

EBOOK

# Six steps to mitigating risk when hiring



# A better way to hire

You've heard this story before: A person with all the proper qualifications nails the interview. From charisma to skill set, they seem like the perfect fit for a role you've been struggling to fill. Yet, by the 30-day mark, it's clear the person isn't succeeding in their new job. Despite looking good on paper, your new employee isn't thriving—they're sinking. And it's costing you both time and money.

This scenario occurs regularly, despite hiring managers "loving" candidates during their interviews. How can that be? The answer is simple: Resumes don't always tell the whole truth. And it's easy to be fooled by charisma in an interview.

You, or a hiring manager you work with, could benefit from some added structure to your hiring process.

Here's a six-step guide you can use to reduce uncertainty when hiring and ensure you're hiring the right candidates for the right positions.



## STEP ONE

# Understand the issue.

The first step to avoiding risk when hiring is to understand common sources of risk. While there are many risk factors one could identify, two are especially critical:

- **Letting emotions drive your decision making**
- **Relying on a candidate's experience to paint the full picture**

## Emotional biases

When assessing candidates, hiring managers are constantly making decisions: Move this applicant forward. Reject this other one. Flag resumes that include programming skills. Skip resumes that have misspellings.

What managers may not be aware of, though, is how important a role emotion plays in their hiring decisions. Oftentimes, the difference between extending an offer or not can come down to personal impressions—a smile here, a thank you note there.

While these pleasantries can be an indicator of a candidate's values—and thus an indicator of how good a cultural fit they'll be at your company—they say little about how they'll perform in the role. Allow yourself to be swayed by emotion, and biases develop.

This poses a great deal of risk. Sure, a candidate that's super outgoing may seem like a great value-add to your department, but have you considered whether the role calls for such an extraverted personality? What about the impact that person will have on future team dynamics?

These are factors hiring managers must weigh when deciding whether to offer someone a job.

## **The experience trap**

Relevant experience is great. At a tech company, hiring someone with a proven track record could mean saving hours of training and thousands in certifications. At the same time, it's important not to treat experience as the be all, end all.

For example, take a candidate who has five years experience as a car salesman. If you're hiring for an account executive position that puts a premium on transparency and compliance, you may think the experience would be beneficial. But what if that previous job encouraged the candidate to operate fast and loose with their sales tactics? Those habits would likely require correction in their new role at your company—hardly something any hiring manager would find desirable.

What about a candidate who has no relevant experience applying for the same role? Many hiring managers would toss that resume aside. But what if the candidate had a favorable behavioral temperament for the position—people-oriented, with an eye for detail and playing things “by the book”? If you were to pass on the candidate due to the lack of experience, you could miss out on a strong fit for the role.

Experience, when additive, is great. But if you're relying solely on experience when hiring, you aren't getting the complete picture—and your hires could suffer because of it.



## STEP TWO

# Identify the missing factor in your current hiring process.

The second step to avoiding risk when hiring is to identify what's lacking in your current process. That missing factor might very well be talent optimization: a discipline that relies on people data to inform the hiring process.

Emotionally-driven or experience-heavy hiring processes often fail to provide objective data. By contrast, talent optimization uses science-backed analytics to reduce the uncertainty hiring managers face when making decisions.

By taking a talent optimization approach to hiring, you can make that offer with confidence. You'll tend to hire people who are better behavioral and cognitive fits for the job, setting them up for success right out the gate.



### STEP THREE

## Gain alignment on your job's requirements.

As part of talent optimization, it's critical to pinpoint what exactly you require from someone in the position you're looking to fill.

First, identify your key stakeholders. This includes the hiring manager as well as any team members who are familiar with the role. It may also be helpful to solicit input from a high performer who is currently, or was previously, in the same role.

Once you've selected these stakeholders, poll them on what they consider to be the key responsibilities of the role. It is crucial to have stakeholder consensus about what qualities you want from candidates. Have all stakeholders complete the PI Job Assessment™ to identify the behavioral traits and cognitive ability needed for job success. The platform will synthesize all stakeholder responses into a Job Target.

