

THE SIMPLE
PSYCHOLOGY OF
REAL ESTATE
RECRUITING



BEN HESS

WITH A INTRO BY MARK JOHNSON

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PREFACE: HOW TO READ THIS EBOOK

I've worked with Ben for over 17 years now, and I don't know anyone else who understands the psychology of recruiting and talent acquisition any better. Yet you and I know reading, watching, and attending a class is only the first step.

As I've worked with high-performing, broker owners and office leaders over the years, one theme comes to mind:

The knowledge you need to reach your dreams isn't going to track you down and force itself upon you.

To get the most from this eBook and elevate your business to the next level, please consider the following formula:

Apply, Commit, and Act!

STEP 1: SET YOUR INTENTION TO APPLY WISDOM.

Instead of just reading, set your intention ahead of time that you will apply the wisdom and knowledge you've learned to the reality you're living in.

- Ask yourself--what will I learn today?
- What new information can I bring into my life that will make a difference?
- How can I shift my mind-set from fixed to growth?
- Application = Growth

STEP 2: COMMIT TO LEARNING

Have you heard of the Learning Curve?

The Learning Curve is a theory that states memory retention is directly correlated to the number of repetitions performed. Spaced repetition is key here. It takes most of us at least four repetitions to retain 75% of the material we are learning.

Commit to learning and retaining the material even if you must read it more than once.

STEP 3. TAKE ACTION!

Taking action is a mindset as much as it is a physical activity. When we eagerly take action, we embrace the day! As you read the principles within this book, remember the three steps we discussed:

Apply, Commit, and Act!

This eBook can become a living tool if you approach it in new ways. Here are some examples:

- Take notes, annotate, and share with others
- Read it with others—share the experience
- Learn and study--reading something more than once
- Share--reinforce what you have learned with others
- Seek help from others--your coach, network, family, and friends. These are all cheering you on. But you must ask and seek help when needed.

Be persistent. The novelty will wear off, so commit to continually applying what you have learned. Use a predictable pattern in purpose, confidence, and endurance. Here are the stages you might go through:

- Fly--it's new and exciting.
- Run--it's now a challenge and getting harder.
- Walk--it's getting routine. I know I can do this!

Consider a journal. The power of journaling has been proven repeatedly, and it takes the learning, observations, and feelings into a new dimension. Have fun! Approach it with a fun attitude and create rewards for putting what you learn into practice. And the bottom line? Do!

Do!

- The winners are the doers. I can watch a YouTube video on brain surgery, yet would you want me to operate on you? No! The expert surgeon has spent hours in school, mentorship, studies, tests, clinical, surgeries, and simply doing the work.
- Take action each day. The winners are the doers. No matter what it is, it would be best to take action.

Here is a quick summary of how the books is organized and a few key concepts:

BUILDING RAPPORT (CHAPTERS 1 – 4)

-When first connecting with you, your prospects have two questions: *Can I trust you? Can I respect you?*

-To keep prospects from clamming up and shutting down:

Listen without judging—resist the temptation to quickly correct misinformation or wrong beliefs.

Suspend your ego—let your prospects be the experts during early conversations (even if you know more).

ACTIVE LISTENING (CHAPTERS 5 – 7)

-More influence is created by listening than talking. Open ended questions are your secret weapon.

-Stay mentally present, resist the temptation to talk, and maintain good listening posture.

-Suspend your ego, restate what our prospect is communicating, and only lightly validate.

ACQUAINTANCES TO HIRES (CHAPTERS 10 – 11)

-Focus on questions requiring some self-disclosure (instead of just small talk).

-Seek out common ground and common activities (proximity).

-Engage your prospect in problem-solving (“What problems are you trying to solve?”).

RETENTION AND CONCLUSION (CHAPTER 12—THAT’S A WRAP)

Two significant new attrition variables were recently discovered by the CEB researchers, and they are especially relevant to the real estate industry. People tend to leave companies when:

1. They feel like they are not doing as well as others in their peer group outside the company.
2. They feel like they are not as far along as they should be at a certain point in life.

Enjoy this eBook,

Mark Johnson

Recruiting Insights, Managing Partner



CHAPTER 1

GETTING INSIDE THE MIND OF THE CANDIDATE

The idea for this chapter was forwarded to me by Andy Nazaroff, the former president and CEO of Guarantee Real Estate in Fresno, California.

Andy has been a friend and client for many years, and he is one of the best hiring managers we have ever observed. He was a natural at building trust quickly with the candidates he interviewed, and perhaps it was the secret to his recruiting success.

If you asked Harvard Professor Amy Cuddy, she would probably agree.

Why? Because Cuddy's research reveals people want the answers to two basic questions when they meet someone for the first time.

