

Tackling Tough Hiring Questions

At a recent networking session with 15 nonprofit chief financial officers (CFOs) and human resources (HR) directors in New York City, Bridgespan Executive Search Senior Director Janet Albert hosted a lively question and answer session about hiring. The following highlights from the discussion provide answers to many common hiring questions and offer valuable insights from practitioners in the field. Aside from Janet Albert, participants are identified only by their initials.

Q: Can you tell us about some of the trends you see in recruiting finance talent?

Janet Albert: I see two main trends. The first is in regards to keeping the finance function in-house versus outsourcing. The second is that a lot more organizations seem open to senior level, part-time employees or job sharing. I've found that the use of outsourcing really depends on the size of the organization, its stage of growth, tactical versus strategic goals, and the level of the position.

Small organizations tend to do more outsourcing. As they grow to \$3.5 million up to \$10 million, most organizations are infrastructure building and take their finance function in-house. Overall, I see more openness to outsourcing, depending on the strengths and weaknesses of the finance department and what type of nonprofit organization it is. If you have all restricted funding, you won't want to outsource all your grants management because of how tricky it can be to manage, monitor, and forecast how and when and whether you have those funds. Organizations where there are real barriers to recruitment and retention of staff—for example you're located in an area that is not easily accessible by public transportation—have had great luck with outsourcing. Or organizations at \$8 million to \$10 million in size that need someone really top notch in New York City, but can't afford a \$100,000 salary. They can outsource a piece of a very high-level person. There are sometimes issues with control at the executive director (ED) level, particularly concerns about being able to access information in a timely way—those fears are often unfounded.

RA: My organization has a lot of experience with trying to outsource. In the end, we decided not to outsource because in general the risk-reward wasn't there.

MF: My organization has completely outsourced technology since 1999. For us, outsourcing has the advantage. Instead of our 3.5 full-time equivalents doing everything, we have access to everyone on the staff at [the outsource company]. It feels like I have a larger tech staff to call upon.

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Q: Should managers be accountable for finding talent or should HR?

Albert: Ultimately, with high-performing organizations, it's a team effort, with the hiring manager briefing HR on spec requirements and sourcing strategy, and interviewing short-listed candidates. HR will run the search—handling the logistics, keeping to a reasonable timeline, and interviewing candidates to get to a short-list. The hiring manager is the strategic engine behind this, understanding the organization and what its needs are, being a sounding board. HR should take the manager's ideas and work with them on what they need. HR should keep things on the timeline. However, this depends on the size of the organization and how diverse and capable the HR team is. And whether HR is viewed as a senior function and strategic department—that's how it should be in an ideal world.

KM: I have seen hiring manager saying, "This is who I want." HR brings back 10 of what they think they want. But the hiring manager says, "No, that's not it." But the hiring manager has difficulty describing what it is exactly that they need. What advice would you have in those situations?

Albert: I would ask, has the hiring manager been clear to begin with, has the hiring manager changed their mind, and are they spending adequate time working with HR on the search? Is the HR person someone who really understands the organization, the mission, where the organization is going, and what the implications are for recruiting? As a search professional, I'd never take on a client who only gave me 30 minutes of time. You need to understand what will make the new hire succeed or fail, how they can develop their career, what will the challenges be, etc.

BD: I feel it's ultimately the hiring manager who should be responsible for filling the job and that takes time. You go to the HR person for the strategy to find the people.

Q: I heard Tom Tierney, co-founder and chairman of the Bridgespan Group, say once that 20 percent of your time should be spent on cultivating new and existing talent. Do you agree? And if so, how is this done practically in your mind? What are your tips on coaching existing talent?

Albert: Yes, as a senior leader, one of your primary responsibilities is to build, maintain, and nurture talent in your organization. This should be part of your retention strategy as well. Another way to think about it—a bit more strategically as well—is that it's about your legacy. Not about getting things today, but what you're going to leave behind, where you're going to be in five years' time. That's one of the reasons why cultivating talent is important: you're building for the future.

Coaching existing talent is about understanding their strengths and weaknesses; understanding the collective depth and breadth of your team. It's about giving staff a lot of responsibility and autonomy, but also recognizing which high-potential or solid people need more guidance—whatever builds the most confidence over time. Give people stretch goals, show faith, be candid and transparent, and have performance measurement goals in place and constantly refer back to those. Even if you don't have a big HR department that has a formal performance management structure in place, have some sort of understanding between you and someone else on your staff—be clear about expectations and goals. How can I help you develop a career here? High-performing people appreciate the time, appreciate the candor. It seems like common sense, but it can be hard to execute.

KM: The trap you don't want to fall into is spending most of your time on low performers. Sometimes it's appropriate, but can over the long-term end up de-motivating your high performers.

MF: Especially high performers who get work done quietly.

LS: I'm fearful of the bureaucracy around creating performance goals. The meaningful piece of this would be just good managing and mentoring; the key point being that 20 percent of your time should be spent on developing and encouraging talent.

