Chapter 1

The Importance of Sustainable Development

Abstract The success of organizations with many knowledge workers, such as law firms, insurance companies, and accounting firms, is assumed to be depending on the quality, performance, and engagement of the knowledge workers themselves. To quote Davenport (2002): “In the current economy, they are the horses that pull the plow of economic progress. If our companies are going to be more profitable, if our strategies are going to be successful, it will be because our knowledge workers did their work in a more productive and efficient manner.” But how can organizations be successful in engaging and retaining their knowledge workers and avoid the risk of attrition of their best employees?

Keywords Performance indicators · Recruiting · Selection · Work engagement · Sustainable performance

1.1 Introduction

The same thing that happened with Billy Beane’s scouts (Lewis 2003), seems to be happening in our world. Research shows that candidates are selected mostly based on the estimated talent, past achievements, and characteristics that their (new) employers—often subconsciously—see in themselves (UvA 2008). The results are alarming. Even today, it turns out that 88% of Dutch professionals are not fully engaged when it comes to their jobs (Kodden 2014). What makes it even worse is that levels of engagement appear to be declining. Less than 77% of all Dutch employees indicate that they are happy in their job, 5% of the Dutch workforce is currently suffering a burnout and another 13% is close to it. Today, more people are not working because of mental health issues than physical illnesses (Kodden 2011; Kodden and Van Ingen 2019).

A hundred years after Frederick Taylor, we are still dulling each other’s intrinsic motivation. A few years ago, a large poll carried out by Gallup among 230,000 employees from 142 countries showed that only 13% felt engaged at work. The Netherlands scored even worse than average: only 9% were genuinely enthusiastic about their job (Gallup 2013). According to psychologist Barry Schwartz, 90% of

adults spend half their waking lives on things they would rather not be doing and in places where they would rather not be (Schwarz 2016).

According to the Chartered Institute of Personnel and Development (CIPD), the costs of a mismatch between vacancy and candidate are equal to two-and-a-half annual salaries of that person. In one of its studies, Harvard Business School even calculated an amount three to five times the annual salary. Even ten times in the case of highly specialized positions or generalist top-level positions in an organization.

This shows that just as a cost consideration, it is important to overlook as little as possible when it comes to recruitment and selection of new talent. And that does not even include all the potential social and personal consequences. Another issue is the number of candidates that miss out on suitable jobs and great opportunities, simply because the wrong candidate was hired.

1.2 Intrinsic Motivation

“When you let those numbers sink in, you realize how much ambition and energy we are currently leaving on the shelf,” writes Bregman (2016). Imagine if we all committed to each other’s intrinsic motivation. That would mean a major revolution. CEOs would do their jobs because they believed in their companies, scientists would put in long hours simply out of curiosity, and teachers would teach because they’d feel a responsibility towards their students. Psychologists would keep treating their patients as long as it takes and bankers would get their satisfaction from their role as a service provider. Professionalism and competence would be paramount, not efficiency, and productivity. However, this requires a completely different approach to talent and performance management (Knechtmans 2016). One that supposes: “Talent is good, but character is better.”

As was previously concluded by researchers from the University of Amsterdam in a large-scale study together with Randstad, Dutch CEOs and recruiters mainly look for talent, experience, and specific knowledge and skills (UvA 2008). Although this approach seems useful for clearly defined jobs, we should be aware that jobs and job requirements change over time.

Knowledge expires quickly—and is expiring more quickly all the time—yet new knowledge and skills seem crucial in today’s rapidly changing market. Supervisors and HR specialists should, therefore, pay more attention to their candidates’ personalities, i.e. their mental capabilities, specific personality traits, and sustainable employability (UvA 2008).

