



# White Paper

## The Athene Quotient and the Present Economy – 2009

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Introduction—the June 2009 unemployment report for the United States revealed that almost 10% of the country’s working-age population is unemployed. These numbers represent the worst unemployment rates in over 25 years. Of course, the numbers do not include those individuals who are working part-time who want to be working full-time, or those individuals who are dramatically under-employed compared to the work they have previously been doing. Most experts believe these numbers will only become worse in the second half of 2009, and perhaps beyond. Words such as *crisis* and even the emotionally powerful word *apocalyptic* are finding higher frequency of use in describing the present economy in the United States, and of the entire world.

A Major Question—what is the impact of these circumstances on a company that presents itself as having expertise in “workplace selection”? The assumption could be easily made that in a time when reductions in force, layoffs, and closings rule the day that “workforce selection” would cease to be a problem, or even a process that organizations would have any interest in pursuing.

The Fact of the Matter—when economic circumstances like those being presently experienced become the order of the day, “workforce selection” becomes an even more significant issue. The present economy actually is having a major impact on our business—phone calls, emails, all sorts of inquires *are at a higher level than they have been in a decade.*

### Compelling Reasons Why

1. When reductions in force occur, an organization has to be even more careful in making sure that the *best* stay and the *less than best* are lost. Our assessment, the Athene Quotient, *AQ*, provides an additional tool in helping to make these decisions more objective at an emotional time in which objectivity is oftentimes extremely difficult. We can even help those being lost in constructing better resumes that can enhance their finding new work more quickly.
2. When mergers and acquisitions occur, it is all but inevitable that some will stay and some will leave. New teams and work units will be constituted. In the midst of finance, computer, sales and marketing decisions for the newly-arranged

- organization, personnel issues can get lost in the shuffle. The AQ will create a base for matching new employees for highest efficiency, deciding which employees are most essential, and bringing objectivity to determining who will be the right people in the right seat on the bus—to follow Jim Collins’ analogy—for the new circumstances that are presenting themselves. We are experts in helping newly constituted groups find common resonance with each other that can immediately support the new work they will have to do together.
3. Basic cost of turnover can be crippling when margins are narrow. Today, the generally accepted estimate of the cost of turnover of one employee in the United States is 1.5x that employee’s annual salary. The AQ is proven to be extremely effective in reducing turnover and attrition. And, these savings are not amortized over an extended range of time. These savings—which we have demonstrated conclusively can be sustained over time—hit to the “bottom line” of an organization immediately.
  4. In times of economic downturn when more and more is demanded from fewer and fewer, the role of development of present employees—both as individuals and as team/unit groups—is even more critical. The AQ has every bit as much implication for personal development as it does for hiring and promotion.
  5. In times of economic downturn when more and more is demanded from fewer and fewer, the persons who are placed in leadership positions—from front line managers to executives—become even more critical. The AQ gives major emphasis to helping determine who is ready for the next level of management and leadership. Or, if a person needs to be placed on a next level of management and leadership, and that person is not ready, the AQ can precisely determine what needs for improvement are required and, as a result of training and mentoring, can determine if those needs have been met.
  6. In times of economic downturn when more and more is demanded from fewer and fewer, the presence of stress can undermine strong leadership and decision-making abilities. The AQ —whether it is directed at an individual, some special group, or an entire organization—can specifically reveal how much stress is present, the precise kind of stress that is present, and the intensity of that stress. We can, then, help in the construction of stress management agendas that have been highly successful in their implementation across the country.
  7. Many of our key clients see a 4.2 to 1 ratio in applications per job publicized. That was during the old economy. Today, many of our clients report that the ratio has jumped to as much as 25 to 1. The problem of differentiating who is the very best, when a dozen applicants may be really good, is no easy task. The AQ allows for the creation of custom, best-performer templates that can help determine who is the “best of the best” in the hiring and promotion process.

Conclusion—in this present economy, our area of expertise is not any less important in any way. It is more important in a multiplicity of ways. Edwards Demming believed that if a reality was not measurable that it had little or no meaning. We tend to agree to a certain extent with this sentiment, so when we say that good judgment is a major, critical driver in selection for success, we assert—without equivocation or hesitation—that good judgment can be measured, monitored, and improved. It will be good judgment on local, national, and international levels that will bring us successfully through the economic crisis that is at hand. The necessity of measuring judgment today is more critical than it has been in decades. *Bad judgment* has gotten us here, and only *good judgment* will move us to a better future.

A carpenter told us recently: “If I can measure something, I will get better at what I do.” Then, he said: “I always measure twice first, and then I cut.” What we offer with the AQ is the ability to add a dimension of measurement—to “measure twice”—that will complement and enhance any measurement of people and groups of people that your organization is presently using. We can help move you from erratic and accidental—cross your fingers and hope for the best—subjectivity, to solid objectivity in your people decisions. The stakes are so critical and the costs so high that objective, effective, predictable measurement has to be pursued with great seriousness.

If your organization has never worked with us, you need to see what we are doing and how we can help immediately. If your organization is working with us now, we are likely to be of more benefit to you than we have ever been. We are *anxious* to help. We *want* to help. We *know* we can help. We *know* how to help.