Albert: Even at the Bridgespan Group, where we focus a lot on developing each other, it's natural to think, "Is it really performance review time again!?" Look at performance reviews as development, things we'd like to see you develop and achieve, and along the way you're going to help this division move forward.

BD: One of the things we do is coaching, but it's hard to evaluate. We came up with a priority map with three major priorities of organization. Each manager has priorities, each staff has priorities, and they should all align. Each individual has developmental priorities. It makes it a less stressful event. It's more, "Are you focusing on your priorities?"

KM: One of the things I like is that there are three goals, not 20. It's easier for individuals to focus on.

Q: What are the three most important questions you would ask job applicants before you would hire them—assuming they have the technical ability for the job?

Albert: It's a real struggle to include just three! Assuming that the person has the technical capabilities, these are my favorite questions:

Why are you interested in our organization and why are you uniquely qualified?

Given what you know about the role and its responsibilities, and what you know about our mission/strategic objectives, give me an example of a past accomplishment that speaks to your ability to succeed here. Ask for concrete examples. These stories can tell you about how articulate candidates are, and whether they can they circle back to the original question. Ultimately, you want to know if they can do the job or not. You can tie into that, "What accomplishment are you most proud of?" You can then see what they're most excited about. Do they get excited where they worked by themselves or had to work across divisions to work together toward a common goal?

How do you define best practices for your field and how do you stay abreast of current trends?

What best practices did you put into your organization and why are they better than peer organizations' practices? I think the answer gives you a sense of, is this someone who is an ideas person, is creative, is connected to other people, someone who does trial and error, or one who just takes things off the shelf?

Are you a thought partner to the ED/chief executive officer? How do you define thought leadership?

For finance people, this question is really important: Give examples of how you work with and coach non-financial people. A CFO-level hire will have to work with the ED and the board. A staff-level hire will have to work with program staff and development people.

RA: Would you look at someone for a lower-level position who is not necessarily focused on the mission, but who is just interested in finance and accounting?

JD: This is a really important question for us because at our organization, everyone is so committed to the mission, but at the end of the day, the general ledger has to be correct. In the last year, I've hired 12 people. I look at the possibility of them being able to embrace the mission, the soft skill areas where I think they might embrace our core values and the mission. I get pushback from HR when candidates aren't mission-focused and I have to sell it on this basis.

Albert: It's really tough at the senior levels, as well. We were working with a community-based organization with a \$3.5 million budget, an awesome ED, and great funding, that was looking for a chief financial and administrative officer. We had a lot of interest from both for-profit and nonprofit finance people. But the first two candidates on our shortlist pulled out because they went to the for-profit sector. These two candidates were committed to the mission, but were more committed to the paycheck at the end of the day. Looking back, either one could have been a risky hire if they were constantly looking back

and wondering if they had made the right decision. At the junior level—even in a for-profit—for a person's first one or two jobs out of school, they are typically not sure if they want to stay. If you know that person is going to stay for two years and then you'll need to recruit again for that position, you'll at least know that in advance and that could be okay.

AK: If I'm hiring someone to be a data entry person in accounts, I'm really interested in whether that person wants to be the very best data entry person in New York City. But as you go up the line, of course the mix is going to change dramatically.

Albert: I recently recruited a director of finance into a community-based healthcare organization. I asked him, "How do you motivate the nurses to enter the data?" This finance director said, "I took a couple days out and went out on visits with the nurses, spent intensive time with them, understanding why they wouldn't do it." First, it energized him to be in the field; that started a bond. When he came back in, he sat down with the nurses to tell them why it was important to enter the data. He explained, "If we don't do our jobs right, these kids don't get served, these neighborhoods don't get served. That's really what it's all about. That's why we're here, to serve this community."

KM: You need to look beyond just where a candidate has worked. They might have had some personal connection to the mission that wouldn't be obvious on paper. Make sure you probe it without assuming that they don't have a connection to the mission.

Albert: The good candidates will ask you questions, so be prepared to answer questions yourself. For example, what types of people are successful at your organization? How will success be measured six, 12, or 18 months out? Individual measures should be linked to organizational objectives.

Q: An issue we deal with over and over is the loss of performance in meeting departmental/organizational goals when line staff or managers leave unexpectedly. I am looking for advice on how to plan for this scenario without having to over hire.

Albert: First, you need to understand why people leave in the first place. Is it because of a poor work environment/cultural reasons? Are career paths unclear? Are your salaries competitive? You should conduct exit interviews. Most exiting staff tend to be candid. Some strong chief executive officers are doing the interviews themselves. EDs in smaller organizations may need some coaching. Exit interviews can also be outsourced to an HR firm or outplacement agency. Turnover of staff is unavoidable, but it shouldn't come as a shock. Start thinking about retention by demonstrating an interest in people's development, their career paths, and their well-being. When employees leave an organization, you want

them to speak well of your organization. It assists in marketing your organization and, therefore, your overall ability to recruit. It's worth spending some time on this.

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