If the answer to both questions is “yes,” the chances of making a hire greatly increase.

FIRST IMPRESSIONS

The questions Cuddy refers to are quite simple:

Can I trust you?

Can I respect you?

Psychologists refer to these dimensions as warmth and competence respectively, and ideally you want to be perceived as having both.

Jenna Goudreau, deputy editor at Business Insider reported,

Interestingly, Cuddy says that most people, especially in a professional context, believe that competence is the more important factor. After all, they want to prove that they are smart and talented enough to handle your business.

But in fact, warmth or trustworthiness is the most important factor in how people evaluate you.

How do you spend the first few minutes of your interviews? If you are focused on competence, you are probably starting off on the wrong foot.

WARMTH FIRST, COMPETENCE SECOND

While competence is highly valued, Cuddy says it is evaluated only after trust is established. And focusing too much on displaying your strength can backfire.

So how can you establish warmth in your interviews? Initially spending 20 or 30 minutes asking open-ended questions and actively listening to the candidates is a great way to build trust.

Without this foundation, the second question cannot be appropriately addressed.

Cuddy says,

If someone you're trying to influence doesn't trust you, you're not going to get very far; in fact, you might even elicit suspicion because you come across as manipulative.

A warm, trustworthy person, who is also strong, elicits admiration, but only after you've established trust does your strength become a gift rather than a threat.

Helping someone change careers and start a real estate business is a gift. But it will only be received if a candidate trusts and respects you as a hiring manager.



CHAPTER 2

HOW TO BUILD QUICK RAPPORT WITH YOUR CANDIDATES—LISTEN WITHOUT JUDGING

In recent articles, you may remember us talking about “perception of fit.” We have covered this topic numerous times because researchers have demonstrated it is the number one factor that causes individuals to change careers.

The principle behind this research is simple: When individuals perceive (i.e., mostly feelings) they are a fit in your organization, they start to rationalize or talk themselves into all the other reasons necessary to make a change.

If a candidate does not quickly experience a feeling of “I belong here”, then the rest of the recruiting process will be an uphill battle. It usually ends with the candidate disengaging regardless of the logical reasons working in our organization may be the best thing for their careers.

So, this begs the question:

How does a hiring manager get candidates to perceive they are a fit in his or her organization?

By building quick rapport with the candidate during an initial interview.

If a candidate walks out of a first meeting with you and thinks, “I really like this person. I feel like I have just met someone who understands me and my situation,” then the individual cannot help but feel they would be a potential fit on your team.

How do you build quick rapport with a candidate whom you have most likely just met for the first time?

The techniques we will discuss do not just apply to recruiting; they can be applied to any situation where relationships are key to success.

WHAT THE FBI CAN TEACH YOU ABOUT RECRUITING

Our instruction on this topic comes from an unlikely source—Robin Dreeke, the director of the FBI’s Elite Counterintelligence Behavioral Analysis Program. It may not seem obvious, but FBI agents recruit spies and confidential human sources in the agency’s efforts to thwart our country’s adversaries.

Starting in 1997, Robin learned that building quick rapport was not only going to be critical to his job success, but also his survival. In his recent book, he outlines some of the techniques he uses to connect with strangers, build trust, and get them to feel like part of his team.

While I will not have time to share all of Robin’s secrets (all of which are valuable), I will select a few I think are most applicable to the real estate recruiting process.

GUIDELINE #1 FOR BUILDING QUICK RAPPORT: LISTEN WITHOUT JUDGING

Here is part of a recent interview Eric Barker did with Robin:

The number one strategy I constantly keep in the forefront of my mind with everyone I talk to is nonjudgmental validation. Seek someone else's thoughts and opinions without judging them. People do not want to be judged in any thought or opinion that they have or in any action that they take.

It doesn't mean you agree with someone. Validation is taking the time to understand what their needs, wants, dreams and aspirations are.

As you may know, people have a strong desire to talk about themselves. Given the opportunity, individuals will indulge in this pleasure and trust those who facilitate its accomplishment. This leads to the building of quick rapport.

Feeling judged short-circuits this process. When a person starts to feel judged, they quickly retreat into a “fight or flight” mode of thinking. This ruins rapport building because it keeps your candidates from talking about their favorite subject—themselves.

Do a quick inventory of your interview style. How many times do you listen to a candidate's experiences and then give your opinion or perspective on what they have said? This is judging.

People who are masters at building rapport do not do this. Instead, they validate. There will be time later in the relationship to share your opinions, but not during the initial interview.

There will be more to come on building rapport. It is not only a critical ingredient in the recruiting process, but it is also a skill that will be helpful in other areas professionally and personally.



