it. Only when they exceed that target, are they willing to change their behavior to reduce their risk.

Further, and this is important for the concept of risk homeostasis: people will take more risks if they feel they have been provided with *safer* equipment that compensates for the risk like disc brakes, seat belts and even condoms (yes, condoms).

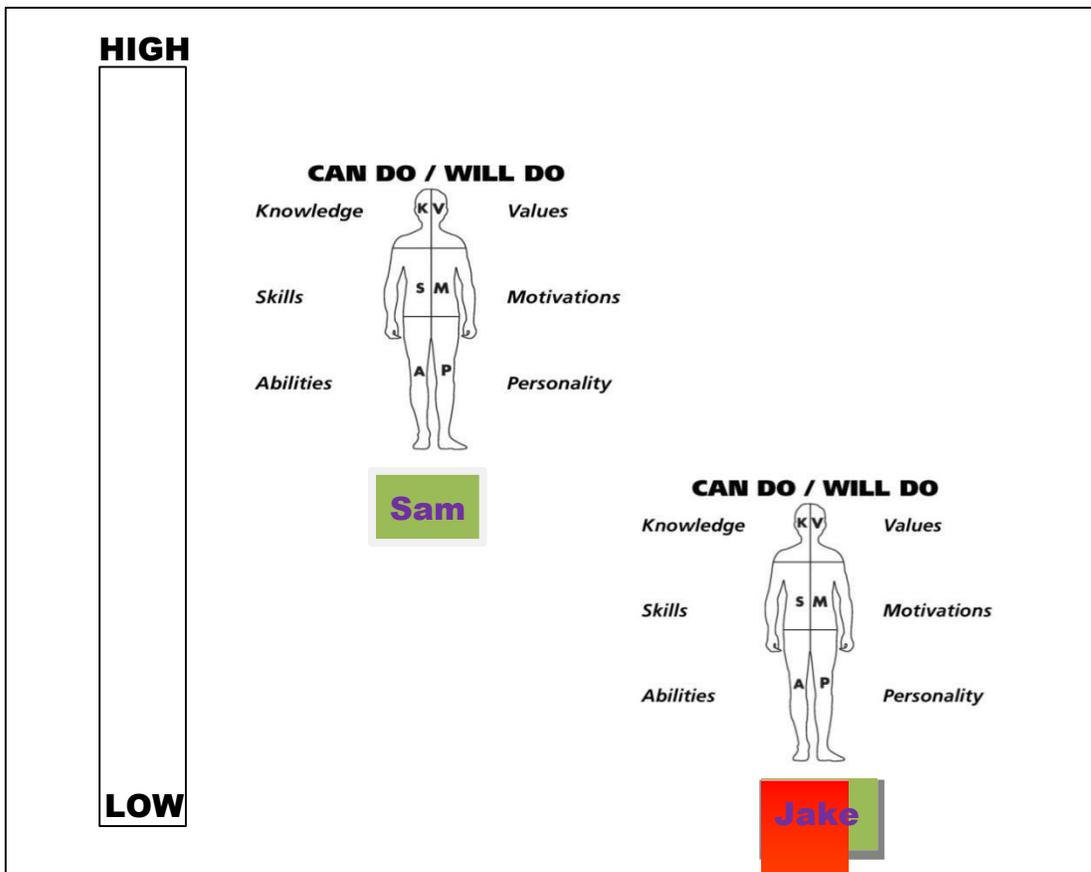
...people take more risks when they have safer equipment.

Sam and Jake

So with that in mind, let's consider two truck drivers, Sam and Jake. Admittedly, human beings are complex. Comparing one to another, especially during the hiring process is a challenge. Perhaps that's why so many recruiters abdicate the difficult process of screening for undesirable traits and instead simply rely upon overly simplistic, government-mandated criteria such as a CDL, a year of experience or the ability to pass a drug screen.

We can evaluate Sam and Jake on the easily-measured pass fail elements and make a hiring decision. We could also apply a little more scrutiny and evaluate them on their knowledge, skills and abilities (KSA), a common technique in most the lines of work. Or we could actually look for the presence of those traits identified by the FMCSA study: *aggressive, angry, impatient, impulsive* and *inattentive* and their cousins *locus of control, conscientiousness, emotional stability* and *compliance*. That would be an extremely clever way to choose the right job candidate and would uncover each candidate’s tolerance for risk. It would also help you hire the candidate who would perform better in almost every other category as well.

