Don’t Let Technology Make Recruiting a Lost Art — Here’s Why.

AI, machine-learning and other technology-based advances fail to recognize that executive recruiting is more art than science.

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In 2017, an artificial intelligence (AI)-based software company called Textio raised $20 million and grew its client base by 200 percent, all in the name of transforming the way companies write job descriptions. The announcement of this software, which had been designed to boost diversity and inclusivity by using AI-generated gender-neutral language, was exciting. But it was hardly an isolated event.

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In fact, Textio is one of many technology disruptions currently shaping the future of recruiting.

Yet those disruptions aren’t all good, because, despite the promise big data offers, AI, machine-learning and other technology-based advances ultimately fail to recognize the reality that executive recruiting is *more art than science.*

Anyone — even a computer — can scan a candidate’s resume for the basic skills needed to get a specifuc job done. What’s much harder is understanding how a company’s intangible

culture has an impact on hiring, retention and the bottom line.

Here’s what I’ve learned as an executive recruiter that helps me find the best employee fit when it comes to matching a candidate to a company’s culture.

“Don’t choose your club; choose your owner.”

As part of my executive recruiting business, I advise candidates looking for a senior role in team sports. In that context, I like to say, “Don’t choose your club, choose your owner.”

By this, I mean that a company’s flashy name or reputation matters far less than the company’s ability to establish trust and offer a strong alignment with key stakeholders’ core values. This mantra applies to recruiting across industries — not just sports — yet it’s typically overlooked.

In my personal experience, companies often underestimate the connection between articulating their distinct culture and identifying candidates who will integrate seamlessly into that culture.

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But making that connection is crucial. It can mean the difference between hiring someone whose tenure is short, expensive and disruptive — and finding a team member who’ll contribute positively to the culture and take the organization to new heights.

Here are the top considerations for evaluating whether your next candidate will fit into your company’s culture.

Understand the costs of culture and candidate misalignment.

When newly hired executives leave after a relatively short period of time, the reason is rarely that they lacked the technical skills to deliver on the job. More often, it’s because they struggled to form relationships within the company or lacked cultural compatibility.

And those new hires aren’t the only ones losing out. When new executives leave suddenly, there can be fallout for the company: A sudden departure can disrupt morale. Turnover due to poor culture fit can also have a high cost: A 2017 study by the Center for Executive Succession at the University of South Carolina’s Darla Moore School of Business found that failure rates in the c-suite succession situations it examined ranged from 10 to 50 percent.

The researchers further found that the direct cost of those failed internal promotions typically hovered between $2 million and $5 million. The cost of externally generated failures, meanwhile, was a staggering $20 million-plus.

Then there was, and is, the internal cost in terms of staff: Even at companies where senior leaders want to improve company culture, employees are not always aware that this is a priority.

While 71 percent of senior leaders, in a 2018 global survey by PwC, said that actively establishing company culture was an important priority, only 48 percent of employees believed their company culture had been carefully cultivated by senior leadership.

This kind of divide can impact employee retention, driving away workers who sense a gap between what an organization claims to care about and how it lives those values.

This scenario is particularly true for millennials (born between 1981 and 1996), who value company culture more than previous generations do. A 2016 study by Fidelity Investments found that millennials would take an average pay cut of $7,600 in return for “improved “quality of work life” (career development, purposeful work, work/life balance and company culture).”

Next to enter the workforce is Generation Z (born roughly between 1996 and 2012). Companies also need to adapt their recruiting styles to attract this newest generation of workers — on track to be the most diverse and best-educated generation to date.

Given a choice, people would rather work for a company where daily actions align with company values, rather than a company that expresses platitudes without taking action. In this regard, millennials and Gen-Zers represent a critical executive pipeline that company leaders can’t afford to ignore.

Good recruiters do a deep dive into a company’s culture.

Before compiling a shortlist of potential candidates, recruiters need to intimately understand the client’s values and goals. Without this insight, recruiters risk suggesting candidates who look great on paper but ultimately fail because of a cultural mismatch.

True core values are elemental to the way a business is run and embedded into actions and messaging at all levels. Bland references to teamwork, integrity or authenticity might sound lofty but still fail to connect with a concrete business strategy in many organizations.

Instead, company values should be specific and vivid enough to

guide everything from hiring decisions to how a customer service representative answers the phone.

Often, recruiters need to prompt companies to define their core values. If yours is the company doing the defining, don't underestimate the power of simply being able to cite examples of what daily life is like at your company for the role you're hiring for.

Also be prepared to describe to the recruiter successful hires who *were* good cultural fits at your company, along with hires who failed due to cultural incongruity. These conversations will help you gain insight into the values that guide your decision-making. Often, these conversations yield sharper insights when you, as the company leader, and a recruiter sit down together in person.

Recently, some colleagues and I flew to Italy to spend time with a new client. We met the team owner and spent a full day with his senior leadership, both inside and outside the office. These meetings helped us understand how the business was run as well as the personalities behind it. Only then did we begin searching for candidates with the potential to be successful in the role.

Again, as a company leader, don't hesitate to use the recruitment process as an opportunity to formally articulate your values and culture. In my experience, once we raise the question of company culture, stakeholders quickly recognize the benefits of this exercise.

In fact, recent research by Gallup suggested that businesses with the highest employee engagement – which correlates with clearly defined culture – are nearly twice as likely to succeed, compared to businesses that scored lowest in engagement.

Good recruiers look for shared cultural values, not superficial similarities.

Too often, people confuse perfunctory affiliation for shared cultural values. Just as it’s easy to quickly hire candidates who check all the right boxes on a resume, it’s easy to repeatedly hire candidates from the same professional or alumni networks while missing out on other talent.

A common scenario in recruiting occurs when interviewers prefer candidates who seem friendly or personally put them at ease. If this pattern persists, a company could end up with a senior leadership team that not only lacks diversity but is also unable to offer dissenting perspectives vital for innovation.

To avoid this outcome, good recruiters identify three or four non-negotiable values, traits or qualities that must be in place to ensure that a candidate is aligned with an organization’s culture. By staying focused on identifying a candidate’s values or underlying motivations, recruiters can identify candidates who will push a business toward growth.

Once a recruiter begins to create a list of contenders or make introductions, he or she should focus on candidates who have done diligent research into the aims and objectives of the company’s senior leadership, owner or investors.

When I speak with a candidate who has considered these factors, I know this person is serious about working with my client company — and more likely to be a good culture fit.

In the end, new technology might make it easier for HR professionals to organize data about candidates and write attention-grabbing job descriptions, but even the most sophisticated AI lacks a crucial ingredient: the ability to

match a candidate to culture.

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That’s why, when it comes to the art of successful executive recruitment, a human touch is still the right fit. Now and for always.

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