



# *Enrichmentors Business Review*

## **Getting right people**

**Insights into how to get right people for your business**

**August 2013**

## What is in this Issue From The Editor's Desk

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Dear Reader,

Hope you enjoyed the last issue where I had shared with you how could you provide your people the organizational support required to give their best

In the earlier issues of Enrichmentors Business Review we talked about the importance of having right people in your business. In his book "From Good to Great", Jim Collins puts getting right people as the first thing to get successful in the business even before setting the business strategy. He argues quite convincingly that if you don't have right people how will you get the right strategy to start! And then comes the bigger question on successful implementation!!

I noticed this ability to get right people as one of the differentiating factors between successful large companies vs. the not so successful Small and Medium Enterprises (SMEs). For variety of reasons the SMEs are not able to get the right people for their business and thereby limiting their business growth.

I thought it might be useful to look into what will it take for SMEs to get the right people for their business.

Take a look at the insights in the next few pages and see if that will help you get the right people based on these insights.

I personally have spent a lot of time in my working life with Unilever, J&J and DANONE in getting the right people and that certainly paid rich dividends to me. It sure can do the same for you. You just need to try it!

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# Getting Right People

## Insights into how to get right people for your business

*This process development paper attempts to answer following questions in learning how to get right people for your business.*

- *What do we mean by right people and who owns this process?*
- *What is the process you can follow to get right people?*
- *How can you implement each step of the process?*
- *How do you measure if the process is working fine?*

We talked in earlier issues that people are a critical resource in formulation of your winning business strategy as well as its successful implementation. We also talked about having motivated and capable people in getting the best out of people for your business. Given these, we shall define Right People as those individual who have the required motivation and capability for a job(position) required in your business. There can not be a "Right Person" for all positions in your business but only for a position. A Right Person for a position may not be right for another. A Right Sales Manager may be a complete failure as a Sales Person and vice versa. Getting right people then requires, broadly, understanding the right job requirements and then the right person who matches that job requirement.



It is commonly believed that the HR function has the responsibility for getting the right people in any organization including yours, Right? Right partially.

I would say that HR function owns the process of getting the right people in any organization including yours, but the responsibility does not stop there. It needs to define and drive the process of getting the right people into the organization right from defining the job requirement to right person joining the company.



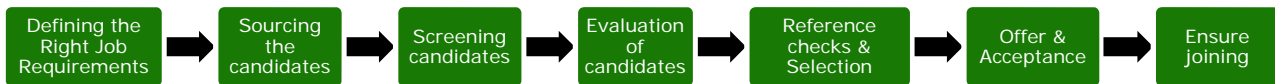
Each Line Manager like you as well as the Chairman and Managing Director of a company also has the responsibility of getting the right people. Line Managers like you need to play their role actively in getting the right people as defined in the process instead of leaving it entirely to the HR function.

CMD has the dual role as leader of the all the line functions as well as the HR that this process is well defined and run between them. He also needs to ensure that process is reviewed from time to time and continuously improved.



## **What is the process you can follow to get right people?**

The overall process to get right people is quite simple as follow.



### **Defining the Right Job Requirements**

The first and most important step is to define the right job requirements for the job under consideration. Most companies including Small and Medium Enterprises (SMEs) have a job description that includes some elements of the job requirements like the education, skills and experience required from the candidates. The question to ask is whether these are right requirement and complete! All the Job Descriptions need to be reviewed annually by the HR to ensure that they are complete, updated and validated to be get the right candidates. As I have seen, this process is mostly missed or done without any rigor. We shall propose an outline of the right process in next page and cover in more detail in Sep issue as it is a subject by itself.

### **Sourcing the candidates**

While this step of the process is quite simple in itself it does pose a challenge for SMEs as they are unable to attract the people as per the Right Job Requirements as compared to large companies. I will share some of my learning from working with SMEs on what can you do as an SME to overcome this challenge. HR needs to own and carry out this step.

