On Hiring Well, Part 3: Five Disciplines Once the Search is Underway

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In the first post in this three-part series, I described nine core disciplines that together make up the art of hiring well. The second post described the first four: disciplines that require focus before the search is underway. In this post, I'll describe a complementary set of disciplines to apply once the search is in motion.

"Cast the net" systematically

Perhaps the most frequent barrier to making a great hire is the availability of a seemingly good enough hire close at hand. It takes a rare discipline to apply the effort required to surface new candidates in new places when it looks possible to wrap up a search by selecting a candidate already in the pipeline – especially if that individual is a referral or someone who has come through the company's traditional sources. This isn't an issue if the role in question is one that many people could do more or less equivalently well. However, if the difference between the best hire and a merely solid hire is a multiple rather than an increment of impact, then it is important to inoculate the organization against the natural temptation to settle – and the most practical way to do this is to cast the net broadly and systematically from the beginning.

Of course what casting the net means varies depending on the nature of the job, but three practices stand out as widely applicable:

1. Begin by generating a picture of "where the relevant talent lives" and identify several distinct segments that point to different outreach strategies. For instance, an entrepreneurial company looking for their first head of business development might identify four relevant segments:

- A stellar individual contributor with multiple BD roles under his/her belt, who sees this role as a chance to step into a more significant leadership responsibility
- Someone whose recent roles have been inside the company's target organizations, who has strong insight into what it will take to be successful with these specific kinds of partners
- A more senior person who has already been through an exit with an earlier company, who might take a bet on this venture based on conviction about their specific vision and technology
- A parent with young children, whose qualifications might position him or her for a bigger job, but who could find compelling the value proposition of an early-stage company where there's an opportunity both to make a meaningful difference and to shape stronger-than-usual work-life boundaries (e.g., at first by having the founder continue to lean into the BD role strongly, and then by hiring a junior team member who can do a lot of the day-to-day lifting of advancing different leads).

The first profile is the most likely to turn up through conventional candidate sourcing. One can look systematically for the second, third, and fourth profiles, but each needs its own distinct approach.

2. Reach out to the company's internal and external networks in a way that establishes clear triggers. Often companies don't fully tap even their internal networks, let alone their external networks, to source great candidates. When they do, they typically just send job descriptions and don't exercise much creativity in thinking through what might actually trigger an idea and a reach-out. For instance, the company above seeking their first BD lead might send a very specific outreach to people they know whose networks are more on the corporate side explaining the kinds of companies they're most interested in doing business with, and sharing that this BD role could be a great opportunity for someone in one of those companies interested in moving into a more entrepreneurial role. That's likely to yield very different candidate ideas than an email about "we're hiring a head of BD" and could also lead connections that aren't about the BD role at all – but *are* relevant to closing deals with target customers.

3. Approach candidate sourcing as building an asset rather than enabling a transaction. When a company creates a great recruiting experience, engaging with candidates becomes a much broader way of building a network, which over time generates value not only for future candidate sourcing but in a range of other ways. It's easy to fall into the trap of putting on rigid blinders, and viewing the recruiting process simply in terms of "is this a person we're going to hire for this role or not." Managed well, the same recruiting process can yield not just a great hire, but improved brand visibility, leads for new business, and a collection of new friends and allies who might be future hires, business prospects, referral sources and touchpoints for learning valuable information.

These practices work best when an organization is always recruiting, rather moving into action from a standing start with each new search. Of course this comes naturally to large companies who hire large numbers of people into certain specific entry roles. At Incandescent, we're at the opposite end of that continuum—but we know the best way to get the right quality of candidates is to always be in the market. With relatively limited resources, we can still maintain a regular rhythm of exploratory conversations. We have two team members who take primary responsibility for this, and every firm member understands that this activity is simply one essential part of their role. We have an ongoing discipline of keeping in touch with quality candidates, including many we think highly of but are pretty sure aren't right for us. We've found that this practice of continuity and interest in people's

career paths creates a wellspring of talent we can refer to clients and collaborators, and positions us with a source of referrals that would otherwise be difficult to generate without a bigger firm and a bigger brand.

Design the "who" of decision-making as carefully as the how

In every domain, diffusion of responsibility undermines good decision-making. We see that in recruiting specifically, where many companies build hiring processes that include many interviewers, but don't specify clearly how each of those interviewers add value. That has three bad consequences: the process bogs down; candidates perceived as "risky" but who might be stars are likely to get knocked out in favor of candidates who have less upside but fewer objections; and each interviewer will tend to be less focused on playing any specific role in driving insights in areas where he or she has comparative advantage.

