



Small Business Assistance & Advisory Service

Recruitment and Selection Guidelines

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Table of Contents

Recruitment and Retention Planning	3
Remuneration and Position Descriptions	4
Benchmarking	4
National Award Instruments.....	4
National Employment Standards (NES)	5
The 10 minimum entitlements of the NES are:	6
Impact of Remuneration and Organisation Type	6
Fixed Remuneration, Variable Pay and Benefits.....	7
Fringe Benefits Tax.....	7
What is a fringe benefit?.....	7
What is Fringe Benefits Tax (FBT)?	7
FBT Calculations	8
Superannuation	9
Otherwise Deductible Benefits	9
Motor Vehicles – (Concessional FBT Treatment).....	9
Position descriptions.....	11
Sourcing Candidates.....	11
Internal sourcing	11
Advantages of internal recruitment:.....	12
Disadvantages of internal recruitment:	12
External sourcing.....	12
Advantages of external recruitment:.....	12
Disadvantages of external recruitment	12
Writing the Job Ad	13
Considerations	13

Compliance	13
Be realistic and honest in your advert.	13
Know your target audience.....	13
Know your limits	13
Keep in mind your customers and other stakeholders.....	13
The AIDA Principle	13
Establishing Selection Criteria.....	15
Developing Selection Criteria.....	15
Assessing Applications	16
Individual Candidate Assessment	16
Privacy.....	17
Handling of Application Forms.....	17
Access to personal information	17
Interview Techniques.....	18
Structured or Directive Interview	18
Unstructured or Non-Directive Interview.....	19
Behavioural Interviews	19
Panel Interviews.....	20
Group Interviews	21
Candidate Testing	21
Assessment Centres.....	22
Job Trials	22
Candidate Selection, Decision and Offer	23
The selection decision.....	23
The job offer.....	23
Unsuccessful candidates.....	23
Reference Checks.....	24

Recruitment and Retention Planning

Managers are essential in influencing a worker's commitment to an organisation.

Retention strategies include:

- offering greater flexibility in work arrangements (such as work from home, job share, etc.),
- training,
- increased responsibility,
- supervision, and
- access to a wide variety of work roles and learning opportunities.

Recruitment is about defining a job role, understanding your organisation's culture, finding a person, and matching the two.

How an organisation recruits is just as crucial as its employment opportunities. Recruitment processes should be based on a thorough needs analysis of the organisation.

Recruitment is closely linked to organisational development as training, career guidance, and professional/personal growth are all factors that attract staff to work in an organisation.

Recruitment consists of 5 steps:

Define - the role and the type of person you need to complete this work satisfactorily;

Attract - a pool of qualified and interested applicants (both within and outside the organisation) to the role;

Assess - information about your applicants so that you can make an informed decision about which applicants have the required capabilities for the job;

Select - the best person for the role; and

Appoint - make an offer of employment.

Advantages of good recruitment:

- Higher retention of staff;
- Better outcomes for consumers and carers;
- Staff that can work well both independently and as part of a team;
- Staff that is interested in ongoing learning and professional development;
- Staff that is always looking to improve productivity and what is considered good practice;
- Staff that can deal with and respond to change;
- Staff that can inspire and teach peers; and
- Staff that incorporate recovery principles into every aspect of practice.

Talent Management

Talent management means selecting the right people, developing their potential, fuelling their enthusiasm, building their commitment, and supporting them through periods of change.

Remuneration and Position Descriptions

To compare roles, it is essential to understand the role to be benchmarked. The most common document that describes a role is the position description. Despite many sectors stating that the humble job description may be a relic of HR's past, they are still an excellent benchmark to outline the expectations and responsibilities of a position.

Benchmarking

One of the most frequent claims from employees is that they are underpaid. This underpayment can be based on an internal company comparison, or it may be an external comparison against someone in a competitor organisation.

Salary benchmarking is the term used when comparing salaries to see if there is a discrepancy in pay when compared to other people working in similar roles.

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National Award Instruments

There are 122 National Awards, and we are hoping to have a resource up and running soon to help you find which one is relevant to your business. When you include the Enterprise and Government Awards, there are 168! For the complete list, [click here](#), and you will be taken to the Fair Work Ombudsman's website, or [click here](#) and head to their find my award tool (unfortunately, results may vary – we have had reports of the tool not always working!)

Scary, isn't it? Underpayments are common in Australia, with even large organisations such as the ABC, 7/11, Coles, Woolworths, Bunnings, and so many more getting it wrong. Our best advice is to contact us and get our best advice before you make any further decisions.

If you decide to go through the Award yourself, then be sure to read through thoroughly, as many little things might go unnoticed.

Awards may not apply to some managers or high-income employees (who have an appropriate written guarantee of annual earnings).

To determine which award applies to your business and how your employees should be classified, go to www.fairwork.gov.au/awards-and-agreements/awards/find-my-award.

Overtime

Overtime is when an employee performs work outside or in addition to their regular work hours as set out in either their relevant modern award or an individual or enterprise agreement.

Overtime is, in most cases, only paid to employees on wages, not salaries. However, some companies may choose to compensate salaried employees who work excessive overtime in paid or time off in lieu.

