

Geoff Smart: Then he also said, "I like to intimidate them by holding up their resume, if they have a printed one, or their LinkedIn, and then just sort of dismissively throw it to the side on my desk and say, 'I don't see anything impressive in this resume that would make me want to hire you.'" And I'm like, "Oh, so you try to intimidate the person just right out of the gates, it sounds like." And the guy's like, "Yeah, yeah, you know, to just really put pressure on them to see if they crack and see if they can handle the culture here."

So I asked the guy, "Is it working, or not working?" He said it's not really working because people don't really come back for followup interviews. And I said, "Okay, look, I'm going to tell you some tough love just because I want this to be useful to you. But your entire approach to interviewing is all wrong. So whatever you're doing, don't ever do any of that ever again, and let's talk about a better approach. You have to treat people with respect."

Robert Glazer: Welcome to Elevate, a podcast about achievement, personal growth, and pushing limits in leadership and life. I'm Robert Glazer, and I chat with world class performers who have committed to elevating their own life, pushing the limits of their capacity, and helping others to do the same.

Welcome to the Elevate podcast. Our quote today is from Jim Collins, and it is, "Great vision without great people is irrelevant." Our guest today, Dr. Geoff Smart, is one of the world's leading thinkers on how to hire and lead the best people. He's the Founder and Chairman of ghSMART, a leading global management consulting firm for talent, and the co-author of three best-selling books. One of those books, Who: The A Method for Hiring, is a New York Times Best Seller, and it's considered a leading resource when helping any business make better hiring decisions and develop top talent.

Geoff has personally advised three governors, a White House Fellow, and a President of One World Bank. And I'll just throw in some personal commentary here, which is that every meeting I have been in with businesses or board recently, people are just talking about how getting people is their number one challenge. You all have the top person here today, so all of your problems are about to be solved. Like to set the bar high, so Geoff, welcome. I'm excited to have you on the Elevate podcast.

Geoff Smart: Great. Bob, it's great to be here, thank you.

Robert Glazer: Before starting your business career, you got a PhD in psychology, becoming the youngest PhD recipient, I think in the history of your school. What compelled you to pursue a PhD degree at such a young age?

Geoff Smart: Let's see here. Winding the clock way back, after my first year at college, I was studying economics, and everyone was going to be marching off to investment banking jobs, or consulting jobs, maybe corporate, and I had this idea of a business. This was kind of when venture capital and private equity was just sort

of picking up steam. The idea was what if we helped people who were investing in businesses do a better job of evaluating the people part? That idea was with me through college, and then it made me want to go get some extra training in the area of evaluating leaders. That's why I went off to grad school, got a PhD in psychology, but it was mostly business psychology, around how organizations operate leadership, et cetera. That was the motivation for going off and studying this topic more in depth.

Robert Glazer: And you had a little bit of this in your blood, right?

Geoff Smart: Yes, yeah, I grew up, so my father was an industrial psychologist, I have a whole extended family of people in various places around psychology and sociology. So yeah, the thought in the back of my mind when I started my firm in 1995 was, "There is a whole world of how to systematically look at leaders and teams, that's the world of industrial psychology. My father is in that field," I was aware of it. And yet, here is this big world of, whether it's companies or venture-backed startups, where a lot of their pain and suffering is coming around putting the wrong people in the wrong places, and destroying jobs, and destroying the value of businesses. If you put the two together, that was the sort of kernel of insight in why I chose this field, and why I started my firm.

Robert Glazer: So the dinner discussions, must have been a lot of psychoanalysis at your dinner table as a kid.

Geoff Smart: Definitely. Yeah, my dad was a psychologist, my mom was a speech therapist, so yeah, I got a lot of constructive coaching along the way.

Robert Glazer: And did your view on hiring and leadership come ... how much came from your research, or some of your dad's work? What was yours from what you studied? And where did you kind of grow up with certain beliefs that you sort of followed with?

Geoff Smart: Sure, yeah. So the early influences were, let's see, my father's sort of best practices around interviewing was very helpful. It's a very narrow topic. I studied with Peter Drucker in graduate school for four years, so being able to hang out with the father of management, literally, if you look up Peter Drucker on Wikipedia, he's considered the father of the whole field management, so to say that he wasn't influential in shaping my thoughts about management would be a great oversight. So all of Peter Drucker's work on entrepreneurship, effective executive. Just sort of how to lead teams that focus on talent, how "culture eats strategy for breakfast", right? A famous Peter Drucker quote. All of that was hugely influential.

My actual dissertation study was on how venture capitalists evaluate the people that they invest in. So I looked at 50 years of research on methods used in due diligence, and how to evaluate people, and then did a bunch of original work to sort of see were there sort of practices that led to investing in the right people

and actually having those deals make money versus investing in the wrong people and losing out. So that idea of creating criteria lists, and score cards, and collecting data, and putting out management due diligence next to financial or market due diligence, all of that came out of my research project.

Robert Glazer: Studying with Drucker, that's pretty amazing. Now I have to ask you-

Geoff Smart: It was so cool.

Robert Glazer: ... what was your top takeaway from, what did you learn the most, or what was your big insight from working with Peter Drucker?

Geoff Smart: Ambition, I guess. He profiled a lot of super successful leaders over the time that I knew him, and Drucker had this kind of undertone of respect for people who created bold visions, and then architected the teams, and the organizations to go make it happen. So I don't know if that's one thing or three things, but what I learned from him was a mindset of don't limit yourself too much, think about what's really valuable for the world, what's valuable for customers, what would be a great culture for employees, and then go make it happen.