### **Screening the candidates**

Many of the company HR people screen the applications received for all the jobs required to filled based on some basic criteria like education and experience either themselves or in consultation with the line mangers. Many work as postmen and forward all the applications to the line managers to screen. HR needs to carry this step entirely by themselves based on criteria agreed in advance in the Job Requirements with the Line managers and the CMD. That will avoid burdening the line mangers with this administrative task

### **Evaluation of candidates**

All the companies spend a considerable time between HR, Line Mangers and CMD in evaluating the shortlisted candidates but the process used is either a lengthy one or frustrating on account of differences between the line managers and HR function. What is required is a process that is faster and avoids the differences in evaluations remaining unresolved.

### **Reference checks and Selection**

Most companies including SMEs don't carry out the reference checks and jump to selection based on the evaluation based in the previous step. A few companies do a thorough reference check prior to finalizing the selection of a candidates for the job available and that can help the SMEs especially where they have to depend on the people all the more in absence on well laid down processes & systems especially in such matters as integrity and honesty

### **Offer and Acceptance**

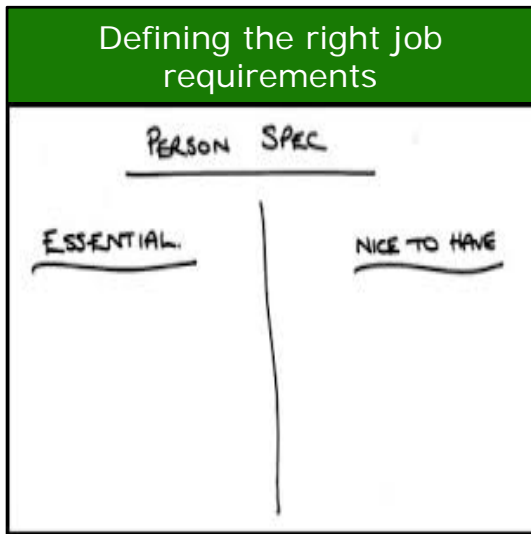
All the companies make an offer and get the acceptance from the selected candidate. SMEs face some challenges in making the right offer and getting the acceptance from the right candidates and we shall talk about how can this be better managed

### **Ensure joining**

The last step in the process is to ensure that the right candidates selected, offered and accepted joined as agreed as many things can go wrong during the joining period. HR needs to keep the joinee engaged during the period to ensure joining as agreed instead of leaving it to chance.

**Let us now look at each of these in bit more detail as the devil (and the success) is in the details!**

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Very simply defining the right job requirements means listing the “Essential” and “Nice to Have” things a person should have for a job under consideration. The key however is in finding these things and classifying them as “Essential” and “Nice to Have” on the basis of the things that provides a surety for the required performance on the job.

As mentioned earlier, most SMEs do not have a scientific process of defining the right job requirement and normally base on what is prevalent in the industry.

Let us take a look at what should a right job requirement look like and how can it be developed in brief.

Any job requirement should contain following elements in a one page document.

**1. Position Description**

This section of the Job Requirement should specify the name of the position for which the Job requirements are being defined, its location, position it will report to, positions that will report to it and overall responsibilities. These details serve as background of the Job Requirement being defined.

**2. Job Requirements**

This section of the Job Requirement should list following things that the person should have to be considered for the position in terms of “Essential” and “Desirables”.

	Essential	Desirable
Education		
Knowledge		
Skills		
Experience		
Demographics •Age •Sex •Marital Status •Languages Known •Etc		
Total Cost to Company		

**3. Prepared by** \_\_\_\_\_ **Date** \_\_\_\_\_

**4. Approved by** \_\_\_\_\_ **Date** \_\_\_\_\_

As mentioned earlier that the key challenge is to know how and why the requirements listed are right for the given position to ensure that the person meeting these requirements will perform as mentioned. We shall talk about this in the Sep 13 issue as a subject by itself

**Having defined the right job requirements, next step is to source the candidates for the job position under consideration**

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### Sourcing the candidates



Sourcing the candidates involves having a pipeline of people for a job position as per the job requirements laid down in the previous step. While this is not a major issue for the large companies most of the time, it does become a challenge for Small and Medium Enterprises including Private Limited Companies. Most of these SMEs do not have a positive image in the job market either due to their smaller size or HR practices etc

I will try and outline what can you do to overcome these challenges and build a healthy pipeline of candidates for a job position under consideration

### What does a healthy pipeline of candidates mean?

A healthy pipeline of candidates means generating adequate number of candidates for the job position/s under consideration so that you can find the right person/s for the job position/s.

