



## Media release

*Don't risk recovery by hiring the wrong people*

**Auckland, New Zealand, 15 July 2010 - As New Zealand businesses start hiring again after the worst economic downturn in a generation, an organisational psychologist is urging them not to stifle their recovery by employing the wrong people.**

This month recruitment company Hudson revealed business hiring intentions had increased for the fifth quarter in a row, and a survey by the New Zealand Herald showed 49 per cent of businesses were intending to hire more staff in the coming year.

But businesses could damage their improving post-recession finances simply by hiring the wrong people, says Grant Amos, a consultant psychologist with psychometric testing specialists Selector Ltd.

"Estimates of how much a bad hiring decision costs a business vary, but they all come in at more than the annual salary or wage for that position," says Amos. "Can a small business whose finances are just coming right afford to waste \$40,000 or more on selecting the wrong accounts assistant, for example? That sort of bad decision could set back their financial recovery by months, or even years."

By relying solely on CVs, interviews and gut instinct to make hiring decisions, businesses are risking their chances of making the most of an economic recovery, says Amos.

"CVs can be very good for outlining what skills job candidates have, but they don't reveal what kind of attitudes they have, what environment they work best in, or how they prefer to communicate," says Amos. "And interviews can only reveal who does well in an interview – not who will do well in your job."

The business costs of a bad decision can come through hiring someone totally unsuitable who leaves within a few months, or through selecting someone who quickly becomes demotivated but hangs around for years, underperforming.

"New Zealand is an economy of small to medium-sized businesses, and very few of them can afford to fund those sorts of mistakes – especially now, when they are just emerging from a recession," says Amos.

"Studies show that 60 per cent of an individual's success in any organisation comes down to their environment and work culture, so it's vital to select staff who fit the business and its culture."

Psychometric testing and analysis can reveal that information, helping businesses make more informed, and successful, hiring decisions, he says.

"Some people get scared when they hear the term 'psychometric testing'," says Amos. "But really, all it's doing is measuring how people relate to others, what they will pay attention to, what they might pay less attention to, what will motivate them – and applying that to the demands of the job. It's about ensuring the right fit between person, role and work culture."

"And now, more than ever, with finances improving but still fragile, New Zealand businesses need to ensure they get the right employees – employees who will thrive in their environment and help them grow."

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