



Gut Feel Hiring Decisions Can Cause Headaches

We've all been there, done that. Haven't we? We made a great hiring decision only to

find that we really did not. Why didn't we see these things before it was too late?

As much as the business changes, selecting salespeople, managers and executives is for the most part still being done using the same decades-old system. It is called *gut feeling*.

Can this be the number one reason for bad hiring decisions? A great number of industry executives say "too few" salespeople meet their expectations. This at a time when companies need more sales and want more sales.

In a recent study (*How To Hire & Develop Your Next Top Performer* by Herb Greenberg, Harold Weinstein and Patrick Sweeney), the authors state that 55% of current salespeople should not have been hired for a sales position and 25% are selling the wrong product or service. Furthermore, the age-old formula appears: 20% of the salespeople produce 80% of the sales.

Is hiring on gut feeling the reason for bad hiring decisions? According to Lou Adler in *Hire With Your Head*, "first impressions based on emotions, biases, chemistry, personality, and stereotyping cause more hiring mistakes than any other single factor."

Yes, it seems we all do it. We hire in our own image, believing that we see the traits that work for us. The candidate says all the right things in the interview. They dress well; they smile. They say they can do the job and have done the job well elsewhere. Sold? Hold on, please.

When we go down to the electronics superstore to buy our new dream television set, it comes with a manual. It tells us what features we are buying and how to make use of them.

You know where I am going with this. There is no manual for human beings, so we hire people who we believe have what we're looking for. We hire people who have experience at a similar position or in another industry. Yes they have experience, but it is possibly one month of bad experience many times over. Oh, we also hire based on education. If they've got a great education, we can teach them how to sell. I don't think so.

What happens when we make a bad hiring decision? Let's take the most important one first. Money. If only *turnover* would appear on an income statement or even in a balance sheet, we would really see the enormous waste of money that runs rampant in our business.

The cost of recruiting, hiring, salaries, benefits, managerial time—staggering when they are for naught. The other costs? The cost of that person who doesn't fit the job being out there ruining what might have been a good customer relationship. Then there is the effect on morale that occurs when mixing people who have job fit with those not having job fit.

We used an assessment in consulting with two separate companies in the same industry in the same city. The assessment showed two different types of sales cultures. The sales people at Company A were 5s and 6s out of ten in *competitiveness* and *independence*. Their mental abilities were the same (measurements are based on a bell curve where 68% of the population is a 4-7 out of 10). Their manager was higher in mental abilities but about the same in competitiveness and independence. Company A had sales meetings regularly with eager attentiveness and attendance. The group loved their meetings because everyone was interested in what the others were doing, and all were concerned about the welfare of the group. Here was a sales staff, hired in the image of the manager and content with their lot. Needless to say, this was not a top performing company in the market.

	Company A Salespeople	CompanyA Sales Manager	Company B Salespeople	Company B Sales Manager
Competitiveness	5	6	9	9
Mental Abilities	5	7	7	8

At Company B, sales meetings were rare. The people showed up in the morning greeted by their sales manager urging them to drink their coffee in a hurry, get out the door, and “see you at the end of the day with your new business!” The same assessment showed 9s and 10s in competitiveness, higher mental abilities and a healthy sense of urgency. Guess what? The sales manager was the same. Here, by the way, was the top performing company in their market.

What was happening here? It is called *job fit*. When a salesperson fits the job and possesses the innate mental, interest and behavioral traits of a top performer^{3/4}and when managers fit their jobs, you’re in nirvana. It gets better. Now the manager gets to really manage, dealing with enhancing strengths of the individual and offering product and competitive knowledge rather than just dealing with the person’s inability to sell.

