



[www.brandemix.com](http://www.brandemix.com)

# FAST COMPANY

How Smart People Work

## How to Hire the Next Michael Jordan

If you want to recruit superstars -- the best of the best -- then you have to find them differently, evaluate them differently, and offer them jobs differently. Here's a short course from John Sullivan, the Michael Jordan of hiring.

**From:** [Issue 20 \(http://www.fastcompany.com/magazine/20\)](http://www.fastcompany.com/magazine/20) | December 1998 | Page 212 **By:** Gina Imperato **Illustrations by:** Barry Blitt

Every company wants to hire superstars: the "Michael Jordan of programming," the "Michael Jordan of marketing," and so on. But people with exceptional talent -- people like Michael Jordan -- don't come along every day. And when they do, it's not easy to persuade them to join you. Most great people have great jobs already: Why is the team you're asking them to join superior to the one they're on now? Plus, great people are rarely "on the job market." Why should they make a change that they weren't expecting to make? Finally, great people know that they're great. They have high expectations for the kind of work they want to do and for the kinds of people they want to work

with. The moment they consider changing jobs, their current company -- along with lots of others -- will make them an offer designed to meet those expectations. How are you going to compete?

Professor John Sullivan, head of the human-resource management program at San Francisco State University, thinks about, writes about, and talks to companies about these make-or-break questions. He is the Michael Jordan of hiring, a world-class expert on the new world of work. Sullivan advises a powerful collection of take-it-to-the-hoop organizations -- including Microsoft, Hewlett-Packard, Nike, Cisco Systems, and Charles Schwab -- on recruiting and retaining great people.

"There's not a shortage of people," he argues. "But there is a shortage of great people. The competition for the best of the best is incredible. If you want to hire the next Michael Jordan, you have to recruit that person differently, evaluate him or her differently, and offer him or her a job differently. Looking for a job in the old way can be a horrible, demeaning process."

In an interview with Fast Company, Sullivan offers a short course in how to make hiring at your company a slam dunk. He also provides a collection of tools and techniques for turning his cutting-edge ideas into everyday realities.

## **From Coincidence Hiring to Continuous Hiring**

Traditionally, companies get serious about hiring when they have a specific opening: "Our vice president of marketing quit, so we need a new one," or "We want to enter the market for a new kind of computer chip, so we need a team of designers." I call that approach "coincidence hiring": "I happen to need a basketball player today. Did Michael Jordan happen to quit his job?" The odds that he did are not very good. So what are the odds of your landing him?

The companies I work with -- Cisco, HP, Microsoft, Nike, Schwab -- don't want to hire unemployed people or unhappy people. They want to hire people who can make a difference, the best of the best. But those people usually have a good job and are happy where they are. So recruiting them requires a different mind-set. You have to go from coincidence hiring to continuous hiring.

Companies that practice continuous hiring do things differently from other companies. In their approach to recruitment, they try to mirror how they approach the rest of their business. They say about the hiring process what they say about each of their products: "We have to make it exciting, we have to make it fun, we have to make it fast -- and we have to keep innovating all the time."

These companies make clear that hiring great people is not the responsibility of HR. It's the responsibility of every single manager. There are lots of reasons for this: If you are the leader of a great marketing team or of a great product-design team, no one outside your group -- no human-resources specialist -- can understand the kind of superstar who will make a difference in your work. Only you can understand that. Plus, if you want to remain the best in your field, you have to keep learning. And one of the best ways to learn is to identify the best people in your area -- whether or not they work in your company today -- and then to stay in touch with them.

Every manager has to become the business equivalent of an NBA talent scout. You have to find the names of the best people in your field and then get to know those people. And you can't rely on them to come to you. You have to hang out in chat rooms on the Net, be a member of the right online mailing lists, go to the right conferences. You have to create "learning networks" that help you meet great people -- the kind of people you want working for your company -- even if those people aren't looking for a job right now.

It's not that hard to find great people. There are no secret stars in business. Through hard work and out-of-the-box marketing strategies, you should be able to capture the names of 90% of the people who might make a real difference in your company. I recently spent time with a vice president of human resources who works in the utility field. Someone wanted to take out a "Help Wanted" ad. And this VP said, "Don't you dare. That would be embarrassing. When you're the best, you're supposed to know the best." Help Wanted ads basically announce that you don't know the sort of people you're looking for.

