

Interviewing Practice for Leadership Hiring – Analysis of Manufacturing Industries in Pune Industrial Belt

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Abstract – Interview continues to play a vital role in leadership hiring. Over the years a lot of tools have been developed for candidate assessment. Nonetheless Interview has retained its place in the process and has witnessed many scientific evolutions over the last few decades. The following paper analyses the interview process followed by leading manufacturing organizations in the large scale sector in Pune region. It caters to the various parameters various organizations consider while conducting an interview for senior leadership role.

Key Words: Interviewing, Leadership, Recruitment, Culture, Panel

I. INTRODUCTION

Recruiting leaders has lately been a hot topic of discussion in conferences, seminars and even board rooms as the performance of an organization / function is delicately balanced on the ability of a person to drive the same. Globally there are firms specialising in selection of leaders and their number and significance has grown to a significant level in the last two decades. India has also seen a proliferation of Leadership Assessment and Selection firms, both Indian companies as well as Multi National Organizations. Organizations are becoming more and more dependent on the skills and assessments of these firms as talent becomes scarce and significance goes up. In India as entrepreneurs take a back seat and allow the professionals to take over the reins of their organization, they (entrepreneurs) are identifying ways to spot the best talent available to achieve the desired business objective.

Recruitment for strategic leadership hiring has seen a marked change over the years. The process has added multiple links to itself both scientific and otherwise. Talent acquisition has not only remained as a typical hiring objective. It has gone much beyond that. Talent Acquisition today starts right from creating the brand of the organization which will attract better talent. It has been looked upon as a process that will reflect the culture of the organization, what its core values are and what it offers to its employees. Every website of a professionally managed organization highlights the employee link which talks about why they are with that organization. The recruitment advertisements talk more about the business rather than stressing on the job description. Brand is what attracts people, culture is what thrives retention and selection is what identifies the right person for the right job.

Selection of the right person is crucial. It is crucial for both the employer and the employee. Lately the organizations have been looking at the cost of MIS-HIRING. Generally when someone is asked to estimate the cost of mis-hiring (cost which an organization incurs directly or indirectly because of lack of performance of a new recruit) in his organization people come up saying two times the candidates compensation, at most five times the candidates first year compensation. Dr. Bradford Smart, a renowned industrial psychologist, with over 30 years of experience, in his book Top Grading has dealt in detail on this aspect of mis-hiring and top grading an organization. He says that in a research conducted amongst fortune five hundred organizations, the cost of mis-hiring is as high as 26 times the candidates' first year compensation. Which means that if a CEO or a member of a senior management team is hired at an annual compensation of INR 5 Million per annum, and if he fails to deliver in his first year, the loss this organization will have to bear will be 130 Million. This is indeed a mind boggling figure and assuming that this is true or even half of this is true, it becomes an absolute necessity for the organization to take that extra step when recruiting the leadership team.

The purpose of giving so much stress on the above aspect is to help us gauge the importance of a proper selection process that will maximise the gains. A right selection methodology, should ideally lead to a proper hire and minimize the unseen loss. It will take care of proper branding, depict the right culture, attract / identify the right pool of candidates and lead to a selection that will create a win-win situation.

Internet and Social media have made the world small. It has changed the paradigm of recruitment especially at the entry level. It will not take long when it expands its significance for strategic leadership hiring and tools would get developed which will be based on internet to access, evaluate and select a candidate. However for the time being organizations continue to rely on the basic time tested methodologies. Print Ads, recruitment portals, recruitment firms, references from the employees are commonly used to create a pool of candidates. Job Analysis, Job Descriptions are made to create a proper understanding of what the prospective employee is getting into. Psychometric tests are seen more and more into play which helps one profile the candidates' intrinsic profile,

reference checks have gained paramount importance as cases of fake documents and other unpleasant issues are coming to the forefront lately. New methods like graphology are also being tried. Cultural fitment is being given a prime importance. Effectively organizations are trying to be more and more vigilant while recruiting a lateral leader. While organizations give varied importance to each of the many links in the process, the core of the selection process or the heart of the selection process continues to be the INTERVIEWING stage. In my recruitment experience of more than a decade I have seen organizations deviating from the set process. They may or may not have a job description, may or may not conduct a reference check, may or may not have a psychometric evaluation but they have always had interview link in the process.