I believe in assessments because they have come of age. A good one will give you that manual on human beings. A bad one will get you nowhere. Thanks to computerization, an in-depth assessment can provide a wealth of information at a low cost with immediate results. Are we talking about personality testing? No. Personality tests have been around for decades. There are hundreds of them. They generally all do the same thing^{3/4}either look for abnormal behavior or group you into a style category based on a dominant part of your behavior. The test will say, for example, that you are an extrovert. You may be an extrovert, but personality tests in general do not provide us with information to compare individuals. Nor do they let us see the strength of the trait. Finally, we cannot readily apply the scores to our need to fit a job. Executives have been afraid to use assessments because the personality tests did not work.

Several years ago an assessment called the Prevue, now called TotalView, was introduced. Financed by corporations in the United States and Canada with the affiliation of an English university, the Prevue was designed solely as an occupational assessment. With quantitative and qualitative measurements of mental abilities used in jobs, motivations and interests and a variety of behavioral traits, the assessments did what it was supposed to do. It was able to create a job pattern benchmark based upon top performers. That benchmark, created for a specific job in a specific company, allowed companies to see what they were *getting before they bought it*. Yes, the closest thing yet to a manual for human beings. The assessment generated suggested interview questions based upon the scores against the benchmark along with a job suitability score.

What a concept! First, let’s see if the candidate fits the company culture. Then, let’s see if they fit the job. Then let’s interview! It worked. For a cost of around \$100 per person, companies could save thousands of dollars. I used the assessment with another company—a large bank. We reviewed their Business Bankers, individuals whose job it is to recruit new business from companies to their bank. The assessment showed the clear difference between the top performers and the poor performers. The three most prominent differences were Reactive, Mental Ability and an understanding of themselves. The top performers were able to *react* to the needs of their prospects. The poor performers failed to do so and failed. Were the poor performers bad people? No, they were just in the wrong job selling the wrong thing. When I was asked how we would go about overcoming the weaknesses of the poor performers, I really did not have an answer because not only should these people not have been hired, but also it is so difficult to overcome one of these innate traits without high mental ability and extreme motivation.

Another client, a large well-known international consulting firm, has clearly shown, over a seven-year period, one trait that signals a red flag over the hiring decision. The trait is called *Relaxed*, and is in part a measure of *drive* and *sense of urgency*. 80% of the top performers score a 6-7. 80% of the poor performers score a 9-10. An example of this trait is a person driving home at the end of a long day. The 6-7 has a normal sense of urgency and is thinking about what he/she has to do to make that sale work tomorrow. The 9-10 is thinking about what's for dinner and who is on TV tonight. This firm now saves a fortune by not hiring the wrong person.

A word about assessments. Any assessment worth its salt must be backed by extensive reliability and validity testing. It must be job specific and company specific, un-biased and legal, quantitative and qualitative, and understandable and usable by the general public in business. You cannot use a test to discriminate, and you should not make a hiring decision based solely on an assessment. The purpose of the assessment is to provide you with information about a person that you rarely get in a resume, interview or reference.

The internet capability of the TotalView allows you to have a candidate take the assessment from any computer with results immediately sent to you. The assessment incorporates job pattern benchmarks specific to a job in your company. The assessment measures mental and thinking ability, occupational interest and behavioral traits. Another assessment, The Sales Indicator, measures five sales traits (Competitiveness, Self-Reliance, Persistence, Energy and Sales Drive) and predicts seven sales behaviors (prospecting, closing, call reluctance, self-starting, working with a team, building relationships, and compensation preference).

I believe you can have a *New Millennium Sales Force*. How about a person who is responsible for maintaining ongoing company business. This would include regular call maintenance designed to keep the customer informed and happy. This individual would not be in an aggressive sales mode, and the customer might appreciate the superior service. This person would be selected because they fit the job. They would receive a salary and possibly a light commission.

Now you can selectively hire a *killer salesperson* that will bring in new business, not have to worry about maintenance and paperwork (because you have hired a person who fits the job of salesperson group assistant). This salesperson will make a higher percentage commission, and you will be happy to pay it because it is new business.

The key to your success—all will be happy—managers and salespersons—because they have job fit.