

How to Predict Employee Fit

A candidate can easily say 'Yes' to every question presented by a hiring manager during an interview. Predictive Index, or PI, has helped AvalonBay's hiring managers get past a candidate's enthusiasm and delve into more core issues.

BY DAVID ALAGNO

Ask any apartment executive to list the industry's major challenges and one item is guaranteed to make the list: the attraction and retention of good people. In an industry known for high turnover and a transient workforce, finding new ways to reduce employee turnover and increase the level of talent at its communities is a critical component of AvalonBay's competitive advantage.

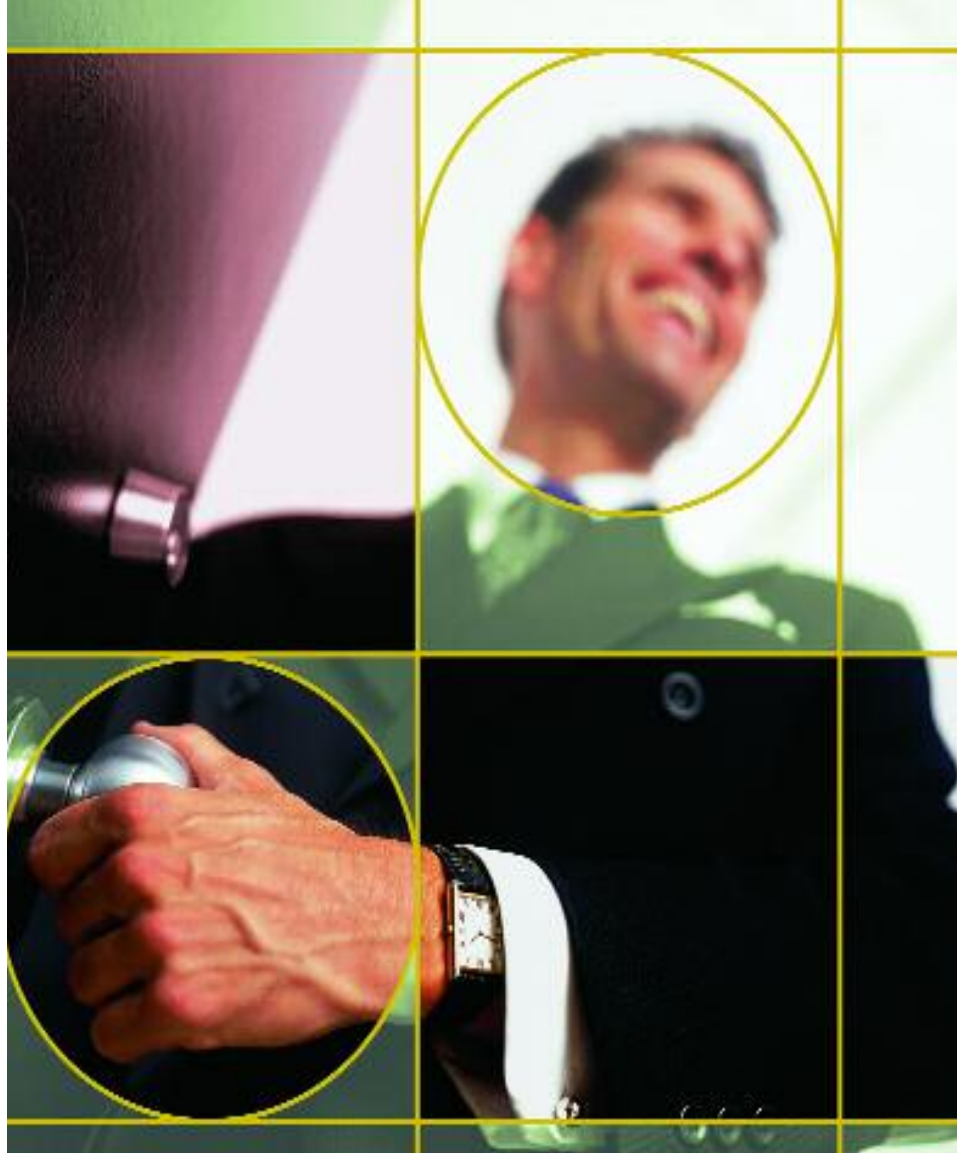
In 2002, AvalonBay Communities Inc. decided to take a strategic look at its employee hiring processes. This included assessing everything from how the company recruited (e.g., advertising, employee referral, etc.) to the paper trail that accompanies any new hire. With more than 140 apartment communities in 10 states and the District of Columbia, AvalonBay quickly realized that not only was its recruiting process different in various markets, but its selection criteria were completely dependent on who was doing the hiring. And, the company recognized that like its multifamily housing peers, many of those individuals the company hired were selected more for their resumé (i.e., they had worked for a competitor) than whether or not they were the right fit for what AvalonBay needed in a specific role.

AvalonBay embarked on a multi-year initiative designed to

create a strategic recruiting process. Tasks ranged from streamlining the administrative processes to teaching managers how to make better hiring decisions. On a parallel track, the organization was deploying a customer service initiative that led the company to ask, "Do we need to rethink our hiring criteria and candidate profile?" The answer was a resounding "yes."

AvalonBay wanted to ensure that the candidates it hired not only had good business experience, but also possessed the personal characteristics that would help them succeed in their roles. The company wanted individuals who would excel in a customer-focused environment. So, AvalonBay began researching pre-employment selection tools.