While we studied the strategic leadership hiring process in large scale manufacturing companies in the Pune industrial belt, we consciously gave a lot of emphasis to analyse the interviewing process. Despite all other favourable parameters, interview can break the heart of a candidate. It is one single link that has never been overlooked. In taking forward the core objective of the study, where in we were not focussing on what is right or what is wrong. We focussed to understand the way the interview process is carried out in the organizations, which parameters are given importance and which are not. Our attempt is not to evaluate but to merely know who is doing what.

II. LITERATURE REVIEW

Every research study on talent acquisition has given a lot of space (means significance) to Interviewing. They have dealt right from the sitting arrangement to the time to the method of interviewing. Interview has remained as the most fundamental link in the selection process despite the fact that there exists to evidence that talks about the success assurance by having this step in the talent acquisition process.

In a survey done by Raffler-Engel, 35 interviewers were asked how often they hired based on their first impression of a candidate and 26 said that they seldom changed their mind after the first two minutes of the interview. The researchers, W. Roselius and B.H. Kleiner claim that The "Similar-to-Me" syndrome in hiring is not very effective. A person may have similar or pleasing traits to the interviewer but that does not mean they can or will do the job. Managers are conscious of hiring people they perceive as similar to themselves.

G.P.Rabey in his book "Staff Selection" published way back in 1981, has given a lot of importance on preparation for an interview. Interestingly enough he has stressed on the kind of room to be used for the discussion, the sitting arrangement that one must take care of, either in a one to one or a panel interview, competency of interviewers and their ability to listen. "Strategic Interviewing", by R. Camp, M. Vielhaber and J. Simonetti, deliberates on the use of this approach along

with the behavioural interview approach to make the hiring more effective. It gives importance to the fact that it is very important to develop realistic goals and manage the interview process. The authors have developed a six step process to make interviewing more effective. They claim that "Interviewers need to know what they are asking a question in an interview, what it measures and what it will predict about the candidate's ability to do the job". The book starts with the strategies for managing the interview process wherein the authors have outlines setting of clear goals, training and motivating the interviewers and conducting accurate measurements, managing the PR aspects, evaluating job purviews and evaluating the effectiveness of the interview process. The authors have given strategies for developing questions as well as answers for prior to conducting the interviews. They claim that this will keep the interviewers focused and will have impact on the success of hires. The book closes with two important aspects, first the use of gathered data to make the behavioural predictions and second how to implement their approach in interviewing. One of the highlights of the book is that every chapter ends with case studies that highlight the improvements organizations have made in their hiring success by using the approach proposed by the authors.

Preston Bottger, Jean-Louis Barsoux focus a lot on the leaders role in interviewing and how it is different from rest of the lot interviewing. They feel that the leader must use the interview process to find out more about the breadth and depth of candidates' experience. Experienced recruiters don't let themselves be too distracted by a candidate's live performance, but zero in on what the individual has actually accomplished in previous assignments. Often have we come across leaders who have base their selection on intuition and gut feeling, which research says at best has a fifty - fifty chance of success. In multinational companies we have come across leaders who generally go along with the decision of the peer group. However there have been instances when very valid questions were put across by the managing director.

'Francesca Spinelli Souza, Jay J. Zajas, emphasize on the point that the interview process provides great opportunity for evaluating the candidate. This is a time to examine the individual's motivation for working, along with the reasons for change, and to evaluate appropriate experience, skills, values and knowledge. They stress that "It is essential that the interview be well executed". The use of multiple interviewers can be advantageous as each evaluates the candidate from a unique perspective. The post-interview discussion by these interviewers can be surprising and insightful. An interview guide highlighting the important candidate characteristics, used by all evaluators, permits valid and consistent comparison of candidates. They further add that It is important that the evaluators do not settle for the "best of the group" if no candidate is likely to succeed in the position. In that case it is preferable to reopen the search and interview additional candidates.

