



How to Hire the Right Person the First Time

It's an important task, but the tools are simple.

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The hiring process can be a powerful tool to cut costs, improve productivity, expand quickly, and avoid employee lawsuits. Yet this activity is often treated more as art than science. Take a systematic hiring approach with these six steps:

-1-

Define the Job

Break this step into three components:

Describe Tasks. What will the employee physically do—answer the phone, analyze credit reports, make bank deposits?

Specify Employee Qualities. What qualities—skills, knowledge, education, values, personality traits—do you want in the person performing the job?

Pinpoint the Job Context. In what environment—inside or outside, supervised or unsupervised, hazardous or safe—will the tasks be performed?

Unless you define the job well, you'll have trouble achieving a good match between job and applicant. And that will be only the beginning of your problems: Defining the job is the cornerstone for all other human-resource functions, including recruiting, training, and determining compensation.

-2-

Describe the Ideal Candidate

The job being offered must fit the emotional, educational, and mental abilities of the new hire. Poor job matching will lead to a high turnover rate and poor production.¹

When defining the ideal candidate, break performance criteria into two categories:

Tangible Functional Skills, as described in the job specification, such as computer knowledge and bookkeeping experience.

Intangible Attitudes and Attributes, as described in the job context, such as ability to work under pressure or being detail-oriented.²

The task of matching job to applicant will be easier if you already have high-performing staff. You can use these high performers as a measuring stick to screen applicants for similar positions. One type of measuring stick commonly used is the biographical test, which is composed of verifiable questions about an applicant, ranging from education to past hobbies. Such a test can help you locate employees similar to your high achievers.³

Another common test is the Predictive Index, which lists over 80 traits, such

as dynamic, committed, self-assured, ethical, creative, and assertive. You check off the traits possessed by your top performers. Candidates form their own profile by checking off those traits that best describe their personalities. A candidate whose profile matches that of your high performers is most likely to be a good match for your organization.⁴

-3-

Recruit

Where should you search for that ideal person? Here are some suggestions:

- resume databases
- public employment agencies
- private employment agencies
- executive search firms
- outplacement centers
- high school and vocational school placement offices
- college and professional school placement services
- referrals from your own employees

Research suggests that employee referrals yield higher-quality workers than do sources such as newspaper advertisements or public employment agencies. Another advantage of people referred by your employees is that they will tend to share your organization's mission and values—an important predictor of success.



Studies also show that college placement services and executive search firms are more likely than newspaper ads or public employment agencies to yield motivated, multi-skilled workers. Such flexible, committed employees are crucial in an environment where employee job descriptions are constantly changing and expanding (common in nonprofit organizations).⁵

While it's relatively inexpensive to advertise jobs in newspapers, such ads tend to generate responses from an enormous number of people, most of whom aren't qualified. These inquiries are costly to process. You can offset this problem by being selective in choosing a place to advertise. For example, some publications specialize in high-level professional jobs, while others might segment mothers who want part-time work. If you put time and thought into Step 2, you'll have a clear picture of the publications most likely to reach your ideal candidate.

-4-

Analyze Applications

If you're under time pressure to hire someone, it's easy to gloss over this step. Don't do it. The process of scrutinizing applications is too important to neglect. There are two vital parts to this step:

Screen Resumes. You need a clear and consistent filtering process that will help you eliminate inappropriate applicants and compile a list of qualified candidates. Here are the steps to follow:

- Keep only those resumes that state a job objective consistent with your job description.
- Look for resumes that comply with the employee qualities you specified in Step 1, including education and skills used in past positions.
- Zero in on the character, values, and personality traits of applicants. This step may require reading between the lines. For

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example, if a resume describes duties which included sales, you might conclude that the candidate has good persuasive and interpersonal skills. If applicants have volunteered at numerous nonprofits like yours, you can infer that they hold similar values.

- Check for consistent career advancement. Inconsistent progress may indicate undependable job performance.
- Look for gaps in the applicant's employment history. Such gaps suggest problems such as recurring illness or lack of motivation. Remember, however, that you're looking for reasons to screen people in, not out. If you find a troubling gap, give the applicant a quick call to see if there is a good explanation.
- Check for grammar, spelling, and overall appearance of the resume, which may signify the candidate's attention to detail and level of professionalism.

Check References. Every year, millions of people obtain employment with the aid of a false resume. In most cases, the false information covers up a lack of education or experience. The best defense against a false resume is to perform a background check and examine the applicant's track record.

There is always the danger that reference checks will lead to legal action if applicants believe they lost a job because of false statements from a prior employer. For this reason, many human resource departments will give little information to a prospective employer. Yet, it is often possible to make a personal connection with someone who will trust you with relevant information. It

sometimes helps to bypass the personnel department and find a supervisor who will be more forthcoming. Or ask one of the applicant's references for the name of someone not on the reference list, someone who knows the applicant well.⁶

-5-

Interview and Test Applicants

Be sure you have a well-planned and organized selection system. Here are some points to keep in mind:

The Interview: It May Be Less Useful than You Think. Many organizations hire on the strength of an interview alone, yet the interview is typically the least valid of all hiring tools.⁷ The reasons the interview is flawed include the following:

The Context Effect. Physical conditions and surroundings during the interview can affect the interviewer's judgment. For example, if the interview is held in a loud, hot, or dusty environment, the interviewer may find the applicant less desirable than if the interview is conducted over drinks in a restaurant.

