

Attitude or skill? Which matters more for hiring and talent development?

“Hire for attitude, train for skill.” That approach is a must in industries with a shortage of skilled candidates, like mechanical trades, cybersecurity and startups that rely on data science. Can attitude always compensate for a lack of skills? How do you match people with good attitudes to the right roles? And will those people fit with your company culture? Here’s what I’ve learned by working in an industry with no formal training programs to fill the pipeline.

Over the past decade, the e-commerce fraud prevention company where I work has grown from two dozen to almost two thousand employees, and we’re still growing. But there are no formal education processes for people who want to enter the field. Fraud prevention degree programs focus on criminal justice or forensic accounting, not the combination of real-time data analysis and human interaction. No one comes to us holding a degree in what we do.

That means training for skills is a must in our business. And hiring for attitude is a high priority, not only by default, but also because employees with the right attitude are more likely to succeed.

What the right attitude means for retention and training

More than skills, attitude affects whether new hires will make it. Hiring researcher and author Mark Murphy looked at 20,000 new hires over three years. He found that 46% failed within the first year and a half on the job. Of the hires that didn’t work out, [89% of them failed because of their attitude](#). Lack of skills was the problem for the other 11%.

Why does attitude have such an impact? Hiring for attitude is about finding people who are the right fit for your organization’s culture. It’s also about identifying the best characteristics for specific roles in your company.

In fraud prevention, the main attribute we look for is a habit of analytical thinking. For every function in our organization, including sales and marketing, we need logical thinkers. In fact, we have a recruitment process that tries to assess applicants’ logical thinking abilities.

Of course, when it comes to operational areas like data science, the requirements for analytical thinking will be higher than in some support areas. But an attitude of analysis and logic is a core part of our company culture. Why? When someone has an analytical mindset, they’re likely to be investigative as well. Fraud prevention is an investigative field, so that attitude is a good fit. Companies in other fields may seek a different key attribute, like creativity, empathy or persistence.

Skills take priority for some roles and situations

Attitude and cultural fit always matter, but sometimes skills are a top priority, too. One example is during rapid growth. It’s not likely that you can train for every skill when your company is growing fast. For roles in HR, sales, marketing and some technical areas, you need skilled people with experience, and there’s not a skills shortage

forcing you to train from scratch. Hiring for skill in those areas allows you to focus on growth and reserve your training efforts for roles that don't have a lot of skilled candidates.

There are other situations that require a person with a solid track record or specialized knowledge. For example, if you want to create a sales team in a new location, it doesn't matter how good the attitude of the leader is if they don't also have local knowledge. There won't be time to wait for your executives to learn the sales landscape and establish relationships in a new location.

Or let's say your company is about to go through a merger or acquisition. Your finance and accounting department and perhaps your legal department will need people with M&A experience to help navigate the process and make good decisions along the way. Experienced, skilled people in these roles can advise the CEO throughout the transition.

Finding the right fit, rewarding great attitudes

Even in scenarios that require experience, you still want candidates with good attitudes and who are a good fit with your company culture. A hire based only on professional skills can backfire if the new person lacks good interpersonal skills. Murphy's research on why new hires fail found that more than a quarter of the new employees who lasted less than 18 months on the job [couldn't accept feedback](#). Twenty-three percent couldn't manage their emotions on the job.

A poor attitude has a ripple effect on teams, managers and customers. It's also an expensive mistake to correct. The U.S. Labor Department estimates that each bad hire costs 30% of that person's yearly salary. It's important, even during high-pressure times like rapid growth or an impending merger, to vet candidates carefully for attitude.

Attitude and cultural fit assessment shouldn't stop after onboarding, either. Maintaining your company's culture over time and through changes is the key to keeping the talent you've hired and helping them develop new skills. This requires a commitment of attention and resources. My company reinvests around 2% of yearly revenues in internal cultural initiatives. Maintaining your company culture also means rewarding employees who live your company's values and offering guidance and corrections to those who aren't quite in sync with the culture.

However, traditional employee reviews that focus on solo accomplishments can overlook how people's attitudes affect the company culture. One solution is to change the way performance is evaluated. For example, software company [Atlassian's new review process weighs three areas equally](#): demonstration of company values, delivery on job expectations and contributions to the team. With this rubric, accomplishments still get noticed, but so do interpersonal skills, good communication and mentorship.

By hiring and evaluating for attitude, even for roles that require a high level of skill, you can ensure that your company's culture stays healthy. A healthy culture also supports employee learning and development, so you can develop more talent in-house. And that means you can grow your business, even if there's a shortage of already skilled candidates in your field.