

9 Steps for Effective Staff Recruitment

This document provides a step-by-step guide to recruiting staff in Australia.

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The content herein does not constitute legal or financial advice. You should consider obtaining your own independent legal and financial advice in relation to hiring new staff.

We welcome your feedback on this guide and its supporting documents – please send us an email: info@capitaljobs.com.au.

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Supporting Documents

Job Interview Proforma
Reference Check Proforma
List of behavioural interview questions

Step 1: Identifying and Analysing the Need

Why are you recruiting?

- Is the requirement critical to your business?
- Can the need be covered by existing staff?
- What are the consequences if you don't hire?

What are your 'needs'?

Skills

- Essential
- Non-essential

Abilities

- Essential
- Non-essential

Knowledge

- Essential
- Non-essential

Experience

- Essential
- Non-essential

Step 2: Pre-recruitment Considerations

Review costs and burdens of hiring

- Salary – what will you need to pay to attract a quality candidate?
- Superannuation requirements
- Non-salary benefits – leave accrual, allowances
- Advertising fees – eg. \$79 on CapitalJobs.com.au
- Recruitment company fees
- Costs to accommodate the employee (desk, computer, consumables, utilities)
- Costs to train and induct the employee
- Supervisory burden
- Costs incurred until employee is effective in his/her job
- Opportunity cost if you choose not to employ
- Costs incurred should the chosen candidate be ineffective or unsuitable post-engagement

Employment method – which one is best?

Each of these employment methods has benefits and downsides – recommend that you speak to your accountant for advice:

- Full time, permanent
- Full time, contract
- Full time, casual
- Part time, contract, through interposed entity
- Part time, casual

Review statutory requirements

- Employment contract documentation
- Awards, minimum wages – do these apply?
- Superannuation contributions
- Occupational health and safety training
- WorkCover and workers compensation insurance – speak to Workcover authority
- Public liability insurance – speak to an insurance expert
- Professional indemnity insurance – speak to an insurance expert

Workplace considerations

- Cultural fit – what sort of characteristics does the person need to display to fit with your existing team?
- Is your work environment a good one in which to work?
- Have all staff been briefed on the new employee's responsibilities?
- Job description and role – clearly defined?
- Written employment policies? Staff Manual?
- Do you have a performance management system?
- Written procedures for performing job? Operations Manual?
- Who will manage the employee?
- Who will induct/train the employee?
- Who will mentor/support the employee?

- Who will work with the employee?
- Induction training – who, where, what, when?
- Office accommodation – computer, chair, desk, telephone

Step 3: Developing a Recruitment Plan

Create a recruitment timeline

It is recommended that you create a timeline for your recruitment process. That way, you can identify specific milestones along the route, diarise those dates and stay organised. A timeline also allows you to advise candidates of key dates in your process so that they are kept informed. With the current skill shortages in Australia it is important to keep people in the loop at all times – the very best candidates are sought after by multiple organisations and the absence of information will result in them accepting jobs elsewhere. To produce a timeline, start with desired commencement date of the employee, then work backwards:

- Employee commencement date
- Successful candidate gives notice at current employer (job start date minus 4 weeks)
- Successful candidate accepts job
- Job offer date
- Reference checks conducted
- Post interview analysis conducted
- Interviews conducted
- Applications close
- Advertisements up
- Today

Design the selection process

Before commencing your search, it is important to determine your expectations in relation to candidate applications and your methodology for assessing candidates.

Scoring system

- Consider using a 1-5 scoring system for all components of the process for each candidate – eg. CV quality, cover letter quality, sample work quality, skills, abilities, knowledge, experience, presentation at interview, responses to individual questions, etc. A comparative scoring system may assist you to choose the most appropriate candidate.

Written applications

- Will you require candidates to submit a full CV or a cut down version?
- Will you require candidates to provide a covering letter? What should it contain?
- Will you require candidates to respond to selection criteria or provide sample work?
- How do you want applications sent to you? Email or post?

Interview format

- We recommend using the 'Interview Proforma' template that accompanies this guide.

Interview questions

- You should formulate a set of questions (4-5) that you will pose to all candidates in your selection process
- You should consider scoring each candidate on their responses to these questions. You can use a simple 1-5
- You should use behavioural questions (see list that accompanies this guide) – these are questions that reveal a person's behaviour in response to previous situations that they

have encountered. It is proven that past behaviour is the best indication of future behaviour.