The criteria were simple. AvalonBay wanted a tool that would be easy to administer, with a Web-based product being the ideal. Also, the thought of putting candidates through lengthy testing didn't fit efficiency goals. The company wanted a tool that could be modified based on the specific position for which it was recruiting. Clearly, the profile of a community manager would be different from that of a leasing consultant. The company didn't want to be dependent on a vendor on a daily basis. In other words, AvalonBay wanted a tool that would allow it to interpret the results internally. And, it wanted a cost-effective solution.



The Predictive Index (PI)

After an exhaustive search, AvalonBay chose the predictive index, or PI. Company Consultant Steve Picarde of PI Mid Atlantic sold AvalonBay on the online diagnostic tool that offers companies the ability to create a customized selection profile to match both the position's requirements and the organization's culture. In addition to meeting the criteria AvalonBay wanted in a candidate selection tool, PI impressed (if not amazed) AvalonBay with its accuracy.

Several members of the AvalonBay team took the PI as a test to see how it worked. The results were stunning. Every AvalonBay associate who took the assessment was shocked by its accuracy.

PI uses a series of word choices to determine the personality profile or work style of a candidate. It does not determine whether a candidate has the ability to do a job; it determines whether or not the candidate will enjoy doing the job. People

who like what they do tend to perform better than those who are in jobs they dislike. PI helps AvalonBay get at those characteristics that may not come through in a traditional job interview.

The assessment is administered online in about 10 minutes and results are returned instantly. In addition to its use as a selection tool, PI can be used to aid in organization development in the areas of team building, communication and individual development.

Reading the Results

Customization was one feature that excited AvalonBay most about PI. Rather than employ an off-the-shelf product that reports a generic profile, PI identifies exactly how an individual is likely to function within a specific organization.

The first step in implementing PI was to identify the position that the company wanted to assess. AvalonBay believes that community managers play one of the most critical roles in the business, so the company decided to start with that position. In addition to providing PI Mid Atlantic with the company's position description, AvalonBay selected several of its top-performing community managers to take the assessment. The goal was to identify trends in personal styles that top performers shared.

In addition, portfolio or region executives took an assessment in which they identified what traits they believe contributed to an individual's success as a community manager. The results were used to create AvalonBay's community manager "profile."

The next step in the implementation process was to have members of the AvalonBay human resources team certified to interpret PI results. The company chose to have the members of its employment team, as well as two Region Human Resources Managers, participate in the training. Because the PI is administered online, AvalonBay could have PI results reviewed by any of these individuals in any part of the country at any time.

The training was comprehensive and provided insights over and above using PI only as a selection tool. AvalonBay quickly learned that while the reading of a PI is not difficult, there are nuances that must be considered to get the most out of the instrument.

It's important to note that PI is not a "pass/fail" assessment. The profile AvalonBay created provides a range within which an ideal candidate might fall. If a candidate is lower than the company would like in one area, but strong in others, AvalonBay can further examine these areas in the interview process rather than simply rule out a candidate.

In other words, the test might tell a hiring manager that a candidate's profile indicates that he or she does not enjoy detail-oriented work. Because a community manager is often required to focus on details, AvalonBay would suggest the hiring manager use some behavioral interviewing questions to probe on the candidate's detail orientation.

Again, because of its Web-based nature, deployment of PI across the country was relatively easy. A hiring manager simply e-mails a PI request to the employment department with the candidate's name and e-mail address. The PI is then sent to the candidate and the results are routed to one of the company's certified team members for review.

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Taking PI to the Next Level

Almost immediately, AvalonBay saw positive effects from PI. Its hiring managers welcomed this additional method of assessing candidates. In addition, it reinforced the company's focus on behavioral interviewing. A candidate can easily say "Yes" to every question presented by a hiring manager during an interview. PI helped the hiring managers get past a candidate's enthusiasm and delve into more core issues.

Most human resources professionals will agree that vetting technical skill is the easy part of recruiting. It's determining whether or not an individual will be a good fit that is more of a challenge. The PI also gave the company the ability to more effectively assess candidates from outside the property management industry—a critical talent pool as competition within the industry (and sometimes the recycling of weak candidates) increases.

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Based on its success at the community manager level, AvalonBay then moved to implement PI for its leasing consultants. Again, AvalonBay built the profile by having some of its highest-performing associates complete the PI and designing a profile that would encompass those traits critical to the company.

As the company moved to deploy the PI for leasing consultants, the bigger challenge was the increase in volume. AvalonBay hires more than four times the number of leasing consultants in a year as it does community managers. So, prior to implementation, AvalonBay trained additional members of the human resources team, including all region HR managers, as well as members of the training and development organization.

The positive effects of using PI at the leasing consultant level were immediate. AvalonBay quickly began hearing from its training and development managers across the country that the candidates who had been "PI'd" were performing better in the classroom. In addition, AvalonBay has seen a year-over-year increase in its customer service scores. And, the company's shop scores have increased as well.

Based on these results, AvalonBay will implement PI for its maintenance managers this year.

One of the most valuable PI features is the product's ability to evolve with the business. As AvalonBay's operations change or its position designs change, the company can revamp its PI profiles to match. This flexibility helps ensure that the company won't need to seek out a new selection tool every few years. Rather, it can modify the tool with which the organization is familiar, limiting disruption to operations.

Is PI a silver bullet that has solved all of AvalonBay's recruiting challenges? Absolutely not.

The company still struggles with finding the best candidates in a tight labor market. It still makes the occasional bad hire, but the use of the index has helped the organization as a whole, including its hiring managers, to be more thoughtful regarding all candidates' qualities—not just those that appear on resumé. And, if the goal is to retain associates, then the first step is making sure that the company has hired right. ■

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