CHAPTER 3

HOW TO BUILD QUICK RAPPORT WITH YOUR CANDIDATES—PAY ATTENTION TO THE SMALL THINGS

In the last chapter, I introduced you to Robin Dreeke, the author of a great book about building quick rapport with those around you. Robin primarily learned these techniques in the FBI's Counterintelligence Behavioral Analysis Program.

Many of the techniques the FBI uses to build trust with confidential human sources can be applied to the real estate recruiting process.

In this chapter, we will cover two more techniques the FBI frequently employs to cause their “interviews” to be productive.

GUIDELINE #2 FOR BUILDING QUICK RAPPORT: ESTABLISH ARTIFICIAL TIME CONSTRAINTS

Robin does a great job of setting the stage to teach this technique:

Have you ever been sitting in a bar, an airport, a library, or browsing in a bookstore when a stranger tried to start a conversation with you? Did you feel awkward or on your guard?

The conversation itself is not necessarily what caused the discomfort. The discomfort was induced because you didn't know when or if it was going to end.

Developing great rapport and having great conversations [requires] letting the other person know there is an end in sight, and it's really close.

Robin shares lots of stories in his book about the conversation starters he uses. Almost all the stories start with a phrase like, "I have a meeting that starts in 5-minutes, but I had a quick question..."

This simple phrase lets a person know he will not be trapped. Once this happens, an important protection mechanism is lowered and the chances of this person opening up increases.

How does this relate to recruiting?

Surprisingly, many of your candidates are cautious and protective when they show up to the interview. Since the objective of an interview is to build quick rapport (remember perception of fit), letting the candidate know the interview is not going to last forever is an important first step in lowering resistance.

Try starting your interviews with a phrase like, "Thanks for coming in to meet with me. I have another meeting in 45 minutes I have to attend, so hopefully this will be enough time to get to know each other."

GUIDELINE #3 FOR BUILDING QUICK RAPPORT: PAY ATTENTION TO YOUR NONVERBALS

I know most real estate managers were once agents, and it is common to receive (and now teach) training on the importance of nonverbal communication during the sales process.

It is important to recognize the same nonverbal communication principles that help the sales process flow smoothly also apply to recruiting engagements.

Here are some nonverbal techniques commonly deployed by the FBI to build rapport:

Smiling: Looking grumpy or like you are having a bad day is not a good way to start a relationship. Make a point to smile, especially when you first meet.

Slight Head Tilt: Adding a slight head tilt (one way or the other) to your smile shows others you have comfort with them and trust them.

Lower Chin Angle: High chin angles give the impression of looking down your nose at others and that you are aloof or better than them.

Holding Palms Up/Open: When sitting at a desk or conference table, hold your palms up and open while speaking.

The key to controlling nonverbal communication is self-awareness and a little bit of practice. FBI agents practice in the mirror. You might want to give this a try too.

There is much more to learn on this topic. If this is of interest to you, I would recommend picking up a copy of Robin's book.



CHAPTER 4

HOW TO BUILD QUICK RAPPORT WITH YOUR CANDIDATES—SUSPEND YOUR EGO

Establishing an environment where both parties understand each other's feelings or ideas and communicate well is the most important objective of a first meeting with a candidate. The “perception of fit” we have referenced earlier is a two-way street. Unless you truly like the person (and the individual likes you), the perception of fit will feel contrived.

How do you experience this level of genuineness in a 45-minute interview? We'll draw upon what Robin Dreeke references as the most important technique he teaches in the FBI's training on building rapport—ego suspension.

GUIDELINE #4 FOR BUILDING QUICK RAPPORT: LEARNING TO SUSPEND YOUR EGO DURING INTERVIEWS

Robin explains the importance of learning to suspend your ego when meeting people for the first time.

Have you ever heard someone make a false statement and not corrected them? [This is an example of suspending your ego.] ...suspending our individual egos is difficult because of our genetics [as humans]. Conversely, it is one of the best techniques to utilize... to have a positive interaction and attain rapid rapport.

What does it mean to suspend your ego during a conversation?

Suspending your ego is nothing more complex than putting other individual's wants, needs, and perceptions of reality ahead of your own.

Most times, when two individuals engage in a conversation, each patiently waits for the other person to be done with whatever story he or she is telling. Then, the other person tells his or her own story, usually related to the topic and, oftentimes, in an attempt to have a better or more interesting story.

Individuals practicing good ego suspension would continue to encourage the other individual to talk about his or her story, neglecting their own need to share what they think is a great story.

This may sound like a simple concept, but it is surprisingly difficult to do. In fact, it is hardly ever done during normal day-to-day conversations. That is one of the reasons it is so effective.

