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FOR SMALL BUSINESS

Susan-Says®:  
Take the Guess Work Out of Hiring Decisions.

By Susan Wilson Solovic, CEO SBTV

What you see is not always what you get. That's the way many small business owners feel when they are making hiring decisions. In a quest to find the most talented employee, they often wind up with the most talented job seeker instead. Choosing the wrong job applicant can be a costly mistake. According to Carol A. Hacker in "The Costs of Bad Hiring Decisions & How to Avoid Them", the average cost of a bad hiring decision can be one-third of the annual salary if the decision is discovered and corrected within the first six months the new employee is on the job.

In addition to a financial loss there can also be a loss of productivity and employee morale. That's why it is critical to find people with the skills and personality traits that are a good fit for the job and your company culture. Hiring the right person ensures that internal and external customers receive superior service and your business runs more smoothly. Even when you believe you've done the best job possible to screen candidates and check references, you can never be quite sure you are making the best choice.

"People can really stage their qualifications in a way that isn't really an accurate betrayal of how they really are on the job. And of course, with references they're not going to give us anybody that is going to say anything bad. Plus, people are very careful about what they say," says Iris Salsman, a principal in the public relations firm of Salsman Lundgren Public Relations.

Small business owners such as Salsman are starting to use a new kind of interview process – the situational interview. Situational interviews help companies get beyond the resume to capture a truer sense of how an applicant would perform on the job. For example, the situational interview could involve taking a tour of the workplace and asking the interviewee to actually perform some aspect of the job.

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“We ask them to do two things. We give them a topic and ask them to write a press release. Then, we walk the candidate through a couple of typical role-playing situations – examples of the kinds of things they’ll be confronted with on the job,” Salsman explains. “They are going to have to think on their feet and they are going to have to develop relationships with people that they never see face-to-face and it gives a sense of whether or not they can do this.”

Research data shows situational interviews are about 50 percent more effective than traditional interviews. However, business owners must use them carefully. Make sure you advise the candidate in advance what will be expected. Most likely the candidate will be nervous so take time to make him or her as comfortable as possible. Don’t be surprised if you lose a few candidates who are uncomfortable with the process and choose not to go forward.

The framework for the situational interview should closely match the job responsibilities, and you should establish objective criteria for judging each candidate’s performance. Make a list of the skills and traits which you believe are essential to the job function. Use your list to evaluate each candidate. Depending on the size of your company, you may want to form an interview team. Team members can then discuss and compare responses based on the job criteria.

As with any hiring process, you must be aware of the legal implications involved. It is a good idea to consult with your company’s attorney or a human resource professional. When used correctly, situational interviews can help you take the guess work out of hiring decisions and a good fit makes everyone smile.

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