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Hiring: How to Avoid a Fatal Flaw

As I'm preparing to give a speech at the APICS (Association of Operations Management) International Conference in Las Vegas on "Innovation for Supply Chain Success", it occurred to me that one of the reasons for failure with innovation is due to a fatal flaw in hiring. In my experience in working across multiple functional areas with many different companies across several industries, one of the most common detriments to success is not having the right person in the right role. This simple yet profound issue results in millions of dollars of lost opportunities.

Why does this occur so frequently when it seems obviously avoidable? My guess – cash! We are programmed to think "save money, save money, save money". Of course, this is not bad in and of itself but it can result in "a penny saved a million dollar savings opportunity lost". Unfortunately, I can count on more than one hand how many million dollar opportunities were lost or significantly delayed due to this issue – so what does that say about how many smaller opportunities were lost?

What should we do? Don't focus solely on saving money! I'm sure many are thinking, "heresy!" Yet it is what's required. Instead, we must focus on the total value of hiring decisions.

For example, if you have a major project that will be led by your new hire, consider the full scope of experience, leadership abilities and industry expertise required. Do not settle for who is available, has some experience and seemingly inexpensive (a deal perhaps?). Whether searching for a new hire, a contractor/ consultant or a project lead from within the organization, consider the total equation – hiring cost, potential organization or project benefits (which will have varying probabilities of success with different skills), and intangible benefits/ costs (such as effective teamwork or inefficiencies / other organizational issues).

Which decision will lead to the best outcome? My bet is 80%+ of the time, the inexpensive, quick decision isn't the best. I've found that having the right people is #1 to success; thus, it is worth the effort. Unfortunately, many times, it isn't prioritized. I certainly have run across too many inefficient organizations or project teams with lost potential directly resulting from poor hiring/ promotion decisions.

Leaders and Business Owners, embrace total benefit thinking! Interestingly, a successful executive recruiter recently told me that he only works with organizations that see the value of hiring the appropriate person and are willing to pay for him/her. Otherwise, he might get a quick sale with a nice payout; however, he knows it won't turn into a solid long term relationship with long term benefits for the client.

Team Members; think about how to convey the benefits to leadership. A few tips include: 1) Spend the time to research the total picture / facts to present to management. Ask colleagues. Ask your mentor. Research on-line. 2) Focus the 80/20 of your time on the benefit for the company – what can be achieved? Why does it matter? 3) Put together a 1 page

summary or simple presentation and proactively discuss with your manager. What do you have to lose? Worst case, the manager sees a proactive team member who has spent time to try to help the company succeed. How bad can that be?

The bottom line is to think carefully about hiring, promotion and project team decisions. Consider the complete picture and total cost in order to deliver bottom line results AND to encourage a productive and happy workplace.

Lisa's Tips: Safety

Bedrock - always appropriate. I want to thank my mentor in this topic, Debra Daniels for her expertise – Debra, have I incorporated your wisdom appropriately?

1. **Build safety into the culture** – most safety programs are pointless as they are considered an outside program (and many times, meetings are viewed as something to survive through). Instead, build it into the daily routine – it is the **ONLY** road to success.
2. **Emphasize common sense** – instead of complex programs and useless signs that most employees ignore, emphasize common sense. If sticking your hand into the machine might cause it to be cut off, don't do it. Obvious but not necessarily common if the company focuses all communications on efficiency at the expense of all else.
3. **Involve the employees** – who knows best what is safe and how to ensure safety? The person dealing with the topic on a daily basis.
4. **Make safety a top priority** – it doesn't work to say it's a top priority but only follow it when convenient or easy. Instead, communicate its importance. Assign key resources to the topic. In essence, show that it's a priority.
5. **Don't forget to track progress** – TIR or total incident rate is a common metric. Track progress. But ensure that employees are encouraged to report close calls and opportunities; otherwise, you've violated the #1 rule of "saying it's a priority but not demonstrating it's a priority".

Recommended Reading

"[*Introduction to Type and Leadership*](#)" by Sharon Lebovitz Richmond – an interesting book on personality type and leadership. Part of the Introduction to Type series from CPP, it relates the MBTI (Myers-Briggs Type Indicator) instrument to leadership. Sharon makes compelling points on how to understand and utilize type as a tool for tailoring a leader's development.

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