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Mastering The Cycle of Recruiting & Employment

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INTRODUCTION

As an enterprise flourishes and grows employing people is one measure of success. At one of our clients, Henry Schein Regional, the team totalled 9 people when we began working with them in 1994. Now there are over 100 people employed and that number is expected to continue increasing as they increase sales and profits. That's success - in employing good people.

And a better measure of how successful the employment of new people has been for them, is winning a top 5 place in "unlimited magazine's" Top 20 best places to work in NZ. They have achieved this in both 2003 and 2004.

You can read more about them on our website: www.foresight.co.nz

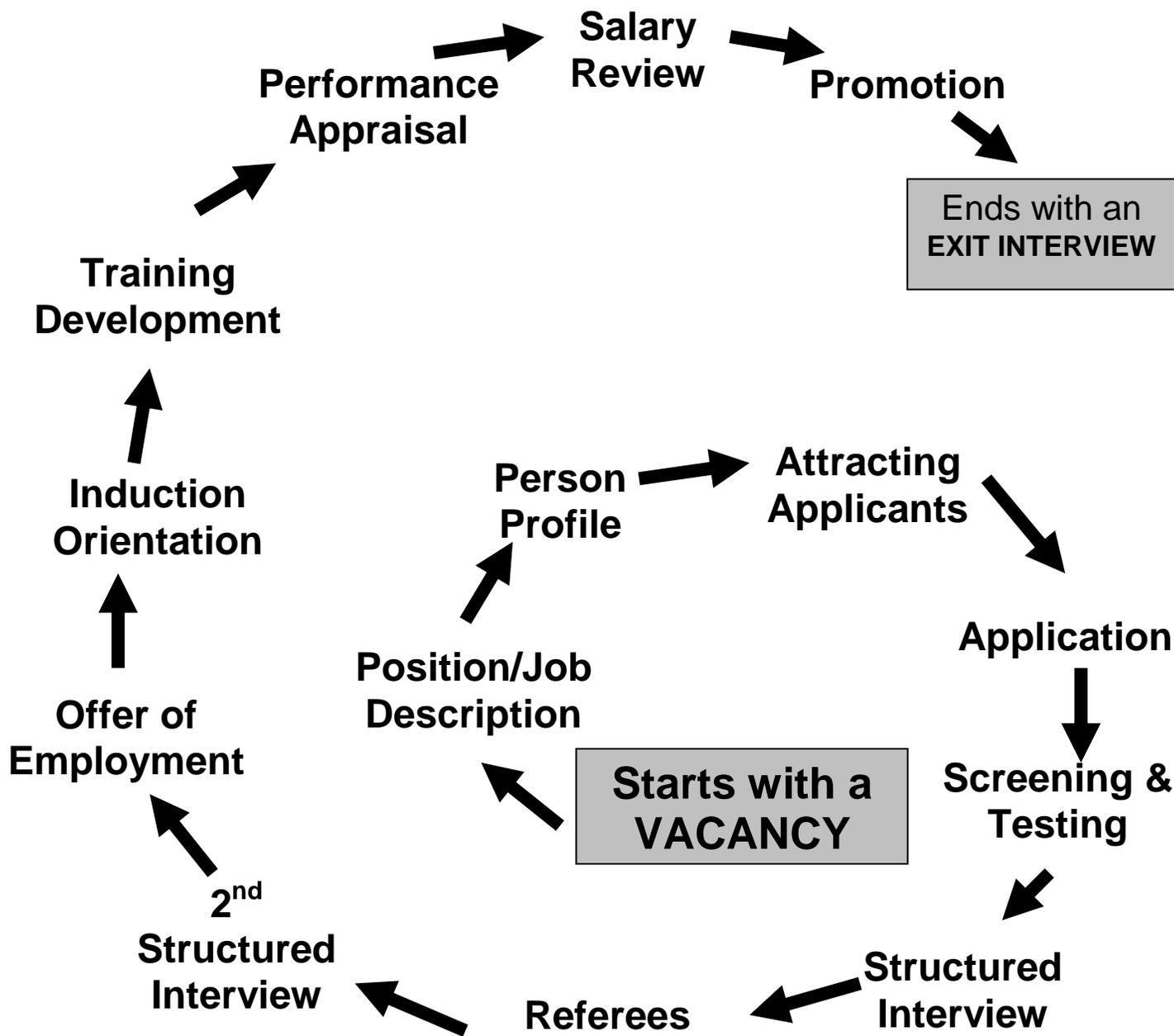
Recruitment is a critical function of management, and it requires the application of time and thinking effort to get it right. A poor decision will have bad outcomes for the firm and the individual. In too many cases the preparation is poor and the process is rushed. And too often when it's not working out the reaction is, "well they were the best of a bad bunch and we had to fill the position!" Any reasonable analysis would show that the resources needed to "sort out" the problems are far greater than the resources needed to bridge a gap while good decisions are being made about the right person for the job and the firm. So gathering information about applicants is one component of recruitment, decision-making is the other. The quality of the second is dependent on the quality of the first.

