

RECRUITING & HIRING

BEST PRACTICES

The Secret to Hiring High-Performing Teams –
and Keeping Mis-Hires to a Minimum



GPS
Finding the Impossible

BY **JON
BARTOS**

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The Secret to Building Hire High-Performing Teams – and Keeping Mis-Hires to a Minimum

Regardless of corporate size, organizations struggle with one common problem: difficulty finding, attracting and on-boarding high performers. Their current approach isn't working. In fact, it keeps them from achieving the holy grail of organizational goals...VISION.

This issue is present in every business sector. Services, Manufacturing, Government, Sports, Franchises, and Start-ups. No one is immune. Not even the Fortune 100. It is a terrible monster, with tentacles, that can puncture the most critical areas of an organizational chart. This is the stuff that keeps CEOs up at night.

SOLVING THE PROBLEM

Is it a Pipe Dream?

If we could solve this one problem, organizations would attain their true objectives. Revenue goals. Record profitability. And ample cashflow to allocate to every department. Let us not forget the sweet smell of achievement. The general sense of well-be-

ing residing throughout an organization's culture. These experiences come to those who work smarter.

When a company is humming, creating more value for their clients, people notice. And they talk. Sound like a pipe dream? Not if you know how to hire High Performers in every position.

THE EXPERIENCE

Here is a concept to wrap our arms around: *Companies do not build high-performing teams. They hire them.* It doesn't matter how great a manager or coach is—or thinks they are. They still have to hire the right talent.

The only time that I know of that went against this principal—where average talent got to be that of the top performing team in the world—was in the 1980 Olympics.

The Soviet Union had won the gold medal in mens hockey in six of the seven previous Winter Olympic Games. And were the favorites to win once more in Lake Placid. They came to the Olympics as their country's most celebrated professionals. On the flip side, Team USA consisted of amateur and collegiate players. It was the youngest team in the tournament and U.S. national history.

"INSANITY IS DOING THE SAME THING OVER AND OVER AGAIN AND EXPECTING DIFFERENT RESULTS."

- ALBERT EINSTEIN

A great manager (Coach Herb Brooks) was responsible for hand-picking each player. These young men beat the best players in the world—The Soviet Union's team of pros. Nothing short of a miracle! Being from the U.S., it was magnificent to watch and it brings smiles when thinking of that series, historically referred to as The Miracle on Ice, even today.

I don't know about you—but how often do "miracles" happen?

How to find, attract, and onboard high performers has historically eluded most individuals and organizations. History is our petri dish. Mis-hires are unfortunate, prevalent, conclusive, and expensive—very expensive!



COACH HERB BROOKS AND
1980 OLYMPIC HOCKEY TEAM
IMAGE CREDIT: GETTY IMAGES

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THE CRITICAL FACTOR

Many top executives today regularly fail to pick the right candidate, from management to C-Level. Even the seasoned interviewer proceeds with a blind eye. And I am not using puffery to make my point here.

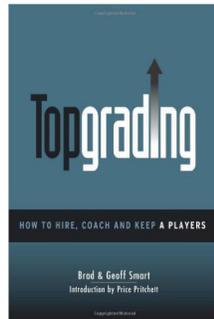
Over the last 20 years, I have worked with hundreds of organizations all over the globe. From small and mid-size firms to Fortune 100 companies, rarely present was true insight on how to conduct an interview and discern talent with intentional effect. And 99% of all organizations have the same result metric when it comes to hiring: *One out of two people hired end up as mis-hires.* Yes, you read that right. 50% should not be working in their companies. What? It's shocking!

THE IMPACT OF SYSTEMATICALLY HIRING TOP TALENT

50%

A Study of Topgrading as a Rigorous Employee Selection Bundle

According to Brad Smart, author of *Topgrading*, mis-hires cost their organization 5-24 times their salary. This figure includes opportunity costs;” in the case of a mis-hire, what a high performer in the positions studied would have achieved. But that's not all. The mis-hire problem only gets



more expensive the higher the position is in a company's organizational chart.

My anecdotal example concerns a firm with which I am intimately associated. They have been world-class leaders in their field since the 1960's. After the original founder and CEO retired in the late 90's, there have been a long list of CEOs have come and gone—on average, every two years to date. Each new CEO lost more revenue and profitability than the prior one, costing the organization tens of millions of dollars until they were asked to leave.

