

Four Fatal Mistakes When Hiring



(And how to overcome them)

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Introduction

The science of human nature is about as old as human kind itself and yet when it comes to making a business decision about filling a job vacancy numerous appointments still seem to rely on "gut feel" and a sense of connection to a job candidate to make a selection decision.

While the information that is provided within this document does not intend to address or overcome the obvious issues that arise from gut feel decisions it does provide tips on how not to make any of the four most fundamental errors that are made when hiring.

Among the vast array of costs to business, some of the most hidden are those associated with managing people and getting the recruitment and selection of staff right – the **first** time. When we get it wrong it can cost so much more than time and if time isn't valuable enough, who needs the stress and anguish that arises as a consequence of poor decisions about new hires.

There are several laws in Australia that need to be considered when hiring (and managing) staff. From the time of placing an advertisement, talking to job applicants, asking interview questions and developing and applying a criteria for selection, Australian law determines some do's and do not's that if breached, can cause embarrassment and loss of reputation, time and money spent in defence and unnecessary stress.

The four fatal mistakes that have been chosen as the topic for this article are the most fundamental and easily avoidable. They are not the only fatal mistakes but ones that businesses everywhere can easily get right, from the beginning.

So because it is worth the investment to get it right from the start here are the four fatal mistakes that are made when hiring and some tips to overcome them.

1. Verify Identity

This is going to sound ridiculous and so basic that you may feel insulted but it is such a basic thing to do and so largely overlooked. Unless you are employing someone where credentials are required to be verified for Government or occupational compliance such as Doctors, Lawyers, Engineers, Aircraft Pilots, verifying identity fails to be on the checklist.

This story provides a very simplified example but should convey the importance of identity verification. There are many more serious examples of this such as the failure by Queensland Health to ensure the bone fide credentials of an international Doctor currently (as at April 2010) standing trial for manslaughter as a consequence of alleged incompetence and indifference toward the post operative outcome of his patients.

Years ago, working in a country hotel that was literally miles away (about a 1000) from the city and the scrutiny of the wise boffins from head office, I worked at a hotel that once engaged an Assistant Manager on the basis that the candidate was known by the manager and regarded as efficient, hard working and honest.

He worked with us for 6 months or so and then resigned to return to his home interstate. At the eleventh-hour and with a change of heart, he decided to stay. So the wise boffins from head office insisted on an interview and presentation of his credentials. Now this seemed absurd to us at the time because he had demonstrated his competency. However, it turned out that our very efficient Assistant Manager was wanted back home for embezzlement of over \$100K from a trust fund!! So much for our good judgement.

Thanks to the lesson from those wise boffins, throughout my own career in hospitality operations and later in Human Resource Management, I ensured that appropriate precautions were taken that meant that it was the first thing on my own checklist.

There are many stories about imposters in professions and some with profound and fatal results like the story from Bundaberg Hospital in Queensland and while there are numerous industries that don't require qualifications in brain surgery (therapy sometimes, but not surgery!), it is nevertheless prudent to make sure that every applicant has presented themselves with their real identity and bone fide qualifications. Even if they have the best personality, skill and experience – when a person is prepared to deceive, it is likely to manifest in more than one area of their life!! It can also save embarrassing visits by immigration officers; no joke, that actually happened to a reputable hotel in Victoria where several illegal immigrants were found to be on the payroll.

No industry is immune to the pitfall of forged identity and it is because of the sometimes urgent need to fill a vacancy that someone can easily slip under the radar, so beware!!

Here is how you can check identity and make sure that you get 2 pieces of evidence:

- Driver's licence
- Passport
- Certification of qualifications – gather details from original or copy of qualifications and have them confirmed by the institute where they were gained.
- Visa showing “the right to work” details. Check Visa Entitlement Verification Online (VEVO) at <http://www.immi.gov.au/media/publications/compliance/guide-on-work-rights/>
- Referees (business never personal)
- Machinery operators licenses such as Forklift licenses
- Industry certificates
- Keypass card
- Proof of Age
- Credit cards
- Debit cards
- Medicare card
- Commonwealth Govt Entitlement card
- Correspondence or paid account (eg A bill from a utilities operator showing the person's name and address or a letter from a Real Estate agent confirming rental details, name and address). If you accept correspondence, do your best to check for original source documents.