This guide has been developed to help managers do a better job of growing the business through recruiting the right people to fit the team, and take the business forward. It's something that every manager should aspire to be a real expert at, and to be very confident about. It's not a job to be left to a consultant whose interests are in achieving the maximum number of placements possible this month. The following quote is worth some consideration!

"The price of success is perseverance. The price of failure comes cheaper."

■ Robert Half

THE CYCLE OF EMPLOYMENT



THE POSITION / JOB DESCRIPTION

This is the fundamental building block which determines the productivity of the person you are employing. It outlines:

- Position, title
- The role and purpose
- Relationships to other roles in your operation
- Reporting relationships
- Functional relationships
- Scope and responsibility
 - a) Scope
 - b) Management / supervisory authority
 - c) Financial delegation
- Main Functions
 - a) Key tasks
 - b) Expected results/outcomes
 - c) Control information – how you will measure results

**“You can only expect what
you are prepared to inspect”**

THE PERSON PROFILE OR PERSON SPECIFICATION

The person profile briefly describes the sort of person who will fit the job description. It guides you in sorting the “sheep from the goats”. It outlines the position requirements for:

- Knowledge
- Intellect
- Physique
- Motivation / attitude
- Experience
- Values – how aligned to your firms are the values of the applicant?
- Particular abilities
- Qualifications
- Special requirements?

ATTRACTING APPLICANTS

Potential applicants may be found through a wide range of activities, e.g.:

- Advertising
- Professional recruitment agency listings
- Head hunting
- Word of mouth
- Review CV / applications file
- Networking
- Internal transfers or promotion

ADVERTISING

Because classified advertisements attract a big response your advertisement must be carefully worded, so as to eliminate those who will obviously fail to meet the requirements set out in the job, and person descriptions.

Your objective is to connect with the person who can deliver the results required, and persuade them to apply.

Your choice of paper or magazine will be determined by location of the position and what the person you want will read, i.e. the daily paper, or a specialist magazine.

Typical advertisements usually include:

- Title and/or nature of the job and organisation (your firm)
- Key requirements of the job
- Benefits of working for your firm
- Salary range and/or some other key terms, e.g. commission
- Career development options
- Exceptions to any part of the Human Rights Act

PROFESSIONAL RECRUITMENT AGENCIES

Perform a filtering function and present you with a list of applicants who hopefully, meet your requirements.

Issues to consider:

- Fees versus cost of some other method.
- Guarantees on termination or resignation within agreed time.
- How are they remunerated? Consultants are sales people, not HR experts.
- Their knowledge of your firm and the job you have vacant.
- The interviewing and other personnel expertise of the recruiter (many are primarily salespeople).

HEAD HUNTING

As it implies you target a specific individual and sell the benefits of working for your firm, the career and achievement opportunities, to that person.

More usually initiated for senior positions and handled by a third party, i.e. recruitment agency acting on your instructions.

REVIEW CV / APPLICANT FILES

There may be details on excellent potential employees hidden in the files. Those people who applied but who were not employed previously, i.e. runner-up.

The key issue to be addressed is approval, under privacy legislation, for you to hold these CVs and the use you make of them.

Also to be considered is the time since the previous application and changes that have taken place meanwhile e.g.

- The firm and its business
- The job specification
- The person requirements

WORD OF MOUTH

You and your team get the word out into the business environment and let it be known that your firm has a great opportunity for the right person.

Potential applicants are encouraged and motivated to apply when they hear about the vacancy.

Can result in too many “mates” applying and potential problems of too many “mates” working together.