He was a real tough love guy. He had this rough Austrian accent and nothing you could say, Bob, was the final word, he always had something to correct you on, or not shame you for, though I was shamed by him in class more than once. But he was really like a think bold. And then know what you're talking about were kind of some of the lessons I got from Peter Drucker.

Robert Glazer: So tell us a little bit about ghSMART, and why you started it, and what you do, and how you kind of brought all these principles into helping other companies.

Geoff Smart: Yeah, and it's a great segue from the Peter Drucker thing. I wrote the ghSMART business plan for a class, in Peter Drucker's class. So Bob, I can't make this kind of stuff up. It was so incredible.

Robert Glazer: Yeah, I was going to say, that's too good to be true.

Geoff Smart: I mean, imagine rolling up your sleeves and sitting shoulder to shoulder with Peter Drucker going over the details of your business plan. That's exactly what I did. And I'll tell you, you know, the thought was McKinsey and Bain were in our big names in consulting, and those firms make a lot of impact by focusing on strategy and a lot of the what stuff that goes on in companies. And the simple thought was, "Well, what if we built a Bain or McKinsey caliber firm, but that focused exclusively on the who stuff? You know, leadership, culture, how to help leaders be successful."

So Drucker's like, "Well, yeah, okay, I kind of see it." I said, "Well look, there's no McKinsey of leadership advisory. There are great strategy firms, there are great law firms, there are great accounting firms, but yet everyone's sort of in love

with this concept of leadership. Surely there should be a best in class firm that helps leaders make people decisions." So ghSMART and Company, McKinsey and Company, I sort of modeled a lot of the firm off of the way McKinsey focuses on the c-suite, the way McKinsey, Bain, BCG use data rather than opinion in their consulting.

So yeah, I guess, different product if you will, but similar org structure and thought. So it was bold vision, and it was like, "Let's do this."

In fact, another part of it was I wanted to blend psychologists like me with MBAs from top programs, et cetera, so that the effect the client would receive is a very business grounded, very data driven work product that's focused on the topic of leadership. So it was hard in the early days, I didn't have any money, I didn't have any clients, I didn't know anything. I founded the firm in year two of four years of grad school, so you could imagine I was pretty green when we got ghSMART incorporated.

Robert Glazer: And so how long has it been and how big are you now?

Geoff Smart: It's been 24 years, and we're 120 people today, over 60 million in revenue, in 12 cities around the U.S. and London. So that's not bad. I mean, it's not Google. I think Google was founded a year after I founded ghSMART, so we know the market cap and reach of a Google, but as far as professional service firms go, I'm very proud of how it's turned out. It really is true to the original vision of helping leaders make better people decisions, and creating kind of a very high performing organization, and take care of it while allowing people to have a lot more freedom at work than some of those other consulting firms let you have so that we could attract even better people and have a more healthy, positive, kind of family friendly culture, rather than one where it's very, very hard to have any balance in your life.

Robert Glazer: Yeah, and for those who know professional services firms, the ratio of revenue to people, you guys are ... that is top tier, so you're doing something right.

Geoff Smart: Thank you.

Robert Glazer: I'm a little envious, but we'll talk about that offline. Part of this process, you wrote this book *Who*, which I often refer to and I've heard people refer to it as the definitive book on hiring, and it teaches the A method for hiring. Can you tell us, what is the A method and how did you develop it?

Geoff Smart: Sure. The *Who* book is about 11 years old, the firm is 24 years old, so the data that we received, the client war stories, all the assessments that we did of leaders in the first decade plus of the firm's existence, all that was just a big, valuable data set, and so the thought was we have best practices, we know they work, let's make it simple and have kind of a step one, step two, step three, step

four approach to good hiring. So it was really just codifying a decade's worth of work at that point, and trying to create a framework that's easy.

And Bob, you've interacted with folks who use this approach. They oftentimes say it's very simple, it's common sense. Then my comeback is, "Well good, wonderful. I appreciate that. But it's very uncommon practice." So the method that we identify in the Who book are actually sort of proven methods that have been around in the world of organizational behavior for half a century. We just codified it, put some good stories in there, and made it simple. I think that's why the simple part matters, because everyone's busy and no one wants to implement something that's complex and overly burdensome.

So yeah, since it came out in '08, I think it's been number one on Amazon in the topic of hiring ever since, and it was today. So like you, those of us who have books, you need to check your Amazon rankings, and you make sure you're still relevant in the world. But we're very pleased. In fact, we're selling more Who books per week today than we ever have, so the topic remains very strong, and the method has still seemed to be useful for folks.

Robert Glazer: So what do companies do most wrong with hiring? I know you probably have a two page list in front of you, but what sticks out right away when you talk to most organizations?

Geoff Smart: Gut feel, hiring I very common. You've seen this both in entrepreneurial companies, or larger corporations, where if you ask people, "How do you hire?" You get the sense that they're using their intuition, their gut feel, and they're not collecting a lot of data, they're not really thinking about the criteria. So that's very, very common. At least back 25 years ago when I did my PhD work, my research suggested that at least half of the hiring managers or investors or board members out there just use a pure gut feel approach. Do you like this person? Do you not like this person? Oh, this person went to my alma matter. Oh, they like the same sports team. Stuff that doesn't matter at all in predicting someone's performance is very oftentimes the things that get them hired.

