

Hire for Attitude, Train for Skill

You can't build a great company without great people. The problem: How do you know the great people when you see them? Rules for smart hiring from Nucor Steel, Silicon Graphics, and Southwest Airlines.

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First appeared: FC04, p.73

In a conference room on the first floor of the Houston Hobby Hilton, Jose Colmenares surveys a group of 13 women and 3 men and wonders which — if any — have the “right stuff” to become flight attendants with Southwest Airlines. Colmenares is not looking for a fixed set of skills or experiences. He’s searching for something far more elusive and much more important — the perfect blend of energy, humor, team spirit, and self-confidence to match Southwest’s famously offbeat and customer-obsessed culture.

This search occupies Colmenares all day, every day, and it unfolds in hotel meeting rooms from Texas to California. Southwest has been the country’s most acclaimed airline for the past decade. And runaway success attracts lots of attention. Last year, the 22,000-person company had openings for roughly 4,500 new employees — and received more than 150,000 applications. It’s the job of recruiters such as Colmenares to work through that vast applicant pool and identify the elite few who can make it at Southwest.

Libby Sartain, vice president of the People Department, says, only half-jokingly, that taking a job with Southwest is like joining a cult. The ultimate employee is someone whose devotion to customer and company amounts to “a sense of mission, a sense that ‘the cause’ comes before their own needs.” Colmenares speaks in the same near-spiritual terms. What’s he looking for in a candidate? “An attitude,” he says. “A genuineness — a sense of what it takes to be one of us.”

To begin today’s group evaluation, Colmenares asks the 16 hopefuls to fill out and read aloud a personal “Coat of Arms” — a questionnaire on which applicants complete statements such as, “One time my sense of humor helped me was”; “A time I reached my peak performance was”; “My personal motto is.” Most of the answers are unremarkable, but a few stand out. One man declares his motto to be, “I am the master of every situation.” One woman describes herself as “zippy” — a term that fellow applicants find hilarious, but that Colmenares finds intriguing.

The day’s most involved and revealing test is a group exercise called Fallout Shelter. Applicants are told to imagine they are a committee charged with rebuilding civilization after a just-declared nuclear war. They’re given a list of 15 people from different occupations: nurse, teacher, all-sport athlete, biochemist, pop singer. They have 10 minutes to make a unanimous decision about which 7 can remain in the only available fallout shelter. As the candidates propose, wrangle, and debate, Colmenares and some colleagues watch from across the room. They grade each person on a scale ranging from “passive” to “active” to “leader.”

At the end of the session, Colmenares and his team compare notes on what happened. They decide to ask back four people for in-depth interviews. That’s not bad; many sessions end with no callbacks. They like the “zippy” woman, who was active without being domineering. They like the poise and assertiveness of a young man who emerged as the leader toward the end of Fallout Shelter — although they’re not without their doubts. The man has declared himself a fan of self-help guru Anthony Robbins and described how he built his self-confidence by walking over a bed of live coals.

“We wonder if he’s for real,” Colmenares confides. Finding out is what the next round of evaluations will be all about.

Four Rules for Hiring Smart

The proposition is undeniable: you can’t build a great company without great people. But how many companies are as rigorous about hiring as they comfortable evaluating job candidates as they are deciding on an investment proposal? The all-too-common reality, in far too many companies, is that hiring processes are poorly designed and shabbily executed.

Of course, making the commitment to hire great people raises an even more basic question: How do you know them when you see them? Over the last few years, a number of companies have asked themselves that question. They’ve analyzed what separates their winners from their losers, good hires from bad

hires. These companies compete in a wide range of industries — from airlines to steel, computers to hotels — but they all arrived at the same answer: What people know is less important than who they are. Hiring, they believe, is not about finding people with the right experience. It's about finding people with the right mind-set. These companies hire for attitude and train for skill.

