Hiring for Growth

How to create your most valuable assets to deliver your vision

Capability Consulting

Your most valuable asset

People are the most important asset in your business. They're the biggest influence on your growth and will be the difference between moving beyond your competitors or falling behind.

From strong leaders with the vision and passion to set the right strategy, to energetic team members that collaborate to deliver the best results and work to solve challenges, these people define your direction, identify the best opportunities, implement the most effective technology and ignite your business.

But the competitive landscape is changing fast, with rapid advances in technology, changes in regulation and ongoing political flux, enabling (and even forcing) businesses to rapidly grow and reach new markets with their products and services.

For those companies that can identify and take hold of them, there are huge opportunities out there for the taking.

These successful companies are being led by people with very different insight, expertise and attitude to those people that established and built companies in previous decades.

So the big questions are "How do you find these people and bring them into your business?" and "How do you make sure you have the best people leading your company to growth?"

Like every other area in your business, you need to use experts to deliver the best outcome, and this is equally important when it comes to hiring for growth. We realise that you probably have a good idea of what you need in your next hire, but you can't expect to be an expert in this field, so we've put this booklet together that outlines the best practice approach to finding and hiring the ideal people to help your business take advantage of the new and ever-changing opportunities in your market.

That's what 'Hiring for Growth' is all about. Creating, executing and delivering on your growth strategy and specifically, helping you to find and attract the outstanding people you need to drive that growth.

This 'Hiring for Growth' guide outlines the simple steps to guarantee every hire you make achieves the best possible contribution to your growth plans and ROI.

Sounds straight-forward doesn't it? However, a bit like losing weight, learning a new language or funding a new business project – what is fundamentally a simple process does take significant effort and can easily go 'off the rails' if key elements are missed or incomplete.

Basically, if you cut corners when hiring, you will probably regret the result.

That's why typical recruiters fail with almost 50% of the placements they make – they miss out the most important elements of this simple process. You probably have experience of that disappointment – many clients I successfully work with, have had poor previous experience with recruiters – to the point that you may hesitate to hire at all.

This guide aims to give you reassurance and confidence to know that you can achieve your goals with the right people.

Based on years of experience in finding, assessing and recruiting outstanding people, I have proven countless times, that there is always an outstanding candidate who is ready, willing and talented to make an exceptional difference for your business. Every day, I'm amazed by how much talent exists, and by how many viable and outstanding candidates are available for just about every entrepreneurial company at every job level.

When you try to fill a critical position in your company from a shallow pool - your existing employees - you may not find exactly what you're looking for and so accept a compromise. Open the search much wider (externally), and your pool is much deeper.

You don't need to settle for second (or 100th) best and you certainly don't need to settle for just 'competent'. As my Mum often told me when I was a teenager, "there are plenty more fish in the sea".

Follow the 'Hiring for Growth' plan closely, or even better ask Capability Consulting to do it for you, and your 'talent pool' will be much deeper, your hook more accurate and you will catch the ONE person who will make the most positive impact for your business.

So what's the problem with hiring?

Many businesses achieve only a fraction of their potential because they are in fact only being driven forward by one or two motivated people – other members of the senior team are just cruising and collecting a heavy paycheque.

54%
of new hires fail

The typical recruitment process is flawed. **54% of new hires 'fail'**.
They fail to deliver the objectives of their role. They fail to integrate fully into the company culture. They fail to make a discernible positive impact on the company that hired them.

Companies holding on to outdated hiring processes are suffering enormously:

The 2017 Gallup 'State of the UK Workforce' statistics show that a staggering **92% of the UK workforce is "disengaged"** (up from 83% in 2013). Bad for business. A huge drain on resources.

The bulk of employees in the UK, **-- 73% -- are classified as** "**not engaged,** meaning they are psychologically unattached and putting little energy or passion into their work."

The remaining **19% are** "**actively disengaged,** resentful that their workplace needs aren't being met and likely to be acting out their unhappiness on the job."

73%   +   19%   =   92%
"not engaged"   **"actively disengaged"**   **UK employees 'disengaged'**

"psychologically unattached and putting little energy or passion into their work"   "resentful that their workplace needs aren't being met and likely to be acting out their unhappiness on the job"

When people feel like this in their work, they leave. **Or even worse, they stay** and have a negative impact on the whole business. The effect on the businesses they are responsible for can be catastrophic.

