

## BALLPARK FIGURES

By Stuart White  
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If I was CEO of a really big company, my successful management mantra would be “choose the right strategy and hire the right people”. A simple philosophy, I guess, but a winning formula, I am sure. If I haven’t said it before I am saying it now – If you really want to get your company performing optimally and to maximum potential, employ the right people for the right job. I really don’t think there is enough critical thinking being applied in this area. There are still too many people in Botswana using half-baked selection methods for choosing people for jobs and it really is unacceptable in this day and age. I just don’t get why HR managers are not trying harder to get hiring right – surely getting the best match for the job is one of the single biggest deliverables for HR today and the minimum you should expect from that sector?

I still see too many managers focusing on getting the brightest (whatever that looks like and however they measure it) candidate. I think the ‘best and brightest’ default strategy is compensatory for the fact that we really don’t understand how to match employees to roles. Although we intuitively know some roles are more complex than others, most lack a clear model that elucidates the universal differences in job complexity. So when we don’t really understand the job we really can’t and don’t know what we are looking for.

So how do managers go about finding the best fit between employee and role? Most look at resumes and use behavioural-based interviewing, but these items only get at what someone has already had a chance to do. With research showing that 20% of employees are under-utilised, we are leaving a lot of potential untapped because we don’t have a way to reliably determine latent capability.

There are 3 things we have to do; firstly look at knowledge, skills, experience, education – what *can* the candidate do because he/she has done it before? We tend to do this fairly well, because it's easily quantifiable. Second are values and preferences? - what *will* the candidate do because they will find it appealing? (I sit in many interviews where clients don't even ask questions remotely connected to this and it's a critical area that separates one candidate from another in fit and philosophy). And thirdly, problem-solving capability to answer the question that behavioural-based interviewing misses – what could he/she potentially do? What is their information- processing potential? In other words, what *could* the candidate do because their mental bandwidth can contain it? This you need testing for, and yet I estimate that as little as 10% employers use occupational assessments even though their validity is dramatically higher than even competency-based interviewing.

Instead of focussing on hiring the best and the brightest candidate that applies for your position, shouldn't you focus on hiring the best match by REALLY complementing skills, motives and potential? A good selection decision is when you set out to hire an A-player and you end up in 12 months with an A-player. A selection error is when you set out to hire an A-player and find that a year later you have a C-player or under-performer. Jack Welch, former CEO of General Electric believed that if you have 16 employees, at least two are turkeys. This was the belief that flawed the talent management systems at the company for many years - cutting the bottom performing 10% of employees annually. I would have just told him, don't employ the turkeys in the first place.

But what Welch did promote was bringing greater measurement and accountability into the selection process – what was called the Hiring Batting Average (HBA) technique – to improve the chances of hiring right. Here's how it works: Every candidate for a job at your company must be interviewed by at least 3 people in the organisation beyond the manager making the hiring decision, and each interviewer must sign off with a "Hire" or "Don't Hire" vote. No maybes allowed. Fast-forward 6 months. Every new hire gets evaluated by his manager on how he has performed against expectations – below, meets, or exceeds. Soon enough, and with enough critical mass, you can start to compare every interviewer's "Hire" recommendation with actual performance. For instance, say a manager named Esther has approved 10 candidates and, 6 months out, 8 of them are performing at or above expectations. Esther's HBA would be 800.

That impressive score lets you know Esther is a first-rate evaluator of talent, and she should be rewarded accordingly. By contrast, say Esther's colleague John has given the nod to 12 hires and, after 6 months, 4 are working out, for an HBA of .333. Keep John in his day job and away from picking people! Welch goes on to say that besides improving hiring effectiveness, the HBA also delivers 2 other powerful benefits: Gets busy employees to actually engage in the interview process—"brain and soul"— and interviewers tend to stay in closer contact with the people whom they've given their "Hire" stamp, even providing mentoring and coaching.

As Jack Welch said "If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don't have to manage them." So the thought for the week is, what's the HBA of your HR people, because if it's too low, you're never going to score enough runs to win, are you?

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