Design Flaw.

Why IT Hiring in Corporate America is Broken and How to Fix It

Honer & Associates

I'm an Executive Recruiter (an IT Executive Recruiter to be precise).

Someone whose entire career has been focused on helping major corporations and hi-tech organizations identify, attract, evaluate, hire and retain top technology candidates. I've been in the business for more than 30 years. I have personally interviewed more than 15,000 candidates, and filled over 1,000 Information Technology (IT) positions.

As you might expect, I've learned a few lessons over the years. Actually, I've learned quite a lot about the way corporate IT departments hire–or more accurately, the way both Enterprises and organizations within them structure hiring, and why that structure does/doesn't consistently produce the caliber of candidates expected...or possible.

This article is a synopsis of some of my most valuable insights, sort of a playbook of "what to do" and "what not to do" in IT hiring and selection. More importantly, it contains advice that can radically improve the quality of hiring in your organization. Implement the suggestions that follow, and you will consistently hire top performers–the proven producers necessary to manage the complexities of IT, drive innovation, deliver impact, produce results, and lead your organization into the future.

Battle Scars

Thirty-plus years in the trenches tends to leave a recruiter a little bruised and bloodied. While the tough positions successfully filled make for great memories, the real value of a recruiter comes from the lessons learned when things didn't go right...and all the times I witnessed really smart people making decisions that seemed to defy logic. Here are a few stories that serve as "Battle Scar" examples:

- A CIO leaves his employer to go to a new company with the assistance of a key vendor who provided the "recommendation". Fast-forward 18 months, the CIO is fired for not achieving corporate goals. It turns out that the "recommendation" was made because the vendor expected to get referral business.

Lesson: A referral requires the same scrutiny as any other candidate.

- A billion-dollar firm is looking for a new CIO. The search is given to a retained firm with no IT specialization and a recruiter with no IT knowledge. The recruiter gets a referral from a friend and passes along the name of the candidate to the CEO (no in-depth screening at all). The CEO interviews the candidate, loves him, and hires him on the spot. Personality interview. No comparison candidate. No reference checks. The new CIO blows $15 million in a

failed ERP implementation and is subsequently terminated.

Lesson: Evaluate technical competency, not just personality fit.

- A company planned to consolidate two divisions under a new CIO and integrate two divisional staffs into one. A new CIO was hired to manage the consolidated organization, and based on the advice of the Chief Talent Officer, the firm would not use an outside recruiting firm. As a result, the only candidates seen were through word of mouth, and the subsequent hire was a friend of a friend of the CEO. After being hired, the new CIO exceeded the SAP budget by 200% and was fired for non-delivery. And P.S., he had never been a CIO before.

Lesson: Word-of-mouth referrals and limiting your search to the best people who apply rarely yields the best candidate.

- Recently, I had a job for an IT Management role. The job had been open for three months and a top candidate was in contention for the hire. All the "i's" had been dotted and "t's" crossed, and the candidate was being brought back for final interviews. Unfortunately, the interviewers were not given any advanced preparation. They didn't realize the candidate was being recruited away from an excellent job at a top company, and as a result, the candidate's responses didn't match their expectations. The panel rejected the candidate as too "arrogant," and the company lost out on an exceptionally talented IT leader.

Lesson: Lots of lessons in this one: The interview team needs to be prepared to work around candidate personality and acquire relevant experiential data. Candidate's personalities frequently change, but past performance and caliber

A few simple truths about hiring "A" players

- The best candidates don't necessarily interview well.

- Interviewing well does not validate caliber, pedigree, likeability, or performance.

- Have a talent acquisition strategy - don't just hire the best candidate who applies, find the best candidate in the market for high-impact role.

- Utilize a "performance-based" interviewing process.

- Educate and thoroughly train the staff participating in candidate interviews.

- Plan each and every interview; there's nothing gained having multiple interviewers cover the same information.

- An effective selection process has multiple levels.

- Interview to determine cultural fit, current motivation, document past performance, validate depth of experience, and define success attributes.

- "What's in it for the candidate" interview. Spend time answering questions and "selling" each candidate. This should be a component of every interview. Every candidate should leave the interview with a positive opinion, interested in working for the company.

- Validate what you hear - learn to do REAL reference checks. Use this data to validate the interview data.