NETWORKING

You actively start contacting people you know and whose judgement you trust, seeking their advice and recommendations on who you might approach or whom they might “have a quiet word to” in order to sound out interest.

INTERNAL TRANSFER OR PROMOTION

This option is connected directly to HR policies, and development planning.

Key considerations:

- Reasons the individual wants to transfer (personal agenda which is not aligned to your department's values).
- Temptation for a manager to transfer or promote instead of solving a problem.
- Costs
- Training required
- Knowledge, skills and attitude requirements

THE APPLICATION

The application form is designed to collect and organise information vital to your recruitment / selection decisions.

The Human Rights Act prohibits discrimination in employment on the grounds of:

- Gender
- Age
- Date and place of birth
- Marital status
- Number of dependants
- Nationality
- Religion

SCREENING

From the mound of applications you want to sort out two or three applicants with the capacity to deliver the results you require. Three categories may be useful:

- Yes
- No
- Maybe, or probables and possibles

Some form of matrix based on the job description and person profile will be a useful tool to do this screening.

Position: _____	(Specs)	MUST HAVES				NICE TO HAVES			
(Applicants)									

The screening of applicants takes you to where, from scrutiny of applications, CVs and your own analysis, you have built up a short list of applicants you are willing to spend resources (time and money) investigating further via referees, interviews, negotiation etc.

TESTING

The use of a range of tests has become a fairly common practice. The purpose is to increase the certainty that the applicant will fit the firm and produce the results required.

The range of tests includes:

- IQ (intelligence quotient)
- Personality type (a profile)
- Aptitude (for specific types of work)

Recent research has highlighted one aspect of personality as always being present with high achievers – **“Optimism”**. Professor Martin EP Seligman has demonstrated this connection in study after study in a broad range of industries. It is particularly relevant to sales roles. In one study the 2-year cumulative total of sales by the optimists was **78% above** the total sales of the pessimists. This test is known as the Seligman Attributional Style Questionnaire (SASQ). On average the **optimists produce 20% to 40% more sales** than the pessimists.

Only tests from reputable sources which can show that they are properly validated and non-discriminatory should be considered. They will have research published in major scientific journals. Only criterion tests should be used i.e. they measure something i.e. optimism, that has a proven point to point – direct relationship - to a key criterion e.g. \$ sales results.

You can learn more about the tests we recommend by visiting our website and going to the pages on services and products: www.foresight.co.nz

INTERVIEWING

This is a critical step in the process as it creates perceptions and expectations. The formation of the psychological contract, as distinct from the formal contract, begins taking place.

A well-planned interview is essential if the time invested is to produce clear results in who is the best choice for the position. Planning includes:

1. Who will be involved in the interview?
2. How you will open the interview?
3. How you will probe for in-depth information?
4. How you will clarify information gained?
5. How you will conclude the interview?
6. How you will communicate decisions to the applicants?

The **“STRUCTURED INTERVIEW”** is best for producing clear evidence of who is best suited to the position. In a structured interview each applicant is put through the same process and asked the same questions. This gives the best comparison of each applicant against others.

Note-taking

Keep notes during the interviews and complete an applicant rating matrix on completion of the interviews. Each interviewer should complete their own rating sheet and these results can be combined or averaged to achieve consensus.

Applicant Rating Matrix

Date: _____ Position: _____

Applicant: _____ Interviewer: _____

CRITERIA	RATING – Circle					Int 1	Int 2	Int 3	Consensus
	P	F	A	E	O	Total	Total	Total	
Education Completed	1	2	3	4	5				
Education Planned	1	2	3	4	5				
Training in Sales	1	2	3	4	5				
Training – other relevant	1	2	3	4	5				
Work experience in sales	1	2	3	4	5				
Work experience – other relevant	1	2	3	4	5				
Presentation	1	2	3	4	5				
Communication – verbal	1	2	3	4	5				
Communication – written	1	2	3	4	5				
Motivation	1	2	3	4	5				
Values	1	2	3	4	5				
Test Results	1	2	3	4	5				
(Other items from must haves, and nice to haves list)									

NOTES: _____

KEY: P = Poor F = Fair A = Average
E = Excellent O = Outstanding

NOTE: The ratings from other
interviewers can be
included here.

REFEREES

Reference checking must play a crucial role in the selection process. It is not enough to rely on the word of the applicant, but getting the right information can be a challenge.

