Not-So-Hidden Talents

When it comes to hiring, new predictive models of performance are creating optimal conditions for auditioning, onboarding and retention.

BY PHILIP ALTSCHULER AND IRA GROSSMAN
Building an onsite “dream team” can be a tough proposition, but it has the potential to make an apartment community perform like never before. Community managers have a lot of responsibilities to juggle, only one of which is hiring new talent. Sorting through candidates and selecting new “rock stars” can be time-consuming and challenging.

That lack of practice, combined with the stress of being understaffed, can often lead to bad hiring decisions, which can have a profoundly negative effect on the supervisor, team, residents and even the company’s reputation. In an industry plagued with high associate turnover—as high as 36 percent across all roles according to some studies—maintaining a high-performing team requires forethought and careful planning.

Technology has significantly advanced during the past decade to help companies make smarter hiring decisions. Predictive models have been around for a long time, but the right type of predictive science combined with scalable technology can make a significant difference. Apartment owner and management firm Gables Residential sought to use a software system from PeopleAnswers to understand those behaviors that most relate to real-world performance in key company roles. This information forms the underpinning of a performance benchmark that helps Gables’ managers more efficiently find associates who are a better fit for each role and will be more productive.

Today, when candidates apply for almost any role at Gables, they visit the company’s website and spend about 30 minutes completing the assessment. The assessment is a lengthy questionnaire designed to evaluate more than three dozen attributes, including each candidate’s cultural and behavioral preferences. The software then compares these behavioral preferences with a Gables-specific benchmark created to determine how well candidates fit with the target job.

There is no right or wrong answer with this method. Every answer is relative to the unique targets of the position-specific profile. While some may try to answer questions the way they think the assessment should be answered, this generally can only hurt candidates. Additionally, the software monitors unusual or inconsistent answer patterns and flags any tests that may not be “authentic.”

Candidates complete the same questionnaire for any role—whether they are applying for leasing, maintenance or management positions—and it measures the same attributes for everyone. What is specific to Gables is how much of each attribute is required for each role and how important that attribute is to future success in the position.

The Science of Selection

These unique profiles are the game-changer. Each is created by studying real-world performance of Gables employees working in each position. The profile quantifies and creates a success map that changes the way talent is evaluated. For example, the software allows users to quickly evaluate the required verbal reasoning, competitiveness and energy levels needed to be a successful leasing manager versus a service technician for the same candidate. These requirements can be dramatically different, where more of each attribute is not always better.

Ultimately, the software verifies the presence of similar behavioral traits in every new hire and recommends the best-matched candidates. This allows hiring managers to focus their attention on candidates who are a good cognitive, behavioral and cultural fit for the position and the organization. These are some of the hardest traits to uncover in a resume or during a traditional interview.

The cultural and strategic nuances of each position are captured in each profile and are the secret sauce that can differentiate Gables from other property management companies. These candidates need superior knowledge of the diverse markets Gables serves and expertise in customer service for the company to achieve its customer service goals. Many Gables associates have built successful careers with the organization following employment in retail, food service, hospitality or sales—all roles focusing on providing high levels of customer service.

Among leasing professionals, community managers, service technicians and service managers, those selected after being assessed have a termination rate that is 38.11 percent lower than those hired prior to Gables using the assessment testing. This resulted in savings of $756,000 in turnover-related costs per year during the study period.

When process outcomes are objectively measured, comparing the results of those who remained on the job to those who did not—evaluating associates who all went through the same hiring and on-boarding process except for the one variable of the assessment—the results are dramatic and statistically significant. The differences are meaningful and did not happen by accident. Among leasing professionals, community managers, service technicians and service managers, those selected after being assessed have a termination rate that is 38.11 percent lower than those hired prior to Gables using the assessment testing. This resulted in savings of $756,000 in turnover-related costs per year during the study period.

www.naahq.org

November 2012 UNITS 51
Better Talent—Easier and Faster

Because Gables owns, develops and manages luxury communities in high-growth regions across the United States, the company needs to identify strong candidates as early as possible in a consistent way across all of its communities. Prior to deploying a single assessment solution, the company’s recruiting didn’t include an assessment tool until late in the interview process. Now managers only meet with and interview the most qualified candidates, saving valuable time.

With as many as 1,500 job applicants each month, it’s critical for organizations such as Gables to have a standard process to ensure quality and consistency across all communities. It’s time-consuming to interview every candidate and difficult to predict the prospect’s success as a new team member based on just an interview.

For Gables, about 75 percent of the candidates who apply initially fall into the recommended categories, with approximately 25 percent to 30 percent in the top recommended category. About 25 percent of applicants fall into the not recommended category. While managers can still hire these individuals, they know there is risk. By automating this step with technology customized to each company, and making the hiring process easier and more efficient, managers can spend more time focusing on residents rather than hiring.

Some organizations have a culture of resisting change until it’s proven. Anticipating this might occur at Gables, there was a phased implementation where half of the facilities started using the new technology in their recruiting processes. Seeing how the tool works and the results it brings convinced other community managers. They just needed operational evidence to fully buy into the change.

By using science and technology to help with hiring decisions, the evidence of improved retention and real cost savings was powerful enough to change the hiring process and raise the bar on talent at Gables. This supports the company strategy to put the right associates in each community, allowing Gables to solidify its place as one of the nation’s top property management companies.

When people with the right mix of skills, behaviors and career goals join the Gables team, they find an environment where they can be successful. In turn, they typically provide better service to residents and stay longer with the company.

Philip Altschuler is Senior Vice President, Human Resources, at Gables Residential and can be reached at paltschuler@gables.com.

Ira Grossman is Chief Operating Officer at PeopleAnswers.com. He can be reached at igrossman@peopleanswers.com.