WHY CAN'T I HIRE GOOD PEOPLE?

LESSONS ON HOW TO HIRE BETTER

BETH SMITH

INDIE BOOKS
INTERNATIONAL

For Randy

*Your belief in my ability never wavered, no matter how
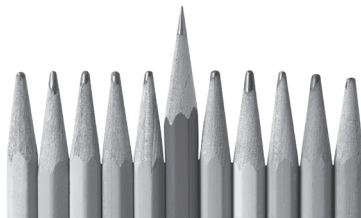hard things got.*

—

For Katy

*You once asked me for the first signed copy of this book.
What a gift you are to me.*

—

For the Boulder Police Department
University Hill Team 2000–2005

*Thank you for your dedication to the safety of all
Hill patrons and for changing the course of my life
at the same time.*

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FOREWORD

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"No comment!" I yelled to the reporters standing outside my restaurant. They were investigating a Colorado football recruiting scandal and my unfortunate participation in it.

For six years, I owned a bar and restaurant in Boulder, home to the University of Colorado. One night, the manager I had hired to help me run my business let in two underage football players, who subsequently were accused of committing a crime. This incident, part of the university's 2002 football recruiting scandal, made national news.

Because this manager's actions violated underage drinking laws, I was in trouble with the Boulder Police Department. Then the Boulder Fire Department accused me of allowing overoccupancy that night in the restaurant. And then the Boulder Environmental Enforcement Police cited me for excessive noise. The money, time, and energy I spent cleaning up the mess were astronomical.

My bad hiring decision had compromised the safety of my employees *and* my business neighbors *and* the larger Boulder community. It left me distraught, questioning my competence to run my business. When a business owner has to face the unfavorable outcomes of a hiring decision,

the resulting emotions can be raw and powerfully negative.

I have a degree in social work, and I believe myself to be a people person. To have made a hiring decision that so dramatically affected my business and my community was gut-wrenching. I knew there *had* to be a better way. What had I missed when I interviewed this person?

When I met with the police department, I asked one of the detectives, "What can I do to make sure this doesn't happen again?" He replied, "You need to learn how to hire better."

So obvious. And absolutely correct. It was just that simple—and just that hard.

That conversation prompted a series of phone calls to other business owners. "I need to learn how to hire better. Can you help me?"

The responses I heard reinforced a common theme:

- "I'm not sure either, Beth. I don't know how to hire good people. So, once you figure it out, I hope you'll let me know."

- "This has always been a problem for me, and I've been in business for twenty years. I've never figured it out."

- "Sorry, Beth, I don't even know where to send you to learn how to hire better, because I haven't found anything that works."

- "Hiring just is what it is, and you just have to deal with turnover."

- "I always go into a new hire thinking I have a 50/50 chance as to whether or not they'll work out."

This wake-up call shook me to the core of my being. I vowed to never, *ever* put myself or my livelihood at risk again because I had failed to properly screen a job candidate. I went in search of an absolute foolproof method for hiring people. This book is the culmination of that search.

I simply wanted answers. I read every book about hiring I could find. All of them suggest pretty much the same approach: They talk about how dramatically expensive a "mis-hire" is. They talk about how we get it wrong. They talk about what you can legally ask in an interview and what you can't. They talk about references and criminal background checks and the "perfect questions" to ask. Each book insists on its particular formula for filtering out the best candidates.

What these books rarely or barely cover is the interview process, its structure, and protocol. Their authors typically state, "There are plenty of other resources on interviewing, so we're not going to cover that in this book," or something to that effect. But I've never found a book that focuses wholly and completely on the interview and candidate selection process.

In my research, I also read business journals, white papers, and academic studies. I read best-practices manuals from dozens of industries. I took a workshop from the Boulder Chamber of Commerce on hiring and other HR topics. I asked friends and family members how they were hired. I asked my fellow business owners for their hiring techniques. The hodgepodge of answers, styles and philosophies of hiring made it clear that hiring and keeping good employees is more luck than skill, and that *a lot* of time is spent managing turnover, low employee morale, customer-service mishaps, product-quality issues, and other consequences of poor hiring techniques.

I discovered that interviewing job candidates is a largely misunderstood science. Most managers "wing it," because they haven't been taught how to conduct an effective interview.

Disillusioned and uncertain that a truly good model for successful interviewing existed, I took a bigger-picture view to ponder, "How can I save my restaurant by hiring better people?"

The question inspired me to develop a system of interviewing that reveals a candidate's motivations, talents, desires, and passions. *This* is the meaningful information that enables an employer to effectively discern the absolute best fit for the role, the mission, and the culture of the company.

Why does that matter?

Every boss/manager/executive deserves to have the very best employees working for them. Think about the impact on the world: When companies hire the right people, work environments are pleasurable, productive, and innovative, and mountains move.