It's not just the salary cost of those hangers-on that's damaging.

Those disengaged people hold the business back or even drag it down.

An unmotivated, unhappy, or even possibly destructive Director has a huge negative impact on their entire team and across the business.

Typical recruitment processes have a lot to answer for in this situation. **When you first hire, it is the one time when meticulous due-diligence is a must.**

Why is it that a company may spend months checking out options when it comes to key IT systems, but will often hire an IT Director to implement and run the system, based on just a quick review of the candidate's CV and an hour-long interview (when everyone puts up their self-promoting façade)?

If a new senior hire doesn't truly 'get' what you need to achieve, and genuinely 'want' to achieve it - then all the 'talent' they have on their CV is wasted and worthless (or even destructive).

The recruitment industry typically touts 'talent' as the panacea for all needs, but only because 'talent' is easy to find.

Finding the best engaged, motivated and aligned talent is much harder.

The Hiring for Growth Plan

At the core of the 'Hiring for Growth' Plan there are only **3 simple elements** that are central to its success. If all you take away from reading this is these 3 elements, then this alone can dramatically improve hiring results.

The first is **one key PRINCIPLE** that will help you overcome the traps of the typical recruitment process and ensure you consistently make better hires.

To help apply that principle PRINCIPLE to your hiring processes, we follow **two RULES** that we will explore too – one to start the process and one to help you finish it the right way.

The Key Principle in 'Hiring for Growth'

Talent ⊕ Gets It ⊕ Wants It ⊜ Your Goals
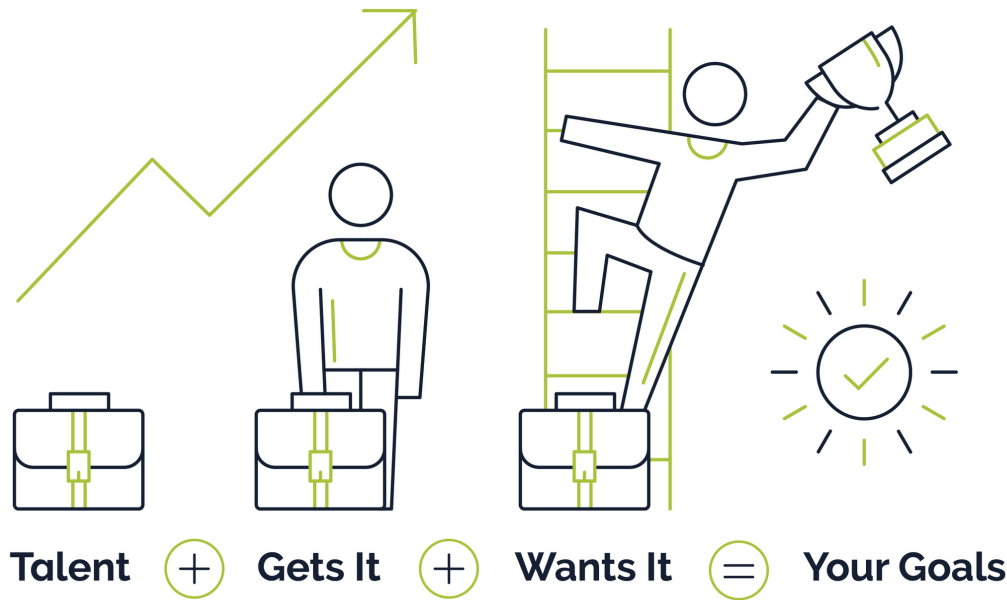
When hiring at Leadership level, history has built up our habit of relying on 'talent' or 'competence' to do the job. The assumption was that if someone has the right knowledge, skills and experience then they would be good at the job.

This perhaps made sense in the industrial era, when each person had a specific, almost mechanical part to play in a bigger corporate machine. Now very few roles are that straight forward. Now, in an age defined by transformation not process, success relies on adaptability, decision-making and change. Knowing how you did the job yesterday or last year, is no guarantee of success in the role tomorrow.