1.3 Successful Selection

On the basis of extensive research carried out by Schmidt and Hunter (1998) and others, we can conclude that certain selection methods will yield more information about candidates than others. Because the results of Schmidt and Hunter are based

on large, international, and random testing, their article is still the basis for many studies on recruitment and selection methods today. Researchers from the University of Amsterdam reached similar conclusions in 2008. The methods that provide the best insight into an applicant's capabilities are the verifiable task achievements of the candidate (which requires the employee to have been working and performing within the organization for some time), an aptitude test that tests mental abilities and a structured selection interview. An individual's references are poor indicators of their future performance (UvA 2008).

"Get the right people on the bus," was the most important advice of management expert Jim Collins in his book *Good to Great* (2001). One of the participants in the Sports Leadership Program where I teach, Max Caldas, coach of the Dutch men's field hockey team, expressed it as follows: "You are the average of the people around you." But then what traits are the decisive factors for professionals who manage to keep performing, and how do you select them?

1.4 Performance Indicators and Selection Criteria

My very own *Moneyball* (2003) was born. I began a study on performance indicators and personality traits among over 1100 professionals, three times the required sample size. I included over twenty performance indicators in a research model based on five general concepts that I had mapped out after consulting with scientific and professional sports experts, studying scientific articles, and reading many different management books.

These five general concepts related to the importance of the following:

1. the degree of talent present;
2. the degree of presence of certain personality traits;
3. the degree of fit with the organization;
4. the degree of work engagement;
5. the degree of fit with the (physical and mental) requirements.

These concepts and their individual elements were linked to the ability of professionals to deliver sustainable performance, both in a team and on an individual level. Delivering sustainable performance is defined in this study as *being able to repeatedly achieve personal and team goals*.

The aforementioned concepts are visualized in the research model shown in Fig. 1.1.

I decided to use this research model to ask supervisors and senior employees how they would rate random employees or coworkers (with answers such as: totally agree, agree, neither agree nor disagree, disagree and totally disagree) using questions such as:

Fig. 1.1 The research model

- Compared to his or her co-workers, this employee has on average much less/less/neither less nor more/more/much more natural talent and innate predisposition to excel at his or her job.
- Compared to his or her co-workers this employee has on average much less/less/neither less nor more/more/much more willpower to excel.
- This employee has above-average intrinsic motivation to excel.
- This employee has above-average confidence in difficult situations.

1.5 Research Model and Questions

The model resulted in the following six research questions:

1. To what degree is talent important for sustainable performance by professionals?
2. To what degree are certain personality traits important for sustainable performance by professionals?
3. To what degree is work engagement important for sustainable performance by professionals?
4. To what degree do physical and mental job requirements influence sustainable performance by professionals?
5. To what degree is a good fit with the organization important for sustainable performance by professionals? And finally,
6. To what degree does the applied research model have a good statistical fit, and can it be used as a framework for talent development, and recruitment and selection services?

Following this methodology, a total of over 1100 professionals were assessed on their level of talent for their jobs, the level to which they matched twelve personality traits, three elements of work engagement, three aspects of organizational fit, the

level to which they met the physical and mental requirements of their job, and the level to which they had demonstrated sustainable performance—both as individuals and in teams—in recent years.

The performance indicators selected related to the level of:

1. talent;
2. willpower (personality traits);
3. self-control(personality traits);
4. intrinsic motivation(personality traits);
5. extrinsic motivation(personality traits);
6. optimism (personality traits);
7. self-esteem (personality traits);
8. ability to cope with stress (personality traits);
9. self-efficacy (personality traits);
10. adaptability (personality traits);
11. self-confidence (personality traits);
12. intelligence (personality traits);
13. ambition (personality traits);
14. vitality (work engagement);
15. absorptive capacity (work engagement);
16. dedication (work engagement);
17. fit with the job (fit with the organization);
18. fit with the corporate culture (fit with the organization);
19. fit with the management style(fit with the organization);
20. fit with the physical job requirements (job requirements);
21. fit with the mental job requirements (job requirements).