BECOMING A GREAT CONVERSATIONALIST

The key to implementing this technique is focus and self-awareness. Remember what you are trying to accomplish during the interview (building rapport), and don't give into self-centered behavior.

Human beings are not genetically coded to care as much about others and their stories as much as they care about their own.... Common etiquette and courtesy dictates that individuals be given equal time to share their own story of the events in their own life.

Those individuals who allow others to continue talking without taking their own turn are generally regarded as the best conversationalists...they are the best at building [both] quick rapport and lasting rapport.

We have covered four of the ten techniques Robin explains in his book. If you want to become more of an expert in building quick rapport during your interviews, buy a copy of Robin's book and discover the other six techniques he teaches. The book is a quick read (less than 100 pages) and the cost is minimal.

Robin's techniques are also helpful for agents to use with their clients. These are good topics to cover during sales meetings and agent training.

Bottom line: If those in your organization are known for building great rapport with everyone they meet, the benefits will be both widespread and impactful.



CHAPTER 5

HOW ACTIVE LISTENING LEADS TO MORE EFFECTIVE INTERVIEWS— CREATING INFLUENCE

The initial face-to-face interview is an important factor in the hiring process. If the first interview goes well, the rest of the hiring interactions feel like they are flowing downhill.

Do you think you are effective at conducting interviews?

Most real estate managers believe this is one of their strengths, but the recruiting performance metrics our company collects often paints a different picture.

By isolating the interview component of the hiring process (through workflow design and software tracking), we have documented that successful interviewer experience has much better recruiting results than those who are struggling.

How much better? It is often two to three times more hires.

Of course, this begs the question—what are successful managers doing during their interviews that make them so effective?

Research suggests it really boils down to one thing.

LEARNING FROM RESEARCH ON SALES

In his outstanding book, The Best Place to Work, Dr. Ron Friedman addresses the issue of building trust in the sales process.

Consider the quandary faced by car salesmen, a profession that according to a 2012 Gallup poll is squarely at the bottom when it comes to perceived honesty and ethical standards.

What can a car salesman say to make himself more convincing? The answer, according to [researchers], is quite literally **nothing**.

Dr. Friedman goes on to outline two studies showing it is not an ability to talk that leads to sales. Rather, it is quite the opposite.

The ability to be quiet and listen effectively is the defining characteristic of high performing salespeople.

FOR COMPLEX SALES, LISTENING IS EVEN MORE IMPORTANT

Selling a car is a simple sale. What happens when things get more complex? Of course, the sales prospect would need additional information to make a good choice. Right?

In the financial services industry--a job where advisors are explicitly hired for their knowledge and ability to give advice--surely there would be a connection between skillful talking and success.

Dr. Friedman sites another study showing the opposite to be true.

The higher the financial advisers scored as listeners, the better their clients rated them on quality, trust, and satisfaction. Effective listeners were also more successful at

minimizing their customers' perceptions of financial risk, making them more likely to invest in the future.

Naturally, this translated into higher sales with the clients, but researchers also found it had an unexpected effect.

[Effective listening] had sown the seeds for an upward cycle of sales. That is because the more an advisor listened, the more their clients wanted to recommend them to their friends.

Listeners had created a defacto sales force. They were not the only ones focused on growing their business--their clients were too.

LISTENING CREATES INFLUENCE

Exercising influence is the common thread among these research studies.

Those who have learned to listen effectively have much more success than those who are seemingly gifted talkers.

This principle applies to recruiting (and specifically interviewing) because the goal is to positively influence a person's career decisions.

The hiring managers who make the most hires are those who are the most influential during the interview.

In the next chapter, we will discuss what it takes to become an effective listener. Listening more during the interview is only the first step.

The rest of the process requires some attention to detail, but it is work that will produce a high return on your investment.

It will move you into the group of hiring managers who hire more than 30% of the individuals they interview.



CHAPTER 6

HOW ACTIVE LISTENING LEADS TO MORE EFFECTIVE INTERVIEWS— STEPS 1 TO 3

T*he most effective hiring managers tend to be those who are the most influential during the interview.*

Researchers tell us that for infrequent face-to-face meetings (like an interview or an interaction with a salesperson), listening is the best way to build trust and create influence.

Being a good listener sounds easy enough. Why do we not listen more if it produces such great results?

It is because active listening is not normal listening. It is a special type of listening reserved for the most effective communicators.

WHAT IS NORMAL LISTENING?

To understand this concept, we will again lean on Dr. Ron Friedman's thoughts on this topic.

Passive listening is what you do when you are attending a conference or taking in a television show at the end of the day.

Selective listening is the type of listening you do when a colleague stops to tell you about the traffic jam he had to endure on the way to work. You are tuning in and out just long enough to convince him you are paying attention.