Today, skills and experience are of course still necessary, but the true driver for success is a person's connection to the hiring organisation's goals and how much of their ability they are prepared to put in to achieve those goals – they must 'get' what the business is trying to achieve, and they must 'want' to achieve it.

This is the key principle I'd like to share with you today. **If all you do is focus on the 'get it' and 'want it' principle, you will greatly improve your hiring process and the building blocks for growth of your business.**

'Hiring for Growth' Rule #1: No Guesswork

Human nature relies on guesswork and making assumptions – it is one of our greatest survival mechanisms. Assumptions create habits and automatic responses, so that we don't need to waste conscious brain power every time an experience repeats in our lives.

But in the absence of true threats, many of those assumptions lead to bad habits or choices. In those circumstances, we need to consciously avoid the assumption and actually analyse the real situation.

Typical recruitment process has become a bloated series of such bad habits:

- Most 'Job Descriptions' are entirely one sided and deadly dull. We assume that someone competent in the "required skills" will want the job and be good at it.

- Most CVs are entirely biased in the other direction and are also deadly dull. The writer assumes their skills and experience will be enough to get the job and the reader usually assumes the CV is true.

- Most interviews are conducted more like a trial than a two-way discovery process. Employers generally assume they have the upper hand and the candidate should sell themselves into the role.

To avoid such assumptions, we follow 6 steps:

 Step 1 – Research & Plan

 Step 2 – Presentation & Marketing

 Step 3 – Sourcing

 Step 4 – Filtering & Screening

 Step 5 – Interviews

 Step 6 - Decision & Offer

Step 1: Research & Plan

What do you need the new hire to achieve and how might they go about it? You're not going to simply dust off the old 'Job Description' from the last time you hired.

Create a scorecard detailing exactly what you're looking for in the role.

1. **About the business, the role and what needs to be achieved from this hire:**

- **Mission** – the core overall purpose of the role and the company
- **Outcomes** – specific target outcomes that the role should achieve
- **Values** – what are the key values we're looking for candidates to hold

2. **About the capabilities you need from the candidate and how they will work best in your business:**

- **Talents** – the key skills and experience needed to accomplish the Mission
- **X-Factor** – The attitudes and attributes which work best in your business

Now every candidate can be assessed against the same rigorous criteria.

The X-Factor Exercise

The purpose of the X-Factor exercise is to find the attitudes and traits of the people you really want in your business and those you don't. You want to discover what types of actions each group makes, so then you can create interview questions around similar scenarios which clearly differentiate a candidate as X-Factor material or not for your business.

An example:
A company that values its 'family' spirit – no strong hierarchy and everyone works for the good of the business rather than their own career agenda. The CEO told me a story of a Director who told off a Manager about the way the Manager spoke to them, saying – "you can't speak to a Board Director like that." The CEO said that if he had been there when it was said, he would have fired the Director on the spot. That 'family spirit' is an X-Factor for his business.

Write down (very specifically) the attitudes and characteristics of your 3 best employees and your 3 worst employees over the last 3 years. This gives you a good idea of what you're looking for and what you want to avoid.

'Top 3' performer attitudes and characteristics	'Worst 3' performer attitudes and characteristics

Step 2: Role Presentation & Marketing

Now it's time to create the Role Profile, targeted to appeal to your ideal fit candidate using the X-Factor exercise results. You are looking for quality not quantity in response to this Role Profile. It should appeal to the right candidate and ideally put-off the wrong candidates.

This is not a traditional job description. It is designed to connect emotionally with your ideal candidate. They need to recognise this as an ideal opportunity for them. It should appeal to their motivations, values and purpose. They need to see that this is the role where they can really 'make a difference'.

The Role Profile should be written with as much thought and care as any key marketing or sales document – it is designed to attract your most valuable asset.

This profile may form part of a targeted advertising campaign and is also likely to be shared with viable 'headhunt' candidates – these are people not actively searching for a new opportunity (so they are not registered with recruiters or on CV databases). Most of the best candidates fall into this category, but they are the people most recruiters completely ignore.

Done correctly, this will help attract your ideal candidate, **even when they are not actively looking for a new role.**

Step 3: Proactive Sourcing

This is one of the most valuable steps of the process and is one where you need to take your time to do it well.