With your Job Target set, sorting through candidates is a breeze. Read on to learn more about evaluating candidates against Job Targets.



## STEP FOUR

# Use assessments to gain insight into candidates' makeup.

It's imperative to understand the whole candidate. Consider administering both the PI Behavioral Assessment™ and the PI Cognitive Assessment™ to candidates that apply for the position. Doing so will enable you to dig deep into the behavioral makeup of your candidates—and better predict how good of a fit they might be.

## Behavioral assessment

The PI Behavioral Assessment provides insight into a candidate's behavioral drives. These drives—such as the drive to work with and through others, or the drive to have variety in one's daily routine—are critical pieces of data hiring managers can use when assessing a candidate's fit.

Take that sales role, for instance. A behavioral assessment could reveal that a candidate is assertive and comfortable with risk. Compare that result to one of a candidate who is modest and risk-averse. If the sales role requires holding one's ground with clients and dealing with rejection, then the more assertive individual is likely a better behavioral fit.

## **Cognitive assessment**

The PI Cognitive Assessment provides insight into how quickly a candidate processes information. This is extremely important, especially for complex jobs that require fast learning and planning far into the future. In fact, cognitive ability is the number-one predictor of on-the-job success.

In that same sales role, the ability to learn and act quickly may be one of the key requirements all stakeholders aligned on. If so, administering a cognitive assessment is crucial for weeding out candidates that don't pass muster.

### **Information is power.**

By providing behavioral and cognitive assessments, you'll gather a wealth of informative people data. Use this data to your advantage. Using PI's Match Score technology, you can sort through candidates and stack rank them based on how well their behavioral and cognitive results match the Job Target. This allows you to pinpoint your most promising candidates—and that's before they even take a step into the interview room.





## STEP FIVE

# Create a structured interview process.

When it comes time to meet your top candidates face-to-face, make sure you and your hiring team come prepared.

Create a structured interview process. This starts by creating an itinerary. If several team members are interviewing a single candidate—generally a good practice, as it helps dull the effect of individual biases—make sure the topics each interviewer covers are clearly defined. This will ensure you aren't overlapping on certain questions—and you make best use of everyone's time.

When coming up with interview questions, consider the behavioral profiles of each of your candidates and tailor your questions to probe for potential fit issues. If a candidate interviewing for a sales role is uncomfortable with risk, ask them to recall a situation in which they had to take action on something with unclear outcomes. If you're using PI, you'll receive a list of custom interview questions specific to each candidate's behavioral profile—no guesswork required.

It's also a good idea to incorporate at least one cultural interview into your process. Consider calling upon an employee in a completely unrelated department. That person would be asking a special set of questions to screen for culture fit or culture add. Even if a candidate has the proper experience and is a good behavioral fit for the position, a poor culture fit should be a red flag for you and your team as that can lead to disengagement. Make sure to identify these warning signs early on in the interview process.



## STEP SIX

# Make a decision based on people data.

You've interviewed your candidates; now it's time to gather your team and come to a decision.

Acting objectively here is key to success. Even if you've done all the prerequisite work up until now, if you throw caution to the wind and abandon your process, it'll all be for naught.

Use your people data. Loop back to the original job requirements or Job Target, and compare them with the behavioral profile, personal values, and experience of your candidates. Try to envision how an applicant might influence—positively or negatively—existing team dynamics. Also imagine if a candidate will contribute to your company's culture—or if they'll detract from it.

Look at each applicant holistically, and come to a decision based on data—not emotion.

# Hire with confidence.

Follow these six steps to add rigor to your hiring process and reduce that risk that comes with hiring based on resume and gut feel.

By implementing talent optimization and people data, you'll ensure transparency and fairness for every candidate who walks through your doors. Better yet, you'll find the right people sooner—and reap the benefits.

## Ready to take your hiring to the next level?

See how PI can transform your hiring.

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