

Predicting successful people

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Abstract

Purpose – This paper aims to highlight the least effective and most effective methods for evaluating job candidates.

Design/methodology/approach – The paper is based on the lessons learned by the industrial psychologists of PSP Metrics, Inc, throughout the 65 years the company has been assisting businesses in improving the quality and productivity of their human capital.

Findings – Traditional selection criteria such as education, experience and job knowledge are not the most likely predictors of candidate success. Multiple meetings with candidates, behavioral interviewing and psychometric profiling are more successful methods of selection.

Originality/value – The information gives HR professionals practical advice on how to improve the quality of their selection process.

Keywords Human capital, Employee selection, Recruitment, Candidates, Applicants

Paper type Conceptual paper

Predicting successful people is a difficult task: there is no silver bullet for making the job easier. It is a complex decision with many dynamic variables to get right. Based on the experience of our industrial psychologists over the last 65 years, we have identified the factors least likely to predict success:

- Job knowledge and experience.
- Knowing the “right people”.
- Having the “right education”.
- Saying all the “right” things in the interview.

and the main reasons why new hires fail:

- Poor listening skills.
- Lack of interpersonal skills.
- Weakness in leading a team.
- Inability to adapt to change.
- Lack of follow through.
- Tunnel vision in work activities.

Most people try to simplify the process by placing most of their focus on job knowledge and experience, not realizing that experience is only one variable that is a lot grayer and less effective in its predictive power than one might expect. Job knowledge has similar challenges, as does the right education. We all know plenty of people who managed to

graduate from college, including renowned ones, without learning a great deal or applying themselves.

What other “simple” variables do we typically look for? Knowing the right people always gives us a comfort level and, of course, if the candidate says the right things in the interview. But most employers have been fooled many times by the candidate who says all the right things and comes well recommended, but in the end, does not perform at the level expected.

Research shows that individuals fail in jobs for many reasons and job knowledge is typically at the bottom of the list. They mainly fail because they have poor listening skills, difficulty in their interpersonal relations, weakness in building or leading a team, trouble adapting to change, lack of follow through, and tunnel vision in their work activities. All of these derailers make it possible for smart people with the right job knowledge, experience, education and references to fail miserably and at tremendous cost and set back to the company.

Approaching hiring as a complex process

So what is a better way to do it? How can we better predict who will be successful? First of all, we have to acknowledge that hiring is a very complex decision with lots of variables and requires gathering as much objective data and information as possible:

- What specific competencies are required for this job?
- How will the performance of the candidate be measured?
- What types of personalities will the candidate have to work with?
- Is our company culture a good fit for this candidate?

Most employers fail in the initial steps in hiring candidates because they do not fully understand what is needed for success in a given position and have trouble even reaching agreement on that among those who are responsible for interviewing and making the hiring decision. They do not think through what key competencies will be required to be truly effective on the job and achieve desired outcomes.

They are also not clear about how success will be measured on the job. They do not take into account the individuals that the person will be working with, or the work styles of their future boss and coworkers, or the overall company culture and how it fits the individual. Thinking about these specific details ahead of time, before you even write the job description or post an open position, allows you to look for the candidates whose strengths match what is most important for the job.

Assuming you have been unusually diligent in exploring the above issues, then you can proceed to ask the important questions about the candidate’s job fit. Can the person do the job? Will they do the job? Will they get along with others? These are three important questions that must be answered in every selection decision. People often forget, however, to also think about how much training and development or supervision will be necessary and whether this person will stay with the company, be able to grow with the job and progress further within the company.

Keeping an open mind

Employers must also consider the importance of keeping an open mind during the selection process. Once key competencies have been determined and adequate thought has been given to the work environment and the company culture, the new candidate must be chosen based upon their fit for the job and not upon any pre-determined stereotype management may have of the ideal candidate.

