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CHAPTER FOURTEEN

Attracting and Recruiting Talent

OVERVIEW

CFOs and financial controllers need to improve their ability to recruit in order to select talented staff. This chapter explores how to become a finance team of choice; the importance of a succinct advert, the value of staying the distance in the recruiting marathon and the importance of a successful induction.

In every workshop, I ask one question, “Who has made a recruiting decision they have lived to regret?” Every finance manager puts his or her hand up. The carnage caused is relived in their facial expressions. Why does this happen so often?

I suspect that many readers will recall instances when the interviewee has arrived and you realize, with a degree of horror, that you have not yet reviewed

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the CV, nor prepared enough for the interview. You will be on the back foot, and a smart interviewee is now in control, painting a picture that will impress you and hiding any issues that might have caused you concern.

Far too often, managers, when looking at their calendar, throw up their hands when they realize that they have another recruitment interview to do. It is the last thing they need at this point in time. Recruitment should be seen as the most important activity a CFO and financial controller ever does. It should be the most prepared exercise we ever do, for the following reasons:

- Recruiting properly is like putting a fence on the top of a cliff—it is better to spend 40 hours recruiting a candidate properly rather spend 400 hours cleaning up after a recruiting mistake.
- You can recruit for technical skills and through training improve skill levels, but you cannot change a person's values. If an individual's values are different from those of the organization, you will always have conflict.
- Better recruits will lead to more internal promotions, both saving costs and retaining institutional knowledge.

To have a first-rate team it is desirable to start with the best resources available. There are still too many staff selections made via an antiquated interview process accompanied by some cursory reference checking; the result is a high failure rate among new staff. Greater effort needs to be injected into the selection process along with the adoption of reliable recruiting techniques.

Management guru Peter Drucker once observed General Motors 'top committee' spending hours discussing the promotion of one employee. On questioning management about the effectiveness of this, the reply from the CEO was, "If we didn't spend four hours on placing a man and placing him right, we'd spend 400 hours on cleaning up after our mistake."

I will now talk about comprehensive recruiting practices that will help you "Get the right people on the bus" as advised by Jim Collins, of *Good to Great* fame.¹

EVER-PRESENT DANGER

Let's recall the last recruitment you did that went radically wrong. Can you recall how impressed you had become with the interviewee who could not put a foot wrong? They, of course, were much more prepared than you by a factor of 5 to 1. You really did not have a chance for you were dealing with a chameleon. They appeared to be the ideal candidate for the position. They would mirror

your sentiments, so, before long, you were falling for your own image. Thus, before we start, let's remind ourselves of what you need to avoid:

- Going into an interview process unprepared. If you have not had training in behavioral event interviewing and competency-based questions, make sure you are accompanied by someone who is trained.
- Always filling up the silences (let the interviewee complete their answers or ask their own questions).
- Missing the clues to possible issues in their employment history— the inability to explain job moves or employment gaps.
- Missing red flags about their personality and working style, for example if they speak negatively of others, make obvious exaggerated claims about their ability, and appear too self-centered and egotistical rather than being a supportive team player.

THE NEED TO UP-SKILL

There is no other area in your field of expertise where training will have a bigger payoff than learning to recruit successfully. You might be recruiting until you retire from full-time work, and even then it might still come in handy when you become a board member sitting on the executive recruiting panel.

So, what skills do you need?

1. A sound understanding of the differing personality types and your own personal baggage. See “The Six Leadership Foundation Stones” in Chapter 11.
2. Be acutely familiar with twenty-first-century recruitment processes outlined in this chapter.
3. Be able to frame behavioral event and competency-based questions—and understand the significance of the answers. No longer will you ask leading questions that make it clear to the candidate how they should respond.
4. Be able to spot behavioral traits that might indicate a divergence between your organization's values and their values.

LAW OF ATTRACTION

Successful organizations have known for years that to attract the cream to their organization they need to overtly promote how wonderful they are. This has to be embraced by the public relations team and the CEO. I always think of Richard Branson and the way he has branded his empire. He has been so

successful that I suspect many of us would jump at the chance if a headhunter tapped us on the shoulder for a good position in the Virgin Group. A picture has been painted for us and we have bought it. This branding is a long-term investment and unfortunately there are no quick fixes.

