The bulletproof system for building better jobs

# "All business problems are people problems."

David Cancel
Five-time company founder, and CEO of Drift

If you agree that all—or even most—business problems boil down to people problems, then you almost certainly agree that few things in business are more important than hiring well. And yet, the hiring process often goes off the rails before you've talked to the first candidate.

Great hiring starts with creating a clear vision of the job you're hiring for and making sure your colleagues are on the same page about:

1) **what that job is**

2) **what kind of person you need to fill it**

Here's your bulletproof system for building better jobs, making better hires, and potentially experiencing fewer business problems.
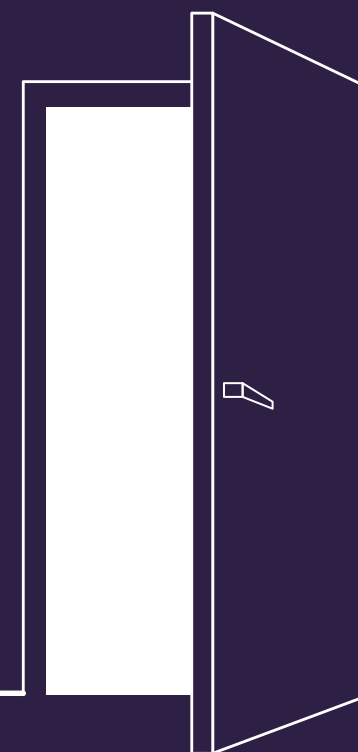
Hiring time

You're overworked. You're stretched thin. You need help, and you needed it yesterday. It's time to make a hire—and fast.

Your instinct is to choose the first minimally-qualified person who walks through the door. Don't do it. Take a deep breath. Try to slow down. Yes, you're stressed, but a rush hiring job is likely a bad idea.

Think about why your company is hiring.

Perhaps your company is experience massive growth and ready to scale. Perhaps it's going through a "re-org" and you need different kinds of people to thrive in new roles. Perhaps you need to re-evaluate the types you're hiring because turnover is through the roof.

Regardless of the reason, you have been deemed worthy of making an important business decision by deciding who will be joining the organization and enabling that growth.

So kudos to you and congrats.

Executives across the board see hiring good people as mission-critical. In a survey of 1,000 CEOs, CFOs and other C-suite executives by the The National Center for the Middle Market, staff and employee issues were the most common top priority for executives over the next 12 months. Yes, more important than maintaining growth, and more important than managing capital and cash flow.

LONG TERM INTERNAL CHALLENGES

Staff/Employees	**50%**
Business	**43%**
Costs	**19%**

Now, *you* have been entrusted with finding, selecting and onboarding new people for your company. It might not feel this way, but you're in a privileged position, one that many people may never even experience.

As the saying goes: with great privilege comes great responsibility.

Staff and employee issues are the most common top priority for executives over the next 12 months.

The National Center for the Middle Market Report

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Hiring: the most important decisions

Bringing someone new into the organization is a decision that will potentially impact the organization for months, years, or perhaps even decades to come. This new role, and the person hired into it, could become a force for progress, productivity, and inspiration. It could also become the source of anxiety, chaos, and misery.

Here's how Peter Drucker, affectionately known as the godfather of management consulting, put it: "Of all the decisions an executive makes, none are as important as the decisions about people, because they determine the performance capacity of the organization."

Grading ourselves on the hiring front

There's plenty of evidence that organizations are mediocre (at best) when it comes to hiring.

According to the Management Association's 2016 Turnover Survey, overall annual employee turnover is around 20%. For some industries, it's far worse. In the hospitality industry, annual employee turnover is around 70%.

Some turnover is natural, of course, but part of the problem is how we hire. According to an August 2017 PI survey, we know we're deeply flawed on this front. In this survey with 750 respondents, people gave their companies an average grade of C+ when it comes to hiring.

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>
> - Peter Drucker

In fact, PI asked how many new employees respondents' companies had hired in the last year. The answer: more than 72,000. And when we asked how many of them were "good hires" (e.g., "Would you hire them again?") the aggregate results were a mere 65%. That's just barely a passing grade—even when we're giving ourselves the grade!

It's easy to conclude that we're bad at interviewing and assessing candidates. And, indeed, many of us are. But perhaps deeply flawed interviewing and assessment are symptoms. The root problem could lie further upstream in the hiring process.

The elementary mistake in how we hire is how we draft job and candidate requirements, and how we ensure other people in the organization are on board with our vision for the role.

