



### **Candidate selection:**

A whitepaper on Evaluating and selecting talent

As a business coach and consultant I have come to realize that companies who struggle to reach their full potential do so primarily for one reason; an inability to identify, select, nurture and retain human capital. As you calculate the incredible cost of a poor hire, the numbers are staggering, causing a ripple effect throughout your entire organization. Studies prove the cost to be from one – three times the employee’s salary. You continue to pay in some fashion for employees who are no longer with your firm

After spending almost three decades recruiting, hiring and training thousands of people, we have reached the conclusion that 75% of management headaches would be eliminated if leaders better understood the interviewing and selection process, implemented a few simple steps, and prepared sufficiently in advance.

There are three primary truths regarding hiring professionals

“There is no single moment in your career when your company, and you, have more to gain (or lose) than when you are hiring someone”

“Identifying and selecting top performers given limited information is the greatest challenge faced by most managers”

“Interviewing and selection skills are grossly underdeveloped in the majority of organizations, resulting in inconsistencies.”

We have observed common mistakes over the years. I have identified the most common six hiring mistakes:

- **Ill prepared selection criteria**
- **Failure to consider the impact to your corporate culture**
- **Hiring in your own image**
- **Failure to validate impressions with an OBJECTIVE assessment**
- **Ineffective questioning techniques**
- **Allowing a timeline to prejudice your evaluation**

Human Capital is the greatest asset within any organization. The most successful organizations understand this and give selection the importance it is due. They know that the RIGHT people in the RIGHT jobs leads to:

- Increased productivity
- Enhanced effectiveness
- Lower turnover
- Better communications
- Competitive Advantage!

Why is it that some employees work hard and struggle for every victory, while others seem consistently, and almost effortlessly, able to perform at a higher level? Why is it that two salespeople selling the same product in the same marketplace can have such different results? One just barely hangs on while the other consistently hits quota, earns the bonuses, and goes home night after night with peace of mind.

What separates the truly successful executive from those who work excessively long hours, never seem to hit their stride, and never enjoy success? Are they more highly educated? Do they have more experience? Were they born with a special gift - the right personality, perhaps - that enables them to succeed in their profession?

What about the middle level manager who looks great in the interview but then lacks the ability to make good decisions, seems paralyzed by the speed of the position and fails to take initiative? We all have our own horror stories concerning candidate selection but the point is there are real differences in people's performance. The real question is how do we sift through candidates and find top performers?

The answer is complicated, and in fact one of the most difficult business challenges faced by today's executives. The reality is that no organization can predict with absolute certainty a new employee's success. Rather the goal is to make the best selection decisions possible and subsequently provide an environment enabling growth. There is one steadfast rule of selection which outweighs all others: If you have any reservations at all to selecting a candidate whatsoever, do not hire them. There are no short cuts, nor should you seek to cut corners.

Great companies adopt and enforce a consistent and thorough selection process. They then endeavor to train all who participate in that process. There are 5 critical steps to effective candidate selection:

- 1. Clearly define the Job Requirements**
- 2. Establish a strong candidate pool**
- 3. Assess competencies of Candidates**
- 4. Interviewing & Selection**
- 5. On-Boarding**

### **Define the Job Requirements**

The starting point of any candidate selection process must be a well crafted job description. The job description is underutilized in most organizations, but should serve

as the guideline for the job and the foundation of any candidate search. An effective job description consists of the key accountabilities and objectives of the job, the key functions needed to support the job objectives as well as the minimum acceptable performance criteria. In addition the job description will include the core values, minimum skills, experience and education required. A great way to define the job is to specify the KASH account required by the position. KASH is an acronym which stands for KNOWLEDGE, ATTITUDE, SKILLS & HABIT.

Upon completion of the job description, all key accountabilities of the position must be carefully identified. This requires identifying the top 5 functional duties of the job, in priority. This should be arrived at by collaborating with several persons involved with the position, such as the hiring manager, a peer employee and Human resources. Note that it is imperative to gain the input of the person who best understands the specifics of the job. After you have assessed the priorities, the next step is to determine the percentage of time spent accomplishing the specific functional duty. It is critical at this point to identify not only the quantity of performance but the standards of performance, which takes into account the qualitative aspects of the job.

The final step in establishing the job requirements is to conduct a work environment with the aid of a valid and reliable behavioral assessment. These assessments are extremely reliable and can be conducted online in a matter of minutes. The work environment will serve as a benchmark of the behaviors and values required to effectively conduct the job. The most popular assessments in use today are a derivative of DiSC, Predictive Index, or the Neo 5 factor assessment. If you are seeking more information on assessments and their use, visit our website or our whitepaper on “using assessments in the workplace” More on this subject when we discuss interviewing and selection

### **Establish a strong candidate pool**

Once you have established that which you are seeking, you must now find candidates whom you suspect meet the criteria. You may choose to use a recruiter or headhunter, or you may seek to search for candidates on your own. Review your job description and key accountabilities work sheet. Determine the geographic scope of your search and the targeted sources of your search. While want ad's and internet job sites are first to come to mind, some of the best candidates are actually found by less conventional means such as Craig's list, competitors, trade shows, or networking events. In fact studies support the fact that one of the most reliable sources available to you is your own employees? Why, because they understand your culture and often times the job itself. In addition, most employees will feel responsible to the candidate and will have a degree of loyalty to the company.

