

Recruiting & Hiring 3.0

The Definitive Guide

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PART 1:

The War for Talent and The New Paradigm of Talent Acquisition

INTRODUCTION

Hiring is High Stakes Gambling

How many late nights, weekends, and holidays have you spent worrying or working to survive the next quarter? Too many and never enough, right? If you could help it, you'd never gamble all that hard work away on a coin toss. Of course not.

Whether it's a Fortune 500 company or a new startup, the quality of a hire can be the gain or loss of close to one million dollars.

Picture this: you're a fraction of the size of your largest competitor, and more productive and more profitable than they are by an order of 5X or 10X. Your staff is happy and engaged and your employee retention is tops in your industry. Sounds perfect, right?

It doesn't take a new management team, a high-priced CEO, or a radical change in your business to get results like this, nor does it require weeks of training and team building from human resources.

For both startups and supranational corporations, the solution is the same—being totally committed to only hiring employees that are exponentially more valuable than the average. It's in a company's best interest to only interview exceptional candidates; warm bodies with a pulse just aren't good enough anymore.

Sure their resumes may look great, and they may interview well, but can you know for sure how a candidate will perform after 3 months, or a year? Are you willing to trust your gut? The facts show that extraordinary candidates are already applying to your company; they're just next to impossible to find amidst the piles of resumes sitting on your desk.

But what if you could always find these extraordinary people, and then leverage their talents to the hilt?

The good news is that leading companies have already discovered the answer to this question.

This book is separated into three parts:

Part 1 uncovers the false hiring assumptions that have caused countless companies to lose millions and even some to fail, and the changes in thinking that brought on hiring 3.0.

Part 2 details and investigates the methodological changes and the new tools of a hiring 3.0 reality - not only telling you what the process involves, but showing you how to use it to your advantage as well.

Part 3 discusses best practices for merging the Hiring 3.0 reality, tools and methods with the status quo, so you have the details and how-to's so you can start creating noticeable incremental improvements across your organization.

Stop wasting your valuable time and money on an outdated and even risky hiring process. We'll show you the newest methods that the most forward-thinking employers and recruiters are using to find, attract, and keep top performers.

“I maintain that most any company, particularly in the growth phase, is better off by discovering potential stars (we call them Champions) in the making and creating a healthy holding environment that allows and encourages them to grow.”

~ David K. Williams, CEO of Fishbowl¹

“[IT’S] DEAD JIM”

Dr. McCoy from Star Trek was known for identifying when someone was dead. He would famously say, “He’s dead, Jim,” or, “He’s dead, Captain.”

We’re here to say that the traditional hiring process is dead, Jim. It’s outdated, it’s slow, it’s rife with flaws, and it yields totally unreliable results. The status quo has created a lose-lose-lose situation for employees, employers, and managers alike. Historically, we’ve seen:

HIRING 1.0

Hiring 1.0 typified most hiring from the 1950s until the late ‘80s and early ‘90s. The world was a changing place and the workforce was transforming. It was the time when resumes started being used as a normal hiring convention. There was a lack of educated and talented workers, so college graduates had a relatively easy time finding jobs. The workforce was also extremely stationary, so there weren’t as many people applying for each position. Workers got into a fixed-promotion schedule, had lifelong jobs, and received a gold watch upon completion of their 25-year tenure.

HIRING 2.0

Beginning in the late ‘80s and early ‘90s, things started to change. An abundance of graduates from higher education institutes made the job market more aggressive. Employees began to hold jobs for shorter periods—from a few years to a decade at a time, on average. Job seeking went online, complete with job boards, online applications, and social recruiting. Only ten years ago, job seekers had to mail physical resumes; now, they could be sent with the push of a button. Innovation and automation allowed companies to post jobs faster and candidates to apply even faster.

HIRING 3.0

All of this led the number of applicants per job to skyrocket, causing the time-to-hire to become arduously long.

With microscopic companies killing big ones or getting acquired, hiring high-quality employees has become more important than ever, but they're harder to find amongst the sea of resumes. Yet the resume, which was adopted around the same time that televisions became popular, has failed to evolve with the digital-hiring process.

Televisions have advanced significantly, but resumes have basically stayed the same. This has left companies with very few tools to sort through hundreds upon hundreds of resumes and to make better hiring decisions. Bad hires are prevalent, costly, and practically inevitable with such a defunct hiring process. To make matters worse, A+ employees have more options than ever before and retaining them has become even more difficult. The challenge is no longer filling positions—it's fighting the war for talent and reinventing the recruiting process for a modern labor market, the talent market. It's about hiring the best people before someone else does.

This leads to three major problems related to using outdated strategies in a 3.0 world:

Problem #1: Employers Are Taking Multimillion-Dollar Gambles

Roughly \$840,000 is the anticipated bottom-line cost of a bad hire for a 2nd level manager position (paying a salary of \$62,000 per year) after 2.5 years.²

The mistakes, failures, and missed business opportunities resulting from a bad hire compound like high interest on an enormous debt. Bad hires become exponentially more expensive when they linger for years, especially if they oversee important teams and major projects.

Employees are the greatest investment, expense, asset, and liability for most companies, yet employers have been forced to make hiring decisions based on exaggerated resumes and superficial interviews.

Problem #2: Employees Are Setup to Fail

Approximately 34% of applicants lie about their previous work experience on their resumes, and they're given jobs they're not qualified for and receive very little training. A degree in business doesn't qualify or prepare someone to perform all business-related tasks. This leads to stress and frustration, and leaves A+ employees feeling underappreciated.

The result? 46% of new hires leave within 18 months and, according to management, 45% of new hires are only fair to marginal performers.³

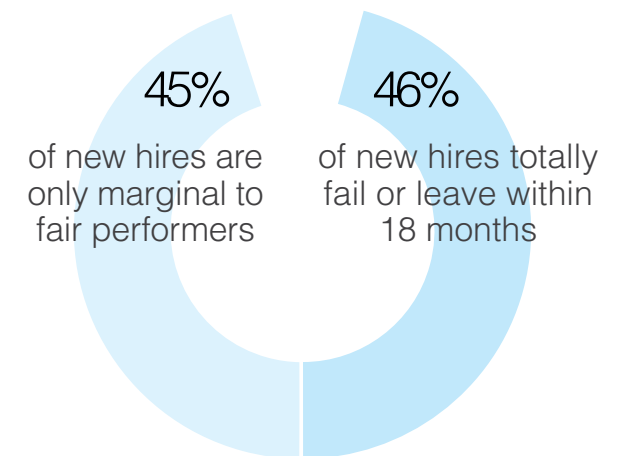
And then there's The Peter Principle.⁴ Highly successful people are often rewarded with promotions into roles they don't have the abilities for. The company is ultimately run by employees who end up rising to their level of incompetence. Someone that excels in a sales position may not excel as a sales manager because even related positions require different abilities.

Success at one company is rarely portable to another company. After studying more than a thousand top Wall Street analysts, Boris Groysberg writes in *Chasing Stars*⁵ that though a person may excel in his position at one company, similar success at another company is not guaranteed. Just because an employee does well in one position at a certain company doesn't mean that success will be duplicated in a similar role at another company.

