

Mark Murphy TotalPicture Radio Interview Transcript

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Welcome to a special Talent Acquisition Channel Podcast on TotalPicture Radio. This is Peter Clayton reporting. Mark Murphy is the founder and CEO of Leadership IQ. He leads one of the world's largest studies on goal-setting and leadership and his groundbreaking research has been featured in Fortune, Forbes, BusinessWeek, U.S. News & World Report, the Washington Post, and hundred more periodicals.

Mark is the author of a new book titled *Hiring for Attitude* published by McGraw-Hill. Based on research of 20,000 new hires over a three-year period, *Hiring for Attitude* shows how companies can accurately diagnose their culture's unique characteristics, and then recruit and select high performers to fit perfectly.

Mark, welcome back to TotalPicture Radio.

Mark: Peter, thanks for having me. It's great to talk to you.

Peter: In your book you state, "46% of the people hired fail within the first 18 months on the job." What's the source of this statistic and

why is it so high, Mark?

Mark: This really comes from the three-year study we did where we track these 20,000 new hires and we looked at several things one of which was what's their failure and success rate, and 46% of them failed and some of them failed bad; not just that they got fired but it could also mean that they were getting terrible performance reviews, they were being written up. In essence, when you think about hiring failures and successes, failed hires are basically those people you would not hire again. The successful ones, the ones that you say, whoa, I wish we could clone that person, that was only about 19%.

If you hire ten people basically, five of them were not going to be great, three were going to be middle performers and only two were really going to be high performers out of this thing.

Peter: That's rather distressing when you consider the amount of resources and time companies generally take in going through the hiring process today.

Mark: It's terrible and it's been terrible for a long time. Peter Drucker years ago said that the executive level – his work found that it was about 66% failure rate. Organizations say for all the time and money we spend, a lot of it is spent on trying to draw people into the organization. When you think about where the HR talent acquisition budget gets spent, the bulk of it get spent on the bringing talent in, the talent attraction but not nearly as much is spent on equipping managers to be able to interview effectively, to be able to make those smart, final decisions. That's really where folks are breaking down.

Peter: I want us to focus on some of the things in your book. When making a hiring decision, why do you believe attitude is more important than skills?

Mark: It's not so much that attitude is more important than skills; it's that we figured out the skill side of it pretty well. When we looked at this hiring study, 89% of a time when somebody failed, 89% of the time it was for attitude, no reasons and only 11% of the time was it for skills reasons. Then it turns out that skills are pretty easy to assess. It's a fairly black and white thing.

Every major profession, whether it's neurosurgeon, programmer, nurse, pharmacist, engineer, every job basically has some kind of a skills test where you can measure if somebody has the technical proficiency to successfully complete the job. Then we've gotten that down pretty well. Where we really let it slide though is on the attitudinal side. If somebody hires a programmer and they can't program, shame on us because that's pretty easy to figure out.

Peter: Right.

Mark: But if they don't fit the team, if they don't fit our culture, that's a more subtle endeavor and that's the one where organizations right now really need to work.

Peter: Why do you think job boards and job ads attract the wrong kinds of applicants?

Mark: Mostly because they're not written to attract the right kinds of applicants. Most job boards, most job ads, they all begin the same way. "We're a multi-billion dollar company. We have 20,000 employees around the world and we love our customers and come join us and grow your career and we've been around since 1952 and all the rest." It's the same generic paragraph and every one of them sounds the same.

I spent some time a few months ago just trolling on some of the job boards and found that if I pick ten jobs at random, they all pretty much sound the same. I can't differentiate between those companies. But when you see a job ad where it says "Listen, this is a highly collaborative environment. If you're a really individualistic kind of person, don't apply here. This is not going to work out well for you. We look at our work before it's all the way done. There's no drama. There's no putting on airs. We're just a down home - we work together. Everybody shares it. If you're not fit with that, don't apply."