You may need to consider 100's of 'talented' candidates before you find 'The One' who will deliver extraordinary results, but remember the time you invest now will be well worth the reward of finding your ideal candidate.

- Proactively search relevant online databases, social media and offline networks etc.
- Headhunt relevant 'passive' candidates
- The recruiters 'Little Black Book' of relevant contacts (though avoid a recruiter who relies on this alone)
- Your own business or industry network
- Advertise to attract further 'active' candidates

Remember this process is not just about finding someone merely competent or talented. Seeing their CV or LinkedIn profile may be the first step, but then it is crucial to dig MUCH deeper to discover the real person behind the profile. This takes significant time and effort - but it is worth it.

Step 4: Pre-interview Assessment

We can't rely on just candidates' CVs. **One of the most dangerous assumptions is that the CV fully or accurately represents the person.**

You can save a lot of wasted time with initial screening by phone:

It is crucial here to **not ask leading questions.** That also means **not giving details of the role before asking these questions,** because people just can't help trying to give the response they think you want to hear. You need to gauge their true motivations – whether they are likely to 'want' to deliver the goals you have for the role.

These 3 questions will help:
- What are you career goals? Or, What kind of opportunities might be of interest to you?
- What are you really good at professionally?
- What are you not good at or not interested in doing professionally?

This type of questioning will draw the potential candidate to reveal their true nature, their attitude and whether they fit your X-Factors.

Once you have the answers to questions and feel you have a potential fit, it's their turn to grill you:

Don't 'sell' the business or the opportunity - be as open as possible and tell them about your business and the role, warts and all. Yes, some talented candidates may be put off, but that's good - they are not the people you want.

The right people will be interested in the good and the bad and will 'want' to progress further.

Step 5: Interviews

I always meet a candidate multiple times (at least six, often 10-15 times), ideally face to face (at least once, though Covid 19 lockdown showed that a lot can be achieved via virtual meetings) before I recommend them to a client. If you follow this process on your own you may not get that luxury, so I recommend at least two interview meetings, each in a different environment (i.e. one 'on site' and one in a 'neutral' location such as a café).

Questions to AVOID when interviewing:
The classics of the typical interview that are way too vague and the answers people prepare for these questions rarely have any connection to reality (they will say what they think you want to hear, not the truth):

- "Tell me about yourself"
- "What are your strengths?"
- "What are your weaknesses?"

And stay away from leading questions -

- "Tell me about a time when you had to adapt to a difficult situation, **what did you do?**"
- "Tell me about a conflict with a colleague **and how you resolved it?**"

It can be hard to resist putting that leading trail on the end of a question, effectively telling them what you want to hear (you often want the candidate to give the right answers, you can't resist leading them into a positive response), but these will generally get false-positive or 'canned' responses.

Then there are the hypothetical questions -

- Anything beginning with "what would you do if...?"

These answers will often be idealised - what they would 'like' to do, but not necessarily what they would 'actually' do. **There's a big difference between knowing the right path and walking the right path.**

And the terrible trend for ridiculous and totally irrelevant questions –

- Does 1 + 1 always = 2?
- How do they make sure the yolk is in the centre of a Cadbury's Cream Egg?

Those are real questions, which have been asked in serious interviews for senior roles! **Ridiculous questions will only get ridiculous answers.** There are better ways to explore 'out of the box' thinking (like asking them to tell you about a real example of innovative or creative thinking).
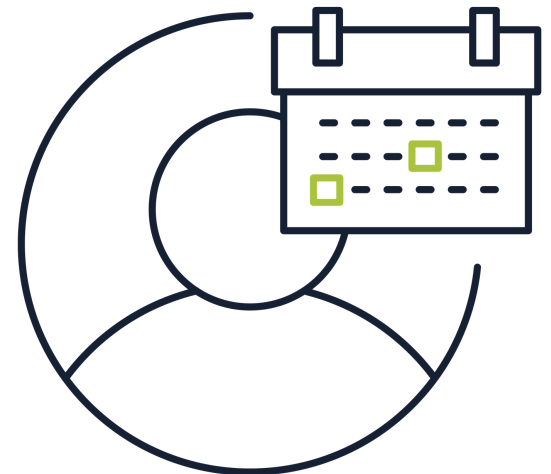
Problem Solver or Problem Bringer?