Watching a board of directors hire the wrong talent in perpetual motion is painful. When you know how to hire top performers, you realize the mistake right away.

The mistake is prevalent amongst Chairmen of the Board and their Board of Directors too. It is a typical occurrence that destabilizes their companies. They haven't an idea how to hire high performers. Even worse is the fact that they made the mistake themselves. And this vicious cycle could go on for years. Their in-

dustry world leadership position... gone! All due to not having a clue about how to find, attract, and hire top performers.

To assign a true number to the costs of mis-hires, Dr. Michael Lorence from Georgia State University studied the cost of mis-hires on American organizations in his dissertation "The Impact of Systematically Hiring Top Talent." (Published in 5-4-2014)

The study's results were enlightening. **3.83 million** middle Managers hired were mis-hires which cost the U.S. organizations—are you ready? Drum roll please...a whopping **\$864.5 billion**.

Can you imagine the cost of mis-hiring a Vice President or President and CEO over and over and over again? The bottom line: mis-hires are not only your organization's biggest problem, they are the world economy's most costliest problem.

WHY ARE ORGANIZATIONS SO BAD AT HIRING?

Based on several studies, the finger can be pointed at the following:

75%

of all hiring decisions were based only on the personal interview.

- HR Magazine

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43%

made a poor hiring decision based on the need to fill a position quickly.

- National Business Research Institute

36%

of poor hiring decisions were based on a poor skills match.

- National Business Research Institute

-298

is the return on investment (ROI) of a poor hiring decision.

- SayIT Communications

According to a study from *Journal of Occupational and Organizational Psychology*, hiring managers make their decision quickly then spend the rest of their time justifying the decision.

5%

of hiring managers make their hiring decision during the first minute of the interview.

30%

of hiring managers make up their mind within the first five minutes.

52%

make up their mind between

5 and 7 minutes into the interview. With these poor recruiting processes and methodologies, most don't ever see top talent.

THE DICHOTOMY

Laszlo Bock, VP of People Ops at Google, wrote a blockbuster book entitled *Work Rules*. In it, he talks about giving less credence to the in-person interview. Downplaying the percentage of validity given to the personal interview. Besides having a host of incredible hiring, development performance, and retention insights. Where most organizations base 75-100% of their hiring decision solely on the Personal Interview, Laszlo suggested a target weight of 15%.

You should be looking for a high performer in a specific position, not a high performer at interviewing.

Think about that for a moment. If currently it appears as a paradigm for you, embrace it. Embed that into your organizational hiring culture and you have made a giant leap forward in hiring high performers.

However, the majority of companies

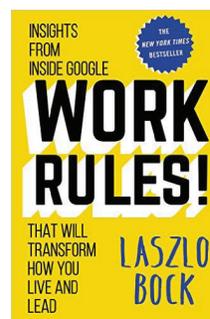
today do not realize that the two are completely separate. And quite different too. This is a major problem in hiring practices. Until companies understand the dichotomy, they cannot take the proper steps to mitigate this monumental problem.

DEATH BY INTERVIEWING

The average interview process is much longer and more tedious than it needs to be. Candidates have to interview with everyone and their brother. With the goal of the right decision, companies elongate the interview process, hoping to get all the information possible out of the candidate.

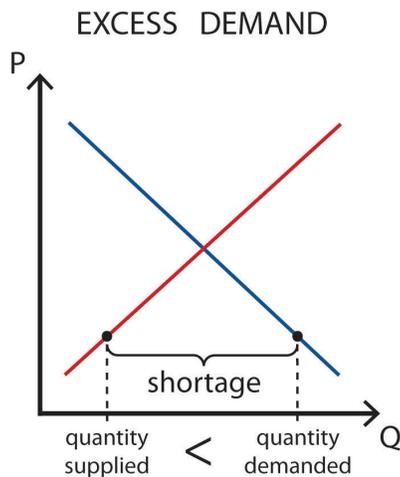
Top performers are in high demand. In the human resources economy, the basic Econ 101 supply and demand curve is out of whack: we have a high demand and low supply of high performers, making them a hot commodity. As with any rare resource, the market competition is fierce, and the price of going without can be substantially higher than the price to acquire the proper supply in the first place.