Organizations that embrace modern management techniques, such as Google and Netflix, will naturally have an easier job in selecting talent as these organizations are seen as attractive places to work by many applicants. Netflix has even adopted a policy of unlimited holiday entitlement. The tell staff take what you need so you can deliver at the high end of the spectrum we demand. The executives regularly take six to seven weeks a year.

During the whole process from the advert to the final offer, we need to maximize the promotion of the organization's and finance team's brand.

Promote Your Finance Team to the Outside World

With your journey to becoming "future ready," you will have achieved some success stories. These will start making the accounting team a preferred team to join, providing you broadcast this message. You can do this by:

- Establishing a relationship with your local universities by offering prizes to the best accounting graduates, delivering guest lectures (such as "A day in the life of a corporate accountant"), and offering holiday jobs. These activities will increase the profile of the team and enable you and your organization to try before you buy.
- Writing articles/case studies in your accounting institute's journal and delivering presentations for your local institute branch.
- Being active in the local institute branch.

These activities are termed *magnetic marketing initiatives*; they will attract the high-caliber candidates who tend to do more research.

THE RECRUITING MARATHON

To have a leading-edge finance team, requires being able to sift the wheat from the chaff in the recruitment process. It is time to revamp the process from the antiquated interview process and accompanying cursory reference checking.

Look for Values and Fit before Focusing on Expertise

A common recruiting failure is too focus on expertise and experience. If you come across the perfect fit with a candidate, it is all too easy to brush aside all the warning signals and rush into signing them up.



Jim Collins points out the importance of organizations having a core ideology, which he defines very succinctly in the formula.

Core ideology = Core values + Purpose

There are some very good examples of organizational core values and purpose statements (mission statements) in Chapter 3 of his book *Built to Last* that are well worth reading.

Recruiting will never be successful if the recruiters do not have a shared understanding of the organization's core values and purpose. The primary objective should always be to weed out candidates who do not share the same values and who will not buy into the organization's purpose.

It is wiser to recruit someone slightly less experienced who is clearly able and has a close fit with the organization's core ideology than to recruit an expert who will not fit from day one.

Paint the Picture First

Peter Drucker advised that we understand the job so you have a better chance of getting a good fit. Here we need to understand not only what the duties are, but what skills and expertise are required. If you have a previous high performer in that role, model the job on that person's traits.

Far too often, the only time spent painting the picture is drafting a job description based on a format from the HR department. These job descriptions may not paint the right picture. We thus need to further touch up the picture in the job advert and during the first interview.

A retired, very well-respected CEO recommended setting the bar higher than the person leaving that position. That way, your organization's talent pool has been enhanced.

Never Give a New Job to a New Person

Drucker stated that you should never give a "new job to a new person." Drucker believed that outsiders do not stand a chance implementing new systems in an organization due to concerns over change, a lack of credibility, and the overpowering nature of the default future. Instead, you need to appoint and train an in-house manager who is well respected in the organization and who has a pile of "I owe you" favors that they can call on.

If the position is new to the organization and there is to be likely resistance (e.g., implementation of a new system, new general ledger etc.), you will be far more likely to succeed by utilizing the best person within the organization than any very skilled external person.



Seek Internal Referrals First

Great organizations recruit heavily from internal referrals. They target their high-performing staff and ask them if they know a person who would fit in the team before they advertise a position. Often, this has proved successful in saving hours of sifting through the great unknown.

Google is famous for its referral recruiting. Staff members who recommend candidates are rewarded for their efforts if and when their contact becomes an employee.

Recruiting Agency or Not

You will already have a preference as to whether you use agencies with regards to recruiting finance team members. The reasons for using agencies include:

- An agency specializing in recruiting finance team staff will be in constant touch with the market. They will know the available talent pool.
- In smaller cities they are likely to know most of the senior accountants, how they perform, and what environments suit them best.
- If you are going to be busy and not be able to contribute to the process fully then they will act as a great safety net.
- The more senior the role, the more benefits there are in using a specialized agency.

When selecting an agency, for the first time, ensure they specialize in recruiting accountants. In addition, as a friend in the recruiting business warned, make sure they are not currently overloaded with active positions; otherwise, your recruitment exercise may become compromised.