Train your managers to spot the best people in their fields. They should make a habit of capturing the names of impressive people whom they meet at conferences or on visits to customers. And don't forget that great people tend to know other great people. So one of the first things you should do when you hire a Michael Jordan is to ask him or her, "Who are five other Michael Jordans whom you know? How can we persuade them to join us? How can you help us strike up relationships with them?" At Cisco, for example, 50% to 60% of hires come from referrals of this kind.

## **From HR Bureaucracy to Instant Hiring**

Once you find great people, you have to create a relationship with them in order to get them even to consider you. These people are not looking to leave their company. You have to communicate just how interested in them you are -- even

if they never join your company. Create a database of the talented people you'd love to have on board, and send them a monthly newsletter by email. Or send them product samples and marketing brochures from time to time. Ask if you can hire them as a consultant for a weekend or during a week when they're away from their company.

To create these kinds of ties, Cisco has established several programs, including one called Make Friends @ Cisco, which works over the Web and via email. The program matches Cisco employees with people who have expressed an interest in Cisco. It's designed to create a learning relationship: "We're going to be friends with you because you're smart. Whether we hire you or not, we'll learn from each other. And if we do wind up working together, so much the better." That is the right attitude.

Now, here's the important part. Once you have a relationship with a great person, you don't need to be heavy-handed about getting that person on board. Anybody can BS anybody in a one-hour interview. But if you've been emailing with people and participating in online discussions with them, then you can really understand the depth of their knowledge and the way their mind works. If you're impressed and if they're ready to make a move, then you can make a move too.

Great people usually won't leave their current job unless there is an external triggering event: Maybe they've turned 40; maybe they've gotten divorced; maybe their company has been bought. So companies that are serious about hiring will keep track of great people and will be on the lookout for such triggering events. And when such an event happens, they'll make their move -- fast.

The formal assessment-and-offer process has to be quick and easy. Assume that talented people who decide to leave their job will be on the market for one day. So you have just a day to make them a firm offer and to persuade them to join your company. If you delay -- "Sorry, but you have to meet with two people in HR" -- you lose.

That's why some companies -- the smart ones -- have moved to what I call "instant hiring." You don't do this for everyone, but you might do it for 10% of the people you hire. Essentially, you "prequalify" people for jobs. One company that I work with literally gives coupons to great people whom its managers have gotten to know but who aren't ready to make a move. The coupon sends this message: "The day you want to come work for us, you're hired. You don't have to go through our HR bureaucracy. We will hire you

instantly."

Instant hiring takes organizational confidence -- because it may seem as if you're taking a big risk. But most of the time spent on the "hiring process" involves delays and paperwork, not evaluation. You know the problem: All hiring decisions have to go through a particular VP, and he's on the road for a week. By the time he gets back, Michael Jordan has signed on with another team.

Besides, having a long-term relationship with a candidate gives you confidence. Let's say that you've gotten to know someone who's at Intel. This person is a great programmer. And she's a woman. At best, there are maybe a hundred people like her in the world. Why should you spend three weeks formally evaluating her -- when you know that you're going to make the hire anyway? Don't subject great people to empty formalities.

## **From More Money to "Wow!"**

These days, talented people get paid a lot of money -- no matter where they work. But most talented people are still underpaid. What was Michael Jordan's last contract with the Chicago Bulls -- \$33 million per year? Jordan is worth much more than that. Add up the ticket revenue, the TV money, the merchandise sales. In that sense, he is underpaid, even at \$33 million a year.

You can apply the same logic to business talent. I recently worked with a big semiconductor company that was worried about losing one of its most-gifted engineers. The company asked me to come in and talk about a retention strategy. I learned how important the chip that this guy worked on was -- and how important he was to the chip. Then I asked a few questions: "How would losing this engineer affect time-to-market for the next generation of that chip? How badly would his leaving disrupt the team? What if he left and went to your main competitor?"

I did a few calculations and then took my final figure to a top executive at the company. This one engineer, I estimated, was worth \$29 million to this company. Do you know what that executive did? He wrote the engineer a check for \$1 million. That was exactly the right reaction. Most great people don't appreciate how valuable they really are. If they did, then lots more of them would be getting million-dollar bonuses.