Both passive and selective listening are a far cry from the form good therapists use, which is called active listening.

Effective hiring managers act more like therapists when they are doing interviews. Their focus is on building rapport and making a strong connection with the candidate.

WHAT IS ACTIVE LISTENING?

The best way to understand active listening is to break it down into components.

We will cover three active listening components here and three in the next chapter.

1. Mental Presence. Being fully engaged in what is being said is the first component of active listening.

Your focus is placed entirely on what's being said—not what you'll say in response, or that important conference call you'll have in an hour, or what you're having for lunch....

Since workplace conversations often have two modes (talking and waiting to talk), it is impossible to absorb the full meaning behind a speaker's words when you are mentally composing your next lines.

Stay completely focused on what your candidate is saying, and let it fully sink into your mind.

2. Resisting the Temptation to Speak. Maintaining this type of focus is surprisingly difficult.

Dr. Friedman reminds us:

This aspect of active listening means you don't finish the other person's sentences. Avoid making jokes. Never interrupt, even if it's to agree.

You will know you are making progress if you feel like you want to say something, but you do not give into that urge.

3. Listening Posture. When you are in the presence of a good listener, you can tell there is more going on than just the exchange of words.

People relay they care about what is being said through their body language.

When people are eager to hear more, they lean forward. A tilt of the head is associated with interest and curiosity. Head nodding can be a powerful sign of encouragement, especially when the speaker is expressing a difficult emotional point.

Start trying to use these techniques today. If you do not have an interview scheduled, practice on your friends and family members.

This is a way of life for high-performing hiring managers. It is the defining element of how they communicate. Since it does not come naturally, it is something you will have to nurture and practice to become good at doing.



CHAPTER 7

HOW ACTIVE LISTENING LEADS TO MORE EFFECTIVE INTERVIEWS— STEPS 4 TO 6

Sometimes small changes produce big results. Active listening is one of those changes.

If you want to increase the percentage of your interviews resulting in hires, this is the most important change you can make to your personal recruiting methodology.

Perhaps you have started to (1) control your mental presence, (2) resist the temptation to speak, and (3) pay attention to your listening posture. If so, your interactions with others are already improving. People love to be on the receiving end of this type of attention.

Now, we will finish up this topic of active listening—I have saved the best techniques for last.

WHAT IS ACTIVE LISTENING? (CONTINUED)

4. Eye Contact. As you might expect, eye contact relates to listening posture. However, it gets its own mention because it is so powerful. Researchers consistently demonstrate that simply “holding someone’s gaze” increases feelings of warmth, respect, and cooperation.

Do not overdo it (you are not on a romantic date), but regularly looking into your candidate’s eyes during the interview will result in a better connection.

5. Restating. Up until now, we have just considered silent listening techniques. At some point in the conversation, you are going to have to say something (otherwise, it is just passive listening).

Active listening involves some back and forth. But what do you say, and how do you say it? Dr. Friedman encourages us to use the same tools therapists utilize when listening to a patient.

Repeating another person’s words doesn’t just help ensure you’ve heard correctly—it allows the speaker to get a better sense of how he or she is coming across.

It’s why therapists use this method so often; simply hearing our sentiments reflected back at us gives us a sense of clarity we would not otherwise have.

During the interview, frequently use the phrase: “So, what you’re saying is...”

For example, if someone is telling you about his commuting frustrations, you might say, “So, what you’re saying is you don’t like spending two hours a day in the car just getting to and from work.”

6. Validation. The final component of active listening is the trickiest to implement. Validation means to actively connect to a person’s feelings by sharing a little bit of your own perspective.

For example, if a candidate is expressing frustration concerning the relationship she has with her boss, you might say, “I had a supervisor like that once. It drove me crazy to be around that person.”

This simple and quick validation (do not go into a long story of your own) assures the candidate that what she is feeling is not wrong or inappropriate.

What is likely to happen [next] is your [candidate] will reflect on her words and clarify what she meant, without you having devalued her perspective.

The risk in using this technique is that you might be tempted to over share. Remember, active listening is about listening—not talking.

APPLYING ACTIVE LISTENING IN YOUR INTERVIEWS

So, you now have six active listening techniques you can apply during your interviews.

Make a list of these skills and review them during or before you start to engage a candidate.

Grade yourself after the interview to see how you did. Better yet, invite someone to sit in on a few interviews and grade you on these factors. Holding yourself accountable is the only way you will improve.

If you master this way of communicating, there is a huge payoff. The number of your interviews resulting in hires will increase significantly. This stuff works every time it is tried.



CHAPTER 8

WHAT CAUSES AGENTS TO CHOOSE A PARTICULAR REAL ESTATE OFFICE?