I always ask people attending my classes and lectures the following question: Which personality traits do you think are the most important for sustainable performance? I asked over fifty Dutch CEOs a similar question: “Which of these personality traits would you use to select new employees?” Could it be the case that our leaders consciously or perhaps unconsciously use the same hiring criteria as the personality traits that this study has shown to be so important? If so, this would mean there was a perfect match and it would provide the right candidates with the right opportunities.

This Book Provides:

- An explanation of the most relevant scientific insights regarding talent and other personality traits for recruitment and selection and sustainable performance.
- The results of a large-scale study among supervisors and senior employees on the talent and other personality traits of over 1100 professionals.
- The results of practical research into the chosen selection criteria among over 50 CEOs and managing directors. Do their visions match with the results of previous scientific research?
- New insights, frameworks, models, and tools to reinvent yourself and select the best candidates for your organization.

1.6 Structure of the Book

In the following chapters, I will discuss several of the performance indicators and personality traits that have been introduced. I will deal with the most important performance indicators and personality traits but will also include several performance indicators and personality traits that have turned out to be less important for sustainable performance than previously assumed. I furthermore discuss the performance indicators and personality traits that Dutch CEOs think are crucial in the hiring of new employees, but which have proven to be of lesser importance. In addition to the results of this study, I will also include the findings of other scientists and management authors regarding these aspects.

After I have described the results of my study, I will discuss what these performance indicators essentially have in common: the positive consequences of the Zeignarnik effect. I will explain what this is, where it comes from, and how you can use it to your advantage. Finally, I will provide you with several tools that can be used to improve yourself and more efficiently find the best candidate for a position in your organization. Detailed results and the justification of my research methodology can be found in the appendices.

1.7 On a Final Note

Please keep one thing in mind before you get started. This book and the research behind it are not the result of a quest for the holy grail of sustainable performance. Every study, including mine, has its limitations, requiring a certain level of caution and restraint in its conclusions. The study was conducted with the utmost care, but it should be acknowledged this study may have been influenced by the respondents' bias and their socially acceptable answers. Although this study has provided important insights, many studies have methodological issues that call into question the reliability and validity of their conclusions. For instance, it is not possible to make any statements about causality based on cross-sectional research. Experimental research is sometimes defined by limited generalizability in terms of actual work environments. The results of this study should, therefore, be taken merely as a guide and can only be considered an inspiration to act.

References

- Bregman R (2016) Weg met control. Leve de intrinsiek gemotiveerde mens. De Correspondent, 18 Oct 2016. Consulted at www.decorrespondent.nl
- Collins J (2001) Good to great. Why some companies make the leap ... and other's don't. William Collins

- Davenport T (2002) Can you boost knowledge work's impact on the bottom line? *Manage Update* 7(11):3–5
- Gallup (2013) Worldwide, 13% of employees are engaged at work. <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>
- Knegtmans R (2016) *Agile Talent. Negen cruciale stappen bij de selectie van het toptalent van morgen*. Business Contact, Amsterdam
- Kodden SFGP (2011) *Dedication. A study to analyse the effects of organizational design on employee engagement and knowledge productivity within Dutch legal service firms*. Nyenrode Business Universiteit, Breukelen
- Kodden S (2014) *Be a HERO. How to bring out leadership in everyone*. Bernard Daniel Press
- Kodden SFGP, Van Ingen R (2019) *Time for a new E/RA*. J Appl Bus Econ
- Lewis M (2003) *Moneyball. The art of winning an unfair game*. Writers House, New York, NY
- Schmidt F, Hunter J (1998) The validity and utility of selection methods in personnel psychology: practical and theoretical Implications of 85 years of research findings. *Psychol Bull* 124(2):262–274
- Schwarz B (2016) *Waarom we werken*. Amsterdam University Press, Amsterdam
- UvA (2008) *Personeelselectie in tijden van krapte*. Diemen, Onderzoek door UvA en Randstad)

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.