Three Critical Activities of the Hiring Process

High-performing employees are at least 25% more productive than their average-performing counterparts. Mistakes that lead to turnover can cost your company at least 50% of the annual compensation of the person leaving, not to mention the cost of lost opportunities created by an incomplete team. A successful hire is critical to your success and bottom line. This article focuses on practices that allow you to spend less time hiring better people.

The hiring process involves six distinct activities (See Figure 1), each of which is important. Missteps anywhere along the way can impact the quality of your hire. This article focuses on the three highlighted activities as they provide the most significant value for the money. In each of these areas, some hiring managers have yet to be provided with a robust methodology or are unaware of recent research developments.
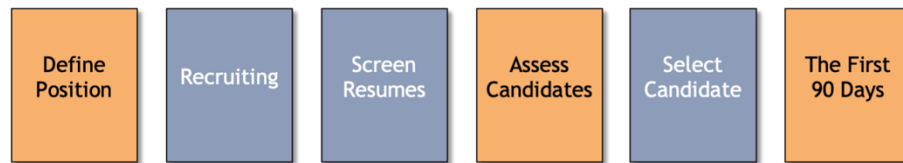
Define Position	Recruiting	Screen Resumes	Assess Candidates	Select Candidate	The First 90 Days

Figure 1

Defining the Position Using Performance Factors

Many hiring managers have a general sense of what they are looking for in a new hire but don't validate or prioritize their wants. As a result, they inadvertently hire a pre-determined picture of a position (e.g., "operation managers look like this" or "sales managers look like that"), or they find a strong candidate who is missing one key characteristic that would lead to above-average performance.

The first thing to remember is that *Defining The Position* is a hiring activity that sits at the front of the hiring process. As such, you should clearly define your hiring objectives <u>before</u> recruiting candidates. Secondly, job descriptions are not enough. *Defining The Position* means identifying and prioritizing Key Performance Factors for the position. Key Performance Factors (KPFs) are those aspects of **experience**, **skill,** or **interpersonal competency** that are critical to above-average job performance. These are the "need-to-have" versus the "want-to-have" items.

Experience and **skills** are specific and concrete and easier to list and quantify. However, most bad hires are not the result of a mismatch in this area. Most poor hires occur due to a mismatch between **interpersonal competencies** and the job requirements, the organization's culture, or existing team members. Examples of interpersonal competencies are adaptability, assertiveness, persuasiveness, service orientation, independence, and strong interpersonal skills.

Most people use their intuitive or "gut" sense to interview for the right hire. A more systematic approach to naming, prioritizing, and evaluating Key Performance Factors often yields a better result. Remember, in hiring, as in life, anything less than a conscious commitment to the important is an unconscious commitment to the unimportant.

Assessing Candidates Objectively

A good assessment strategy is *accurate* and *predictive*. In other words, a good assessment strategy tells you how the candidate will perform in the future. Often, some form of an unstructured interview* is used, and most of the interview focuses on the candidate's previous work experience. Unfortunately, this strategy is only 2% predictive of future on-the-job performance. (*An unstructured interview means that different questions are asked of different candidates, and candidates are not all rated on a uniform set of criteria.)

In contrast, **structured behavioral interviews** and **validated personality assessments** are each considered at least 35% predictive of future performance and have the bonus of making the interview process more objective.

• Structured Behavioral Interviews

One of the easiest ways to create a structured interview process is to use your prioritized list of Key Performance Factors (KPFs) to rate all candidates numerically. It's good to rate each candidate immediately after their interview since the more time that elapses, the more we depend on our selective and subjective memories.

To make this structured interview process "behavioral," use behavioral interviewing questions. A behavioral interview question is a) open-ended, b) looks for a specific example from the candidates' history, and c) drills down for specifics. The acronym to remember is S.A.R: ask for a **Situation** and drill down on the **Actions** and **Results.** For example, if "drive" is a key competency for a position, then a behavioral question might be:

> *Describe a situation in which you were effective in achieving an aggressive goal? How did you do it? Who else was involved? How did you work with them to achieve the goal? What were the results?*

The best predictor of future behavior is past behavior in a similar situation. So, asking questions where the answers are hypothetical, conceptual, or vague only tells you about your candidates' verbal fluency and intelligence. Remember, most applicants will answer in generalities. Your job as the interviewer is to focus on specifics.

• Validated Personality Assessments

A word about using personality assessments in the hiring process: Make sure you use an instrument designed and validated for pre-employment selection! Personality assessments, such as the Myers-Briggs and the DISC, are powerful instruments for developing teams and leaders, but they are **not** designed to predict future behavior. The results from these assessments are like knowing what type of car you are buying without knowing how well it drives in your terrain. In addition, neither instrument meets EEOC guidelines regarding the use of pre-employment assessments, and both instruments are so widespread that it is easy for candidates to fake their responses.

When looking for a reliable personality assessment to use in your hiring process, make sure it complies with EEOC guidelines and evaluates the Key Performance Factors (KPFs) you identified for the position. It's best if the assessment includes a strong anti-faking mechanism to prevent candidates from manipulating the test results. Expect to pay $105 – $195/assessment and try to avoid the temptation of using the same test for all positions. And most importantly, remember that assessment results are a starting point and a hypothesis you should validate during your face-to-face interviews.

The First 90 Days

Most people consider the hiring process to be finished when the candidate accepts the position. If the goal of a successful hiring process is to find a candidate who performs exceptionally over the *long term*, then the first 90 days should be considered a part of the hiring process.

The first three months, often called a time of "re-recruiting," can be the difference between an employee who stays for a decade and one who is gone before the year is out. This is the time when employees establish loyalty, ownership, and a long-term view of themselves in the organization. Employees who begin their tenure with a sense that the organization or their job is not what they were told perceive a lack of integrity between expectations set and met. Employees allowed to sink or swim without adequate orientation, training, and coaching do not establish a sense of loyalty to the organization and do not reach their break-even point as quickly as employees who do.

Quint Studer, author of *Hardwiring Excellence*, tells hiring managers to ask five key questions once a month for the first three months to head off potential problems and cement early retention:

1. *How do we compare with what we said in your interview process?*
2. *What's working well?*
3. *Which individuals have been helpful to you?*
4. *Based on your past experience, what systems or ideas do you feel could improve our operations?*
5. *Is there anything you are experiencing that would cause you to think about leaving?*

In summary, the keys to finding and keeping A+ players are to 1) know what you want, 2) use the right strategies to interview and assess candidates, and 3) cement the relationship early on by calibrating expectations and needs.

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