Competency testing

- You should consider having a competency testing component in your selection process.
- Examples of possible tests include:
 - A typing test
 - A written grammar and spelling test
 - A telephone demeanour test
 - A 'role play' test in which candidates must respond to specific situations

Referee Checks

- Will you require the candidate to provide referee contact information?
- It is recommend that you use the 'Reference Check Proforma' template that accompanies this guide.

Step 4: Candidate Search

Advertising

- Most suitable candidates are sourced through advertising.
- You should consider advertising in the following places:
 - Internet job boards – like CapitalJobs.com.au and Seek.com.au
 - Newspapers – best on Saturday
 - Industry journals and websites (eg the CPA website for accountants)

Writing a Good Advertisement

Remember, an advertisement is 'selling' your business to a prospective employee. You need to pitch your opportunity in a way that is captivating to the candidate. Put yourself in the shoes of the applicant and don't write the ad from an employer's point of view.

From a content perspective, your advertisement should contain the following:

- **Your logo** - Most job boards allow you to display your business logo at the top of your advertisements (CapitalJobs.com.au does). People are more inclined to click on an advertisement that is visually pleasing. An ad with a logo will be visited more often than an ad without.
- **A captivating title** - This is what appears when candidates search for jobs and it is the major element that determines relevance for the job seeker. The title needs to prompt the candidate to take the next step - to click and view the content of the ad. Be creative and try and stand out from the pack.
- **A compelling short description** - Normally the short description (or at least the first few sentences of the short description) appears on search results pages. Job hunters scan these search results pages and try to find keywords that capture their interest, before clicking to read the full advertisement. The short description needs to be compelling and contain 'What's In It For Me (WIIFM)' factors - \$, perks, opportunities that go with the vacancy etc.
- **A detailed long description** - The long description contains further details about the job, including an overview of the organisation, information about the vacancy and the selection criteria for the person sought. Don't make it too long - most people are time poor and won't read the whole thing if it is too long. Again, try and put the most important elements - the key attractors - up front so that candidates are encouraged to read on.
- **An indication of salary** - It is proven that advertisements that contain salary details receive more applications than those that do not. If you have a salary range in mind, then put it in your ad. Don't forget to include any non-financial benefits too.
- **Screening factors** - It is important that you include screening factors in your advertisement, to rule out those people who will not be suitable from the outset. For example, you could close with a couple of parameters that are not negotiable - i.e. 'Australian citizenship essential' or '5 years' management experience required'. If you don't provide any screening factors, you may be inundated with unsuitable applicants - this will waste time and reduce your focus on the suitable candidates.

- **Specific application requirements** – Ensure that you spell out any specific application requirements that you determined in Step 3 – eg. Please send a full CV with covering letter, and an example of your past written work, when applying for this position.
- **A deadline** – Include a deadline in your ad to convey a ‘sense of urgency’ to prospective applicants.
- **Multiple contact details** - You need to make sure that you give the candidate every possible means to get in touch with you. Candidates are in high demand - make it easy for them to contact you. Provide an email address, telephone number, contact name and even an alternate contact, should you be unavailable at any time.

Once you have got the content right, make sure that your advertisements are grammatically correct and do not contain spelling errors - make sure that a third person reviews the advertisement before posting it on the web. Spelling and grammatical mistakes will reflect poorly on your business and may preclude candidates from applying.

Other things that you should avoid include incorrect sentence structure, poor use of capitalisation (either excessive capitalisation or non-adherence to normal usage of capitals), three-line advertisements with scant detail, and the use of Hotmail or other free email services in the contact information.

Once the ad is posted, review it as if you were a job seeker reading it for the first time. Make sure that it appears correctly in the browser and is visually pleasing.

Other sourcing methods

Sometimes advertising will not yield a good quality shortlist of candidates. If you are unable to source candidates for a particular job, then you should ‘think outside the square’. Ask yourself the following questions:

- How can I find this candidate in 20 mins?
- Where does this candidate “exist”?
- Which organisations have this technology or system that I need expertise in?
- Have we recruited for similar roles before?
- Where did we get similarly-skilled people from in the past?
- Who can tell me where the candidates are?

Other options

- Identify potential candidates through networking or referrals
- Ask your existing employees to nominate prospective candidates (and reward them for the referral if the candidate is employed)
- Individually identify prospective candidates currently working with competitors and target them
- Use a recruitment company to broaden the scope of your search (see some suggestions about how you should engage recruitment companies here: <http://www.capitaljobs.com.au/blog/?p=28>. Be aware that most recruitment companies charge a placement fee of 10-20% of the employee’s total salary for permanent positions – this represents a significant outlay for a small business.

