

# BUSINESS SENSE

Next Level Tools for Entrepreneurs & Small Business Owners

## HUMAN RESOURCES SERIES

### The Importance of Recruitment: Effective Hiring Processes

#### Why is this important?

Attracting, hiring, and retaining the right people is key to any organization's success. Having employees with the right skills, abilities, interests, values, and temperament helps ensure that quality services and products are created and delivered, and makes a positive contribution to the company culture. Done well, a hiring process allows business owners and their leaders (supervisors, shift leads, managers) to focus their time on activities that help strengthen and grow the business, and support and develop their employees, instead of addressing problems related to behavior, performance, safety, or quality.

Quality hiring practices take time and money to develop and put in place, and skilled, caring supervisors to consistently follow and help improve. Key activities include preparing job descriptions, creating and managing a process for sourcing, vetting, and selecting candidates through interviews, reference checks, and hiring decisions, and designing and implementing a new employee onboarding process, all in compliance with relevant laws and aligned with your culture. This document outlines strategies, tools, and resources aimed at getting the right people into your organization, and in the right roles.



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#### What is an Effective Hiring Process?

Hiring employees takes time and care to ensure you hire people with the knowledge, skills, and experience needed to perform key functions in your business. While the hiring process for entry-level positions may be fairly quick and simple compared to executive-level roles, both can benefit from a structured process that may include some or all of the following:

**1. Application process:** This can be as simple as having a paper application at the front desk of your business or on your website, or as complex as directing applicants to submit a cover letter and resume online, via an on-line form or via email. Some employers may wish to avoid business disruption from walk-in job seekers while others may opt to post open positions where prospective employees (who may be

customers in your place of business, or follow you online) can see them and apply on the spot.

**2. Vetting process:** Most hiring efforts involve one or more of the following activities:

#### **Resume/application review and screening call or initial interview -**

After reading over a prospective candidate's resume or application, it can be helpful to start with a 15-30 minute phone conversation to discern the candidate's level of interest. You can ask some initial questions to find out if they possess the minimum qualifications, and to confirm they are amenable to the starting hourly rate or salary, or the hiring range, as well as specifics such as mandatory overtime, work schedule (hours/days of the week), location, beeper and travel requirements, etc.



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**Formal interviews** - Whether in-person or virtual, these longer conversations delve more deeply into the candidate's ability to do the job, their interest and motivation for exploring employment with your company, and the extent to which they will perform and behave in a way that aligns with your company's values and behavioral norms. Optimally, new employees will make a positive addition to your company culture. The higher-level and more complex the role, the more rounds of interviews are usually involved. Interviews can take many forms ranging from 1:1 with a hiring manager to informal meetings with prospective co-workers aimed at helping the candidate understand a typical day and provide current employees the opportunity to offer their insights about the candidate's qualifications/interests to the hiring manager. Group interviews involving a hiring team of the manager, an HR professional, and an employee with

subject matter expertise needed to properly evaluate candidates' qualifications is another approach. Anyone involved in interviewing prospective candidates should receive training on unconscious bias, as well as, unlawful questions and other topics/questions to avoid that may expose the company to risk.

### Interview Techniques and Questions

It's important to think about both what you want to evaluate (based on the job description) and the kinds of questions that will help elicit related insights and information. Things to evaluate may include:

- Hard skills (experience, knowledge, education, and skills)
- Soft skills (interpersonal, oral and written communication, problem-solving, attributes, etc.)
- Interest in your business and mission
- Alignment with your company values

### Types of Questions:

- Behavioral-based questions designed to gain insight into how a candidate handled relevant situations in the past.
- Open-ended questions that cannot be answered with a yes or no.
- Close-ended questions that can be answered with a yes or no.
- Scenario-based questions that ask the candidate to describe how they would handle a situation relevant to the job.
- Demonstrations of skills or knowledge through role playing or a pre-assigned presentation.\*\*

To help candidates provide useful insights, consider sending the scenario and/or some or all interview questions in advance of the interview. This practice is helpful to candidates who may be shy, less experienced or comfortable during interviews, and hopefully helps make the best use of everyone's time during the interview.

**\*\* cautionary note:** Unless you are willing to pay the candidate for their time, avoid asking them to do real work that benefits your organization.

