



Inside out

When it comes to making a hire, cast the widest net

BY DONALEE MOULTON

FOR A SUCCESSION plan to work, the best people must be in place when new leadership is required to run the business. The time to hire those people is well before they're actually needed to move into a key position. Experts agree that finding those people means looking inward to existing staff and outward to new people unknown to the company.

There's strength in numbers, says Jordan Rodney, an employment lawyer and president of MaxPeoplePerform, a human resources firm in Toronto.

"When you're recruiting, you don't want to hire from a small talent pool," says Rodney. "You want to cast your net as far as possible."

Not everyone will be pleased with the breadth and depth of your search. Existing employees, in particular, may resent being passed over for someone from the outside. It's a natural reaction that employers should anticipate, and mitigate. If the feelings fester, and especially if the organization gets

a reputation for not promoting its people, the result may be disgruntled employees who opt to look for work elsewhere. "Those that wish to advance their career and be promoted can become disengaged and may be at risk of leaving the organization if they feel they are being passed over for promotion," says Kim Brewer, director of talent management with KPMG Canada in Toronto.

They may not be alone in their dissatisfaction. "Staff who feel that their colleagues are being passed over for promotion may feel the same disengagement and may also be at risk of leaving," Brewer adds.

Attracting talent from outside the organization is generally less fraught with perception problems regarding hiring and promotion.

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ment often makes an organization more attractive,” Brewer says.

In fact, it may be difficult for external candidates to even reach a conclusion about internal promotion opportunities.

“You need inside knowledge to conclude that,” notes Rodney. However, he said, employers should be prepared to answer one critical question. “If an employee is joining the company, they will want to know what the growth opportunities are.”

In a job interview, they will ask about those opportunities. But few candidates today will wait for an interview to find out what they want to know about a prospective employer. They’ll comb through the organization’s website looking for policies related to hiring and promotion. They’ll read management bios to see who has worked their way up through the firm, and they will reach out to current and former employees via social media to get details only those who work for a company will have.

“This is a retention and attraction issue,” says Shana French, an employment lawyer with Sherrard Kuzz in Toronto. “People are not going to go somewhere where they think their career is going to die.”

For organizations, hiring from within or without is often a matter of organizational culture, with pros and cons to each approach. Successful employers recognize the investment they

have made in their current employees and they want to enhance their return on investment. On the other hand, employers also understand the need for fresh blood and new perspectives to keep their organization innovative and productive. The key question is which approach best reflects the type of enterprise you are and that you want to be.

“Balance is the best recipe for success,” says French.

Indeed, it is essential. Despite best intentions and even best wishes, there may be no internal candidate that is a good fit for an important job vacancy, and wishing will not make it so. Too often in succession planning, Rodney notes, “companies look at their current staff and try to fit them into positions. That is a mistake. You need to look at current structure and future structure. You can’t force people into boxes.”

While it is important to recognize how employees may react if they feel their employer passes over internal candidates for key jobs, hiring from outside the current employee roster can also send a positive and important message to staff. When a new employee is seen to be accomplished and qualified, employees may strive harder to be seen as equally talented.

“When you cast your net wide, you raise the bar in performance,” Rodney says.



Two factors take centre stage when it comes to reassuring staff they are valued even when outside hires are selected over internal candidates. From the outset, openness in the hiring process is essential.

“The first step in transparency is to post the role so that internal staff can understand the competencies and experience required to be successful in the role,” notes Brewer.

For new job opportunities, including those central to an effective succession plan, employers should announce the opening and encourage interested individuals to speak with their managers or someone in the HR department. When individuals are qualified, they can be honestly encouraged to compete. When they aren’t qualified, they need to understand why.

“Be open about what competencies and experience they require, and put a plan in action to allow them to gain the competencies and experiences required to obtain the role in the future,” says Brewer.

A sense of obligation, camaraderie, or even friendship may motivate managers to lead internal candidates, even inadvertently, into thinking they have a shot at a job that is outside their grasp. This is a slippery and dangerous slope. Ultimately, no one wins.

“The worst thing companies can do is encourage internal candidates to apply but not really intend to hire them,” says Rodney. “Explain to staff what they need to be the successful candidate down the road.”

If you opt not to post the job internally at all, in the knowledge there are no qualified candidates, it’s crucial to discuss this frankly with staff to demonstrate the reasonableness of the decision. For example, if an accounting designation is necessary for the new role and no employee has it, potential candidates and their colleagues will understand why an outside search was the only viable option. To make this insight

less fractious, offer to help interested employees obtain their accounting designation over time.

The second critical factor in creating a more positive response to any new hire is ensuring a fair hiring process is in place. Openness plays a role here as well.

“Any time you have a competition, it is important to demonstrate the objective criteria under which you conducted that competition,” says French. “Without transparent communication, those who are not promoted can easily conclude that the bar is too high or that they belong to an organization that will not promote from within.”

Document the steps in the hiring process so that it will be seen to be fair and unbiased. For example, it is important to ensure all candidates have access to the same information about the role and that interviews are structured to remove biases.

“You can do this by asking each candidate the same set of questions, scoring the questions on a scale, having multiple interviewers, and ensuring all interview questions are relevant to the job criteria,” says Brewer.

Outside of ensuring the process meets legal requirements, employers have free rein to hire whomever they choose.

“There is no law that would require an employer to prefer internal candidates and no limit on who



they choose to hire, so long as they do not breach human rights legislation,” says Stuart Rudner, a founding partner of Rudner MacDonald, a boutique law firm in Toronto specializing in employment law.

Union contracts and company policies may also constrain hiring options. The latter are optional and companies will want to ensure any hiring-related policies have flexibility built in. For instance, while stating that preference is given to internal candidates may boost morale, it may also not be the best approach to running a company or putting a succession plan in place. French recommends softening the promise with language like “at the employer’s discretion.”

“Think forward when implementing a policy like this,” she says. “If you feel the need to make the commitment to your internal team, give yourself some leeway.”

Ultimately, most employees are looking for a place where they can grow and develop, and promotion is one aspect. However, if moving up the ladder isn’t an option, employers can provide other opportunities. Lateral moves are often an excellent way to bring new ideas to the company while enhancing employees’ skills.

“You’re rounding out their background,” notes Rodney. “You’re giving them depth instead of breadth.”

Developing a mentoring program is also an excellent way to reaffirm your commitment to existing staff while developing the skill set your organization will need down the road.

“It buys you time to develop people, but it also says you are willing to invest in people,” Rodney says. “That option will keep people engaged in an organization.”

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