In addition to any of the above, for travellers visiting Australia, providing the “right to work” details are verified:

- Proof of age
- Military services records
- Student ID and records
- Social Security or similar, issued by Govt agency
- Overseas employer issued ID
- Birth certificates
- Marriage certificates

But beware....Death certificates are not acceptable!!

Failing to check credentials can be a costly and embarrassing lesson and one that I highly recommend you do thoroughly, every time.

2. Establish Employment Conditions

I wish I had a \$1 for every employment relationship that went wrong because the ground rules were either not established or not understood. This is by far the greatest issue contributing to a breakdown in the employment relationship; coupled with ineffective communication, this area provides the greatest challenge for managers. After all, the “big” issues for business are always around “people”, be it customers or staff. Wouldn't business be easier without both? Just kidding of course.

When you have taken the time and effort to get the selection process just right for you, don't go blowing it by thinking that because you have the best person for the job you can just “set and forget!”

There is a simple truth in managing people, that if you haven't discovered yet, it is time to know – people don't listen. That's right, statistics show that the majority of people are only able to concentrate on instructions for around 60 – 65% of the time spent delivering them. That means that up to 40% of your verbal communication will be lost. It is not their fault and it is not your fault, it is the plain and simple truth about the amount of data that we have available compared to the amount that we can absorb. There are so much stimuli and so much distraction in our lives that it is impossible to process everything. So get used to repeating yourself and it will save you a lot of frustration.

I totally believe and have demonstrated many times, that when you get the foundations of the employment relationship established and you accept that your instructions, expectations and requirements will need to be repeated (sometimes with monotonous regularity), then dealing with “issues” becomes a whole lot easier.

So here are the basics for setting the foundations:

- Confirm the terms and conditions – there is legislation that covers the basics and because this information is subject to change you will need to source the current requirements.

This will set out the basis of understanding for classification, status, pay rate, frequency of payment, taxation, superannuation, leave provisions, termination and other basic requirements

Make sure to issue a letter confirming employment; get the receipt acknowledged and also take the time to read through the document together with the new employee (or current employee if issuing retrospectively) and go over any areas that are unclear or are based on “legal speak”.

- Establish your expectations – what is it that you expect from them; such as how they will represent your business, their personal presentation, attendance time and preparedness for work, use of mobile phones, lunch and other breaks including smokos and general performance of duties. This can end up being a long list and so one way to overcome the communication issue is to roll up all the “rules” into an employment code of conduct. That way, a written copy can be provided for reference (saves at least 1 or 2 repeats of telling them what to do) and if a blatant disregard for your standards occurs, the document could also convey what the repercussions may be.
- Develop formal and informal policies and make sure they are communicated and that people sign their acknowledgement that they are understood. Whatever you do, make sure that they sign off their **understanding** and not just receiving – big difference – I hope you can spot it? In Australia, some policies are mandated by Governments either Federal or State, so check out your obligations and make sure you have them covered. Refresher communication is also a requirement for things like discrimination, sexual harassment and bullying and so if you are introducing policies, it would be wise to ensure that there is an education process included in implementation.

- Provide an appropriate induction for every new employee. Perhaps there is someone on your staff who is a good advocate for your business and a role model who would like to take on this job? If you have a standard for your client/customers' first impressions then extend this courtesy to your new found team member. We all know how important first impressions are, at least as business owners we do but sometimes it can get lost in the translation (damn communication again).

Having all the right foundations is a very sound investment in the effective management of staff and issues that arise in the absence of establishing them. I cannot stress how much easier it is to manage issues once the ground rules are established, communicated and reinforced. You will save time and therefore money and lots of grief!