Here's how we grade ourselves on building job requirements and creating compelling jobs.

Grade your company on your process for getting organizational alignment on and defining job responsibilities
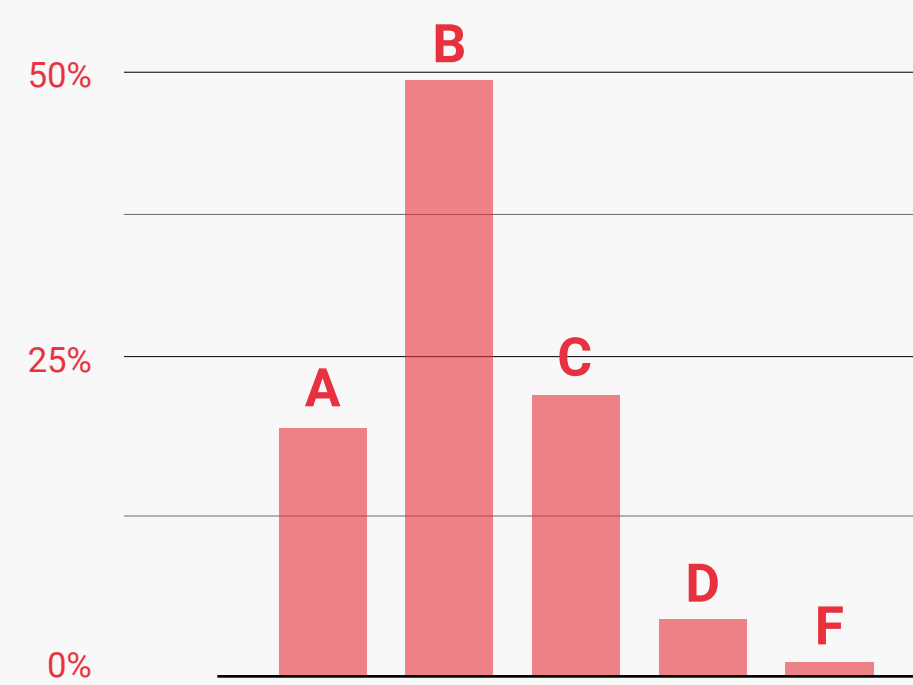
Grade your company on creating compelling job postings

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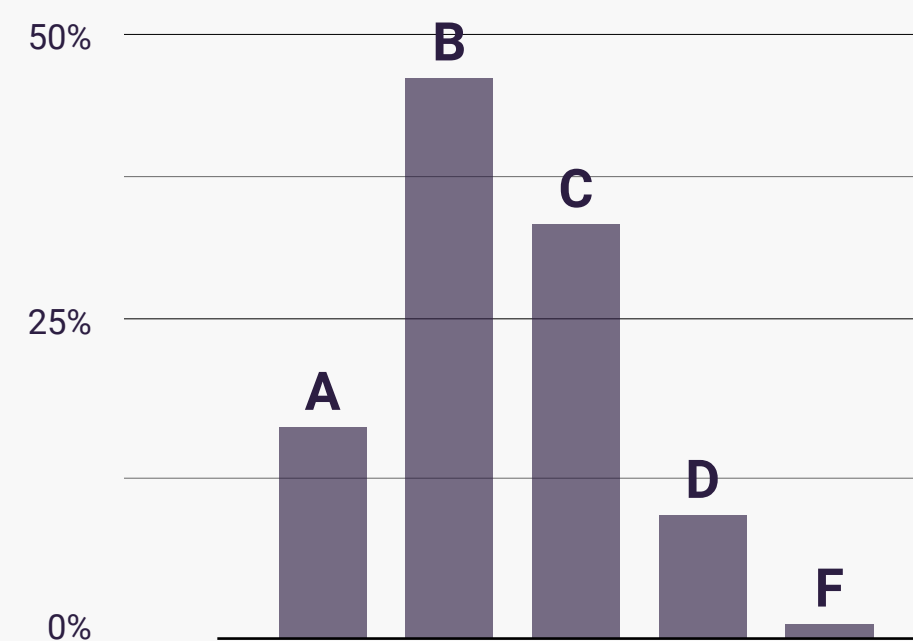
Get in the right frame of mind

So how do we improve our grades when it comes to building better jobs? It all starts with our mentality. Understanding the importance of these decisions, here's some guidance about the mindset you should have going into the hiring process.