In 2006, I got out of the restaurant business and started A-list Interviews. I now teach businesses how to conduct interviews so that they are hiring the right employees and propelling their businesses forward. I want all businesses to have access to this process.

This book presents my Response Analysis System (a trademark of A-list Interviews). As an outside hiring manager, I've conducted over 20,000 interviews using this system; 91 percent of the first fifty hires were still employed by my clients after twelve months. Some are still there after *six years*.

That's why I wrote this book.

INTRODUCTION

You Have to *Learn* How to Hire Better

Your current or past hiring misfires may be less dramatic than mine, but your business is likely facing the challenge of underperforming, disruptive, or otherwise ineffective employees. According to Peter Drucker, world-renowned business consultant, two-thirds of all hiring decisions are found to be a mistake within the first year. You're certainly not alone in dealing with that issue—or with these:

You wonder, "Why can't I hire good people?"

- You struggle to find that perfect long-term employee who has passion for the position.

- You're uncertain about what to listen for in an interview to ensure that you have all the information you need to make a good decision.

- You get bogged down by the number of resumes you receive for an open position.

- You're unable to respond to each applicant in a timely manner.

- It seems like you should be looking for something specific in the resumes you receive.

- You wonder, "Where are all the good employees?"

- You think, "I can't hire, I don't know how to hire, and I don't know what to do about it because I still have to hire."

I provide a solution for these issues and many others you may not have bumped up against yet. My unique *Response Analysis System* comprises techniques that will ramp up your hiring practice—namely, the interviewing process.

The *Response Analysis System*, simply put, is a structured method of listening to the exact words of the candidate to determine if he or she is the right fit. This sounds easy; however, it is actually more sophisticated than you realize.

CLIENT WISDOM

"I liked that I didn't have to say anything if I didn't want to. The process was all mapped out. Every candidate got a fair shot at succeeding or not succeeding."

— Steve Caldara, President, Caldara, Wunder, and Associates

For example, imagine you have asked this question in an interview:

"Tell us about your best boss."

The candidate replies, "She was really easy to work with."

What is the most important word in that answer?

With. (You were going to say "easy," weren't you?)

"With" reveals the perception the candidate had of the relationship with the boss. She did not say "easy to work *for*." Employees do not work *with* the boss; Employees work *for* the boss.

The *Response Analysis System* is a way to listen to a candidate's words without filters, biases, or interpretations. You have to take at face value what candidates say. If you don't, you end up missing the underlying communication or trying to decide if they meant something else, and that's counterproductive to the point of an interview.

You are about to learn:

- Why the current interview process doesn't work and how to fix it

- Why we interview the way we interview

- The psychology of the interviewer versus the interviewee

- How to clarify your vision for a position

- How to create an ideal candidate list

- How to use a job description effectively

- How to write a compelling job ad that invites the best candidates

- How to screen and filter resumes and applications to determine fit

- The critical components of the first, second, and third interviews

- How to maximize a new hire's impact

Confusion, resignation, stress, doubt, and anxiety all accompany a poor hiring decision. I know this from my own experiences and that of my clients. Such an internal state typically produces these unconstructive managerial behaviors and attitudes:

- Hiding turnover rates because of embarrassment

- Failure to properly train new hires

- Lack of accountability

- Internal promotions without adequate clarity of expectations

- Suspicion about employee activities

Such managerial dysfunction then shows up in the workplace as lower employee morale, tense relationships between managers and staff, and reduced productivity. Ultimately, your company's viability is at risk.

My objective is that you, upon turning the final page of this book, will have new or renewed confidence in your ability to make good hiring decisions that have immediate and long-term benefits for your business.

A heads-up: Please know that the *Response Analysis System* requires a lot of work. It will not make the hiring process quicker or easier *in the beginning*, but it will be time wisely invested.

Managing bad hires, constantly staying on top of them, putting out their fires, is the real time (and money) wasted. You necessarily spend valuable time on every new hire; I want you to do it up-front in the interview process, not on the back end, micromanaging them.

CLIENT WISDOM

"I have a new appreciation for what does and doesn't matter. I thought I was making mistakes in recruiting, but I was actually making mistakes in interviewing."

— Matt Mendez, Founder and President, SpinFusion

It is time to revolutionize your interview process so that you find the right person the first time—every time.

BEST OF BETH'S BLOG

Do Not Hire Good People

The question that every client invariably will ask me when we begin to develop their interviewing process is, "Why can't I hire good people?"

My poor clients are often doing their full-time jobs and the full-time jobs of other employees. My clients are tired, burned out, and are starting to hate the work they do because they need good help and are feeling overwhelmed. One client confessed to me that he hated going into the office every day because his direct reports have put piles of work on his desk that ultimately belong on their own desks. And his question to me was, "Beth, why can't I hire good people?"