When job ads are written like that, they actually chase away the wrong people and now you can find that the job ads are significantly more effective. They don't have to be ineffective. They are just ineffective because they're not written well.

Peter: I want to spend some time discussing your approach to

conducting interviews and more specifically, interview questions you recommend in the hiring process which is really a central part of *Hiring for Attitude*. On Glassdoor.com recently, they published a blog post titled "Top Oddball Interview Questions of 2011" which included the following:

How many people are using Facebook in San Francisco at 2:30 p.m. on a Friday? *That was asked by Google.*

Would Mahatma Gandhi have made a good software engineer? *That's a question from Deloitte.*

How would you get an elephant into a refrigerator? *That's from the Horizon Group Properties.*

That's a pretty fair example and the listeners can go to Glassdoor.com/blog to read all of these.

Mark, what do you think of these kinds of questions and are your clients using these types of questions when they interview?

Mark: No.

Peter: You're not asking people how to put an elephant into a refrigerator? ☺

Mark: No. Or "If you could be any kind of tree, what kind of tree would you be?" No. It's funny, the real reason these questions don't work is that they're not linked back 99 times out of 100. They're not linked back to how people actually perform on the job.

For example, if you asked would Mahatma Gandhi have made a good software engineer – let's take that question. If you asked that and then you get 200 people answer that question and you have a variety of answers and then you go back and you match that up to how your high performers answer this question; if you could scientifically validate this and find out that high performers that we currently employ all answer this question the same way and they all give the same responses and then low performers at our organization all answer it a different way but the same way – all low performers answer the same but in a wrong way – then maybe you could find out

that, well okay all high performers say that Mahatma Gandhi would have made a good software engineer and here's why. And all the low performers say Mahatma Gandhi would have made a terrible software engineer because he didn't carry a BlackBerry around, whatever they would have said.

If you could scientifically validate it and said, well, okay, that's how high and low performers think then maybe you'd have something. But the problem is whenever you talk about *Hiring for Attitude*, most companies, they get a little too cute. They think we've got to reveal how they really think and we've got to reveal what their personality is. But if you don't tie that back to success characteristics, *Hiring for Attitude* is about first and foremost understanding the attitude that is unique to your organization.

If you know what that is and then you can ask questions that are going to reveal if that candidate shares the high performer characteristics or low performer characteristics, now you've got something. Just making a goofy question and think that's going to reveal the personality then what does that mean? I know everybody has their answer keys. We think that Mahatma Gandhi would be a good software engineer. Great, well maybe every low performing candidate you have in the interview gives that same answer, is it differentiating it? Do you have a scientific validation of that?

That's why these get a little bit goofy.

Peter: Tell us what kind of interview questions you advocate?

Mark: There are two kinds of interview questions we're really looking at. One is these attitudinal questions that are tied back to your culture. Let's just take an example.

If you find that you're a highly innovative culture and that that's the characteristic but when you go and you study your high and low performers, you find out that what really separates high and low performers isn't the creativity of their initial ideas, it's how they respond to failure which is pretty typical in high innovation companies. How do you respond when your first innovation blows up in your face, what do you do after that? Now we could craft an interview question that's going to reveal that specific personality characteristic. So we

might ask something like “Could you tell me about a time you tried a new solution and it just didn’t work?” Now we can actually get into the personality of how people respond when they meet failure and we could do this with any characteristic we’re looking for in the organization. That’s one kind.

The other kind of interview question, which is sort of a universal question we advocate, is what we call the coachability question. The coachability question is a tough one. It is a five-part interview question and it basically begins by asking people to tell us their boss’ name. So we pick a previous job and say “What was your boss’ name and can you spell that name for me. The name was Pat Smith. Is that Smith? Is that Smythe? Okay, Smith. Great, thanks.”

That one little hook all of a sudden makes the candidate – makes them wake up a little bit. What it says is regardless of whether or not you share this with me or don’t share this with me, I’m going to contact Pat Smith and then when you answer all these other questions for me like tell me about Pat as a boss, what’s something you could have done differently to enhance your working relationship with Pat? When I talk to Pat, what’s he or she going to tell me are your strengths? When I talk to Pat, what’s he or she going to tell me your weaknesses are?