Eric Lane, director of worldwide staffing at Silicon Graphics Inc. (SGI), the fast-moving, 11,000-person manufacturer of computer workstations, servers, and supercomputers, says his company's hiring philosophy has evolved as it has grown. Sure SGI still needs world-class chip designers and software programmers who write elegant code. But technical virtuosity seldom determines who makes the grade. It's all about mind-set. SGI's culture is autonomous and informal to the extreme. It's the kind of place, Lane says, "where the main mode of transportation between cubicles is the skateboard." People who are uncomfortable in this kind of environment tend not to succeed — no matter how technically capable they are.

"In interviews," Lane says, "I give people an opportunity to be fun, to show their sense of humor. We look for people's passions, what they've done with their lives: the guy who took a year off after his MBA to play the violin or travel the world."

Don't get the wrong idea. Just because finding great people is all about the soft stuff — mind-set, attitude, personal attributes — that doesn't mean hiring becomes an exercise in amateur psychology, executive intuition, or "gut feel." It's possible — necessary, really — to be as rigorous and demanding in hiring as in any strategic process. In fact, it's only by designing rigorous selection processes that you can give great people the freedom they need once they're hired.

"The overarching idea is that you hire hard and then manage easy," says Alan Davidson, an industrial psychologist in San Diego whose clients include Chevron, Merrill Lynch, and the Internal Revenue Service. "That means doing a lot of work up front."

Four principles define the new model for smart hiring.

1. What You Know Changes, Who You Are Doesn't

Popeye was right: "I y'am what I y'am." The most common — and fatal — hiring mistake is to find someone with the right skills but the wrong mind-set and hire them on the theory, "We can change 'em."

Davidson's response? Forget it. "The single best predictor of future behavior is past behavior," he says. "Your personality is going to be essentially the same throughout your life." As evi-

dence, he points to U.S. Air Force research on personality types that began in the 1950s. For decades, researchers tracked their subjects by observing their behavior and interviewing their families, friends, and colleagues. The conclusion? Basic personality traits did not change, Davidson says. "Introverts were introverts, extroverts were extroverts. The descriptions were constant."

Companies that ignore the Popeye Principle do so at their peril — although the temptation is never far away. Ann Rhoades, executive vice president of human resources at Doubletree Hotels Corp., admits she's strayed on occasion. Rhoades is something of a legend in hiring circles. She spent much of her career at Southwest and is the executive most closely identified with its current hiring methodology. She joined the Phoenix-based hotel chain two years ago, soon after the merger that created it, to reinvent its culture by remaking its employee base.

Everything about the new Doubletree culture emphasizes freedom, informality, flexibility. Rhoades's acid-test interview question for job candidates is, "Tell me about the last time you broke the rules." A long silence or a noncommittal response is an indication that a candidate is trying to figure out what she wants to hear. "The good ones," she says, "don't care."

Rhoades recently hired a senior financial analyst who told her he never broke the rules. When he sensed that was the wrong answer, he changed his story. Rhoades didn't buy it, but his qualifications were so strong that she made the hire. After all, she thought, maybe he'd change. Think again. "He was so by-the-book, he read from the book," she marvels. "Literally! 'It says here on page 10 that I can't do that.'" He quit before Rhoades could fire him.

2. You Can't Find What You're Not Looking For

Bill Byham, perhaps the world's foremost authority on hiring, is president and CEO of Pittsburgh-based Development Dimensions International (DDI). He's also the father of a hiring methodology that goes by many names ("Targeted Selection" is the most popular) but revolves around a simple idea: the best way to select people who'll thrive in your company is to identify the personal characteristics of people who are already thriving and hire people just like them. In the Byham model, companies work to understand their star performers, identify their target behaviors and attitudes, and then develop interview questions to find people with those attributes.

Byham is quick to emphasize that these questions are about facts and achievements, not psychoanalysis. "The worst thing you can do is ask managers to pretend they're psychologists," he says. "You want to take the interpretation out of it. Behavior

predicts behavior. When interviewers ask theoretical questions — ‘tell me about your father’ — they don’t get useful data.”