Begin with a Good Advert

You need to sell the position, using the emotional drivers of the potential recruits. Do not let the recruiting agency draft the advert without your active involvement. The job advert should include:

- Career prospects
- Technology they will be working with
- Working conditions of the finance team
- The scope for them to make a difference
- 10 to 20 percent of time to pursue ideas that might make a substantial impact on the organization



Harry Mills,² a prolific business writer, has just written a great book on drafting compelling messages. In the book, he has designed some tests that you should use on all your correspondence, including your job advert. It needs to be simple, appealing, have an emotional connection, exude credibility and lastly have some “unexpected” content.

The use of job boards and LinkedIn can also increase the pool of potential candidates.

Commit to Communication

Throughout the process, your communication must be seamless to the potential recruits. If some candidates are no longer on the list, inform them, offer some guidelines, and remember—they may well come across your path again.

If candidates are having to chase you about where their application stands, you can rest assured that they have been thinking about it for some time already. Great communication with candidates augers well for the future and could be the deciding factor in a competing-offer scenario.

The First Round

Here we are trying to sift out those candidates who are definitely not suitable. As Dr. Richard Ford, a specialist in senior executive assessment, has suggested, it is useful to send information about the job to the candidates and ask them to assess themselves against the key knowledge-specific, role-specific, team-specific, and culture-specific, competencies required for the role. This can be handled by having candidates complete a web-based application form. As Ford points out, candidates with limited insight, self-awareness, and understanding of the role can easily be eliminated.

You may also wish to review the LinkedIn and Facebook profiles for those you are unsure about.

CATHAY PACIFIC RECRUITMENT

Cathay Pacific constantly seeks frontline staff that were born with the desire to serve. They firmly believe you cannot *train* staff to be as good at serving as Cathay Pacific requires, “They have to be born that way.”

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In order to sort the wheat from the chaff, all frontline applicants have to go through an arduous five-interview recruitment process that often takes about three months. Only applicants who are committed to joining Cathay Pacific get over this hurdle. During these interviews management is looking for the traits they need. The investment in the front end pays off with a quicker and more successful training process and one of the lowest staff turnover ratios in the industry.

The Second Round

The next session could be a 30-minute screening phone conversation for those who have provided adequate self-assessments. You could ask them the following questions:

1. Describe your proudest achievements. What has been the hardest decision you have had to make that may have made you unpopular?
2. What are your strengths?
3. What will reference checks disclose about your personal and operating style?
4. How will your style impact on other team members?
5. How do you plan to grow and stretch yourself in the next five years?

Study candidates' performance records to find their strengths so that you can ascertain whether these strengths are right for the job. Drucker was adamant that you should focus on the interviewee's strengths and if these fitted the job specifications the candidate could progress in the selection process. He saw no purpose in delving into weaknesses that often are not going to be exposed in the job.

The Third Round

Consider three to five people in the shortlist, to maximize your chances of getting the best fit. Often, we only have one or two suitable candidates. Drucker warns us that this is not enough. Cast your net wider to attract more interest.

Ford has written a useful article on "How to hire the 'A' players."³ I have incorporated his questions in line with the thinking of business book writers Peter Drucker and Jack Welch.

1. Why did you leave your last job?
2. Why do you want to leave your current job? You then ask, “Why was that?”
Welch says you should drill down to the truth.
3. What sorts of things irritate and frustrate you most?
4. What would your colleagues say is the best thing about you?
5. Give examples of your commitment to innovation?
6. Tell me about a time when you had to persuade people to do something they did not want to do? What happened?
7. When I call your last boss, how will he/she rate your performance on a 0 to 10 scale, and why?
8. What preparation have you done for this interview?
9. Why do you want this job?

Involve the Human Resources Team

One of the most disconcerting departures from better practice has been the demise of the human resources (HR) team’s influence in organizations. Where recruitment is left to managers, chaos ensues. Welch states very strongly that the HR team should have the same standing as the finance team—for example, the head of HR should have the same pay and conditions as the CFO.

Most readers can reflect back to a recruit that they approved that did not work out. In most cases, this would have been based on interviews and references. HR practitioners have found there are far more effective ways to recruit, starting by making an in-depth focus on the job requirements and followed by behavioral event interviews, simulated exercises, and assessment centers. All of this takes experienced in-house resources to manage and deliver. As we all know, the cost of appointing the wrong person can be much greater than just the salary costs.

