

The Changing Corporate Perceptions of Computer Literacy



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Be warned: About 40% of new management hires fail within the first 18 months, say recent studies by the Center for Creative Leadership in Greensboro, ND, and by executive-search and coaching firm Manchester Partners International. Failure is defined as “being terminated for performance, performing significantly below expectations, or voluntarily resigning from the position.”¹

With the growth of the economy and unemployment hovering at a 24-year low of 4.3% during the summer of 1998, hiring managers have had to work hard to keep their sights high when looking for employees to help them grow their businesses.

A survey by Manpower Inc. found that nearly a third of businesses interviewed plan to hire workers, 59% will maintain current levels and only 5% will reduce their work force.²

This hiring frenzy almost ensures labor shortages, which in turn may become a major drag on the continuing economic boom. In an April 1998 survey of 441 “trendsetter” companies by Coopers & Lybrand, almost 70% reported that they were having trouble finding skilled workers.³

The trend is particularly evident in companies seeking employees with technical proficiency. According to national surveys, anything involving computers is in great demand now -- not just programming and software design. Almost anybody who works in an office must use a personal computer.

Secretary of Commerce William Daley has said, “We’re not just talking about a shortage of qualified engineers and scientists for our top software (and) semiconductor firms. Every nook of our economy now depends on technology.”

When hiring managers find themselves desperate for good workers, it’s far too easy to hire the next candidate coming in the door, rather than go through the difficult task of making sure they are truly well-qualified for the job.

Managers must remember that the cost of hiring errors can be exorbitant.

The high cost of bad hiring

Almost every hiring manager will acknowledge that the key to gaining a competitive advantage is hiring and keeping the right people on your team. And yet that is merely the last number on a very long list of costs that must be considered.

When an employee leaves after only a few months because of a poor hiring decision -- and you must start the search again -- consider the costs involved.

There are the hard costs of recruitment ads and travel; hiring costs including processing W2 and W4 forms, payroll, drug tests, background checks, and management time for interviewing; orientation costs, including paying a new employee for no productive work; overtime and temp costs to cover unfilled days; and lost production during the learning curve. With a problem employee, you may even incur losses from theft.

Then there are the soft costs, including revenue lost from unhappy customers; the cost of rebuilding those customer relationships; the problem of having your corporate image damaged; the impact on your team of having a new, inefficient member could even feed further turnover.

“Having someone who says they can do a particular program only to find out later they couldn’t is a common problem. One individual corrupted data which resulted in downtime for the company and money lost,” said Marty Kelem of Spectratek. “It was disheartening, as well as costly, to find out later that someone did not possess all the skills they stated on their résumé.”

Allison Darling Foster, vice president of Ford Consulting Group, estimates that a poor hiring decision costs a minimum of \$2,200 in the hard costs of advertising, screening, interviewing, orientation and training of new employees.⁴

In fact, an annual study conducted by the Employment Management Association in Raleigh, NC, establishes the average cost for hiring exempt employees ranges between \$6,519 - \$9,182, and nonexempt hires between \$973 - \$1,261.

And, according to U.S. Department of Labor estimates, the average cost of a bad hiring decision has risen to a full 30% of the first year’s potential earnings -- and that’s only if the bad decision is discovered and handled during the first six months of employment.⁵

Worse, according to Clarence M. Kelley and Associates, a professional investigative and consulting firm, 30% of résumés and job applications contain fraudulent information.⁴

How do you find good workers?

Human Resources professionals have known for years that the traditional interview has little or no statistical utility as a selection technique. In other words, how well a person interviews has almost no bearing on how well he or she does on the job. But interviewing and intuition continue to be the leading tools managers use to make hiring decisions.

