Session 4
Paper (a)

WHAT CHARACTERISTICS TO LOOK FOR IN PICKING TOP PERFORMERS

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INTRODUCTION

With the toughening economic climate tightening its grasp on all facets of the New Zealand forest industry, it is now more important than ever for a business to reduce costs and improve profitability in order to remain economically viable. While maximum utilisation is being obtained from forest machinery, and work hours are extended to squeeze extra out of already tight margins, contractors and companies are looking to alternatives to gain the edge over competitors. There is an increasing awareness of the potential for improvement in business productivity and profitability resulting from an improvement to the human factor (Figure 1).

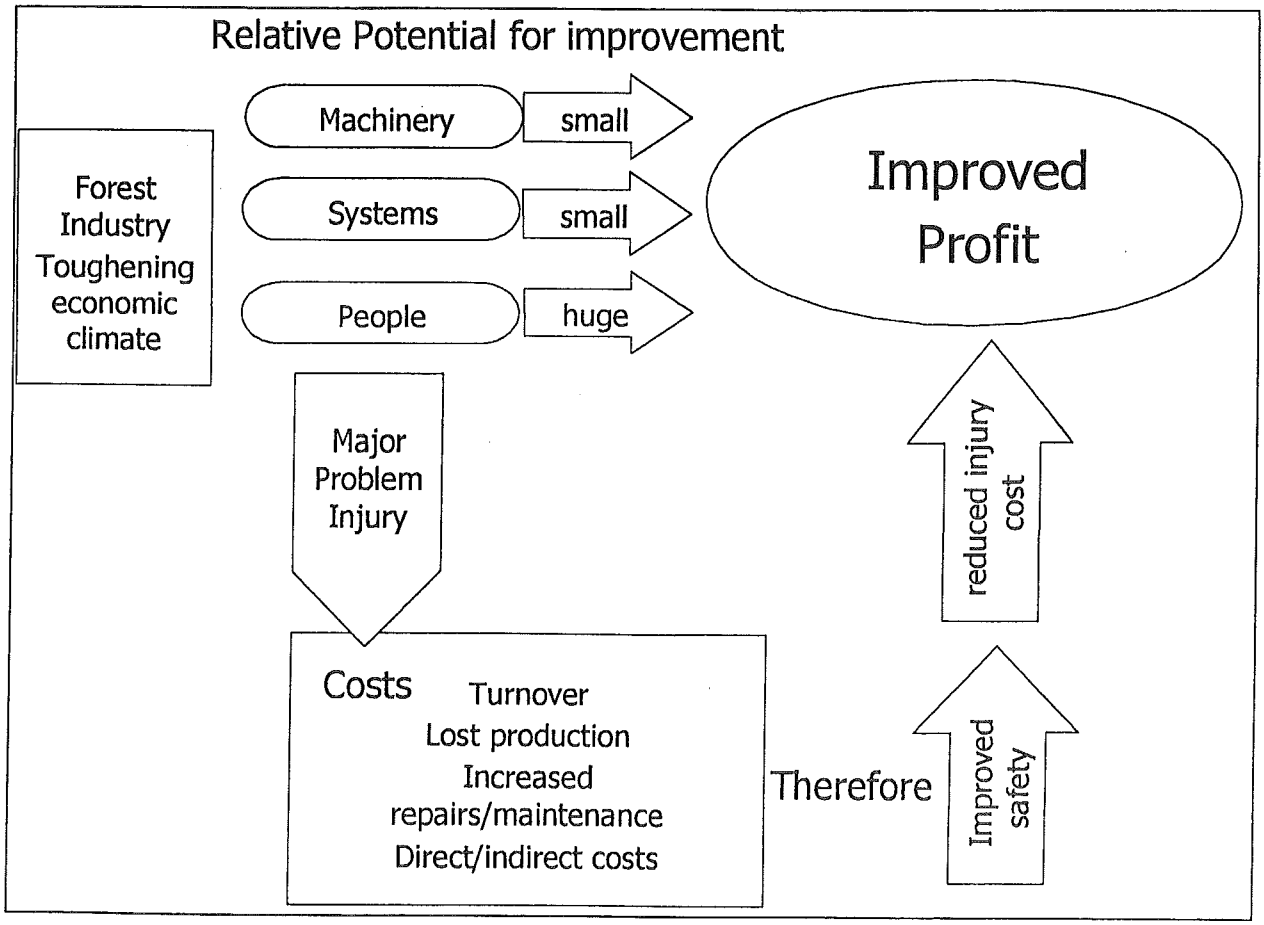

FIGURE 1: SAFETY MAKES SENSE (AND DOLLARS)

