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## 'MOST LIKELY TO SUCCEED': FINDING THE CANDIDATE WHO FILLS THE BILL

Following a definite routine protects the bank while getting to the right hire

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In a recent blog, I discussed employee terminations. Firing a worker is expensive in time, money, and morale, and should only be done as a last resort.

In my experience, most terminations are the result of poor hiring decisions: the worker should never have been hired in the first place.

So I'm devoting this blog to suggesting how the hiring process should be structured not only for legal compliance but also to ensure that the candidate chosen is the one most likely to succeed.

### Define the job

When a position becomes vacant, it offers an excellent opportunity to look critically at the functions performed and the knowledge, skills, and abilities needed to perform them.

Learn from the past: What parts of the job description worked and didn't work for the previous incumbent?

But also look forward: How could the job be restructured to better integrate with your vision of the bank in the future?

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While you are revising the job description, don't forget to check that the exempt or non-exempt classification

under the Fair Labor Standards Act is accurately reflected in the job duties described. For example, if you are claiming the "executive" exemption for a position, the job description should reflect that the primary duty is the supervision of two or more full-time subordinates, and includes hiring and firing powers.

In the "knowledge, skills, and abilities" section, make reference to any physical or mental requirements. The Americans with Disabilities Act has recently been revised to widen its coverage and increase the employer's obligation to engage in a dialog with disabled candidates to determine an appropriate accommodation. The job description is the key tool in that dialog.

#### Advertise the job

Some banks have a policy of advertising all vacancies internally before looking outside. This builds employee morale by providing career advancement. It also allows the bank to pick from candidates whose abilities are already known. However, opening the job to outside applicants increases diversity, and allows for new ideas to enter the culture. Perhaps a flexible policy is best: some unique positions will require a wide net to be thrown, while an internal succession plan works for more general management positions.

Banks subject to affirmative action plan (AAP) requirements (that is, all banks with more than 50 employees) have additional obligations. The local government job center should be notified of the vacancy. You should keep a careful record of where and when the job was advertised. And the advertisement should state that the bank is an EEO/AAP employer.

#### Screen the applications

Require all applicants to complete a standard job application form; don't accept "see attached resume."

This allows you to make accurate comparisons between candidates because you are obtaining the same categories of information from everyone. Your application form should include a certification of the accuracy and completeness of the information stated in it, and an acknowledgement that any dishonesty bars the candidate from further consideration, or, if

hired before discovery, is grounds for termination.

With resume fraud running at about 25% by some estimates, this will help ensure you are not hoodwinked.

AAP-covered banks should provide a voluntary race, ethnicity, and gender self-identification form with the application. All applicants should be logged and tracked throughout the process. Unsuccessful applications should be retained for at least two years. Of course, the entire application process, including tracking, can be done electronically.

Your HR department usually makes the first pass at screening applications, rejecting any that clearly do not meet the advertised requirements, then ranking the surviving applications, or sorting them into A, B or C candidates.

Let the experts do their work.

It is very tempting for a manager to "put in a good word" for a friend, relative, or acquaintance. But the danger of "good ol' boy" hiring is that a less qualified candidate (who happens to be a white male under forty) is preferred over a better qualified black, female or over-40 candidate, and a lawsuit ensues.

#### Interview the shortlist

Many banks use staffing agencies or headhunters to fill positions. This can save time and effort, especially if your HR department is stretched. A word of warning: Even the best staffing firm cannot predict with any certainty which candidate will succeed in the job. Make sure you interview several top candidates--how many depends on time pressure and the quality of the candidate pool--before making your selection.

Interviewing is a skill that can be learned. Understand that an interview is not a conversation; it is a deliberate attempt to obtain predictive information in a concentrated period of time, usually not more than half an hour.

Don't waste precious time making the candidate feel at ease by discovering common interests or mutual acquaintances.

Ask open-ended questions that require the candidate to describe how he would handle the specific duties of the job you are filling. For example:

• (For a candidate with prior relevant experience)

Tell me about a situation in which you were faced with ...? What did you do? What were your main

considerations? What was the outcome?

• (For a candidate with no prior experience in the job you are filling)

What would you do if you were faced with a situation in which . . .? What would be your main considerations? Can you think of alternative ways such a situation might be handled?

At the same time as noting the content of the candidate's answers, assess other attributes that are relevant to the performance of the job being interviewed for. If the job involves interaction with customers, does the candidate make good eye contact and speak clearly? Is the candidate well-groomed?

It's a good sign if the interviewee has done their homework about the bank, and comes prepared with a few intelligent questions for you.

Even if you are certain of your first choice, have someone else interview the top two or three candidates to get another point of view. A little more time spent here can avoid a costly mistake.

Make a conditional offer

Never make an offer at the end of the interview.

Send an offer letter later that spells out the terms of the job--title, salary, location, reports to, etc.--and that states that the job offer is conditional on obtaining favorable references from prior and present employers, satisfactory educational record, criminal record and/or credit check, passing a drug test, or whatever other pre-employment conditions must be fulfilled.

If you do a credit check, or if you use an outside agency to perform reference checks, the Fair Credit Reporting Act mandates that you obtain a specific release from the offeree. Include the release form with the offer letter, as well as directions for the drug test, if any.

If the credit history does not meet the bank's pre-determined standard, you must let the offeree know and give a "reasonable time" (about a week) for them to correct or explain the credit history before giving the job to anyone else.

Obtaining references from prior employers is often difficult, but must be done. Two questions I've found useful and that will get answered, are:

- Please verify X's dates of employment.

If the dates don't jive with the ones on the application, the candidate may be trying to cover up periods of unemployment or a spotty, short-term employment history.

- Is X eligible for rehire?

A negative response does not mean you withdraw the offer of employment, but it is a red flag that begs a conversation to allow the offeree to explain.

My own "gold standard" for hiring is honesty. I think any fudging of the information on the application form that is revealed later during the interview or reference checking process is grounds for rejecting the candidate, withdrawing the offer, or even terminating employment, if already hired.

"You're hired!"

In my next blog, I'll tackle the issue of employment contracts and covenants. Once you've hired the perfect candidate, how do you ensure that you can retain them?

Disclaimer: This article does not provide, nor is it intended to substitute for, professional legal advice.

#### About the author

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