- Get professional help - a neutral party to produce the candidates you don't find and prevent hiring mistakes.

does not. Top candidates may not interview well, and a non-hire can be a very costly mistake.

The Problem with Hiring in IT Today
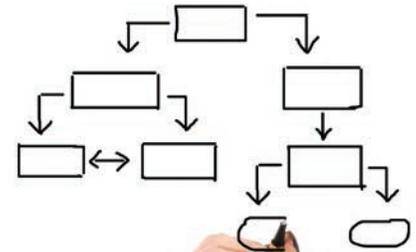
Problem #1: Unplanned process. No corporate IT executive would take on a major initiative without a clear plan of attack. You wouldn't design a database architecture or set up a help desk without a game plan. Yet when it comes to filling impact positions, few corporations have a well-defined process for identifying talent, vetting competencies, guaranteeing accurate data is collected, and ensuring quality hiring decisions are made.

Here's what happens in the typical corporate IT hiring process:

- IT department identifies a hiring need generated by a trigger event (e.g., a change in the organization, business, technology, etc.).

- HR develops a traditional job description based on skills and attributes or uses the same template for each role in the job family or pulls an old description off the shelf.

- HR posts the job on job boards, reviews resume databases to find candidates, and also may send emails to candidates appearing to be a fit on LinkedIn.

- Candidates are generated and screened by resume.

- IT hiring manager conducts initial interviews.

- The best candidates are invited back for panel interviews with IT peers and managers.

- Interviewers calibrate the candidates, offer opinions on whether they liked them or not, and whether they feel like they "can do the job."

- The candidate who interviewed the best or was liked the most or had skills closest to those required by the position is offered a job.

So, what's the problem? On the surface, this process might look like a good approach. But not really, the process has inherent flaws. Let's examine the issues:

IT department identifies a hiring need. Most IT positions are created in response to some corporate event, a trigger event. For example, a new product launch requires additional technical support, a Director of Applications is promoted and must be replaced, or the IT department's growth requires additional leadership. These are valid reasons to hire, but the hiring process is typically started AFTER the event. Being proactive and staying ahead of the curve is not only smart, but also profitable. Creating solid succession plans and building a bench of talented, proven performers allows best-of-breed organizations to excel when open positions are generated. By being proactive, the organization is never caught flat-footed when growth, turnover, promotions, or change happens.

HR develops a job description. Where do I start? Not by knocking human resources. In all fairness, they do not have a background in IT, and are not trained to identify the competencies that determine success in a technology role. Human Resource professionals do a terrific job developing a traditional job description–one that centers on duties, responsibilities, and key skill requirements. However, that mode of defining hiring criteria doesn't assist in attracting, interviewing, hiring and retaining high-caliber, top-performing "passive" candidates.

When it comes to hiring "A" players, the job description needs to communicate what the candidate will be responsible for, the expectations set for the initial role and timeframes, a description of success in the position, the hurdles/challenges that need to be overcome, and a view of the corporate culture. In today's market, attracting passive, top-performers requires a shift to building a much more complete picture of the job to be performed, how success will be measured, and the profile of the ideal candidate. An effective description focuses on key competencies (not skills), depth of experience, ideal cultural traits, and specific types of past performance–those predicting future success in the role or organization.

In addition, the position description must highlight the key selling points about the role, organization, and company. High-caliber, top performers are the targets, but aren't looking for "a job". Providing information about the organization and demonstrating how the opportunity provides personal and professional development exceeding their current position, other career options, and individual expectations is paramount.

HR posts the job on job boards and may review resume databases to find candidates. There's an old saying in recruiting that "to hire the best, you have to attract and interview the best." Nowhere could this be truer than in the IT field today.