Risk Tolerance



First, note that these two drivers have a very different idea of what it means to be safe. The way they calculate risk or if you prefer their personal –calculated risk differs. Sam has a higher tolerance for risk.

All other things being equal, that makes Jake a far better choice as a driver. Even if we can lower the job-related risk for Sam by providing a safer vehicle,

he will simply adjust to his natural target level of risk. His floating risk tolerance scale will always remain higher than Jake's.

Looking deeper, what makes Jake a safer driver? Part of it may be his experience, possibly his reaction time or ability to drive without undue fatigue. But if we look at the FMCSA study and note what Heinrich said, Jake's **WILL DO** characteristics such as *Values, Motivations* and *Personality* are key here.

Values are the principles and beliefs upon which each of us makes our decisions. They are difficult to define but easy to spot, especially when the good ones are missing. Values are established at an early age and cemented during adolescence. And, even though they change as we get older, they don't necessarily change simply because the boss told us to change.

Drivers who are *conscientious, dependable* and who *value safety* and the well-being of others have far fewer collisions. Why not hire drivers like this?

Motivations are the activities and rewards to which a person is attracted. As they say, one man's trash may very well be another man's treasure. When it comes to driving, the job provides *autonomy, independence*, the open road and long hours of *solitude* and *predictable routines*. People who like these activities, usually enjoy the job. Why not hire drivers like this?

Personality refers to disposition. It is the foundation of how someone is likely to react to situational demands or to other people. Personality traits influence a person's willingness to do the job correctly. Ideal traits for the driver job include *risk-aversion, compliance, friendliness, stability and deference*. Why not hire drivers like this?

Nature versus nurture

So, does nurture (training, education, company culture) trump nature (who they are inside) when it comes to reducing the risky behaviors? Is it better to hire for experience and skills and then try to influence the person or is it better to screen out the risk takers in the first place? A case can be made for both philosophies, but the evidence shows that selection and hiring is by far the most effective and least costly strategy for achieving better organizational results.

Let's just fix them.

There are lots of negative situations that drivers will encounter on the road. Remember the top crash-related behaviors from the FMSCA survey: *Aggression...Anger...inattention...impatience...unhappiness*. These almost always

manifest as a response to a situational demand. You can't eliminate those demands. They are part of the job and the driver simply has to deal with them.

Is it likely that a driver will run into delays? Of course. There are construction zones, accidents and heavy traffic on holidays. It's how the driver responds to these that is most important. Does he or she come out of the construction zone with his pedal to the metal to make up time or does he simply shrug it off as a normal occurrence and soldier on?

Is it likely that other drivers, especially the non-professionals, will do foolish things on the road? It's a certainty. But how your drivers react to these daily irritations is the key. For some, these situations lead to anger and frustration. Throwing the other driver the bird is not the solution. Aggressively running up behind the car to within three feet of their rear bumper may be cathartic but it certainly isn't prudent. Some people aren't mentally equipped to conquer these internal demons.

You aren't there when these incidents occur. You have to rely on your drivers to respond in the right way. Safe behaviors are a habit. So are unsafe behaviors. But drivers who have risk-averse inclinations in the first place—patience, tolerance, ability to adjust to changing situations—are more likely to respond positively and avoid accidents.

This makes a strong case for an effective selection and hiring system that is focused on the characteristics you can't influence: Values, Motivations and Personality. Nurture is great but nature trumps it every time.

Hire only winners

Carriers screen driver applicants every day and almost without exception, they do so by looking at all the wrong things. As mentioned in our other papers, the focus seems to be on the requirements set forth by the federal government. How ironic then, that the government-sponsored survey of transportation experts actually identified many of the right qualities: *aggressive*, *angry*, *impatient*, *impulsive* and *inattentive* that should be measured during the selection and hiring process.

There are several minimum requirements and they are all good ones. Things like a CDL or ability to pass a DOT physical and drug screen. But these are nothing more than table stakes. They're called minimum for a reason. These checks are necessary but far from sufficient.

Recruiters are looking at all the wrong things.