I would like to introduce you to the work of Richard Millington and his consulting company FeverBee.

Richard's focus is helping large organizations develop, grow, and sustain online communities. It is difficult work because, as he frequently points out:

Most online communities aren't. They're online, but they're not communities. They're a group of people looking to extract instant gratification from a collective resource. They want immediate help or immediate resources.

Since most of you do not manage communities, this information does not apply to you. Right?

Not so fast. Reread Richard's description.

I would argue that many real estate organizations (offices, teams, companies) operate more like communities than tightly managed business units. While this reality has its advantages, it also has its own set of challenges.

Here is the good news: These challenges can be turned into a recruiting competitive edge by a knowledgeable hiring manager.

Many of the principles that cause individuals to join, engage, and flourish inside a social group mirror the dynamics of a real estate organization.

WHY DO PEOPLE JOIN COMMUNITIES/GROUPS?

According to social scientists, people join groups to survive. Richard asserts that group dynamics evolved over thousands of years, and the focus on survival is embedded in every human being.

Individuals were more likely to survive in groups. Groups offered safety from environmental dangers and the pooling (and division) of collective resources.

This matters more than you might think.

Groups today offer us emotional safety (the same parts of the brain are activated as physical safety).

Groups let us be who we really are and want to be. Groups offer us a sense of belonging and mutual support.

Groups also give us the ability to pool our resources, and each receives a greater division of the benefits.

This includes exploration of our given field and bigger influence over our environment.

Keep these four principles (sense of belonging, mutual support, greater exploration, and greater influence over our environment) in mind. We will use these again later.

HOW DO PEOPLE DECIDE WHAT GROUPS TO JOIN?

This depends. If the person is a “newbie” to the topic of the group, they will generally make choices based on one very

predictable principle. If they are “veterans,” things get more complex.

For newbies, Richard reveals the common motivator that causes people to associate with one group over another:

THEY ARE LEARNING SOMETHING NEW.

Last year we made an interesting discovery. Most new members to communities had not been involved in that topic for long...

[Individuals are] more likely to join groups if they discover the group in the natural course of learning more about the topic.

We want our communities to be the central place for people that are new to the topic. We always want more newcomers to the topic than hardcore members.

We want to be the ultimate resource for people that are new to your topic.

This idea has some very important recruiting implications.

If people are most likely to join a group when they are learning about something new, you would have a huge advantage if you were the person they first contacted in the discovery process.

Secondly, if you (the hiring manager) cannot deliver on helping individuals learn about their new topic of interest (real estate), candidates will quickly find a group who can deliver on this need. Of course, they will become connected to the new group in the process.

Next time, we will address the veterans. There is a whole different group dynamic among those who already have knowledge.



CHAPTER 9

WHAT CAUSES AGENTS TO STAY IN A PARTICULAR REAL ESTATE OFFICE?

Real estate organizations are more like communities or social groups than tightly run business units.

Predictably, human beings want a sense of belonging, mutual support, greater exploration, and greater influence over our environment.

So, they band together, form groups, and join communities.

As the leader of a real estate “community” (office, team, or organization), it is advantageous to not only understand the reasons individuals choose one community over another, but also what causes them to stay plugged in.

There is more to learn on this topic.

The insight on this topic comes from Richard Millington, the founder of the UK-based consulting company called Feverbee. If you have not checked out his site yet, please do so. You will learn a lot from his insights.

THE ART OF ATTRACTION

In the previous chapter, I shared the first and most important point concerning the reason people choose one community over another:

[Individuals] are more likely to join groups if they discover the group in the natural course of learning more about [a new] topic.

Of course, the topic of interest for your community (i.e., your team, office, or organization) is a career change and, more specifically, learning about working in the world of real estate.

If you are the one helping candidates learn about this topic, the chances of them joining your community are very high. From this position, you are not promoting, you are attracting. It is a very powerful and advantageous recruiting position.

RETAINING THOSE WHO HAVE JOINED

Once someone has joined your “community,” how do you get them to stay? For some help with this, Richard points to a well-established social psychology theory:

There’s a widely accepted theory in social psychology called Optimal Distinctiveness Theory.

Upon joining a group [new members] attempt to adopt the behavior of the group’s prototypical members (and the group in turn attempts to enforce norms upon them) ...

They mirror what they see the prototypical members doing.

However, once new members get settled into the group, they soon lose interest in just mirroring the behaviors of the prototypical members and want to demonstrate their own distinctiveness.

This is where the optimal part of the theory comes in... We maintain a tricky balance of adopting enough of the be-

haviors to be seen as part of the group and being different enough to be afforded a special standing within that group...

Using the optimal distinctiveness framework (first we want to be accepted, then we want to impress), you can finally understand what motivates your members.