As previously mentioned, the best candidates are not in the market for a new "job" or new "opportunity– they are busy performing their current job. They're not using their time to read job boards, look at job descriptions on corporate websites, put a resume together, or respond to postings when they are vaguely interested or curious about the job market. Relying on job posts and resume databases only generates candidates actively in the market, and it means only pulling from approximately 35% of the IT marketplace. To attract the top talent, a well-devised and implemented Talent Acquisition Strategy is a requirement, not a luxury. This strategy will assist in identifying the likely sources of talent, defining an aggressive candidate identification strategy, and using the
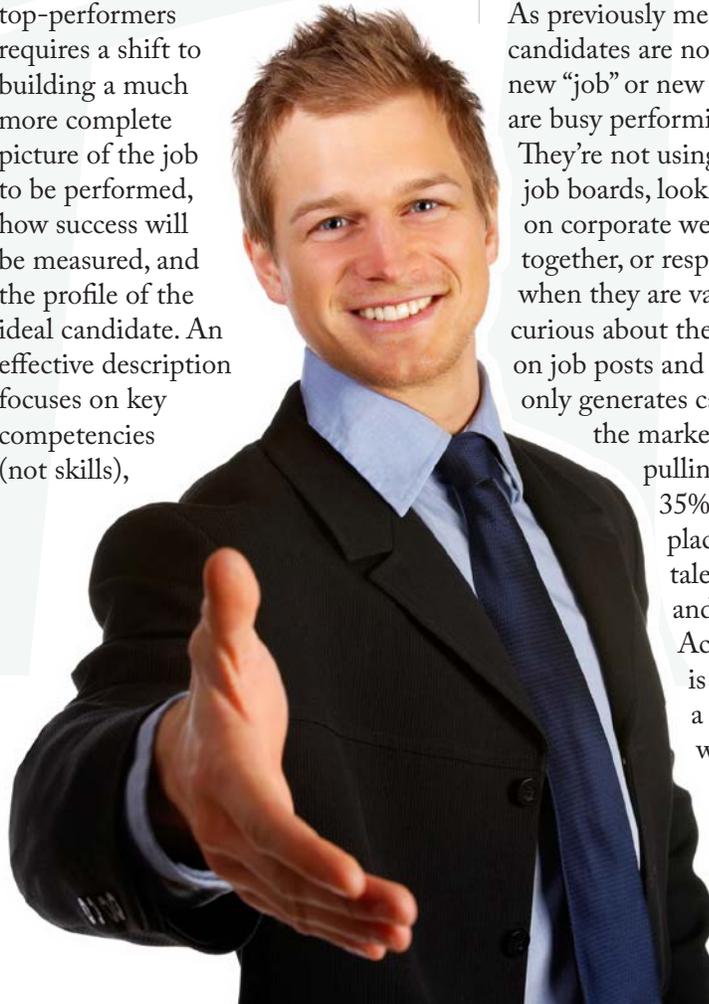
correct tactics and data for the initial contact to create a positive candidate response (one that gets the candidate to actively seek more information about the position).

IT hiring manager conducts initial interviews. How many organizations thoroughly train their management and technical staff in interviewing or talent selection? In my career, I have only been acquainted with a few companies that insisted their hiring managers be trained and tested in both. This is not to degrade the competency of any IT leader; it's simply a reality that talented technology managers must be educated to be effective, competent interviewers, well versed in talent selection.

When interviewing education is provided, managers typically receive cursory training on interviewing best practices. But these are dated techniques from a time when organizations focused on active job seekers and candidates were expected to interview well and ask for the position. Candidates were treated and interviewed as job seekers, not as recruited candidates.

As a result, IT management interviews pretty much the same way in today's candidate driven market as they did when the market was position driven. They ask candidates why they are interviewing, what they are looking for in a position, and how much compensation is required to change positions. The technical information is usually acquired by asking specific skill based questions. More often than not, these questions acquire data lining up with the appropriate skills and experience the job description requires. And when performance-based questions aren't asked and that pertinent data isn't acquired, opinions are formed based on first impressions such as, "can do the job" or "I liked him" or "thought he was good" or "she didn't communicate well" or "liked their energetic personality."

> With IT specifically, the interview needs to be a multi-level process of screening, technical assessment, and the evaluation of motivation, competencies, performance, and other important success factors.

Those opinions lead to errant selection decisions, either hiring the wrong candidates or making "no hires" (missing a top-performer because pertinent data wasn't acquired in the interview).

Some more progressive firms teach behavioral interviewing, which is a technique used to assess a candidate's personality traits, cultural fit, and success characteristics. But even these questions fail to truly address the true performance issues and provide intelligence/data necessary to determine candidate quality and performance inclusive to making data supported hires. With IT specifically, the interview needs to be a multi-level process of

screening, technical assessment, and the evaluation of motivation, competencies, performance, and other important success factors. An outline of this process will be presented later in the article.

