



So Why Is It So Hard To Get the Right People On Your Bus? Part Three: Hiring, With Particular Emphasis on Interviewing

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If you have been reading this series of blogs, you already know the previous two blogs were concerned with hiring for some specific positions. This blog extends that more generically, but with much the same set of rules.

A Story

I had a long term consulting assignment with a manufacturing firm in the Southeastern United States a few years ago. The company had been around for almost 40 years, employed about 200 people. The company culture was very conservative. Located in a small town, the firm even had its own company chaplain!. The COO knew the names and key metrics of every one in the plant, including birthdays and anniversaries. The COO of the company wanted to put the firm on a faster growth trajectory. Sales at the start of the assignment were around \$12 million.

On my first trip to the plant, I met the senior management for the first time. Since the major goal was faster growth, I paid particular attention to the Sales Manager. He had just come off the road working with the sales force. I asked him what the customers were saying and how he saw the potential for more sales from his sales team. Rather than answer those questions, he evaded them, telling one semi-objectionable joke after another. After a group lunch at a local diner, the CEO and the COO and I rode back together. The COO asked me what I thought of Jerry. I told him Jerry might be his Sales Manager, but he would not be mine. That confirmed what they both thought even though I had no previous discussion with them. Two weeks later, Jerry was gone. Not surprising to me, he had been promoted to Sales Manager a couple of years prior because he was one of the most productive salespeople in the company!

Over the next several trips, the Controller, the head of IT, the HR manager, Customer Service manager and a couple others were all replaced. The major problem with each of these people wasn't their willingness to do their jobs, but it was their capacity to grow. The company started working with an executive search firm which had a solid reputation for screening potential candidates and administering various tests for fit. The two companies were pretty much locked at the hip. The search Firm took the time to get to know the client company's culture and the need for fit long before Gino Wickman wrote his Traction book emphasizing "Wants It, Gets It, has the Capacity to Do It". Over a period of about three years, I was known as the 'bad guy' because people had figured out that shortly after many of my visits, one or more heads were going to roll.

While the COO and the search firm were joined at the hip, the CEO wasn't always on board with prospective hires. Since this was a family business and the CEO was the majority shareholder, he held the power to override decisions and made it (albeit infrequently) a habit of hiring relatives whose major strength was having the right last name. Every time the CEO overrode the search firm's recommendations, we had to repeat the hiring process.

The firm grew organically to about \$20 million over a five year period. That was not the accelerated growth desired, and the blame was mainly due to a very comfortable sales force that was well compensated but had little desire or aptitude to prospect for new customers. The incentives were there, but the wrong kind of sales person (a maintainer) was the norm. New blood who had to develop their own territories started a sales improvement process.

Back to the Basics

Let's briefly review the basics that are prelude to actual hiring. First, establish what your firm's core values are. Without that you will have no standard metrics to help you determine the fit with your culture of a given candidate.

Next, prepare a detailed job or position description that outlines the expectations you have for the person to occupy that position.

Now you can begin your search. Assuming you have identified some candidates and have reviewed their resumes, you can then vet the candidate's history, check his/her references, and do at least some background checking. If all goes well, you are then in a position to establish whether or not the candidate(s) might fit your needs.

The Interview

There are well-defined steps to conducting good interviews.

1. Do your homework. If you are doing the interviewing, you should have a thorough knowledge of what the candidate has done and his/her background. You cannot get that done in 10 minutes before the interview.
2. Decide ahead of the interview the questions to ask that are appropriate to the position.
3. Consider having two (or more) interviewers in the room so that four or more ears hear what is said.
4. Schedule the interview in an uninterruptable space and time. There should be no outside distractions if at all possible.
5. For important positions, set aside at least 45 - 60 minutes for the interview. Data show that the longer the interview, the more accurate the quality of the interview. Behavior can be 'faked' in a 15 minute interview, but rarely in a 60 minute interview. Sidebar: If you determine in the first few minutes that the candidate simply doesn't fit your criteria, but you advertised the interview to be 45 - 60 minutes, what should you do? The best advice I have on this subject - and it comes up a lot - is to simply terminate the interview.
6. Listen a lot. Your job is not to sell the candidate on coming to work for you, no matter how much you would like to do it. If anything, a discussion at the end of the initial interview about the company benefits, advancement opportunities, etc. is a post script to that interview, but only if the interview went well. Selling the candidate on the company is a logical step after you have decided you have a match.

Special Problem: Resume Truth

Data shows that about 80% of all resumes contain one or more significant omissions, outright lies, or embellishments. Case in point: One firm was hiring a key engineering manager. Late in the hiring process, the top candidate was discovered to have embellished his academic accomplishments. His resume stated that he had graduated from a top engineering school when in fact he had only attended that institution for one year. Knowing that, what do you do? If one of your core values is "high integrity", you go to another candidate. If he hid something or embellished that, what other issues are going to emerge? In this case, the company decided that while his track record was solid, they felt they could not trust him.

Some Conclusions

Hiring takes time and money. Using an outside firm that can bring qualified potential candidates to you is worthwhile IF you (and they) take the time to understand what you are looking for and the core values you espouse. That investment in a professional search firm to help screen out unlikely candidates and vet more likely candidates can be valuable. They do this all the time; you usually do it only in trying to fill an immediate need. Getting the expectations clarified and articulated up front makes the process better and more productive. Remember the experience of the Southeastern US company above.

Most small businesses I have worked with don't have a good handle on the hiring process, and they waste a lot of time and money on hiring ill-fitting or poorly fitted people for positions. It is more usual to begin searches when crises arise - the resignation of an incumbent or the 'final straw' act of the incumbent that results in searching.

Over the years I have frequently recommended to my consulting clients that they should always be gathering leads on prospective potential hires. Naturally, given all of the other duties of the CEO's job, that advice usually gets ignored, to the detriment of the progress of the firm, its performance, and the amount of Maalox the CEO imbibes due to his/her dissatisfaction with incumbent performance.

Sidebar: I am a strong proponent of hiring people who have already demonstrated their capabilities in larger firms because smaller enterprises rarely provide the training and guidance that gets them to the next level of growth with inexperienced people. That creates consternation for people who make the “Gets It, Wants It” but lack the experience (think recent college graduates without a lot of experience). Here’s the good news/bad news on that. The people who don’t have the experience can overcome the deficit over time. They most likely will not have sufficient guidance/training to gain sufficient capacity to take a high growth firm to the next level. However, those people, as they grow because of their desire and commitment to you can usually be very effective middle and senior managers in companies that expect more normal (definition: sales growth in the range of 5% to 15% annually) growth and are critical cogs in the company wheel. High growth/scaled companies trying to grow from (pick a number - \$20 million to \$50 million over a rapid time frame) cannot usually achieve that growth with people who haven’t already worked in a larger, high growth environment. If you are trying to scale your company, your HR requirements are simply different. If that is what you are trying to do, I highly recommend that you read Doug Tatum’s book, No Man’s Land.

Some Takeaways

1. Follow the process - see above.
2. Don’t settle for OK. Go for potential and very good to great.
3. Look for people who, even if they don’t have all the experience you would like, but have the potential, with help, to grow into the position or even the next position above the present one.
4. Hire people who “Can Do, Will Do, and have Capacity.” Anything less represents less than optimal company performance.

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