For example, you can look at any member's contributions to a community and determine if they're trying to be part of the group or trying to be distinct from the group in a particular trait the group values (usually specific knowledge).

This theory has important implications for the retention of agents in your “community.”

Of course, it is critical for a new agent to integrate and feel accepted by the group. Most real estate organizations are good at this.

What is more difficult (and hardly ever done), is helping new agents find and make a distinctive contribution to the team and then recognizing that contribution.

If you can “optimize distinctiveness” in your group, you will have a very powerful retention tool. Your competitors will have no chance of duplicating your approach because they will not be able to duplicate your community.

Start thinking about how you can apply this theory to those on your team. What distinctive trait does each person possess? What unique contribution is each person making?

If you can find, recognize, and celebrate these distinctions, you will greatly strengthen each person's connection to your organization.



CHAPTER 10

TURNING ACQUAINTANCES INTO HIRES--SELF-DISCLOSURE

As a real estate hiring manager, you probably have a substantial number of competitive agents who are acquaintances.

If you saw one of these acquaintances at a closing, you would recognize her, and she would probably recognize you.

If you ran into one of these agents at a networking event, you might even start the conversation with, “Hi Sarah, we met a few months ago when you were representing a seller on a transaction where I assisted in resolving some of the title issues.” And a professional conversation would ensue.

These acquaintances are a rich source of potential hires. But very few hiring managers are able to take advantage of this potential. Why? It is harder than it looks to turn acquaintances into trusted colleagues and trusted colleagues into hires.

A little coaching from a psychologist who specializes in relationships may help make this easier.

ART ARON'S INTERPERSONAL RELATIONSHIP LAB

In the quaint beach town of Stony Brook, New York, Dr. Art Aron and his wife Elaine (also a psychologist), head a “laboratory” that studies relationships.

For a couple of decades, they studied the health of relationships. They asked the question: If you have an interpersonal relationship with someone, how can science make it better?

Some of their work is groundbreaking, including a widely used inventory to increase intimacy for couples who are considering long-term relationships.

However, in the late '90s, Dr. Aron started asking a new question.

Can science help turn strangers into friends?

THE IMPORTANCE OF SELF-DISCLOSURE

Up to this point, his research had focused on improving the health of relationships that were already underway. His new question was something researchers were just starting to consider.

Through a series of experiments involving strangers who volunteered for the research (think speed-dating with a little more structure), Dr. Aron discovered something interesting: The type of questions you ask someone when you first meet makes a big difference in how the relationship forms.

More specifically, if your questions (and the questions of the other person) involve just factual information, the relationship will probably not progress past acquaintance level.

This is commonly called “small talk,” and it involves asking questions such as:

What do you do for a living?

How long have you worked in that line of business?

Are you planning on taking a vacation this summer?

By contrast, if the questions asked during the initial interaction are slightly more personal and involve a small amount of self-disclosure, the relationship progresses differently.

Here are some examples of questions involving more self-disclosure:

What would constitute a perfect day for you?

What in your life do you feel most grateful?

If you could wake up tomorrow having gained one quality or ability, what would it be?

It may take a little practice, but a good conversationalist can work these types of questions into a business exchange.

What is the purpose of doing this? According to Dr. Aron, this small change makes a big difference when it comes to moving relationships beyond the acquaintance stage.

If you think about it, this has wide and far-reaching implications on the work of recruiting.

Between now and then, try out a few of the self-disclosure questions during your next interaction with an acquaintance in your network. See if you notice a difference in how the connection to this person feels.



CHAPTER 11

TURNING ACQUAINTANCES INTO HIRES—PROXIMITY AND PROBLEM SOLVING

Previously, we discussed the importance of self-disclosure for moving relationships past the acquaintance stage.

In practice, this means asking slightly different questions during those times you would normally rely on small talk.

Have you attempted to ask a few of these questions recently?

If not, try to work them into your conversations this week. Rehearsing with your friends and family will make it easier and more natural to do this than with people you do not know as well.

The next step is to start using these techniques during your conversations with candidates. Initially, recruiting is about making friends and building trust.

It is much easier to hire and retain those who have become your friends.

START WITH PROXIMITY

The research cited in the previous chapter was not conducted in a workplace environment. However, follow-up studies focused more on business relationships.

One of these studies was conducted at Washington State University by Dr. Patricia Sias and Daniel Cahill in 1998. In this study, the researchers found:

“[Workplace] friendships experienced three primary transitions: from (1) coworker/acquaintance to friend, (2) friend to close friend, and (3) close friend to almost best friend.”

For recruiting purposes, a hiring manager needs to progress through stage 1 and start to approach stage 2.

