

Hiring right: Should you hire from a personal recommendation?

by Derrek S. Lennox, January 2006

With more than 50 clients so far, some have had major success at finding the right people for the right positions, and others, not so much. While this is not by any means an exhaustive study, nor has it been supplemented with additional secondary research, but based on observations over the past 15 years, one, broad, generalization can be made: do not hire someone you previously know without suitably testing them first.

Entrepreneurial companies can sink or swim based on the composition of the team, so hiring the right one becomes extremely important. At the same time, many people behave differently in different situations, even around the same people. People handle stress differently. People handle relaxation and work differently. People learn differently. People that go through the same experience can often come away with greatly different learnings and perceptions about that experience. So why does this have anything to do with hiring right?

Take three cases: the first case, a small company hires a junior full time person to help with client relations. The person they hired was a friend of a friend who came highly recommended. There was an interview process for fit and for experience. But at the end of the day, the person was hired because there was a need at the company. Less than six months later, the person quit before the company had a chance to dismiss them for consistently being late, misfiling information, and missing deadlines without explanations.

The second case, another small company hires a manager. The person they hired was a friend of the company owner who was also well credentialed and experienced. There was an interview process around fit and experience, and the person was hired. Within eight months, the projects led by this individual imploded, costs were overrun, and the team was demoralized with a few key exceptions. He was dismissed shortly thereafter.

In the third case, a growing entrepreneurial firm hires a new receptionist based on glowing recommendations from the owner's wife. The person is hired based on a quick interview, again, on technical ability to do the job, and some fit with the team overall. After several complaints from employees and customers on her behaviour and conduct, she was reprimanded, and then when there was no improvement, also dismissed.

Is this going to be the case everywhere? Of course not, but what did these three cases have in common? At least three things. The first was that they did not have any competition when they were being considered for the role. While this can seem efficient, it tended to create a sense of entitlement when the person started that they were extra special and potentially did not have to follow all of the rules.

Second, they fed information to the referring person and kept them on their side through the process doing two things: (1) creating rifts or expectations from the referring person on the employer, and (2) creating a channel of information that went from to the employer through the referring person, which put pressure on the employer to "give them a break."

Third, while the interview process covered experience and fit, it did not cover behavioural and situational aspects of the job. For example: could the Junior Client Employee handle "doing the math" while on the phone with clients as was part of the role rather than just being tested for ability to "do the math?" Apparently not. Could the Experienced Manager lead a team that was made up of disparate vendors and contractors rather than employees? Apparently not. Could the receptionist handle irate customers,

hugely successful employees, and multiple external self-employed sales agents with the level of professionalism that was expected? Again, apparently not.

So, does this mean only hire people you don't know? Of course not. More problems can occur there as well. But, there are several key tips that one should incorporate into the hiring process to handle this situation:

- (1) Whenever possible, interview more than one person for any given role, especially when the person has not been an employee before
- (2) Make sure that you have outlined the expectations of the role in terms of:
 - a. What they will be doing
 - b. How they will be working
 - c. What the conditions and environment they are going to be working in are
 - d. What is expected in terms of performance, attendance and conduct

and test them appropriately for those expectations.

- (3) Make sure the referring party knows what you are expecting of the hire – before and after the person starts
- (4) If you are hiring from a personal contact, make use of that contact to help monitor the progress of the hire rather than allow the hire to leverage that contact for their own means

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