

Avoiding the Wrong Person for the Job

The high cost of miss-hires and what you can do about it

Would you do things differently if you knew that a single hiring mistake would cost your company hundreds of thousands of dollars? How about if the same losses applied to the people who didn't leave – the under-performing, disengaged members of your staff?

The reality is, a mistake does cost you that much. The most conservative estimates of turnover show costs in the range of 2 to 3 times annual salary. For a professional making \$80,000 a year, that's \$160,000 to \$240,000. How many \$200,000 dollar mistakes can you afford to make?

Bear in mind that these are average statistics for average employees. What's the cost of losing an A-level performer? Brad Smart, author of *Topgrading - How Leading Companies win by Hiring, Coaching and Keeping the best People*, suggests the multiplier is more like 27 times annual salary if the mistake involves an "A" player.¹ Using Brad's math, your \$80,000 miss-hire now costs you 2.1 million!

In case you're thinking you're off the hook because turnover isn't a problem in your company – think again. Research by the Gallup organization suggests that the costs of low productivity or "disengagement" as they call it, may be even higher than that associated with turnover!

Gallup found that 75% of the employees in most companies are not engaged at work. Not only are disengaged employees not making you any money, they're also costing you money because they're the ones making all the mistakes!

In *Follow This Path*, Gallup authors Curt Coffman and Gabriel Gonzalez-Molina note that "disengaged employees cost companies hundreds of millions of dollars a year."

National trends indicate that only one-third of the workplace in the US is engaged. Gallup has calculated that the cost to the US economy of this disengagement is in the range of 254 to 353 billion annually. That's 350 BILLION DOLLARS! That's larger than the US budget for either education or national defense.²

They estimate lost productivity cost at \$3400 per \$10,000 of salary. Which means that the \$80,000 a year not-so-great professional that you *wish* had left, costs you \$27,200 a year in lost productivity. And that's only if he doesn't make any really costly mistakes. And don't forget - that's not a one-time cost, its an ongoing one.

To make matters worse, I suspect this one professional isn't the only "disengaged" or under-performing employee you have. Do the math for a mere 10% of your staff and chances are you're looking at big bucks!

What causes disengagement?

What do the experts say is the primary cause of disengagement? Number one on the list is poor job fit. More specifically, people in jobs that don't make use of their natural talents. Job fit, or lack of fit, is also a primary cause of turnover.

Gallup found that employees who are able to utilize their natural talents in their jobs are more likely to be engaged. And not only are engaged employees significantly more productive, but they also impact the bottom line in other important ways. They don't make costly mistakes. They recognize and capitalize on opportunities. They create "engaged customers" which experts claim is the key factor driving sustainable growth, in all organizations, across all industries. ²

Yikes! What can you do?

Suffice it to say, the costs of making a mistake, whether it's hiring the wrong person or continuing to ignore under-performers, is significant. In the interests of your bottom line, you'll want to pay close attention to who you hire, carefully examining whether they "fit" the job and the organization.

The good news is "job fit" is something you can do something about. It is a much less imposing task than attempting to make wholesale culture change. And even small changes in hiring practices and selection for jobs internally can produce lasting benefits.

Even more good news. There are some wonderful tools and resources available today to help you get your arms around this critical issue. You can go as high-tech or as low-tech as you want. (I'll provide information on specific resources in a subsequent article.)

Regardless of the kind of program or method you choose, you'll need to be able to identify the kinds of things you want to look for or assess. In other words, the behavioral characteristics and competencies you will use to match people to work, or better yet – work to people. I address these in Part II of this series, *Know What to Look For*.

Part II. Know What to Look For

A common mistake organizations make in hiring is not having a clear picture of what they're looking for before beginning the process. In particular, the behaviors and psychological characteristics that make for success in a particular job within a particular organization.

Define “right person”

It's important to begin with a solid understanding of what “right person right job” actually means. It's really pretty simple. The right person for a job is the person most likely to excel in the job. And how do you know who will excel? We've found that the person most likely to excel is 1) one whose natural talents match those called for in the job and 2) one whose values and desired outcomes match those of the organization.

Is there a test for this?

Just how does one go about finding out if a person's natural talents match those of the job or if their values match those of the organization?

That's where it gets a little tricky. How do you assess things like natural talent and values? How do you determine which natural talents are important to the job? One thing for sure, there's no shortage of assessment tools and interview techniques around. And it seems many of these claim to be able to identify exactly what it is you need, even if you're not sure yourself. This is an area where it's best to be cautious. Consider hiring an objective consultant to help you identify what you need and select the program or method that will work best for you.

For now, I'll get you started with an idea of what to look for and a simple and highly effective method for identifying specifics.

Start With the Top Performers

What's the best way to identify job requirements – in particular, the talents, skills and knowledge that are most important to a particular job? Answer: Find the people who are really good at the job and identify what they know and do.