The best candidates are invited back for 2nd interviews. To move the process into a more consensus-based process from one of more command and control (hiring manager makes the decision), a number of topics need attention to ultimately drive a successful selection process.

For multiple interviews to be effective:

- Select appropriate interviewers, which may include senior managers, peers, and people with specific technical and/or industry expertise. Each interviewer must bring value to the process, not just fill a requirement to reach a specified number of interviewers.

- Assign each member a specific role in the assessment process.

- Only use interviewers formally educated about the purpose and structure of the interviewing process.

- Plan content each person will cover.

- Make sure participating staff are trained how to ask questions, listen for responses and probe for detail. Training must have included "the peeling of an onion".

- Set standards for evaluating responses based on information required and acquired.

Interviewers calibrate responses from interviews. This usually requires an overhaul in even the most mindful of organizations. In most cases, interviewers are trusted allies and allowed to give their opinion without expectations, processes, scoring systems, or

standards. As a result, the organization must "calibrate" responses from one group to the next which can become highly subjective, driven by emotional assessment and each candidate's interviewing skills and likeability. And all too often, unintentionally, the preferences of a dominant panel member(s) skew the entire selection process.

Avoiding subjective and arbitrary candidate assessment requires following a defined data-driven methodology for reviewing and evaluating candidate competency, experience, motivation, track record, past-performance, and successes. Be proactive and put this methodology together as part of formalizing and making candidate selection predictable.

Top candidate is offered a job. For most organizations, a lot of thought goes into compensation planning, and offers are mindfully put together. But that's where the process stops. A top-performing, passive technology candidate is going to get a counter offer. And you may not be the only firm courting this person. Once you open his or her eyes to a new opportunity, the candidate is very likely to look around for other opportunities—and be actively pursued by other recruiters.

In prior years, the rules of engagement were to offer the candidate a little more compensation than they were making to provide an incentive for taking the risk of changing positions. However,

pursuing high-caliber, passive candidates changes the rules. The offer is not an incentive anymore; it becomes a statement of value and demonstrates how much the potential employer values the candidate. Offers need to be well thought out and the candidate's expectations need to be managed if the offer is going to be accepted. Back and forth negotiation really has no place here, and usually results in a turndown (candidate is insulted). If the proper interviews have been conducted and the organization has decided to hire a candidate, the company needs to step up and make an investment that will be returned in multiples.

Offer presentation and negotiation is an art. While admittedly biased because of my role as a recruiter, I find when employers have a third party to provide input for the offer amount (based on candidate expectations/market intelligence), present the offer, and handle the candidate's expectations, insecurities, questions about the unknown, and preparation for a counter-offer, a successful hire is far more likely to occur. Especially when dealing with a "passive" candidate.

Problem #2: Untrained People.
Can you imagine contracting for an SAP implementation, scheduling the work, and then handing over the project responsibilities to a team with no SAP or ERP experience? No company would embark on anything that unimaginable.

However, many organizations hand over talent acquisition to people with little or no training in formal recruiting, interviewing, candidate assessment, or candidate selection experience. It happens all too often in organizations with a goal "to hire the top candidates in the market."

Throughout my career, I have seen many companies, where IT leaders and staff receive no or completely inadequate training on the candidate selection process in total and interviewing specifically. As noted earlier, when training occurs, it is typically a cursory overview of basic questioning techniques and possibly an introduction to behavioral-based interviewing. But basic interviewing and general, behavioral questions are not effective in the acquisition of top information technology candidates.

Educate first. Train second.
What's the goal of the interviewing process? The obvious answer is to hire only the highest-caliber candidates with role-related competencies, depth of experience, a track record of success, and history of performance. But how? Before teaching the organization how to interview, they first need education about the talent acquisition process. This education should include a discussion of:

Organizational commitment to hiring "A" players. While most organizations say they are committed to hiring the best people, the reality is that many corporate information technology managers don't know what that really means. Most hiring unconsciously focuses on candidates that "interview well" or "can do the job" or a candidate they are "comfortable with." What bar or standard is the goal? To hire the best, you must reinforce the importance of finding the best people in the market—candidates who have a track record of successful performance, get things done, and are high enough caliber to adjust to whatever obstacles or challenges get in the way. And the interview process must validate the standards are met (with specific data) by each candidate receiving an offer.