1) Treat each hire like a major initiative.

Spend time on the planning phase. Come up with a solid plan of attack for defining the role, outlining the requirements, recruiting, assessing, and interviewing.

2) Make yourself the captain of a hiring team.

Unless you plan to hire someone who will work with you and only you, you need buy-in. Engage key colleagues and keep them updated of progress or lack thereof. Making these individuals part of the team doesn't start during the interview process; it starts as you're thinking about what you want the new hire to do, and what kind of skills, traits, and behavioral tendencies you require for the job.

3) Dedicate time to the hiring process.

Hiring isn't easy to do well, and there aren't shortcuts. You'll be dealing with the unknown, and therefore will need to dedicate time and effort to getting it right. Do not be discouraged by this.

### 4) Hold out for the right person.

It's tempting to compromise on who you hire. You know what else is tempting? Eating three bowls of ice cream. Skipping your daily workout. Drinking one more beer at the weekend bar-b-que. And guess what? None of those things make you healthier. And rushing to hire someone who's not a good fit is not healthy for your company.

5) Don't treat it like a rinse-and-repeat activity.

It's so easy to fall into habits of complacency in the hiring process, but stay steadfast. Avoid simply submitting to a carbon copy descriptions of jobs your company has hired for in the past; or failing to think through what you really need for a new position; or neglecting to analyze the behavioral patterns of people that have thrived in similar roles in the past; or not creating concrete milestones for success for the person who steps into this position.

According to PI's survey, most companies are already involving multiple people in the job requirements process, with a **median average of 3 people** involved in building job and candidate requirements, but we still see room for more involvement.

1	
2	
3	
4	
5	
5+	

10% 20% 30% 40% 50%

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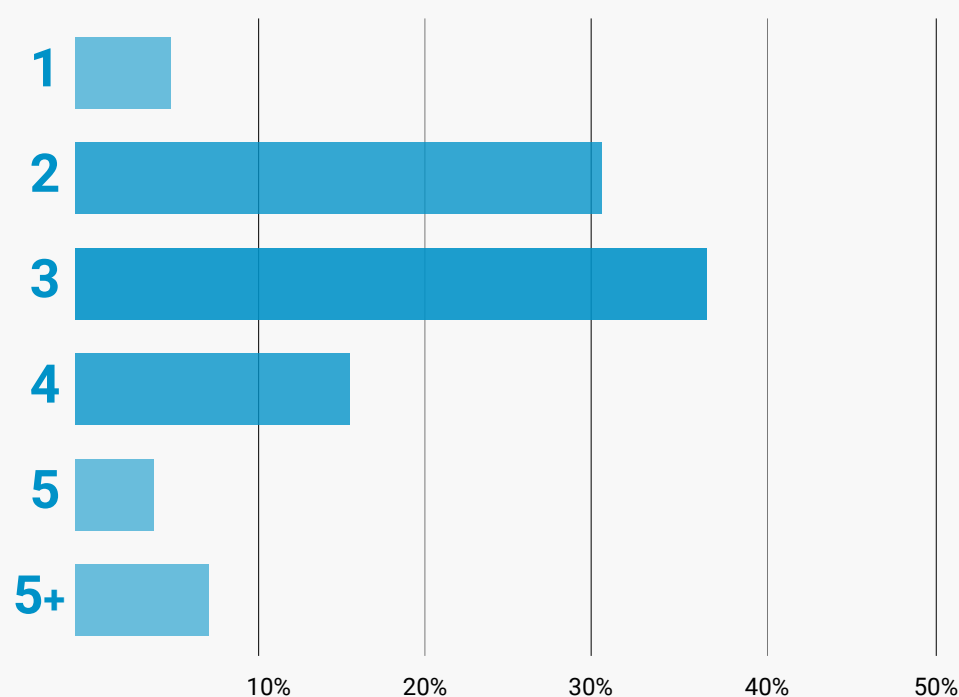
The 5 phases of building better jobs

Building spot-on job requirements and candidate requirements are the foundation of a successful hiring process. Let's deconstruct how to do those things well.

Phase 1: Create a first pass at job requirements

Your end goal during this phase is to create a first draft of a job-requirements document. You can also think of this as a "What success looks like" document. This will help you and the team get clear on the vision for this role.

Try to answer the following questions with this document:

- What are the big initiatives or ongoing responsibilities will this person be accountable for?
- What kind of business results will this person help achieve for the business?
- Who will this person be working with to achieve these things?

