

How to Hire Great People



Roger and Susie Engelau

HOW TO HIRE GREAT PEOPLE

A Step-by-Step Compilation of Best Practices for Busy Business Owners and Executives

Whether you own a \$500K business or a \$50 million one, there are great people out there that would be great assets for your company. You just have to find them. Then vet them. Then sell your company to them. Then hire them. Then onboard them. You don't have to settle for average employees. You can hire great people.

The trick is this... you have to follow a process.

No single activity will help you hire great people. Successful hiring only comes from following a series of proven methodologies. There are a lot of tried-and-true processes out there, like Behavioral Interviewing and Jack Welch's advice from his book *Winning*. They work. We've researched, compiled, and compressed them into this short, easy-to-follow guide that will take you through each phase.

Hiring good people is hard. Hiring great people is brutally hard. And yet nothing matters more..." Jack Welch, *Winning*

3 GUIDING PRACTICES, 5 MOST COMMON MISTAKES, AND A 7-STEP PROCESS

3 GUIDING PRACTICES

1. Hire for values and train for skills.
2. Go for the best; don't settle for a warm body.
3. Use behavioral-based questions in the interview.

5 MOST COMMON MISTAKES

1. The interviewer talks too much.
2. The interviewer doesn't prepare *before* the interview.
3. Not being comfortable enough with silence, particularly after asking a question.
4. Thinking you have to have experience. It's better to hire for values and personal characteristics and train for the technical skills. (We know, we mentioned this above... it deserves emphasis).
5. Not being courageous or persistent enough to dig deep with a candidate.

THE 7 STEP HIRING PROCESS

1. Define the ideal candidate.
2. Spread the word.
3. Generate applicants.
4. Screen applicants.
5. Interview candidates
6. Check references and do employment screens.
7. Make the offer.

Research shows that companies that spend more time recruiting good people earn a 22% higher return.

STEP 1: Define the ideal candidate

Write a job description for the position. It's ok to let the culture of your company come through... if you convey the "feel" of your organization workplace environment, you're more likely to get people who fit it well. The job description should include:

1. Position title
2. Hours expected
3. Key responsibilities – list roles, duties, tasks
4. Essential qualifications – list skills, knowledge, education, and experience
5. Salary and benefits – if you omit this, you're likely to get candidates who are looking for either much higher salary or much lower, which wastes precious time.
6. Submission preferences – application, resume, cover letter... state what you want applicants to provide.
7. Contact information – mail, email... state *how* you want them to provide the info



STEP 2: Spread the word

- A. Write a compelling ad
 - **Headline** – almost always the job title. Longer headlines tend to attract more.
 - **Job info** – 1 or 2 lines about the job responsibilities
 - **Company info** – a few words describing what your company does
 - **Qualifications** – the main skills, education, and experience
 - **Use subheadings** – such as Job Duties, Qualifications
 - **Response method** – email, electronic, mail, etc. If electronic only, you must still provide phone number or mailing address to comply with ADA.
- B. Convey enthusiasm. An uninspired posting will get you uninspired candidates.

- Follow the AIDA formula: Attention, Interest, Desire, and Action
 - Write in the present tense using action words.
- C. When writing for an online job board, write for SEO so that your ad appears at the top of the search results.
- D. Avoid discriminatory language –sometimes it’s easy to accidentally make a statement about not wanting people from protected groups (i.e. members of a certain race, color, ethnicity, national origin, religion, gender, age (over 40), disability, or veteran status). Examples of how to stay within the letter and spirit of the law: waitperson vs waitress, Spanish-speaking vs Mexican, avoid words like ‘youthful’ or ‘mature.’

STEP 3: Generate Applicants

- A. Look first within your organization. You’ve seen the candidate in action, know his/her reputation, and can get appraisals from co-workers and management. Plus, hiring within conveys that employees can get ahead at your company.
- Publish in your company newsletter, on bulletin boards, in break rooms
- B. Place your ad in as many places as you can think of:
- Your door/window
 - Local and daily papers and trade/industry publications
 - High schools, colleges, universities
 - Email/mail ad to your customer database, suppliers, personal/business colleague database
 - Social media outlets; encourage contacts to forward to their contacts
- C. Create a financial reward for existing team members for successful referrals
- D. Use a recruitment agency/headhunter. You’ll need to budget about 20% of salary for fees – but it’s negotiable.
- E. Email job description to employment/temp agencies
- Identify (10 to 20) agencies (you may need to complete their contract)
 - Call back the day after job description is emailed to ask for resumes
- F. Networking - Use every conversation to let someone know about the job
- G. Place ad and also retrieve resumes from web sites such as
- www.Linkedin.com – currently one of the best places to look for people
 - www.indeed.com
 - www.indianacareerconnect.com (All unemployed people accepting unemployment insurance in the State of Indiana are on this site)