Problem #3: Managers Are Hiring Themselves

According to a study⁶ at the Northwestern University Kellogg School of Management, managers tend to hire people who emulate their best qualities.⁷ It can seem like common sense: if the manager was successful in their department, then new hires should be like them. Unfortunately, according to Forbes this is a very dangerous misconception.⁸

Firstly, most managers don't have a complete understanding of what makes



them successful. Furthermore, studies have found that we overestimate our best qualities, such as intelligence (this is true for both men and women).⁹ More importantly, most managers need to be looking to hire people who balance their weaknesses, not who replicate their strengths.

In Case You Haven't Noticed, Resumes Suck!

Hiring 3.0 means declaring war on resumes. The faith we place in resumes is failing everyone. The reality is that they simply don't work and everyone knows it. Employers like you expect that you're being manipulated whenever you pick up a resume, and if you don't, it's time for a wake-up call.

Candidates Are Lying

It's true. Whether they're stretching the truth or they're outright lying, candidates aren't being, well, candid. You can't trust a resume. Why? 70% of new grads say they would lie on a resume to get the job they want.¹⁰ Whether you realize it or not, candidates are using their resumes to tell you what you want to hear, exaggerating their best qualities and concealing their worst.

Let's look at the facts:

31% of people admit to lying on a resume.¹¹

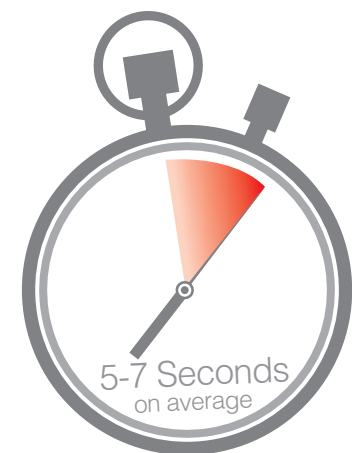
80% of resumes are intentionally misleading.¹²

64% of resumes overstate accomplishments.¹³

34% of resumes contain outright lies about experience or education.¹⁴

Deconstructing the Resume

An estimated 91% of hiring managers¹⁵ classify new hires as a "disappointment." It might be tempting to blame the mere **5 to 7 seconds of attention the average resume receives**, but upon taking a closer look, this can't



How long a hiring manager looks at a resume

be the whole story.¹⁶ How can managers, no matter how much time they spend, discover the real top performers when resumes so poorly represent applicants? It's no wonder the resume is failing us.

Education

In 2006, Forbes named education as one of the most common lies on a resume.¹⁷ For example, some candidates say the degree that took them six years to finish really only took the standard four. Others stretch the truth about their so-so grades, and still others even lie about earning a degree. Promising Harvard graduate? Maybe not.

Experience

As we mentioned previously, success at one company is rarely an indication of success at another.¹⁸ While most employers focus on a candidate's experience when considering them for a position, the real need is to focus on their transferable skills. Not only can more experience mean more bad habits and poor processes that have to be unlearned, but also what leads to success at one job may not hold true for another.

References

27% of resumes contain falsified references.¹⁹ Remember all of the glowing, persuasive references you've read in your career? Nearly a third of those were probably made up. And what's worse? Only 11% of hiring managers actually take the time to check applicant references.²⁰ Yikes!

At the end of the day, a person's ability to craft a great resume (or have someone else do it for them) isn't an effective way to predict job performance—whether they're telling the whole truth or not. Even if they did get the degree they say they did, there's virtually no link between education and job performance.²¹ There's no guarantee that an Ivy League graduate will perform better than a community college graduate. It ends up being practically a coin toss.

Resumes glorify experience and neglect transferable skills—the true predictors of success. That’s why you need to ask if the experiences you’re hiring for will be relevant in three years. The answer is probably not, and that’s why you need employees who can easily learn new skills. It’s not enough to just have the skills needed when an employee arrives. Employees need to be able to pick up new skills and stay up-to-date as job requirements change.

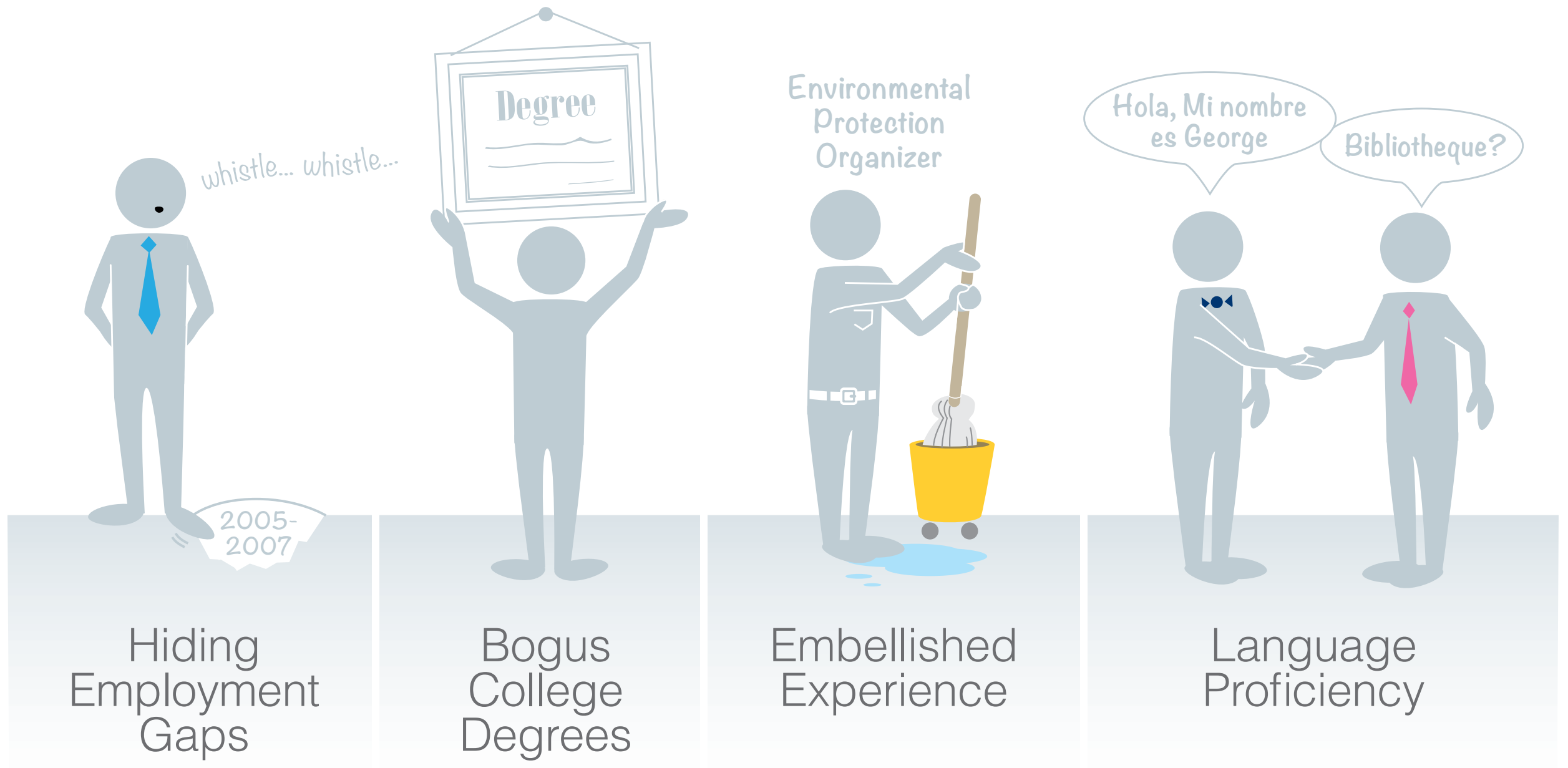
Interviews Suck, Too

If you thought resumes were the only things riddled with lies, you’re in for a surprise. In an average 10-minute conversation, we’ll lie two to three times.²² So in a 30-minute interview, you’ve been told nearly ten lies. Think you can tell when someone is lying? Think again. Even though lying on resumes is pervasive, 51% of 3,100 hiring managers surveyed have never caught fabricated info on a resume.²³

With that many lies on resumes, those deceptions lead to false assumptions about candidates during their interview. All a candidate needs to do is not tip you off that some information on their resume was fudged and they’ll be able to fly under the radar.

