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Week 5

Case Study

Hiring candidates for a job can have either an extreme positive impact on a company or bring them down a substantial amount. For a company whose employees work in a high stress environment, need to be overly committed to the job, and need the perfect personality to be able to succeed, SG Cowen had their work cut out for them in the hiring process. Other aspects of SG Cowen that makes hiring particularly imperative to them is their size and reputation internationally. Being an investment bank, that offers high intensity and high risk job, the people who recruit to fill these positions need to know what they are doing as well. SG Cowen is a company who commits extensive effort and thought into the recruitment and hiring process of new employees, for good reason.

SG Cowen’s previous strategic plan involved recruiting at the top ten Core Business Schools. Because JP Cowen is not as big of a name or looking for as many students to hire as other investment banks, this strategy did not work out the best for them. Instead of attracting the top of the class, that the other banks did, they usually ended up with students from the middle of the class. Rae Schoenberg developed a new strategy to improve their recruitment process. Rae decided that a better option would be to look at the top fifteen schools out of the top twenty-five. This give SG Cowen a better opportunity to recruit those that are in the top of the class. Despite initial negative reactions from higher up managers they eventually saw the positives that came from not recruiting from the top schools, because the quality of candidates worked out better in the long run (Vijayaraghavan). SG Cowen uses all of the parts of organizational human resource strategic planning.

JP Cowen takes part in hiring internally and externally. To begin with, they may hire people internally. They fulfill this by hiring those who were previously in analyst positions and promote them to associates, without having they completed business school. Another way they do this is hire their interns that were with them over the summer, after they complete two years of business school. After they fulfill the internal hiring positions they look at hiring externally. They do this by recruiting from the top fifteen out of twenty-five business schools. Rae Schoenberg and other team captains follow a process SG Cowen has come up with to fill the external positions.

Rae and his team were looking to hire a total of thirty associates. For their hiring forecast, they plan to hire half internally and the other half externally. They had already hired eight people from their summer associates program and promoted seven associates that had been there for three years. Having already hired fifteen internally, they were looking to hire fifteen more externally. Out of all of the external candidates, they had found thirteen they were hiring for sure and were debating on which two last candidates to hire to fulfil their hiring needs.

In order to recruit, as a part of their strategic plan, SG Cowen put much effort in to recruiting from the core business schools. In order to go about this, SG Cowen sends out what they call team captains to each school to give a presentation on the company and answer any questions that students, who may be potential candidates. SG Cowen would try to place Alumni from the school they were placed at to make a better connection with the students. As a part of the formal presentation there would also be an informal question and answer portion from many people from SG Cowen to answer any questions. They also offered the students who showed up the opportunity to call them and talk to them about an informational interview. This would give SG Cowen about the level of each students’ commitment and excitement about the potential position, as well as help the candidate better prepare for potential future interviews with the company.

After the informational portion, SG Cowen selects resumes. They look at resumes that were already submitted and the resumes from students who signed up saying they were interested in a job. At each core school they conduct the first rounds of interviews. Here they took notes on what they thought of each person they intervied. These interviews are important because this determines the candidates that will be brought to the final decision round of interview what SG Cowen calls “Super Saturday”. It is important for the team captains who are at the schools conducting the interviews to make smart choices. These candidates’ abilities and potential for hire reflect on the employees who decided they were worth bringing to “Super Saturday”. After the on campus interviews, the students that were selected are invited to the highly important and intensive day of interviews and decisions called accordingly “Super Saturday” (Vijayaraghavan).

The even began for them on Friday night be dinner, drinks, and a speech from the CEO of the company. This is one way for the interviewers to see how the candidates interacted with other people and their ability to hold conversations and other social aspects. The next day consists of five different interviews all around a half hour long. After all of these interviews came to a close all of the bankers sat together in a room to decide which ones they were to hire. Each candidate was presented on and most were solid yeses and no’s. However, the last few positions still needed to be filled.

The way SG Cowen goes about their hiring process has positives and negatives, just like any other company’s hiring process. To start with, one of their stronger points in their hiring process is having all of the steps that they have to hire. They have many different layers of their hiring process, this gives them the opportunity to make the correct decision and to encounter a potential employee numerous times before they hire them. Another positive is that they hire from internally and externally in an equal manner. This provides them with talent they know they have within the company and these individuals already know how the company works. It is also productive to have people from the outside in order to bring new talent and new ideas to the company so it can grow in the long run. Lastly, it works in the company’s favor to put actual employees of the company on these campuses in order to have a direct connection with the students. This not only advantages the company by seeing the faces of a few of their future employees it also gives the students a better understanding of the company and their willingness to reach out to them.