3. Select the Most Suitable Applicant

Of course, there are many experts who specialise in helping you to do this and so you are definitely heading in the right direction by making great management decisions and opting to look deeper into the suitability of job applicants.

Having been involved in screening job applicants for over 25 years, I can attest to the need to evaluate job suitability at several levels.

Selecting on the basis of "best fit" – right person in the right place at the right time, can save time, money and stress. Additionally, best fit will be an asset to your business rather than a liability. This is the greatest area of potential for a very wise investment.

Here is what I recommend.

- Identify the acquired skills that you require – this refers to the level of training (formal and informal) that the applicant can support through evidence. Screen each applicant objectively for criteria matching
- What are the applied skills that you require – how much experience are you seeking; what type of businesses should they have worked in; what level of difficulty or simplicity can you read into their experience that translates to the tasks you want performed?
- What type of personality is required – clearly this will differ greatly depending on your business, it's culture and the environment that you are promoting. See below for examples on how to manage mis-matching.

Are you looking for sameness of personality with the other members of your team or are you looking for complimentary personality to balance out the team. Do you need an extravert or an introvert? Do you need someone who is compliant – who will do exactly what is required or do you want your new employee to be a gregarious networker who will promote your business? The effective use of profiling tools is the best way to gain personality insights unless of course you have a Psychology degree!

- What behaviours do you expect to be displayed – in recruitment and selection, the concept utilized is that of past behaviour predicting future behaviour.

By the time we have reached the age for employment; our behaviours are hard-wired as a consequence of the vast array of environmental factors that have contributed to forming and shaping us. Thus making behavioural selection a most reliable method and hence its current popularity.

Interview questions can be designed to "test" behaviours and so behavioural style interviewing is a business critical skill that I recommend you acquire. In the interim, get some advice from a skilled behavioural interviewer (check our website for this service www.shirleyfarrell.com.au) who can write interview guides according to the behaviours that you identify for each position – eg customer focus, builds trust, attention to detail, self motivated, demonstrates leadership, goes the extra mile etc. These are all behaviours that can be identified through interview questions.

- Do not rely on one selection tool exclusively – none of them is an exact science; we are way too complex beings for that to work. Instead, place a weighting on each of the screening tools and stick to your plan. So often we will get into such great

rapport with people that we become blinded to deficiencies in meeting the criteria.

- If you have job descriptions, use them to identify all of the above attributes and also use them to develop an advertisement that describes the attributes required for a successful application. Beware of person descriptions though because if you have modelled a job description on one "perfect employee", then you have a person description and not a job description! Until cloning is legalised you will be very short of candidates for a vacancy.

4. Check References

Now here is a task that I advocate you do not delegate. If you are the hiring manager, by all means get assistance with other elements of the screening process and make sure that you attend at least 1 interview and perform the reference checks yourself. You know the job more intimately and the person who will fit the job, the team, the establishment and be an advocate for your business and only you can pick up on comments made that require follow up questions. Someone else may not!

Failing to check references will mean that everything else you have done will have been wasted. More than just a good investment, reference checks are critical to the process.

Covert reference checks should not be sought; these can back fire and cause much grief and infringe the privacy of individuals. Applicants have the right to know who you will be calling, so get up to 4 – 5 or even 6 names so that you can select 2 – 3 or more to call.

Here are some tips about reference checks:

- When you call, make sure the referee is free to speak openly and if not, make a time to call back
- Standardise the questions that you ask, so that you can make an appropriate comparative analysis between applicants
- Never accept mobile phone numbers unless absolutely necessary
- Always ask how the referee knows the applicant and don't assume that the referee has a working relationship with the applicant
- Establish the basis of the relationship; manager, co worker, client, supplier etc.
- Personal referees can provide insights to a personality that can be insightful, so include at least one (you may have to vary your questions of personal referees in which case, focus on behaviours)
- Never ask questions that are either irrelevant to the suitability of the applicant for the position, and or could result in allegations of discrimination, eg I understand that Mr "X" is the primary care give to a toddler? I understand that Mr/s "X" is gay? Can you confirm that Mrs "X" is 40 years old? I understand that Miss "X" lodged a complaint against their last manager?
- "Would you re employ" a person – is not necessarily the best question to ask; some employers simply have a policy of non-re employment and so this question is not always helpful
- Always confirm the dates of engagement and reasons for leaving. If necessary, state the dates and reasons given and ask for confirmation. That way a referee has the option of simply saying "yes" or "no"
- Following an interview, sometimes it can be difficult to form a conclusive view on a candidate's skill level. Tailor your questions in this area to confirm or refute the expertise you are looking for.
- To avoid non-committal answers to questions, give a referee the option to rate on a scale from 1 – 5; with 5 being outstanding and 1 being unacceptable. This provides an option for people who are hesitant in volunteering commentary.
- Your final question should be "Is there anything about this candidate that I should know that is relevant to their application or the position, that you are able to disclose and that I haven't asked of you?"

So, what can you do when an applicant is a mismatch to the culture of your establishment?

Firstly, let's deal with the issue of body art, extreme hair or make up and body piercings. These are not "natural attributes" and so, if they don't fit the image of your business, you can be as blunt and discriminatory as you like without repercussion. Whether or not the basis of your discrimination is illegal relies on the list of attributes described within legislation. In most states of Australia, if not all, Legislation currently states that you cannot discriminate on the basis of appearance but in this instance, appearance does not include "unnatural" attributes such as tattoos, piercings and unnaturally coloured hair and wild styles.

You may however, want your staff to present themselves this way because you attract clientele who also look this way – go for it! Remember though, that doesn't give you license to discriminate against applicants without the embellishments.

What about age demographic? You may have a business with a specific age-related niche and an applicant outside of the age range that you would prefer. It is illegal to reject an application on the basis of age or any attribute that is defined in legislation. Virgin Blue got into a lot of trouble years ago when they "filtered" out of their application process a number of candidates that were clearly older than those that they selected. They claimed to have an "objective" screening process however; the complainants were able to prove that the process was biased toward younger candidates.

This can be a pitfall in selection processes even for savvy employers like Virgin Blue – you would think that they would get it right with the level of expertise employed? So be careful and get good advice about your screening methods and if you stick to methods described above, you should avoid expensive and frustrating litigation.

Finally, there are forms of discrimination that are perfectly legal, I suggest you know what they are and apply objective recruitment techniques at all times.

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About the Author

Shirley Farrell has spent most of her adult life in the hospitality sector, commencing as a casual waitress in Melbourne to earn extra income to supplement a meagre salary in administration.

Like so many people who find themselves accidentally in hospitality, Shirley enjoyed the social atmosphere and interaction that hospitality offered and found a natural gravitation toward hotel management. The combination of her skills in administration, accounting and service delivery were utilised to great advantage.

With operational experience in hotels from far north Western Australia to a private Gentleman's Club in Melbourne that spans 3 decades, Shirley found her calling in Human Resource management during the early 90's while working for the former hotel chain, owned by Carlton & United Breweries. The group that was then called "Pubco" became Australia Leisure & Hospitality Group around 1995 and within a few years, Shirley had taken up the position of HR Manager Victoria, looking after approximately 30 Hotels and in excess of 2000 hotel employees and a Head Office staff of 50.

With a Diploma in Business, HR Management, 15 years in hotel management and 15 years in Human Resource Management, Shirley's depth and breadth of knowledge in human behaviour within the hospitality industry is difficult to surpass.

More recently Shirley has worked with a variety of small and medium sized businesses, developing and implementing strategic HR plans and specialises in Leadership Coaching by assisting challenged managers to become empowered transformational leaders. Her personal interest in Health & Fitness has also resulted in coaching the unhealthy to embrace healthy lifestyle options; to lose weight and take control of their physical and mental strength.

Shirley's contribution to improving the recruitment and selection processes for small and medium sized business operators is both welcome and appreciated.

If you wish to contact Shirley for more information or assistance with your HR Management issues, go to www.hrmanagementservices.com.au