Additionally, interviewing is inherently biased. It favors the extroverted and agreeable, but those characteristics are not always good predictors of job performance. In fact, research indicates that those who are introverted and non-agreeable perform better than their more likable and outgoing counterparts.²⁴ But, naturally, we want to hire people we like, so we end up making an emotional hiring choice instead of the right one.

MOST COMMON LIES ON A RESUME



PARADIGM SHIFT 3.0

“Hiring 3.0” is shaking up the way companies find, hire, and manage their talent. Leading companies are qualifying candidates using new advanced screening methods rather than resumes and interviews. Employers are becoming better equipped to make personnel decisions, are leveraging exceptional candidates, and are greatly lowering their risk of poor hires.

Too Many Applicants? No Such Thing

You’ve probably heard that sourcing candidates is one of the biggest problems in the HR space right now. Sure, if you’re looking for one of 50 people on the planet with an ultra-specific skill set, you’re likely to have problems acquiring them and you should expect to pay top dollar to acquire these people. But such cases are the minority.

The truth is that many companies have an abundance of candidates applying for most positions. Take Google, for example. They receive over 1 million applications per year.²⁵ That’s more than 2,739 per day. How many of those candidates does Google hire per year? About 0.5%.

The biggest and most common problem in hiring right now is qualifying your applicants—the actual sifting through applications to find the very best candidates. It’s much easier said than done, which is why many employers find themselves “drowning in resumes.”

You need an applicant filter, a first line of defence. You need to know when no one’s good enough and when to keep looking. You also need to know when you have a fantastic candidate: they may not look perfect on paper, they may have been the only one that applied, or the job post may have only been up for an hour. You need to know when you have an amazing candidate, and you need to be prepared to act fast.

“I noticed that the dynamic range between what an average person could accomplish and what the best person could accomplish was 50 or 100 to 1. Given that, you’re well advised to go after the cream of the cream... A small team of A+ players can run circles around a giant team of B and C players.”

~ Steve Jobs

Find Your Heroes

What exactly is an A+ employee? Is it just another fancy buzzword? And how do you spot one amidst the sea of B+ (and, even worse, C+) employees?

The Difference between B+ and A+ Employees

B+ and A+ employees will both work hard. They’ll both likely meet deadlines, show up on time, work some late hours, and sport the company swag. However, A+ employees have uniquely valuable, transferable skills that make them assets to many companies and industries.

1. Goal Directedness

A+ employees stay focused to achieve a common goal. Promoting themselves takes a backseat to a job well done. They set exceptional standards, achieve them, and are a shining example for others. Because of this, A+ employees also hire other A+ employees—it keeps the team strong. But B+ employees hire C+ employees to make themselves look better.

2. Passion

A+ employees have a passion for the problem their company is solving. They aren’t merely concerned with furthering their own career; they’re concerned with furthering the company as a whole. They stay late, work weekends, etc. because they want to. On some level, they need to. They define the success of their company as their own personal success.

“Insanity: doing the same thing over and over again and expecting different results.”

~ Albert Einstein

3. Scrappiness

A+ players know that where there's a will, there's a way. They're resourceful and industrious. Success is a matter of duty for them. They ask questions when necessary, but they're not just going to wait around for all of the answers. They'll experiment; they'll look for the answers themselves; they'll find a way to get it done, with or without a big budget.

One Problem: A+ Employees Are Hard to Find

The competition for A+ employees in the talent war currently waging is fierce. There aren't a lot of them to start with, and they only represent a small fraction of the population. There is no way to know the exact number of A+ employees out there, yet studies suggest that they represent only 5% to 15% of the population, which is roughly 15 to 45 million people in the United States.²⁶

Presumably, many A+ employees are already engaged at work somewhere.²⁷ They're saving their companies 5% or more annually. 86% feel happy at work and 67% become brand advocates. Their employers are doing whatever they can to hang on to them. What does that mean for you? Well, they're not likely to jump ship.

However, many are underemployed, unnoticed, unhappy, and looking for an opportunity to accomplish what they know they can.

Hiding in Plain Sight

These days, it's common for successful people to take the road less

traveled. And, one way or another, they fall into the perfect job for them. It is ridiculous that companies are looking for these unconventional people in the most conventional ways, which falls into Albert Einstein's definition of insanity.

Rookies

Think for a second about hiring for entry level positions: often hundreds or thousands of applicants, they usually have the same education and almost no experience or training. Despite looking similar, some applicants are bound to have extraordinary potential and will become a company's future A+ employees, and others won't.

Every year, a torrent of rookie applicants flows out of colleges into the job market. Unfortunately, many companies are unprepared and ill-equipped to sort through the stacks of applications to find the ones with the highest potential to be A+ Employees.

Training is a significant investment for any company. When a manager hires someone with experience, they hope the new hire will 'hit the ground running'. Still, other managers prefer to hire rookies with high potential, over experienced applicants, because these rookies are very moldable.

When an applicant with 8 years of experience is hired, that can mean that they'll need to unlearn 8 years of different processes, and quit 8 years of bad habits. When experience leads a new hire to make false assumptions, it often results in costly mistakes. 'Experienced' hires often don't receive as much attention during onboarding. It can be a long time before the errors are noticed and corrected, which further compounds the costs of the mistakes. Plus, experienced hires demand higher salaries, too.

The enormous advantage of high potential rookies is that they are blank slates. Employers don't underestimate the training and attention needed, and the new hire never gives the impression of "yeah, yeah, yeah... I know

all of this and I have done it for 8 years.” High potential rookies treat their training like gospel, and the new hire can train much faster than expected and have a much easier time adapting to the values and culture of the organization, because it is all they have ever known.

Many successful companies recognize the advantages of promoting from within.²⁸ They have crunched the numbers and learned that hiring for fit and culture is harder than it seems. Training the right people to do the work is easy, especially compared to trying to change people so they fit with your company culture.

Don't fear rookies because they are rookies. We were all rookies once, and many of us will be rookies again. In today's turbulent and ever changing economy, many people will be faced with making a career transition. While those transitioning may have some experience, in many ways they are still rookies.

Part 1 Conclusion

The traditional hiring method isn't merely broken, it needs to be reinvented. It's an outdated system that has run its course. Employers are taking multimillion-dollar gambles, employees are setup to fail, and managers are often hiring mini versions of themselves. In the next few years, it won't just be early adopters who advocate for Hiring 3.0—it will be everyone in the HR space.

Hiring 3.0 marks a shift in the way companies are finding A+ employees and high potential rookies. Fueled by a need to do more with less, leading companies have begun to save millions in hiring, related expenses and wasted time.

We believe that every company deserves to be unchained from the mire of inscrutable applicants and employees, and to become successful and profitable using the best team possible. Hiring managers should be spending their valuable time screening nothing less than the the cream of the crop.