Unfortunately, the elongated interview processes weed out top talent—talent in the highest demand. This situation lends itself to the disappearance of top performers,



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leaving companies with average performers who seem to stick around.

Sound familiar?

DEATH BY TESTING

Companies also resort to excessive assessment testing. The assessment industry is now a billion dollar business worldwide as companies grasp at anything to ensure they hire the right people. I have a Fortune 10 ex-client that is the poster child for the assessment industry. This organization has an assessment when the candidate starts the interview process. And a second assessment is given once they go in for the second interview.

The next day, the candidate meets with a psychologist in a neighboring town, for half a day to see if they have the the desired ideal mental profile. Finally, after the psych eval-

uation, there is a final IQ test in the queue. This over-testing may or may not give the organization valuable information, but more often than not, it turns the candidate completely off.

The critical metric “time to hire” has gone through the roof in this organization, yet they still hover around 1 out of 2 hires not serving their desired goals.

NOT FINDING OR ATTRACTING TOP PERFORMERS

A good percentage of organizations are not even seeing the top 10% performers to interview, let alone attracting them. Finding and attracting in hiring top performers go together like peanut butter and jelly. In a CareerBuilder study, 38% of companies have mission-critical positions they cannot fill due to not being able to find qualified talent. This is not due to a lack of talent in the marketplace, this is due to not knowing how to find and attract the top performers. Finding a warm body to put in a position is not hiring success—often a mis-hire is far worse than having no one in the job at all.

SOLVING THE PROBLEM

So how do we solve this mis-hire problem and start to put high performers in every seat? It requires a serious grasp of what consti-

tutes top performance. As you now realize, it’s way too costly to hire the wrong people. Proper hiring is comparable to choosing the right doctor for a crucial surgery, and completely understanding the role of RISK in your decision.

Let’s say you needed heart bypass surgery – God forbid – and need it urgently. Wouldn’t you get a second opinion? Yes. You need to hire the best. Your life depends on this decision.

WHO WOULD YOU PICK TO DO YOUR BUSINESS?

Who would you pick to perform your bypass surgery?

- A doctor right out of medical school, who knows new technology and offers lots of energy and potential, but has little experience?
- A doctor who has performed only a handful of bypass surgeries, but all successful?
- A doctor who was a professor but never practices himself? I’m told he’s entertaining.
- A general practitioner who is a “jack of all trades”? A liked individual by patients and friends. It’s all over Google.
- A heart specialist with lots of experience, who has a track

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record of performance where 50% were successes and 50% of his patients... didn't make it? Kind of like roulette.

- The most expensive cardiologist? A woman who completed thousands of successful bypass surgeries over the last 10 years. She does this in her sleep. BTW: She is so in-demand that she doesn't have time for social media.

It's obvious. If possible, it would be the last doctor with the greatest performance and experience. But what if she were too busy to add new patients? Which doctor would be your second choice? Tough decision, right? That is exactly the daily decisions that are made in most organizations today.

Anytime we make a decision and hire someone with a less-than-stellar track record, experience, skill sets, and core competencies needed, we add RISK into the hiring decision. As you can see from the above exercises, the more risk we bring into the decision, the greater chance we have of making a mis-hire. When we do that in our organizations, the end result lends itself to devastation. But we have all seen decisions where we introduce risk into the hiring equation. It's easy to see how the doctor

example above can translate to hiring processes and candidates.

For example:

- The recent college grad with great technology, energy, and potential.
- The individual with less experience and costs you much less too . . . or did they really?
- Someone who didn't have the experience but seemed to have transferrable skills. An incredible interviewee that everyone liked. But someone different showed up to work.
- The seasoned vet who can talk the talk and walk the walk, and needs minimal training! But hardly ever hits his numbers.

It happens every day. We choose to take risks in our hiring decisions. The result: we hire our organizations into mediocrity.

HERE IS THE GOOD NEWS

There is light at the end of the tunnel. Hiring isn't about guessing or taking risks in filling mission-critical positions. It's about taking your hiring intent seriously and using a systematic approach—one that focuses on 9 out of 10 hires being top performers

versus the proverbial 1 out of 2 mis-hires statistic.