### What do you need to do to source these number of candidates?

#### 1. Determine the number of candidates to be sourced

Most of the time there is no targeted number of candidates to be sourced for screening resulting in blind shot at the sourcing leading to either more than required or too less candidates. I would strongly encourage you to work back the number of candidates you need to source based on the number of positions available and likely drop outs at each stage till joining. This will help you understand the magnitude of his task and better decide how to source these number of candidates

#### 2. Determine your sourcing strategy

Based on your requirements of number and type of candidates to be sourced, you need to look at your options and determine which options to use to generate the healthy pipeline. You should select those options which have been successful earlier or in the industry instead of choosing the favorites.

#### 3. Executing your sourcing strategy

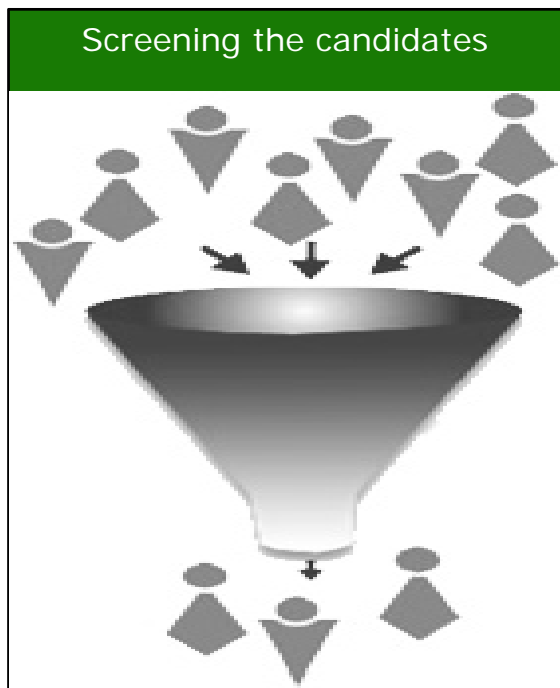
There is a lot in execution of your sourcing strategy you can do to get the right number and type of candidates. Let us take a look at some examples.

If you have decided to use HR Consultants for the position, it might be better to call them and brief them on your requirements face to face instead of just sending the Job Requirements through email. A face to face meeting can help you provide them the background of the case and what is expected from them. They also have a chance to ask clarifications. It will always be better to have at least two HR Consultants working on any assignments which can build some level of competition between them!

If you have decided to advertise in paper, it is very important to prepare the right advertisement which is candidates centric instead of company centric. For example "Build a sales career in Mumbai with a leading diamond jewelry designing company" will generate better response from the same space and media than " A leading diamond jewelry designing company is looking for salesmen in Mumbai"

**There is lot in determining in Sourcing Strategy as well which is separate subject where we can talk about the various options and their suitability!**