PART 2:

Big Data and The Recruiting Secrets of Leading Companies

KNOW THE TOOLS OF THE TRADE

Big Data Boils Oceans

Leading companies, including Xerox, Lowe's, UPS, Four Seasons, Turner Broadcasting, and others, are outsourcing major parts of their hiring processes—to Big Data. Big Data refers to the process of capturing, curating, storing, analyzing, and visualizing data sets so large and complex that they cannot be handled with traditional software tools.

Companies that use Big Data to help with hiring analyze statistics about employee turnover, performance, and assessments to understand what type of people will be most successful at each job. They then use their findings to implement employment assessments that screen job applicants for the identified traits.

Here are a few stories from companies who successfully used Big Data to meet their hiring goals:

Decreasing Employee Turnover:

“When looking for workers to staff its call centers, Xerox Corp. used to pay lots of attention to applicants who had done the job before. Then, a computer program told the printer and outsourcing company that experience doesn't matter.

The software said that what does matter in a good call-center worker—one who won't quit before the company recoups its \$5,000 investment in training—is personality. Data show that creative types tend to stick around for the necessary six months. Inquisitive people often don't.” ~ Wall Street Journal

Increasing Sales:

Josh Bersin, CEO of Bersin & Associates, recently shared a story about a large service provider that hires thousands of salespeople every year. Executives at this company believed that top performers came from brand



company logos are trademarks
of their respective company.

name colleges, had high GPAs, and had demonstrated leadership ability in prior positions.

But when the company analyzed their current top performers, they discovered that none of these things seemed to matter. Accordingly, they altered their hiring process significantly to assess applicants for the criteria found through their analysis; within six months, they experienced a \$4.5 MILLION increase in revenue.

Decreasing Workers' Comp Claims:

Waste-disposal firm Richfield Management LLC was looking for a way to filter out applicants who were likely to get hurt and abuse workers' compensation, so they turned to research. The company implemented an employment assessment that rated applicants in emotional stability, work ethic, and attitude toward drugs and alcohol. After adjusting their hiring process to consider only employees who scored well on the assessment, Richfield's workers' compensation claims have fallen by 68%, according to the Wall Street Journal.

Under today's economic pressure to cut costs and boost productivity, companies that leverage Big Data will far outperform those who do not, according to McKinsey's Big Data research. When used correctly, Big Data not only saves companies a lot of money, it also levels the field for employees and applicants.

A PEEK BEHIND THE CURTAIN

The science behind Big Data in Hiring 3.0 is called psychometrics

Psy-cho-what?

You may have heard of using Big Data to manage inner city traffic flow, or using Big Data for optimizing your website and search analytics. But if you want to talk about using Big Data for hiring, then what you're really talking about is a branch of psychology called psychometrics.

Psychometrics is the field of study concerned with the theory and technique of psychological measurement—the measurement of knowledge, abilities, attitudes, personality traits, and educational assessment. When used for hiring, this provides reliable and quantifiable data about all of your applicants, enabling you to compare them objectively and determine who will perform well and who will fall short.

Why Psychometrics Is Important To You

Leading companies have found that properly using advanced psychometric assessing helps you to:

Optimize your ability to find exceptional candidates.

Place candidates in positions where they'll excel.

Avoid getting duped by resumes and charming interviews.

Sidestep the astronomical costs of a bad hire.

Save time by qualifying candidates much more quickly.

Reduce subjectivity—no more emotional hires and no more missed diamonds in the rough.

Reduce turnover by having fulfilled employees who will stick around longer.

Increase success rates and job performance with employees thriving in positions that cater to their strengths, habits, and preferences.

Build higher-performing teams with members that complement each other's strengths.

ASSESS FIRST, ASK QUESTIONS LATER

In the past, it was common to use psychometric assessments if you were filling an executive position. However, first you would sort through piles of resumes to find what you believed to be the best applicants. Then you would go through several rounds of interviews. Finally, when the decision came down to 2 or 3 candidates, you would use an assessment.

Leading companies have now realized that using this method means you'd stacked the deck against yourself. If you had 100 to 200 applications, you'd likely miss the 5 or 10 high potential candidates in the pile. And even if one got through, the interview process would introduce a whole new level of preferences and biases. By the time the assessments were used, it would be highly unlikely you'd get the best candidate of the original applicants. Too many factors would have already negatively affected the outcome.

In Hiring 3.0, the process is flipped. You assess all applicants up front, before even reading a resume. This is so crucial it warrants being said again.

Hiring 3.0 means you assess everyone that applies up front, at the very beginning of the application process.

The results will indicate for you which resumes are from high potential candidates. Whomever you choose to interview from that shortlist will be as likely to thrive at your company as anyone else on the list.

Will you lose potential applicants by requiring them to take an assessment? Some, but if they won't take 20 minutes to take an assessment in order to apply, how committed are they really? Leading companies have recognized this as an opportunity to gauge the commitment of applicants.

These days, between unemployment and the ease of applying online, companies average 144 applicants per position, and many companies get hundreds more. Requiring applicants to take an assessment weeds out the candidates who aren't committed or seriously interested.

What about Cheaters?

At the end of the day, we all have self-enhancing biases causing us to overestimate our best qualities. It's important to remember that, as the employer, you're being sold to. Candidates are trying to convince you that they're the best person for the job. Recall how many people are willing to lie on a resume just to ensure you're sold on their qualifications—71% of recent grads.

On most assessments, candidates will look for the “right” answer, the one they think you want them to give. Scales (such as Strongly Agree, Agree, Disagree, Strongly Disagree, or Rate from 1 to 10) reward the overconfident and punish the humble. They simply don't work when applicants really want to put their best foot forward.

So what works? Forced choices.

For example, are you likely to (pick one from each row):

Pay attention to details	or	Have excellent ideas
Understand things quickly	or	Be the center of attention
Insult someone	or	Be late to work
Get stressed out easily	or	Make a mess of things

“Neither” is never an option—which ends up being the point. The questions aren't about your behavior; they're about your priorities. If you believe the

above questions have obvious answers, then that belief is a reflection of your priorities because all of the above are actually equally balanced. With forced choices, there's no room for lies. Even when applicants try to manipulate and optimize their results, scientific research shows that forced choice questions are still reliable.

Are Assessments Legal?

Yes! To some this may not be so obvious, so here are a couple of facts:

According to the Society of Human Resources Management (SHRM), psychometric assessments are the safest thing a company can do.

~ Aberdeen 2005

SHRM discovered that in 50 years, there have only been 6 successful legal challenges against assessments, mostly against the shaky grounds that particular the assessments were based on.

In the United States, employers are required by law to use the most accurate and validated methods for hiring. Ample research has proven that resumes and interviews don't qualify at all - meaning you may be breaking the law by not using a proven assessment. It is only a matter of time before there is a suit on this.

Assessments are more objective and reliable than resumes and interviews. By using proven assessments in the hiring process, an employer can reduce their legal risk, not increase it.

However, make sure your assessment provider bases their assessments efficacy on documented psychometric research in credible scientific journals, not mere self produced white papers and validation studies (Yes, many validation studies are fudged, too).

Since this obviously isn't a forum for legal advice, you'll further ample discussion on psychometric assessments and the law here.

Buyer Beware

There are thousands of "aptitude," "IQ," and "personality" assessments out there that claim to do "job matching" and to find a good "fit" for your company. But nearly all of them were poorly developed by amateurs. Spotting high-quality assessments and knowing they're suitable for hiring isn't easy.