Robert Glazer: So Geoff, you're going to be very proud of me when I tell you this story. We've read your book, we're all in on Who, I've seen you speak several times. Someone on LinkedIn wrote an article a few weeks ago, to everyone a question because that's how you get engagement, and they said, "What's your favorite interview question?" They tagged me in it, too. And all these responses about this question, and that question, and all that stuff.

So I went in there, and I was channeling my Geoff Smart, and then I left a comment, I said, "Look, I'm reading all these questions, and what I've come to understand is that no one actually empirically knows whether these questions work or not, and I've come to understand that it's really about the entire process of hiring for me to be, and that these magic bullet interview questions, you guys have no A/B testing to know that it actually works," and they love it. Everyone is so proud of their defining question.

And I thought of you when I said it. Did I answer that correctly?

Geoff Smart: You did, you really did. And it's funny, in this day and age, I still get asked, and you do, people say like what are the magic interview questions or what's a great interview question, and it's not like the question, it's about the whole system-

Robert Glazer: Picture, yeah.

Geoff Smart: ... yeah, otherwise you don't get a good result. It's funny, you reminded me, I was at a semi-conductor company who was having its annual offsite, and I was doing a little chat on how to hire and lead teams. Someone in the back raised his hand and said, he was like, "Okay, I know you're going to give us all your approach to hiring, but first, I just wanted you to know, I have the best interview question." And I thought, "Oh, what a treat this is. I have a freaking heckler in minute one of this offsite at this Fortune 500 company."

So the guy goes, "Oh no, you know my ... " And I said, "Well please, entertain us with your question." He said, "I love to ask people, but you got to look them right in the eye, and you say, 'If you could be any kind of animal, what kind of animal would you be and why?'" Everyone laughed, and I said, "Well, that's really entertaining. But how effective is it in hiring?" He said, "Well, I don't know we have a horrible hiring success rate, but at least it makes the drudgery of the hiring process less boring." And everyone laughed to that, too.

So yeah, I mean, there's a lot of homegrown interview questions or methods, and there is a very short list of approaches that work really well, and a very long list of approaches that just don't get you to the results that you want.

Robert Glazer: Yeah, what occurred to me is a lot of people can point to their best people they've hired and say, "Oh, so and so had a great answer to that question," but they might not know how many amazing people they've disqualified who didn't answer that question well who would've been a ... That's why it's this whole notion of these voodoo questions, they're just not statistically valid.

Geoff Smart: Yes. Agreed. And it's not people's fault. I mean, we don't get trained in how to hire people in high school, or college, or even in most grad schools these days, or even in the workplace. It's just folks know that the topic's important, and it feels like a no win situation. That's part of the fun of the work we do in this very narrow, but hopefully important space, because there are very clear methods that work, and fear not, it is possible to increase your hiring success rate from the abysmal 50%, which is average throughout the world in hiring success, as defined by a year later did you regret hiring that person or not.

So half the time, people are like, "Ah, that was a hiring mistake." But if you can increase from 50% success to 90% success, wouldn't you want to know what that formula is to follow the best practices?

Robert Glazer: And without delivering us an audible version of who, can you give us a little overview or framework of what a good process looks like for a company? And a process versus a bunch of interview questions.

Geoff Smart: Yeah. I'll keep it super brief, but what you don't want to do is bring people in, and then ask them stupid questions that don't matter. What you don't want to do is be very disorganized, and it's frustrating for candidates. What you don't want to do is take a lot of time, weeks, and weeks, and weeks as your good candidates get snapped up other places. And what you don't want to do is use your highly biased gut feel when hiring people. So those are the what not to dos, the sort of voodoo methods.

So what do you do? All you have to do is four things, and you have a snowball's chance of approaching the 90% hiring success rate. The four things in this method are just simply, one, you create a scorecard for what success means in a role. Without getting into too much depth there, all it is, is yes, it has to be written down, yes, it lists the outcomes that you expect someone to achieve in a role, not the ideal profile, not the past looking stuff that people sometimes use as shorthand as what they're looking for, you know, someone with 10 years of experience, blah, blah, blah. No, a scorecard basically says, "Hey, for this role, here are the measurable outcomes we need this person to achieve. Here are some of the competencies that we think are really important for our firm," culture stuff, et cetera. So basically, scorecard is just like a set of criteria.

Once you have that, you're off to the races. The second step is sources, like how do you source good talent. There are bad ways and good ways to source good talent so you have enough candidates. That one, you know, before we hopped on this call, you and I were talking about how so many folks we see today are struggling to source talent because the unemployment rate is so low, et cetera.

The third step is called select, where you do pull out some good, proven, rigorous interview methods to capture data about people. And by capturing data, you can make better decisions than just using your gut feel. Then the fourth and final step is called sell, where we looked at what are the things that make someone say yes to your job offer. We identified five things that seem to make people accept their job offers, whether it's for entrepreneurial sized companies, or mega corps.

Robert Glazer: Yeah. I want to double click on a bunch of these, a couple of these. The first is the scorecard, which I think is the most important thing, because it gets everyone started on the same page. I do a lot of channeling of Geoff. I have a lot of people that call me. We're in the marketing industry and they say, "Aw, I want to ask you a question. We're hiring a sales and marketing person." And I go, "Uh-oh." Because I just have seen, I'm like, "Well, are they sales, or are they marketing? Do they have sales metrics? Or do they have marketing metrics?" Just more than anything for me, that one always leads to like someone's going to be pissed in six months.