Often times, management does not do an effective job of creating a sufficient talent pool, and consequently ends up settling for a “B player” or worse yet a “C player” To avoid this common pitfall, establish some strong recruiting standards for your managers and insure recruitment is a constant part of their job. As an example, a couple of recruiting metrics you may consider instituting are:

- each manager must recruit a minimum of 2 candidates each month or quarter
- no position can be filled without a minimum of 5 interviewed candidates
- no employee can be hired without 3 interviews and the approval of the hiring manager AND the hiring managers supervisor

### **Assess competencies**

This is generally the most critical and often overlooked step. Assessing a candidate is a complex task consisting of four components which interconnect to define a person's comfort zone. We call these four components **KASH**:

- **Knowledge:** the body of truths or facts accumulated in the course of time.
- **Attitude:** manner, disposition, feeling, position, etc., with regard to a person or thing; tendency or orientation, esp. of the mind
- **Skills:** Proficiency, facility, or dexterity that is acquired or developed through training or experience.
- **Habit:** an acquired behavior pattern regularly followed until it has become almost involuntary:

These four attributes combine to form a highly complex individual which we as managers are then asked to understand, manage, direct, motivate, coach and guide. In reality, each of us has our own mixture of these ingredients, based upon our knowledge and life experiences, our acquired and potential skills, the attitudes we possess and the habits which we have, over time developed. As these are mixed together, there are an infinite number of possible concoctions which may result. We are all individuals, possessing various strengths and weaknesses, which defines our Comfort Zone. Great managers understand this, and are either consciously or subconsciously extremely adept at understanding the Comfort Zone's effect on human relations.

Because of the diverse characteristics which candidates possess, the real challenge is to define those competencies which predispose someone to be successful in a particular field of endeavor. This is a daunting task, and one which has consumed great minds for centuries. I have personally spent years searching for this proper mix of ingredients in order to identify traits of great sales performers. Listed below is a small sampling of some critical competencies that transcend most professional position. Although certainly not complete, it is a starting point:

Self management  
Personal accountability

Results orientation  
 Organization  
 Problem solving  
 Initiative

The dilemma in interviewing is determining in what mix, and to what degree candidates possess those competencies most required for the position. There are 3 specific steps you must follow.

1) The process starts by reviewing the job requirements and identifying the KASH which a best fit candidate possesses. An example might look like this:

<b>Knowledge</b>	<b>Attitude</b>	<b>Skills</b>	<b>Habits</b>
Technical Sales Product Market Industry	Ambitious Passionate Positive Proactive teamwork	Computer Internet Critical thinking Time management People skills	Goal oriented Self directed Continuous learning Punctual Cooperative

Your KASH account will most likely include some of the above but will certainly have different entries. The important point is that the process must take place because you have defined at this point the KASH they must have in their account. Not all KASH components carry the same denomination.

2) Review your KASH requirements and prioritize those competencies which are of greatest value to your organization. Select the top three competencies from each column; Knowledge, Attitude, Skills and Habits. You now have a total of 12 solid criteria.

<b>Knowledge</b>	<b>Attitude</b>	<b>Skills</b>	<b>Habits</b>
Technical (2) Sales (3) Product (1) Market Industry	Ambitious Passionate (1) Positive Proactive (3) Teamwork (2)	Computer Internet (2) Critical thinking (1) Time management People skills (3)	Goal oriented (3) Self directed (1) Continuous learning Punctual Cooperative (2)

3) Prepare a series of Behavioral based questions (not hypothetical or future-based) which will determine each candidates relative match to your KASH requirements. Please review each question to insure it meets EEOC requirements. (Should you want a series of powerful and EEOC compliant questions, contact us.)

You are now ready to conduct interviews. Make certain you do not hire someone who is bankrupt or existing “hand to mouth”. You may review all the candidates within your existing candidate pool and find that while no one fits your benchmark, 2 candidates are “close” The question I am often asked is “what should I do?” If you were playing horseshoes, I would say that often times “close” is good enough. Remember that as a manager, selecting human capital is the most important thing you do. Do not settle for close, instead select ringers. There is only one move and that is to keep searching!

## **Interviewing & Selection**

The majorities of interviews are flawed and consequently lead to invalid conclusions. The problem is exacerbated by the fact that most companies place 90% or more of the selection criteria on the interview, which is usually a “gut” reaction at best. The most frequent mistake in interviewing is the hiring manager talking too much. There is a time in which you need to convey the company benefits, but recognize that it is most appropriate to do so AFTER the candidate appears to match your KASH requirements. The rule of thumb is that the interviewer speaks approximately 30% of the time and the candidate speaks approximately 70%. If you find yourself stepping over this 70/30 line, step back and change the percentage. We have all experienced the interview in which the interviewer ends up speaking the majority of the time, espousing the virtues of the company and how great it is to work there. These interviews are ALWAYS to the benefit of the candidate. Your objective of the interview is to qualify or disqualify each candidate based on their match to the KASH requirement.