Sure, you've probably heard of Myers-Briggs and DiSC. They are well-known personality assessments and are often used as qualifying tools. In fact, millions of students and adults take these assessments annually for career or personal reasons. And while they're helpful for introspection and team building, they simply cannot reliably predict job performance. Myers-Briggs even discourages using the assessment for this purpose.

Still, there are suitable, high-quality psychometric assessments available.

PSYCHOMETRICS 101

A Cheat Sheet

Imagine you do end up assessing job applicants. What the heck will psychometrics and Big Data tell you about the applicants?

It's critical to understand that some qualities are much more important than others. Sure, the value of some traits will vary relative to the position being applied for and the company culture, but the reality is some traits are almost universally more valuable.

Imagine you run a major corporation (or perhaps you actually do). Now suppose you have all the metrics needed to easily identify your company's 500 A+ employees. The next time you had positions to fill, you'd say, "I want to hire more like these!"

If you assessed your best employees with a quality psychometric assessment, you would find they had certain things in common. If you repeated this at company after company, you would find the same two things repeated again and again. The research has been consistent for decades, across differing jobs, companies, and industries.

What are the two things? Problem solving ability and a cardinal personality trait known as conscientiousness.

You'll want to look for these qualities first. Ideally, you want to find people that have both in spades. They aren't correlated either, so they can be hard to find.

Problem Solving

To put it bluntly, being smart matters. In fact, it accounts for a full 25% of job performance, in any job, anywhere. You want to hire candidates who have high levels of intelligence, but it's not necessarily easy to identify.

Having a college degree or earning fabulous grades is not an indication of fabulous problem solving ability. Too much of education is absorbing and

regurgitating information, and not enough involves identifying and assessing problems and developing simple, cheap, and effective solutions.

If an assessment doesn't assess for problem solving ability, or cognitive ability, then you'll be missing half the story—and the most important half at that. Your results will be poor to mediocre - this is largely where the reputation of assessments comes from.

Word and math questions like the ones below are common to most people.

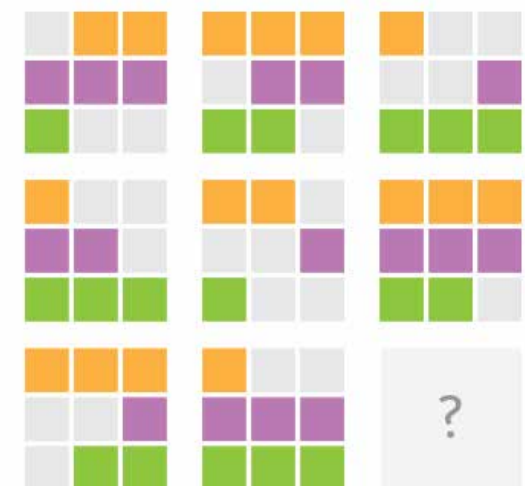
Billy has 4 apples and Sally has 4 oranges. How much fruit do they have?

...or...

Solve the quadratic equation: $y = 5x^2 + 2x + 5$

Although common, these kinds of questions have been shown to be extremely biased, culturally insensitive, and discriminatory. As such, even though they are capable of measuring cognitive ability, these particular types of questions are unsuitable for hiring purposes.

The most reliable and unbiased approach is a specific type of visual problem solving, **Raven's Matrices**. The questions show participants a visual pattern and ask them to indicate the next logical piece for the pattern. These give nearly the same insight into a person's problem solving ability as the type of questions above, but are fair and equitable.



Raven's Matrix example

While problem solving ability is an incredible predictor of job performance, it works best when paired with advanced personality assessments.

Personality Assessment: The Big Five

There is only one scientifically proven personality model, known as the “Five Factor” or the “Big Five.” This isn’t the kind of personality quiz you’ll find in a trashy magazine, nor is it some kind of free assessment you’ll get by email. It’s the result of comprehensive, empirical, and data-driven research. Five personality factors have been proven to be wholly distinct and separate from each other. Here’s a brief overview of the five to get you started.

Conscientiousness

This is the best personality predictor of success by far. It’s make or break. People with high conscientiousness scores are achievement-oriented, have amazing work ethic, perform well, and are detail-oriented, orderly, self-disciplined and organized. People who score low in conscientiousness are not goal-driven and tend to procrastinate. It’s the difference between someone who is always on their game and someone who flies by the seat of their pants.

Stress Tolerance

It’s always nice to have. People high in this are difficult to upset, can recover quickly from stress, and are unlikely to be anxious or unhappy. Plenty of people with low stress tolerance lead fulfilling and productive lives, but this is certainly a quality to watch for as a manager or HR department.

Agreeableness

It certainly sounds wonderful and people with soaring scores here often interview well, but it’s a double-edged sword. Highly agreeable people tend to become “yes men,” which isn’t actually productive. So don’t be

fooled. In fact, low agreeableness can be a good thing when paired with high conscientiousness.

Extraversion

Extraverts also interview very well, but this doesn't mean they'll perform well. As you may have guessed, people with high levels of extroversion are more suited to positions in sales and promotion, positions where they can interact with lots of people regularly.

Openness

This means to be open to new experiences. People with high openness are exceptionally creative, imaginative, radical, unconventional and original and love abstract ideas, art, literature, and music. They thrive in changing environments but get stir-crazy if forced to perform mundane, habitual tasks.

Here's what Calvin Coolidge had to say on the subject of conscientiousness:

“Nothing in this world can take the place of persistence. Talent will not; nothing is more common than unsuccessful people with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated failures. Persistence and determination alone are omnipotent.”

~ Calvin Coolidge

Get Both!

Individuals who possess both amazing problem solving ability and conscientiousness consistently make the best employees. They don't require much external supervision, motivation, direction, or correction, if any. On projects, they set a high standard, have the brains to pull it off, and almost always achieve their goals. They're much less likely to make costly mistakes or waste time and are more judicious in their decision making. When they commit to doing something, they're exceptionally likely to keep

their word—a root of dedication, honesty, and loyalty. So if you want more employees like this, look for these two qualities first in candidates.

After you've identified applicants with high levels of both problem solving ability and conscientiousness, you'll find that there are usually only 15 to 30 left from your original pool of 100 to 200.

Can You Have One without the Other?

Typically people have strengths and weaknesses, and they are some kind of blend of the following.

All Brains

You probably know someone that is amazingly smart but can never seem to get off the couch and apply themselves. They happen to have their million-dollar moments of pure brilliance, but these happen about as often as solar eclipses—or full moons if you're lucky. Few companies can afford such investments. Most positions require accomplishing lots of regular, daily tasks, both for operations and for taking baby steps toward long-term goals.

Managing these people is difficult for two big reasons:

1) They're smart enough to fly under the radar. They do just enough work to not warrant suspicion or avoid reaction. They can always list off a thousand reasons why nothing has been done. They're also clever enough to trick other people into doing their work for them.

2) They procrastinate incessantly and require constant motivation. On the plus side, they don't need guidance because they're smart enough to do the job exceptionally well, but getting them to actually work is a losing battle. Do you want to be a pee-wee soccer coach or do you want to run a business?

All Heart

Conversely, you probably know the opposite of “all brains.” Imagine someone that works their hands to the bone, 24/7, moves mountains, one rock at a time, and moves at a thousand miles an hour—but can easily go a thousand miles in the wrong direction. Sure, they’re wonderful people, but the wheel is turning while the hamster is dead.

