**Choosing the Right Employee**

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There is nothing more inefficient or costly than selecting the wrong person to fill a particular position within a firm. There is the time lost in the process not to mention the cost of acquiring a new employee along with wages paid to someone who does not stay. And, even though much has been written on the subject of employee selection, there are still a large number of firms that struggle with this concept. Most often, it is due to a lack of research and preparation, prior to the hiring process, but it could be due to a variety of factors such as ill-defined job responsibilities, lack of attention to the team dynamics, personality issues and other factors. And, some firms have hired ‘targets of opportunity.’ These are people who came to the attention of the firm, who possess certain skills, but may or may not be a good fit for what the firm needs. So, the question is, what are the proper steps to ensure that the person you hire turns out to the right employee?

**Step One: Pre-hire preparation:** clearly, you cannot hire the right employee, if you do not know who or what you are looking for. Having a fairly well-defined idea on who this person should be will go a long way to finding this person. One way to accomplish this is with detailed position descriptions. By this, we are not talking about a one or two paragraph description, but a detailed list of position responsibilities, firm accountabilities and management expectations. These position descriptions can not only be used in the hiring process, but also in periodic objective job evaluations. By establishing objective criteria, then observing performance and behavior, the evaluation process is an objective-driven process, rather than subjective.

Another aspect of the pre-hire preparation is in identifying where your job candidate could come from. For this, it will be necessary to determine the position requirements (i.e. education level, years of experience, and experience with certain aspects of the job). This will help to narrow down the sources of candidates. There are a number of firms that specialize in recruiting candidates for positions. With apologies to the many firms who offer such services, here are three worth noting: Turning Point, Inc. ([www.tpisearch.com](http://www.tpisearch.com)) assists in identifying veteran advisors and executives for the financial services profession and New Planner Recruiting ([www.newplannerrecruiting.com](http://www.newplannerrecruiting.com)) works with college and university programs to identify appropriate financial planning practitioners. Experienced Advisor Recruiting (<http://www.experiencedadvisors.com/>) offers advanced services for firms specifically looking for experienced (5+ years), credentialed (CFP, CFA, AIF, etc.) Financial Planning and Investment Advisory professionals with firms who need the unique blend of technical expertise and relationship management skills these advisors possess. .

Use of these firms often comes at a price, but it may be worth it, considering the time and effort it takes to identify candidates and narrow the field to your firm’s specific needs. There are also college programs with graduate resumes online for review.

**Step Two: Background information:** There are three sources of background information that are critical to the hiring process. First, you should consider putting your top candidates through some sort of psychometric testing. But, this alone is not enough. You should first familiarize yourself with the test results and you should also consider performing psychometric tests on all of your existing employees to create a team profile. This can aid in identifying who would fit in with the rest of the team. Knowing what test results would identify the perfect candidate for your position will give you an edge when your candidates do the test. Two companies that produce reliable results are Kolbe ([www.kolbe.com](http://www.kolbe.com)) and Caliper Corp. ([www.calipercorp.com](http://www.calipercorp.com)).

Additional background information that should be gathered are criminal background reports (all States, not just your State) and, if applicable, U-4 information (SEC broker check, etc.).These days, such reports are easy and relatively cheap to obtain online. In most cases, for criminal background checks, you will need the candidate’s permission and their Social Security number along with possibly other identifying information.

The resume is yet another source of background information. Apart from calling former employers; look for gaps in the history of employment. This can raise questions to be covered in an interview. When calling former employers, it is often difficult to get much info, but verifying employment and employment dates is helpful.

**Step Three: The Interview:** This is also a critical step and is often mishandled by employers. The interview should be an objective set of questions that relate to work in general and the position offered in specific. The questions should be the same for each candidate so that an objective comparison can be made. And consideration should be made of the psychology behind the answers. The interview is the candidate’s opportunity to show their best side and not necessarily reveal their shortcomings. To that end, one of the first questions that might be asked is, ***“did you have any trouble finding us today?”*** If they answer that they did, it may be an indication that they did not do their homework on where the firm is located. This also leads to the second question, which should be*,* ***“Tell us what you know about our company.”*** What you hope to hear is that they visited your website, looked at other sources and have a reasonable first impression on who the firm is and what they do. If not, if they indicate that they really do not know much, if anything about the company, it should raise a red flag.

Some of the questions should explore hypothetical situations. An example of such a question is, ***“If you know that your boss is 100% wrong about something, how would you handle the situation and what would you say to the boss?”*** The answer to questions like this may offer insight to the candidate’s communication skills.

In asking such questions, look for more than just the verbal answers. Look at the non-verbal cues. Look for such cues as eye movement, pauses and even Adam’s apple movement prior to or during a candidate’s answer. According to studies, The Adam's-apple-jump is an unconscious sign of emotional anxiety, embarrassment, or stress. During an interview, e.g., a listener's Adam's apple may inadvertently jump should he or she dislike or strongly disagree with a speaker's suggestion, perspective, or point of view. One interesting source of information on this is the Center for Nonverbal Studies (<http://center-for-nonverbal-studies.org/> ).

A long-standing goal of nonverbal research has been to find reliable signs of deception. The quest is fueled by popular and scientific observations that deceit often is accompanied by unconscious signals revealing anxiety, stress or shame while lying. Studies indicate that certain signs used when speaking (for instance: a glance-downward and/or rate of head and hand movements) do accompany lies. Care must be taken not to mis-read these signals, as an overly nervous candidate could produce similar symptoms.

It is important to recognize that no one method is going to give you the best profile of a candidate. All of the above sources of information need to be considered to provide the best verification of a candidate’s qualifications and fit for the firm. And, if done methodically and consistently, the firm stands the highest likelihood of finding and retaining the right employee.

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