Then get a bit more granular:

- What kind of tasks will this person be performing frequently?
- Who will this person interacting with?
- What will this person have accomplished after one month on the job?
- What will this person have accomplished after three months on the job?
- What will this person have accomplished after six months on the job?
- How much of the job is pre-defined, and how much of the job are you expecting the candidate to define?

Lastly, gain clarity on how this position will impact/interact with current employees.

- Is anyone- or are multiple- people doing the job now?
- If yes, which parts of the job will go to the new person and which parts of the job will stay with those currently doing them?

- Map out what those people will and won't be doing going forward
- Is there a transition plan?
- How will the new hire work with those currently doing this job?
- Most importantly, make sure those people are aware of your intentions and are bought in on it.

Phase 2: Identify/on-board the hiring team

First, identify your hiring team. How big should the team be? It depends. Hiring an entry-level person at a relatively modest salary to work in an already well-defined role (e.g., customer service associate)? You may do well with a small hiring team. Recruiting a chief financial officer who will be critical to your upcoming fundraising efforts? That merits a much larger team for vetting.

The precise size of the team is generally commensurate with two factors:

1. The degree of impact the role will have on the organization (consider the customer service associate vs. the CFO);
2. The number of departments and people in the company this person will be interacting with regularly

Suppose you're hiring a product manager. She won't have direct reports, but she'll likely be working with employees across the organization (e.g., the design team, the marketing team, the sales team). Having a representative from each of these departments on your hiring team might be reasonable.

Remember to think about this like a company initiative. An oversight on your part or someone who isn't comfortable with this new employee torpedo her chances of success. Nip it in the bud and get those people on board now, or you may risk problems later.

Once you've identified the team, have a kick-off meeting. During the kick-off meeting, lay out in very clear terms the steps to the hiring process and who will be taking part in each step. *Here's what that partial project plan could look like from a hiring manager we'll call Emily, who's looking to hire a product manager:*

The hiring team and its responsibilities

Task	Emily (hiring manager)	Kristen (HR)	Chris (sales)	Rich (mrktg)	Zoya (design)	Deadline
Develop "What success looks like for this person" document and distribute to team	x					20-Sep
Team reviews to review doc and get feedback to Emily		x	x	x	x	22-Sep
Synthesize all feedback, then develops job/candidate requirements doc (including KSA and behavioral trait requirements) to team	x					27-Sep
Team reviews to review doc and get all feedback to Emily		x	x	x	x	29-Sep
30 minute team meeting to discuss/reconcile to ensure team alignment	x	x	x	x	x	3-Oct
Create job ad	x	x				5-Oct
Sourcing candidates	x	x				Ongoing
Behavioral and cognitive assessments taken by candidates		x				Ongoing
Phone screens	x	x				Begin on 12-Oct
Establish scoring methodology for structured interview process and distribute to team	x	x				15-Oct
1st round interviews	x	x	x	x	x	Begin on 17-Oct

Establishing and socializing this process to the team can potentially be a huge win for you. You'll build credibility across different departments. You'll make people feel like their voices have been heard. You may genuinely get input that you wouldn't have taken into consideration had you forged ahead on your own on the hiring initiative.

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## Phase 3: Socialize what you've produced and ask for feedback

So you have your first draft of requirements (AKA "What success looks like") and you've had your hiring team kick-off meeting. Now you're ready to share your document and get feedback. By sharing your job requirements document and articulating what success looks like, you're giving people the opportunity to get on the same page with you, and perhaps articulate where they're not on the same page with you. If they're not on the same page, much better to uncover that now than later on in the process.

The other thing that's happening as you go through this is you're subtly gaining people's commitment to help you make this a successful hiring process. By including them so early in the process, you're giving them voice, and you're increasing the chance that they'll fully embrace both the process and the person you end up bringing on board.

Yes, this takes some time and effort, but as the saying goes, sometimes you have to go slow to go fast.