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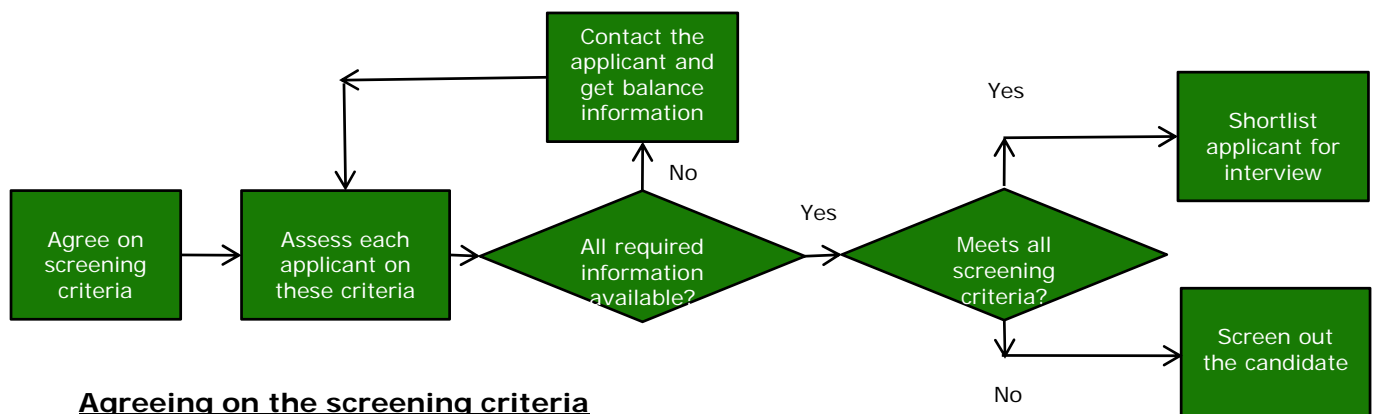
Having sourced the required number and type of candidates for a job position, HR function needs to screen them and eliminate the candidates who do not meet the MUST requirements and carry the remaining for the personal interview.

So what is new with that?

Most of the HR Managers do the screening today but not on clearly defined criteria.

I am strongly recommending to fix the criteria for screening for each job position in advance and then proceed with the screening. The criteria for screening should be fixed with the line management.

Let us take a look at the whole process of screening to be done by HR.



**Agreeing on the screening criteria**

The first step in the screening process should be get agreement with the line management on the screening criteria. HR should pick those of the “Essential” job requirements which can be very clearly answered as the candidates as meeting it or not. Normally these are related to age, sex, marital status, education, experience etc. Any of the “Essential” job requirement not being answered in this bipolar way should not be included in this list of screening criteria. You can also use some tests to measure the knowledge “Essential” to the job position and screening out the candidates not meeting a certain minimum. Please ensure that all the criteria are based on the “Essential” Job Requirements and agreed with the line management. Unresolved difference should be taken to the CEO and agreement reached.

**Assessing individual applicant**

Once the screening criteria has been agreed, each applicant need to be assessed if all the required information is available in the application.

If the all the required information is not available HR needs to contact the applicant and obtain the balance information to assess the applicant.

Based on all the information gathered by now, applicants meeting ALL the screening criteria need to be shortlisted for the personal interview. Applicants not meeting any of the screening criteria need to screen out

You are now ready to personally interview the shortlisted applicants and evaluate them!



**Having screened the candidates who meet all the screening criteria, the shortlisted candidates need to be jointly evaluated through a personal interview between the Line Managers and HR**

I have personally seen the benefits of joint evaluation vs. individual interviews with the various managers and some of them are as follows.

1. Joint interview cuts down the processing time as the two or three interviews are done in parallel jointly instead of being done in serial
2. Joint interview allows the selectors to discuss the individual evaluation and come to a consensus, so essential for the process
3. Joint interview also ensure that any differences in evaluation are escalated to the Managing Director in an open and amicable manner

I suggest to use the following process for the joint evaluation through the personal interview.

1. HR coordinates with all the interviewers and schedule all the candidates to be interviewed on a particular day. This will ensure that all the candidates evaluation can be done jointly and all the candidates compared on the day to make the selection list in the order of preference
2. HR tables the evaluation sheet where all the candidates are listed vs. the evaluation criteria taken from the Job Requirements

Criteria Candidate										Overall Rank

3. First candidate is interviewed against the listed criteria and evaluated individually on a 3 point scale where 1 is not meeting the criteria, 2 is just meeting the criteria and 3 is exceeding the criteria
4. An overall rank is agreed on as 5 for the first candidate.
5. Next candidate is interviewed in a similar manner and ranked vs. the rank 5 as a team. An overall better candidate will be ranked less than 5 and worse more than 5.
6. The ranking is updated after every interview based on the evaluation of the last candidate leading you to have a ranked list of candidates who meet the criteria. Candidates not meeting the criteria are dropped from the list

**You now have a ranked list of candidates evaluated to be taken further for reference checks etc! In case the selection team can not come to a consensus, the differing members can take the matter to the CMD for resolution.**

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Once your ranked list of the candidates meeting the job requirements is done, HR need to verify the critical details so far not verified by talking to the previous employers for experienced candidates and to the institute professors for Freshers. The whole purpose of the reference checks is to verify the claims made in the application by the candidates about their achievements etc.