You can change your hiring process! Train your hiring stakeholders on how to HIRE high performing teams. No matter the size or scope of your organization, if you and your team are ready for this type of change – here are some concepts to get you started.



ESTABLISH BEST PRACTICE RECRUITING METHOS

Recruiting Best Practices – nothing is more important. It's not easy to hire top performers when you don't see them.

Finding them:

If your strategy for bringing in talent is placing an ad on a job board, Zip Recruiter, your website or LinkedIn – then you will never see top performers. You will get a ton of candidate flow—just not the top performers.

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very thing—a means to set goals and measure performance weekly.

Within the RPM Dashboard, data is automatically collected and presented with a private dashboard. It measures performance-to-goal metrics with graphic visuals and provides insightful ratios that measure the quality of performance. The employee is rewarded for achievement of performance goals. Training and development follow immediately for areas that need development.

With the RPM Dashboard, it's simple: if the organization places importance on meeting performance targets, the organization grows. The Dashboard also allows the organization to set a company-wide standard in which winning is the norm. Winning and achievement become part of the organization's culture. In any organization in the free market, not everyone gets a trophy unless they perform.

Performance Management Systems provide you the information as to where the shortcomings are today so decisions can be made to course correct.

THREE PERFORMANCE TARGETS

A performance minimum target: that target to which is the minimum

bar to perform in order to keep their position, excluding un-due circumstances.

A performance target: the expectation to achieve the target—year in and year out.

A performance over-achievement target: incentivized with bonuses to motivate employees to exceed the performance target.

Positions get defined through *Critical Mandatory Outcomes*. Like that of a doctor in a lifesaving operation—the surgery was a huge success! But the patient died. How many of you have seen this in your own organization?

CRITICAL MANDATORY OUTCOMES TAKE PRIORITY

There are certain Critical Mandatory Outcomes that take priority over others.

For instance, if a CEO's critical outcome is to grow the bottom line by 25%, increasing revenue by 50% in conjunction with a boost in employee happiness, while the bottom line remains stagnant does NOT work for his boss, the Chairman of the Board.

Every position has critical outcomes that must to be met over everything else. For each position, critical out-



comes should be clearly defined and focused on during the hiring process.

IN HIRING, THE PAST ABSOLUTELY EQUALS THE FUTURE

I would like to believe that the past does not equal the future, and everyone can change like Anthony Robbins asserts. Unless you want to add more risk into the hiring equation, the past absolutely equals the future. If you interview a salesperson from a direct competitor who has overachieved revenue targets every year for the past 10 years consecutively, chances are that because the position requirements are so similar, it's a good bet that they will perform similarly with your organization.

However, the reverse is also true. Imagine that in his/her last role, a CEO did not achieve their critical outcome targets. Unless there is a crystal-clear valid reason that their performance was compromised, you must assume that the same will apply in their new position with your organization: they run the risk of falling short of their critical outcome targets.

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HIRE THE HEART DOCTOR IN EVERY POSITION

Hire the person who has a track record of performance success in the exact same or similar role.

Period. Don't hire a Dermatologist to do your bypass surgery. Organizations bring way too many risks into their hiring decisions by choosing someone other than exactly who they should be looking for, based on the position's critical outcomes. They make decisions based on soft-skills, personality and cultural fit. Don't get me wrong, these factors are important. But not the most important.

I see this in C-level hiring all the time. Yes, they may hire a previous CEO, but one with no experience in that industry or experience with the critical outcomes the specific position so painfully needs to be met. Have they resolved the exact same problem before?

How is the experience similar or even better—EXACTLY the same? Organization have a tendency to bring someone in who meets some of the criteria. And then choose the best of the bunch they see. Many, due to poor recruiting practices – rarely see the top 10% performers in the field.

That's why less than 25% of sales people in organizations hit their numbers. That's why more and more companies miss critical outcomes. Most organizations make the best decision they can from the average talent pool with which they are presented. Which is unfortunately not good enough.

DEFINE THE TRACCS CORE COMPETENCIES

Defining the top 10% performance for each position is critical. You need to define exactly what you are looking for. You are not looking for average performers. You are not even looking for good performers. You want to hire someone for each position who performs in the top 10% of their position.