You know those people in the office who always seem to turn a problem back on someone else, or just blame someone else for it? It's never their fault and they never take responsibility for solving the problem. No one wants to work with that person, they sap energy, but sadly there are plenty of them around.

So, how do you uncover them?

The key is to dig down to discover if the person is either a 'problem solver' or a 'problem bringer'. The difficulty with many typical interview questions (like those on the previous page) is they lead everyone to sound like a 'problem solver', when that may not actually be true.

Based on the key X-Factor character and attitude traits that you established work well in your company (the common traits of your best and most reliable performers) and those that you know don't work well (the common traits of your worst and least reliable performers), pick a situation that would differentiate those two groups (good and bad performers) and ask the question beginning "Could you tell me about a situation (or time) when you ....?"

You start the question with "could you tell me about a time when..." and make sure not to add a leading trail to your question (like "...and what did you do about it?"), as that will falsely lead their response.

So for example:
If you recognise that your best performers tend to have the trait of 'taking responsibility and ownership for customer problems to make sure they are resolved', but the worst performers tend to 'avoid customer problems until it's too late to fix them, then pass the buck on someone else or just blame the customer', then you might ask the question - "Could you tell me about a time when you had a customer unhappy with you or your company?" or "could you tell me about a time when you were struggling to meet a commitment you had made to a customer?"

Then let them tell you about how they responded to that actual type of situation. This type of open yet specific question should get them talking in detail (and telling the truth!). **Let them talk as much as possible – the more they talk the more reality you will hear.**

I recommend finding at least 6 relevant situations which could show the traits you want like this and ask the questions in the same format each time.

Strengths & Weaknesses?

Everyone has a canned response ready for those classic interview questions:

"My weakness is that I can be a bit of a workaholic because I am such a perfectionist that I won't stop until I have the perfect result for my company" – yeah right!

There is a much better way to get the truth on their strengths and weaknesses.

It comes in a simple 5-step sequence of questions (and it is important to keep the sequence for accurate results):

1. What was your last Bosses name? Please spell their full name for me? (this 2nd part of the question is easily overlooked but really important - it's so specific that it focuses their attention massively and makes them feel accountable)
2. Could you tell me about Joe Bloggs as a Boss?
3. What's something you could have done (or done differently) to enhance your working relationship with Joe Bloggs?
4. When I talk to Joe Bloggs, what will they tell me your strengths are?
5. Now everyone has areas where they can improve, so when I speak to Joe Bloggs, what will he tell me your weaknesses are?

This sequence really focuses their attention and gets much more realistic responses.
It is always good to get a second opinion, especially if you don't use a recruiter. Can a colleague or advisor also meet the candidate? This is also a good way to drill down on a specific competency, skill or trait needed for the role.

So, for example if you need a proactive 'hunter' in sales, the colleague could ask questions like:
- What are your biggest achievements in sales so far?
- What insights have you gained from mistakes or lessons learned in sales?

Finally, don't forget the references. During the interview you asked about what their Boss will say when you ask them about strengths and weaknesses. That helped keep them honest and now you have the chance to double check those responses. It's worth taking that opportunity. Mention a weakness the candidate described – how did it pan out?

Step 6: Decision & Offer

By now you should know if they have the 'Talent' you need, if they 'Get' your goals and culture, and perhaps most importantly if they truly 'Want' to deliver on those goals.

If all those are positive – hire them, fast! If you are thorough with the process so far and made no assumptions, then the negotiations should be straight forward – they 'get it' and they 'want it'. Be fair with your offer and they should bite your arm off.

If in doubt, always keep to the second 'Hiring for Growth' rule - **No Compromise!**

'Hiring for Growth' Rule #2: No Compromise.

This is a simple rule, but very valuable to the future success of your business.

Don't settle for someone merely talented. There really are plenty more fish in the sea!

