An Interview Is More Than a Social Call

By ADAM BRYANT

This interview with Marc Cenedella, founder and C.E.O. of TheLadders.com, a job search site, was conducted and condensed by Adam Bryant.

Q. Tell me about the first time you were a manager.

A. That was at HotJobs. I’d been at a private equity firm for two years before that, and I inherited a staff of 10 during the dot-com boom, and I learned a whole host of lessons that first year on the job. All of the errors you make as a first-year manager, I made them.

Q. Give me a couple of examples.

A. Not setting expectations, not building relationships first. I’d come out of private equity where it’s about deals. In an operating company, that doesn’t really work.

Q. Where did you go from HotJobs?

A. After we sold HotJobs to Yahoo, I ended up taking six months off and traveled literally around the globe. I thought a lot about what my experience had been and the way I was managed, and what was good or bad about how the company was managed.

Q. What was your approach when you started TheLadders seven years ago?

A. It became a matter of figuring out how to build a team and share with them what inspired me to start the company. There’s a quote from the French writer Antoine de Saint-Exupéry that really spoke to me. It says, “If you want to build a ship, don’t drum up the men to gather wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea.”

So the management style that I have is first, share your passion. Explain to people why it’s an exciting idea and how they can be involved in it. In an entrepreneurial business, the most important thing, the thing that creates the most excitement and value and interest in the business is the big picture — where are we going. You can destroy little bits of it by all these little errors that you make. But if you fix all of them and you don’t have the big picture, then you’re never going to get there. Really engaging people in that big picture is way more important, I think, to success.

So I’ve learned to do the big-picture stuff, and I can be really great at the analytics — sitting down and running the numbers. What I’ve had to learn over time is the middle part about, O.K., how do you build a team? How do you assign a team to do something? How do you give them enough rope to be successful, and when do you take it back? The middle part has been trial and error for me.
Q. Talk more about that.

A. At 30 employees, you can kind of still be an entrepreneur and see everybody and bark out orders. Beyond that you really can’t, so you have to decide, “Hey, is this what I want to do?” There are many serial entrepreneurs and they go on to the next thing and that’s great. For me, this is something I want to be involved with for my life. And if I’m going to be the manager, I ought to learn more about managing.

Q. How did you learn to do it?

A. Getting a coach is the best thing that you can do. I’ve done four years with two different coaches, and it is just fantastic. There’s what you say and there’s what people hear, and the gap between those two is sometimes enormous. What really matters is what people hear, not what you say.

Being a manager also isn’t about trying to become perfect. You’re not going to stop making errors. But it’s about having a mature appreciation for the fact that you’re a flawed human being. Probably everyone around you is a flawed human being. What are your flaws and how are you going to manage around them? What are your strengths? How are you going to optimize those?

I also learned a good trick, which is to ask somebody, “How are you doing?” They’ll usually say, “Good.” And I’ll say, “No, no, really. How are you doing?” And they’ll answer, “Good.” But then I’ll say, “Tell me what would you say if you weren’t doing good? How would you express that to me?” And then they tell you things. It’s partly little tactics, but the more important part is making it clear that you want to hear what they have to say.

Q. How else has your management style evolved, particularly as the company has grown?

A. For me, the demarcation lines have been 120 employees and 360 employees.

Q. How so?

A. Let me say something that’s going to sound surprising. As C.E.O. today, I actually can’t get anything done. So if I have a really good idea and I go tell people, “Hey, you have to go do this,” or I impose it on them, people wonder, what does he really mean? It’s open to so much misinterpretation and confusion that actually you’re doing more harm for the organization than you are good.

So the job of the C.E.O. becomes, “Hey everybody, what are everybody’s good ideas? O.K., and what’s yours? That’s awesome. What do you think of that? Hmm, now anybody have a different view?”

I came out of Harvard Business School and the case study method, where the professor speaks 10 percent of the time, and the students do the rest. It’s tremendously valuable in business in general. You’ll get better answers than if you, the C.E.O., try to come up with ideas and impose them. You actually get better work out of folks as a result.

Q. What else do you do at the company to set the tone you want?
A. When we do something good, we come together and we celebrate. In baseball, a guy hits a home run, goes around the bases, and all his teammates come out and they give him a high five, and that's awesome. And then every time somebody hits a home run, they do that.

In business, people tend not to do that enough, so when we achieve a goal, we have to go celebrate. And there are two reasons why we need to do that. As human beings, we're not emotionally and anthropologically different from who we were on the plains of Africa 100,000 years ago. We need to feel that hey, I'm in a community.

The second reason is that out of everything that I could be focused on in a year, the thing that gets rewarded with a party will be the thing that I really focus on. So I'll tell everyone, if we hit this mark or we hit that mark, we're having a party. Then it's been concretely expressed to the employees that that must be the important thing. So it's a way to double and triple underline the really important goal.

Q. What about when you were younger? What were some leadership lessons from that time?

A. Having to work through college and then waiting tables my last two years of school was hugely helpful for me in terms of understanding that O.K., maybe theoretically you delivered the plate on time, and maybe theoretically you did what was right. But at the end of the day what mattered were the tips and how happy people were and how much you entertained them or didn't depending on what they were looking for. That's what's important.

Then I moved to San Diego and worked for a couple other companies and started my own business. Coming out of college I wouldn't have had the capabilities or the skills or the guts to go do a lot of the stuff that I've done recently. So putting myself in a position where you either fail or you win on your own was really important to me. I think you have to learn how to lead yourself first before you can lead others.

Q. How do you hire?

A. We use the "topgrading" system by Geoff Smart. It says that the "How are you doing?" interview has about a 50 percent chance of success. That kind of interview is just a social call, right? You're not actually seeking to find out anything about somebody's performance. All you're talking about is vague generalities.

In this method, the structure is more, "What have you done in the past relative to what this job needs?" So if I'm hiring a direct report, we'll have four people plus one person from H.R. in the interview committee. We'll sit down first and say, there are 51 different areas that could be important that we're looking for in somebody — a good coach, analyst, public speaker, all these different areas that could be important. We have to pick six, and it's really interesting to have these discussions with your colleagues. In some cases it turns out that everybody's got a different six, and that's a problem.

Once you decide on the six characteristics that are most important for the particular job you're trying to fill, then there's a series of questions for each one, always focused on past performance. It's no guarantee of future performance, but it's the best predictor.

Q. What's an effective question that you use in most interviews?

A. What's the best and worst career advice you've been given in your career? That gets to the underlying point about what people think is important. The best career advice part gets to what they think is important; worst career advice kind of tells you whether the person is
trying to snow you. I want to know if you're trying to snow me under the stress of the interview and try to tell me things that you know aren't true — that you don't make bad decisions, that you haven't gotten any bad career advice, that type of stuff.

The point is that the interview is uncomfortable, but so are budget review meetings and so are a lot of meetings in day-to-day life. We're not a bunch of perfect people who work together. We're all people with flaws. I want to know if you're somebody who feels comfortable enough to talk about dumb things that you've done or dumb advice that you've taken. Phrasing it in the form of, "Hey, what's the worst advice you got?" at least gives you a half-step of distance to it. It tells you something about the character of the person.

Q. What's the best question people should ask in an interview?

A. When they ask you, "Hey, do you have any more questions?" ask them, "How do I help you get a gold star in your review next year?"
The person who's interviewing you had to go through a lot of effort to get this opening, particularly in this economy. Be empathetic and realize that they are hoping that this position is going to make their life better. Ask them how you can be a part of that.

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