How often do you check the references of seriously considered applicants? It takes time and effort. Then you usually get only glowing recommendations and praise. Makes you wonder why they let the person go? You might conclude that all this investigating is a waste of time; still, you can glean valuable candidate information

In addition to getting biased information, another issue to consider is the reluctance by some companies to provide information beyond employment dates and job titles. Anything else can be considered a breach of privacy, and the risk is greatly increased if opinions are put down in writing.

OVERCOMING RESISTANCE

Many employers have developed policies prohibiting the release of information other than the employee's dates of employment and job title. In a growing number of cases, calling a supervisor for a reference will result in referral to the human resources department.

This obstacle to reference-checking is not as sweeping as some would have you believe. But apprehension about giving references does prevent the system from working.

To overcome this resistance, several strategies may be- attempted.

- If you call the employee's department and are referred to human resources, try the department again later. If you get a different person the second time, you may get more information.
- If you are having little success, ask another member of your department to give it a try. Sometimes the rapport developed between the reference checker and reference giver makes all the difference.
- You might also call back and simply ask to speak with a person who has worked with the applicant. With an open question like this, you may get a willing response
- Finally, if nothing else works, appeal to the reference's common sense. If all companies stop giving references for fear of being sued, the recruiting system will experience a grave loss of access to helpful information.

QUESTIONS TO ASK

Questions should be developed around what you need to know by examining the job description and reflecting back on individuals who have held the position.

All questions should be job related. Drifting off into inquiries about lifestyles and personal information is asking for trouble.

There must be consistency between candidates. Asking different referees different questions destroys your ability to compare. While all queries should be consistent, you should pursue inconsistencies in what the referee says, and seek clarification if a response arouses your curiosity.

Here are some typical questions you might ask:

- How long did Jack work for the company?
- What position did she hold when he left?
- What position did he begin in?
- How would you describe her work ethic?
- Given the opportunity, would you hire him again?
- What reservations should I have about hiring her?
- This is what he would be doing for our firm. How do
- You think her skills and abilities would fit into that position?
- Who else within your organisation would be able to comment on his
- performance?
- What were her reasons for leaving your organisation?

EVALUATING REFERENCES

Once you have spoken with the references of all finalists, it is time to compare the results. Again, the key here is to remain impartial and consistent. If copious notes are taken during each reference check, you should have an accurate picture of how each candidate interacts with an employer, the reservations the employers have, and the points in favour of each candidate. Remember to include the non-verbal clues of the references in the evaluation. These sometimes form the key information on which to come to a conclusion.

SECOND INTERVIEW

The second interview provides an opportunity to:

- Confirm your first impressions
- Implement the one over one process
- Begin the process of negotiating the employment contract
- Clarify any issues outstanding
- Establish the basis of a productive working relationship

Note: One-over-One Process

In this process the applicant is also interviewed by the manager/supervisor of the person the successful applicant will report to.

COLLATING RESULTS

On conclusion of the interviewing it is important to collate all the information from all the processes together onto one easily understood form such as that over the page. This will be a big help in the decision-making part of the process. It also records quite clearly how you arrived at the decision

Applicant Comparison Matrix**Interviewer Consensus Rating**

	Applicants				
CRITERIA					
Education Completed					
Education Planned					
Training in Sales					
Training – other relevant					
Work experience in sales					
Work experience – other relevant					
Presentation					
Communication – verbal					
Communication – written					
Motivation					
Test Results					
References Checked					
(Other items from must haves and nice to haves list)					
TOTAL SCORES					

RECORDS

- Remember to retain records of how and why you made your decisions during the cycle of employment.
- You may be required to provide evidence that you have met all the legal obligations placed upon the firm by the laws governing employment and human rights.

OFFER OF EMPLOYMENT

Appointment takes place when:

- The terms of employment have been negotiated and agreed.
- The reimbursement of relocation expenses has been agreed (if policy).
- A starting date has been agreed.

Confirm the appointment in writing (letter of offer) with a copy of the employment agreement for signing (if this has not already been signed).

The employment agreement will include:

- Whom the agreement applies to.
- Definitions of terms used in agreement.
 - Job description
 - Classification
- Hours of work.
 - Ordinary
 - Overtime, Penal Rates
- Employment Terms
 - Nature of Agreement
 - Termination
 - Abandonment
 - Payment of wages/salary/commission
- Time off
- Remuneration
- Accommodation and Amenities

- Health and Safety
- Disputes Procedure
- Grievance Procedure
- Superannuation
- Employer Obligations/Responsibilities
- Restraint of Trade

INDUCTION & ORIENTATION

A well planned induction and orientation.