The reference checks should not be used as a substitute for the candidate evaluation and verification of documents.

The reference checks should also not done by asking for the references from the candidates which are most likely going to be favorable. I suggest the following steps in the reference checks.

1. Select the top three candidates from the ranked list
2. Check what information is not yet verified in the application submitted.
3. Ask the candidates for the documentary proofs of such things as date of birth, education qualification, salary etc if still not done.
4. Contact the last three employers incase of candidates with experience and verify the positions held by the candidate, the duration and the achievements listed by the candidates. You can also check an overall satisfaction with the employee during his/her stint and reasons for the same. Care must be exercised to not try to verify the team evaluation.
5. In case of candidates with no experience, you should contact three professors of the institute and verify the claims made about the projects done in the institute
6. Based on the feedback received which either should be in writing or voice recorded, you are now required to see if these candidates are selected for the job under consideration. You need to ensure that you have ideally three candidates selected for the position after the reference checks.

**Once you have the selected candidates list, you are now ready to make them an offer and get acceptance from one of them while keeping others as back up**



The penultimate step in getting the right person for a job is about making an offer to a selected candidates and getting his/her acceptance. Does the process of making an offer begins only after making the selection?

Not really!

The understanding of what offer could be made to the right candidates begins in the interview process itself. The HR people should try and understand the current compensation terms of the potentially right candidates as well as their aspirations. Knowing their aspirations early allows you to know which candidates are beyond your compensation planned in the job requirements and which are within. I suggest the following approach in making an offer and getting it accepted.

1. Reach an agreement with the line management and if required with the CMD on the maximum offer in terms of Annual Cost to Company (CTC) that can be made to each of the 3 selected candidates. This should ideally be based on the industry benchmarking for the position under consideration.
2. HR Manager should then talk to the top selected candidate and make an offer of total CTC which is between the current CTC and the candidates aspiration leaving a scope for upward revision within the agreed maximum
3. The candidates should be asked to revert regarding how would s/he would structure the CTC.
4. Based on the candidates response, HR can see if they need to make a revised offer that will now be accepted by the best suited candidate based on the feedback received from the candidate
5. If the candidate accepts the offer, the task ahead is to ensure his/her joining.
6. If the offer is not yet accepted by any of the three candidates and the offer has reached the maximum agreed CTC, you can either explore the remaining selected candidates if any or talk to the line management on increasing the offer to the expected levels using variable pay component

**With this you would be in a position of the right candidates having accepted your offer and the remaining task is to ensure his/her joining!**

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Ensure Joining



The work of getting the right person is not over till you have the person joining your team as there are many a slip between the cup and lip!

The candidates may be lured back by his/her current organization or other companies where he would have also given the interview might get him.

So what can you do as an HR person to ensure that the person who has accepted your offer joins you ultimately?

Here are a few thing that will help

- ✓Ask the person to resign from his current organization and send you a copy of the acceptance of the resignation by his current organization.
- ✓Try a get a shortest possible joining time from the joinee. If this requires you to buy the part of the notice period in his current organization, do consider it and decide on its merit.
- ✓Keep in touch with the joinee once a week to check the progress on his joining and ask him/her to keep exploring an earlier joining.
- ✓Ask his/her direct manager to start engaging him/her in his/her new assignment. His/her manager can do many of the following things.
  - Meet him/her personally again for a welcome dinner.
  - Send him/her the information about the company and ask him/her to read and revert for any questions and clarifications
  - Ask him/her to join for any company event till his joining
  - Ask him/her to start preparing his/her work plan for the year and encourage to seek the required information for the purpose
  - Introduce him/her to his/her team and encourage him/her to meet and start understating their work etc

**The whole idea to start and early engagement so that you have the right person joining as planned!**

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