

> The Art of Referencing

There's universal agreement that diet and exercise are the key to good health, but few people have the discipline to change their habits. Similarly, everyone agrees that references are critically important to the hiring process, yet very few people do them in a serious way.

Effective referencing requires hard work, good judgment and an open mind. Improving the quality of referencing is the single most important step managers can take to improve the quality of new hires.

Here's an example of what happens when references are neglected. Recently I met the CEO of a mid-sized private company to discuss the search for a vice-president. He had just fired the incumbent, who had been in place less than one month. Her tactless style and desire to make big changes before she understood the company's operations made her continued employment impossible. "I don't know how she could have been so different from her references," he told me. "All three of them were excellent." No wonder he had not uncovered any negatives – he had spoken to only three people, and it's likely they were superficial conversations. He hadn't begun to scratch the surface of proper due diligence.

Why References Matter

Why are references so important? Consider that everything you learn in an interview comes from the candidate, and as such it's inherently one dimensional and self-interested. To develop a deeper and more nuanced portrait of the candidate as a worker and person, you must fill out the picture with third-party testimony. References provide a unique opportunity to learn about candidates from a wide variety of former bosses, peers and subordinates.

References are essential for three reasons. First, on rare occasions referencing uncovers a fatal flaw that scuttles an offer. When that happens it averts disaster and saves the hiring company time, money, disruption and embarrassment. It also enables the hiring manager to avoid a potentially career limiting mistake.

Second, referencing helps hiring managers feel confident in their choice. The effects of this confidence are subtle but important. Every new employee experiences bumps

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in the road as she comes up to speed, and the inevitable rough patch sometimes causes the hiring manager to question his judgment and prematurely lose faith in the new executive. Referencing gives the hiring manager added confidence that he made the right decision.

Third, and most important of all, references give valuable information on how to manage the new executive once he comes on board. References from former bosses are especially helpful because they give a detailed picture of a candidate's accomplishments, working style, and strengths and weaknesses from a manager's perspective.

Building the Reference List

How many references are enough? There is no fixed number, but in most cases eight to ten is sufficient. It's

essential to include all former managers from the last ten years, plus former peers and former subordinates. This yields a comprehensive view of the candidate from all levels of the organization. Keep talking to people until you stop hearing new things and have built a consistent picture of the candidate as a manager, co-worker and subordinate.

In addition to candidate-supplied references, I recommend identifying references that are not on the candidate's list. This helps ensure you're getting beyond the candidate's hand picked choices. Tell candidates you plan to do this and request permission. This is a courtesy, but it also gives them an opportunity to flag people who might be sensitive (for example, a former co-worker who's a close friend of the candidate's current boss).

Keep talking to people until you stop hearing new things

Phrase the question like this: "I'd like to source some references of my own. Is there anyone you don't want me to talk to?" In my years of recruiting no one has ever said no.

Here's a typical referencing scenario. In a recent case I spoke to eleven references on a candidate. The candidate supplied seven names, and the others were people I found on my own. All told I spent about five hours on the phone, and another four hours writing up a report summarizing the discussions and my conclusions. The result was a portrait of an outstanding executive. It helped my client feel confident he had made a sound choice, and gave him useful information on how to manage the new executive effectively.

Preparing for Calls

Once you have a list of references, you are ready to start talking to people. However, before you pick up the phone, take a few minutes to think through your goals.

After multiple interviews with the candidate, it should be easy to identify key issues that you and others would like to explore in depth. Starting from that foundation, build a list of questions. View these questions as a guide, not a script. Be prepared to take the conversation wherever the reference leads you, because quite often they'll take you into unexpected territory. I once spoke to a reference who gave a glowing report on a candidate, then added "We were all sure he would become CEO until that matter with the SEC." It was a surprise and sent the conversation in a completely new direction.

If you're the hiring manager, it makes sense to get some assistance from someone who's expert in referencing. If you have a senior level human resources executive or executive search consultant working with you, they should handle the majority of the references. That ensures a thorough job, and also frees you from several hours of work.

Even when you have help from an expert, you should do several key references yourself. I advise my clients to speak to the candidate's two or three most recent managers, since they're the ones who can provide the best perspective on strengths and weaknesses, along with advice on how to manage the candidate.