Looking at the other side of their strategy, there are also negatives to be found in their hiring process. The first would be the fact that they only stick to hiring from fifteen different schools. Although they are confident in the schools they hire from, they may be missing out on other potential candidates by sticking to hiring applicants form only the schools they stick to. In addition to this, the way each interview is conducted is generally in the same format. It would be beneficial for them to have a different format for each step of interviews. Instead of having interview and interviewee just at a table it would make sense to see them mingle at a cocktail party with other members of the company or having them in other settings to be able to have a broader view of how they act in real social situations. Finally, SG Cowen could provide those students who were not able to attendant the presentation and discussion on campus with an opportunity to be informed and catch up with the others who were able to attend and who even had the opportunity to set up an informative interview (Vijayaraghavan).

In order to improve their recruiting process, I would recommend first expanding their school networks. Although they seem to be happy with their fifteen schools and too many would be too difficult to keep track of, but expanding their market to looking at ten more or so they may have a wider market, and not miss out on employees. Another way they could improve their process is after looking at resumes and having a first round of interviews on campus, they could have those who moved on participate in a dinner party. Here they could meet other people involved in the company and the ones who are making the decision on who could hire would have a better opportunity to see how the candidates act in a public setting. It is hard to tell a whole lot about a person in a formal interview setting. Having different environments for the candidates to be in would show deeper into how they would relate to the company.

The first candidate they are looking at further is Natalya Godlewska. Natalya has a very impressive financial back ground and understanding of all things economics she preciously taught finance and worked for a company who developed software for Wall Street. She graduated at the top of her class in finance and continued to show this dedication to SG Cowen. She attended their presentation at Cornell and took advantage of the informational interviews SG Cowen offers to those students. Everyone was impressed with her knowledge on everything finance and had an attitude that was needed in the firm. However, a couple had reservations because of her culture conflicting with SG Cowen’s Culture. The second candidate to be looked at was Martin Street. Martin Street stood out to the interviews because of his leadership skills and his dynamic personality. He did not have much financial experience and is still currently going through classes, of which he couldn’t share his grades because of the policy in place with the school. They also are concerned that if they offer him the job he will not take it. The third is Ken Goldstein. Ken is a candidate that has a very impressive background at a previous company. He was promoted to manager and had many responsibilities to fulfil in that position. He managed many teams at once, came up with solutions to difficult problems, and resolved issues with clients. His references also gave him very good reviews. The reservation with Ken is they thought he might be too mature for the position. The last candidate they looked at was Andy Sanchez. Andy was an entrepreneur who started his own business and grew it to an amazing length throughout his college career. The interviewers enjoyed his personality and the fact he took every opportunity possible to connect with them before the Super Saturday interviews. The one concern for the interviewers was his GPA throughout his college career (Vijayaraghavan).

If I were to choose candidates for the Job I would choose Natalya Godlewska and Andy Sanchez. Natalya seems to fit what the company is looking for. She is extremely knowledgeable on finance and applying her abilities in a variety of ways. The fact that she graduated at the top of her class shows her persistence, hard work, and ability to make things happen. Although, her personality seemed dry to some, her can do attitude I believe would over shadow this factor. The fact that she is from a different country and is able to speak many languages will help her case and not hurt her. This trait proves her diversity and knowledge of the world, and not just the United States. In addition to this, the mental capabilities it takes to know more than one language may transition over to her abilities to be a diverse asset to them on the job. Looking at Andy, he showed extreme interest in the job leading up to Super Saturday. The people who were interviewing put a lot of emphasis on making sure the people they make a job offer to will take the job. Andy showed his dedication to the potential job opportunity. The way he created his own business and was committed to making it a success shows his potential to do the same at SG Cowen. The way the interviews responded to his personality so positively is also a sign that other people may respond the same way.

There were two instances where SG Cowen interviews discriminated against the candidates. The first instance was against the interviewers’ concern with Natalya. Some of them believed that because she did not speak perfect English customers would not respond as well to someone who did speak perfect English. In addition to this they thought her culture, Polish, would be a barrier with the company as well. This is illegal to not hire someone because of national background and her speaking abilities. The second instance is when they were discussing Ken Goldstein. Because they knew Ken had a wife and two young children, the interviewers were skeptical that he would be able to put in the amount of time and effort that the other new hires would be putting into the job. This is also an illegal factor to consider when looking at someone to hire. One cannot discriminate on being a parent or having a family and how this will affect their work ethic and commitment to the job.

Works Cited

Vijayaraghavan, Thomas J. DeLongVineeta. “SG Cowen: New Recruits.” *Harvard Business Review*, 13 May 2002, hbr.org/product/sg-cowen-new-recruits/402028-PDF-ENG.