Managing these people is difficult, as well:

1) They need lots of close and careful direction. If you have a repetitive task that needs to be done the same way over and over, they’ll (eventually) learn how to do it perfectly. However, if they regularly need to adapt to unusual situations, expect them to struggle and to require a lot more support from you.

2) You don’t want to criticize because they are working harder and longer than anyone else. Which only makes it more difficult to correct them when they make mistakes. But since they’re doing so much more than most people, they actually have more opportunities to make lots and lots of costly mistakes.

One customer told us that he previously had an admin assistant that he employed for a month. She got the bright idea to “organize” the company accounting files. She combined all the accounts payable, receivables, bills, and invoices into a single, unsortable folder called “finances.”

They had no idea how much money they were owed, by whom, or who they owed. They discovered the power bill was due the day the lights went out. It nearly killed his business and set him back months. Simple, stupid mistakes can be amazingly expensive and, for the most part, preventable, too.

Screening and Scaling Your Culture

After identifying your conscientious problem solvers, you have a list of candidates who all have the basic key ingredients to be successful. However, they may not have the ideal disposition for a particular position and company culture.

“Company culture” is the trendiest of buzzwords these days. Companies promote their cultures like they’re medals of honor. “Our company culture is customer service.” And there’s nothing wrong with this. But while the expression of company culture is an excellent communication tool, it’s not some rare, mystical creature that makes one company totally unique while the others look on in homogenous awe. Why? Because just like personalities break down into the same five buckets, so do company cultures. This is an incredibly useful secret for businesses to know. Defining company culture becomes no more difficult than prioritizing certain personality traits.

For example, if your company values innovation, you’ll want employees who have higher openness and creativity scores, as they’ll regularly come up with new ideas to push your company forward. Companies who have a culture of innovation tend to be comfortable with hiring people who will learn on the job, rather than necessarily hiring people who already have an intact, specific skill set from day one.

A company culture of “customer service,” on the other hand, is really about keeping the customers happy at all times, and therefore depends on employees with high agreeableness, meaning they derive satisfaction from pleasing others. This is actually what the company culture is saying. “We need complacent people who won’t complain and who will do everything in their power to keep our customers happy.”

Other company cultures value people who get to work and don’t waste time socializing. Candidates with high levels of extroversion would clash with this company culture.

Here are some questions to ask about your company:

Is it a fast-paced and emotional environment? Then don't throw gasoline on the fire by adding an individual with low stress tolerance.

Does the position require constant adapting to changing circumstances, or is it same routine processes day in, day out? Look for high openness for the former, and low for the latter.

Is this person going to be alone in a room for 8 hours a day, or will they be networking on the conference showroom floor 45 weeks a year? You'll want low extroversion for the former, and high for the latter.

A particular position may be better suited for applicants with a particular strength. For example, a sales role that requires a lot of outbound calls or networking could benefit from someone who is extremely extroverted. In another scenario, a management position may be better served by someone who has lower agreeableness, as they will be better at doing what's best for the company rather than trying to please everyone.

You get the idea. You can ask your assessment provider for further guidance here. Typically, we find it only takes a discussion about the role and the position to figure things out. The shortlist we came up with earlier divides again, bringing the number of candidates down by a half or a third; our 15 to 30 candidates become 5 to 15.

Part 2 Conclusion

The way companies and recruiters are currently hiring with resumes is broken. It's an outdated system that has run its course. Employers are taking multimillion-dollar gambles, employees are setup to fail, and managers are often hiring mini versions of themselves. In the next few years, it won't just be early adopters who advocate for Hiring 3.0—it will be everyone in the HR space.

Hiring 3.0 is the best way to consistently find, recruit, and retain high potential rookies and A+ employees. It's also set to save millions in hiring and related expenses wasted time. Every companies deserves to be unchained from the mire of inscrutable applicants and employees, and to become successful and profitable using the best team possible.

The first step is admitting that resumes and the way we rely on them are the problem. Qualifying all your applicants with psychometric assessments will mean that you won't merely find applicants who have the skill set for the job—you'll meet high potential candidates and rookies that are very likely to excel in the position, and in your culture.

Hiring managers should be spending their valuable time screening nothing less than the the cream of the crop.

PART 3:

*The New Best Practices: Consistently Find, Recruit,
and Retain The Right Employees In The New Economy*

By now, you should understand that many of the problems around hiring are a direct result of a hiring managers an over reliance on resumes. Also, many of these problem have terribly costly and time consuming consequences. Most importantly, these problems are efficiently resolved and easily prevented by using modern psychometrics to assess every applicant for a position.

Let's assume you have used psychometrics tested all your applications. You should have been already able to weed out as much as 80% to 90% of total applicant pool, by just matching for job fit and company culture.

"Now What?" Don't just hire blindly - Please! Sure, much of the heavy lifting has already been done. You may have a very short shortlist of amazing candidates, but you need to make sure that they have the the skills, and that you will be able to work alongside them for years.

Step 1: Resume, Decreased Dependence

If you've hired before, then you know this step all too well—sorting resumes. Normally hundreds of applicants turn in resumes, leaving hiring managers to sort through a resume pile as thick as an encyclopedia. It's no wonder that managers have difficulty finding talented employees when they're essentially searching for a needle in a haystack.

After assessing everyone, by the time you start looking at resumes you're already working from a shortlist of incredibly exceptional candidates. Each of them would have a very high capacity to learn on the job, and given enough time, they could learn to do just about anything.

Now's the time to use the resumes on your shortlist to find candidates with the minimum skill requirements you're looking for. It's very easy to get excited about a candidate for one reason or another.

There will be plenty of time for that later. It's still too early in the hiring process to start making emotional decisions.

You just need to figure out who you should talk to for 10 minutes, not who you should hire.

You will probably want to conduct 5 to 10 minute pre-interviews to let applicants address any concerns you may have about their resumes.

Don't assume that a candidate's location disqualifies them outright. If they're perfect, the best applicant you have ever had, would work at a discount, could make your company grow by 200%, and would relocate at no cost, then you'd take them, right? Then don't disqualify them for this alone.

Create a Resume Scoring Rubric

Disqualifying great candidates for silly reasons is too easy. Spelling errors, an ugly layout, too short, too long, too cluttered, too empty, overqualified, underqualified, use of a resume template, and employment gaps, are all basically superstitions that people use to disqualify candidates. While they may seem to work on occasion, these are completely unreliable. What they "tell" you about the applicant, or whatever "gut feeling" you have is tantamount to voodoo. If you were going to play high stakes poker you wouldn't trust only your gut, before you'd bet, you'd study the cards, you'd do the math so you'd know your odds. When reviewing resumes, you should take a similar careful and analytical approach.

Consider using a scoring rubric on every applicant. This is much simpler than it sounds, costs nothing, saves substantial time, and yields powerful results. The purpose is to keep yourself and everyone else involved as objective as possible. It is very easy to get tunnel vision, and creating a rubric at the outset will prevent you from getting over focused on specifics: the school they did or didn't go to, the experience they do or do not have, or your gut feelings. When using rubrics hiring teams find they are more

likely to agree on which are the best candidates, which saves time in hiring meetings.

Before you even pick up a resume, decide at the outset what are the 3 to 5 items that you'll want an applicant to have. You know your company best, and you'll know what are minimum requirements are needed for the job. You'll want to focus on defining "what is the bare minimum" need for the position.

Then you are going to give a score for each one of those things. It can look as simple as this.

