



Who

Solve Your #1 Problem

by Geoff Smart and Randy Street

Copyright © 2008 by ghSMART & Company, Inc.

Published by arrangement with Ballantine Books, an imprint of The Random House Publishing Group, a division of Random House, Inc.

188 pages

Focus

Leadership & Management
Strategy
Sales & Marketing
Finance
► **Human Resources**
IT, Production & Logistics
Career Development
Small Business
Economics & Politics
Industries
Intercultural Management
Concepts & Trends

Take-Aways

- A bad hiring decision costs a business an average of 15 times the faulty hire's pay.
- Managers make bad hires because they lack systematic recruitment methods and use the wrong techniques.
- To use the "A Method for Hiring," create a scorecard that defines the job's mission, desired outcomes and competencies before you begin recruiting.
- Referrals are the best way to find great candidates who can be "A" level employees.
- A top recruit is vastly more likely to reach the goals you set.
- Offer employees and managers incentives for referring great potential hires.
- To select the best candidates, conduct a series of four progressively deeper, more detailed interviews. Press for thorough, descriptive answers.
- Always check references. Ask job candidates to give their source people prior notice of your call. Then they are apt to be more forthcoming.
- When talking to references, listen between the lines – faint praise is damning.
- Sell the job to the candidate based on "fit, family, fortune, freedom and fun," whichever elements of the position the prospect values most.

Rating (10 is best)

Overall

8

Applicability

10

Innovation

8

Style

8

To purchase abstracts, personal subscriptions or corporate solutions, visit our Web site at www.getAbstract.com, send an e-mail to info@getabstract.com, or call us in our U.S. office (1-877-778-6627) or in our Swiss office (+41-41-367-5151). getAbstract is an Internet-based knowledge rating service and publisher of book abstracts. getAbstract maintains complete editorial responsibility for all parts of this abstract. The copyrights of authors and publishers are acknowledged. All rights reserved. No part of this abstract may be reproduced or transmitted in any form or by any means, electronic, photocopying or otherwise, without prior written permission of getAbstract Ltd (Switzerland).

Relevance

What You Will Learn

In this Abstract, you will learn: 1) How to use the “A Method for Hiring”; 2) How to identify, interview and select top talent; and 3) How to sell prospects on working for your company.

Recommendation

Geoff Smart and Randy Street offer a clear, sensible strategy for finding, selecting and recruiting the best candidates for jobs you are trying to fill. Their process, called the “A Method for Hiring,” begins with a step many managers neglect: preparing a focused, specific description of the results you will expect from the person who gets the job. The authors describe the four steps of their hiring method in just the right amount of detail, neither bogging the reader down in minutiae nor leaving important matters to the imagination. They use real-life anecdotes to connect their advice to actual business problems and issues. Many books about human resources tend to be long on vague generalizations and short on actionable, how-to information. *getAbstract* thinks this book is a standout and recommends its straightforward ideas to anyone who is responsible for hiring.

Abstract

“‘Who’ refers to the people you put in place to make the ‘what’ decisions.”

“In an age in which every other management process has been studied and codified...people still view hiring, the process where building an organization begins, as something that resists an orderly approach.”

Who to Hire – and How

Your goal when you hire someone for your organization is to find an “A Player,” a superstar employee who “has at least a 90% chance of achieving a set of outcomes that only the top 10% of possible candidates could achieve.” Hiring the wrong person can incur additional expenses and productivity shortfalls that cost, on average, 15 times a faulty hire’s “base salary.” Despite the consequences, organizational leaders often hire the wrong people. Managers can make hiring mistakes if they don’t know what the job really requires, if they work from an inadequate pool of potential hires or if they don’t believe they can choose the right person from the available candidates. The main reason managers make hiring mistakes is that they don’t systematize their hiring process. Instead, they fall back on “voodoo hiring methods.” Here are some examples:

- **“Art critic”** – This manager expects to make a good visceral judgment on the basis of a few minutes of conversation with a candidate.
- **“Sponge”** – This manager gets every member of the relevant team to conduct a separate interview, but the team members do not plan or coordinate their questions. The candidates’ answers are likely to be superficial and even irrelevant.
- **“Prosecutor”** – This manager pushes for answers to bizarre questions or puzzles that may have little to do with the job at hand.
- **“Suitor”** – Instead of gathering information about the candidates, this manager tries to sell the company to prospective hires.
- **“Trickster”** – This manager might toss something on the floor to see if a candidate picks it up, or even take a candidate to a social event to observe his or her social skills.
- **“Animal lover”** – Some managers ask questions that they think will unlock a candidate’s inner secrets, such as, “What type of animal would you be?” Such questions do not produce relevant or predictive information.