### Avoid Unconscious Bias When Evaluating Candidates:

Malcom Gladwell pointed out in his first book, "The Tipping Point: How Little Things Can Make a Big Difference", that we tend to make almost instantaneous decisions in our hiring processes, based on our unconscious biases. To avoid this tendency, focus on evaluating the values and behaviors the candidate demonstrates during the interview





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process, the extent to which they could make a positive contribution to your organization's culture, and their interest in helping advance the company's mission. Optimally, each new employee makes a positive "culture add" to your organization.

### **References and Background Checks -**

**References** - Before making an offer, it is important to talk with people who know the candidate from a variety of relevant perspectives. While it is prudent to talk with a former manager, you might also consider asking the candidate if you can speak with others who can help round out your knowledge of them. These other individuals could include a former coworker or peer, people who were "customers" of the candidate (e.g. a direct report, an actual customer, or a vendor),

or people with whom the candidate volunteered.

**Background Checks** - Given the type of position you are hiring for, you may or may not need to conduct a formal background check. Generally, background checks are focused on evaluating one or more of the following: criminal record, credit record, and verification of educational credentials and employment history. Background checks need to comply with the Fair Credit and Reporting Act (FCRA) and Vermont's Fair Employment Practices regarding criminal history records and employment based on credit information. Hiring a reputable background check organization helps ensure compliance with state and federal laws.

Background checks and drug tests or fitness for duty tests should only

be done after a contingent offer of employment is made and with the candidate's consent. It is prudent to seek guidance from an employment attorney before undertaking any of these checks, and to have your offer letter reviewed for legal compliance.

Whatever checks you do run, it is important to treat all final applicants in a consistent manner. Checking for some and not others could invite a claim of discrimination. **You should focus on treating all candidates in a consistent manner throughout each stage of the hiring process.**

### **3. Making an Offer**

Extending an offer of employment is an opportunity to personally express your enthusiasm and interest in having the candidate join your organization. While a nicely written letter is helpful for confirming the terms of the offer (e.g., job title,



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start date, pay, benefits, etc.), making the offer by phone or face to face personalizes the offer to the candidate, after which you can send the offer letter. It is advised that you develop an offer letter template with the kinds of information that will be included in each hire you make and this should be reviewed by an employment attorney so that it complies with employment laws and best practices.

### Don't Forget About Candidate Experience

Everyone who interacts with your business and employees is a customer of sorts, whether they are

selling you tools or raw materials, purchasing your products, or applying for a job. As an employer, the way you go about recruiting, interviewing, and either hiring or rejecting candidates creates a reflection of your company in the employment market. Focusing on providing a positive experience for job candidates can reap huge rewards in the form of referrals to other applicants, positive comments on social media, and perhaps even a new customer.

The market for top talent is always competitive, making it critical to close the loop with each candidate,

even if done via a brief, appreciative email. No company wants to create a reputational risk of being known as the black hole of job applications, and just because an applicant isn't right for one role doesn't mean the perfect opportunity isn't right around the corner.

The dynamic nature of HR matters in growing companies means that roles, responsibilities, and reporting structures will change over time. Identifying and discussing these changes, whether they happen by design or organically, helps individuals and teams thrive.

#### NOTE TO READER

The information contained herein is based upon sources believed to be accurate and reliable. While we have exercised reasonable care to ensure the accuracy of the information contained here, no representation or warranty is made as to such accuracy. Readers should check primary sources where appropriate and use traditional research techniques to make sure that the information has not been affected or changed by recent developments.

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Business Sense is a no-fluff source of information that gets right to the heart of what small business owners need: essential tools and informational resources to help their businesses grow. Written by our team of business coaches, this series shares their decades of experience in areas such as financials, operations, sales and marketing, human resources, leadership, and governance. Business Sense is designed to provide entrepreneurs and small business owners in various sectors, including agriculture, forestry, waste management, renewable energy, and environmental technology, with recommendations and practical advice to help their businesses not only survive but thrive.

Our business management coaching and Business Sense Resource Guide are designed to accelerate the growth of the enterprises we work with and expand the leadership capacity of the entrepreneurs who own and manage these businesses.

### Let Us Help You and Your Business

The Vermont Sustainable Jobs Fund provides tailored business management coaching, entrepreneurial support, and training to position Vermont-based entrepreneurs and small business owners in our designated market sectors for growth and long-term success. We partner with state government, private sector businesses and nonprofit organizations to build a thriving economic, social and ecological future for Vermont. Learn more at [VSJF.org](https://vsjf.org)



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