Phase 4: Build your candidate requirements

It's time to build your candidate requirements. This is mission critical. And here's where we introduce a framework we call the "head, heart, briefcase" model. You're hiring people for what's in their heads (their ability to absorb information and their innate behaviors), their hearts (what their values are, or said another way, what they're passionate about) and their briefcase (what kind of experience, knowledge, skills, and abilities they bring with them). Here's some guidance on how to assess these three pieces of the puzzle:

HEAD

HEART

BRIEFCASE
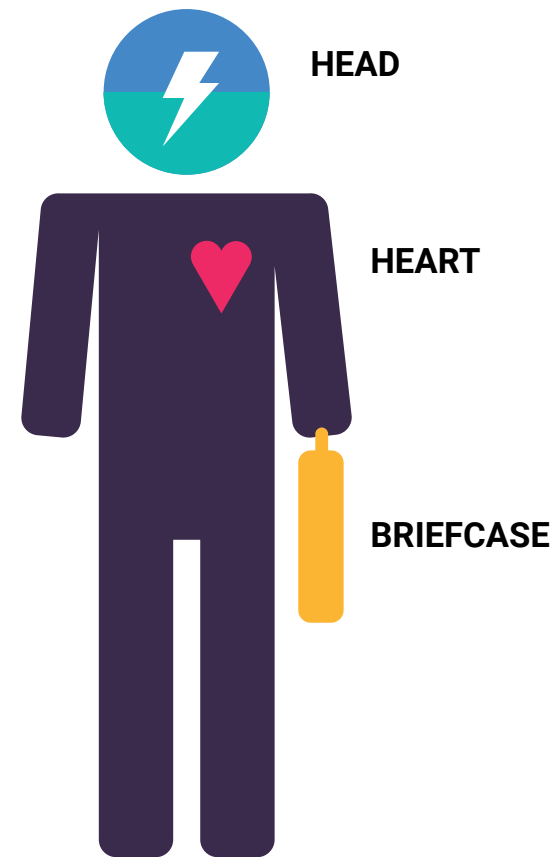
The head:
1) Someone's ability to absorb information. also known as general cognitive ability. This is the single biggest predictor of job success. And the mere fact that someone went to an Ivy League school (or never went to college) doesn't reveal their cognitive ability. You should be using a cognitive assessment to get a result here.

Please note, this information should be kept very confidential. At The Predictive Index, for example, the only people to see a candidate's cognitive assessment score are our HR employees. Not even the hiring manager sees these scores. The hiring manager simply knows that the cognitive score was in an acceptable range for the role. The reason for this is that it's very easy for people to feel stigmatized or to make judgments about people based on a simple score, and there's very little upside to sharing them.

2) Someone's motivating needs. Think about all the behavioral traits you might want in a new hire. **Here's a partial inventory:**

Accepting of company policies	Enthusiastic	Pensive	Cautious	Intense	Sociable
Accommodating	Fast-paced	People oriented	Collaborative	Introspective	Spontaneous
Adaptable	Flexible	Persuasive	Comfortable with conflict	Matter-of-fact	Stable
Agreeable	Harmony-seeking	Pleasing	Comfortable with familiar	Non-conforming	Steady
Analytical	High-strung	Reserved	Competitive	Obliging	Stimulating
Assertive	Imaginative	Restless	Cooperative	Organized	Thorough
Autonomous	Impatient	Rushed	Deliberate	Outgoing	Tolerant of uncertainty
Calm	Independent	Self-confident	Diligent	Patient	Venturesome

Knowing the behavioral traits you need in the job is critical to success, and an area where too many companies fall short. In fact, in PI's survey, *less than half* of respondents say their companies give a lot of thought and discussion to the required behavioral traits for the role. The best and most reliable way to really understand what behavioral traits are required for the role you are looking for is to use a **job assessment tool.**

When developing job descriptions and postings, how much thought was put into the required behavioral traits of the candidate?
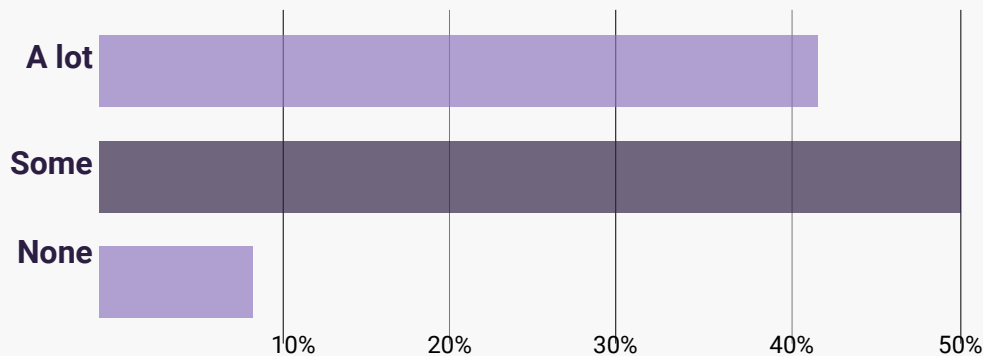
The heart:
Simply put, what values are important to you in this candidate? What passions would you like to see them have? Do you need someone who is passionate about the customer experience, or do you need someone who is passionate about cutting costs? Do some soul searching on this, and come up with a shortlist of must-have values. There are, in fact, tools out there to help you with this, but it is likely something you can do on your own.