- Makes the employee feel welcome and valued
- Helps the new employee understand and adjust to the culture
- Set the standard for future relationships

INDUCTION

All the formal procedures necessary for the new employee to become part of your firm e.g. form filling, policy and procedures etc. It answers the question "What does this person need to become part of the firm and get paid?"

ORIENTATION

A planned approach to maximising the new employee's productivity. The focus is on providing explanations, guidance, advice and introduction essential to job result, e.g:

- Calls to key customers
- Order processing procedures
- Reporting requirements
- Territory management plans
- Prioritising
- Computer systems
- Other matters pertinent to your business

TRAINING & DEVELOPMENT

The role of training and development is vital to the success of your new employee.

Training equips the employee with:

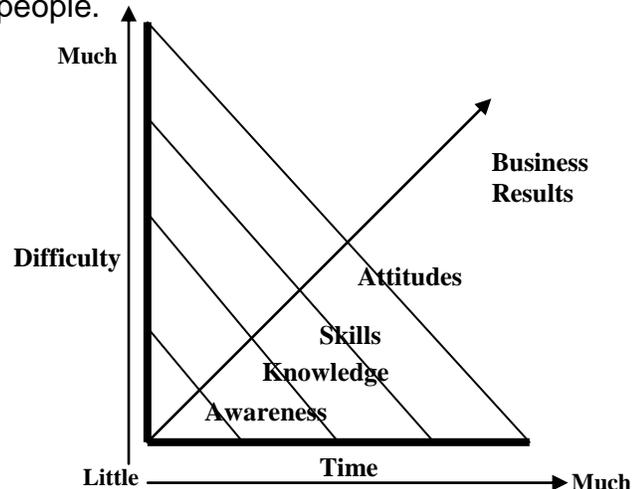
- Awareness
- Knowledge
- Skills
- Attitudes

Necessary to proper performance of their jobs and production of results required.

Development is for the purpose of increasing the breadth of the employees' expertise and their capacity to take on new and more demanding roles.

Both training and development involve investments by the firm. Extensive research demonstrates that well-targeted training can produce a return of \$8.00 to \$12.00 for every \$1.00 invested. Good management sees that the investment generates a return and the increased "intellectual capital" is retained within the firm.

When developing training plans consider the following model relating to the difficulty of changing people.



Because of these factors it is important to think carefully about the outcome you want before embarking on an investment in training.

A training timetable is a useful tool for planning. You can monitor progress and plan action. It also helps motivate the employee by demonstrating yours, and your firm's commitment to their ability, capacity, growth and results.

PERFORMANCE APPRAISAL

The purpose of the performance appraisal is:

- To review results, over the last period of time, in comparison with targets.
- To consider what factors have influenced the achievement of results.
- To learn from failures and successes
- To plan training and development
- To set new targets
- To set out the grounds for salary review

There should never ever be any surprises in a performance appraisal. Employees need constant feedback in order to maintain performance and increase results. Surprises in an appraisal meeting indicate the failure of management to communicate.

The appraisal interview needs as much careful planning as an employment interview. You want to increase the motivation of the individual producing the results required. A slapdash, off-hand manner, or failure to give each employee quality time will convey some powerful messages about the importance of setting targets, maintaining progress and appraising contribution to success or failure. No doubt your firm is a bottom-line results oriented firm, and appraisal needs to convey that both in words and actions.

