

Why strategic selection is crucial to success

Preparing for an unpredictable future

Uncertainty and change are the only predictable factors for businesses in a world where once-stable regimes fall within weeks, and supposedly strong organisations and economies collapse unexpectedly.

You cannot predict the future but you can prepare for it.



Based on more than 45 years' experience in connecting human behaviour with business results, Mercuri Urval strongly believes that one basic principle will prove itself to be more true than ever in shaping future-proof organisations: **hiring people with potential.**

"Employees need to be agile and adaptable to changing circumstances and have a talent for continuous learning. And what's more, these employees need leaders who inspire peak performance by articulating the significance of the job their people do. The key to shaping these future-proof organisations is strategic selection."

Wilma Buis, Managing Director at Mercuri Urval's Dutch division

But what does this mean for organisations preparing for their future?

Many CEOs and managing directors we work with are rightly concerned about how uncertain financial and political conditions will affect their businesses. Many are also unsure how to align their teams to deliver profits in a sustainable manner.

In our recent survey of 800 managers in Europe¹ about change, 80% of the top managers see flexibility, team play and motivation to change as the most important qualities for their organisation. In a fiercely competitive international marketplace, offering high quality products at reasonable rates is not sufficient to hold your ground, they tell us. Having a strong executive team with clearly articulated corporate strategies and elaborate control processes is also not enough. The transparent and global nature of the changed business landscape means more than ever that customers can buy products, knowledge and services virtually anywhere.

So, more than ever, our research shows that the true path to differentiation and profitability lies in having a unique team of people who can serve your customers and develop new solutions.

After all, a team can't be copied

That's why it really isn't a cliché to say that, in the 21st century, the *right people* truly are an organisation's most important asset. And the *right people* are the ones with the potential to grow, develop and change, because *change* is one of the few factors you can be certain of.

Based on this reality it is perhaps not a surprise that more than 4 out of 5 of all managers¹ say that openness to change is a critical capability for their organisation.

So what does this mean to our every day practice of hiring new people and leading them?

Put simply, it means that attracting and selecting for the future is vital, now more than ever. To select people based on what they can do, not just on what they did do, may be the only way to create long-term value. The kind of people you hire today will have a huge impact on the health and success of your company in five or ten years. And since we cannot predict how that future will look, making sure they are agile and adaptable is essential. Hiring managers need to understand about the potential of people, not only look at their track record. Here is our 5 step guide to building a future-proof organisation:

¹ Mercuri Urval Insight Survey 2010/11: Change and values, Findings in 8 European Countries, Wiesbaden/Darmstadt, March 2011

1. Selecting strategically means selecting for agility



Generally, recruiters are focused on “finding the right person for the right job”. Finding a candidate whose qualifications and experience accurately match the requirements of a job profile has often been considered as the best way to secure high performance.

But in the future, what will be needed?

Well, if we accept that instability, unpredictability and change are the new norm what is certain is that we all need employees – especially in key functions – with personal qualities characterised by an eagerness to learn and develop. People who are open to external influences will turn change to your organisation’s advantage. In this new environment, an employee’s job description might have to change just six months after he or she has been hired. Perhaps the classic job descriptions might soon become something of the past anyhow?

This new reality means it is wise to hire a person who can adapt to a whole range of

roles, rather than being suited only for one rigidly specified job. The individual’s development potential is more important than formal qualifications. Agility must be added to the core competencies on which you select your people. Leaders with foresight take into account future needs, and not just today’s immediate staffing requirements, because the process of changing organisations itself has also entered a new era. The basis of change today “is small changes in human behaviour, rather than grand organisational changes” (D.M. Cable, 2012)². And it is the leaders that have to make all these little changes add up to work in the same direction.

Because Change has its roots in the individual the importance of individual behaviour as the initiating force for change makes the issue of being able to select the right people the number one change leadership challenge.

² Daniel M. Cable, Professor of Organisational Behaviour at London Business School: The new path to organisational change, Business Strategy Review, London Business School 2012

2. Future behaviour is the decisive selection criterion



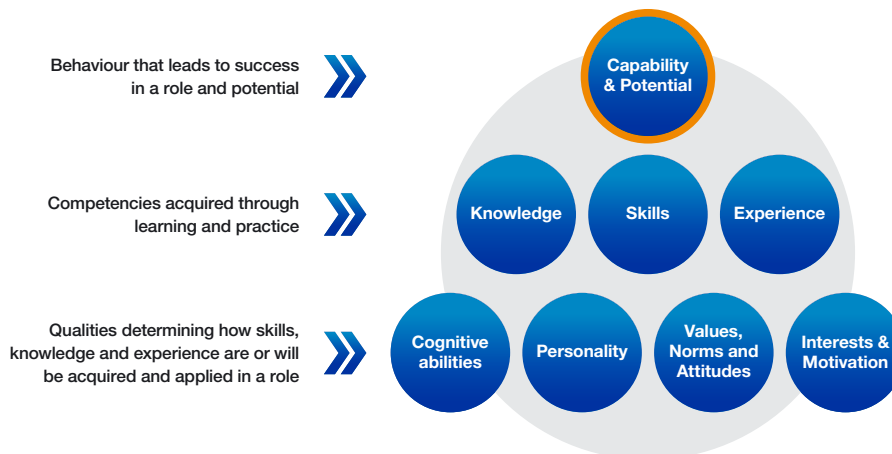
Of course behaviour in the workplace is the accumulated result of several factors: knowledge, experience, personality, values, cognitive capacity and environment. It is this behaviour – how decisions are made, how people are treated, how things really work – that shapes the culture and drives results.