Part of specifying the "who" is delineating specific roles in an assessment process. For instance, one organization we work with specifies that every candidate must have an experienced team member administer a values interview that gives him a chance to reflect on his values in action and to learn about the organization's values. If the values interviewer isn't persuaded that the candidate has the right values, even after an open exchange of views with the hiring manager or other evaluators who might disagree, she has the right and responsibility to veto the hiring decision. The use of this veto is very rare, as usually a hiring manager will be grateful for insights about any values mismatch. More importantly, this practice guides self-selection. Candidates who don't have strong values alignment often make their own decisions to opt out after exploring fit, and candidates who do strongly resonate with the organization's values find it compelling to see an interview process like this that's both so thoughtful and has such clear "teeth."

Where in the example above, the values interviewers are carefully chosen as exemplars, sometimes the choice of "who" can swing in the opposite direction. At Katzenbach, we made a point to have quite junior team members be part of interviewing our most senior candidates. We learned a tremendous amount. Sometimes candidates bristled at the very idea that a junior person would in any way evaluate them. Others gamely accepted the process, but condescended in the interview itself. The best candidates came away from the interviews with a deep appreciation of how differentiated the firm was in terms of the way we hired and developed people at the beginning of their careers, and of how that mattered to the firm's strategy – and the interviewers came away with a clear sense of how the prospective hire could be a valuable mentor and team leader. No other mechanism we could have used would have surfaced that same data.

Whatever data is gathered in the assessment process, it will be the role of some person or group to synthesize these inputs and to make a decision. It is important to avoid being vague about this, as in the absence of explicitness, it is too likely either that bland decisions will emerge by consensus or that hiring managers will make decisions informed primarily by their own opinions. This specification of decision-makers isn't one size fits all. It should be derived based on what's being hired for (i.e., the more the hire is "for the enterprise," the more important it is not to have the hiring manager alone make the decision… and the more the hire is "for the job," the more important

it is not to dilute the accountability of the hiring manager to decide and own the results) as well as who is best positioned to judge the attributes critical to the hire's success, as they've been laid out in the role visualization.

Have a clear philosophy that guides offers

The way a firm makes offers doesn't just drive the outcome of the recruiting process; it significantly shapes the cultural fabric of the firm. In the absence of a clear philosophy for how offers are constructed and how they are communicated, there will be a great temptation just to focus on "what do we need to do to get to yes." This might be fine in any given case, but in the long term risks outsourcing one's own compensation and career strategy to one's talent competitors (how do we outpay X or promote faster than Y?).

We'll explore what a philosophy of compensation looks like in other posts, but to establish a picture of what crisp guidance about a good offer looks like, here's an example from one of the ventures we work with:

When we make offers, we're clear about what our value proposition is and what it isn't. Our principles are:

- *Offer enough money to be fair, but not enough money that we'd expect to be someone's best cash offer*
- *Paint a compelling, accurate picture of how if they succeed and we succeed, they'll flourish over the long term – how they will learn more, achieve more and profit more than they would elsewhere*
- *Don't make promises or guarantees – anyone who wants a sure thing isn't entrepreneurial enough for us, and anyone who won't trust us after meeting people and kicking the tires shouldn't take a job with us*
- *If someone is too attached to title, decision rights, perks or anything of the sort, that's a sure sign that they value the wrong things – don't hesitate to "get to no" if the negotiation shows something that would have caused us not to "get to yes" if we'd seen it earlier*

Having these principles saves us grief. We don't want to deal with people feeling resentment because they think we haven't kept promises or because they're struggling to hang on to privileges. We are building something significant as a team. The right people will focus on that, and will do well when we all do well together.

Another organization we work closely with, a social enterprise, is specific about five core elements in their value proposition to people:

- *We provide the opportunity to be a citizen and a contributor to an organization making a transformational difference to tackling poverty*
- *We provide opportunities to learn at the cutting edge of our field*
- *We use the work at hand to provide opportunities for growth and leadership; we hold up a*

mirror to everyone and encourage each individual to stretch
- *We provide a culture in which people live a distinctive set of values and principles, and in which any member as a citizen in the firm has standing to call out and help address when we fall short*
- *We create an atmosphere in which people at every level are among the most talented in the world, and each individual therefore has the opportunity to learn from the best, both as peers and as mentors*

Of course this organization needs to be clear about compensation and the rationale behind the compensation – all the more so given that they can't pay competitively with most of their talent competitors – but they also recognize that the "offer process" needs to revolve around *showing* the individuals they're seeking to recruit what these five differentiating elements might concretely mean for that person and establishing an overwhelmingly strong reason to believe in these apparent "intangibles."

