

How to make sure your employees “fit” before you hire them.

# HIRING TO THE CORE

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**D**ESPITE AN ABUNDANCE OF AVAILABLE resource materials, coaching, and professional services, making the right hiring decisions is still a little science and a lot of art, especially in small to midsize companies. Organizations are always looking for the ideal blend of potential, compatibility and productivity in their employees. Those who consistently get it right create a distinct competitive advantage for themselves.

One of the most critical challenges in making the right hires is filling your pool of candidates with A, B, or C players – whatever is most appropriate for the job. In *Topgrading*, Bradford Smart, Ph.D. offers solid techniques for identifying and attracting these high-caliber individuals. Yet, this is only part of the equation. The delicate process of turning human capital into productivity, growth, and profitability can still challenge even the most skilled professionals. An A+ player on paper may prove to be a D player for your company. As an employer, how do you protect yourself from the politics, cynicism, despair, disruption, and real cost of making wrong people choices?

The answer is the second critical challenge in making right hires: finding people who are willing and able to embrace your company’s core values. Core values are the DNA of your company. They are uniquely yours, and they should influence everything you do – especially your hiring decisions.

## GETTING YOUR CORE VALUES RIGHT

When Jim Collins and Jerry Porras released *Built to Last* in 1994, it seemed that everyone in business jumped on the core values bandwagon. Even Enron proudly displayed their core values to employees and Wall Street in their 2000 annual report. What were they? Communication, respect, integrity, and excellence.

Enron is just one example of how core values are often misunderstood and misused. They may look good on paper, but if they are constructed only to impress employees, customers, competitors, regulators, and investors, they are worthless if not downright dishonest. In “Make Your Values Mean Something” (*Harvard Business Review*, July 2002), Patrick Lencioni writes, “Empty values statements create cynical and dispirited employees, alienate customers and undermine managerial credibility.”

Core values should not be confused with advertisements. Frankly, if no one outside the company ever hears them, they are more likely to be true. Core values define who you already are; they tap the nerve of your organization’s passion and personality. But accurately identifying them can be tricky. It’s not

because they’re complicated; in fact, if you’re tempted to list fancy platitudes that look good on a plaque, you’re going about it all wrong. No, core values are simple – ideally expressed in a few short expressions. You just might be too close to your company to see them right away.

Once you and your executive team think you have identified your core values, don’t be afraid to try them out for awhile. Share them with your employees and watch their reactions. Do they eagerly embrace them, or do you hear a few snickers? Would you hold on to them despite big changes in your market? After a few iterations, you’ll have a list that uniquely fits your company. Commit to them and recite them over and over again. Each of your employees should be intimately familiar with them and enthusiastic about them. Weave them into your performance reviews and routine MBWAs (management by walking around).



Bahamian Celebration (Phil Fisher)

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Next, make your core values the basis of your hiring process. Candidates simply must exhibit compatibility with your core values. Hiring A players is bound to have a huge impact on company performance, but if they do not share your core values, that huge impact is likely to be the opposite of what you had hoped.

I have enjoyed the privilege of working with a very talented and dedicated executive team at an engineering/design firm. Among other things, they design life-saving medical equipment, so they do not employ people with anything less than the highest technical skills. As important as this is, however, they consider it just as important to hire people who demonstrate compatibility with their core values, one of which is a strong sensitivity to customer needs. They have developed a well-orchestrated process of screening candidates specifically for core value conviction. If a candidate does not match, regardless of technical skills, he does not get hired.

## HOW TO FIND THE RIGHT CANDIDATES

Having established the importance of hiring based on core values, it's time to talk about how to actually execute this. First, divide the hiring process into five stages: resume, phone interview, first in-person interview, second in-person interview, and offer. Each of these steps gives you an opportunity to identify questionable candidates and eliminate them from consideration without wasting time. Furthermore, these steps allow you to build rapport with promising candidates.

The focus on core values begins with stage one: the resume. Look for any indication of the previous employer's core values and signs that the candidate was conscious of them. The most likely place to find this information is in the cover letter that many candidates include with their resumes. For example, you might find a sentence expressing the candidate's desire to seek a position that [fill in the blank]. That "fill in the blank" might be your first clue as to whether this prospect will fit your culture. The clues may be tough to spot, however. Candidates are unlikely to explicitly say, "These are my core values," or, "These were my previous employer's core values and they were not a fit for me," so do not automatically eliminate a candidate if this first filter turns up little. At the very least, you should see things that prompt specific value-seeking questions in the phone interview. You can probe further at that time.

The personal interview, likely broken into two stages, enables you to get a better read on candidates who have made it past the resume filter and the phone interview. This is where you absolutely can – and must – assess the candidate's adaptability to your organization's core values. Your success depends on your questions, which cannot be susceptible to easy answers. Obviously, any question that can be answered with a "yes" or a "no" is unproductive for your purposes, but even beyond that,

questions must elicit thoughtful answers that are unique to the candidate and representative of his nature. For example, if you ask, "How well do you handle stress," the candidate can easily construct a generic response that sounds good. A better question to ask might be, "Regarding the high-level proposal you had to prepare overnight in your previous job, tell me specifically what you did to meet the deadline." Other examples:

- Instead of asking, "What it was like working at XYZ Company?" ask "Give me some specific examples of how your previous work experience has prepared you for this position."
- Instead of asking, "Why do you want to work for our company?" ask, "How do you anticipate your work for our company fitting into your long-term goals?"

Behavior-based questions are key. Don't ask them how they feel about core values. Instead, ask questions that reveal how they think and operate. Gauge their sincerity, and take note of what they are willing to reveal about themselves. (A candidate's willingness to say "I don't know" can tell you a lot; in fact, you might even want to push for this answer to see if the candidate will go there.)

On a practical note, it's a good idea to have several people from your organization interview the candidate for the second interview. Be sure to coordinate the types of questions you ask (without asking the same questions) so you can measure consistency of answers. This practice will increase your confidence in your hiring decision, whether that decision is to extend an offer or to let the candidate go.

Finally, don't stop with the hiring process. Core values should be the basis for your annual performance reviews, and if an employee proves to be incompatible with your culture, that is a strong sign that he would be better off going elsewhere.

## CONCLUSION

Core values are the basis for alignment throughout your organization. They continually guide and reinforce your company's purpose. They provide the metrics by which management can reward or discipline, promote or release. They are the "fire in the belly" that drives your organization and the reason you get excited about what you do.

And they depend on who you hire.

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