How do you get there? Here are the findings:

The acquaintance to friend transition was perceived to be caused primarily by working together in close proximity, sharing common ground, and extra organizational socializing.

There is nothing too surprising here. Most real estate hiring managers are trying to accomplish these tasks, and some do it quite successfully.

The problem? They stop at this stage and never reap the reward of going just a little bit further.

SOLVE PROBLEMS TOGETHER

The researchers noticed a stall in progress as well.

Communication at [Stage 1] became broader yet remained relatively superficial.

What caused the next level of connection to become a reality?

Solving problems together.

The friend to close friend transition was associated primarily with problems in one's personal and work experiences. Communication at this transition became broader, more intimate, and less cautious.

This subtle change could be easily over-looked, but it demonstrates the connection between problem-solving and increasing the depth of a workplace relationship.

RECRUITING APPLICATION

In the arena of recruiting, there is no shortage of problems.

Most *new-to-real estate candidates* are going to face challenges in transitioning from their prior career to their new one.

Talk to these candidates about the problems they need solved to move forward in their transition. If possible, pick a specific problem that you and a candidate can work on together.

For *experienced agent candidates*, look for specific problems that competitive agents are struggling to solve. Everyone has problems, and everyone wants them solved.

If you treat competitive agents like you are already their manager and coach, you may find you are transitioning to stage 2 without even noticing it is happening.

The goal is to build trust-filled business relationships. From this vantage point, hiring becomes much easier and leaving your team (at a future date) becomes much more difficult.



CHAPTER 12

WHY YOUR AGENTS DEFECT TO COMPETITORS

Next to recruiting, the retention of profitable agents is something that exasperates every real estate leader.

It is difficult and expensive to recruit, train, mentor, and coach a new agent. Seeing your investment walk out the door is heart-breaking—and bottom-line-breaking.

For years, human resource consulting firms have studied the reasons for employee attrition. Some of these reasons are constants (they show up in every study), but new variables are now emerging due to innovative data collection techniques.

Do you know what causes your agents to leave? Find out what the researchers at CEB Global have recently discovered.

THE ATTRITION CONSTANTS

CEB Global, a publicly traded consulting company based in Washington D.C., published their findings on employee attrition in a recent issue of the Harvard Business Review.

Compared to previous studies, the most common reasons people leave jobs have not changed. Here is the prioritized list of why individuals walk out the door:

1. They do not like their bosses (especially their first-level managers).
2. They do not see opportunities for promotion and growth.
3. They are proactively offered a better gig (usually involving higher pay/better split).

If you are not focusing most of your retention effort on these issues, you will miss the mark.

THE NEW ATTRITION VARIABLES

Two significant new attrition variables were recently discovered by the CEB researchers, and they are especially relevant to the real estate industry. People tend to leave companies when:

1. They feel like they are not doing as well as others in their peer group outside the company.
2. They feel like they are not as far along as they should be at a certain point in life.

These new discoveries were made by analyzing electronic communications behaviors and online social networking activities. The way the data was collected and scrutinized is very interesting (and worth reading more of the research). Corporate big brother is alive and well.

USE YOUR CALENDAR TO IMPROVE RETENTION

The key to understanding the new attrition variables is typically related to events happening in an agent's life. Here are some events researchers encouraged managers to track:

Work anniversaries. These are natural times for reflection. "I've been here three years. How much have I progressed?" Job hunting activity increase 6%–9% after a work anniversary.

Birthdays. "Another year's gone by. Am I as far along as I would have hope to be?" Pay special attention to the midlife milestone birthdays (turning 40 or 50). Job hunting activity jumps 12% just before a person's birthday.

Large social gatherings. Real estate agents are particularly vulnerable at these events. These can be professional events (e.g., a Tom Ferry seminar) or a personal event (e.g., a class reunion). Job hunting activity jumps 16% after a person attends a class reunion.

Once you have these events on your radar, use them as catalysts to have proactive conversations with those you are trying to retain. Turn the new attrition variables (above) into questions.

For example, you might say, "I noticed your birthday is coming up. Some people use a birthday to reflect on their progress in life. Do you feel like you are doing as well as you would have hoped at this point in your life?"

The objective is to have these discussions with your agents BEFORE they start having them with your competitors.

THAT'S A WRAP

Thanks for reading [The Simple Psychology of Real Estate Recruiting](#). If you have comments, suggestions, or success stories, we would love to hear about them: info@recruitinginsight.net

At Recruiting Insight, we have a combined 40 years of talent attraction, sourcing, and recruiting experience. Our clients range from the large multi-office firm to single-office brokerages and teams. Mark and Ben are frequently asked to speak at industry events, company strategy sessions or to lead small group trainings. To inquire, email info@recruitinginsights.net

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