

## **From FAMILY WEALTH REPORT**

### Action items: Hiring top talent for the long run

Beverly Flaxington & Mike Slemmer - 11 Oct. 2007

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You take pains to develop the new business that's vital to your growth plans. But when you win that business, are you really ready to handle it? Do you have the personnel to serve and retain new clients?

As the competition for high-net-worth assets increases the competition for the talent needed to meet the needs of this complex clientele is reaching all-time highs. Nearly 40% of RIAs are actively recruiting advisors, according to a recent study sponsored by Pershing. Another study, this one by Schwab Institutional, shows that 35% of advisory firms view hiring as a key challenge and, overall, their second-biggest barrier to productivity and growth.

In our experience, many firms view hiring as more an art than a science; in many cases it comes down to a "gut feel." The actual process of hiring often reflects this casual attitude, leaving too much to chance and making it likelier that recruits hired in this fashion will quit or be fired.

To give you an edge in the recruiting and hiring talent, we recommend something we call the "360° hiring process." This is designed to help *everyone* in your firm stay focused on hiring needs and opportunities while ensuring complete candidate evaluations and alignment with the position.

Here's a run-down of the process.

- *Build a network of "A" players.* This means that everyone, from the president on down, is aware of open positions in your firm and on the lookout for top players to fill them. They could be sitting across from you at a business meeting or next to you at your child's soccer game.
- *Analyze the job and write behaviorally-based job descriptions.* This is to make sure you evaluated the position in terms of such things as areas of responsibility, "chain of command," performance measurement, success factors and other criteria -- and always with due emphasis on the behavioral attributes required to fulfill the job.
- *Conduct a "360°-type" interview.* Tailor questions about "work history" and "critical competency" to the specific position. For example, critical competencies for a sales representative would include, among other things, the candidate's actual track records in sales and her performance as a regional manager. Within these general categories, elicit responses to open-ended requests like, "Describe your experience managing a territory" and "Walk me through how you assess a territory and its prospects." This will give you a lot of information about the candidate's experiences and thought processes -- and go a long way to indicate how well she might fit in with your firm's sales culture.

- *Don't skip the reference calls.* And be ready to make three to six of them. By the time most hiring managers or firms get to the reference checking stage, they're worn out and this step becomes a perfunctory "check" in a box rather than an opportunity to gain critical insights. And don't depend on a headhunter to do this well: at this late stage all eyes are on closing the deal.
- *Evaluate your hiring success.* Conduct a "post mortem" on your recent hire by polling key stakeholders about the new employee's performance. Also give the new employee an in-depth performance review of his first 90 days on the job. Before and after that, let the new employee know that you have an open-policy. Inviting input can help ensure a long-term marriage between new employee and company.

A 360° hiring process takes time and effort and none of its elements should be viewed as a perfunctory task. In return for your trouble, however, you will get a payoff in the form of longer-tenured, more productive and generally happier employees. -FWR

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