OK, so maybe that's not all that simple. But it's a heck of a lot easier and significantly more effective than doing job requirements the old way! It doesn't make sense to define the job and then go looking for someone who fits that definition, which is what we typically do.

Even when we think we're doing the right thing by asking people in the job to help by defining what they do, we typically do two things wrong: 1) we ask the wrong questions and 2) we ask the wrong people. Who cares how a less than stellar performer does his job? I only want to know how the best performers do what that do. Why? In order to provide me with the information I need to hire more people just like them.

Distinguish Talent From Skill

An important aspect of a successful job fit process is distinguishing natural talents from skills and knowledge. You want to hire for talent and train for skill. In other words, focus on talent and natural strengths when selecting people for jobs. You can teach them the specific skills they need but you can't teach talent. And it's talent that has the bigger impact on performance.

Exactly what is "natural talent" and how is it different from skills? Gallup's Ken Tucker defines talent as "a naturally recurring pattern of thought, feeling and behavior that can be productively applied." He distinguishes talent from strength noting that "a strength, on the other hand, is the ability to provide consistent, near-perfect performance in a given activity. To build a talent into a strength, you must take your talents – your innate abilities –and refine them with knowledge and skills."³

Identifying Talents and Strengths

Every person is unique and so is every job, especially when you combine both the specific aspects of the job and the contextual or external components. There are a variety of things you can look at to help you match people to work. We focus on three things: cognitive factors, values and beliefs and external or environmental factors.

Cognition

Let's start with cognitive factors. Cognition is how the person does what they do. It's how their brains are wired, how they filter information. Some cognitive factors you might want to consider include:

1. Does the person tend to be more proactive – immediately taking action, or more reactive – needs to think about things awhile before taking action?
2. Does the person continually look for better ways to do things or do they prefer to follow established procedures?
3. Do they organize work by paying attention to people or is their focus more on things – products, ideas, or tools?
4. Are they more adept working with specifics or concepts?

5. Are they energized by their goals or by threats, problems to be solved or prevented?
6. Are they disciplined and structured or do they love surprises?

Values and Beliefs

We also look at values and beliefs. For example:

1. Are they naturally optimistic seeing the glass half-full or are they more inclined to focus on what could go wrong?
2. Are they drawn to strangers and large groups of people, or are they only at ease in small groups or with a few close friends?
3. Are they naturally trusting?
4. How do they define themselves (example: by their technical competence or how much people like them).
5. Do they need to see themselves as connected to a larger cause or purpose?
6. What drives or motivates them (example: the need to stand out, to win, to be the best or to help people).

External “Environmental” Concerns

A common mistake organizations make is getting overly focused on individual attributes to the exclusion of external or environmental concerns. In other words, we look for things inside the person but forget to also look at how the person interacts with the external world. The primary external factors we focus on are the physical environment, the culture and the boss. All three of these can dramatically impact “fit” and performance.

When selecting people for jobs, ask the kinds of questions that will enable you see if they fit the environment and the culture. For example, you wouldn’t want to hire a maverick “I’ll do it on my own” type of person where the culture is cooperative and team-based. You wouldn’t want to hire a person who operated best in a quiet, slow-paced environment if your office resembles a newsroom or the trading floor of the New York Stock Exchange. Similarly, a person who needs regular guidance and hand-holding won’t do well under a manager who operates with a “figure it out for yourself” philosophy.

Some of the environmental factors you may want to consider include:

- The level and type of management in place (is it hands on, by-the-book or lots of room to make your own decisions?)

- What's rewarded? Is individualistic, maverick type behavior the norm or is it more cooperative, team-oriented?
- The pace and routine of work
- Frequency of significant change
- Primary work situation and environment (Are they working alone or in a group? Is the environment quiet or noisy? Are they more sedentary or physically active?).

One bite at a time

Implementing a job fit program can seem like a daunting task. Just remember that you don't have to eat the elephant all at once. You can do it one bite at a time. Feel free to contact me if you're having trouble getting started.

I also recommend that you check out Gallup's research. I cannot say enough about the wonderful work they've done on the subjects of engagement and natural strengths. You can read all about it in *First Break all the Rules* by Marcus Buckingham and Curt Coffman, *Now, Discover Your Strengths* by Donald O. Clifton and Marcus Buckingham and *Now Follow this Path* by Curt Coffman and Gabriel Gonzalez-Molina. These are excellent resources for helping you make sense of this important issue.

¹ *Topgrading* by Bradford D. Smart, PhD. Prentice Hall, 1999.

² *Now Follow this Path* by Curt Coffman and Gabriel Gonzalez-Molina. Warner Books, 2002.

³ *Hate Your Job? A Gallup Management Journal Q&A With Ken Tucker*. Gallup Management Journal, December 12, 2002

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