



# The Context Group

*For Clients Who Value Results... More Than Advice*

11/19/03

Volume 1, Number 8

*"Integrity does not consist of loyalty to one's subjective whims, but of loyalty to rational principles."*

*Ayn Rand*

## The Context Group

Warren Bobrow, Ph.D.  
Kammy Haynes, Ph.D.  
Buddy Ruppenthal, C.M.C.

### HR Practice Contact Information

Mailing Address:  
5812 W. 76<sup>th</sup> St.  
Los Angeles, CA 90045

Phone: (310) 670-4175

New Fax: (501) 635-9850

E-mail:  
[hrinfo@contextgroup.com](mailto:hrinfo@contextgroup.com)

Learn more at our website:  
[contextgroup.com/hr.htm](http://contextgroup.com/hr.htm)

For PDF versions of this and previous newsletters click [here](#).

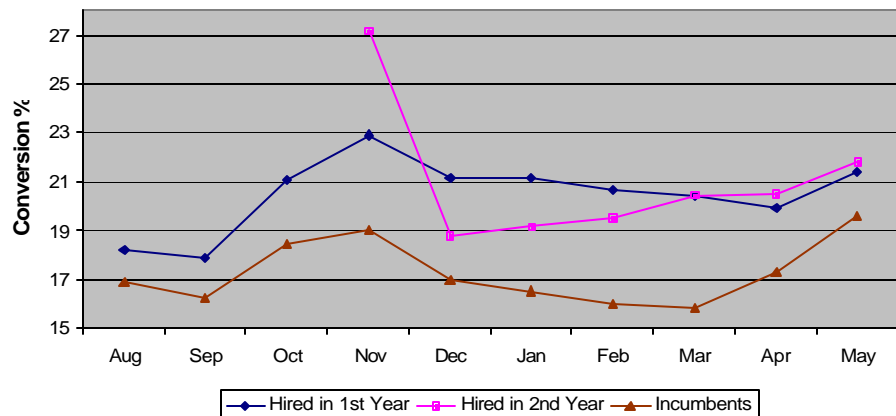
If you no longer want to receive this newsletter send an e-mail to:  
[hrunsubscribe@contextgroup.com](mailto:hrunsubscribe@contextgroup.com)

## The Value of Talent

One question we get about using valid selection programs (VSPs) is, "Will this still be valuable if we improve our training and/or our compensation systems?" Put another way, does how you do things organizationally minimize the differences in talent?

We recently had a chance to test this hypothesis with a client in their sales organization. After implementing a VSP in November of 2001, we were asked to evaluate the value of the program from November 2002 through May of 2003. We compared the results of three groups: The Incumbents (who were not selected using the VSP), a group who were hired using the VSP in the first year and another group hired in the second year using the VSP. The key performance metric for this organization is the percentage of contacts that lead to sales (conversion %). The results of the study are shown in the graph below.

Performance Comparison



There are two things to take away from this study:

1. On average, those hired using the VSP **consistently** outperform the more experienced people who were hired before the VSP was implemented. Those hired in the 2nd year immediately outperform the more experienced incumbent group. Rest assured that the revenue and

If you know someone who would want to receive this newsletter, have him/her send an e-mail to: [hsub@contextgroup.com](mailto:hsub@contextgroup.com)

profit gained by this higher call conversion far exceeds the cost of the VSP.

2. During the study new training was introduced for everybody. Also, a new incentive plan was introduced in November (hence the spike in performance). The trends indicate that all three groups benefited from these changes. But, they didn't close the performance gap between those hired using the VSP and those who weren't.

The study shows that these successful organizational development efforts did not close the talent gap. While a rising tide lifts all boats there will still be yachts and dinghies.

If you want to learn more about implementing valuable selection procedures, please contact [Warren Bobrow](#).