The scorecard just forces everyone to define ... I don't know if it's you or someone else said, "In six months, if you had to write a check or not write a check, what are the things that you would need this person to do?"

Geoff Smart: Hmm, that's nice. That wasn't me, but I like that as a litmus test of whether they're adding value or not.

Robert Glazer: See, if you were to pay them all the money or nothing, what would they have had to get done?

Geoff Smart: Right.

Robert Glazer: That's what someone said, yeah.

Geoff Smart: Ah, that's cool. Yeah, I like that. Yeah, you're hitting a theme I think is important. Having a vague or very broad score card for a role is dangerous because it's really hard to find a person who is good at the implicit unspoken things that you need them to do that are hard but important for a role, if the way you define the role is super broad.

And I feel your pain, brother, on marketing roles or sales and marketing roles. I do see a lot of companies, big and small, who if they don't go through the brief amount of work that it takes to say, "Okay, what do we really need this person to accomplish? What is it?" Across the spectrum of marketing, my goodness gracious, sales and marketing, do you need a sales animal who is out there knocking on doors, bringing in, closing deals? Or do you need a lead gen person who is identifying targets? Do you need to do some basic strategy work? Is it marketing communications? What is it?

These are all different skillsets. And as you know, people are really only good at a small number of things, so that's why it's really important to make a scorecard that's, in my humble opinion, very narrowly focused and quantitative. So yeah, if you ask yourself the question, "What does success mean for this role?" And then try to put some numbers on it.

Entrepreneurs fight me on this a little, fellow entrepreneurs. I'm an entrepreneur, you're an entrepreneur. But don't fight the thought of what does success look like. So if it's a lead generation sort of a marketing role, well, how many leads? How many leads, by when? Are you going to have input metrics like that? Are you going to have outcome metrics? Like actual sales, gross margin, that kind of stuff, close rates, et cetera. So anything that basically says what you want them to be doing, or what you want them to be accomplishing should go on the scorecard.

Then, important culture elements. You keep winning awards for culture, and being a great leader, Bob, and you and many others realize that culture matters a lot, so putting what's special about your culture also on the scorecard, in the

buzzwords of your own firm. So whereas other firms are x, we want to be y. We're going to put that on the scorecard so we might make sure that we hire people who match the culture, because at least half of the reason that mis-hires happen is due to culture, not due to a technical deficit.

Robert Glazer:

All right, so we're going to take a quick break for a word from our sponsors, and then we're going to dice some more into interviewing, and hiring, and culture with Geoff.

When you started your business, I'm sure you didn't dream about all those admin tasks like drafting proposals and contracts, and tracking down payments. Of course you didn't. And that's why you need HoneyBook. HoneyBook is an innovative online management tool that organizes your client communications, booking, contracts and invoices, all in one place. It makes it really easy to run your business better. Professional templates, eSignatures, and built in automation, keep everything on track, and make you look good. It can even consolidate services you already use, such as QuickBooks, Google Suite, Excel, and Mailchimp. That's why it's the number one choice for client and business management for freelancers and business owners.

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All right, and we're back. So Geoff, right before the break, we were talking about scorecard, and really how to set that up. And the other one, I think, getting into here, because we won't have time to go into all of them, is the interviewing. What is the biggest mistake that most people make when interviewing? When you see companies or people, and you're like, "That is just not working."

Geoff Smart: One very common horrendous mistake, and I learned of this one before I even started doing our firm, this was just from doing the literature review of interviewing methods and what works and what doesn't work, over 50 years of research, thousands of studies. Research and practice say don't ask people hypothetical interview questions. Like a hypothetical interview question is, "Bob, how would you resolve a conflict with a teammate if you joined ghSMART?" What might Bob say if I ask you a hypothetical question like that?

Robert Glazer: I might give you a hypothetical answer.

Geoff Smart: I think you would give me a hypothetical answer, and then I'm sitting here left not really knowing what the real Bob is. Is the real Bob as collaborative and as win-win oriented as his answer is in this hypothetical scenario? Or is the real Bob, does he have really strained teamwork skills?

So don't ask people hypothetical questions. There are entire interview methods based on giving people pretend situations and judging their answers. The research and practice suggests it's a very inaccurate way of evaluating something. So no hypotheticals, please.

What else? Oh, taking answers at face value without asking followup questions is a big mistake. So if I'm watching a novice interviewer then someone says, "Oh, yeah, I performed very well in that job," and then the interviewer goes, "Oh, okay, cool. Let me ask you the next question." They kind of move on to the next thing, whereas a better answer would be like, "Oh, you prefer ... Well, what were your targets and what were your actual results? How did your peers perform relative to you?" You know, asking about actually collecting more information.

We find asking what, how, and tell me more questions are very helpful. You know, what were your targets? What were the results? How did you do that? Tell me more. These are ways to get more depth and better data out of answers rather than just letting someone tell you one thing and then move on to the next topic.

Robert Glazer: And ask those questions, then don't let the person off the hook. Like, sit with that. I think a lot of interviewers jump in too quickly, right? There's a little uncomfortable silence, and they let them off the hook.

Geoff Smart: That's right. So don't let them off the hook. I remember I asked a concrete pumping entrepreneur, his business was pumping concrete, he was a real tough guy, real calloused hand shake type gentleman, and I remember I was helping a venture capital firm decide whether or not to invest in his business, and I also had a newbie from my company watching me interview this guy. I asked the guy what were some things that didn't go so well at that stage of his career, and he's kind of like, "Oh, I can't really think of anything. You know, it was all honky dory."

