

"What does talent look like when it comes from outside your company?"

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I don't know how many times I have had to remind our clients – people from outside your organization usually look different than those who are being promoted from within your firm. This may seem obvious to most people, but it seems that when hiring managers go to hire people from outside their firms, they tend to forget this fact. Consequently, poor hiring decisions can occur because hiring authorities fail to manage their biases, expectations, and criteria to make the best decision possible.

Why hire candidates from outside your company in the first place? Given the changing nature of business today, we all need better people. This occurs for a variety of reasons – we need to replace individuals that are not working out; our business is growing into new markets; maybe we are restructuring the business with a need for different skill-sets. In today's economy, a big part of business is simply looking for better employees, a better fit of people to upgrade our teams, because if we don't someone else will and we will fall behind.

This basic business need for better people is compounded by the troubling fact that we are facing critical shortages of skilled workers. The shortages are particularly acute in technically oriented professions (science and engineering), and shortages exist at all levels - technician, degreed, and advanced degreed individuals. Although the last few years have seen an up tick in enrollment in technically oriented programs, it will take years for society to catch up. We hit a deep trough in the 1990's and early 2000's where we had dropped to 500 power engineering graduates annually, compared to 2000 in the 1980's.

What should be obvious is that new hires from outside the organization bring unique experiences and characteristics that their past employers thought were needed or important, not what you or your recruiting consultants deem necessary to perform your specific job requirements. Their past experiences should not be either an incitement or an endorsement of who they are or what they are capable of in your unique system. Like a pro-football team on draft day, sometimes we need to project people into different roles, considering the nature of their talents and relying on other support elements to make individuals successful in our company.

As an executive search professional, our clients are companies that seek evidence about people, so we execute a system of evidence-based evaluations, where we identify and analyze experiences and abilities in the talent pool that are critical to the probability of success for a particular candidate versus another candidate. We then present these elements as concisely and coherently as possible for the client to make a decision. We don't make decisions for clients, but we are acutely aware that the quality of our analysis will affect the outcome.

In our upfront evaluation process, we help companies identify the traits that will make a person a good match for a particular position. We then look for these traits in a relevant pool of candidates. Sorting through the pool of candidates by objective criteria is a good starting point, freeing your time and energy for a more detailed qualitative analysis as you move forward. But while there is a need to winnow the field down to a manageable number, it is important to maintain a large enough pool to sort through the more subjective characteristics. Subjective analysis matters, because quite simply quality matters, and in my experience is usually the decisive factor.

In many cases, the important differences between people are not their experiences or histories, but rather their personal commitment and ability to perform excellent work. Candidates that are dedicated to excellence or set a high bar for the quality and thoroughness of their work usually outperform those without such a deep abiding commitment. In my opinion, the willingness to accept mediocrity becomes a habit and is fatal to the careers of many employees. This is a generalization, because the importance of quality to a person's work must have some connection to the work role they perform. But in a professional environment, where competition is keen, a drive and the ability to deliver quality is decisive.

Over the past sixteen years of my career, I have talked to tens of thousands of candidates for a wide variety of positions. From my experience, it is rare to find truly outstanding individuals who would sit at the very top of the ability and commitment to quality continuum. I am setting a high bar here, essentially the business equivalent of Usain Bolt or Carl Lewis in track and field. But business isn't track and field, and there is no way to sort talent by the tenth of a second as we do on the track, so what tends to become more important than pure talent is relative fit.

Here is my list of what we look for when we analyze candidates:

- 1) Start with your own culture and ask what will work with your team. Ask your team what makes a person successful or a failure? Why will they buy into one person, allowing that person to lead effectively, where another may face resistance?
- 2) Consider the type of leader you need or if you want a cultural change agent. Organizations need all sorts of individuals at various times during their development, so if you need a cultural change agent, then you will need one that will mesh with your culture. Be prepared to put more time and energy into defining what is needed and how it will impact your organization. Such analysis may produce some solutions beyond hiring, or solutions to implement before hiring, so it is a good exercise regardless.
- 3) Consider the role and the specific factors necessary for success, then draw up a description of those factors. Analyze the types of skills and experiences that someone could have had to understand what needs to be done and to craft appropriate solutions.
- 4) Define and organize the objective criteria. Here is my list:
 - a. Industry, Type of Company, or Market Experience
 - b. Functional Experience (Accounting, Engineering, etc.)
 - c. Leadership or Managerial Experience
 - d. Project Experience – if relevant
 - e. Education or Necessary Credentials
 - f. Overall Quality – Good or Bad – (Define any Objective Measures)
 - g. Communication Skills
 - h. Geographic Location and Importance of Geography or Travel
 - i. Compensation
- 5) Define and organize the subjective criteria. Again my list:
 - a. Values (Goals, Vision, World View, etc.)
 - b. Self-Awareness, Self-Image, Self-Correcting
 - c. Ego and Confidence
 - d. Candidate Motivation
 - e. Candidate Talent – Good to Bad (What does your gut say)
- 6) Fill your candidate pool with the most outstanding individuals you can find. The most efficient way to do this is typically with a good executive search firm, but it could carry the highest initial cost. Human resources should have a plan for filling the candidate pool based on the corporate hiring strategy, so start there. However, never cede the ultimate responsibility for this activity to anyone. Your own direct contacts and your willingness to apply resources are crucial to this effort. If you are personally willing to accept mediocrity, then you may be a part of the problem.
- 7) Analyze the candidates. Look at all of the information you can develop about the individuals. Firms like mine specialize in identifying hidden traits and quickly bringing those factors into focus. Regardless of the resources you apply, making the right decisions on individuals you hire or promote are probably the most crucial decisions of your entire career. The success of your organization depends on your ability to make the right decision, so take your time and put some effort into it.