I don't want to overestimate the power of money. I've studied countless exit interviews and countless post-exit interviews (questionnaires given out six

months or so after someone leaves). Reason number one for leaving is usually some variation on the theme "My boss was a jerk." He or she didn't support me, didn't communicate with me. I think companies need a "bad-manager identification" program. Everybody knows who the bad managers are: "Would you please fire those idiots? It's embarrassing to be around them." The second most common reason is "I wasn't challenged." Money usually comes in as the fourth or fifth most common reason.

Understanding why great people leave a company has obvious implications for persuading them to join yours. Your biggest challenge isn't to impress them with money or stock options -- those are table stakes. Your job is to wow them with opportunities for growth, for freedom, for impact. Have your CEO call the person you're trying to hire and offer him or her a job -- that's a wow. Offer this person one day a week to work on projects of his or her choosing (which is what Genentech does for some of its scientists) -- that's a wow. Or give this person the opportunity to work for a visible, respected member of your senior team -- that's a wow.

## **From Interviews to Future Views**

Interviews are about the past: "So what was your biggest success? Your biggest challenge?" But things move fast today; the past is becoming less and less relevant. Companies need people who will contribute in the future. That's why some companies have stopped relying on traditional interviews. Interviews aren't good predictors of future performance. A better alternative is assessment over time. After all, if you've created a learning relationship with someone, you won't learn much in an interview that you don't know already. Which doesn't mean that you'll never be surprised once someone arrives. But my advice is to bring people in fast, pay close attention to their work, and deal with mistakes quickly.

There's another approach to hiring that I call a "FutureView." It's the mirror image of an interview. When interviewers probe for what you accomplished at your previous job, what they're trying to figure out is, Are you going to cut it here? And what you (the candidate) are trying to figure out during an interview is, What's it like to work here?

Well, why talk in code? There's a technique that can help both sides answer those questions more accurately and more directly -- simulation. More and more companies are doing job simulations over the Internet. These simulations help a company see if a candidate has what it takes, and they can help the candidate get a taste of what it would be like to work in that company.

These "FutureViews" are much more powerful than interviews. Cisco recently did an assessment of what people who are considering a job want to know. The answer: What would my real tasks be, and who are the people I would be working with? Simulations let you answer both questions directly. You can let a candidate do some actual work over the Web, and you can provide a video feed of the team that the candidate would be working with. A simulation doesn't just let people show you their stuff. It also gets them excited about working with you. Be honest: Why do most companies still do traditional job interviews? Because they don't have a better alternative. This is a better alternative.

## **Sidebar: Relationship Recruiting**

According to John Sullivan, a company that moves from coincidence hiring to continuous hiring can create relationships with talented people who aren't ready to join the company yet -- but who might join it someday. Here are some tools that you can use to build relationships with such people:

- Send them email newsletters.
- Invite them to technical seminars.
- Invite them to open houses or beer busts.
- Pay them to work on mini-projects.
- Offer feedback about their Web pages.

## **Sidebar: Scouting for Talent**

Finding great people isn't just the responsibility of the HR department. It's the responsibility of everyone at the company. If you're serious about tapping great talent, you have to devise ways to identify talented people before other companies do. Here are some of John Sullivan's techniques:

- Train your managers to capture the names and coordinates of impressive people whom they meet at conferences. Over time, you'll develop a talent database.
- Don't just check the references that talented applicants provide. Consider people who offer references as job candidates in their own right, and capture their names as well.
- Be sure to ask new hires what people they would recruit from their former company. Why? Because great people tend to know other great

- people.
- Stay in touch with talented people who leave, and use them as a source of talent leads.

## Sidebar: Keeping Great People

Once you've hired the next Michael Jordan, the next challenge is to keep that new star on your team. Retaining talent, argues John Sullivan, is a business priority of the first order. Here are some of his suggestions on how to do it:

- Measure and reward executives for attracting and retaining the best people for your company.
- Treat special people in a special way -- and tell them why you're doing so.
- Make attracting and retaining talent the most talked-about topic in your company.
- Stop people in the hallways, and ask, "Are you challenged, listened to, and recognized?"
- Practice random acts of attention and recognition.

Gina Imperato ([gimperato@fastcompany.com](mailto:gimperato@fastcompany.com)), an associate editor at Fast Company, is the Michael Jordan of business writers. You can reach John Sullivan by email ([johns@sfsu.edu](mailto:johns@sfsu.edu)).