The Behavioural Interviewing process emphasises the systematic use of job-related, open-ended questions to help measure a candidate's skills for a particular job. Deborah Bowers and Brian H. Kleiner propose that the interviewer should be encouraged to use all available information when making a selection decision rather than recycling on intuitions and gut feelings. This process, if done correctly, should lead to reduced turn over and higher performance from new hires.

We have come across many different interviewing styles and all of them can equally unpredictable with respect to the selection made. While some start with the job description, the others may make only a passing mention of it and stress more on the personal traits. They probably have the job description at the back of their mind and are relating the answers to it. In their research paper, Effective hiring Rashmila Gurusurthy and Brian H. Kleiner have advocated that one needs to begin with evaluating/developing ones own interviewing style that is comfortable to him or her. Since each person is different, one has to have the ability to be flexible in questioning techniques. Another important point is to listen actively. Take notes, so that it will help you better evaluate the candidates when all the interviewing has been done. Remember that just as you are evaluating the candidate, he/she is also evaluating your company through you and determining whether he/she would like to work at your company.

The best single predictor of a candidate's future job performance is his or her past job behaviour." (Deems,1995, p.19). W. Roselius, B.H. Kleiner point out that "Questions to determine a candidate's potential must assist the interviewer in learning how the applicants have performed in the past. Deciding which questions to ask the applicants is probably the most important part of effective hiring. If the interviewer does not ask the questions that will find out the applicant's potential, the hiring process is hit or miss. The interviewer will probably resort to hiring based on the "Similar-to-Me" principle where the interviewer usually hires someone that reminds them of themselves."

A. *Parameters of Strategic Leadership Hiring and Effectiveness*

When considering the process of Leadership Hiring one needs to clearly define "Strategic Leadership" positions in an organization. Leadership is at different levels and requires different skill sets to meet the particular job requirement. While there are managers leading large teams, yes significant enough, but they may be involved more into day to day management of numbers, the context of this particular research study, the "Leadership" will by and large mean the "People who drive the transformation in the organization".

The study has been focussed mainly on the evaluation of interviewing process that organizations in Pune Manufacturing

sector focus when hiring a person for a strategic leadership role. The study is intended to analyse the interview process and not methodology employed by an organization against the primarily accepted or advised ways to conduct a selection process in order to improve the quality of hiring and minimize the cost of hiring (cost of mis - hiring)

B. *Practical Implications of the Study:*

With a combined experience of close to fifty years in the arena of recruitment and human resource development, we have come across very few organizations where in Interviewing is given the importance it deserves. The study could throw up a theory that will bring together the best practices in interviewing process amongst leadership hiring, amongst the leading industry players. We aim to identify certain key areas that if made a must do link in the process will make a positive change in hiring effectiveness.

The second contribution of significance we visualize, will come out from the "Measurement of Effectiveness" of the process, for the three aspects described before. This being a quantitative aspect, could help organizations fine tune their interviewing process so as to derive advantage in terms of quality, cost and delivery.

III. OBJECTIVES OF THE STUDY

Interview meeting in all probabilities created the first impression in the minds of the prospective employer about the organization. We feel it is very important for any organization to take this process very seriously, not only from the content point of view but also from the hygiene point of view. Preparing for an interview is as significant for the organization as is for the candidate. It probably radiates the culture of the organization, right from adhering to the time schedule, to handling the individual during the process (a day or more) to conducting the actual interview. While the organizations are assessing the candidate, the candidate also is making his assessment about the organization, its people, and starts imagining about what can he look forward to if he takes up a job with them.