My answer? You don't need good people. You need good *employees*. There is a big difference.

Think of it this way: I consider myself a good person. I vote, I recycle, I save dogs, I take good care of my clients. I hold the doors open for people, and I honestly care about our planet. Like I said: a good person. But if you put me in front of a computer for fifty hours a week with a set of headphones doing internet research, I would lose my

mind. I would become a lunatic with a road-rage problem. A good person, but a terrible employee, because I would be in the wrong job. I need to be with people—working with people, talking to people—or I am not happy or productive.

Hiring good employees means hiring people for the right job. Hiring good people and putting them in a job they hate makes them bad employees. My advice? Do not hire good people: hire good employees.

CHAPTER 1

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This is Not a Coffee Chat

I realized, in retrospect, that my disastrous restaurant manager had made a troubling comment in the interview that I'd missed because his other skill sets were strong. I asked this candidate what type of person he would hire if he were in charge. He said "I'd hire a woman." In retrospect, he didn't even sell himself for the job. He isn't a woman, and yet that is who he would hire. The comment is sexist and short-sighted, and I ignored it. That single hiring mistake cost me a fortune to clean up.

Fact: Whatever you missed or dismissed about a hire during the interview will be what you eventually fire that employee for.

How did I miss something that was so obvious? Because I treated my interviews like the majority of hiring managers do—like a coffee chat. This is one of the biggest misperceptions about the interview process. The best hiring managers today have recognized that they need to do something more formal and less conversational.

Most people, even HR personnel, don't interview frequently. However, we all have conversations with coworkers, family

members, friends, and strangers in the checkout line—all the time. Chatting is natural and easy, a somewhat basic skill. Take a minute to consider what you're doing when you're just chatting with someone. You're likely discussing something pleasant, noncontroversial, or inconsequential. People naturally find common areas of interest to focus on; the subconscious urge to make the conversation smooth and interesting is hard-wired.

If you're in a tough spot with a recent (or not-so-recent) hire, don't let it get you down. A poor hiring decision has nothing to do with your ability to form good relationships. Interviewing is a process completely different from choosing a friend or partner. It entails unique and distinct motives and leverage that shape the dynamic between people in a hiring scenario. An interview is unlike any other interaction you encounter, personally or professionally.

CLIENT WISDOM

"Having this process in place is an enforcer: it changes your level of commitment to the process and to the candidate that you hire."

— Rick Taylor, President, Lefever Building Systems

Consider this scenario: Two professionals—let's call them Becky and Don—have been acquaintances for a while, regularly seeing each other at networking and community

events. There, they chat about their industry's trends, what the big players are up to, and how the local business scene is evolving. They recognize their connection and respect each other's opinions.

Becky and Don decide to have coffee. At their meeting, they brainstorm how they can serve each other's business. The tone of the conversation is a mix of pleasant curiosity, professional respect, and sincere enthusiasm for possible collaboration. Becky and Don perceive each other as equals.

In a different scenario, we have Anita and Barney. Anita's company has an opening for a key staff position, and she's responsible for the hiring process. She sets up an interview with the applicants whose resumes display the most relevant keywords and industry experience (more on that in chapter 4). The networking conversation, with its business-casual tone, comes naturally to Anita, and is the style of conversation she predictably brings to the interview setting. She is relaxed, friendly and confident.

Barney, one of the job candidates, is scared, impatient, and worried. His life is in an uncomfortable transition period. This is not normal for him. He will tell Anita anything she wants to hear so that he can get this position. He's not lying; he's not even exaggerating. He's surviving. Barney's thinking, "I have a family to feed. I've got a mortgage to pay. I've got things I need to accomplish, and I'm out of work."

Anita is just having a conversation, while Barney is confronting what feels like a life-or-death situation.

Barney is in for the fight of his life. Anita is just having coffee.

As the hiring manager, Anita is in a hurry: "I need somebody in here now." She typically isn't thinking big-picture about her company's long-term interests, or about how the role she's hiring for can evolve to advance the company. On paper, Barney looks good. She asks him questions, the answers to which she subconsciously knows won't disqualify Barney. For example, "Did you have trouble finding us?" or "I notice on your resume that you have these skills. Tell me about them." She's still having coffee. Barney, on the other hand, is anxious because he needs a job. An interview is extremely unnerving for him.

This tension leads Anita to stop asking questions and start selling the job, because that makes Barney feel more at ease. Anita gets into her comfort zone, selling the job and company, and Barney just listens to her. He is a captive audience. This shift, which neither will notice, has just ruined their chances of having a great employer/employee relationship, because Anita is now taking care of Barney, when the objective should be that Barney, the employee, helps his potential future employer, Anita.