STEP 4: Screen Applicants

- A. Save time by NOT interviewing everyone. You can do this in one of 3 ways:
 - Screen submitted resumes against the job description.
 - Send each candidate an email requesting their response to specific, key criteria. You get their responses in their own words—especially helpful if you have very definite and specific qualifications candidates must meet.
 - Set up a dedicated voice mail box with an outgoing message that asks detailed questions. Ask respondents to respond verbally or by email. A written response will give you a sense of the candidate’s writing skills.
- B. Send each applicant a thank you letter.
- C. Narrow down to your top candidates, about 3 – 4. These you’ll interview.
- D. Have all finalists submit references and have them sign a written waiver which releases former employers from liability for providing information about the candidate’s previous employment. These are increasingly common and can help you later get valuable information about your candidates. We searched for free waivers online and found none though there are a couple of websites where you can build your own (See Resources at the end of this document). Or better yet, ask your lawyer for one.

STEP 5: Interview Candidates

Make the interview like a conversation vs an interrogation, while controlling the flow. Take notes during the interview.

“That it is in very nature of humans to act in the future as they did in the past.”

Thucydides, Historian

- Schedule the in-person interviews.
- Prepare!
 - a. Create 3 – 4 behavioral-based questions for the skills and behaviors you want to investigate. See Sample Interview Questions below. If sales is important, you could ask, *“Tell me about a time when you made a really great sale. What did you say and do?”* or if managing crises is critical, say, *“Describe a crisis your company faced and how you handled it.”*

NOTE: Don’t skip behavioral-based questions! They’re the most important part of the interview. Past behavior is the best predictor of future behavior.

- b. Create 2 – 3 situational-based questions. Give the candidate a hypothetical situation like *“Imagine you see 2 employees you believe are stealing from the company. How would you handle that?”* then probe with followup questions like, *“What additional info do you need?”* *“What options do you have?”*

- c. Review the resume. Don't waste time asking things you can see on the resume! Instead, ask questions to probe for more details.
- d. If possible and useful, prepare a task the candidate can complete to demonstrate competence on a key skill.
- e. Prepare a few talking points that cover your company's vision, mission, values, and operations. This should take no more than 15 – 20% of the total interview length and should be positive and high energy and show your passion for what you do.
- f. Transfer 4 - 8 key criteria from the job description to the Candidate Interview Form (below) then assign a weight to each.

About interviewing....

- No matter how short on time you are, make sure the candidate is interviewed by several people. Listen to and rely on the other interviewers' feedback. If anyone has an "uh-oh" feeling, it's often a sign the candidate isn't what s/he seems.
- Focus on getting the candidate to talk; not on talking. A good rule of thumb is for the interviewer to talk 20 – 25% of the time and the interviewee to talk 75 – 80% of the time.
- Use same set of questions for all interviewees
- After you ask a question, use silence to prompt the candidate to talk. If something isn't clear, be courageous and persistent about probing a 2nd, 3rd, 4th, or more time.
- Have each interviewer use the Candidate Interview Form and rate candidate responses for each of the Key Criteria listed on the form.

Interview Structure

Follow this 8-step interview agenda. See also the Sample Interview Questions list

Build Rapport (Break the ice, put the candidate at ease)
Review the Agenda (Let the candidate know the flow)
Ask Fact-Finding Questions (A good place to start because they're easier to ask and answer. Ask about related experience, skills, education, training)
Ask Behavioral-Based Questions
Ask Situational-Based Questions
Ask any other questions that get at things important to the job
Ask, "What questions do you have for me?" (Listen for how well they've done their homework and researched your company)
Describe the next steps (How much longer you will be interviewing, when they can expect to hear from you. You show consideration by keeping them informed.)

Step 6: Check references and do pre-employment screens

You can do some or all of these yourself or hire a background screening company, like Barada Associates. You can get some info yourself from www.indy.gov. The first 3 below you can do yourself but the last 4 you'll need to hire a professional firm to do:

1. Employment verification
2. Academic verification
3. Reference checks
4. Criminal history checks
5. Credit checks
6. Alcohol and drug testing
7. Cognitive and skills testing

If you're willing to dig, you may get better info if you check references yourself. Don't just call the references; call around. Get names of supervisors, co-workers, and others with knowledge of the candidate, and actually CALL them. Ask them the behavioral interview questions you asked the candidate. Have the applicant sign a written waiver which releases former employers from liability for providing information about their previous employment. These are legally enforceable and protect the former employer from claims of defamation.

You can Google the person's name and check social media sites like facebook and LinkedIn. If you uncover information about things you're not allowed to ask about, like religion, disabilities, or where they live, don't ask about them.