"I make a decision within the first five minutes", is something which one often encounters while getting a feedback from the interviewer about a candidate. While there are occasions when the interviewer has gone through a detailed discussion with all the presented candidates which suggests that he or she has given due respect to the process and has made efforts to understand the person from all angles. Either way there is little data to suggest that the hire made out of one of the two cases cited above will lead to an effective result every time a particular methodology is followed. Interviewing process is still vulnerable to become biased and the same time a methodical review may not be the answer as well. The basic idea behind the research is the premise that interviewing

continues to be seen more as an art rather than science. In an organization, the final word is of the TOP BOSS, irrespective of his or her ability to assess a person. The necessary training that has to be imbibed is probably not there even in the so called “professionally managed” companies. The premise also extends further to the fact that, while people generally agree that scientific approach to recruitment should be incorporated, but it continues to be the last priority when it comes to implanting a change in the process.

The above contents are, to a great extent applicable to all organizations, irrespective of size and business activity. However organizations which are primarily small in size, or are new in trade, or MNC units set up recently, are pretty lean in structure. The thought process discussed above and the scope of the study is more applicable for organizations having established set ups, robust organizational structure, where layers are clearly defined. This presumably will be present in large sized Indian organizations, having developed a reputation of being professional, have grown internationally. This would also be prevalent in MNCs who have been in India for over decades, have roots deep and strong in India.

A. Objectives

- To analyse the current practice of interviewing for leadership hiring.
- To identify gaps in the current process that may lead to an inadequate hiring.
- To analyse the factors affecting the effectiveness of leadership hiring process.

The study focuses on the interviewing process followed for ONLY the strategic leadership hiring (as defined above) in “Large scale manufacturing organizations”, headquartered in Pune district.

B. Scope Of Research

Talent management has gained significant importance in the last couple of decades. The need for the right resource and scarcity of the right resource peaked during the last 8 years and it reached an all time high in the last 10 years till about 2011 when the Indian economy witnessed a slowdown in economy percolating to slowdown in attrition and hence the need for recruitment also went down. While organizations focus on growing the talent internally lateral hire is also important and due importance should be given to it.

Research shows that it is very important for organizations to recruit people who come from a similar cultural background, it talks about the importance the head of the organization should give to the leadership hiring, the training needs for interviewing or other key processes, importance of making the

right job description and measurement of critical parameters for evaluating and improving the process.

C. Research Methodology

Sample Population included senior level leadership team, which is generally include the Head of the Organizations (Chairperson, Managing Director, CEOs) Executive Council Members and Senior Level Human Resource Professionals from Pune based manufacturing organizations.

The sample size selected reflects the business diversity, functional spread and cultural / location range. Research area for this study was Pune, more from a convenience perspective. Also Pune being a base to a sufficient number of large scale Indian and Multi National organizations, it has a good spread and diversity in terms of culture and business.

IV. RESEARCH OUTCOME

The questionnaire was shared with the Human Resource Heads of large scale manufacturing organizations, CEOs and other key decision makers in the organization. The responses were analysed to address the objectives and evaluate the hypothesis.

The respondents comprised of both Indian and Multi National Organizations. It was a good mix which comprised of 60% MNC and 40% Indian companies. 30% of these organizations had an annual turnover between INR 2000 Million to INR 5000 Million while the balance (70%) had an annual turnover of exceeding INR 5000 Million.

In terms of the function of the respondents, 85% of the respondents were the HR Heads or Business HR heads while 15% of the respondents comprised of the Head of the Organizations / Members of Executive Council / Functional Heads.

Our intent of this study is to analyse what happens and not why it happens or what’s the outcome of the process followed. It can be a separate topic for research. We had an elaborate questionnaire consisting of 20 questions covering most of the interviewing aspects as prescribed by various researchers over the years. One of the very basic things which we checked was with respect to the seating arrangement. While it sounds inconsequential it definitely plays a crucial role, one from the comfort level of the candidate and significantly in assessing the visual impact of the candidate. Seating arrangement is indeed a very important link in the interviewing for management trainees. We sought to find out if it was of any significance for hiring at the leadership level. As many as 64% respondents were of the view that seating arrangement if really of not much concern to them and they occasionally or rarely pay attention to this.