Sample of My Resume Scoring Rubric

Item	Score		
Relevant Education	0	1	2
Relevant Experience	0	1	2
Role/Company Fit	0	1	2

0 = Does not meet minimum requirements

1 = Meets minimum requirements

2 = Exceeds minimum requirements

A rubric like this will limit how much an applicant will be rewarded or punished for a given item.

If they have a related top notch education the best they can get is a 2, and

if they went to mediocre community college in a barely related subject the worst they can get is a 0. Also remember, the years of experience that someone has in a given role doesn't predict anything—except for how much you'll have to pay them.

Indeed, you may feel compelled to have a score for your gut feelings, the applicants 'X Factor', or your impression of their fit for the job and the company culture. Go for it, but it must be treated like an item, just like everything else. The purpose of a rubric is to both quantify and reasonably contain the feelings about a candidate. You want to prevent yourself and your team from falling in love with an applicants charisma, when they don't have the education or experience to do the job. If an applicant gets a 0/2 for education, and 0/2 for experience, then 2/2 for 'X Factor' isn't possibly going to keep them at the top of your list.

Not meeting a bare minimum in a single category shouldn't immediately disqualify an applicant from the running. It will just directly affect the end result, and will help separate the better candidates.

Of course, it doesn't matter if your scores are from 0 to 2, or 0 to 10. You just want each score to be decided as simply as possible. Be careful, if there are too many degrees between the best and worst score (like 0 to 100), then you can find yourself arguing over if an item is a 67 or a 72.

Focus on Job Readiness

In essence all of this is trying to help you answer: "Who has the skills?"

Short-term job performance (the first 3 months) will largely be determined by a candidate's ability to hit the ground running. Candidates who have already mastered the tools needed for the position and who have completed similar projects will transition into the job quicker; their contributions will likely be felt in weeks, not months.

Fun Fact: Higher levels of openness reliably predict that one candidate will learn faster than others, but also predict how much faster than others they will get bored doing the same thing.

After this, create three piles: Yes, Maybe, and Not a Snowball's Chance in Hell. Soon, you're going to have a 10-minute call with all but the last pile.

Start Getting Ready for the Pre-Interviews

While reviewing resumes, focus on specific questions to ask during preliminary interviews in order to assess the applicants' skill levels.

Step 2: Interviewing for Keeps

Hiring is extremely emotional. You have to like whoever you hire. You're going to work alongside them for years, and probably spend more time with them than with your spouse and kids. They might be a great addition skill-wise, but if you don't get along, they can drive you nuts.

We've said it before and we'll say it again: interviews are inherently biased. The trick is to tweak your interview process to ensure you eliminate or at least control for as much of that bias as possible.

Did you know that 33% of bosses surveyed said they know within 90 seconds of an interview whether or not they will hire someone? Perhaps that's because employers base 55% of their opinion of candidates on the way they dress, act, and walk. Only 7% of their opinion is based on what candidates actually say. There's something wrong here.

While it's human nature to form opinions of people quickly, often before they have a chance to speak, it's a dangerous way to make hiring decisions.

Manage Your Expectations

Knowing the extraversion and agreeableness scores of candidates will help prepare you for the interviews.

For candidates with:

High Extraversion	Low Extraversion	High Agreeableness	Low Agreeableness
Expect them to be very talkative, fluid in their interview, and eager to sell you on their projects and themselves.	Expect them to not interview well or easily. They will likely be shy and nervous. Don't expect them to sell themselves.	Expect to like them a lot. They speak in generalities, give "safe" answers, and listen for clues to "right" answers. They mimic, and avoid asserting contrary opinions.	Expect them to be up-front and to express contrasting opinions. They are more concerned with being right than with being "likable."
Be careful that they answer your questions directly. They are likely to be adept at controlling the flow and direction of the conversation.	Be patient , listen carefully, and don't talk too much. Some interviewers find this hard. Get them talking about anything. When you ask a question, wait for a response. Use silence as a tool.	Be careful ; they can be adept at getting interviewers talking and then regurgitating agreeable answers. Watch to see if they can be assertive and original in their answers.	Be careful and watch to see how they resolve conflicts in opinion. Are their conclusions rash or cut-and-dry? Ask them to explain the reasoning for their conclusions.
Advantage: strong social skills; group oriented; good for sales and managing large teams.	Advantage: not status-seeking; unlikely to prioritize socializing over valuable work.	Advantage: compassionate; trusting; easy to work with.	Advantage: direct; unlikely to be taken advantage of; likely to enforce standards regardless of others' feelings.

Pre-Interviews – Skype/Phone

Your shortlist contains a number of highly intelligent, hardworking, ambitious, organized, and job-ready candidates. Now it's time to get to know them on a more personal level.

Video chats are optimal for preliminary interviews, as being able to see the applicant is very advantageous. A 5- to 10-minute video Skype interview is quickly becoming the norm. Think of it like speed dating. Promote conversation by asking pointed questions about the candidate's skill level, including projects they worked on in school, previous experience, interests, and hobbies. The goal is to get them talking.

"Would this person be a good fit for our company culture?" will be your primary question during the preliminary interviews. You already have strong indications that they can be successful. Now is a good time to keep an eye out for cultural problem areas. If your candidate comes across as negative and prone to complain, but your company mission statement calls for a positive work environment, it's time to move on to another candidate. This is a question of your comfort level and company culture.

Use the preliminary interview as an opportunity to dig into a person's history. How does their personality reflect in their past job performance? How aware is the candidate of their weaknesses? How do they compensate for them? General interview questions get general answers, and reveal little about the applicant. Ask specific, personalized questions related to their needs, your company, and the available position.

Assign a Project for the Interview

One of the best ways to qualify a candidate is to try before you hire, just as you would try before you buy.

Have your top candidates complete a project to present at the interview that's relevant to the position you're hiring for: research for a new market, an outline of a new website layout, or mapping a new process. You want to see what they will come up with when left to their own devices with minimal direction.

Your interview discussion can then center on their work and why they made the decisions they did. It will cut down on much of the small talk and pandering that typifies most interviews.

Use a real project that your company would work on, but doesn't have enough time, people, or skills to explore. Not only will you gain fresh perspectives, you will also see how your candidates work and what contributions they could make to your company.

Begin preparing your projects early (about the same time you start reading resumes). You will likely need to give interviewees a very brief write up of the project. The project is best if it's open-ended, without a clear or predefined solution. There should be "many ways to skin the cat," so you can see which one they choose, where their creativity takes them, and how they get to a final result. During the interview, focus your questions toward learning why they made the choices they did.

Don't Miss Out!

A long-standing belief is that natural leaders are extraverts. You know the type: decisive, enjoys speaking publicly, and thrives in social settings. But what about the remaining 25% of the population—the introverts? Well, you might be quick to call them "passive" and best suited to hiding behind the scenes. As it turns out, there's more to it than that, so as my grandma likes to say, "bite your tongue!"

“It’s our loss for sure, but it is also our colleagues’ loss and our communities’ loss. And at the risk of sounding grandiose, it is the world’s loss. Because when it comes to creativity and to leadership, we need introverts doing what they do best.”

~ Susan Cain, author of *Quiet: The Power of Introverts*

You might be surprised to find out that 70% of the world’s CEOs describe themselves as introverts. Bill Gates. Warren Buffett. Even movie magnate Steven Spielberg and Sara Lee’s Brenda Barnes. The “Who’s Who” list of well-known, introverted corporate CEOs goes on and on.