With time, you can alter or influence a person's knowledge, experience and environment. But other factors such as personality or personal values are much more stable. That's why we have all seen, that with many employees, the second you stop managing them closely, they fall straight back into old behaviour patterns.

Accurately predicting behaviour in a new environment is crucial in a recruitment process aiming to find employees who are adaptable, and are able to learn and change continuously.

When evaluating a candidate's fit to the company, instead of focusing on past achievements alone, the approach should focus on seeing how a person's personal qualities and competencies will affect future behaviour. **It is not what people have done, but what they can and will do that matters.**

Model for assessing and predicting behaviour in a role in a business environment



In order to predict future behaviour accurately it is critical to understand, and where possible, measure, all influencers of human behaviour. This method increases accuracy of prediction from 50-60% to over 90%

3. Use Strategic selection as a key tool for creating change



We have learned that strategic selection is key in building an organisation staffed with innovative, adaptable, change-ready learners. And at the same time smart redeploying (internally or externally) of those of lesser ability and potential is key. We have seen that professionally executed strategic selection is a smoother, simpler, cheaper and faster route to building an agile future-proof organisation than any other organisational change process.

Organisations often end up with the wrong people after superficial recruitment pro-

cesses that culminate in an hour-long “tell us about yourself” interview. Trying to manage your way to excellence with low performers on the team can be a costly mistake – trying to change an organisation with low potential employees is doomed. Making hiring mistakes costs you four to six times the salary of the employee says the UK-based Chartered Institute of Personnel and Development³. Others put this figure much higher. But consider that the wrong people won’t be able to change, and the costs can add up to be fatal.

4. Focus on executives, but also hire the right followers



In the current uncertain business world, leaders are asking employees to give more of themselves than ever before. They will be asking their employees to step out of their comfort zones and change continually. Leaders in service industries will ask employees to go beyond merely serving customers, asking them to cultivate unique, enjoyable and genuine experiences that will leave clients enthusiastic and loyal.

Looking across industries we can see that now all organisations are asking things of employees that can no longer be achieved by the command and control techniques of the past. Such behaviour cannot be taught in a business seminar or ordered by a boss.

It has to have its origins in the individual’s character and has to be inspired by leaders – at all levels.

An employee’s self-motivation is very important for an organisation looking to change behaviour successfully. A desire for development and change comes from an inner need that cannot be imposed on a person. Good leaders are able to awaken this self-motivation in employees. But the process will be much easier if people have been recruited on the basis of their high potential for learning, adaptation and change. Even talented executives need organisations staffed with people able to lead at all levels.

³ <http://www.cipd.co.uk/> and <http://www.prweb.com/releases/2011/10/prweb8846422.htm>

5. Hire people who believe what you believe



Often repeated research shows that the new generation of employees is more than ever characterised by a need for attention and confirmation. Much has been written and discussed about their need for inspiring roles and goals rather than maximum profit strategies. Significance here means being important and worthy of attention. Showing employees how their contribution is significant is a powerful motivational tool to move your business forward. And there is something more:

It is essential to employ people who share your beliefs

It is important that they not only know what they should do – it should also be very clear

to them why and how they should do it. The values and beliefs of the organisation and of its people have to be aligned.

When we evaluate leaders we can see more clearly than ever, that leaders who want to build top-performing organisations envision and articulate an inspirational purpose and then hire people whose personal values match this purpose. In this way they create a common sense of purpose for the whole organisation. Reinforcing it by communicating the purpose as a compelling story that can inspire employees for the longer term and build on future success is also imperative.

Summary

1. Selecting strategically means selecting for **agility**
2. **Future behaviour** is the decisive selection criterion
3. Use strategic selection as a key tool for **creating change**
4. Focus on executives, but also **hire the right followers and leaders at all levels**
5. Hire **people who believe what you believe**

“Focusing on recruiting people with compatible values and personalities, while developing an ethical, significant and inspiring culture, provides a future-proof competitive advantage. Such an approach encourages innovation and adaptation and will contribute to a sustainable, future-proof organisation.” Wilma Buis

Wilma Buis obtained a degree in Dutch Language and Literature. After working for an ICT company and a communications consultancy she joined Mercuri Urval in 1988. Over the past decades, she has built up extensive experience as a consultant in many sectors of the business world. She specialises in the interface of human behaviour and organisational results, (Executive) recruitment, selection and development, and the establishment of consistent talent management in organisations. Currently the Managing Director of Mercuri Urval in the Netherlands, which was named the best HR consultancy in The Netherlands (2010 and 2011) in an annually conducted survey by Blauw Research for the “Incompany Top 100 consulting firms”, which is an extensive, independent research into client appreciation for consultancy services in the Netherlands.

About Mercuri Urval

As pioneers in predicting the impact of people’s capabilities and personality on business results, we have always considered the recruitment, selection and development of people to be extremely important. And that is still the core of our business.

Today, Mercuri Urval has grown organically to become a leading HR consultancy, working with more than 3,000 clients in over 50 countries every year. As we have grown, our services have expanded from Recruitment Solutions to include a range of solutions for Board and Executive, and Talent and Transformation, designed to meet our clients’ needs to strengthen their people’s performance.

With everything we do, we believe in people’s potential – that we are defined by what we can do, and not by what we have done in the past. We enable organisations to achieve better results and help people to be successful at work.

See our other articles at www.mercuriurval.com