How to Make Every Hire Count

By Jim Sirbasku

The leader of a large U.S. organization was asked if he planned to fire an employee who'd made an expensive mistake. "No," said the CEO, because he viewed the "mistake" as valuable training. "You can't put a price on what she learned," he said, "and the lesson should benefit this company, not our competitors."

The employee not only survived the mistake, but she also corrected it. Her innovations positioned the company as an industry leader.

Not all leaders would view the employee's mistake the same way, but this particular executive was thinking smart by thinking ahead. He knew the expense of termination, recruitment, hiring, and training. He was confident in his hiring decisions because his company uses a best-practices hiring process. His managers ensure that each new employee is the best person for the job. Mistake aside, the CEO knew that the employee who'd erred was a good fit for her role.

Can we all say the same things about our hiring methods? Making every hire the best hire possible is a goal we should strive for all the time, but it's even more important when the economy is ailing. Leaders cannot afford hiring mistakes, because turnover is too costly. Add up the costs of recruiting, interviewing, hiring, and training while a job remains open for weeks, perhaps months. Why spend this money if you can hire the right person and avoid the turnover?

Below are crucial questions that result in hiring the best candidates. Leaders can examine their own practices by asking themselves these questions when thinking about job candidates, as well as current employees:

Do I know how each job supports our company's key objectives?

Your organization may be behind the curve if job descriptions haven't changed with your revamped plan of action. If employees are performing their jobs the same old way, they're holding the company back. Make sure top leaders buy into the strategy and share it with employees down the line, so that every worker knows how to put the plan into action.

Do we have a policy of considering highly qualified internal candidates first when organizational opportunities arise?

Internal "hiring" demonstrates that you believe in the training practices of your company and in your employees' accomplishments. Such a policy encourages top performers to take initiative and exercise creative thinking. You don't have to train them in crucial aspects of the job, such as the job's scope and how it relates to other employees and departments, because they already know how the company works.

Do managers use objective evaluation criteria based on known outstanding performers in the position?

If you want to ensure that each worker fits his or her job, measure how top performers in the same position do their jobs. Then apply the same assessment to candidates for the position and see how well they match the top performers. This approach works because it applies objective standards to the position, instead of requiring you to rate a person via subjective standards or to "hire with your gut."

Is our compensation competitive based on current market rates for the job?

Paying a salary commensurate to what employees can earn in similar positions is critical to keeping your workforce motivated and attracting top talent. Organizations can compete in many areas – work environment, benefits, growth opportunities – but expecting top performers to stay with you because you offer these things isn't realistic if they can earn significantly more money doing a similar job elsewhere.

Do we apply a consistent selection process to all candidates?

If the answer is yes, it means that your selection processes are objective and fair. These are important, not only because you want to do the right thing, but also because legal challenges to employee selection standards are expensive. The best employee selection process ensures that selection standards are job-related, validated, and standardized.

Do we include key stakeholders in our employee selection process?

Key stakeholders are those affected, for better or worse, by our operations, those who have an interest in what we do, and those who influence what we do. That includes almost everyone, but a big-tent approach is profitable: *Inc. Magazine* reports that "organizations with more effective hiring systems rank higher in financial performance, productivity, quality, customer satisfaction, employee satisfaction and retention."

Are we training our interviewers in our employee selection process?

Once we determine that we want structured interviews – where questions and tasks are chosen beforehand, and are designed to ensure consistency – it is imperative that we coach our interviewers. The process is likely to go more smoothly if interviewers understand it, buy into the reasoning behind it, and know what to do. The unstructured interview is weak for purposes of identifying the best candidates.

Are we giving interviewers guidance to help them probe deeper into a candidate's suitability?

According to Leadership IQ, a firm that provides research and executive education to top companies, a study of 20,000 newly hired employees showed that "46 percent of all new hires fail within 18 months." This happens not because the new employees lack technical skills, but because they aren't coachable, have the wrong temperament, aren't motivated, or demonstrate other problems "that never get assessed in the interview." To catch these mismatches, screening interviewers need expert coaching to help them look beyond technical skills and ask the right follow-up questions.

Are we conducting comprehensive reference and background checks on job candidates?

Leaders might view reference and/or background checks as a bother when they "know" someone is right for a position. But employment experts estimate that almost one-third of all resumes contain false or exaggerated information. According to a Purdue University newsletter, falsified information consists mostly of expanded dates to cover employment gaps.

Does our orientation process for newly hired people help them become productive faster?

A Bersin & Associates/Randstad case study shows that productivity measures increased by 25 percent among employees who participated in an onboarding training program. Employee job descriptions can help by communicating the company's direction and telling employees where they fit in the big picture.

Is your company set to handle employee mistakes and economic battering?

It will be, if you're hiring only the best. **N**

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