For example, a small customized electronics manufacturing company was searching for a chief operating officer who could manage significant growth opportunities. There were three candidates, one of which was a female who stood out in her leadership, energy, drive, and

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intellectual capabilities as measured by psychometric testing, and further confirmed by behavioral interviewing. Although the venture capitalist, which owned the manufacturer was initially reluctant to hire a female for the position, four years later she had significantly grown the company which was then sold to a *Fortune* 500 company. A key reason for the premium price attained for the company was her future potential to continue running and growing the division.

Better methods for predicting success

There are many ways to increase the likelihood of choosing a successful candidate. There may be a favorite recruiter who has proven successful in the past because of their knowledge of the company and understanding of what it takes to be successful. Employers often have particular colleges or other companies that they like to draw from where they previously have found successful candidates. Often, however, people make the mistake of assuming that one or two successful candidates with a particular background will equal continuous success from that source.

References

Every employer tries to obtain references from people who know the candidate, but keep in mind that individuals providing the reference may know very little about your company or the expectations of the job and, in fact, may not know a great deal about the candidate's actual previous performance. Asking good questions when checking references can be helpful. Try to find out what the applicant's role was in achieving some of the business objectives cited in the resume, and whether those objectives were part of the employer's business plan for that time period.

Job knowledge

References are, at best, one variable to consider. Experience and background are natural data to collect, as is job knowledge. When reviewing experience, look for a variety in the assignments they have held, as well as a progression of responsibility. Are they continuous learners with up-to-date knowledge and broad business understanding? These data points will give you an idea if the candidate is capable of “big-picture” thinking. Expressed interest in the job is also an important factor but buying a “mercenary soldier” does not typically work out effectively in the long run.

Interviews

Naturally, the job interview has value, but interviews alone remove little of the risk from the hiring decision. They simply do not provide enough reliable information. Group interviews are notoriously less effective and often give a false sense of confidence and safety. Structured behavioral event interviews are a lot more effective and can add greater value than simply winging it. Ask applicants to give you behavioral examples of times they have had to manage major changes or to adapt their thinking to the challenges at hand.

These types of questions can help you identify those impressive candidates who have more polish than actual substance. Candidates who have strong presentation and sales skills often readily impress when in group interviews or when being asked only superficial

questions. For example, a mid-size chemical company was looking for a new CEO. One candidate, a CEO at a smaller chemical company, brought his own press clippings and provided glowing references. He had enjoyed success in a niche product area at the previous company but was not able to translate that same success to a larger company. The selection for this candidate never went beyond the superficial and the interviewers failed to ask these important behavioral questions to see if his success could be truly transferrable to the larger company's culture, personalities and strategies.

The competency model

Before beginning interviews, it is important to develop a competency model so that the focus remains on the most important competencies. A large global manufacturing company with specialized engineered products was floundering at making the adjustments necessary to compete in a changing market place. In searching for a new CEO, an outside consulting firm was engaged to interview all senior executives to see if there was sufficient talent already on board to turn the situation around.

A leadership competency model was created with priority placed on industry understanding, a vision for the company, and change management capability. In-depth behavioral interviews were conducted by the consultant with key internal candidates. One individual from Europe stood out as having long term experience with the company and skills in the desired key competencies. This individual was then interviewed individually by key members of the board and selected for the CEO position. Seven years later, the company has made significant strides in the marketplace, retooled its manufacturing, and is once again a key player in its industry.

Multiple meetings

Meeting with candidates multiple times to observe the consistency of their behavior and allowing them more than one setting to present themselves is of great value. Some candidates are slower to warm up but go on to do an excellent job, whereas other candidates have good role-playing skills for the first interview but lack substance and the ability to sustain their role-playing over multiple interviews and meetings. It can help to take them to lunch or dinner, or have them go on a facilities tour with one of your employees. Notice if they stop and talk to people and if they seem interested or disinterested. At the executive level, play golf with them if they are a golfer or take them to some kind of event. The more contact in different settings, the better for making observations. The more observations, the more reliable your information will be. Patience at this stage is important. The extra time you spend evaluating each applicant will pay off when you do not have to start the whole process over again because you made a hasty choice. Expedient hires seldom have a long shelf life.