For criminal and credit checks, it's best to hire a company who specializes in background screening. This insures you're in compliance with the various laws. It's best to avoid online, DIY background checking services for this reason. To understand what background checks you need to do or not do, here's a good article – Choosing a Background Check Service, <http://www.businessnewsdaily.com/7636-choosing-a-background-check-service.html>

Step 7: Make the offer

- A. Do it verbally by phone or face to face, not email, and do it with enthusiasm. Your relationship starts at this moment vs. the first day on the job.
- B. Follow up with a formal offer letter. Include the main terms, salary, benefits, holidays, perks, position title, supervisor, and starting date. Sample below.
- C. Candidates expect about a 10% increase over their current pay. If they don't get this they'll likely be resentful every time they get a paycheck.
- D. The candidate should sign and return the letter.

- E. It's OK, in fact good, if the candidate asks for some time to think about it. Ask if you can have their response in 1 or 2 days.
- F. Offers can be made subject to applicants passing pre-employment screens and reference checks.
- G. Consider a probationary period – consider setting a 90-day period at the end of which both parties evaluated the arrangement.

And finally, set your new employee up for success...

Warmly welcome your new employee with a thorough onboarding.

- Plan for the paperwork. Get it all laid out ahead of time.
- Explain the company culture -- Introduce co-workers, dress, how decisions are made, lunch... help the employee feel “in the know.”
- Make sure they have a physical place to work ready to go with all the supplies they need: uniforms, security clearance, computer and desk supplies
- Assign a buddy
- Check back at the end of the 1st day, end of the 2nd day, end of the 1st week, end of the 2nd week, and beyond depending on how technical the job is.

Interview Question Samples

Choose questions that get at the areas important to the position.

1. How was your drive? How do you like this weather?
2. How large was your team at your previous employer? What were the working conditions like? What did you like or dislike about the environment?
3. Can you describe your Excel skills?
4. Describe a situation when you made a major mistake — how did you react?
5. How did you defend your position?
6. Describe a situation where your work was criticized.
7. How did you react? What did you do differently, if anything?
8. Tell me about a time you had to handle a crisis situation on the job? What was the crisis, who was involved, and how did it get resolved?
9. Discuss a specific accomplishment you've achieved in a previous position that indicates you will thrive in this position.
10. Tell me about a recent project or problem that you made better, faster, smarter, more efficient, or less expensive.
11. If you suspect 2 employees of stealing, what would you do?
12. If you have a team that is not getting the results you want, how do you handle that?
13. Let's say you had an employee who was stirring up trouble, fighting, frequently seeming unhappy, how would you resolve that?
14. If you could design the perfect job for yourself, what would you do? Why?
15. When have you been most satisfied in your life?
16. What kind of supervisor gets the best work out of you?
17. How would you describe your current supervisor?
18. When you feel like management has made an unfair decision, how do you react?
19. How do you structure your time?
20. What are three things you like about your current job?
21. What were your three biggest accomplishments in your last jobs? In your career?
22. What can you do for our company that no one else can?
23. What are your strengths/weaknesses?
24. How far do you think you can go in this company? Why?
25. What do you expect to be doing in five years?
26. What interests you most about this company? This position?
27. Have you hired people before? If so, what did you look for?
28. Where do you see the industry growing? What are the pitfalls ahead for our business?
29. "You see project/product X is behind schedule, how would you accelerate the team?"
30. Who is your role model and why?

And finally, Jack Welch said if he could ask only 1 question it would be – “Why did you leave (or are you leaving) your last job? Probe and dig to uncover the real reason(s).

Offer Letter Sample

Date

Name

Address

RE: LETTER OF OFFER OF EMPLOYMENT – *Position title*

Dear *Mr. /Ms. Last name*,

Following our recent discussion, I'm pleased to offer you the position of *Position Title* with *Our Organization*.

The following points outline the terms and conditions we are proposing.

- Title: *Position title*
- Job description: *See attached*
- Start date: *Start date*
- Salary: *Annual salary, commission details, if any*
- Probation: *Describe your organization's probationary policy*
- Benefits: *Succinctly describe including when the new employee will be eligible*
- Hours of work
- Reporting relationship: *Identify the position that this position will report to*
- Vacation/Holidays: *Describe how many and how they're accumulated.*

Your start date is Mar 7, 2015. Please report to

Following the initial probationary period, a progress review will be conducted to assess performance to-date, and to clarify or modify this arrangement, as needed.

This offer is contingent upon a successful background check and drug/alcohol screen

Please confirm your acceptance of this offer by signing and returning this letter by Mar. 1.

I look forward to having you on our team!