So I sort of like eyeballed him, and used silence as a tool to help him tell us some of the things that didn't go so well. In an interview, you really want to get the good dat, the positives, you really do want to get the negative data, mistakes, et cetera.

So in that case, I remember he was my record, he gave me at least 20 full, real seconds of silence before he then kind of looked down at his shoes, and looked up, and said, "Well, I mean, it wasn't perfect." Then I said, "Okay, what were some things in retrospect you could have done better at that stage?" Then he told us some pretty insightful things.

So yes, don't let interviewees get off the hook if you ask them a tough question and they act like they don't want to answer it.

Robert Glazer: By the way, one of your tips, and people are going to have to read the book, we're not going to give it all away, but because you said something there, and I know it because I've heard a lot and practiced it, but I don't think people pick it up. You said, "Tell me about that back then, or in that time period." So this is also part of your psychological warfare container, right? Which is when you're putting that in historical context, it actually gives them permission to be more truthful, right?

Geoff Smart: I think so.

Robert Glazer: Yeah.

Geoff Smart: Yeah, we're big fans of the truth. I have a broad idea, which is pretty simple, which is just everyone is an A player at something. So I really do, and this is in our professional work, but personally, I really think it's important for folks to be in the right role. If people are in the right roles, they learn, and grow, and they're happy, and they can feed their families, and good things happen. When hiring goes bad, and people are in the wrong roles, really bad things happen.

So yes, in the interview, allowing folks a platform for giving us the truth is very important. And I like that, yeah, that's one of the psychological tips is as you're having someone talk through their whole career, you can emphasize like, "Hey, look back then, wow, what is that, three jobs ago? What were some of the things that didn't go as well?" It allows them the safety to share.

Robert Glazer: Why did people really not like you back then in that past job?

Geoff Smart: Right. Exactly. You can ask that, and if you have rapport, it gives you license to ask really tough questions. "Oh, okay, in that recent job, who was a peer that you didn't really get along with, if there are any?" "Oh, that was Jane." "Oh, okay, well what was Jane's side of the story? What was Jane like to work with? What would she say some of your strengths and weaker areas were?" If you've built good rapport with folks that you're interviewing, you really can ask some

very direct questions, and their answers are oftentimes super helpful in figuring out if they're a good match.

Robert Glazer: And what's your most favorite interview story of probing questions or tell me more, where it just went somewhere you weren't expecting it to go?

Geoff Smart: Well, our world famous slapper story comes to mind.

Robert Glazer: That sounds like a good one.

Geoff Smart: It was pretty shocking. So we have this thing, and we don't need everybody to buy the book, they could buy the Who book if they want, but I'll tell them the actual question when you're interviewing someone, you find out for each job they had what they were hired to do, what they accomplished that they're proud of and get some examples, you ask them what were some low points or mistakes during that job, you ask them about the people that they worked with, bosses especially. You know, "What was that boss like to work with? What do you think he or she will say you were like to work with?" And we do reference checks, et cetera.

Then the last question for each job, "Why'd you leave that job?" That one is interesting because your good candidates generally will leave jobs in a good way, they'll have done a good job, they'll be getting promoted, either within the company or hired by a competitor or a customer or something. Candidates that are high risk will have some weird story about why they're leaving jobs.

In this particular case, this person had a real candid answer. You know when you're interviewing someone, and they seem to have like told that story before?

Robert Glazer: Yeah. So something triggered for you.

Geoff Smart: Yes, and he's like, "Oh, I left ... " because I said, "Well, why'd you leave that job?" And he said he left because he had a difference of opinion with the CEO over the strategy of the company. And I thought, "Well, okay, I don't exactly know what that means," so I played dumb and asked a little more, like, "Well, what kind of difference of opinion?" And he described, he said, "Well, it all kind of came to a head at this one board meeting." I said, "Well, what happened at the board meeting?" Because you know, you try to keep it very conversational and ask questions to get more info.

He said that the bottom line is the company wasn't doing well, the person I'm talking about was the head of sales, and the board said, "Well," the chair of the board said, "if we don't improve our sales over these next couple quarters, we're going to have to get ourselves a new head of sales." And the CEO is like nodding and saying, "Yup, that's what I've told the head of sales." And the head of sales was the person I was interviewing.

So he told me that he basically said something very unkind to the CEO, he said to the CEO, "Well, you know what your problem is? Is we all now know why your mom named you what she did." And I said, "Well, I don't get it." He said, "Well, the CEO's name was Richard, but he went by the nickname of Richard." I said, "Well, so you said that to the CEO in front of the board at the board meeting, it sounds like." And my candidate said, "Yeah, yup, that's what I said. I showed him."

I said, "Well, what happened next?" So the candidate told me that the CEO called a break, then followed him back to his office, and the CEO fired him, and just said, "Look, your numbers have been lousy, and I didn't appreciate your comment back there. Why don't you pack up your stuff." To which my candidate told me that he ... And by the way, this candidate had led his hockey league in high school in penalty minutes, he told me earlier in the interview. So I was like, "All right, this is going to be a good story."