“By turning employees into talent spotters, everyone starts doing business through a ‘who’ lens, not just a ‘what’ one.”

“Take the time to hire and educate the right recruiter. Make sure she understands your needs and culture, and don’t miss the opportunity to learn from her.”

“Applying the A Method, and in particular the scorecard...will enable you to focus development resources on the right actions, and to promote people who will succeed.”

“The whole point of the screening interview is to weed people out as quickly as possible.”

- **“Chatterbox”** – This talkative manager squanders the interview in idle chitchat.
- **“Psychological and personality tester”** – *The Handbook of Industrial/Organizational Psychology* counsels that psychological tests are not great tools for hiring – they don’t predict job performance and candidates can fake their responses easily.
- **“Aptitude tester”** – Some job-skill aptitude tests are useful, but they don’t work alone.
- **“Fortune-teller”** – This manager asks candidates how they would deal with some hypothetical future problems. The answers, unfortunately, are also merely hypothetical.

The “A Method for Hiring” has four steps:

Step 1: The “Scorecard”

The scorecard is not a list of job requirements. It is a description of the results you want the person you hire to achieve. The scorecard puts three elements in clear language:

1. **“Mission”** – A concise, focused, detailed and concrete definition of the person’s mission will help you find the most suitable specialist. Because you are not trying to find someone to do everything, you do not need a candidate who is good at everything. You are trying to accomplish a specific mission and you need a candidate who can do it.
2. **“Outcomes”** – Many job descriptions go wrong because they describe activities instead of results. If you clarify the goals you want met and the time frame available for accomplishing them, inappropriate candidates may decide to opt out of your line-up.
3. **“Competencies”** – Describe the way you expect the candidate to go about achieving the requisite outcomes. Competencies are both behavioral and cultural. Among other competencies, “A” players typically demonstrate:
 - **“Efficiency”** – Produces well with little unnecessary activity.
 - **“Honesty/integrity”** – Confident, straightforward, truthful.
 - **“Organization and planning”** – Can identify crucial priorities, and develop the necessary plans and resource allocations to achieve them.
 - **“Aggressiveness”** – Strong and dynamic, but not to a fault.
 - **“Follow-through on commitments”** – Keeps his or her word.
 - **“Intelligence”** – Rapidly takes in and comprehends new information.
 - **“Analytical skills”** – Can make sense of data and draw cogent analyses from it.
 - **“Attention to detail”** – Knows which details matter and stays on top of them.
 - **“Persistence”** – Sticks with the job until it is done.
 - **“Productivity”** – Takes initiative and makes a creative contribution.

Other necessary competencies depend on the job, but could include steadiness in a crisis, people skills, hard work, team building and, of course, the ability to hire good people.

Step 2: The “Source”

Use six tactics to find good candidates:

1. **Network referrals** – Talented professionals know other talented professionals. Contact at least one great talent in your network each week to ask for referrals to possible hires.
2. **Staff referrals** – Make good referrals part of your employee scorecard and offer bonuses to staff members who refer strong candidates.
3. **“Deputizing friends of the firm”** – Offer incentives to affiliates for good referrals.
4. **“External recruiters”** – Professional recruiters can be powerful assets, but to be effective, they need a thorough understanding of your business.

"You never know what you might hear as the picture fills in and the person's true identity is revealed."

"Emotional intelligence is important, but only when matched with a propensity to get things done."

"It is through maintaining very high rapport that you get the most valuable data, and polite interrupting can build that rapport."

"You can still get poor information from a reference call if you fail to read between the lines."

5. **"Recruiting researchers"** – These firms do not interview prospects, but they investigate the market and generate names. The more specific your scorecard is, the more able they will be to give you suitable names.
6. **"Sourcing systems"** – These systems can be as simple as index card files or as high-tech as your IT staff can devise. Either way, following up is the crux of the system.

Step 3: "Select"

Conduct this set of four progressively intense interviews to find "A" players.