All of a sudden it inserts a level of honesty into this evaluation, into this interview that has previously never been there and it also reveals whether or not you can work with this person because it shows how this person interacted with their previous boss that show how they’re likely to interact with you. It shows how coachable were they, how much did they evolve and grow and learn as part of this working relationship.

When you couple the unique cultural attitudinal questions like the “Could you tell me about a time when you tried something and it just didn’t work” with this coachability question, all of a sudden you can really peel back what this person’s personality is like and whether or not they’re going to fit in your unique culture.

Peter: You say that it’s possible to tell if someone has a good or bad attitude just by the verbs and pronouns they use. Can you expand on that for us.

Mark: Yes. It's fascinating research we've got going on now that – what we found is in looking at good interview answers and bad interview answers. So the first time we did this, we took a thousand interview answers and we had actual hiring managers grade these interview answers whether he's good. Would you hire this person? Would you not hire this person?

As we looked at the high and low performer answers, what we discovered was that high performers, talking about the pronouns, they tended to talk in the first person that their answers used a lot of "I" and "me" and "we" and talks about things that "I" personally did. Whereas low performer answers tended to talk more about "you" and "he" and "she" – a lot of second and third person pronoun.

We also discovered that when we look at verb tenses that high performers used a lot of past tense verbs and low performers tend to use a lot of future and present tense verbs.

What it amounted to was that high performers, they would speak very matter of factly about things that they did in the past. That is, if you ask them a question about a specific situation that they encountered in a previous job, they would actually answer that question.

"Could you tell me about a time where you tried something and it just didn't work?" They would say, "Yes, I had a situation last month where what I did was I tried this new solution, I implemented this software and it blew up in my face. So what I did after that is..." They would speak very matter of factly about how they handled it and what they did.

Whereas low performers tended to say, "what you would do in a situation like that is you should really go analyze the root causes of the failure." They either avoided speaking about themselves because they didn't have any relevant experience to share with you, which is a major warning sign. Or like a research on when people lie for example, they tend to disassociate themselves with a lie. They would speak in hypotheticals. "What I would do is..." or "one should always..." Whenever they're faced with this situation, they de-personalized their answers as a way of shielding their real personality so they would go into canned answer mode and not reveal their real

personality.

Those were some of the hallmarks of high performers used many fewer adverbs than low performers did. Low performers try to amp up, try and fluff up their answers. “One should always do this... and never do this... and I was the smartest and the best...” High performers didn’t need to do that.

It was some real interesting linguistic differences between high and low performers and how they respond.

Peter: That is interesting. Let’s take this a little bit further, Mark. In most hiring situations today, a candidate will go through at least three or four rounds of interviews with different people and obviously not everyone can ask the same question. How do you go about organizing the interview process so the hiring manager isn’t asking the same questions as a recruiter?

Mark: The words you use to that is most critical there is organize, and that is the absolute critical piece of this that one thing we should have is we should have very regimented interview questions. They should be very thoroughly scripted. Too often, managers will go into these situations and they’ll ask their pet question. Virtually every manager has some question they’ve been using for 20 years and it’s always worked well for me even though I’ve never scientifically validated it I’ve always liked it. They’ll go off, it’s very loosey-goosey, but what we should have is a very regimented – if we have 15 questions that we have decided these represent our culture, then each interviewer should have, let’s say three or four of those, so that we know that there are going to be a couple of unique questions per interview and a couple of the same questions per interview.

This is one of the things we found particularly successful is when you have this well-organized and well-scripted, you don’t want to have every question the exactly the same overlap.

You want to have people assess the areas that are most relevant to them and where they have the best capability to actually evaluate the answers but then also have a question or two that is the same across all of the interviews so that you have an opportunity for every hiring manager to compare apples to apples and for everybody to assess

were the answers consistent... did we get the same vibe off these answers... were we assessing the same things... how did we respond when they answer this way... what was the depth of the answer... how long did they answer this for?

