Systematic Hiring as a Competitive Weapon

Your single most important job is to put in place a great team. But just because you know it's important does not mean you know *how* to do it. That is why my friend and colleague Graham Weaver and I put together this series of videos on hiring.

[Hiring Videos](#)
password: r4b9PLzg3n

First Who, Then What
Business expert Jim Collins, who after leaving the faculty at Stanford wrote seven extraordinary business books including the bestseller *Good to Great,* which popularized the expression "First Who, Then What." The *best strategy*, the *perfect product-market-fit*, or inventing the next *big thing* won't make a lick of difference if you don't have the right team in place to pull it off. Apple didn't invent the mouse, the graphic interface, or even the personal computer; but Steve Jobs was ruthless about surrounding himself with the best talent.

Filling vacancies isn't an annoying task on your to-do list, but a competitive weapon. A massive study, involving tens of thousands of hires and nearly 7,000 hiring managers, found that 46% of all new hires fail within the first 18 months, and a mere 19% achieve *unequivocal success*. A further 60% of companies admit that they don't do a good job at hiring and recruiting high performers.

A Competitive Advantage
There are two ways to look at this data. The first, and most obvious is that hiring is hard to get right. Those who follow this school of thought believe *it is what it is* and accept the high failure rate. The more profound conclusion is that by getting good at hiring—and you can—you'll create a massive competitive advantage—because most of your competition has thrown up their hands in defeat!

What we know is that there are straightforward reasons why the failure rate is so high. Companies rarely train managers on how to hire, and because most interviewing takes place in private, hiring managers receive little to no feedback on how to improve. Most interviewers admit that when they go into their interviews they take few notes, making it close to impossible to later compare candidates objectively.

We have data to show that many managers spend fewer than three minutes reviewing the candidate's resume in advance of the interview. Peter Cappelli, a professor at the Wharton School

of Business, reports that only about a third of U.S. companies bother to track how well their hiring process works, making serious process improvement impossible.

It's About Execution
An unwillingness to invest the time is the primary reason people cut corners on the hiring process. Yet, saving time is a poor trade-off. We estimate that the round-trip for an unsuccessful hire—when taking into consideration the time required to terminate the employee and hire his replacement—is 44 wasted hours.

Massively improving your hiring doesn't require special instincts or talents. Best practices are already known and invented—and they work. A non-profit I was involved with, which operated in seven African countries, hired their first three country managers and all three failed to meet expectations and were replaced. I pressed for them to implement the skills described in these videos, and upon doing so all seven of their next country managers were terrific successes. They saved time money and vastly increased their performance as an organization.

Your Partners at FTF,

David Dodson   Susan Pohlmeyer   Jason Jackson

Samuel Spar   Kirstin Siegrist   Andrea Chiang