It cannot be over stated that your own understanding of your company's values and culture is critical to approaching talent from outside the organization. This understanding will help you develop a clear point of view, saving everyone involved time and energy. But be alert when your predetermined notions of fit are too restrictive, and always reevaluate your own ideas on culture if you see great talent that has cultural concerns. As stated earlier, truly exceptional candidates are rare and so when they show up you have to be ready to go farther in your evaluation of those individuals. You don't want to forget cultural fit, but you do want to think about your own view on culture. In the right circumstances, great talent can help your culture evolve to a higher level.

In all circumstances when you find talent that you want to hire, but are concerned over their cultural fit, you should look closely at the evidence for their ability to recognize their own differences and change. It is true that change is very hard, and the past is the best predictor of the future, but to say that change doesn't or can't happen is nonsensical. To determine if it is worth the risk to consider someone with cultural questions, ask hard questions about what motivates the person and have they changed in the past. Listen for sincerity and self-reflection in their answers, a lack of either is a disqualification. This sort of deep questioning often becomes a self-selecting process, because a person will self-select themselves out of such a process. But if they hang in there over multiple interviews, they may also have the stomach for change.

As the hiring authority, you need to find a balance between recruiting a person by simply telling them what you know they want to hear, and by laying out the stark reality of the challenges of the position. Resisting both extremes is a high wire act that is worth the effort. Remember that candidates are parsing your every syllable in order to understand the situation, so painting too stark or rosy a reality is folly. Emphasize the opportunity and describe the challenges over and over, and continue to explain your values and your vision. Tell the candidate that you want her to join you, but they have to be ready to join you, you are not joining them. Let the candidate make the decision that is right for them. Remember that honesty, clarity and firmness are attractive.

If you feel good about the candidate's cultural fit but are uncertain about the objective criteria, then you should isolate the candidate's experiences by function. You want to understand if the person has done the basic elements of what you think they needed to have done in order to be successful or credible for the role. In my view, leadership experience is the most risky evaluation element to take a functional approach with, so be careful when projecting a candidate who has led a 50 person volunteer effort at his church into a 50 person line management role. Without real managerial or leadership experience, it is hard to know if someone will rise to the occasion and face the crucial confrontations, conversations or thrive under the inevitable pressure of business.

The key to hiring is the details. How well do you know the candidate? Are the experiences that exist in the candidate's background relevant or suitable for your role? A manager may have experience leading ten people, but you want to understand the probability that the individual can manage 50 people. This is no small jump and requires a different set of managerial skills to effectively manage managers. The answer quite often lies in how that manager leads the 10 people today. It is a good sign if a manager of ten is getting results with an empowering style. In an interview you might want to include questions around the candidate's approach to personnel evaluations and promotions. "Tell me how you decided who your top performer is? Who is your bottom performer and why? How did you work with your top performer to improve her performance? Listening for a candidate's appreciation for the elements of leadership and their role in building a team will give you insight into their readiness to help you build your organization.

Self-awareness, self-image, critical thinking skills, and a clear grasp of the ego to confidence continuum are keys that we look for when weeding out risky candidates during our process. If extraordinarily talented candidates demonstrate active listening skills, are highly motivated, and can demonstrate a commitment to excellence in their career histories, they are probably a good employment bet.

The bottom line is that we all want great employees with the leadership, financial, technical, project and interpersonal skills necessary to be instantly successful and so frankly, we don't need to babysit. We want



people who will make us look good by innovation, focus and a commitment to excellence. Employees that thrive will make factually based decisions, communicate clearly to others their vision, and take the time to understand the importance of their actions. Finally, we want positive and confident people who always look for the best in other people. Individuals with enough ego to stay centered, but not too much so that it creates conflict and resistance from others. Clearly, we want employees that fit our objective, subjective, and cultural criteria. In short, people who will make our jobs easier.

Talent rarely looks like we think it should when we start evaluating people from outside our company. It pays to do your homework, understand your own firm, and keep an open mind about talent as you work through the evaluation process.