Salary Review

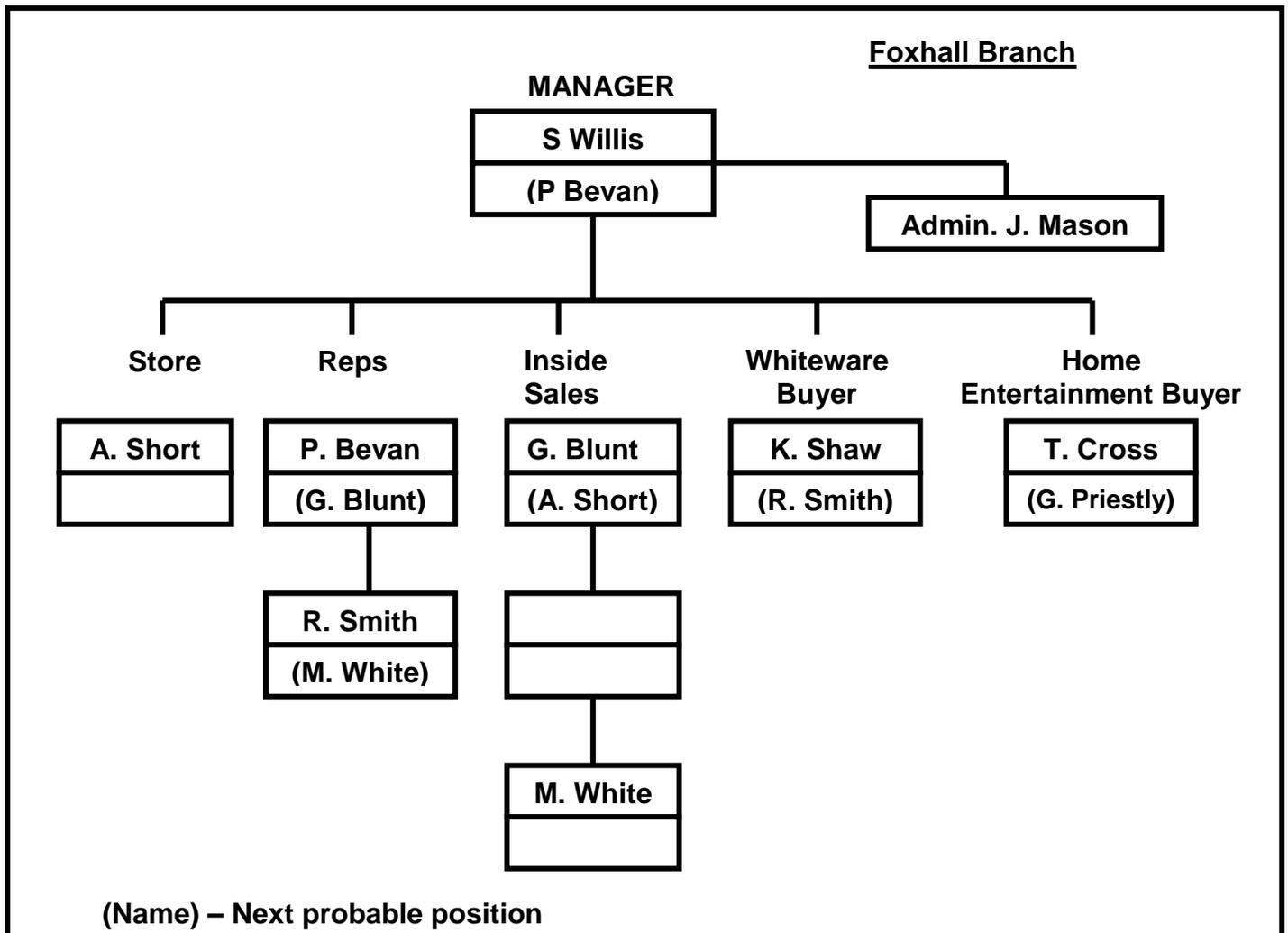
The salary review is the point in time when effort, success and contribution are recognised and rewarded. However, there are a range of factors which influence adjustments. These include:

- Personal results
- Business results
- The labour market
- The economic outlook
- Other matters pertinent to your business
- Policy

PROMOTION

The importance of career advancement and promotion differs from one person to the next. There is the stability factor to be considered from the firm's perspective too.