Some guidelines to conducting an effective interview:

- Have prewritten questions that match up to the KASH requirements
- Insure you have adequately answered ALL your questions
- Observe Eye contact, poise, body language and handshake
- Conduct a minimum of 5 interviews for each position
- When in doubt, DO NOT HIRE
- Each 2<sup>nd</sup> level candidate should be interviewed by a minimum of 3 individuals
- If the job requires exceptional commitment, travel or public exposure, insure that the candidates spouse is supportive. You may wish to invite the couple to dinner.
- Observe all EEOC guidelines
- Make a selection only after collaborating with others and gaining a consensus

2 final and important points concerning selection:

- Conduct a background and reference check
- Validate all selections by conducting an objective behavioral assessment

### **Validation using assessments:**

Before making an offer to a candidate, you must validate your selection (the interview may include bias) with an objective measurement tool. Behavioral assessments are a very good indication of how a candidate will respond to their environment. The behavioral assessment measures how an employee will respond to:

- Dealings with others and how they fit into a team.
- Inevitable challenges which will occur
- The pace which the corporation and the job demand
- Attention to detail and reaction to risk

Behavioral assessments are steeped in psychology and can serve to understand the candidate's makeup beyond that which you glean from a 1-2 hour interview. People can adapt and mask their true behaviors in relatively brief interview. It is very unlikely they can mask the behavioral assessment. Each finalist should take a behavioral assessment and matched to the work environment (conducted earlier during the Job requirements phase)

Having conducted the interviews and the Behavioral assessments, you are now ready to make a selection. Your selection should be based on the careful combination of 3 primary data points:

- The Interview
- The Behavioral Assessment
- The reference and background checks

I recommend weighting each of the three data points fairly similarly and then conducting your analysis. A suggestion is to weight each data point somewhat equally, say 1/3 each. Make sure you DO NOT place an excess weighting on any particular data point. Confer with others who have a stake in the success of the candidates. Gain consensus and move forward with the on-boarding process.

### **On-Boarding:**

By hiring a candidate you have decided to invest a great deal in the relationship, and in fact you already have. Our studies show that only 47% of companies have a written on-boarding process identified. Many companies leave the early training and development to the hiring manager or perhaps, at best, they invest in the 2 day or 2 week boot-camp. Reflect for a moment on the relationship you have entered into with your new employee. If you did a good job on selection, they have selected your company in order to meet their goals. You in turn have selected them with the belief that they can fill a gap within the organization and contribute to corporate objectives. This is a large responsibility for each of you. We bring the person on with all the best intentions, but find we are consumed with day to day fire drills so we assign a pseudo-mentor, send them to "HR" for their

paperwork and indoctrination, assign some tasks that we hope will help them “get up to speed”, and check in on them periodically to make sure they are “on track”.

Great companies and great leaders step back and create a strong new hire or on-boarding process for each position. To do this you must begin at the end by considering at what future point a candidate can reasonably be expected to contribute at or close to 100%. Remember previously we identified the KASH requirements of the job, benchmarked the position and identified the key accountabilities of the position.

Once you arrive at the date at which the criteria must be met, it is a matter of reverse engineering the timeline. For instance, if you believe it will take someone 6 months to reach the required competency level, chart a 6 month training plan which clearly outlines measurable progress at the end of each month. Secondly, outline weekly requirements. Now delegate the completion of the learning timeline to others. You should enlist the help of peers, other department heads, training and development, or others. In addition you must assign a strong mentor (this assumes your company has a well defined mentoring program in place) and make sure that you have a formal weekly one on one with the new hire. This may last 2 hours or four. Incidentally, the formal on-boarding process which you outlined is given to the new hire, and they are responsible under your direction and the mentor’s to complete the weekly trainings. It is recommended that a formal review is established at major milestones such as monthly.

Once the new hire reaches the competency level or the end of the training deadline, which ever comes first, it is time to establish an ongoing Performance Improvement Plan (PIP) which is designed to offer ongoing professional development. Going forward, ongoing coaching becomes the critical component of their professional development

There are several mistakes you must avoid during the on-boarding process:

- Underestimating the ramp up period
- Assuming an experienced new hire has the KASH account
- Failure to fill the gaps through oversight, training or mentoring

## **In conclusion**

Poor hires are one of the costliest mistakes a leader can make. Do not underestimate the importance of selection and integration of human capital. Do not assume that your managers know how to hire. It is one of the most under developed skills in business today. Inspect what you expect. If you expect your people to be skilled at selecting human capital, put process and training around selection and hiring. Most selection training stops after the perfunctory 2 hour EEOC workshop. Create a process and manage to it. In addition introduce valid and reliable behavioral assessments to your organization. Throughout your organization, instill a passion for the selection and development of Human Capital and become a CHAMPion of this cause.