The Reference Call

I'm often asked if references can be relied on to provide a realistic view of a candidate. The answer is yes, provided you talk to enough of them and you conduct the calls with some skill. Here are some suggestions:

Set Expectations. Most references calls are a cursory affair in which the person calling for a reference is not really interested in learning anything. As a result, most of the people you call will be looking for signals on how much you want to hear. A simple statement like "Thanks so much for taking time to talk. This is a critical hire for us and we take references very seriously" can help to set expectations.

Dictate the Pace. You'll be calling very busy people. Don't allow yourself to be rushed—it's important that you determine the pace and do a thorough job. A typical call takes 20 to 30 minutes, and some take longer. If the

reference runs out of time, schedule a follow up phone call.

Get Them to Relax. If you're cold and formal on the phone, no one will want to help you. Be friendly and help the reference to relax. If you're likeable, there's a much greater chance they'll be open. Break the ice with simple questions that provide context on their work together, and move on from there.

Listen. Sometimes hiring managers are so enamored with a candidate they overlook subtle red flags. Be open to bad news or you might not hear it when offered. Listen carefully to what's said and unsaid, be prepared for surprises, and follow up when references suggest new lines of questioning.

Be Persistent. Some references will give you a frank appraisal without prodding, but others will hold back. Press for real answers. Unwillingness to speak openly about a candidate raises new questions you need to explore.

Probe. References tend to couch negative comments in the best possible light. Ask plenty of follow up questions to be sure you understand what the reference really means. Sometimes a simple comment like "He's very self-assured" really means, "He's an egomaniac."

When Necessary, Be Provocative. If the description you're hearing is flawless, it may help to show what you already know by bringing up negatives mentioned by other references. For example, "Another reference said a couple of his subordinates didn't like him and wanted to get out of his group. Did you see that?" or "Another reference told me his strategic thinking is weak. What do you think?" This almost always prompts the reference to be more forthcoming.

Ask About Unknowns. You don't know what you don't know. I like to end references calls by asking "Is there anything I should have asked you about, but didn't?" Usually the question is a throwaway, but sometimes it uncovers something new and unexpected. For example, one reference answered, "Yes. Her writing is terrible. It was a problem in our company culture, so I made sure she had an assistant to help edit her written communications."

Most people will respond to your request for a reference quickly because they want to help the candidate. When they don't, it's a bad sign, and usually signals they aren't eager to talk. When you get these references on the phone, dig deeply.

Very rarely, a reference will refuse to talk and cite a company policy that prohibits employee references. Unless you have been unlucky enough to find a champion bureaucrat, that excuse is always cover to avoid giving a bad reference. While it's true that some companies have policies that prohibit referencing, they are universally ignored. Supplying and receiving references is an age-old professional courtesy, and refusing a reference is equivalent to giving a bad one.

When you're done, evaluate what you've learned. Document the references and discuss them with other key players who are involved in the hire. Your colleagues will benefit from what you've learned, and your thorough approach will put to rest any lingering concerns about the candidate and set the stage for his successful entry into the company.

Common Mistakes

There are three common problems that I see again and again. If you're aware of these before you start the process, you have a far better chance of avoiding them.

First and foremost, many hiring managers make up their minds before they do references. They don't want to learn anything that contradicts their preconceptions, so they treat the process as a formality. If this is your approach referencing will be useless. You must engage in a serious process and keep an open mind, or you're certain to miss the subtle comments that lead to the greatest insights.

Second, most hiring managers don't talk to enough people. Three or four references are grossly inadequate. You have to keep talking to people and pulling on loose ends until you stop hearing new things. In this way you will build a complete and nuanced picture of a candidate.

Third, many hiring managers think uncovering negative things is bad, but that couldn't be further from the truth. You need to know the strengths and weaknesses of the

person you're hiring. No one is perfect, and thorough referencing will always highlight weaknesses along with strengths. Unless your candidate is Jesus, the Buddha, or some other deity, the person has flaws. Not finding any is a sign you are doing a bad job.

Conclusion

Raising the bar on references is a simple step that will dramatically improve the quality of your hires and help you avoid costly mistakes. Referencing is time consuming, but there are few activities in business that yield such a rich return for the time and effort invested. >

About the Author

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