

Why 81% of New Hires Fail, and How to Hire for Success

RECENT STATISTICS ON NEW HIRE FAILURE

A shockingly low percentage of new hires go on to stay and succeed in their new positions according to Leadership IQ's Global Talent Management Survey. The study assessed 1463 American companies and 972 Chinese companies on a range of topics, including leadership, engagement, retention, recruiting, and culture. Respondents were human resources executives from companies of different sizes from industries including manufacturing, high-tech, hospital/healthcare/insurance, pharma/biotech/medical device, financial services/banking, and services.

Leadership IQ's three year study involved more than 5,000 hiring managers during more than 20,000 hires and found that while hiring managers often focus interviews on job skills, lack of skills accounted for only 11 percent of new hire failures. The study revealed that only 19 percent of new hires go on to achieve success.

Here are the top reasons why 81% of new hires failed:

#1 COACHABILITY

26% of all new hire failures were due to Coachability, defined as an inability to accept feedback from those they work with, including not only from direct supervisors, but also from colleagues, peers, and customers.

#2 EMOTIONAL INTELLIGENCE

23% of new hire failures were due to employees' inability to understand their emotions, as well as the emotions of others.

#3 MOTIVATION

17% of new hires in Leadership IQ's study failed due to lack of motivation, defined as insufficient drive to exceed and excel in a job.

#4 TEMPERAMENT

And in fourth place was temperament - basic personality issues.

So we can sum this up by saying that 81% of new hires failed *not* due to lack of job skills, but due to factors that we fall into the category of *attitude*.

So, knowing that the real problem is attitude, what is the solution? How can we increase our new hire success rates and interview for attitude along with job skills?

SOLUTION # 1 – BRANDING/CULTURE FIT

The first thing you must do is address company branding and culture fit. You want to use branding to build retention into the hiring process right from the beginning. You want candidates to know what it feels like

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to work for your company. You want to give them the ability to self-select in, as well as self-select out. And they're more apt to do that, and for the right reasons, if they truly understand your unique corporate brand and culture.

Do you know what your brand is in the marketplace? Has your company gone through a branding initiative?

If you don't know what your brand is, here are some ways for you to find out:

- You can survey your current employees.
- You can go back and survey prior candidates to see what their perception of your brand in the marketplace is.
- You can place popups on your website, asking prospective candidates how your Company is perceived as an employer.
- You can survey interested candidates as part of your interview process.
- Look online. Use websites like Vault and Glassdoor to see how your brand is perceived in the marketplace.

USE YOUR BRAND IN RECRUITING

Once you know what your brand is and you know how your culture is defined, start to promote it. Make sure your recruiters are all telling a consistent story. Highlight your brand and your culture in your job descriptions and in your job ads.

Use brand promotion in videos that you create for the careers section of your website, as well as for your company's YouTube channel.

SOLUTION # 2 – DEFINE YOUR BEST AND WORST PERFORMERS

Take a look at your top performers and make a list of up to 10 qualities that define them. What makes them high performers? What qualities and exceptional attributes do they all possess? Consider things like being collaborative, meeting commitments on time, and any other traits that make them valuable employees to your company.

Then do the exact same exercise for the bottom performers. Make a list of up to 10 qualities that your bottom performers have in common.

With these guides in hand, you will now have a framework with which to interview against the job description. In other words, you now not only know the type of bullet points you're looking for from the job description, you're also now aware of the qualities that translate into success at your company.

For example, if you've surveyed your engineers, and you've determined that the top performers generate

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ideas collaboratively in think tanks, whereas the bottom performers generate ideas on their own, now you know to ask prospective candidates how they generate ideas.

You are looking for those candidates that share the same qualities as your top performers, which in this example are those that generate ideas collaboratively.

There's really no right or wrong answer. It's not necessarily better to generate ideas collaboratively, versus alone. It's simply a matter of how success or failure is defined in the context of your company's top and bottom performers.

SOLUTION # 3 – BEHAVIORAL INTERVIEWING

Use behavioral interviewing techniques. Behavioral interviewing involves asking open-ended questions, as opposed to simple “yes” or “no” questions. Think of behavioral interviewing as “Tell Me Interviewing.” You're going to ask candidates to tell you about actual situations from their past jobs.

For example, instead of asking candidates if they work well under pressure, which is a yes/no question, ask this: “Tell me about a time when you had to work under pressure.” Use this as a starting point to learn about the decisions that they made, the strategies that they used, and the reasoning behind their decisions and strategies. Be sure to follow all the way through by asking about consequences and outcomes.

Make sure that the behavioral interview questions that you ask are indeed tied to your culture. In the above example, if your company does not actually have an atmosphere of pressure, then it would not make sense to ask questions about working under pressure.

BEHAVIORAL INTERVIEWING FOR ATTITUDE

Turning back to the finding that 81% of new hires fail because of Coachability, Emotional Intelligence, Motivation, and Temperament, what specific behavioral interview questions can you ask to learn about a candidate across these factors?