According to Nick Corcodilos, managing director of the North Bridge Group, an executive recruitment firm in Silicon Valley, "hiring managers would be far better off giving candidates a live problem to work on."⁶

He suggests four questions that the hiring manager and the job candidate must address:

1. Does the candidate understand the work that needs to be done?
2. Can the candidate do the job?
3. Can the candidate do the job the way you want it done? (This relates not only to performance, but to style, attitude and work philosophy.)
4. Can the candidate do the job profitably for you and your company? (Most fail to understand profitability as a responsibility. You can improve your talent pool by teaching all your employees what profitability means.)⁶

Testing job candidates on job-related tasks can "increase the assessment and selection 'hit rate' by 30% when compared to intuition, gut feelings and cursory reference checks," says Foster.⁴

In a few cases, companies actually watch job candidates work. In its new factory in South Carolina, BMW has built a simulated assembly line. Job candidates get 90 minutes to perform a variety of work-related tasks.⁷

Not every company will be willing to build simulators for recruiting employees. However, many kinds of jobs -- including those that involve refined computer skills -- can be tested relatively easily.

It's important to note that creating a test from scratch that's both fair and accurately tests what you want it to is a complex, time-consuming task. In order to be protected against test-related claims of discrimination, employers must insure that appropriate research methodology was used to develop the tests. This assures both reliability and validity, i.e., the instrument measures what it says it measures and does so consistently over time.

Testing for computer literacy

Fortunately, to validate computer skills, managers do not need to re-invent the wheel. A benchmark has been created for all Microsoft Office applications -- the software used in 90% of Fortune 500 companies.

Microsoft Office User Specialist certification allows skilled users to prove their skills in any environment. It is a “stamp of approval” that says they have passed a rigorous examination in one or more Microsoft Office applications -- including word processing, spreadsheet, database, presentation applications and more.

Certification is a benchmark that lets hiring managers know which job candidates actually have the skills they claim on their résumés. And MOUS Certification answers at least two of Nick Corcodilos' suggested questions for hiring managers -- the question of whether the job candidate can do the job and whether he or she can do it profitably for your company.

Elliott Masie, president of The MASIE Center, says, “Certification of user skills will provide a much-needed level of specificity in the training, hiring, placement, development and support process. We believe corporations, temporary and employment agencies, educational institutions and the technical training industry will rapidly adopt Microsoft’s program throughout the world.”⁸

Antony Martin at AFM Lighting Ltd. has this to say about MOUS certification, “As we expand the company globally, I need to employ people with a common level of understanding to handle the global demands. A benchmark certification will serve as a standard in that global market.”

How do you help the people you have become more productive?

Computer literacy is more than a hiring issue.

If your current employees are not up to speed on their desktop computing skills, you are not fully leveraging your investment in computer technology.

This is a hidden yet potentially enormous problem. A recent Microsoft survey found that an amazing 70% of the features that customers request for new product implementation are already built into existing versions of Microsoft Office. This means that many of today’s Microsoft Office users are not using all of its productivity features to their fullest.

How do you unlock this potential? You must stimulate training for complete understanding of the capabilities of the product.

“Small businesses can gain a lot of leverage from technology if their employees are trained and retrained on computers,” says Julian Lange, professor of entrepreneurship at Babson College.

Evaluating the effectiveness of training efforts is paramount to the success of any program. With training, employees become demonstrably less dependent on technical support -- another area of cost savings for the company, for example.

Lamont Long, IT Director of Crowe, Chizek and Company, says, “When an employee becomes certified in Microsoft Office, we believe they have gone to a higher level of proficiency and can bring immediate benefit to our firm.”

Conclusions

Computer literacy is a rapidly growing issue in both hiring and management.

Finding a simple way to evaluate computing skills in job candidates can prevent a large number of costly hiring mistakes. Ensuring that current employees fully utilize their desktop computers pays off in increased productivity and lower internal help desk costs.

It is important to note that what a particular employee or job candidate knows now about desktop computing may not be adequate forever. Continually training and testing, retraining and retesting, will become the order of the day, as companies continue to compete in a knowledge-based economy.

Certification is the key to validating that learning has occurred. Only after validation through certification can you be assured that training can translate into increased productivity.

For more information about Microsoft Office User Specialist certification, testing and training, visit www.mous.net or call 1-800-933-4493 and a Certification Specialist will answer any questions or help you implement the certification program in the way that best suits your company's needs.

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