



Just Say No to Bad Apples

The best way to gain insight into the potential of a new hire is to ask the right questions before bringing them onboard, writes Jon Gerson. Valuable information can be gleaned from the pre-hire interview process, but many companies lack a set of best practices for turning candidates into employees.

By Jon Gerson

Interviewing is often a daunting prospect, and not just for the candidates. For many hiring managers, interviewing is a necessary evil, and frequently an unsuccessful enterprise. It is inherently subjective, and the stakes are high. Interviewing is also something that hiring managers (except in very large companies) do infrequently. That makes it difficult to evaluate why one hire worked out and another did not. Hiring managers I speak with often recount with exasperation the last several “bad” hires, casting about for external explanations or chalking it up to “bad luck”.

Invariably, however, a “bad” hire is the result of ineffective interviewing. For many companies, the process is likely to fail before it has even begun. No company goes to market without a best practices approach to nearly every facet of business. Yet many companies lack standard conventions for interviewing and instead take an ad hoc approach. The results are predictably bad.

A best-practices approach to the interview process is not a luxury, but a necessity. It is essential that you build a robust interview “skeleton” – one that will become a durable tool for all levels of hiring within your organization, from the receptionist to your next Chief Credit Officer.

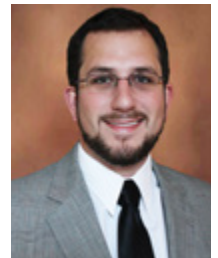
Before starting, consider what you are trying to accomplish. The obvious answer, of course, is to

decide whether or not to hire the candidate; but your parallel goal should be to learn information that you can use to effectively manage your new hire. Too often the information gleaned from an interview is promptly filed and ignored until that person leaves the company. Done well, however, interviewing will give you invaluable insight into your new employee and about how best to manage and support them in your organization.

The greatest benefit to a defined skeleton is that it provides an objective framework for a subjective process. Hiring managers often decide to hire candidate A over candidate B because they “like” something better about them, without being able to necessarily define what it is. An interview skeleton provides a comparative framework, enabling hiring managers to evaluate different people accurately because they went through the same process.

Plan a multi-stage skeleton with assigned roles for specific hiring managers at each step.

Each stage and each interview should have predetermined questions that are refined with experience and time. That is not to say that you shouldn’t allow the conversation to develop naturally – it is very important that you follow the threads of conversations to their conclusion. Even so, populating your skeleton with proscribed questions offers several benefits. First, you can be sure your questions



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are effective. Additionally, proscribed questions provide further structure and objectivity. One can evaluate candidate A's answer to question three in stage two directly against Candidate B's answer to the same question. Without a consistent process, the contrasts between candidates are harder to define and understand.

For the sake of brevity, I will focus on a three-stage skeleton, but these principles are helpful no matter the number of stages.


- Stage one should be focused on broad topics like cultural fit and chemistry, an exchange of information on backgrounds (both of the candidate and the company) and a fair degree of selling – they should be selling you on their candidacy and you should be selling them on your company. That is not to suggest that you don't determine fit on the mechanics of the role – far, far from it. But the general goal here is to determine whether it makes sense for you and the candidate to invest more time and energy in the interview process.
- Stage two is the beginning of a more exhaustive examination of the candidate's appropriateness for the given role. This will likely involve conversations with different hiring managers and frequently includes "deliverables", like a personality/ aptitude profile or the sharing of benefits information. Stage two is a good opportunity to have a more detail-oriented conversation building on what was learned in the first interview. Meanwhile, additional hiring managers can interview the candidate on topics outside the initial interviewer's subject matter expertise. They will also be able to evaluate fit with other departments in the company.

It is especially important to keep our second goal in mind starting in stage two. The information you gather at this point should

begin to form the basis of your management strategy with your eventual hire. Among other things, learn what motivates them – whether it's praise, or money, or camaraderie. Identify potential areas of weakness that you will want to address through personalized training. Confirm the logistics of their work/life expectations so you know how to best integrate them.

- Stage three is where the "onion is peeled." Interviews in this stage are often best done at headquarters, with a broad cross-section of hiring managers involved. This is where you really test the candidate's competency, outline a business plan, or vet the underwriter's ability to work within your system and risk philosophy. The goal at this stage is to determine if an offer will be extended. You should be sure to address any outstanding questions or areas of uncertainty, and they should leave this interview excited by the company and hopeful that they will receive a job offer.

Give your candidates plenty of room and time to answer, and ensure the questions that you ask are open ended—you don't want to tip them off to the answer you're seeking by how you frame the question (another reason to have questions pre-written).

In the end, there are simple best practices that you must follow for each and every interview process you start. Just as you wouldn't enter a new market without following your best practices in business development and risk analysis, don't undertake a task as sensitive and essential as hiring without a guideline to follow. 

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