Use Simulation Exercises and Psychometric Testing

The basic interview is a totally flawed tool; we tend to warm to those candidates who are similar to us. Clever interviewees realize this and will mimic back to us what we want to hear. Situation, role-playing, or scenario exercises are thus becoming more common in the recruitment process in an effort to find out more about the candidates.

It is now quite common for report writing and presentation exercises to be set during the final interview round for the more senior roles.

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Many organizations that I have surveyed report that they have been burned by new staff who describe themselves as competent on an important skill, only to find out in practice that they were not nearly so competent.

Psychometric tests, especially arithmetical and verbal reasoning, are found to be valuable predictors and should be used when sorting out which of the short-listed candidates you will give the offer to. High scores in these two tests is seen as a sign of a high performer.

One organization comments on the usefulness of a simple scenario exercise as part of the recruitment process, with the candidate and the panel playing their respective roles. The organization says that it is not hard to set up, and yet it helps significantly in the selection process. Candidates are given only 15 minutes' notice of what the scenario is going to be.

Assessment Centers

First used in the British army, assessment centers have long been recognized as a thorough way to recruit staff. They work particularly well when you are recruiting a group of staff or when you are looking to select senior and middle-management internally.

A manufacturing organization has a substantial investment in assessment centers for graduate recruitment. At their initial expression of interest, the graduates complete a comprehensive self-assessment questionnaire. From these returns, preselection of possible candidates is made and interviews carried out at the universities. Up to 24 graduates are selected to take part in the assessment centers. Two assessment centers are then run, each one day in duration, with 12 graduates plus up to 24 managers from the organization. Activities include an impromptu oral presentation, group work exercises, plus rigorous interviews. Usually about 50 percent of the graduates being assessed are chosen.

A finance organization has been using assessment centers successfully to identify their best staff candidates for branch manager positions. Two years on from the first assessments and placements, they have experienced 60 percent success in the selections made. The core competencies in these generic positions have been clearly identified and are reflected in the assessment center tasks and activities. They have continuously modified and refined their assessment centers with input from outside consultants.

Round Four the Reference Checks

A reference check has little or no validity unless it is from a person known to your organization or a past employer whom you can rely on.

Random references, especially if they are received attached to the resume, should be treated with caution.

Reputable recruiting agencies use a landline number to verify the person and organization. At the very least, you should phone and ask questions about the candidate's (Pat's) skill base, such as:

- “Can you give me some instances where Pat has shown her ability to complete what she has started?”
- “Can you give me some examples where Pat has shown initiative?”
- “Are you able to illustrate a situation where Pat has shown her ability to handle pressure?”
- “Does Pat have any special needs we should be aware of?”

One important government organization asks all shortlisted candidates to find a referee who is known by the organization. If none can be found, they ignore this step. Naturally, this would count against an applicant. They believe a reference is worth getting only if it can be relied on. They know that a referee who is aware of the organization, how it operates, and its values and staff would be unlikely to give an unreliable reference if he wants to retain his relationship with the organization.

A common mistake is not to verify the academic record. Newspapers are littered with cases where high-profile appointments have been made where the individual has claimed a master's or PhD degree, only to be found out when poor performance brings their claims into question. Always check against the university records where the appointments are very important to the organization.

If money is involved, for example, in accounts payable or accounts receivables, it is also a good practice to perform criminal and credit checks.

The Previous Boss Check

Drucker was adamant that you should talk to candidates' previous bosses. Obviously not their current employment, but those organizations where they used to work. Jack Welch would call a previous employer and ask, “We have Pat Carruthers short-listed for a general manager position. I was wondering, if Pat was reapplying for a similar position in your organization, would you want him back?” As Jack says, he was surprised at the honesty. If he got a no, that was enough for him to cease the recruiting of that candidate. He wanted to hear, “We would very happy to have _____ back; _____ made a significant contribution while he (she) was with us.”

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A retired, very well respected, CEO recommended performing two of these checks.

Involve the Finance Team in the Final Selection Process

Far too often, a new staff member is soon found to be deficient in a key process he or she claimed expertise in. This is a shame, as a brief exposure to the team during a casual walk could have exposed a potentially serious weakness in the candidate's skill base.