Cultivate prospective hires on their own terms

Recruiters often talk about "selling" candidates. It is much more effective to think about treating candidates as clients. By understanding what actually matters to a candidate, and genuinely getting on the same side of the table to be a thought partner about what is best for him or her, a recruiter can convey the firm's value proposition in the most relevant terms, and establish through action rather than through assertion the way the firm cares about people. If, at the end of the day, there is some other better way for the candidate to advance his or her values, the employer should take that as "getting to the right no," versus regretting the failure to get to yes.

At Katzenbach, taking this stance was critical to our success. Our primary campus recruiting competitors were primarily McKinsey, BCG and Bain. Given we were making offers to 1 – 2% of applicants at top schools, nearly everyone we courted had other very attractive opportunities. Despite this, our yield on campus was always above 50% and many years 60 – 70%. We refused, in a conventional sense, to sell. Students with an offer would ask us "why should I go to Katzenbach rather than Bain" or similar questions, and we'd articulate that we didn't know *if they should* choose Katzenbach. We put an immense amount of effort into understanding what really mattered to each individual. If someone saw their long-term future in economic development, for instance, we'd make abundantly clear the advantages that Bain would have: if the student was interested in progressing into roles at places like World Bank or IMF, Bain would have alumni there and we didn't; Bain's global footprint could give them the opportunity to do a third year in an emerging market; and so on. On the other hand, if they thought their way into that field would be through social entrepreneurship, at Katzenbach they'd have the opportunity to see from the inside what it means to build a company early in the growth stage; if they saw questions of organization and capability building as critical to economic development, those would be areas they could learn more about with us; etc.

More importantly, we worked hard to ensure candidates could experience whatever was special about us and relevant to their particular interests. Perhaps they could join a problem solving

meeting with the team at Katzenbach doing pro bono work for Acumen, or we'd go ahead and introduce them to one or two people in our external network who might be a brainstorming partner on career planning questions, as a way of showing that while we probably weren't as well connected as Bain, we'd be extremely proactive about drawing on the network connections we did have to help each member of our team in a very personal way. In some cases like these, we ended up "winning" against what most external observers would have assumed were very long odds.

In other cases, the value proposition was just better for the individual to take another offer – but he or she inevitably came away deeply appreciative of the way we engaged. A few of my close personal friends to this day are people who turned Katzenbach down but whom I got to know well "along the way to no," and we got many, many referrals from people who decided against joining us because of one or another tangible advantage relevant to them we lacked, but who became at least as strong a "brand ambassador" for Katzenbach as anyone who joined.

Build a closed-loop process

Even when they go well, hiring decisions rarely go as planned. As with many skills (see an early post on Working from the Mind's Eye), the surest way to get better at hiring is to visualize how one thinks a hire will play out, observe what actually happens, and reflect on the differences.

One concrete version of this discipline is for the hiring manager to look back at the visualization of the role and write down the answer to three questions:

1. What's my picture of this person's strengths and weaknesses?
2. Given this picture and my visualization of the role, what does this new hire need in order to be successful?
3. Who will do what to ensure the new hire is positioned for success?

This formulation creates accountability and creates a closed loop in which the hiring manager and the recruiting function can look back and evaluate how what happened with each new hire compares to what the manager expected would happen.

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In this account of nine disciplines integral to hiring well, I've steered clear about a number of questions of technique, such as how to interview to ascertain specific things about a candidate, how to approach certain kinds of references, how much to weigh various factors relating to education and experience and so on. These kinds of questions do matter, and I certainly have opinions on many of them, but often hiring managers overweigh the importance of those matters of technique in relation to the disciplines enumerated here. A great interview question pales in significance next to knowing what one is measuring, assessing whether an interview is even a good way to measure that quality, and putting into place an effective way to triangulate among different inputs and

perspectives to parse out the signal from the noise. Most of us would improve our hiring results by trusting our instincts less and making our disciplines more trustworthy.