Previous research has documented the positive impact of physiological interventions on work performance (Paterson and Kirk, 1997; Kirk, 1998), but what of the psychological element? It is now more important than ever to select the right type of person for the job - one who can work as a member of a team and react to high production output demands, while maintaining a high level of commitment to safety. Businesses spend more money on selecting and training staff and paying for wages and amenities, than any other factor (Chapman, 1984). A poor recruiting decision has the potential to cost a company through lost business opportunities, damaged reputation and reduced staff morale (Byrne, 1990). By selecting top performers, these negative impacts are likely to be minimised and in fact reversed. In addition, past research has shown that top performers are more likely to maintain lower rates of injury (Sluss, 1992), leading to an improved safety management record.

Excellence in safety management has been recognised by Du Pont as satisfying not only a moral obligation, but leading to an improvement in quality and productivity (Foote, 1998). This is reflected in their motto "good safety is good business". Du Pont recognises that employees are the key to safety excellence, and that good safety is good business. Research by Du Pont shows that the indirect cost of an injury is four to seven times the direct cost (NOH and SC data, Australian corporate estimates 1994/5).

Previous research into the cost of injury to the New Zealand forest industry has shown the average direct cost of a Lost time injury (LTI) to be $3366 (Cummins, 1997). Applying the Du Pont relationship to the forest industry reveals the cost of an LTI to be $16 830 ($3366 + (3366* 4)). The New Zealand forest industry Accident Reporting Scheme (ARS) for 1997 recorded 239 injuries for both silviculture and harvesting. Therefore, the cost of workplace injury in 1997 cost the NZ forest industry $4 022 370, money which could have been included in the annual profits. The impact of the cost of an LTI on a harvesting operation's production and overall profitability can be clearly demonstrated in Table 1.

Extra Production Needed to Offset 1 Lost Time Injury (LTI)

Profit Margin (%)	Production Needed to Offset 1 LTI (Tonnes)
1	140,250
2	70,125
3	46,750
4	35,063
5	28,050
6	23,375
7	20,036
8	17,531
9	15,583
10	14,025

Based on:
Direct Cost of LTI = $3366 (Cummins, 1997)
Direct Cost = Indirect Cost (4 x DC) of LTI = $16 830 (Foote, 1998)
Assume logging Rate of $12/tonne

Table 1 - Extra production needed to offset 1 lost time injury

For example, a harvesting operation running at a 5% profit margin would lose the profit from an additional 28, 050 Tonnes to cover the cost of the LTI. This is the philosophy adopted by Du Pont to show that reducing injury can improve profitability, and justified the company investment into a safety management program.

Improved levels of safety may also play a part in reducing industry insurance levies resulting from upcoming (1 July 1999) changes to the ACC insurance system. Indications from insurance companies are that existing levies are likely to rise 3.5 times across all industries. For the forest industry, this will lead to possible increases to the order of $34/100. By proving to the insurance companies that measures have been taken to actively manage health and safety, there is the potential to reduce the insurance premium to below the industry mean.

HOW DO YOU SELECT A TOP PERFORMER?

So what qualities does a top performer possess? Is it possible to identify them, and can this knowledge be used to make informed staffing decisions? American logging contractors recognised for their "safety success" believe that careful employee selection is a critical part of maintaining a stable crew and operating safely. They look for an employee with experience, who will fit in and work well with the rest of the crew. Crew members often help with the selection and training of new employees, and many of these contractors sourced new employees by word of mouth or on the recommendation of current employees.

