

# How To Hire High Potentials

By

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The first step in giving yourself a talent advantage is to hire the best and brightest in your industry. Bad hiring decisions will cost you, both in dollars and lost opportunities, so get that right, and you will have taken the critical first step to make sure you have a number of high potentials to coach. Getting the right people in the right places, doing the right thing is not easy, however. It requires painstaking efforts and objective information. The formula is *simple* but not *easy*: hire well, develop talent, and plan succession. Here are some suggestions to help you improve immediately:

## **Improve Interviewing**

There are volumes of books written on the subject of good interviewing techniques, but here are a few suggestions that you may not have considered:

- Ask why they want to work in your organization. This one will show whether they have done their homework. How is their energy and enthusiasm? Do they ask relevant questions about your strategy and plans for execution? Have they given thought to the obvious challenges your organization faces? Do they understand your competitive advantage, and can they talk about your competition? If they are just looking for a job, that will show too.
- Give hypothetical scenarios and ask what they would do in each. No one can prepare for these kinds of questions, so you will get a glimpse of the thinking patterns of the individual. Most interviewers already do this, but examining your scenarios and asking yourself whether they really get to the heart of what you're trying to discover can help you improve the value of the questions.

For instance, before he landed in the company where he is now, one of my best CEO clients, Jim, interviewed for another company. The owner, who was about to retire, explained the company's most critical issues, handed Jim a marker, and led him to a flip chart. The owner asked Jim to explain what he would do. Being a brilliant strategist, Jim saw exactly what the problem, wowed the owner with his adept ability to get to the heart of the issue, and immediately started to

brainstorm solutions. Jim didn't take the offer, but the owner recognized talent when he saw it and diligently pursued Jim. In this case, this interview technique didn't land the top talent, but the owner received some stellar advice and was able to use both the advice and technique in the future.

- Finally, ask about their areas for improvement. Everyone asks this one, so applicants anticipate it and prepare the drive responses. But you can push back and catch them off guard when they answer, "I expect too much from myself." By saying, "Oh come on. Every applicant since the Pharaoh hired pyramid workers has used that one. Let me guess. You're also a perfectionist and work too much on weekends? What's a real one? What would your direct reports tell me? What would your boss tell me?" If, after some serious probing on your part, the person still can't come up with any areas for improvement, the person is either unconscious or seriously dedicated to impression management.

When I interview, I listen for a couple standard improvement opportunities. One is a need to delegate more effectively. Another is a realization that the person should listen more and talk less, and finally, almost every leader I've ever coached needs to give more feedback and coaching to direct reports. If you hear any one of these three, you have a typical and probably aware candidate. If you don't hear them, you can ask directly about them.

Improving interviewing is both an art and a science. Some interviewers are just perceptive and insightful. You usually can't learn these traits. But anyone can learn to be a more disciplined interviewer. If you ask the right questions, take copious notes, and follow a protocol, you'll improve. In general, follow the 80 / 20 rule. Talk about 20% of the time, and listen the other 80%. Remember, even at its best, interviewing is a flawed way to make hiring decisions. I have conducted thousands, and people can still fool me. Don't trust yourself. Have several people interview candidates, but go further.

### **Collect Better Data**

Most interviewers rely on a pre-determined process to gather data. They request a résumé, conduct an interview, check references, and have meetings with other members of the organization to discuss impressions. All this is still not always enough, however.

The use of psychometrics, assessments that have been validated for hiring, offers one way to improve your hiring practices. A well-chosen battery of tests, one that includes both intellectual measures and personality assessments, can increase the validity of your conclusions. This combination measures applicants' current intellectual resources and forecasts the kinds of decision making and problem solving they are likely to engage in. When I work with clients on their hiring decisions, I advocate using at least two cognitive measures, one timed and one un-timed, to determine whether deadlines and pressure will affect performance. I also include numerical testing if the position requires budget or financial decision making or if the person needs to move quickly to the executive ranks.

In addition to the cognitive measures, I use at least four instruments that measure different aspects of work-related personality traits. Personality assessments offer crucial information because they indicate the candidate's achievement drive, ethics, and reliability—essentials for every job in every company. They also provide information about other kinds of personality characteristics that may help or hinder the person's ability to fit in and do a particular job. For example, individuals applying for a sales position or a job in human resources *absolutely* must have strong people skills. These skills aren't so important for solo performers like accountants and engineers who will not have direct report responsibilities. Similarly, flexibility and adaptability, important traits for someone who works in a field that changes quickly and unexpectedly, are not so critical for routine jobs that tend to stay the same most of the time.

Not all testing helps, however. In fact, no testing beats bad testing. Using only one assessment, using instruments that have not been validated for use in making hiring

decisions, and using tests that don't measure what you need not only wastes time and money, it puts you at risk legally

Finally, having someone who has been trained in interpreting psychometrics is essential. Because using data involves both a science and an art, you'll want someone qualified and experienced. Typically a Ph.D. in psychology or a related field, this expert should also have received advanced training on the assessment tools.

Research suggests a bad hire will cost you at least one year of that person's yearly salary. When I work with executives, I think the amount is much higher—closer to four times that person's salary. A high potential, who makes \$100,000 a year who turns out not to have much potential, can quickly cost you half a million dollars. And don't forget the lost opportunity. If the non-so-high potential candidate takes a place for six months or a year, you've also lost a multitude of opportunities. The money spent to hire a qualified person to interpret the data, therefore, proves minimal when compared to the cost of a bad new hire.

The second way to gather more relevant information is to check references, again, a practice that most executives adhere to. By now everyone has learned the hard way that checking references no longer offers smooth sailing. Human Resource professionals know they can only verify employment, but there are other ways. If you have been in the same industry very long, you know virtually everyone by two or three degrees of separation. (LinkedIn will be happy to tell you exactly how many). Even if the candidate has moved from another location, chances are you know someone who knows someone who can tell you about him or her. But let's face it. People won't usually go out on a limb

for you unless they want to do someone a favor, so use your connections. It's not perfect, but it's another way.

When someone agrees to talk to you about the candidate, armed with the information from the better interview and the assessment results, you will be able to ask better questions. For example, if the data indicate that the candidate doesn't respond well to unexpected changes, you might ask the reference, "In general, how does this person handle surprises?" "Routine tasks?" "Boredom?" The right answer won't be so apparent, so the person giving the reference is more likely to give an honest answer. Open "How?" "What?" questions can help too. For example, you can ask what qualities the candidate is known for? How does he set priorities? How does she include others in decision making? Rather than responding with a simple yes or no, the reference will elaborate, and you will have taken the first vital steps to getting the talent you need in your doors. To keep them there and realize the best benefit to the organization, you'll need to develop them, often beginning with the process of transforming both external and internal solo performers into magnetic bosses.