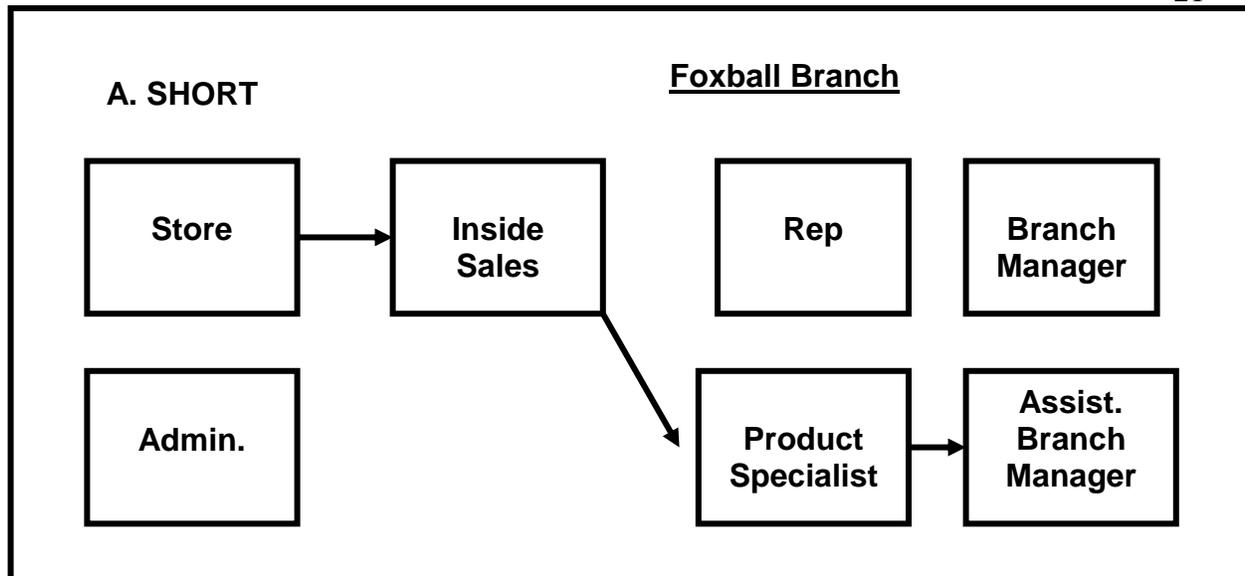
The **Succession Plan** is a management tool which outlines the positions in the organisation and who is being trained and developed to fill these positions.



The **Career Track Plan** is a management tool which outlines the probable track an individual employee will take through promotions.

Analysis of both these plans will identify:

- a) Potential gaps in the organisation's human resource
- b) Training and development needs



These plans are dynamic – open to change and of course subject to changes taking place within both the lives of the organisation and the individual.

EXIT INTERVIEW

If you consider that your firm adds value to its employees through training, development, and promotion, then the loss of that value by termination or resignation is an issue:

- Termination represents a failure to identify and solve problems.
- Resignation represents a failure to meet needs or to find win/win solutions. There may well be many reasons; a proportion of which are beyond the scope of a manager's control.

The exit interview provides an opportunity to collect information which may enable system changes to be made that will prevent a similar situation occurring. The information may be collected by way of:

- A questionnaire which focuses on the key factors under management control.
- A face-to-face interview by senior managers.
- A third party, i.e. telephone or face-to-face.

However, it is a pointless exercise if there is no intention to use the information in a positive and responsible manner.

ABOUT FORESIGHT LEARNING SYSTEMS

Foresight was established by Jamie Ford in 1994 as the Ford Training Group, with an emphasis on B2B and Corporate Training. In-house programmes designed specifically for our clients' business requirements were, and still are our specialty. In response to a growing awareness of the role of optimism and emotional intelligence (EQ) as performance factors the brand name "Foresight" was established, and the work of Ford Training Group is now incorporated within the Foresight portfolio. The major focus is on ways to find and create more effective employees and leaders.

Managing Director Jamie Ford has a particular interest in EQ, (emotional intelligence). A specialist in human resource development, his team's work is aimed solely at unlocking the potential of every organisation's most valuable asset - the people who work within it. Jamie travelled to the USA in 1998 and trained with Q>Metrics, an International Organisational Consulting firm with a strong reputation as leaders in the application of EQ to business productivity. During his time in the States Ford also trained with Essi Systems, a leading provider of Stress Mastery training programmes.

Quite early in the life of the business a relationship with Foresight Inc. USA was established. The founder of Foresight Inc., Dr. Martin E. P. Seligman Ph.D. is one of the worlds most highly esteemed scientists working in the field of motivation. Through over 35 years of research he has developed an attitude competence testing tool for identifying which people have an optimistic attitude. Many hundreds of studies carried out at over a hundred Universities world-wide have proven the connection of an optimistic attitude to superior performance. Through Foresight, Australasian companies are experiencing the value of a tool which genuinely identifies top performers, and can 'turn around' under-achievers through "Resilient Attitude and Mental Toughness Skills Training".