1. **"Screening"** – Use a brief telephone interview to cull inappropriate candidates so you don't waste your time interviewing the wrong people. Ask: "What are your career goals? What are you really good at professionally? What are you not good at or not interested in doing professionally? Who were your last five bosses, and how will they each rate our performance on a 1-10 scale when we talk to them?" Then take a closer look at who is left.
2. **"Topgrading®"** – Topgrading is a chronological walk through a person's career from beginning to end. For every job in a person's career history, ask the following questions: "What were you hired to do? What accomplishments are you most proud of? What were some low points during that job? Who were the people you worked with? Why did you leave that job?" Go into some detail about the candidate's opinion of his or her previous boss and co-workers. Ask the candidate what these people will say about him or her on a reference call. Press for details. The more details you get, the better you will understand the candidate. Try to compile the person's complete story. Plan to spend from one-and-a-half to three hours on this interview, though to qualify candidates for C-level positions, you might spend up to five hours. Every hour invested at this stage saves many more hours later, because you will eliminate less than ideal candidates. Learn to interrupt candidates politely to push for details about their performance in light of their projected plans and in competition with their peers.
3. **"Focus"** – Have at least three team members conduct separate, one-on-one interviews lasting 45 minutes to an hour. Pay attention to the specific items on your scorecard. Press for details about experience, mistakes, and behavioral and cultural competencies.
4. **"Reference"** – If the process so far indicates that the candidate is viable, always follow up on references. Go beyond the candidate's list. Review your interview notes to select the people to call to get the information you need. Ask the candidate to arrange the calls for you. Many companies have strict policies about references, but if the candidate makes the initial contact, the person is more likely to talk openly. Ask these questions:
 - "In what context did you work with the person?"
 - "What were the person's biggest strengths?"
 - "What were the person's biggest areas for improvement back then?"
 - "How would you rate his/her overall performance in that job on a 1-10 scale? What about his or her performance causes you to give that rating?"
 - "The person mentioned that he/she struggled with _____ in that job. Can you tell me more about that?"

Learn to listen between the lines. References who take time to parse their words carefully may be trying to stay out of legal trouble by not telling the blunt truth. Faint praise is no praise. Beware of candidates who exaggerate, hide previous failures, steal glory from others, bad mouth their bosses or have trouble accounting for their career

“Offering the sort of freedom A Players demand and expect scares some executives because it makes them feel like they are giving up control.”

*“What got you promoted to one rank won’t necessarily get you promoted to the next rank.”
[– U.S. General Wesley Clark]*

“The right hire in the right position at the right time with the right cultural alignment echoes throughout an organization.”

mobility. If you are hiring a manager, make sure the candidate has hiring and firing experience. Beware of candidates who are too wrapped up in themselves or overly preoccupied with compensation.

Step 4: “Sell”

Sometimes, managers find the right people but can’t persuade them to join the firm. Once you have decided upon the perfect prospect, you may still need to sell him or her on the opportunity you are offering. Use the “Five F’s” of selling:

1. **“Fit”** – Emphasize the mesh between your company and your candidate in terms of career paths, mutual objectives and corporate culture.
2. **“Family”** – Your prospect is already intrigued, or he or she wouldn’t be talking with you at this stage, but the person’s family may be less interested. Ask what your candidate’s spouse and kids want, and then address their needs.
3. **“Freedom”** – The best candidates dread being held back by red tape or overly controlling bosses. Prove that you are willing to give them professional freedom.
4. **“Fortune”** – Money is far from the most important motivator, but it matters. Remember that your internal corporate guidelines may or may not be relevant in terms of what the candidate is already earning or can earn. Pay for performance.
5. **“Fun”** – Having a good time means different things in different companies, but people spend a lot of time at work and want to be happy about it.

The selling job doesn’t end when you hire the candidate. Many newly hired people leave within the first few months. You’ve made a big investment of time and effort to recruit an “A” player, now make sure that your “on-boarding” is effective and supportive.

This method of hiring can help you stay within the law by standardizing your hiring practices and linking recruitment to definite job objectives as defined on your scorecard. Make sure your language does not subtly discriminate and avoid questions that violate the laws that apply in the jurisdictions where you are hiring. Ask your lawyers or HR managers which queries to avoid.

This systematic approach to hiring may be a big change of practice and direction for your organization. To incorporate it successfully, take these measures:

- Put talent concerns at the top of your list.
- Set an example by using the A Method in your hiring decisions.
- Promote the method to your colleagues and leadership team.
- Communicate clearly why you want top players and what they will do for the firm.
- Teach your managers to use this method.
- Clear away bureaucratic or procedural obstacles to using the method.
- Align your HR policies with this method. For instance, require a scorecard and a topgrading interview before anyone can be hired.
- Make hiring success part of each manager’s scorecard.
- Remove managers who refuse to cooperate.
- Reward success with prime incentives to build momentum.

About the Authors

Geoff Smart, Ph.D., co-authored *Topgrading* with his father, Brad Smart. He is chair and CEO of ghSMART, a management assessment firm where **Randy Street** is the president.