Step 5: Receiving and Screening Applications

Once your advertisements are up, you will hopefully start to receive applications from prospective employees.

Acknowledge Receipt of Applications from Candidates.

This is a good practice and keeps candidates happy in the initial stages of the assignment. The email also advises the candidate about their rights and your adherence to the Privacy Act.

Your application for the [xxx] position has been received and will now be assessed against our selection requirements. Once this assessment is complete, we will advise you of the outcome and, if appropriate, the next steps in the recruitment process. We expect to provide this advice by [date].

We respect your right to privacy under the Privacy Act 1988 (Commonwealth of Australia). Our organisation complies with the National Privacy Principles (NPPs) in respect to the collection of personal information from individuals. We will not retain personal information about you for purposes other than the processing of this job application.

'Paper' screening. If the application does not meet the mandatory criteria set out in the job advertisement or the candidate is quite obviously unsuitable, then they should be screened out immediately. Proceeding to the next stage with unsuitable candidates will waste your time. Here is an email template that you can use to advise candidates that they are unsuccessful:

Thank you for your recent application for the [xxx] position with our organisation.

Many applications were received for this position. After considering all applications, it was determined that other candidates had stronger claims against the selection criteria and greater suitability for the role.

We thank you for your interest and wish you all the best of luck with your ongoing job search.

Telephone screening

Telephone screening is used to determine whether a candidate is worthwhile interviewing. Should many candidates apply for your vacancy, it may be necessary to conduct a telephone screen to narrow the field of candidates. It is often not possible to interview every person for the job, and doing so will likely waste your time. Telephone screening removes the requirement to interview candidates that will ultimately not be competitive for the position. It also gives you an opportunity to make a more informed decision on borderline cases or to screen candidates that could be useful for other vacancies within your organisation.

The telephone screen might be conducted like this:

Thank you for your recent application for the [xxx] position.

We're in the process of reviewing the applications that have been submitted for the position and we're formulating a short list of candidates. We have received [xxx] (number) applications. Our intent is to proceed to interview with [xxx] candidates.

We are considering you for an interview. The purpose of this phone call is to ask you a number of supplementary questions to aid our understanding of your suitability for the role.

Are you happy to answer a number of questions for us?

Questions: (examples)

- *Question about motivation – 'why are you currently looking to move from your existing employer?'*
- *Question about skills/experience – 'how would your skillset and experience contribute to our organisation?'*
- *Question to test a competency – 'This job requires an understanding of [xxx]. Can you please provide me with a synopsis of what [xxx] is?'*
- *Question about past behaviours that relates to the position – 'The position that we're seeking to fill requires the employee to [xxx]. Can you provide me with an example of a time when you have done [xxx] previously?'*

Thank you for your responses.

As I said earlier, we're in the process of determining the short list of candidates for this position. I will contact you by telephone on [xxx] to advise you whether you have been granted an interview for the position.

Do you have any questions?

Finalise the shortlist of candidates and invite to interview

Having read the submitted applications and conducted telephone screening, you should be in a position to settle on a shortlist of candidates. Five or six candidates is optimal, because it is common for 1-2 candidates to pull out of the process and for 1-2 to be unsuitable. You should invite these candidates in for an interview. Do so over the telephone (be congratulatory) and follow up with a detailed email that outlines the interview specifics (who, what, when, where, what to bring, etc.). You should ask the candidate to confirm via return email, so that there is no prospect of confusion about timings or locations. It is a good idea to have the candidate bring identification and copies of their qualifications/accreditations, to confirm they are who they say they are – be aware that identity fraud is increasing.

Congratulations – We would like to interview you for the position of [xxx]

The details of the interview are below. Please confirm via return email that you are able to attend.

Interview location: [location]

Interview date: [date]

Interview time: [time]

Length of interview (approx.): [length]

People present: [people present]

Special requirements: [special requirements]

Please make sure that you bring some form of identification (a driver's licence) and original copies of all relevant qualification and accreditation certificates (eg. degrees)

Once again, congratulations and best of luck with your application.

Advise unsuccessful candidates

It is tempting to proceed to the next stage without advising unsuccessful candidates that they are not proceeding to interview. Nobody likes to deliver bad news, but it is absolutely critical that you do. Most people appreciate honesty and being up-front with the unsuccessful candidates will ensure that they are not bitter towards your organisation. If you don't do the right thing, your organisation can quickly get a bad name, particularly if you are in a small town! A good rule of thumb: if you have spoken to the candidate on the phone, then advise them that they have been unsuccessful via the same means; if you haven't spoken to them, then an email will suffice (see the template above).