By defining that type of performance level, you create a great profile of what to look for. Yes, by seeking the top 10% of the field, you may substantially narrow down the recruiting field, but you'll go a long way in ensuring you don't hire someone who will miss performance objectives and thus become another mis-hire.

Don't allow horrible recruiting methodologies to keep you from hiring top performers. Defining the TRACCS requirement for each position is the next step.

Defining the TRACCS requirements for each position is the next step.

TRACCS is an acronym which stands for:

Track Record of Success

The track record of previous consistent achievement in the specific position or the position leading to the target position.

Recent Relevant Experience

The recent experience that is the same or very similar to the position the target position.

Accountabilities

The measurable position performance criteria that is needed to showcase how the candidate has achieved specific committed responsibilities in previous positions.

Cultural Fit

The traits an individual would ideally have in order to fit into the organizational culture. This could consist of beliefs, values, motivation, ethics, and hobbies. Defining what characteristics are *not* a fit is also appropriate in this step.

Career Path Match

Does the defined career path for the position match that of the target candidate? Without a strong career path, it may be difficult to attract the top 10% performers into the

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interviewing process. Career path and target candidate matches help to substantially increase employee tenure and retention.

Skill Sets

What defined skill sets must the successful candidate have mastery of in order to be successful in the target position and to become a top 10% performer?

DEFINE YOUR EMPLOYEE VALUE PROPOSITION (EVP)

For various reasons, the Employee Value Proposition is difficult for most companies. Besides ensuring you have a world class recruiting process, your EVP is critical if you want to attract the top 10% performers to come to work for YOU.

EMPLOYEE VALUE PROPOSITION: THE ELEMENTS A CANDIDATE CONSIDERS WHEN EVALUATING AN EMPLOYER OR A POSITION.

Know this: to gain an understanding of what your company's EVP is, ask the performers in the Top 10%, who recently joined your organization: Why are you still here? Ditto for the tenured employees.

As you can imagine, the entire organization—from top to bottom—must be trained on hiring top talent. And everyone needs to take it seriously.

One rogue hiring manager can put a damper on hiring top talent. Make it your number 1 priority. The benefits of hiring and retaining high performers in every position are plentiful: growth, profitability, improved culture and happiness (dramatically improved).

JON BARTOS offers a workshop to HR Officers, CEOs, Hiring Managers, and others entitled *"Hiring High Performing Teams: How to Take Your Organization from Hiring 50% Mis-hires to Hiring 90% Top Performers."* For questions or comments, Jon can be reached at 513-515-1267 or jon@globalppl.co



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ABOUT THE AUTHOR

Jon Bartos is a premier thought leader, trainer, speaker and consultant on all aspects of Recruiting and Hiring Best Practices, Human Capital, Talent Management and Performance Management. Jon was the founding partner of Jonathan Scott International, started in 1999, Revenue Performance Management (2008), Global Performance Coaching (2012), and Global People (GPS) in 2015.

As president and CEO of Jonathan Scott International in Ohio, Jon achieved industry-leading success as one of an elite group of executive recruiters who billed over \$1 million annually. In a 10-year period (1999–2009), he cashed in over \$10 million in personal production and established JSI as a top 10% executive search and staffing firm, winning 17 international awards in the MRINetwork. To date, he has billed over \$15 million in personal production. Currently, he runs one of the fastest-growing search and consulting firms in the country—GPS—with offices in Toronto, Ohio, Colorado, Missouri, Colorado, Columbia, India and the Philippines. GPS is the leader in hiring and talent solutions for all organizations.

In 2008, Jon founded Revenue Performance Management, LLC. The RPM Dashboard system is a proprietary business intelligence tool for helping employees reach their potential by using metrics management and performance improvement solutions. The RPM Dashboard is used by over 400 companies worldwide. More information and a demo video are available at www.rpm-usa.com.

Jon has been billed as the top speaker at many industry events and has had an opportunity to speak with audiences all over the world, including in South Africa, Canada, New Zealand, Ireland, Scotland, Bulgaria, Australia, Greece, France, the UK, and North America.

His two blockbuster seminars, “Contingent to Mutually Committed” for the Executive Search industry and “Hiring High-Performing Teams” for organizations looking to make hiring their sustainable competitive advantage, have both been highly-praised and well-received by audiences worldwide.

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