I said, "Well, what happened?" And the candidate said to the CEO, "No one's ever put you in your place." And the CEO said, "Well, I don't know who's going to put me in my place today," and started walking out. But then my candidate jumped up out of his chair and slapped the CEO in the face. I tried not to look stunned when the candidate told me that story. You know, being a good interviewer, I said, "Well, what kind of a slap was it?" So as it turns out, it was like a big open handed, frontal assault on the CEO.

So this candidate then admitted that he calls it his \$3 million slap. And I asked him, "Well, why do you call it that?" His stock options, which he would have gotten if he had just gotten fired or left the company, because he slapped the CEO in the face at a board meeting, he didn't get those. So my candidate then revealed all that, but it was only after the probing questions, and finding out more to the story behind the whole difference of opinion on the strategy answer.

That just goes to show you got to watch it when folks are giving you kind of canned answer, and there's an opportunity to ask the followup questions to find out the full story.

Robert Glazer: Yeah, even as you told that story, and I'm thinking about how many people would have stopped at 10 different points, and it's already pretty bad and pretty salacious, right?

Geoff Smart: Yeah.

Robert Glazer: And they would have been like, "That's bad," but you just kept going with it, either because you know how to do this, and I think a lot of us probably stop rather than going until the end.

Geoff Smart: Yeah, I think that's right. And we get nervous, and we think, "I don't know, is this appropriate to ask followup questions? This is a really touchy, sensitive topic this person's revealing." And the answer is, as long as the questions are legal. So obviously don't ask people illegal questions, don't ask them where they're born, don't ask them about sexual orientation, don't ask people if they're pregnant, don't ask moms or dads about their interests in having more babies, don't religion, ethnicity, lots of questions are not appropriate to ask people because they have nothing to do with their job performance, but if it's just the person's a little bit uncomfortable, and it sounds like they're really telling a juicy story, I say get out the popcorn, use reflective listening, and really understand that moment in their history.

Robert Glazer: And what's the border between ... I remember we had to talk to our team a couple years ago because we were just passing along too many people in the interview process. What happened was they'd say, "I really like this person, but here's a concern of mine." Right? Then they'd pass it along. We were making the right decisions. In the end, we were doing about three times as many interviews as we needed to do because people didn't feel, not they didn't feel empowered, but they didn't want to really dig in and get uncomfortable with whatever that, "Seems like Geoff doesn't have a great attention to detail," so rather than noting that and moving on, it's like, "Let's really dig in with Geoff."

What's the boundary of sort of ... I know you want rapport, but ... And funny, we had a consultant one time that said, "Look, you can either get uncomfortable in the interview, or it's much more comfortable when you tell them it's not working out eight weeks into their job."

Geoff Smart: Yeah, that's right.

Robert Glazer: So how do you balance this rapport building with discomfort, and get the answers that you need to get?

Geoff Smart: Yeah, so you're saying like how do you balance the importance of rapport and not wanting to completely alienate this candidate with the importance of getting the data?

Robert Glazer: Yeah.

Geoff Smart: Yeah, so I think this is like a non-obvious answer, I think that boundary is higher, meaning you can really push it more if you have done a great job building genuine rapport with the candidate. So if you haven't built really good rapport with the candidate, I don't think you have any right to ask them anything even remotely sensitive or probing because they're not going to like it.

Robert Glazer: Like what kind of slap was it?

Geoff Smart: Yeah, but you can't ask that! Exactly. And actually, I asked the guy if it left a white or a red hand print on the CEO's face. I was just really interested in and asked a lot of questions. I had good rapport. So if you don't have good rapport, any question you ask, even asking someone what their revenue target was for last year selling that software in the Northeast or whatever, they could be prickly. But if you build good rapport, and there are a couple of ninja tactics for building really rapport in interviews I'm happy to share with you, I mean, almost nothing is off the table. You can really followup, reflect what you hear them saying, and ask for more info, and they'll share it. So I think it's really a question of how well you can build rapport with the candidate.

Robert Glazer: So you shouldn't come in guns a blazing, that's what I would take from that.

Geoff Smart: Right. There we go. Don't come in guns a blazing, have, we say, a posture of intense curiosity, so if you have a tone of intense curiosity, "Oh, tell me about that. Oh, that's interesting. How so? Oh, was that international or domestic sales?" So you have a tone of intense curiosity, which I think is a very professional tone, and you're engaged, it'll make them want to tell you the truth, which is wonderful. If you come in guns a blazing, where you're either arrogant or you're like, "I'm the boss, and you're the subordinate," or, "I'm the expert and you're not."

I had one person come up to me at an international entrepreneurship conference, and he told me that he was having a tough time getting people to come back for interviews, like they didn't like him and they didn't like his company. And I was like, "Well, what are you doing?" Then he said, "Well, you know, I saw it in a movie once," he was like, "but I like to, for a sales candidate especially, I like to pull out a pen, and I like to kind of scream in their face, 'Sell me this pen!'" And I'm like, "Are you serious?" And he's like, "Yeah, yeah, yeah, I do that." I'm like, "Oh, okay."

Then he also said, "I like to intimidate them by holding up their resume if they have a printed one, or their LinkedIn, and just sort of dismissively throw it to the side on my desk and say, 'I don't see anything impressive in this resume that would make me want to hire you.'" And I'm like, "Oh, so you try to intimidate the person just right out of the gates, it sounds like." And the guy's like, "Yeah, yeah, you know, to just really put pressure on them to see if they crack and see if they can handle the culture here."