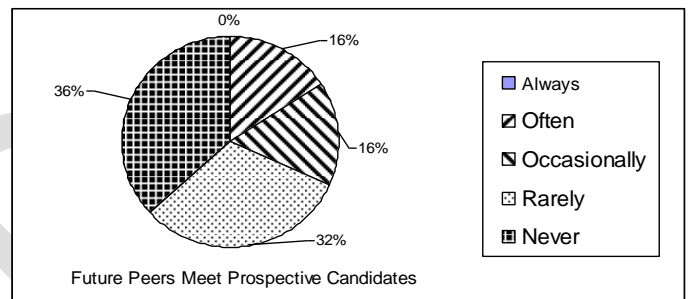
Are the interviews conducted for leadership hiring? There are organizations which rely on references, preferences and may not conduct interviews. Our findings confirmed that interviews continue to be overwhelmingly conducted by more than 75% of the organizations for 100% percent of the times for leadership selection. However there were 8% of the respondents who have been open enough to admit that there are instances when a person comes on board without being formally interviewed. Interestingly and naturally they are the Indian companies who at times skip this process, multi national companies follow the process virtually every time.

The interviewing panel needs to be well prepared for interviewing the prospective employee. The panel or the individual interviewer needs to understand right from the need of the position to the challenges and the job description. He also needs to know the key traits that need to be identified in the candidate. In order to have all this information, researchers have proposed to make a guide which will encompass all the aforesaid details. The survey reflects that as many as 25% of the organizations do not follow this practice. What does this mean? This means that the panel or the interviewer is left to his or her judgement with respect to the job, its challenges and the person they seek to fit in the identified role. Moreover none of the organizations follow this practice for each and every hiring. It is left to the HR manager to deal in his or her authority. However organizations do encourage avoiding selection by gut feeling or generally be personality actors. As many as 75% of the respondents have acclaimed use of all available information to make a decision based on facts.

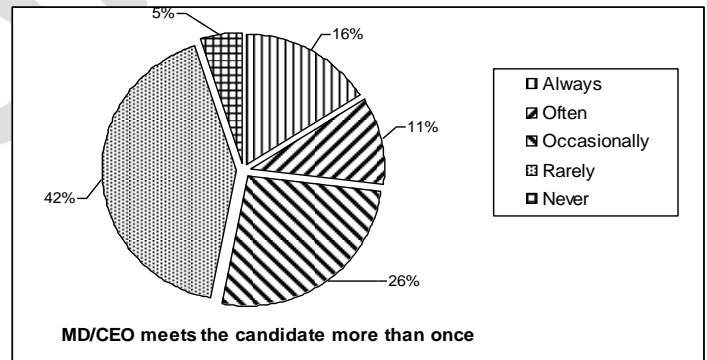
The next few questions dealt with the sensitivity of interviewing panel to the process and to the candidate. We asked the respondents their views with respect to the preparation the interviewers do before the process. Whether they are encouraged to take notes? Whether they come prepared with specific questions, pertaining either to the job description or the experience of the candidate. We also checked whether the panel / interviewer had listed out the answers they were looking for? Following graphical representation depicts the responses towards the above mentioned points.

Researchers have given a lot of importance on training. In our earlier research on overall process of hiring, we had dealt with this aspect of training of individuals, right from the CEO to panel members to hone their skill sin interviewing. We went in detail with respect to the training imparted to individuals to instil / upgrade their interviewing skills. The response was disappointing. Only 7% of the organizations follow the practice of training the people involved in leadership recruitment and as many as 23% have never ever imparted specific interviewing skills to their employees.