Psychometric profiling

A valuable tool in gathering data on candidates is psychometric profiling that measures key skills as well as important work behaviors. Professional testing by experienced industrial psychologists can greatly increase the number of variables that are measured and results in much greater accuracy in predicting successful candidates. Most experienced industrial psychologists will use testing to measure thinking skills and "people skills," with scores reflecting team orientation, adaptability, critical thinking skills, leadership, change management, results orientation, etc. These skills cannot always be predicted or assumed as a result of the individual's experience or educational background. They are also hard to gauge in an interview. That is why testing can add a great deal of objectivity to the selection process.

A mid-sized technology company utilized psychometric profiling in evaluating candidates for a key strategic manager's position whose responsibilities would include planning for future company initiatives. The candidate had a strong resume and did well in the interview process but the psychometric testing revealed potential problems in the candidate's team orientation and ability to work effectively with others. Further due diligence with individuals

who had worked with this candidate confirmed that he was not a team player. Since the ability to build consensus on strategic initiatives was a critical competency for this job, the company decided that this individual was too high a risk and continued the job search.

Observations

Lastly, a lot can be learned about candidates by observing how they handle the pressures of the selection process itself. Are they difficult, tending to complain about various issues or have unusual, perhaps unreasonable, demands around their travel? Do they treat lower level staff with respect, for example the waiting staff who serves their lunch? When negative behavior is observed, typically it will become more troublesome once the person is onboard and not on their best behavior.

A realistic view

It is also important to have choices when you are making a hiring decision and to drop the idea of finding the “perfect” candidate. Having a minimum of three candidates allows you to contrast candidates’ strengths and weaknesses. Every candidate will have strengths and weaknesses and the main task is identifying those accurately so the person’s fit for the position can be determined and also what training and development plans can be made to best help them succeed.

Putting it all together

Including as many of these methods as possible in your search will greatly increase your ability to predict successful candidates:

- Meet with the candidate more than one time and preferably in different settings.
- Take the candidate to a restaurant or on a facilities tour.
- Observe how the candidate interacts with others they encounter.
- Use psychometric profiling to measure important thinking skills and “people” skills.

An example of a company that successfully used this approach is a large multi-national pharmaceutical company that was having significant turnover with its chemical technicians. It asked an outside consulting firm to review the situation and recommend a series of changes in the selection process. A job preview was created which included a plant tour to illustrate the demanding working conditions. This resulted in some of the candidates opting out of the selection process. Then, a competency model was created for the position and behavioral interviewing skills were taught to the plant HR and manufacturing staff to improve their in-depth interviewing skills. Psychometric testing was added to measure key abilities for learning the complex requirements of the position, including problem solving skills, ability to multi-task and be attentive to important work place procedures, and ability to work as a member of a team. As a result, turnover was reduced from a high of 45 percent to less than 5 percent.

Taking time to find successful people

Successful people have many similarities in their profiles and more often than not it is not because they graduated from the same schools or know the right people or have some exceptional job knowledge or experience. Successful people are hard workers who are goal

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oriented but are also adaptable in their thinking. They do not have to be the brightest, but they have to be “smart enough” and do have to be able to step back and see the bigger picture. They are able to adapt to changing working conditions and often seek out as much variety and challenge in their jobs as possible.

While they are often demanding, those who are successful recognize the importance of building relationships and using their interpersonal skills to get things done. These individuals will stand out when you use multiple tools and check multiple variables in the hiring process. A high degree of patience will be required because predicting who will be successful in any organization is not a simple process; it is a highly complex one.

About the author

Dr Stephen L. Guinn is a Managing Partner of PSP Metrics (www.pspmetrics.com), a Pittsburgh-based consulting firm that has assisted local, national, and international businesses in improving the quality and productivity of their human capital for over 60 years. He has expertise in executive development and succession planning, plant startups, employee surveys, 360 reviews and the use of psychometric testing for selection and development. Dr Guinn has numerous articles on achieving organization change through employee selection and development and a book chapter on psychological testing in business. Stephen L. Guinn can be contacted at: sguinn@pspmetrics.com

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