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BUSINESS MANAGEMENT

Building a High-Performance Culture

Part I: Acquiring the Best Talent

By Raymond E. DiDonna

Editor's note: This article is the first in a three-part series. Our next issue of The Stepping Stone will include Part II, which will focus on how to make sure your business or team is set up to have the right environment for your team members to excel.

The true value of any leader is measured by how much they are able to accomplish through the work of their team. Actuaries in leadership roles are no different. But, to get the most out of teams, leaders must first focus on building a high-performance culture—one that rewards measurable success and challenges everyone to reach farther all the time.

There is no easy path to building a high-performance culture, but a leader's efforts will pay substantial dividends for the team, the leader and the company. This three-part series of articles is intended to educate actuarial professionals on how to build a high-performance culture and achieve outstanding results.

As a leader, you should consider three critical steps in the process: acquiring the best talent, building the right organizational environment and growing your people. This article focuses on making sure the right people are coming in the door.

SOURCING CANDIDATES

How many times have you heard, "Our people are our most important asset"? While I wholeheartedly agree, too often a leader's actions do not match that sentiment when it comes to bringing new, talented employees into their organization. A lot of the time, recruiting is driven by expediency and cost considerations, which leads to settling for mediocrity. Before we can go any further, however, we need to review what a leader should do even before meeting potential candidates.

One important facet of bringing great employees into your company is building a talent pipeline. Think about this the same way you would a business development pipeline. Your sales team

is always on the lookout for new deals, so why shouldn't a leader be on the lookout for new employees ... before they are needed with urgency because of a resignation?

The key here is to constantly network and get to know as many people around your industry as possible. You never know whom you might find until you start looking. And you never know when an opportunity will come up to reach out to an industry colleague to see if they are interested in joining your organization. As a leader, you also need to engage your managers to do the same—build their network of contacts.

In addition, a great way to find new, talented employees is to incent your entire staff to help the cause by instituting an employee referral program. Putting a program in place that rewards employees for finding new colleagues works from two angles: First, you motivate employees to action by offering a reward. And, second, you'll find better talent because employees will not typically recommend new hires unless they are sure they will be good fits for the organization and excellent performers. By making a recommendation, they are putting their own credibility on the line, something most people are not willing to risk unless they have real confidence in the colleague they are referring.

Now, when you start getting resumes in the door and begin reviewing them, pay attention to one critical item. That is, always focus on resumes that show results—real results. Too often, most of what you see is a simple regurgitation of past and present job descriptions. While it's important in a resume to describe job responsibilities, the focus should be on what the prospective employee actually accomplished, in real, quantifiable terms. Look for someone who is ready and able to present, on paper, what they delivered on—not simply descriptions of what teams they were on, what groups they were a part of, and so forth, but what their impact was. Be very careful if someone cannot articulate what they achieved.

Finally, you need to face a critical fact when it comes to hiring the best people: You need to get ready to pay well. The best people don't come cheap and the least costly potential employees are rarely the best you can find. If your company tends to pay below market rates, you will likely have a difficult time attracting the best talent.

Also remember that compensation comes in many different forms, and prospective employees are focused on different things. Some may value more vacation time than they currently have, others will be focused on base compensation, while still others will be concerned with the entire package of benefits. When you have narrowed your field of potential hires, understanding what's most important to them is essential. But, before



you can narrow the field, you need to meet and interview your top candidates.

INTERVIEWING EFFECTIVELY

The first things I look at with candidates I bring in for interviews is their level of energy, their attitude and their initiative. An interview is a huge moment for any candidate. Through the screening process, they have made it to the face-to-face phase. They should be as “up” as ever for this day. Whatever energy level you see that day should be the highest it might ever be. And whatever attitude they display should be the best it might ever be. So, if you are sitting across from someone you find to have low energy and a questionable attitude, no matter what else you see in that person, don’t ever expect them to have more energy or a better attitude on a regular basis.

Connecting back to looking for resumes that show results, ask candidates questions that allow them to describe the initiative they have taken in previous roles. Let them talk about what they (personally) have done and what they’ve achieved. If they end up discussing their job description—what they were supposed to be doing—and not what they actually did, beware.

Additionally, look for candidates who are self-aware. Always ask candidates about areas upon which they need to improve. If they struggle to answer, that can be a red flag. Any good candidate should be well aware of, and ready to discuss, both their greatest strengths and the areas of development they see for themselves. If they can’t think of anything to talk about in terms of developmental needs, put them on the spot a bit; ask them to take their

time, and see what they come up with. This is a critical moment in an interview that may separate a really good candidate from one you should no longer consider.

Now, here’s the easiest trap to fall into during the hiring process: settling. There are a lot of pretty good candidates out there and it’s not hard to convince yourself that pretty good is good enough. And it is good enough if you are interested in building a medium-performance culture. But, if you truly want a high-performance culture, then you must have as much patience as it takes to find a truly great candidate.

The challenge is that you have all these forces working against you while you try to find the best candidate: You have no one in the role, you and others are filling in, HR is utilizing resources to find a candidate, recruiting is taking up your and others’ time. All of these forces point to settling for the first pretty good candidate you find. But building a high-performance culture is not easy, and not settling is critical. Generally speaking, very few new employees surprise us by being a lot better than we thought during the interview process. More often, people we thought (hoped) might be really good, turn out to be average. Not bad, but not great.

Here’s one more thing you should not do during the hiring process: Don’t ever hire a jerk. Now, you are probably thinking that you would never hire a jerk in the first place, right? But let me frame it up this way: What do you do if you are faced with a really talented, incredibly experienced jerk?

You've been searching for a while and it's getting tough to go without someone in the role any longer, and you find a great new resume that has everything and more. The only problem is that the candidate is absolutely not a good fit for your organization. You know right away this person won't do well because of how they present themselves. This is an extremely important signal, one you cannot dismiss. At this point, please remind yourself that you can't really change people and if this candidate is coming off poorly right now, in an interview setting, imagine how they are going to come off every day, on your team, in your company.

RECAP

To wrap up the first installment of this series, let's remember that in the process of acquiring great talent, there are a few things to do before you meet candidates:

- build a talent pipeline,
- get employee referrals,

- look for resumes that show results and
- get ready to pay well.

And there are a few things to do when you meet candidates:

- look for energy, attitude, initiative, and self-awareness;
- don't settle for average and
- never hire a jerk.

Once you have your team in place, you will be ready to focus on the next element in building a high-performance culture: creating an organizational environment that supports growth and excellence. ■



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