So I asked the guy, "Is it working, or not working?" He said it's not really working because people don't really come back for followup interviews. And I said, "Okay, well," I just said, "look, I'm going to tell you some tough love just because I want this to be useful to you. But your entire approach to interviewing is all wrong. So whatever you're doing, don't ever do any of that ever again, and let's talk about a better approach. You have to treat people with respect."

I almost act like your job is to be a concierge at a luxury hotel type attitude like, "Oh hey, Bob, can I get you something to drink?" And like, "Oh, wonderful. I look

forward to hearing more about your story." Be like really genuinely interested and professional with folks, and that's how you build rapport, that's how you get good data, that's how you make good hiring decisions. But in a kind of approach of, "I want to stress them out in the interview process," unfortunately lead to good hires.

Robert Glazer: Yeah, and I know you have a lot of these amazing stories that go back in your career, I'll point out probably some of the greatest hits, if they're 10 or something years ago. This was also before Glassdoor, where if you do this stuff and you have a 1/5 interview rating, no one's even going to apply to your company, not even come back, right?

Geoff Smart: That's right. I mean, you're winning awards on Glassdoor, and you realize how valuable that is for sending a signal to your candidates. I'm with you. Yeah, so I mean, how much better it would be on Glassdoor if folks would say things like, "Oh, their interview process was thorough, but very professional, very well done, this company really seems to have its act together," that kind of thing. Much better than, "Oh my gosh, I interviewed with these bozos, and they're like a carnival."

Robert Glazer: Yeah, "The owner screamed at me and told me to sell him a pen." That wouldn't go over well.

Geoff Smart: Sell me the pen!

Robert Glazer: Well, there are a lot of experts who teach but don't do, do as they say not as they do. But as you said before, ghSMART has really seen incredible growth. What's your approach to culture? And clearly you're getting hiring right, but in terms of kind of retention, and creating a great place to work.

Geoff Smart: So I was fortunate. 10 years ago, one of my young partners at the time, Randy Street, is just a great leader. As Founder and Chairman, I was running the firm day to day, and I thought, "All right, I think I'd like to narrow my role more around brand, and business development, and that kind of stuff. I'd really love to have someone else run the firm."

So what I'm about to describe to you is thanks to Randy Street and his leadership, and putting in place just a fabulous culture at our firm. I mean, you have to be deliberate. I don't know how you do it, I'll just share how we did it. We went through a laborious process of really soul searching like, "Who are we? Why do we exist? Why should we be here as a firm? What parts of culture are important and not important? How do we differentiate? What do those of us who came out of other top firms love or hate about the firms we came from?" I mean, it was very in depth to your process of ... This was over a decade ago, where we're just like, "Let's really identify the desired culture we want."

Then organizational behavior suggests that you have five levers, and this is in no book we've written, this is secret stuff I'm doing just for your podcast. So five levers you can pull to make culture happen. I learned this just through school of hard knocks, and also in grad school I worked with a professor, Veejay Satay, who had written a bunch of books on culture.

So anyway, the five levers are who you hire, what you tell them you expect, number three, what you train people on, number four, what you reward, that's a huge one.

Robert Glazer: Yeah, that's a big one.

Geoff Smart: Yeah, and number five is, I can't think of a fancier way to say it, but just the structure. You know, sort of reporting relationships, physical structure, geographic kind of stuff. So who you hire, what you expect, what you train folks on, what you reward, and then the kind of structures you have set up in your firm. Those are your five levers. We crank them very hard in the direction of we wanted to have a culture of freedom, a culture of being able to give people feedback to accelerate their development but not have it be scary, have it be supportive and almost like the way families talk to each other as opposed to stilted and overly formal.

Transparency came out as something we really wanted, so we decided we're going to share all our financials with everybody in the firm internally. A number of things just came out as, "Here are the ways we're going to architect and really promote the culture that we want." And we do twice a year surveys, and we're constantly, constantly trying to measure and make sure we're not going off the rails on some of the core tenets of our culture that show up in our values, et cetera.

So it's a lot of stuff you've heard before, but I think, I don't know if you agree or disagree, it actually takes real work and deliberate work to hone the culture that you want at your firm. Every firm has a culture, the question is just have you been articulate about what you want it to be, and are you mindful of the forces that shape it?

Robert Glazer: I always say, "Do you have it by design or by default?" And I have a similar but different framework. I think the things I've seen in great cultures, it's either five things or I think three things and two modifiers. So I think a consistent thing I've seen is that they have a vision, they have real values, not the core value, art, integrity, stuff all over the wall. I say the real core values are a differentiated point of view that they actualize. Then they have goals and targets.

The modifiers for those on me are clarity and consistency. So great cultures have clear vision, clear values, clear targets, a consistent vision, consistent target, consistent values, and there's just this alignment between what people say and what they do.

Geoff Smart: Yes, I love that. It's fun. Building a healthy culture, and you know this as well as anyone, it's so fun too, in addition to being a smart thing to do, and making sure customers, and employers, and stakeholders get what they need and all that, it's freaking fun, and it's your own leadership laboratory. I think it's one of the, along with hiring, one of the very short listed things that are most important for a founder or a CEO to get right.

Robert Glazer: Yeah, I mean, why would you want to be at a company where everyone doesn't like each other, or yells at each other? I mean, they can't be fun, and the output can't be good.

