

A Cure for Poor Human Capital Decisions?

By John Boudreau

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Companies could borrow a page from "evidence-based medicine" to stop engaging in practices that scientific research shows don't work.

[Some organizations now rate hospitals](#) on "evidence-based medicine" practice, which means using "current best evidence in making decisions about the care of individual patients." Will organizations soon be rated on evidence-based approaches to people and management decisions? In the future, will managers tap data bases to answer practical questions such as, "What sort of job interview best predicts success?"

There is a large amount of scientifically-supported research about workplace behavior, but few managers are aware of it. That's a problem because leaders that know the research can make better decisions. The same problem afflicts the medical profession, but there are hopeful signs of progress. In fact, the example of evidence-based medicine may suggest a treatment program for poor management decisions.

Companies like Google and Microsoft hire the smartest candidates they can find, and are legendary for using interview questions like "Why are manhole covers round?" and "How many golf balls can you fit into an airplane?" In a recent [New York Times interview](#), Laszlo Bock, Google's Senior Vice President of People Operations admitted that an analysis of Google's own historical evidence showed such questions don't predict anything, and "serve primarily to make the interviewer feel smart." Google now encourages using "structured behavioral interviews," that ask all candidates a consistent set of job-related questions, such as "tell me about a time when you solved a really difficult analytical problem."

This story off Google's discovery made news in 2013, but decades of [research](#) already existed showing that structured interviews predict better. Yet, thousands of managers conduct job interviews with no idea about research on how to select better candidates. Shouldn't managers be able to access and use research like this?

Can management, like medicine, become more evidence-based? There are hopeful signs.

Don't feel too bad if your management practices are not yet evidence-based. [Evidence-based medicine](#) is still surprisingly rare. A [2005 New York Times article](#) noted scientific evidence often shows common medical practices don't work: "More than a half million Americans per year undergo arthroscopic surgery to correct osteoarthritis of the knee, at a cost of \$3 billion. Despite this, [studies show the surgery to be no better than sham knee surgery](#), in which surgeons "pretend" to do surgery while the patient is under light anesthesia. It is also no better than much cheaper, and much [less invasive, physical therapy](#)."

Centers like the [Centre for Evidence-Based Medicine at University of Oxford](#), now offer [classes and tools](#) to help physicians (1) Ask focused questions; (2) Find the evidence; (3) Critically appraise evidence quality; (4) Make a decision; (5) Evaluate the results; and (6) Design trials to conduct research. These six steps apply as well to decisions about human capital, but few organizations apply them consistently. If *physicians* fail to use the best research – when patient health or mortality is at stake – is it any wonder that organization *leaders* do too? [Jeffrey Pfeffer and Robert Sutton](#) show that organizations adopt untested management practices because high-performing organizations use them, or because they seem "logical."

How does an evidence-based movement begin?

In medicine, one catalyst was Archie Cochrane, a British physician, and a World War II prisoner of war for four years, starting in 1941. Caring for his fellow 20,000 prisoners in the Dulag of Salonika, Dr. Cochrane encountered "severe epidemics of typhoid, diphtheria, infections, jaundice, and sand-fly fever," and had only "a ramshackle hospital, some aspirin, some antacid, and some skin antiseptic." He expected "hundreds" of deaths, yet there were only four deaths and "three were due to gunshot wounds from the Germans." He concluded, "It demonstrated very clearly the relative unimportance of therapy in comparison with the recuperative power of the human body." Dr. Cochrane spent his life questioning the assumption that therapy is always necessary, and other widely-held beliefs about medical care. His 1979

essay asserted that medical decisions should be based on the best evidence, and that required systematically organizing the evidence in ways that physicians could actually use.

In 1979, he established the first collaborative effort to build the *Oxford Database of Perinatal Trials*, which compiled clinical research on perinatal care. That effort has grown into the [Cochrane Reviews](#), which engage a global network of experts to evaluate and summarize the best evidence – and present it in the form of answers to specific practical questions. Their recent Top 50 summaries included, [“does zinc help with the common cold”](#) (it does).

[Denise Rousseau](#), in a [2005 Academy of Management Presidential Address](#) called for an “evidence-based” movement in management, akin to medicine. She formed a collaborative that spawned a [Center for Evidence-Based Management](#) (CEBMA). (Full disclosure, I serve on the Advisory Council for CEBMA.) Like the Oxford Center in medicine, the CEBMA aspires to make managers more evidence-based. Cochrane-like reviews of management research are planned.

Evidence-based management can be a powerful treatment, but the history of medicine suggests it can be a hard pill to swallow. It’s not easy to rigorously test cherished (even if wrong-headed) beliefs. Evidence-based management demands commitment from human capital leaders. Yet, the more pivotal commitment is from leaders throughout the organization, and even investors, who encourage, demand and personally use evidence-based approaches. Leaders like you must support the nascent efforts to build communities and tools for evidence-based management. If job interviews can be “cured” with evidence-based thinking, imagine the payoff if more of your decisions were made that way. Improved physical health can start with the first steps in a regular exercise program.

Consider the “healthy habit” of asking, “Is there evidence that this works?” in your own management and human capital decisions.

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