A search of the literature relevant to the subject of picking top performers commonly states the importance of **IDENTIFYING WHAT YOU WANT**. The philosophy behind this is that you have to know what you want before you can go about finding it in a person. So Stage One is to set out a detailed job description, listing all tasks the new employee will be expected to undertake. Beside each task, you then identify what you need in a suitable worker if they are to do these tasks well, and by well, that does not mean the same as the previous employee. Always try to get someone ***BETTER*** than the last person. This creates the **PERSON SPECIFICATION**. Remember, If you don't know exactly what you want don't be surprised at what you get! You are effectively looking at assessing personality traits to match them with the demands of the job. Those traits most relevant to business are (Byrne, 1990):

- Ambition and drive
- Motivation
- Work ethic
- Energy level
- Problem solving style
- Skill in relating to others
- Self-confidence
- Leadership ability

An alternative method to define the person specification is to use "The Seven Point Plan", which was developed in the UK by the National Institute of Industrial Psychology. This plan examines personal requirements under seven headings common to all jobs (Rabey, 1981):

1 PHYSICAL REQUIREMENT
(vision, hearing, mobility, lifting, personal impression etc)

2 ATTAINMENT
(education, skills, qualifications, experience)

3 INTELLIGENCE
(special needs of the position)

4 **APTITUDES**
(manual dexterity, mechanical aptitude, words or figures)

5 **INTERESTS**
(lone or team activities, service interests, relevant hobbies)

6 **DISPOSITION**
(leadership, dependability, self-reliance, responsibility)

7 **CIRCUMSTANCES**
(travel, shift work, advancement prospects)

HOW COMPETENT WILL THEY BE?

Job applicants need to be assessed in terms of whether they *CAN* do the job, which will give a rating of overall competency:

APTITUDES+EDUCATION+EXPERIENCE=ABILITY

And then in terms of WILL they do the job - what drives the person and makes them want to achieve?

ABILITY + DRIVE = ACHIEVEMENT

And finally, will the person fit into the workgroup - the COMPATIBILITY FACTOR.

KEEPING GOOD PEOPLE

One of the biggest challenges facing companies today is how to motivate and retain good employees - employees who have the capability, and use that capability, to perform in a high-achieving manner to accomplish the work of the organisation. They are the high performers who don't want to be lost from the organisation. Once a person has been successfully recruited, the next goal is to enable the new team member to be as productive as possible, and to keep that person on the team. The attitudes existing within the company can have a significant influence on whether good people want to remain with the organisation or move on. Strong, effective leadership is vital in organisations today, and if you can demonstrate the attitudes that people look for in their leaders, you will attract and keep the kind of employees who can move your company to continued high levels of achievement. The Japanese focus on people factors to create a positive work environment with high morale: respect, awards, communication, courtesy, discussion, negotiation, loyalty to employees, long-term thinking, hope for the future, stable conditions, innovative freedom, clearly assigned responsibilities. The concept is that people get excited and maintain high levels of enthusiasm if they see results and caring from senior management levels (Herman, 1992).

There are many theories on motivation, which may help in determining what it takes to keep good people and to keep them productive. One study showed employees rated the following as most important (Herman, 1992):

1. Employees want to receive feedback on how they are doing
2. People want to feel involved in the job
3. People want help on personal problems.

Of interest is that supervisors ranked the same set of factors as 8, 9, and 10 on the scale!

While this may seem a loose set of criterion, it reflects the inherently different circumstances likely to typify each individual crew. Only by fully identifying the requirements of your own job will you be able to identify the type of person you need to fill your own unique work environment. After all, you already know from past experience the qualities you admire in current and previous employees, and what

works best in your team. Your own needs and the needs of the crew both need to be satisfied; this is the right blend for your situation. Once you have selected the right person for the job, the secret is in maintaining that person as a productive, motivated employee.

CONCLUSION

Hiring, training and keeping good employees is a major problem in any business, but in the forest industry the problem is compounded by harsh, hazardous, and physically challenging working conditions. There is no one set of characteristics which typify a top performer. An informal national survey in the US found logging contractors agreed that the right worker was someone who had the ability to get along with others while doing quality work (Stevenson, 1988). Books abound with recommendations on how to manage employees successfully. But in the end, that is where your own unique ability to manage your workforce will take on a new importance and allow you to develop a team of top performers.

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