The briefcase:
Conventional wisdom here is to look for someone with a certain about of experience in a certain field (e.g., 3-5 years of GAAP accounting experience). You'll also want to think about whether you need someone from similar-size companies from similar industries. But arguably, what's more important is what knowledge, skills and abilities—commonly referred to as KSAs—a candidate has. It would be virtually impossible to create a full list of KSAs here; there's an almost endless list that varies enormously depending on the exact role.

The following is a framework for thinking about knowledge, skills, and abilities:

	DEFINITION	EXAMPLE
Knowledge	An organized body of information, usually of a factual or procedural nature, which if applied, makes adequate performance on the job possible	• Federal regulations and directives • Operational systems and procedures • Budget and accounting principals • Engineering practices • Environmental compliance law • Administrative practices
Skills	The manipulation of data, things, or people through manual, mental or verbal means. Skills are measurable through testing, can be observed, and are quantifiable. Often refers to expertise that comes from training, practice, etc.	• Keyboard data entry • Motor vehicle operation • Computer software proficiency • Electronic or computer repair • Carpentry, plumbing and/or HVAC repair • Second language proficiency
Ability	The capacity to perform a physical or mental activity at the present time. Typically, abilities are apparent through functions completed on the job. Abilities and skills are often interchangeable in KSAOs. The main difference is that ability is the capacity to perform, where a skill is the actual manipulation of data, things or people. You may have the ability, but unless observed through actions, that ability may not transfer to a skill set.	• Organize and plan work (observed at work) • Analyze situations, programs and problems • Communicate orally and in writing • Coach and mentor others

Definitions courtesy of fedcareerinfo.com

Phase 5: Gather and incorporate feedback on the behavioral requirements you've created

If you're not the consensus-building type, this step might hurt, but it's important. You've fleshed out your candidate requirements, but you've done it on your own. It's time to go back to your hiring team and ask for their feedback.

The values and KSAs tend to be easy to gain agreement on. But pay particular attention to the behavioral traits here; this is an absolutely critical part of creating the candidate requirements, and an area where organizations fail to get on the same page. While you might have strong opinions about the behavioral traits a person needs, somebody else who will be working closely with the new hire may have equally strong—and diametrically opposed—opinions about the behavioral traits the new hire needs.

For example, a CMO might envision a product marketing manager who is highly autonomous and independent. But the sales director, who will be heavily reliant on this new product marketing manager, is positive that the person coming into the role needs to be collaborative and accommodating. These traits are in conflict with one another. Someone's going to be disappointed, and the product marketing manager is going to be in a no-win position. Think of this as you being a good manager—the kind who looks out for direct reports—before you've even met this person who will be reporting to you.

Consider people's input about behaviors seriously. When you don't see eye-to-eye, talk through it and be explicit about what traits you've end up deciding to look for and why.

GUT CHECK TIME

Are you unicorn hunting?

OK, you've followed the process. You've thought through the candidate requirements using the head, heart, briefcase model. Time to do a gut check.

Is what you're looking for realistic? Are you looking for a set of behavioral traits, values and KSAs that realistically exist within one human being? Think about the behavioral traits you've listed, for example. Are you looking for someone who is enthusiastic, pensive, accommodating, fast-paced, people-oriented, adaptable, diligent, and casual? That's what we call a unicorn. And good luck finding one. A job assessment tool can be a great way to keep you grounded when it comes to your wish list.

Onward and upward!

Congratulations! You've just built a better job. It was likely harder, more methodical, more inclusive, and more time-consuming than the methods you had used before. But hiring well is likely the most important and impactful activity you'll do as a manager, and by following this process, you've given it the time and attention it deserves. Enjoy your successful new hire!

Part of PI's solution toolbox is a Job Assessment tool that ensures your hiring team is aligned on the behavioral requirements of the job you're posting. If you'd like to give the Job Assessment a spin, just contact us at **trypi.com/request-demo.**