In order to have a successful hiring, culture matching is of prime importance. Organizations have a more or less agreed on this point. Interview process should reflect this and it is important that other people in the organization feel the cultural overlap in their prospective candidate.

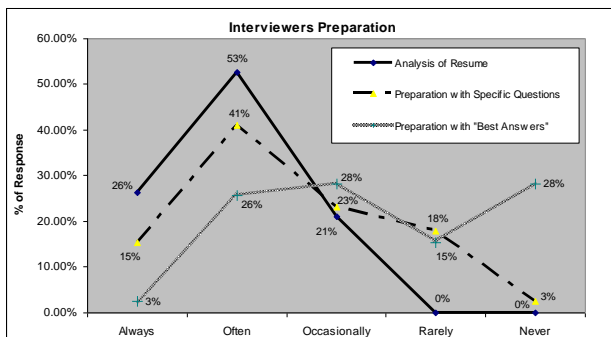


PIE CHART 1



PIE CHART 2

Howsoever systematic may be the hiring process, interviewing is also an art, Secondly, we are dealing with a personality which behaves differently on different times. The interviewer also is an individual who is affected either positively or otherwise with situation around him. A perfect meeting may not reveal the true character and vice versa. Hence to have a better feel of the person, it is recommended that the head of the organization meets the person more than once. Is this followed by our target segment? Not really. In only 15% of the organizations this system is practiced every time while as much as 47% of the respondents confirmed that this practice is rarely or never followed.



GRAPH

There are different interviewing practices proposed. Each of the practice has certain advantages and certain short comings. We checked if an organization had employed a specific practice for interviewing. As many as 39% of the organizations responded that specific interviewing technique is followed by them. At the same time 17% of the organizations never ever have used any special technique for interviewing.

Finally we checked whether there was a procedure to track the way interviewing is conducted. This can be done either by an audio recording or a video recording or by an expert who can be a silent spectator of the process. In our experience, we have hardly ever come across a situation when the interview has been analysed for future improvement. This was confirmed when 42% of the respondents claimed that interview process was never ever recorded to view the short comings, which can be acted upon to make improvements. If we add respondents who have answered 'rarely' and 'occasionally', the figure reaches an alarming level of 75%. This indeed could be a matter of concern because, number one there is no proof of how the interview was conducted and secondly there are no action points because one does not know where to take the action at all.

V. CONCLUSION

Interview is a link in the entire recruitment process which assumes a great significance across all the surveyed respondents. Of all the surveyed organizations, only one response entails to hiring of a candidates without interviewing. It has been observed that despite a candidate being referred to the organization, organizations carefully screen the candidate before making an hiring decision.

However the concern is with respect to the scientific approach to the process. Training or honing of skills for interviewing is not prevalent in many organizations. It has been observed that no particular interviewing methodology is adopted and it is more or less left to the interviewers' conventional skills of interviewing. However the HR department takes good effort in terms of providing all the information to the panel about the job, its challenges, what to look for in a candidate, what questions to be asked and what to expect in response. It should be noted that in none of the organizations the selection is made on first impression and this is a very good news for the industry.

There is however a room for improvement in terms of aligning the cultural aspect to the process. Barely one fifth of the respondents have responded with a strong yes in reflecting the culture of the organization in the interview process. Secondly, while the research speaks a lot about involvement of the peer group in the interview process, the ground level reality is different. Close to 70% of the respondents do not have this practice in their organization.

There is a general apathy towards improving the process of interviewing. Apart from lack of training, very few organizations really monitor the interview process. Hence it becomes difficult to take any action or make any correction in view of a candidates' failure.

Interviewing is THE vital step in the selection process. It can be made definitely more scientific now that we have ample tools available in the market. There also can be more people getting engaged in the process which can throw a kind of 360 degree feedback of a candidate. Last but no the least, continuous evaluation of the process through constant monitoring of the end result will make interviewing a comprehensive and foolproof process in leadership selection.

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