Sincerely,

Your name, title

With the signature below, I accept this offer for employment.

Name

Date

About the Authors

Roger Engelau is central Indiana's sought-after coach to business owners in every industry. He applies his significant business expertise to help business owners improve their business, income, and lifestyle. His clients enjoy record profits. Go here <http://bit.ly/timewithRoger> to book a free phone or in-person meeting to discuss your unique business needs with him.

Roger and Susie co-founded Inspire Results Business Advising in 2010. Roger is Owner, CEO, and Certified Business Coach and Susie is Co-Owner and Marketing and Operations Manager.

They have four sons and two granddaughters and reside just outside Indianapolis, IN

Roger@InspireResults.com 317-908-05809



References

Winning, Jack Welch, HarperCollins Publishers, Inc, 2005
http://www.integritystaffing.com/interviewandhireguide/pdfs/ISS_InterviewNotes_eBk.pdf
 Five Steps to Hiring the Right Employee, <http://theundercoverrecruiter.com/steps-hiring-right-employee/>
 3 How To Write a Great Posting, <http://www.dummies.com/how-to/content/how-to-write-a-great-job-posting.html>
 How to Write Job Ads Top Candidates Can't Resist, <http://www.inc.com/minda-zetlin/9-steps-to-writing-job-ads-top-candidates-cant-resist.html>
 The Steps to Hiring the Right Employee, <http://theundercoverrecruiter.com/steps-hiring-right-employee/>
 Recruiting and Hiring Advice, <http://hiring.monster.co.uk/hr/hr-best-practices/recruiting-hiring-advice/acquiring-job-candidates/how-can-i-avoid-discrimination-in-job-adverts.aspx>
 Writing an Effective Job Advertisement, <http://www.bizfilings.com/toolkit/sbg/office-hr/hiring-workers/writing-an-effective-job-ad.aspx>
 Reference Checks, http://www.coveragefirst.com/portal/server.pt/gateway/PTARGS_0_21939_410316_0_0_18/RISKfacts-ReferenceChecks.htm
 Job References, <http://labor-employment-law.lawyers.com/wrongful-termination/job-references.html>
 Behavioral Interviewing Guide: A Practical, Structured Approach For Conducting Effective Selection Interviews, Tom S. Turner
 For a great list of behavioral interviewing questions, get a copy of Behavioral Interviewing Guide, Tom S. Turner, Trafford Publishing, 2004
 14 Interview Questions That Reveal Everything, http://www.huffingtonpost.com/2013/03/04/14-interview-questions-th_n_2807438.html
 Conduct the Perfect Job Interview in 12 Simple Steps, <https://www.linkedin.com/pulse/20140210135852-20017018-conduct-the-perfect-job-interview-in-twelve-simple-steps>
 Conducting Employment Interviews, Hiring How To <http://guides.wsj.com/management/recruiting-hiring-and-firing/how-to-conduct-interviews/>
 How To Conduct An Interview Effectively, <http://www.entrepreneur.com/article/225960>
 Choosing a Background Check Service <http://www.businessnewsdaily.com/7636-choosing-a-background-check-service.html>
 Indiana Background Checks: What You Need To Know, <http://www.blr.com/HR-Employment/Staffing-Training-Background-Checks-in-Indiana#>
 How to Make the Perfect Job Offer– 9 Tips, <http://www.inc.com/jeff-haden/how-to-make-the-perfect-job-offer-9-tips.html>
 How To Make A Job Offer, <http://humanresources.about.com/od/hire-employees/g/how-to-make-a-job-offer.htm>
 7 Steps to Successful Onboarding, <http://www.ere.net/sponsored/2014/03/25/7-steps-to-successful-onboarding/>

To build a reference release form:

FormsBuildr.com,
http://www.formsbuildr.com/waiver/?utm_source=google&utm_medium=cpc&utm_term=%2Bwaiver&utm_content=69151687700&utm_campaign=static_waiver_search&utm_adgroup=waiver_b&utm_network=g&utm_device=c&utm_placement=&utm_country=us&utm_producttype=formsbuildr&utm_product=waiver&utm_matchtype=b&utm_landingpage=ac1&utm_aceid=&utm_adposition=1s4
 Formswift.com,
http://formswift.com/sem/waiver?utm_source=google&utm_medium=cpc&utm_term=%2Bwaiver&utm_content=63673999218&utm_campaign=static_waiver_search&utm_adgroup=waiver_b&utm_network=g&utm_device=c&utm_placement=&utm_country=us&utm_producttype=formswift&utm_product=waiver&utm_matchtype=b&utm_landingpage=ac2&utm_aceid=4441452&utm_adposition=1s1&gclid=CK2Sk6TprcUCFdgdgQoduF4AWA