Signaling. The interviewer often signals with body language that an answer is considered right or wrong. People who are astute at reading body language can use these clues to improve their performance.

Comparing Apples to Oranges. Asking different questions of each applicant makes it impossible to compare applicants fairly.

Lack of Listening Skills. Too much talk on the part of the interviewer won't allow enough time to gather information about the applicant.

Halo Effect. Interviewers may be so impressed by one area of competence (such as the interviewee's personality or verbal skills) that they ignore other less-developed abilities.

Order-of-Interview Effect. The last few applicants interviewed often aren't given the same attention as the first or middle group, due to the interviewer's fatigue or boredom with the process.



Select the Best Candidate

List the strengths and weaknesses of each candidate in relation to the three components under Step 1 above. This information should be available in the form of notes taken from the resume, interview, reference check, testing, and job analysis stages of the process. When you consider all these elements objectively, you have the best chance of hiring—and keeping—the best person for the job. ■

Footnotes

¹ The cost of turnover may be higher than you realize. The accumulation of hidden costs (including training new hires and dealing with inefficiencies while they are being trained) averages about 1.5 times the annual salary of the position being filled. These costs can't be fully recouped unless the new employee remains on the job for at least one year, according to J.D. Phillips in "The Price Tag on Turnover," *Personnel Journal*, 1990.

² See "How to Screen Resumes" in *HR Focus*, Vol. 72, No. 1.

³ It is important to note that a biographical test may not be valid unless a statistically significant sample is taken before developing the profile. See *Bet on Cowboys, Not Horses: A Technological Breakthrough for Employee Selection* by B. Mitchell, Shaker Heights Publications, Ohio, 1994.

⁴ See "Where to Find the Next Top Performer," *Sales & Marketing Management*, Dec. 1996.

⁵ See "The Search for Effective Methods in Employee Recruitment and Selection," *HR Focus*, Vol. 73, No. 5.

⁶ See "Hiring the Right People," *Nation's Business*, Vol. 84, No. 6.

⁷ See *Hiring Right: A Practical Guide* by S.J. Herman, Sage Publications, Thousand Oaks, California, 1994.

⁸ But be careful only to test the traits needed for the job, or you may face a discrimination lawsuit. For more details, see "Hire the Best, But Hire with Care" in *Nonprofit World*, Vol. 20, No. 6 (www.snpo.org).

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Figure 1.

Sample Job Analysis ACCOUNTING SUPERVISOR

Ability to analyze results	1	2	3	4	5
Ability to delegate responsibility	1	2	3	4	5
Communication skills	1	2	3	4	5
Leadership abilities	1	2	3	4	5
Training, experience	1	2	3	4	5

Stereotypes. Gender, race, and age bias can affect the interviewer's evaluations.

A useful tool against bias is the structured interview. Use a pre-set series of questions, and make sure interviewers use identical phrasing and inflection with each applicant. Focus on interview questions related to what the applicant would do on the job.

Another way to reduce bias is to use a computerized interview as a first step in reducing the pool of applicants. Applicants selected by the computer are then interviewed in a more conventional manner. The use of computers has several advantages including:

- increased reliability and consistency in information gathering and analysis
- greater applicant honesty and completion rates
- reduced interviewer bias and discrimination
- quicker data analysis

Many organizations are now using hiring teams to interview candidates. By using team members from different areas of the organization, you can evaluate applicants' ability to interact with personnel at various levels. Here are tips for creating a hiring team:

- Choose people who will interact with the new employee both as peers and supervisors.
- Be sure team members are skilled at interviewing. If such skills aren't evident, train potential team members, and give them guidelines to follow.

• Team members must have good communication skills. They must be able to describe the working environment and demands of the job to the applicant.

• Pick people who have the ability to make hiring decisions based on the information available.

Have each interviewer use the same list of attributes to rate applicants. See the sample job analysis sheet in Figure 1.

Pre-employment Tests. Testing should be directly related to the job. Typing and data-entry tests are a good way to evaluate a candidate applying for a clerical position. For positions that require heavy use of spreadsheets, having the applicant sit at a computer and construct a sample spreadsheet (with data you provide) will be enlightening.

General-ability tests measure intelligence and technical knowledge. They predict overall job performance and are especially valuable when used with personality and skill tests.

Personality tests evaluate traits that relate to measurable aspects of job performance, such as leadership and aggressiveness.⁸ You can obtain these tests from such companies as Profile International, Minnesota Multiphasic Personality Inventory, and Predictive Index.

To avoid legal problems, follow these rules:

- Give all applicants the same tests.
- Be sure tests aren't slanted to favor any race, age, gender, national origin, or religious or sexual preference.
- Test only those skills and character traits needed for the job.