There's a better way and, at a minimum, it should have at least six parts:

1. An applicant magnet with a big mouth
2. A realistic job preview
3. A comprehensive application process
4. A pre-employment psychometric assessment
5. A structured, behaviorally-anchored, job interview
6. A thorough background check

Applicant magnet with a big mouth

You constantly need drivers and that affects everything you do when it comes to recruiting and selection. It's nearly impossible to be selective when you have dozens of empty tractors up against the fence and the phone is ringing off the hook with available loads. At times like this, even the most marginal candidates look like **America's Road Team**. That's why you need an applicant magnet with a big mouth.

You need more drivers...

The only way to become more selective in hiring, is to have more applicants in the first place. It's important to distinguish between recruiting (come on down) and hiring (not so fast there, cowboy). Recruiting is the art and science of attracting large numbers of applicants to your business. It works a lot like advertising and marketing and it begins with your brand.

Take a lesson from Don Draper, creative genius depicted in AMC's period drama, *Mad Men*. He begins every new engagement by asking the right questions. **Who are you? What do you offer that the others guys don't?** What makes you so special? Why do your drivers like the kind of driving jobs you have to offer? These are just a few of the 36 questions you must answer before you can ever hope to set yourself apart.

What makes you so special? You better know.

Look at the typical recruiting ad...perhaps it's yours. **Start with a picture of a shiny new truck.** Add a happy driver who describes how wonderful it is to work for you. Make a few claims about having the best pay and benefits. Throw in a claim about getting home that would even attract Dorothy and Toto. Voila! You have it!

Avatar Fleet recently conducted a comparative analysis of more than 225 driver recruitment ads and found more than 88 percent overlap between them. How's a guy supposed to choose, when everything on the menu is a cheeseburger?

Once you have a compelling and consistent message, you need to get that message to the right audience (people looking for a new driving job). But how? Once again, Don Draper would come in handy. Should you use newspapers, magazines, cable, radio, satellite radio, billboards, referrals, the local church bulletin, YouTube, Craig's List, Monster, Rand-Reilly? There are dozens of ways to spend your recruiting dollars, but most of them are a big waste. Spend wisely and you can gain market share.

Getting to the right people in the right way and with the right message can set you apart from your competition. Creating an attractive presence is the key to a successful ongoing driver recruitment campaign. Without an adequate choice of applicants, your recruiters will settle for less and inferior results will follow.

Without an adequate flow of applicants, your recruiters will settle for less.

Realistic job preview

As the experts noted, accident causation is tied, in part, to a *driver's happiness* with his or her employer and the nature of the driving job. Are your drivers happy? If not, why not? It all begins with their expectations. If I leave for the airport expecting to be delayed for hours, or that the airline will lose my luggage, there's a better than fifty-fifty chance I won't be let down. But if I think everything will be rosy, I may be in for a bad day.

If your applicants have misconceptions about the nature of the job, or how they'll be treated, you'll suffer from high voluntary turnover. And, according to the experts, you'll also have higher than average accident rates. Conversely, happy drivers are productive drivers. So what can you do to better align their expectations with your reality? The answer is to provide a realistic job preview.

Using a carefully produced job preview, following a scientifically-based formula that integrates both the good and not-so-good aspects of the job, has proven to lower turnover rates. However, just showing a video is far from effective. The applicant must be forced to really consider what the job will entail. Self-analysis surveys can help an applicant confront reality and make an informed decision. Once again, happy drivers make good drivers.

Unfulfilled expectations are the number one cause of voluntary turnover.

The application

The job application is the most universally-accepted process for initiating an employment relationship. But what should you ask? What can you ask? Today, the types of information you can gather on an application are limited by protective laws. This will only get worse. In fact, legislation has recently been introduced that will prevent you from even inquiring as to whether or not an applicant was formerly an axe murderer! Yikes!

The application won't tell you very much about a candidate's likelihood for on-the-job success. In fact, reliance upon an application can actually be counter-productive. The only meaningful data gathered through the application process is limited to things like education and past job experience. And, don't fool yourself into thinking either of these is a predictor of future job success. They aren't. Consider your own past hiring decisions. How often have you hired someone with all the appropriate credentials, education and experience, only to be frustrated within months?

Past employment verification

How can you identify, and thus avoid, applicants who are *hot-headed, impatient, impulsive* and *willing to take more than the average share of risks*? After all, you don't want to hire Sonny Corleone! Conventional wisdom suggests that past behavior is the best predictor of future behavior. So the only data you really need could come from past employers, right? If only it were that easy.