Step 6: Candidate Interviews

Scheduling your interviews

When you schedule your interviews, make sure that you leave sufficient time between them (so that you have time to conduct a post-interview review and have a break between interviews) and don't try to do them all in one day. Interviews are very tiring and are best spread out over a couple of days. They are best done in the morning when you (and the candidates) are fresh.

Interviewers

We recommend that you use two interviewers. One interviewer can interact with the applicant and pose the questions, whilst the other makes notes and identifies further areas of enquiry. It is also useful to have two different perspectives when assessing a candidate's performance after the interview.

Looking the part

Remember that the interview venue and the process that you conduct will give the candidate an initial impression of your business. Job interviews are a two way street – you are selecting an employee, and the candidate is selecting an employer. For that reason, it's important that the venue is set up correctly, the interviewers are dressed well and conduct themselves professionally, and the process is conducted smoothly. You want the candidate to think that your business is a great place to work.

Conduct the interview

To conduct the interview, we recommend using the Interview Proforma (accompanies this guide), together with your pre-prepared interview questions (remember that behavioural questions are best).

The following instructions relate to the Proforma:

- Greet the applicant upon arrival, accompany them to the interview room and sit them down.
- Explain that you will be conducting a five step interview process:
 - Applicant details form – *Shortly I will ask you to complete the applicant details form, while I make copies of your identification card and relevant qualifications that I have asked you to bring in to the interview.*
 - General interview questions – *Then, we will work through a number of general interview questions so that we can learn more about you, your work history and your aspirations for the future.*
 - Specific interview questions – *After that, I will ask you a series of questions that relate specifically for the job vacancy you are applying for. We are asking the same questions of every applicant and your responses will, in part, be used to determine your suitability for the position.*
 - Applicant questions – *You will then be given an opportunity to ask any questions that you might have about the vacancy or our organisation.*

- Instructions about the process going forward – *Finally, we will provide you with information about the 'next steps' in the process, so that you understand the timeframes involved.*
- Ask the applicant to complete page one of the form, while you go away to make copies of the applicant's identification card and other documentation. Collecting this information is important because the incidences of personality fraud are increasing.
- Return to the interview room and check that the first page of the form has been filled out correctly. Query the applicant about any responses that have been left blank. Ensure that they have read and initialled the 'disclaimer' at the bottom of the page.
- Work through the General Interview Questions and make notes on the proforma.
- Move on to the Specific Interview Questions that you have formulated prior to the interview.
- Ask the applicant if they have any questions about the job, the organisation or the recruitment process
- Finish up by advising the applicant of the process going forward:
 - *We are interviewing a further X people and our interviews will be complete by X.*
 - *We will be making a decision on our preferred candidate on X.*
 - *We will conduct reference checks on the preferred candidate on X.*
 - *We intend to announce the successful applicant on X. You will be notified on this day whether you have been successful or not.*
 - *We hope to have the successful applicant commence work on X.*

Assessment of the candidate

During the interview and afterwards, you need to ask yourself the following questions:

- *Can the candidate do the job?*
- *Is the candidate motivated towards the opportunity?*
- *Does the candidate have all the mandatory requirements and most of the preferred requirements?*
- *Does the candidate have a good track record?*
- *Does the candidate have realistic salary expectations (\$)?*
- *Will the candidate reject counter offers from their existing employer?*

Step 7: Reference Checks

A Reference Check Proforma is accompanies this guide.

Many employees are hired without ever being reference checked - and a lot of managers ultimately regret not conducting these checks as part of their hiring due diligence.

A reference check is a short interview with a former or current manager (not a peer!) to determine the person's suitability for a new vacancy, based on their performance with previous employers.

Reference checks constitute a key information gathering activity in the recruitment process and they should not be skipped, despite the fact that they may seem painful to do. All too often, employers are keen to move quickly to fill a vacancy and believe that the candidate's performance at interview alone justifies an offer of employment. This is often not the case, because many candidates are consummate performers at interview but turn out to be lousy employees.

Whilst a reference check won't provide a 100% guarantee of the quality of a candidate, it will assist you in your decision making process by corroborating information gained earlier during interviews, and by highlighting potential points of concern that may have arisen during the recruitment process.