It gives us a chance to really get an apples to apples comparison across all interviewers and that's been a hugely important technique too.

Peter: I'm wondering if your interview process includes the initial phone screen.

Mark: Yes. What's fascinating is once you know where some of easiest points are to screen people out. Now in some jobs, it's easier to screen them out on the basis of skills and you would use a skills question as a first phone screen and this very much comes down to figuring out where your holes are in the hiring process. If you're finding that you're getting unskilled people in the hiring process then screen them out for skills. But if you find that you've already got that down pretty well, then you want to take one of these attitudinal questions and use that as a phone screen.

If somebody is giving an answer that is clearly not a fit with your organization, if you know that you have a lot of impossible deadlines, if you know you have a lot of difficult customers, if you know that you need a lot of innovative thinking that people have to respond to failure, you know that they have to be able to work across geographic boundaries and with all different kinds of personality types. Whatever your attitudinal characteristics are that you're looking for turn that into one of those 'Could you tell me about a time when...' kinds of questions and then use that as your phone screen and you can weed people out very quickly and what you're going to be left with is a smaller pool which a lot of HR department mistakenly think that's a bad thing. That's not a bad thing.

I'd rather have 10 really good candidates to pick from than 2,000 candidates where their quality is highly suspect and I have to marshal all of our FTEs and our HR resources to go weed through those. It's much easier to narrow this pool down and leave yourself with some high-performing candidates to pick between.

Peter: Along with a very organized and thought out interview strategy, you stress answer guidelines in your book. Can you tell us why these are important and give us some examples?

Mark: Answer guidelines are a fascinating part of this. We go into these interviews and people will ask – even if they ask wonderful, brilliant interview questions, it’s akin to giving a test like the SATs without having an answer key. What’s the point of giving a test if you don’t know what the good answers and bad answers are?

What we want to do – and in fact we did one experiment with one of our clients where we gave them an interview question. Could you tell me about a time when you didn’t know how to do something that a customer was asking you to do? It was a high-tech company. I wrote an answer and I read the answer to them and I asked all the managers in the room – there were about 100 managers in the room – and I said evaluate this answer, grade this for me. We put it on a 1-7 scale and when the managers graded the answer, every response was checked off. Some managers gave it a 1; some managers gave it a 7. We looked at this and said this is insanity. We need some guidelines here to tell us what a good answer sounds like and what a bad answer sounds like because we have 100 managers from the same company all having a radically different evaluation of this.

An answer guideline is quite simply snippets of actual bad answers and actual good answers so that when you’re listening to a real live candidate, you have some familiarity as to whether or not you’re getting a good answer or bad answer. If you ask the question like – could you tell me about a time when you had to do something/a customer asked you to do something you didn’t know how to do – we put together some answer guidelines with some warning signs that would be snippets of bad answers like, “when you don’t know how to do something, you just placate them and obfuscate the issue until hopefully it starts to go away.” Or, “That happened to me all the time and I just would spend my days frozen. I wouldn’t know what to do.”

Snippets of actual bad answer so that when the interviewer is sitting there listening and he gets an answer like that, then he or she can sit down and say, “Wait a minute, this doesn’t sound like a good answer. This sounds like the kind of answer that our low performers would give and we don’t want people like that in our organization.”

It can literally be a page or two of some actual bad answers and a page or two of some actual good answers and it's basically your answer key.

Peter: I think that response really feeds into what we were talking about at the beginning of this interview that 46% of people that fail within the first 18 months because if you've got 100 managers who all have varying and completely different attitudes and responses to these questions, obviously, in the hiring process, you're not going to be very successful, right?