Keep in mind that **if you start and follow the 'Hiring for Growth' process with NO GUESSWORK, then you can complete it with NO COMPROMISE.**

Talent ⊕ **Gets It** ⊕ **Wants It** ⊜ **Your Goals**
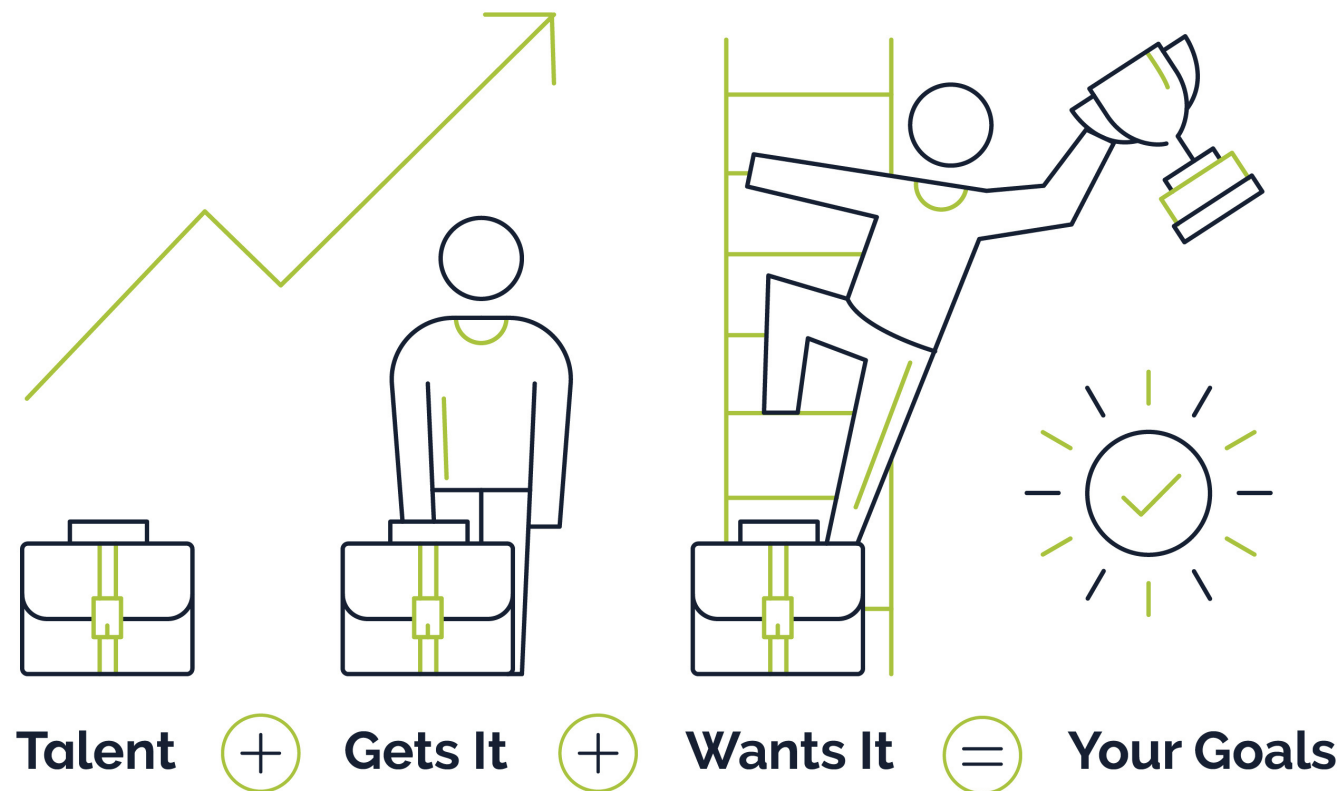
One last thing...

In addition to this handbook, Oliver Parker has written a book called '**The Capability Crisis'**. It covers the traps scale-up Entrepreneurs need to avoid in the typical executive hiring process, and how to hire with full confidence to create growth.

This book gives more indepth insight into the importance and best practice behind 'Hiring for Growth'.

You can download the book for free from the Capability Consulting website:

www.capability.consulting

The Capability Crisis

The 7 Biggest Mistakes CEO's and Investors Unwittingly Make When Hiring for Critical Leadership Roles. How to Avoid them and Create Growth

by Oliver Parker

Capability Consulting