Another surprise will be when new-hire Barney turns out to be a different person than interviewee Barney. Once hired,

he will no longer be nervous; he'll be relieved—and happy. He'll love his new job, and probably bring energy and talent that wasn't apparent in the interview. It'll seem like a good thing—and Anita may have gotten lucky—but as time moves on, Barney could ultimately not be the best fit for the role or the company's culture.

Anita focused more on hiring Barney than on screening him. The interview didn't fully address expectations— Anita's and Barney's—or accountabilities—Barney's to Anita and Anita's to Barney— or Barney's passions and motivations. This is how you get on national news. (And not in a good way.)

> ## BEST OF BETH
>
> *"Hiring has nothing to do with judgment."*

Hiring is Easy: Interviewing is Hard

The dynamic between an interviewer and a job candidate is clearly unlike any other dynamic between two people in our culture.

Given what the words "interviewing" and "hiring" mean, the process can be this simple: "Barney, would you like to come work for me?"

"Yes, Anita, I would."

"Okay. You're hired."

See? Hiring *is* easy.

Interviewing, when done correctly, is hard, because the preparation before and during the interviewing phase—

and, by that, I mean *multiple* interviews—requires you to rigorously investigate your rationale and vision for hiring someone at all (see Figure on page 23 for an overview of the Seven Steps to Finding Great Employees).

BEST OF BETH

"Do you want just a butt in the seat, or do you want an employee to take your business to the next level? That's the question you need to answer."

Here's the deal: Hiring typically occurs with an urgent mindset that says, "We just need someone in here to do the job," *If that's the way you're feeling, hire a temp.* If some task can't wait to be completed, employ a temporary staffing agency to find you a generalist or a niche-skills placement agency to find you an interim specialist. It's okay to give yourself this breathing room.

That said, a temp is just that—a temporary solution. Sure, sometimes you get the random temp-to-permanent good fit, but this is rare.

Optimize your hiring outcomes via an interview process
that takes luck, surprise, and randomness out of the
equation. For every open position, you'll consider what
evolving, expanded impact you want the role to have
on your company and how the new hire can advance
the company's objectives. You'll need to redirect your
attention from past misfires and disasters, from doubt and
resignation, to the future, to possibility and success.

This is what distinguishes the *Response Analysis System:*
critical, intentional pondering on the front end by the hiring
manager (really, *all* the players in leadership positions)
constructs the pathway that leads to the best hire available.

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SUZY'S LEMONADE INC.

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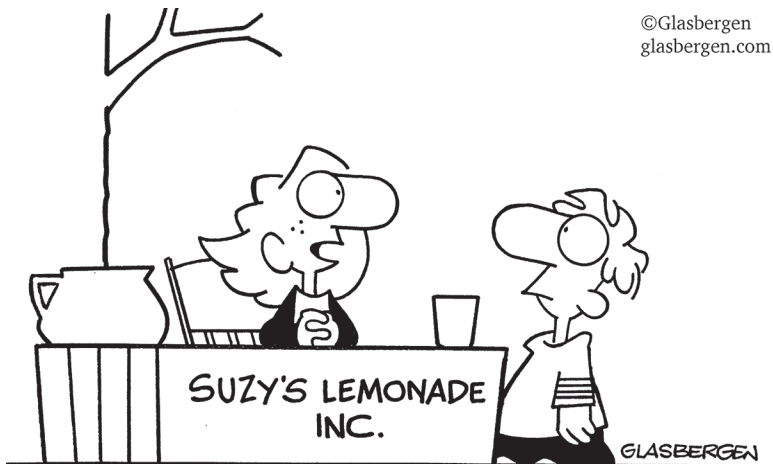
**"I can offer you a great benefits package:
liberal use of the company bike, paid nap time,
free cootie insurance, and a pension at age ten."**

What do I ideally want in a long-term hire? Which candidate do I select to interview whose resume indicates a promising fit? Will this candidate fit my managerial style, the job requirements, and the company's culture?

Chapters 2 and 3 address outlining the perfect role, the ideal job candidate, and the comprehensive job description. Chapters 4 through 6 present a detailed protocol for interviews: the first interview screens for interpersonal compatibility; the second interview addresses the technical aspects of the job, its duties and accountabilities; and the third interview assesses the candidate's passion for the position. The close includes a reminder to train your new recruits. A great hire and a solid training program leads to less management (and turnover) overall.

A-LIST INTERVIEWS: 7 STEPS TO FINDING GREAT EMPLOYEES

STEP 1 — Create an ideal Candidate Description

STEP 2 — Develop Job Description

STEP 3 — Write Your Job Ad

STEP 4 — Receive and Review Resumes

STEP 5 — First Interview: Can I work with this person?

STEP 6 — Second Interview: Can they do the job?

STEP 7 — Third interview: Are they passionate?

A-list Interviews
find the right person the first time