



Taking the blinkers off

Making a case for hiring from outside the sector

February 2024

Introduction

For many of our clients within the housing sector, recruiting a candidate with some prior industry experience is preferable to appointing someone from outside the sector. It is easier to believe that this specific knowledge is a prerequisite for success, and that candidates without this insight present an unnecessary risk.

With it becoming increasingly competitive to recruit top talent however, procuring the right talent may mean casting a much wider net – and that may mean shifting the focus away from direct industry expertise, and towards bringing in new perspectives from outside the industry.



The benefits of fresh perspectives

It is now generally accepted that diversity of thought is good for innovation, problem-solving, governance and profitability – and that can of course go beyond difference in gender, race or cultural background. If you have people in a room with the same experiences, you're much more likely to encounter stagnant ideas. Because 'that's the way we've always done it' in our industry.

But with every industry facing the threat of disruption, 'soft skills' are becoming increasingly important. Today, customer experience in most organisations trumps everything – with so many within the sector now looking at adjacent industries in order to build more diverse leadership teams.

Empathy, critical thinking and creative problem-solving abilities can be found in any sector.

Within the housing sector, customer insight and appreciation may even be a more valuable skillset than industry expertise. We are seeing this more and more within the sector – in an ever more competitive market, an increased 'battle' for customer experience and loyalty. From energy providers to financial services firms, every organisation is fighting to attract and retain customers – and that means they need professionals who can understand and speak to the customer whilst seeking new opportunities for innovation.

At **Andersen James Group**, we support hiring needs by assessing applicants for the competencies, traits and experience required to succeed at particular roles. It is important to look for evidence of leadership, an ability to think outside the box, resilience and adaptability. In many cases, people with these traits will be just as likely to forge ahead as someone who's more familiar with your industry.

If you avoid the risk of diverse hiring by sticking to industry experience as a 'must', other high-stake risks to the business could arise. **Here are three ways to overcome the potential risk, and open up to diverse thinking:**

1. Involve your leadership team

When you include leaders in the recruitment process, you provide transparency about the value the candidate will bring – as well as any skill or knowledge gaps that may require additional support.

A future manager can then plan how to get the new hire up to speed faster, and by setting clear expectations reduce the likelihood of frustration if results are not immediate. It will also take the pressure off the recruitment team by sharing the accountability for the decision.

2. Make the most of the recruitment process

During the recruitment process, assessments and interviews help provide a full picture of candidates, including their personality and how they might perform within your business. This can help you identify any gaps. Rather than seeing these as cause for concern, these are areas to be addressed through development.

This process will also give you the confidence to back your decision, and incorporate different initiatives as part of your new hire's induction and personal development plan – further ensuring they have every chance of success.

3. Revisit the brief

Before you come to a final decision to hire a candidate from the same industry, it's important to stop and revisit your brief. What are the objectives? Are we drifting away from the original brief? If so, why? What changed? Are concerns about the risk of a diverse hire creeping in?

Take time to reflect on the candidates you've interviewed and step back from the short-term pressures to look at the long-term goals and objectives. This will give you the confidence to make the right decision.



“Cross-industry hiring: empathy, critical thinking and creative problem-solving are abilities that can be found in any sector”

Cross-industry hiring is also increasingly imperative in regional areas with relatively small talent pools. And for larger organisations that operate a portfolio of businesses or operate across vertical supply chains, leadership may need to come from outside the core business.

Why should the next CFO or CTO have to come from the housing sector, if their current business also (now) operates on customer experience and digital platforms? Perhaps a functional leader from a more customer centric and agile sector could potentially provide a much-needed competitive advantage.

However, while most leaders are now acutely aware of the benefits of a diverse team, we see many struggle to make the call at the end of the recruitment process. Diverse hiring still carries some risks.

Failure to launch

We're all familiar with the old proverb: time is money. The process of finding and hiring the right talent is already time-consuming. The idea it might take longer for a person from outside of the industry to get up to speed on the job will weigh heavily on hiring leads.

With shorter reporting cycles to boards and increased pressure on the leadership team to deliver, new hires are expected to hit the ground running and deliver quick wins. It may take someone unfamiliar with the industry slightly longer to start delivering real results.