Doing past employment checks is important, even required by law, but when was the last time you got back any meaningful information about a candidate? Years ago, a past employer would tell you the truth. And, you would do the same for them. That was 1.2 million attorneys ago. Today, if you're lucky, you wait seven days to get verification of employment dates and that's all you get. Don't look to past employers for meaningful insights. You'll come up empty-handed.

**Past behavior =
future behavior,
but how do you
find out what it
was?**

Psychometric assessments

As the safety experts noted in the survey, you should assess driver applicants for:

1. Aggressive/angry
2. Impatient/impulsive
3. Inattentive
4. Inexperienced
5. Unhappy with the job/company

Out of five vital characteristics they identified, only number four can be determined through the job application and background checks. Fortunately, you can assess for the remaining characteristics, and their closely related cousins, by using a validated psychological pre-employment test – a series of questions that help predict an applicant’s level of risk tolerance.

Assess for the traits identified by the experts: aggressive, angry, impatient and inattentive!

Every four years we marvel at the skill of Olympic downhill skiers, bobsled drivers and high flying snow boarders on the half-pipe. Although they are entertaining, they are not the kind of person you want driving for you. They are risk takers and you want to avoid risk takers. But how? Certainly a history of accidents and traffic violations is an indicator, **that’s the premise behind CSA**. But, you can also mine for more predictive data through the use of psychometrics.

A pre-employment assessment instrument designed to uncover characteristics linked directly to aggression, patience, attention to detail, conscientiousness and risk aversion can help you hire the best and safest candidates.

But, once again, there are no silver bullets in the process. A pre-employment assessment tool is just one more piece of the mosaic that makes an effective selection system. Under the best of circumstances, pre-employment tests are about 35 to 50 percent effective. Of course, hiring better drivers 35 percent more often than you do today would have huge implications on your bottom line.

Structured interviews

Interviews are widely acknowledged as the most frequently used and important selection device.¹ In fact, more than 96 percent of all organizations use some sort of selection interview. But are they an effective tool? In his book, *What the Dog Saw*, Malcom Gladwell cites several studies that demonstrate just how ineffective the traditional job interview actually is. Remarkably, there was a 90 percent correlation between actual interview outcomes and the opinions of more than 300 independent observers who watched videos, without audio, of nothing more than the initial handshakes. Perhaps we could save time by limiting the interview to just the handshake?

Gladwell then goes on to describe structured behaviorally-anchored job interviews and discusses why and how they are so much more effective in predicting job success.

Using a standardized format and a standardized scoring system to rate applicants, structured interviews have been linked to a number of important organizationally-relevant outcomes such as job performance, tenure and turnover. More specifically, in a recent study of 14 organizations that began using behaviorally-based structured interviews, turnover decreased an average of 44 percent.²

The interview is a test, not a friendly conversation.

Motor vehicle report

Through CSA, the federal rules have recently been tightened for both drivers and carriers and it's becoming increasingly painful to accrue driving violations. CSA assigns points to unsafe drivers but it doesn't (currently can't) take these drivers off the road. It's up to you to insure that your drivers are safe. And, as we have already said, past behavior is the best predictor of future behavior, so a.) do the required background checks and b.) never hire an applicant who has more than two moving violations in the past three years.

The one thing CSA got right.

¹ Posthuma, R. A., Morgeson, F. P., & Campion, M. A. (2002). Beyond employment interview validity: A comprehensive narrative review of recent research and trends over time.

Personnel Psychology, 55, 1-81.

² Salgado JF, Moscoso S. (2002). Comprehensive meta-analysis of the construct validity of the employment interview. *European Journal of Work and Organizational Psychology*, 11, 299-324.

Summary

Driver training and education are very important. Company culture is very important. Compensation and benefits are very important.

However, **driver selection and hiring is the most important factor** when it comes to building a safe driver workforce and an efficient fleet. An integrated recruiting and selection system that is well-planned and has the elements and safeguards described above, will help you lower driver turnover and accident risk. Every safe driver that you hire improves your overall team and your results. Every unsafe driver increases your risk for losses.

The key is to have a highly effective systematic process that attracts broadly and then screens effectively. Unsafe drivers will still apply, but that's an offer you can and should refuse.

Avatar conducts organizational analyses, provides expertise and develops custom selection, orientation, education, training and support systems. Avatar helps companies modify their employees' behaviors so that people take responsibility for their performance. Avatar's custom-branded strategies and out-come based management tools encourage and reinforce the desired behaviors that lead to operational excellence and world-class results.

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