Mark: Absolutely. That is the critical issue right there that until we know and really, really understand what attitude separate our high and low performers, it's really tough to go out. It's the old 'if you don't know where you're going, any road will get you there.' If you don't know what are the attitudinal characteristics that separate your best from your worst people then it's very difficult to go out and hire people that mimic the characteristics of the best people. You might end up hiring for characteristics that are exactly like the low performers you currently have and all we're doing is starting this vicious cycle all over again.

Peter: Mark, you use the term 'Brown Shorts' extensively in your book. Can you explain what that means.

Mark: Brown Shorts is one of those terms we debated. Should we put this in there or not put it in the book? But it's just such a goofy, ridiculous term but it's a highly memorable one. It's really an homage, if you will, to Southwest Airlines, an organization that really as much as anybody has done to shine a light on the need to hire for attitude.

The story was originally told to them years ago by one of their executives and he said we did this interview and it was a group interview for a bunch of pilots. Pilots are very serious people. They come in dressed in a black suit or black pants, white shirt, black tie, black jacket, black over the calf dress socks, black shoe polished dress shoes, very serious group of folks, generally over 40, ex-military types, and they bring them into the interview and the Southwest people said to them, "Listen, we're so happy to have you here. We want to make sure that you're comfortable in this interview. We're

Southwest. We want you to be relaxed. So if anybody would like to relax a bit we have these brown shorts here. It's part of our summertime uniform. We're Southwest, we do it a little bit differently. Anybody who wants to put on this brown shorts, feel free. We've got them in every size. Changing room is in the back."

Out of the 20 people they had in this group interview, about five of the people said, "Yeah, sure, I'll put on the shorts." The other fifteen or so probably gave a look that's similar to how a lot of your listeners right now are looking at their computer or earphones. "What are you nuts? I'm going to sit here in white shirt, black tie, black jacket, black over the calves dress socks, black shoe polished dress shoes in brown polyester shorts. I'm going to look like an idiot. No way am I going to be doing this."

The Southwest people say, "Great. You don't have to put them on. Listen, we wish you all the best in your job search, best of luck. Thanks for coming in and see you. Bye."

What had basically amounted to was Southwest understands that one of their key attitudinal characteristics, one of the things that holds together their entire business model is not that they do low fares; it's that the only way you get low fares to work, the only way you can have a \$70 fare on a red-eye out of Vegas is to have people with a sense of humor. That's why they board their plane so quickly. That's why they're able to deal with the lack of seat assignments and all the rest. That's why every other airline who tried the Southwest model failed miserably, it was because they didn't have that fun and sense of humor.

Southwest said because this is so necessary, such a critical part of our business model, if you don't have a sense of humor, even if you were a top gun instructor, we can't have you as part of this organization and they put that right into the interview process. You can still find people at Southwest when you ask them about the brown shorts who will still laugh and said, "Yep, we did that."

That is the issue. They said attitude is so critical that we don't care how good a pilot you are. Yes, we want great pilots but we also want great pilots who have that sense of humor and sense of fun. If you don't have that, you just can't be a part of it. That's why we said you

know what, just in honor of them and their commitment to attitude, we're going to name everybody's attitudinal characteristics whether you're fun, serious, team work, individualistic, whatever it is, we're going to call them your brown shorts because that's your special sauce. That's the recipe that makes your culture work.

Peter: In addition to Southwest, since we're talking about companies who really get the whole culture in hiring process, can you share with us the names of some other well-known companies that practice what you preach which is just hiring for attitude?

Mark: There are a number of them and there are the ones that are – they're on the service side of things so they're a lot of the obvious ones – Four Seasons, Ritz-Carlton, Nordstrom, Southwest, obviously, even places like Singapore Air. These organizations on the service side but notwithstanding that some of the goofball questions that they do ask, Google actually on the whole does also a good job of hiring for attitude. Apple actually does a good job of hiring for attitude. Pixar does a good job.

What you find is that a lot of these companies –take Apple for example. Apple is not known as that Southwest sense of humor kind of culture. Apple is not a sense of humor kind of culture nor are they the collaborative, more open kind of culture like Google is. They're the opposite. They're a highly secretive organization. They are a hero worshipping kind of organization. And yet what's interesting is the people that go to work there all fit the attitude. What's interesting is when you talk about hiring for attitude; it's about hiring the people that can fit your culture.