Geoff Smart: Yes. And what is it? There's a Gallup poll, less than a year ago I saw, that suggested, I'm going to misquote this, so pardon, people can Google it and figure it out, but it was something like 64% of people hate their job. I mean, not even like sort of begrudgingly coming to work, but at least half of folks just really hate it. And this is an incredible value that leaders, business leaders, not for profit leaders, even government leaders, leaders of organizations can do to elevate the quality of human life, is to build a really healthy culture. It takes work, and it's hard, and there are trade-offs, but I've certainly seen the light, as you have, on the value of doing so.

Robert Glazer: No, absolutely. Now, normally as a last question, I would ask what's the personal and professional mistakes you learn the most from? But I think in this context, I really have to ask you what's a hiring mistake that you've learned the most from in your career?

Geoff Smart: Ah, man, because I had another other mistake that wasn't a hiring mistake.

Robert Glazer: Or if you have another one, I'll hear it.

Geoff Smart: I'll give you two.

Robert Glazer: Okay, I'll take two.

Geoff Smart: You're fun to talk with, and I hope your listeners find these stories remotely useful or valuable. I'll tell you the mistake that I thought of prepping for this, and then I'll think of a hiring mistake when I'm in there.

One of the worst mistakes I made in business was being super arrogant, and offering advice to a client that was well outside the lane that we were asked to comment on. So I don't know, this sounds like a dumb one, but I basically pop off to this company, this billionaire investor was investing in a company, and we were hired to help them get to know the management team. But I'm talking about all sorts of stuff, well outside of the lane, which is kind of a rookie mistake.

But the net of it was, because we were so compelling on the people side, they also listened to us commenting on their strategy, and their product set, and how much they should pay for this thing. Right? I was like really going haywire with my ego, and thinking I was going to advise on a number parts of the deal.

Anyway, the billionaire put ... this is kind of like series B rounds, it was like 30 million bucks into this thing, a lot more than they had planned to because I was so persuasive. As it turns out, although our take on the people part was pretty accurate, our irresponsible take on the other stuff wasn't. They lost 100% of the investment, and I felt horrible.

So I don't know what that translates into more broadly, but basically knowing your value in this world, and then being very comfortable playing your strengths and kind of being very careful if you're going to go outside of your lane of expertise was the lesson learned on that one.

Robert Glazer: That is a good one. And now you're going to give us the bonus one.

Geoff Smart: Yeah, the bonus one is, let's see here, hiring mistakes. There's a clear one I have in my mind, and I'll share it now. So I think we have a 95% hiring success rate within ghSMART-

Robert Glazer: Wow.

Geoff Smart: ... over the last 20 years, so super high, but 95 isn't 100, so yeah, I mean, we definitely have made hiring mistakes. So here is one. We have a teamwork culture, team, team, team. We love teams, we have client teams, we team together, we're very communicative, and very team-y. And we hired a lone ranger. So we hired someone who wasn't a team oriented person. We worked the process, lots of data, and they had performed very well. But the way that they had performed, I missed it. The way they had been successful was to be an individual expert, and they were not very good at communicating with peers or others on the team.

For example, one of my colleagues set up a lunch for this new person to meet some clients in their geography, and the new person no-showed the lunch. Like, just didn't show, stood up the client and my colleague, and didn't even apologize for it. So we had realized that we had a gap, actually, in our reference script, which was that we weren't getting as much input from peers. O while this person really sucked up well to clients and bosses, and they leveraged junior people pretty well, they had a big gap in their peer relationships that we really didn't pick up as well as we could in the interviews or in the references.

So since then, we plugged it with more how would your peer rate you, give me some peers to talk to, that kind of thing. But that was really painful, because what we found was this person really wouldn't be willing to invest in peer relationships, and therefore wouldn't be successful at our firm. So they lasted

six weeks, and then we just said, "Hey look, you really seem to like working solo, and we're a team oriented place. Why don't you go work solo? And that's probably going to be a better match for you." And they agreed, and went.

One of our clients in Southeast Asia said we released their soul into the economy. And they did fine. And again, it's all back to fit. But yeah, that one, I felt like I was personally responsible for that one, I had missed it in the interviews, and hadn't talked to any peers.

Robert Glazer: All right, well those are both very good. I think there's a lot people could take from both of those stories. Well, how can people get ahold of you and your work and your company?

Geoff Smart: Yeah, so geoffsmart.com is my website that has a bunch of free tools, and interview guides, and scorecard templates on it. So -E-O-F-F-S-M-A-R-T.com is my personal author website, which has goodies that folks can get for free. And that's for our Who book, Power Score, and Leadocracy. My colleagues also have a book that just came out a year and a half ago called The CEO Nextdoor, which is about how to become and succeed as CEO. So all of our book content and free templates are available there for folks.

Robert Glazer: Okay, great. Geoff, thanks for sharing some time with us today, and your story.

Geoff Smart: Pleasure.

Robert Glazer: I have gotten a ton out of your work, and it's been a huge part of how we've improved our hiring culture at Acceleration Partners, so I hope our listeners will enjoy the same, and appreciate you spending some time with us.

Geoff Smart: It's a pleasure. Thanks so much, Bob.

Robert Glazer: All right, to our listeners, thanks for tuning in to the Elevate podcast. We'll include links to Geoff and his books on the detailed episode page at robertglazer.com. If you enjoyed today's episode, I'd really appreciate if you could leave us a review because it helps new users discover the show. If you're listening on Apple Podcasts, you can just select the Library icon, click on Elevate, scroll down to the bottom, and leave your review. It's that easy, I promise. It only takes a few seconds, and would be much appreciated. Thanks again for your support. Until next time, keep elevating.