But then again, it might not.



“Three things that can reduce risk in cross-industry hiring: involve your leaders, have a robust recruitment process and make sure you stick to the original brief.”

Hiring from outside your industry is an important step in building a more diverse workforce – and will position your organisation well in a world of disruption, skills shortages and fierce competition.

While the risk of bringing ‘outsiders’ on board is real, it may be easier to overcome than you might think. Through proper planning, setting realistic expectations and keeping your long-term goals in mind, you can also set your new hire up for success.

Our final thoughts on recruiting out of sector

One of the big advantages of recruiting out of sector is that you’re gaining a fresh pair of eyes, a new perspective. They’ll ask the questions that an industry veteran may be embarrassed, afraid or just not even think to ask.

Is someone who’s performed a similar role in a direct, or even indirect competitor, as likely to question your current processes, decisions, methodology or strategies as readily as somebody completely new to the industry?

As senior executives we ultimately want to improve **ourselves** and our **businesses**.

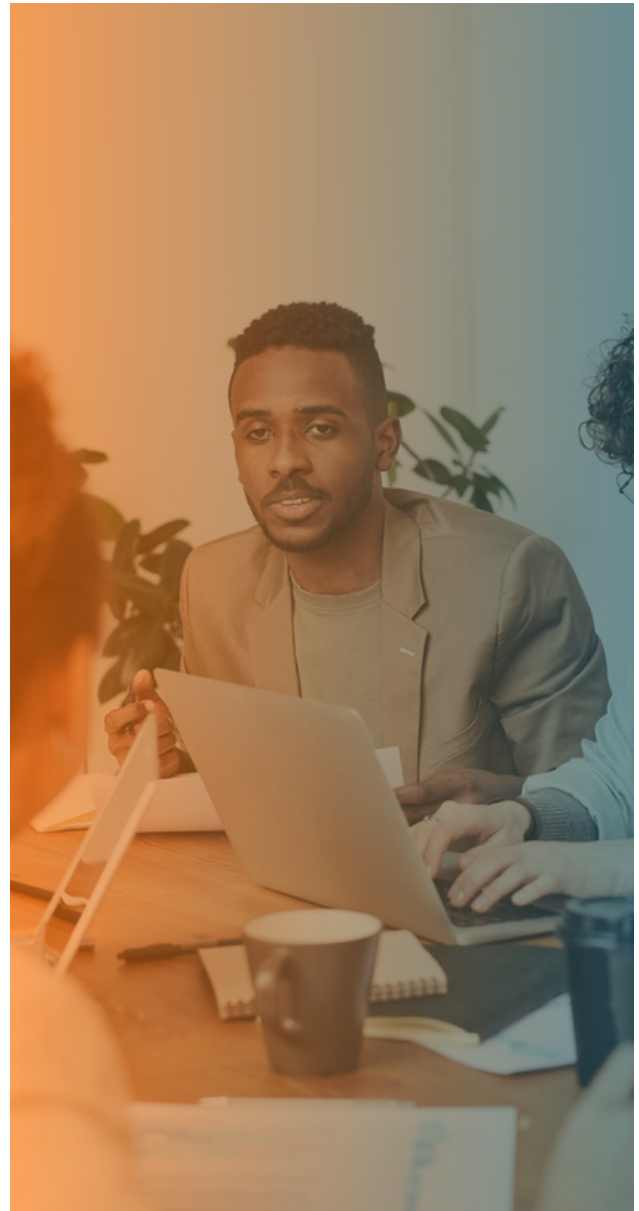
Would somebody from in sector, who already knows how things currently work, ask those awkward questions?

Could somebody with that fresh perspective apply what they’ve honed in another industry, and apply it to your organisation?

Is there the potential for new business opportunities as a result of that hire?

Would they take a look at problems from a new angle, see new opportunities and solutions, and provide you with a competitive advantage?

I’d definitely want to at least consider and explore those things, wouldn’t you?



If you would like to confidentially discuss how **Andersen James Group** could help shape your people agenda then please contact **Amy Corke** on **+44 7488 885238** or via **amyc@andersenjames.com**.