
Your Bottom Line

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Identify employee problems before you hire

If you ask employers to name their No. 1 problem, their answer most likely will be, "My employees." The larger the staff, the more problems seem to increase—exponentially. Therefore, it makes sense to develop procedures to identify potential problem employees before you hire them.

My company staff has grown to 40 employees, most of whom make an excellent contribution to the company. In the past, however, I have hired drug users, thieves, liars, constant complainers, as well as general incompetents. The employee problems my company has experienced are typical of any organization, regardless of size or staff position.

The wrong hiring decision can be costly to the business. During their service, these employees can disrupt operations and contaminate the staff. After you dismiss them, women, minorities, and anyone 50 years or older can file a variety of charges against you, no matter how unfounded, simply by calling an 800 number.

The school of "hard knocks" taught me to look for signs that the applicant is headed for future problems. The selection process begins when I place the ad for the position, requesting job hunters send a detailed resume, instead of simply including a telephone number to call for further information. Although a published telephone number generates a flood of inquiries, only one-third of the callers follow up with a resume as requested.

When I receive the resumes, the first thing I look at is the employment history. How often has the applicant changed jobs? Are there unexplained gaps in the employment record? This may indicate that the person is hiding a job because of a bad work history.

If I am serious about a candidate, I then check the accuracy of the work record. Because there is no effective legal penalty for job seekers who inflate their work record, it has become more common. If someone claims to have PPA certification and degrees, make sure you check it out with headquarters.

I have been "wine and dined" by individuals who were working for other em-

ployers and paid the bill with their company credit card. I believe that's theft. If they don't think twice about doing this to their current employer, how can I expect them to be different if they worked for me?

Intensive personal interviews are an absolute must. The interview is a time not only to sell your company and the position to candidates, but also time for applicants to sell themselves to you. Provide plenty of opportunity for them to talk. If they belittle former employers, be suspicious.

While it is tempting to hire an individual who works for the competition, this is another red flag. If the applicant has no qualms about switching to a competitor, especially if potential employee builds a case around how much "information" he or she can provide about the competition, just say no. If you don't, you will deserve what you will almost surely get.

I ask new employees to sign a "no compete" agreement which states they will not do anything to help the competition, or go in direct competition themselves against any area of business our company is involved in for two years. If they won't sign, you can be suspicious of their intentions.

Drugs are a serious problem in today's workplace. My company has developed a strong "zero tolerance" drug policy, which includes drug testing before hiring and periodically thereafter. This seems to solve the problem before it begins.

When checking an applicant's background, sometimes I visit the previous employer to conduct a face-to-face interview. I find most business owners are nervous of being sued for providing "private" information and therefore are reluctant to say anything negative about the employee, especially during a telephone interview.

Recently, a large local company gave an excellent recommendation of an employee who was one of their biggest problems. He had a long record for embezzlement, alcohol, and drug abuse, and suspicion of stealing from the employee fund. The company was eager to rid of him and didn't care where he went. This former employee worked for

my company for a short while, then suddenly vanished. He reappeared a few weeks later to break into the building and steal checks that he cashed for more than \$5,000. My company pursued the case and the felon is now in jail.

In another case, I learned that an applicant who professed to be a graduate engineer of a well known university never attended a single class there. Had I not personally met with previous employer, I never would have learned this critical fact. Yet, if this individual, under my employment, was involved in a liability lawsuit, I would be castigated for not conducting a more thorough background check—even though current laws and policy make it difficult. The institution from which he claimed he graduated would not easily confirm whether or not he matriculated there. Similarly, I had problems persuading the probation department to tell me if a person was on probation and if so, why. This is now "protected" information.

One revealing question to ask the applicant during the interview is how much they feel they should earn. Many job hunters will respond by stating that their lifestyle demand that they earn at least \$X. Lifestyle is not an indicator of ability and performance. This is an excellent subject area where you can learn more about candidates' general attitudes and values about work and themselves. Rarely does an applicant say that he or she is more interested in the job than the initial starting salary. When I do hear such a statement, the candidate is almost automatically hired.

Even with your best efforts of thorough interviews and background checks, you will make hiring mistakes. Then the best move is to quickly identify error, remove the individual from your staff, and start the process over.

If you succeed in hiring the right people, you will increase the bottom line of both your business and that of your employees. It won't be easy, but if you intend to grow your business, that is your goal. It's all part of running a business—whether you have one employee or a staff of thousands. 