Hiring process structure. Finding "A" players requires a multilevel approach to identifying, attracting, screening, and vetting candidates. Everyone who
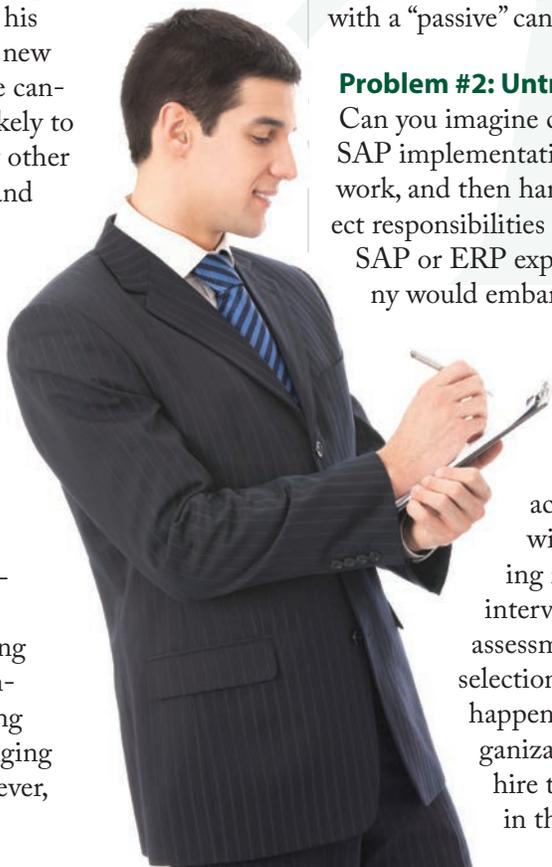
is going to be involved in the process needs to understand their role and what they should do to support others. No "lone rangers" doing their own thing.

Performance-based selection. Interviewers need training between the differences of traditional interviewing and a performance-based selection process. Traditional interviews are mainly about validating skills and experience. Performance-based selection is about asking the right questions (of the candidate and references) to assess each individual's track record of success, position-related competencies, past performance, and depth of experience. Performance based interviewing is about determining the caliber of the candidate, motivation, and past performance to validate that the candidate will successfully deliver or over deliver the desired outcomes of the position being filled. The best way to predict the future performance of any candidate is to identify and evaluate their past performance, especially performance that aligns with the objectives of the position to be filled.

Once everyone thoroughly understands the process goals, roles and methodology, then the team can be trained on interviewing best practices. This training should include the following:

Developing structured interview questions. Structure interviews with predetermined questions. Each person in the process has specific questioning objectives, and the first set of questions each person asks is determined in advance.

The responsibility for acquiring information lies with the interviewer, not the candidate. The majority of "A" players are passive candidates, and when it comes to interviewing, they are most likely rusty. To compound matters, an extroverted IT candidate tends to be an oxymoron! Interview questions must be well planned to en-
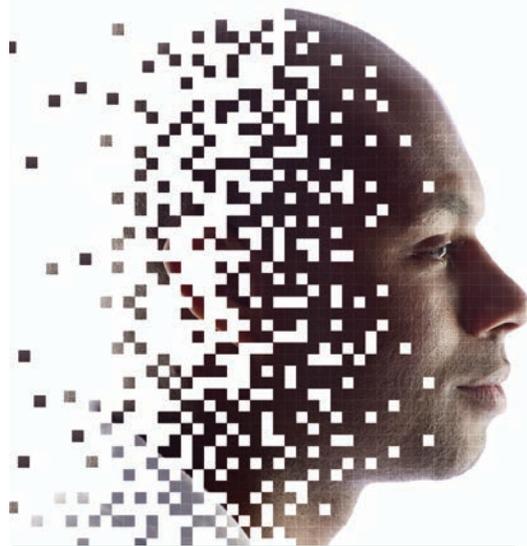
The big myths about Information Technology hiring

- HR are the hiring experts.
- "Cost per hire" is an important KPI.
- Behavioral interviewing is the best predictor of success.
- Assessment tests are effective at validating capabilities.
- You can't acquire accurate information from checking references.

sure you gather complete, accurate and consistent data about each candidate. No assumptions allowed. Assumptions need to be validated by acquired data.