Ann Rhoades is using just that approach at Doubletree. She’s hired DDI to conduct interviews with 300 employees to analyze the personal attributes of her standouts and washouts. (Employees don’t know in which category they fall.) She’s using the results to create a database of “dimensions” for success and to search for people who fit the dimensions.

Take the case of reservation agents. Based on her interviews, Rhoades believes there are seven dimensions for success on the job: practical learning, teamwork, tolerance for stress, sales ability, attention to detail, adaptability/flexibility, and motivation. Tolerance for stress means “an ability to exhaust frustrations and maintain effectiveness on the job” and “observe emotions displayed in body language.” Behavioral flexibility means a person can “handle each call on an individual basis” and “prepare [for] each call with the thought that positively outrageous service is the ultimate goal.” Rhoades has designed specific interview questions and exercises to probe for these and other attributes.

3. The Best Way to Evaluate People is to Watch Them Work

A few companies take this rule literally — none more so than steelmaking giant Nucor. In many ways, Nucor is to steel what Southwest is to airlines: innovative, fast-moving, eager to break the rules. One of Nucor’s best sources of new steelworkers are the construction workers who build its plants. Managers monitor their construction sites, look for plumbers and electricians who demonstrate the work habits they value, and then hire them. At Nucor, the dirty and dangerous task of building a steel mill is one long interview for jobs running it.

Most companies can’t hire the Nucor way. But they can opt for the next best alternative — simulation. In its new factory in South Carolina, BMW has built a simulated assembly line. Job candidates get 90 minutes to perform a variety of work-related tasks. Charles Austin, an Atlanta-based consultant with DDI, helped design the facility. He says people who don’t have the mental stamina to meet BMW’s “aerobic workplace” requirements don’t get hired. Austin has built similar facilities for other automakers (including Toyota and Subaru) as well as for a new Cessna single-engine airplane factory in Independence, Kansas.

Cessna’s Independence plant takes simulation beyond front-line workers. Austin developed an elaborate role-playing exercise for managers that simulates a “day in the life” of a harried executive. A job candidate spends up to 12 hours in an office with a phone, fax, and in-basket stuffed with files and letters. Throughout the day the prospect works through memos and

handles problems. (“We’ll call and pretend to be an irate customer and let him deal with that,” Austin says) . Cessna has hired roughly 100 people in Independence using this day-in-the-life simulation, including an 8-person management team and the plant manager.

Why bother? “You’ve got fewer people doing more work,” Austin says, “so you have to see how people will do the job before you hire them. You can’t afford to make a bad decision.”

4. You Can’t Hire People Who Don’t Apply

Companies that take hiring seriously also take recruiting seriously. Successful companies seldom lack for job candidates. Last year, there were nearly 40 applicants for every person hired at Southwest Airlines. Silicon Graphics hired 2,700 people in 1995 and received more than 50,000 resumes. But the goal is to have the right job candidates, not the most.

Companies that hire smart usually start their recruiting efforts close to home — with their own people. SGI’s Lane estimates that 65% of his company’s new hires began as referrals from current employees. It makes sense: it takes a certain kind of person to thrive at SGI, and those people tend to spend time (personally and professionally) with people like themselves.

A second approach to recruiting goes one step further — on the theory that blood is thicker than water. Most companies with advanced hiring systems encourage family members of standout employees to apply for jobs. The logic is simple: If “who people are” is what matters, who better to hire than people related to your stars?

Thomas A. Morelli, vice president of human resources for Solectron, makes just that point. “Around the world, our current employees are our best recruiting source,” he says. “They understand the soul and spirit of the company. I can’t say exactly how many family members we have, but we have more family members than any company I’ve worked in.”

James Coblin, Nucor’s general manager of personnel services, agrees: “People ask us, ‘Do you hire families?’ We hire entire clans. We’ve got brothers, sisters, cousins, husbands, wives.”

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The ABCs of Interviewing

How Nucor Hires: Build Yourself a Job

Gene Pool, Talent Pool: Hiring is All in the Family