Some people say that reference checks are useless, because the candidate generally nominates the referee and 'primes' them before the check is conducted. A lot of the time, this is true. However, you can reduce the prospect of 'tainted' reference checks by conducting interviews with multiple referees from multiple organisations, and dealing only with referees who have had managerial responsibility for the candidate (preferably in their past 2-3 jobs). You may also consider advising the candidate that you wish to speak to an unspecified referee from one of the employers listed in their CV or from their current employer. If you receive resistance to this, then alarm bells will start to ring.

Of course, the candidate may legitimately not want you to talk to their current manager, as it may not be known that the candidate is planning to leave. I have seen this used as an excuse by 'job hoppers' so the employer needs to be wary in this situation.

Reference checks should only be considered one 'component' in the overall information gathering process. Coupled with the candidate's CV, cover letter, job application documentation, telephone manner and performance/presentation at interview, the reference check can help build a complete 'picture' of the candidate and his/her suitability for your vacancy. As reference checks are often the final step before the offer stage, they should be used to address any inconsistencies or concerns identified earlier on in the process.

Having conducted 2-3 quality reference checks with previous managers, you should have the confidence to proceed to the next stage of the process - to make an offer to the candidate or to advise them that their application has been unsuccessful.

Step 8: Decision, Offer and Acceptance

Review all information holistically

Once you have gathered all elements of information from your recruitment process – CVs, cover letters, interview notes, reference checks – you should be in a good position to make a decision on the person that you wish to employ. If you have used a scoring system, this will provide you with a good comparative tool when assessing the candidates.

Make an offer to the preferred candidate and get a contract signed

Once you have settled on the preferred candidate, contact them by telephone, congratulate them and make them an offer. Tell them that you will be sending a written letter or email, complete with a contract to sign as formal acceptance.

Advise unsuccessful candidates

Do not advise unsuccessful candidates until the preferred candidate has accepted your job offer in writing. If the preferred candidate chooses not to accept, then one of your unsuccessful candidates might very well become the successful candidate. Unsuccessful candidates at this stage of the process should be advised by telephone, not by email.

Brief candidate on commencement details

Now that you have a signed contract, it's important that you provide the employee-to-be with clear instructions and expectations about their commencement. You have been thoroughly professional with your recruitment process, and the candidate will expect that a similar level of professionalism will be applied to the induction period.

Step 9: Commencement

A new employee will quickly become disenchanted with your organisation if you fail to provide a suitable induction. It is important that you create a 'psychological contract' with your new employee by showing them that you care about them from the very start. Providing them with a detailed induction process, comprehensive training and tools-of-the-trade from the outset will help to entrench them as part of your organisation. Failure to do so will result in a disaffected employee. Managers take responsibility for the induction process and ensure that the new employee's welcome is a warm one.

Pre-Commencement

- Desk and workspace set up
- Computer set up
- Stationery provided
- IT logins established
- ID / access control cards ready
- Employees briefed about the new employee's commencement
- Employees involved in the induction process are briefed and understand their responsibilities
- Initial paperwork prepared for completion

Commencement

Induction

- Welcome
- Provision of an induction timetable
- Tour of facilities
- Introduction to colleagues
- Provide understanding of the responsibilities of other workers
- Workplace policies and routine
- Utilities – photocopier, fax, printers, shredder
- Employee's workspace - computer, telephone
- Kitchen, coffee machine, fridge, microwave
- Toilets/showers
- Access control – passes, security codes, alarms, doors, how to get in and out
- Fire/emergency escape plan
- First aid
- Working hours
- Salary payment information
- Leave provisions
- Use of vehicles for business purposes
- Use of business credit cards
- Reimbursement of business costs
- Travel and accommodation policies
- Equal Employment Opportunity / Workplace diversity
- Sexual harassment
- Resignation/termination
- Drugs and Alcohol policy
- Confidential information and security requirements
- Conflicts of interest, acceptance of gifts

- Mail
- Recycling and 'green' initiatives
- IT policies – internet, restricted content, use of email, laptop usage
- OHS policy
- Workers Compensation

Paperwork

- Internal paperwork requirements
- Tax File Number paperwork
- Superannuation paperwork – <http://www.ato.gov.au/Super/>

Training

- Job training
- Computer training – intranet, key systems
- OHS training

Creating the psychological contract

- Have the CEO spend some time with the new employee on their first day – a coffee and a chat.
- Consider a welcome gesture – take the employee out to lunch on their first day; give them a gift or something special to mark the occasion; have a morning tea and formally welcome the new employee.
- Consider assigning a 'buddy' who works with the employee for the duration of their first week