We don't play for a lot of value judgments on – it's the Apple culture. Because it's so much more secretive than Google, Apple must have a worst culture. Not at all. Apple's culture is Apple's culture. It is what it is. What we're interested in though is can you find people that fit that culture? That's the real hallmark and for all of its uniqueness, they find people that fit that culture and it may not be that friendly, really open "I want to share everything and show my work half-baked" kind of stuff. Not at Apple. Don't do that there. But all that means is it's not that you're good or they're bad or you're bad or they're good; it's that you just not a fit for each other and that's really what this boils down to.

Peter: While you were writing your book, your company Leadership IQ was conducting a large talent management study. I'd like you to talk about what some of responses were regarding talent pipelines.

Mark: It was fascinating. We really started to get into asking companies where are your high performers coming from? Where are you finding your best people? We expected you'd get the normal kind of channels, the recruiters and job boards and all that, but it turned out that when we were talking about finding frontline employees, for example, the number one source across these 2500+ companies that we studied, the number one source of high performers now according to these companies was employee referral. The number two source was networking.

This very much led us to discover what we now call the underground job market and it is that companies are actually finding their best people through employee referrals, through networking. When you think about – it all goes back to this kind of first premise that it's the attitudinal issue that really drives success here. What we discovered is that it makes perfect sense.

Of course, if you want to find people that have the right attitudinal fit, well, referrals from your existing high performers, the people that already fit your culture, they're probably going to be a higher likelihood if they're hanging out with your high performers as it is. They like their – who your high performer is then they're probably going to like where your high performer works. It starts to make absolute perfect sense that if we're in an attitudinal world, of course, this is where companies would find their best people.

Job boards and company career portals were 3 and 4 and then it wasn't until 5 and 6 that we actually got to company recruiters and outside recruiters. Again, it is all about finding people that can fit the culture and any company that is not putting in place an employee referral program that is isn't actively networking, isn't actively always on the lookout for the right kind of people, your kind of people, they're making a huge mistake because that's what companies are getting their best talent right down.

Peter: Mark, I want to flip the coin for just a minute here. What can

you share with us that job seekers need to know about getting hired today?

Mark: It's interesting. Given what we were just talking about, the employee referrals and networking, one of our major rules for job seekers is to basically not be a job seeker. Do not be a job seeker, be a company seeker. Our rule now is after going through all these research, do not apply for a job until you have talked to at least one person who works at that company. You can find them on message boards, you can find them on social networking sites.

In the world of LinkedIn and Facebook, everything else, it's not that hard to go and find somebody who works at Google and start up a conversation. But don't be a job seeker because what companies want is they want their kind of people. They want somebody who can really fit in their organization and for you to figure out what it's like at that organization, you actually have to go and talk to somebody there because you need not just what you're going to get on some of the websites where they gripe about everything that's wrong about the company but you need somebody to kind of set you straight.

What do high performers do that make them different from everybody else? How would you describe the culture? What do the best people do that's different from everybody else there? You need to figure that stuff out so that when you do apply at an organization, you feel like somebody who's actually already one of them, that you're already inside that culture, inside that organization. You don't want them to look at you as a stranger or some general applicant. You need to know about those inside opportunities and if you can be an employee referral so much the better.

Peter: I think that's some great advice. Mark, thank you so much for taking time to speak with us again here on TotalPicture Radio. I think this has been a very insightful and interesting conversation today.

Mark: Peter, I enjoyed it. It was great talking.

Mark Murphy is the founder and CEO of Leadership IQ. His new book *Hiring for Attitude* is published by McGraw-Hill. You'll find this

interview along with resource links in the Talent Acquisition Channel of TotalPicture Radio's new completely redesigned and mobile-optimized website at totalpicture.com.

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