It is a good idea to have staff on the team involved to some extent in the final selection from the short list of candidates. This need not be too complex. A meeting over an afternoon cup of coffee can give the staff a chance to subtly quiz candidates on the claimed "expert knowledge." It is useful to see how they interact with the staff.

One technology team had interviewed an impressive candidate and duly shortlisted him. In the second round of interviews, they found that the candidate, albeit a certified Microsoft engineer, had little or no practical experience. This was discovered by the team members when they gave him a tour of the team's IT equipment.

The Final Check Against Requirements

It is a good idea to summarize your findings of the shortlisted candidates on a one-page matrix; see Exhibit 14.1. Although it might be tempting to perform some form of weightings, I would advise against this. You are trying to put objectiveness in a subjective exercise. Simple review the table. If two candidates are about even, then other considerations need to be evaluated.

Closing the Deal

You have done all the hard work, found a star, and offered the job. Time to relax? Hell, no! Get the CEO involved to make a call; just a 5- to 10-minute call can make all the difference in closing the deal. Remember, talent is sought after; it is a competitive market. Tell the CEO those 10 minutes could be worth \$20,000, which is \$120,000 per hour.

DELIVER A GOOD INDUCTION

Drucker advised that once the employment decision is made, make sure the appointee understands the assignment. He is talking about a thorough

EXHIBIT 14.1 Candidate Comparison Matrix

Factors	Candidate names
Level of experience	
Technical skills	
Drive	
Planning and organization	
Team leadership	
Influence and impact	
Team fit	
Culture fit	
Potential for growth	

Scoring 1 = below average, 2 = average, 3 = good match, 4 = very good match

induction process. So often, good candidates are set up to fail by a poor induction process.

All high-achieving finance teams put a lot of time and effort into a proficient induction process. This process is a commitment not only by the CFO and financial controller but by all other finance staff as well. Far too often, the induction process gets relegated to an item on the agenda. The new staff person arrives and is given the feeling that he or she is a burden. An induction should include:

- Detailed handover with the person leaving, or the phone number and email address of the previous person who did the job, if permission has been sought and granted.
- Morning or afternoon coffee with some of the general or middle managers, depending on seniority of new recruit.
- Specified meeting times with their manager (e.g., 3:00 p.m. Wednesday, 3:00 p.m. Friday) to pick up any loose ends, give feedback, revise the training program, and plan the week ahead.
- Meeting with a representative from the human resources team, scheduled for three months after joining date.

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- Meeting with help desk and information technology support to cover intranet, systems, email, hours of operation, remote access, security, and so on.
- The setting up of some easy goals for the appointee to score.
- Visits to operations facilities.

For the graduate accountant intake, think about placing the graduate into accounts payable with the brief to introduce twenty-first-century systems and processes. It will be a good exposure to the power of technology in business. You can then rotate them to an internal audit—a good reason to bring this function back inside the organization.

A very successful CEO mentioned to me about a situation where 13 mid-management positions were being recruited as part of a major restructuring. He told the manager, in charge of the recruitments, that this exercise will be the most important task he would ever be involved in and the legacy would live for a long time. There were 113 interviews and the CEO attended nearly all of them. Of the 13 places only 2 were filled by internal candidates.

The CEO ensured, on commencement, that the 13 managers met every month so they became a powerful cohort. The CEO also had one-to-one meetings with them. The recruitment and induction process were very successful with the newly appointed managers actively transforming the organisation. He went on to say;

“Remember a good vacancy will always be better than a bad recruitment.”

 **PDF DOWNLOAD**

To assist the finance team on the journey, templates and checklists have been provided. The reader can access, free of charge, a PDF of the



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suggested templates, checklists and templates from www.davidparmenter.com/TheFinancialControllersandCFOsToolkit.

The PDF download for this chapter includes:

14 questions you should consider asking in an interview

NOTES

1. Jim Collins, *Good to Great: Why Some Companies Make the Leap ... and Others Don't*, William Collins 2001
2. Harry Mills, *Secret Sauce - How to pack your messages with persuasive punch*, Amacom, Publishing Date: February 2017
3. Dr. Richard G Ford, *How to hire the 'A' players*, Finance & Management ICAEW (March 2010).



