Job Description Stakeholder Analysis: Impact on Valid Hiring

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***ABSTRACT* – This is a practitioner-oriented conceptual piece on the role of job descriptions in the talent management system of post-industrial companies. Suggestions for future research are provided.**

Job descriptions are the fundamental building block for such critical talent management systems as hiring, compensation, succession planning, coaching, and training. These critical internal applications require that job descriptions be valid and complete.

This paper argues that job description stake holder analysis will bias the documents in the direction of accentuating the positive/eliminate the negative.

And biased job descriptions have negative consequences for talent management systems. This article focuses on recruitment.

KEYWORDS: Human Resources, Organization Behavior, Talent Management, Recruitment.

Beginning in the 1950's in the United States, efforts were made to rationalize critical talent management decisions through the use of formal job descriptions. Organizations such as the National Metal Trades, the American Association for Industrial Management, and Hay Associates created standardized job descriptions that were used for to provide standardization for external compensation comparisons. (Wilson, 2003).

Many of these systems have now been adopted by other countries.

Job descriptions and the job postings summarized from such descriptions are the core building block for critical in-house talent management systems such as recruitment, compensation, succession planning, coaching, and training.

Stakeholder Analysis of Job Descriptions.

These critical internal uses of job descriptions require that documents be both valid and complete.

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But job descriptions are public information. Job postings based on summaries of job descriptions are public information.

Actors with easy access to such documents include competitors, customers, lenders, and investors.

Corporate officials responsible for managing the company's public image have a responsibility to portray the company in the most favorable light.

It is proposed that stakeholder power distribution within companies is not evenly balanced: the needs of corporate officials who focus on external corporate relations are more important than the needs of corporate officials who focus on internal talent management. The result is a bias in job descriptions to accentuate the positive/eliminate the negative.

EXAMPLE

I reviewed the first 24 chief financial officer positions reporting to the CEO that appeared in a monster.com search appearing November 29, 2009 using the keywords "Chief Financial Officer." Of the 24 job descriptions reviewed, six (25%) of the job descriptions specifically portrayed the opportunity as one of managing growth ("aggressively growing," "significant growth over the next 1-3 years."). Three defined the job as a raw start-up. The remaining 15 (63%) were silent or vague regarding leadership context. It appears that none of these 24 jobs have any problem issues or dilemmas.

This simple analysis can be replicated in other functions and industries to see if it is valid.

The hypothesis is that complete information would focus on what needs to be changed, preserved/honored, and avoided in the role. But job descriptions will tend to focus only on changes to be made. And the changes will be presented in a positive-oriented light.

THE LEADERSHIP MANDATE: WHAT NEEDS TO BE CHANGED, HONORED/BACK BURNERED, AND AVOIDED?

If job descriptions are biased towards the positive, what happens when talent is hired based on job interviews using the incomplete job description as the job interview framework?

This issue may be trivial with mature and stable companies. Those conducting the interview often know the "real" issues regardless of what the document states. But what about rapidly growing companies? During times of rapid growth, people frequently interview candidates when they themselves poorly understand where particular jobs will be heading in the future. In rapidly growing companies, today already is history.

CREATE TWO DOCUMENTS

When we conduct a retained search, we create two documents. The first is the traditional job description that focuses on positive change that needs to be made. And the second document is called the Leadership Mandate.

The job description is the one that is advertised. It is used to screen first round candidates. The Leadership Mandate will be verbally described to the final two finalists. This is the document that will frame the final interviews. By calling the documents two different names and not providing candidates copies of the Leadership Mandate, we protect the company against charges of fraud. For risk management purposes, we also wish to not make it easy to circulate the Leadership Mandate to competitors.

The Leadership Mandate would, however, be given to the successful candidate and would be the basis upon which the corporate on-boarding program is conducted.

The Leadership Job Mandate is essentially a standard job description with the addition of three new sections: Change, Honor, and Avoid.

1. Change

What is to Be Changed in the Next 90-120 Days. Change involves business processes, technology, and people/culture. We focus on 90 days because of the condensed time frames associated with rapidly growing companies.

2. Honor/Back Burner

What is to Be Honored in the Next 90-120 Days? "Honor" refers to factors core to the unique success of the company. This also involves business processes, technology, and people/culture.

We differentiate "Honored" as a factor critical to the organization's success versus "Back Burnered" as an issue that does not require critical attention over the next 90-120 days. It is an issue but not a critical one right now.

3. Avoid

What is to Be Avoided at All Costs in the Next 90-120 Days. This is the most difficult section to complete since hiring managers love to tell candidates that they will have "carte blanche" to make necessary changes.

Most newly hired leaders quickly learn that "carte blanche" is a cliché' without real meaning.

A second problem is that scientific/technology companies like to say, "We are a company in the pursuit of great technology. Nothing is off-limits." When we hear such a phrase, we know we have a problem: the taboo subject is the unwillingness to confront the fact that the company has taboos at all. For example, in the 1970's, Wang Labs of Boston made a significant bet that dedicated word processors with proprietary Wang operating systems would be more attractive to companies than multi-purpose personal computers with open operating systems. The unwillingness of the entrepreneur/founder to have that faith open for full discussion was the taboo that could not be discussed. The leader's unwillingness to deal with the issue ultimately destroyed a once thriving company. Every company has its taboos. The only question whether the taboos are open for discussion or must be kept quiet.

TWO EXAMPLES

Company A. is a rapidly growing privately held company where the founder will assume the role of Chairman of the Board. The Board seeks a new CEO. The job description talks about all the great opportunities the new CEO will have to chart a new path. But that is only what the job description states. In reality, the Founder considers the company "his" baby. He will only accept business process changes at the margins. He will oppose key strategic changes and changes in corporate culture. The founder is 51% owner of the company, and the Board was hand-picked by the founder. Anyone who seeks a CEO role in this company based on the invalid job description is doomed to fail. And most Founders will tell candidates they have "carte blanche."

Company B is a rapidly growing privately held company where the founder will assume the role of Chairman of the Board. The Board seeks a new CEO. The job description talks about all the great opportunities the new CEO will have to chart a new path. In conversations with the founder, it is clear that the company is "his" baby and he will only accept business process changes at the margins. He will oppose key strategic changes and changes in corporate culture. He has 49% equity stake in the company. But the Board has informed the CEO that it intends to buy him out and have him depart the Board within six months. The Board wishes to send a message to potential acquirers that the company has outgrown its founder. The Board wishes to position the company for acquisition. The Job Descriptions for Company A and

Company B might look the same. But the Leadership Mandate might look quite different.

JOB DESCRIPTIONS VERSUS LEADERSHIP MANDATES

Political stakeholder analysis suggests that job descriptions are written for both external and internal audiences. The needs of externally focused actors trump the needs of internally focused actors. Writing two hiring documents is a burden but it recognizes the conflicting constituencies that will review the core document called the corporate job description.

This technique helps to advance the goal of making these conflicts discussable and provides a practical way of dealing with them.

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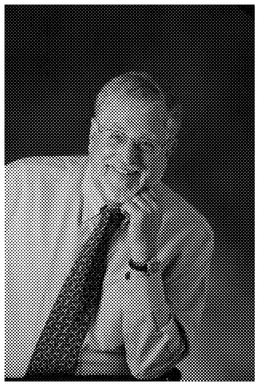

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