

THE ART OF HIRING '10s'

Why your new recruits may not be as sharp as the people you used to hire

BY I. MARTIN JACKNIS

Have you noticed that the high level of enthusiasm and talent that characterized your organization when you started out is no longer the norm? If your answer is yes, you may find it puzzling. After all, you recruited first-rate talent, and you assume that your people continue to hire only the best.

Chances are your company has fallen victim to what I call the "law of diminishing expertise." It's an organizational weakness that's particularly virulent in fast-growing companies. And as I found from my own experience, it can be deadly if left unchecked.

Here's how it works. A hard-driving, creative person decides to start a company. By any standard, he'd be considered a natural "10." He's resourceful and enthusiastic, a dynamic self-starter who's determined to make his own venture a winner. He's such a strong 10, in fact, that he generates too much business to handle alone, and he has to bring in others to help him out.

That's a critical juncture in the growth of this imaginary new company. Will this 10 hire other 10s to work for him? Or will he hire 9s or even lower? It's obvious, you might say, that if he wants to maintain the momentum of his success, he shouldn't settle for anyone who doesn't meet or exceed the standards he personifies. Yet I maintain that, in most cases, a company founder like this wouldn't hire another 10 to work for him—even if another 10 were willing to do it.

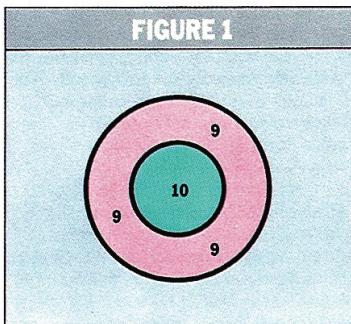
Like most 10s, he probably worked very hard to get where he is today. He has talent, drive, a well-developed ego, and likes to exercise a lot of control over his work environment. In fact, that's one of the main reasons he wanted to start his own business. So it's not likely he's going to bring in people who'll challenge his opinions or his authority, and other 10s might do just that. Besides, even if he wanted to hire others who could match him in every



respect, most other 10s in the marketplace have their own egos and ambitions. They might consider working *with* another 10, but they certainly wouldn't want to work *for* one.

At the very best, then, this 10 will hire a few 9s, maybe with the potential to become 10s. So at this stage of its development, the growth chart of this company might look something like figure 1.

Well, there's nothing wrong with an organization that looks like that. A small business consisting of an exceptionally talented 10 and a crew of 9s can be a powerful



team. So before you know it, the company will probably enter another growth curve, and still more talent will have to be brought on board.

At this point in the growth of his business, it's only reasonable that our founder is going to want the team members he's chosen to do their own hiring. After all, they're the ones who'll have to supervise the new recruits and work closely with them on a day-to-day basis. But here again, we have to ask the question we asked before. Will a 9 hire another 9? And, again, I contend that the answer generally is no. At best, a 9 will hire an 8 with potential, and the growth chart of the company now looks something like figure 2.

What's begun to happen in this organization is something that happens to many rapidly growing companies. Buoyed by the fresh ideas and enthusiasm of their founders, they seem to do well in their early stages. But then they reach a certain level of growth—in my experience, usually around the \$10-million mark—at which they begin to lose their cohesiveness and sometimes even self-destruct. Let me tell you how I first discovered the law of diminishing expertise.

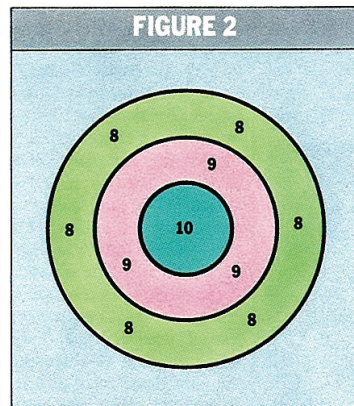
Several years ago, I helped start Creative Output Inc. We grew from 2 employees to around 130 in a little more than three years, and in 1984 we reached #6 in the INC. 500 rankings. In the beginning, I handled all the marketing, sales, public relations, and advertising for the firm. But as the business flourished, I added new staff members in a fashion similar to what I described above.

Then one day I decided to go on a sales call with a 9 I had hired and one of his 8s. I sat back, relaxed, and watched attentively while the 8 gave his presentation to a prospective client. Afterward, when I asked him how well he thought he had done, he proudly told me that, on a scale of 1 to 10, he firmly believed his performance was a

solid 9. Then I asked my 9 how well he thought his 8 did, and he told me the presentation was really no more than a 7.

When I got back to my office, I felt like crying. The salesman's presentation, in fact, was barely a 5 compared with what we had been doing in the past. And I realized that if this pattern continued, our company wouldn't be able to survive for very long, much less prosper. What really bothered me was that our 8 had characterized his performance as a 9. What if we were to allow him to hire what he considered a 7? Then that person's perception of an outstanding job would be the equivalent of what I would judge to be a 2!

I suspect that the law of diminishing expertise is universal. But I've learned that once you're aware of it, you can come up with specific ways to combat it—and even reverse its effects. Most solutions I've



found to be effective are based on four basic concepts:

- Insist on universal baseline education on company policy and product information.
- Establish and communicate benchmarks of excellent performance so your employees will know what you consider to be a 10.
- Communicate, and constructively analyze, failures as well as successes—including your own.
- Hire as high as reality allows.

With rapid growth, it's not easy to maintain effective education, communication, and hiring standards, or to monitor performance. But unless you do, you run the risk that the law of diminishing expertise will control your company's destiny. □

Marty Jacknis
 Opportunity Maximizers, Inc.
 OpportunityMaximizers.com
 Marty@OpportunityMaximizers.com
 492 Regatta Bay Blvd., Destin, FL
 516-816-4464
 Professional Speaking, Coaching,
 Facilitation & Training