INTERVIEW QUESTIONS - COACHABILITY

A great behavioral style interview question to assess coachability is **“Have you ever been coached?”**

Now, that's actually a “yes/no” question, not a behavioral style interview question, however it's a great question to lead with, as many candidates have indeed been coached, giving you the ability to drill down and explore lessons learned, goals, and accomplishments.

For those that have not had a formal coach, explore the coaching aspect of their relationship with their

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direct supervisor(s). Some great questions to ask in this regard are:

- What could you have done differently to enhance your working relationship with your manager?
- What areas for improvement did your manager point out to you?
- Tell me about accomplishments or improvements that you made or achieved that were a result of feedback that was given to you
- What aspects of your job did you and your manager seem to be at odds with?
- If you could step outside of yourself and coach yourself, what suggestions or ideas would you recommend?"

INTERVIEW QUESTIONS - EMOTIONAL INTELLIGENCE, MOTIVATION, AND TEMPERAMENT

Emotional intelligence, Motivation, and Temperament manifest in the workplace as:

- Working under pressure
- Recognizing and learning from mistakes
- Goal setting and goal achievement
- Being a team player
- Passion

INTERVIEW QUESTIONS - WORKING UNDER PRESSURE

Behavioral interview questions to explore a candidate's ability to work under pressure include:

- Tell me about a time when you had to work under pressure
- Can you give some examples of situations in which you had problems working under pressure?
- Can you give me some examples of situations in which you decided to ask for assistance when under pressure?

When you ask these questions, understand that "pressure" means different things to different people, and be sure to drill down to understand what pressure means to your candidate. For example, pressure can mean Personalities, Expectations of Work Quality, Work Quantity, Hours, Travel, Money, etc.

INTERVIEW QUESTIONS - RECOGNIZING AND LEARNING FROM MISTAKES

Behavioral interview questions to explore a candidate's ability to recognize and learn from mistakes include:

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- Tell me about a mistake you made at work. What happened? What did you do about it?
- What's the most out-of-the box meaningful or significant thing you've ever done to remedy a mistake?

We all make mistakes. We want to understand whether the candidate has the aptitude to recognize a mistake, accept personal responsibility, and work toward a resolution. You are looking for candidates who are willing to be flexible and adaptable, and who are able to self-assess and can be honest with themselves and others, and can actually say "Here are some situations in which I did have problems, here's why, here's what I did about it, here's how I coped with it." That kind of candor and self-assessment is something that reflects upon one's level of emotional intelligence.

INTERVIEW QUESTIONS - GOAL SETTING AND GOAL ACHIEVEMENT

Behavioral interview questions to explore a candidate's ability to set and achieve goals include:

- What goals have you set for yourself?
- What have you done, and what are they doing, to achieve them?
- What have you accomplished so far?
- What were the goals that were set by your manager?
- Did you achieve them?
- What challenges or obstacles stood in your way, and how did you overcome them?
- What goals were you not able to achieve? Why/What happened?

INTERVIEW QUESTIONS - BEING A TEAM PLAYER

Behavioral interview questions to explore a candidate's aptitude for being a team player include:

- Tell me about your most favorite team that you have ever worked on
- Tell me about your least favorite team that you have ever worked on
- What types of personalities do you work best with?
- What types of personalities do you prefer not to work with?
- Tell me about a time at work when you disagreed with someone. What did you do about it?
- Tell me about a decision that you made that wasn't popular and how you handled it
- Think about someone at work that you don't or didn't get along with and tell me about that person and the situation.

INTERVIEW QUESTIONS - PASSION

Many forward-thinking companies feel that "passion" is the single most important and valuable attribute of

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candidates who are deemed to be top-talent.

And when we talk about passion, we're talking about passion both inside and outside of work. People who are passionate, interesting, engaged people in their personal life tend to bring that same passion and energy to the workplace, so be sure to ask a candidate to tell you about their hobbies and interests outside of work as well.

- Tell me about your hobbies and interests
- What are you passionate about?
- What motivates you to come to work every day?
- Tell me about something that you focused on that took great courage and hard work to overcome
- What's a big question in your field you'd like to solve and why?
- Tell me about a problem or issue at work that you decided to tackle without being asked to do so
- What was the last career-related book that you read?
- What magazines or trade journals do you read to stay current in your career?

SUMMARY

The reason why new hires fail has very little to do lack of specific job skills, and everything to do with Attitude. Design your interview process to assess Coachability, Emotional Intelligence, Motivation, and Temperament.

Specifically:

- Understand your Company Culture and Brand and use that as a guide to assess and attract like-minded candidates.
- Identify the attributes of your top and bottom performers and use those attributes to evaluate candidates.
- Use behavioral interviewing techniques to assess candidates' Coachability, Emotional Intelligence, Motivation, and Temperament.