Ask probing questions. Interviewers will be at their own discretion to drill down on each of the planned initial questions. All interviewers need to be taught and understand how to "peel the onion" and listen. Then decide on what types of follow-up questions are most appropriate to ask, based on the information they want to learn. Ideally, plan examples of drill-down questions in advance or have a very good idea of how to create them on the fly.

Calibrating responses. Comparing one candidate to the next can be extremely difficult. The trick is

communicating positives and negatives with supporting data. Interviewers need to understand the issues surrounding the position being filled, what needs to be accomplished by when, how to assess position-related competencies, the best way to evaluate a candidate's performance track record, and the importance of specific past performance in relationship to the challenges of the role.

Creating a Better Process for Filling High-Impact IT Roles

Clearly define your goals. Creating a clear vision of the ideal candidate moves most organizations ahead exponentially. As previously noted, create a performance-based job description–identify the key competencies required, the personality characteristics preferred, and the past performance that will predict future success.

Have a great talent acquisition strategy. Over the past 12 years, 97% of the people I have represented were NOT looking for a "job," they were "passive " candidates. Hiring the best candidate that applies isn't a very successful strategy; a game plan to identify the best candidates in the market and then select the top one is a game changer. While tactics like posting positions and resume database searches are fit in the overall strategy, more likely success will come from aggressive sourcing and direct recruitment. Also, utilizing an executive recruiting firm in support of a talent acquisition strategy for filling high-impact positions with top-performing candidates is optimal.

Build the right hiring teams. Include staff in the selection process that have the best ability to evaluate technical competencies, past performance, depth of experience, and the cultural fit between the candidate, the organization and the role. Provide the appropriate education and training to enable them to be effective in the evaluation process. Train multiple teams

so the organization is not dependent on too few individuals. Make them interchangeable via cross training. Seed the teams with those on the staff that would do a great job selling the organization, the top-performers who can demonstrate a successful track record and organizational success.

Create a multistep interviewing process.

Step 1: Screening interview. Used to validate the candidate's essential competencies, experience, and performance track record. The hiring manager normally conducts this interview, with the assistance of the appropriate technical experts when necessary. This interview should be highly structured with questions and possible answers planned in advance. It will make the interview easy to calibrate as interviewers compare the candidate answers to the options and rate them on a scale such as 1=great 2=good 3=ok 4=unacceptable.

Step 2: Multiple interview(s) and interviewers. Used to assess cultural fit and validate performance. This interview is typically best when two people are having a discussion with the candidate to learn more about performance in past job situations. Initial questions are planned and asked of each candidate and interviewers are trained to ask probing questions without overwhelming the candidate.

Step 3: Social interview. This is the candidate's chance to ask real questions. This interview is best done outside the office (over lunch, dinner, golf, etc.), and the candidate must understand that "no question is out of bounds." This interview may be with a member of senior leadership, the hiring manager, and/or a peer group.

Step 4: References: Validate what the candidate says. Reference checks are the most common and effective form of validation, and the burden of providing specific references that will speak with the recruiter, hiring manager, or HR representative must be delegated to the candidate. Like the interview, reference questions must be planned in advance and specific to each candidate. When soliciting a reference list from candidates, ask to speak to former managers for the past 10 years and not a reference list provided by the candidate. If a candidate cannot produce a reference for a specific position (unless their current position/company), it counts as a negative for the candidate.

A Few Final Thoughts

Hiring key IT leaders, managers, and subject matter experts is both an art and science. Over the past 30+ years, I've seen great examples of how to do it well–and the high cost and inefficiency of doing it poorly. I sincerely hope that you find the insights contained in this article useful in your own hiring process. For now, I would like to leave you with a few final thoughts:

- Skill-based hiring doesn't work for high-impact positions. Hire based on what you need to get done, performance required, caliber/pedigree of the candidate, and motivation to excel.

- You may not find the perfect candidate in a resume - learn to read between the lines in order to "make a great candidate." Take experience from two or three positions to fulfill the position requirements.

- Goal of an interview is to take a competent candidate and verify performance, determine the caliber of the individual, and assess motivation.

- The only KPI that matters is Quality of Hire. Your hiring ROI is maximized when you hire top performing talent.

- The only way to validate successful talent acquisition is by tracking performance, post-hire metrics and compare to pre-hire metrics.

If you have any questions about hiring proven performers, please contact me directly at mike@honerandassociates.com.

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