

Hiring

Seven Steps to Smarter Hiring

by Marshall Goldsmith

December 23, 2008

This week's question for Ask the Coach:

Once again, I hired the perfect person, I thought, and he's turned out to be a nightmare. Why is it so hard to hire the right person?

Hiring the right people is not as simple as it sounds! Millions of managers ask themselves this same question every day. I asked my friends Geoff Smart and Randy Street (HBS '97), co-authors of the instant New York Times bestseller *Who: The A Method for Hiring*, if they would answer this question. Following is their answer.

GS & RS: It's hard to hire the right person because managers use "voodoo hiring" methods that don't work. Unsuccessful hiring is every manager's #1 problem. They don't teach you how to hire in high school, college, or even at Harvard Business School!

Hiring managers who invent their own approaches, most of which are horrible, not only waste time, but also produce a 50% failure rate on average. And, in tough economic times like these, getting your business's house in order from a talent perspective is of paramount importance if you are going to weather the storm.

We conducted the largest research ever done to solve this problem of unsuccessful hiring. We distilled 13 years of consulting insights across hundreds of companies, performed exclusive interviews with over 20 billionaires and 60 other CEOs and investors to collect their best advice and stories on this topic, and completed a university-sponsored scientific study of 313 CEO careers.

What did we learn? We learned 7 things that managers can do today to improve their hiring success rate from 50% to 90%. We call this the “A Method For Hiring.”

1. Write a written “scorecard” with quantifiable outcomes you expect a person to deliver. It’s time to be precise — not fuzzy.
2. Identify what elements of your culture you must have in candidates.
3. Source the best candidates using your network and think twice before over-relying on ads, job boards, and recruiters.
4. Consider paying a much bigger referral bounty to your employees who source A Players who are hired. One high performing company, for example, pays its employees a \$100,000 hiring bounty for people who are hired (paid out \$10k per year for 10 years of start date if both the referring party and the referred party are still employed).
5. Select the right person by conducting at least one extremely thorough, 3-hour, chronological interview. Really dig in. Find out for each job the person has had:
 - What was the person hired to do?
 - What were his or her biggest accomplishments?
 - What were his or her mistakes?
 - What would his or her bosses say about them (which can be verified with reference checks).
 - Why did he or she leave?
6. Watch out for red flags like: candidates who don’t take responsibility for past mistakes, or who speak poorly of most of their bosses. Watch out for the 20 behavioral derailers that

Marshall Goldsmith writes about in *What Got You Here Won't Get You There*.

7. Sell candidates by remembering the 5 Fs of what candidates care about:
 - Fit (with your company)
 - Family (support for joining your company)
 - Freedom (to make decisions)
 - Fortune (and glory)
 - Fun

You can do it. Master the A Method for Hiring. Enjoy more career success. Make more money. Have more time.

MG: Thanks Geoff and Randy! This is great advice. To learn more about the A Method for Hiring, go to www.whothebook.com or email Randy Street.

Readers: Do you have a hiring nightmare to share? Do you have hiring techniques? Please send share them with us!

MG

Marshall Goldsmith is recognized as one of the world's leading executive educators and coaches. Dr. Goldsmith's 30 books include *What Got You Here Won't Get You There* and *MOJO*.