“You can’t judge an introvert by her silence.”

You need to dig deep into the conversation to really understand the value she might add to your team. In fact, Cain wrote a whole book about this very topic—“Quiet shows how dramatically we undervalue introverts, and how much we lose in doing so.”

If you’re expecting everybody to be an extravert, there’s no way that an introvert will interview well. Think of some of the world’s best developers, writers, and analysts. They tend to be incredibly high in cognition with exceptional stress tolerance, and low on extraversion. But you want these folks on your team.

Six Things about Interviewing Introverts

1. They won’t try to sell you

This doesn’t mean they don’t care about the job. They’re just being genuine—think of them as honest and averse to playing politics. They’ll be upfront about their weaknesses without sugar-coating the tough stuff. When they say they care, they’re being totally serious. You absolutely need this authenticity as part of your team. So don’t be taken aback by surprisingly blunt answers. Embrace them.

2. *They're great actors*

Many introverts spend their lives learning to act like extroverts in social settings—and they're smart enough to have learned to do it well. They can probably read you better than you can read yourself. So don't be fooled by the quiet. Most know how to "act the part" of social. You may not be able to read them, and you definitely won't have a steady read on their emotions. Imagine what a valuable asset that level of emotional control would be for leadership and managing high-stress situations. That's just what your team needs.

3. *They don't like small talk*

Hiring managers, be prepared to pry for more information—which isn't necessarily a bad thing. Introverts will be incredibly direct in their answers to you. They'll tell you exactly what you want to know without the added fluff. If you want elaboration, you need to be direct about it and ask for it. So don't stop the conversation short with simple "yes" or "no" answers. It's your job as the hiring manager to keep the discussion going.

4. *They get tired of being around people quickly*

In the world of introverts, there is such a thing as "too much social." Introverts don't always prefer to be alone, but they do get tired of people quickly. Now that doesn't mean your interviewee will spontaneously close up, but it does mean they may not like being part of a group interview for very long. They probably also won't want to meet with 10 people in a row without a break to decompress.

5. *They are widely misunderstood*

"Extroverts are easy for introverts to understand, because extroverts spend so much of their time working out who they are in voluble, and frequently inescapable, interaction with other people," wrote Jonathan Rauch in an article for The Atlantic. "They are as inscrutable as puppy dogs. But the street does not run both ways. Extroverts have little or no grasp of introversion. They cannot imagine why someone would need

to be alone; indeed, they often take umbrage at the suggestion.”

Introverts aren't weird. They're just...introverts. Don't make assumptions, and don't misjudge. You need to jump into the conversation with an extremely open mind.

6. *They hate to repeat themselves*

So stop asking the same questions over and over! Make an effort to truly listen instead of paying them half-hearted attention. Introverts prefer to be direct and to the point. They don't want to reinvent the wheel—they would much rather switch gears and tackle something new. That goes for conversations, too. Repetition is boring.

Okay, so now you're convinced that you want to interview an introvert. Good idea! If you're lucky, you very well might find the next Bill Gates (which is just the type of brilliance that your company needs).

So here's a quick recap of things to remember:

1. Ask follow-up questions and LISTEN!
2. Don't be quick to judge.
3. Don't be taken aback by candor—embrace it.
4. Don't make the interview a long-winded party—keep it short, focused, and to the point.
5. Lose the small talk—focus on what matters.
6. Quit stereotyping and start listening with an open mind.

“Introverts are the most undervalued asset in the workforce today. We all know the case for racial and gender diversity. These are moral issues, but diversity is also good for the bottom line. The same is true of personality diversity. We desperately need the talents of the quiet thinkers among us.” ~ Susan Cain, author of *Quiet: The Power of Introverts*

Step 3: Retention, Retention, Retention

Phew. So after all of that, you finally find your A+ employee, or two. Now the trick is keeping them with you for the long haul. And since everyone is after A+ employees, and you've done all the work of finding them, your competitors might start recruiting them.

Why Retention Matters

Let's start with the cost. When all is said and done, it costs about \$3,500 to replace an \$8 per hour employee. It'll cost you 30-50% of their annual salary to replace an entry-level employee. Mid-level employees? That'll run you about 150% of their annual salary. And are you ready for this one? It'll cost you up to 400% of their annual salary to replace a specialized, high-level employee.

Job Browsing

You don't like to think that your employees are actively looking for work. That's understandable. Unfortunately, they most certainly are. In fact, 35% are actively job searching right now. Another 40% are passively job searching. That's 75% of your team!

Why A+ Employees Leave

But why? 43% of employees say they're looking for better compensation, and another 32% want better career opportunities. There's a disconnect between employers and employees on this though. Only 25% of employers list better compensation as a reason they suspect their employees are job hunting. 24% think it's because of burnout.

These are real problems, which is why you need to have a real plan for hanging on to your top performers!

How to Increase Retention

So, is the solution to throw more money at the problem? What if you genuinely can't afford to pay your employees more? Don't worry. Even though employees think they're interested in getting a raise, Daniel Pink has found that employees are not motivated by money (unless they're in physical labor). In fact, some employees actually perform worse when incentivized with money.

According to Pink, here's what you can do to keep your A+ talent around without paying six-figure salaries:

Provide Autonomy

Employees are more motivated when they have control over their day-to-day life at work. Allow them to decide when they work, how they work, who they work with, and what they do. The more freedom and control they have over their own career, the more fulfilled they'll feel.

Allow Mastery

A+ employees want to be great at what they do. They strive to get better every single day. Empower them to be better as often as possible. Build a culture of clear goals and immediate feedback, but allow room for experimentation.

For example, set a goal of 1,000 new customers by the end of the month. Then allow your employees to create strategies independently. As they experiment with their new ideas, provide instant feedback and coach them along the way.

Give Purpose

Humans naturally want to contribute to the greater good. Make sure you have a powerful vision for the company and spread it whenever you can. Create posters and hang them around the office. Tie all of the major projects to this vision, and show how what they're doing is pushing the company closer to its big goals.

Part 3 Conclusion

The way companies and recruiters are currently hiring is broken. It's an outdated system that has run its course. Employers are taking multimillion-dollar gambles, employees are setup to fail, and managers are often hiring mini versions of themselves. In the next few years, it won't just be early adopters who advocate for Hiring 3.0—it will be everyone in the HR space.

The first step is admitting that resumes are a problem. Declare war on them by qualifying your candidates with psychometric assessments and trial tasks. This way, you won't merely find applicants who have the skill set for the job—you'll meet A+ candidates who will excel in the position. You'll spend your valuable time interviewing only the cream of the crop. And what will you do once you have those A+ employees? You'll keep them around with autonomy, mastery, and purpose.

Hiring 3.0 is the only way to consistently find, recruit, and retain A+ employees. It's also the best way to save millions in bad hire costs and wasted time. Hiring 3.0 will free your company from the mire of inscrutable applicants and failing employees so you become successful and profitable with the best team possible. Unless of course you really, really miss reading through all of those falsified resumes...

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About Plum

Plum identifies job applicants with the highest potential, matching them to your company culture and position. Using the science of psychology, our cloud based hiring solution assesses each applicant's problem solving ability and priorities, before a resume is read, quickly surfacing the hidden gems.

Our intuitive and easy to use dashboard reveals a total picture, providing you the ability to go beyond gut instinct to know how each candidate will perform months after being hired.

Start using Plum today to establish a standardized benchmark for hiring, build great team dynamics, and scale your culture.



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