When considering whether to adopt an overtime policy, employers will need to consider the following:

- Whether the employee is covered by an award, enterprise agreement or individual agreement and if so, what overtime rates are stipulated in these sources;
- Whether approval from the relevant manager is required before the overtime being worked;
- Review the cost-benefit of reducing overtime and perhaps consider hiring additional staff; and
- How productive is the overtime being worked? Can the output be measured?

Penalty Rates

Penalty rates are a higher rate of pay given to an employee for working hours generally outside the “normal” span of working hours (often 9 am to 5 pm, Monday to Friday, but not necessarily in all cases).

Generally speaking, employees are entitled to penalty rates when they work late at night, early in the morning, on weekends or public holidays.

Employers must ensure they know the relevant penalty rates for their employees and can find information on the rates in the applicable award or agreement.

For more information on penalty rates, please visit the Fair Work Ombudsman’s website at <https://www.fairwork.gov.au/pay/penalty-rates-and-allowances>.

Allowances

Allowances are generally used as compensation for the circumstance in which an employee is required or needed to work—such things as harsh working conditions, extra supervisory responsibilities, licenses required or additional risk etc. Allowances are commonly paid as a fixed amount and should be outlined in relevant awards, agreements or individual contracts.

In most instances, allowances form part of the employee’s taxable income. Employers must be aware, however, that in some cases, Fringe Benefits Tax may be payable. Please seek expert financial advice to ensure that any tax issues for allowances have been considered before adopting them.

National Employment Standards (NES)

The National Employment Standards (NES) are ten (10) minimum employment entitlements to be provided to all employees.

The national minimum wage and the NES make up the minimum entitlements for employees in Australia. An award, employment contract, enterprise agreement or other registered agreement can't provide conditions less than the national minimum wage or the NES. They can't exclude the NES.

The 10 minimum entitlements of the NES are:

1. **Maximum weekly hours of work – 38 hours per week, plus reasonable extra hours**
2. **Requests for flexible working arrangements** – certain employees can request a change in their working arrangements
3. **Parental Leave** – up to 12 months unpaid leave as well as the right to request an additional 12 months of leave
4. **Annual leave** – four weeks of paid leave per year, plus an extra week for some shift workers
5. **Personal/carer’s leave, compassionate leave and family and domestic violence leave** – 10 days per year of paid personal/carer’s leave, two days unpaid carer’s leave, two days compassionate leave as required and five days unpaid family and domestic violence leave (in a 12-month period)
6. **Community service leave** – unpaid leave for voluntary emergency management activities and leave for jury service (paid in some circumstances)
7. **Long service leave** – paid leave for employees who have been with the same employer for a long time. This may be under the NES or applicable state or territory law
8. **Public holidays** – a paid day off on a public holiday, unless reasonably requested to work
9. **Notice of termination of employment and redundancy pay** for some employees – up to five weeks’ notice of termination and up to 16 weeks of redundancy pay
10. **Fair Work Information Statement (FWIS)** – a document that must be provided to all new employees. Download the [FWIS](http://www.fairwork.gov.au/fwis) from www.fairwork.gov.au/fwis.

Casual employees only get NES entitlements relating to:

- accrued unpaid carer's leave
- unpaid compassionate leave
- community service leave
- the Fair Work Information Statement.

For more information about the [NES](http://www.fairwork.gov.au/nas), visit www.fairwork.gov.au/nas.

Impact of Remuneration and Organisation Type

Examples of organisation type and possible remuneration impact include:

Type of Organisation	Potential Impact on Remuneration Strategy
Not for Profit	Lower fixed pay, emphasis on FBT free benefits

Start-Up Public Company	Low fixed pay and a large allocation of options
Competitive Sales Market	Low fixed pay and high incentive earnings
Mature Market	High fixed pay and low incentive payments

The organisation's structure, the market in which it operates, the culture, its position in the organisation's life cycle and taxation, to mention a few areas, all impact its remuneration strategy.

For example, a charity is unlikely to have a remuneration strategy with a very aggressive variable pay plan. The people attracted to these types of organisations are not usually motivated so much by money as some other market sectors. A high incentive payment could be viewed as taking money from those the charity is assisting.

Fixed Remuneration, Variable Pay and Benefits

Using all the information from the analysis process, the organisation can decide on its mix of remuneration elements and align its remuneration strategy to suit the organisation. It will also be in a position to determine where it wants to position its remuneration against its chosen market.

Fringe Benefits Tax

What is a fringe benefit?

A fringe benefit is a non-cash related employment benefit provided to an employee (or an associate of the employee) which attracts taxation under the fringe benefits tax scheme. FBT Legislation is quite complex and treats benefits differently depending on the benefit's nature and the employer's status. Accordingly, those responsible for managing tax and wages obligations must be across these issues and, if not, have sought the appropriate professional advice.

What is Fringe Benefits Tax (FBT)?

Essentially, FBT is a tax payable by employers for providing certain fringe benefits to employees/or their associates.

Who is an associate of an employee?

An 'associate' of an employee may include real people, such as a relation of an employee, a partner, a spouse or a child, as well non-human associates such as another organisation that the employee has informal control over or trust that the employee derives direct or indirect benefit from.

Key points to note about FBT:

- The FBT Year runs from 1 April to 31 March on an annual basis; and
- The organisation's status will dictate how it is treated for FBT purposes.

Who is eligible for an FBT exemption?

Some organisations are eligible for an FBT exemption; these include:

- Public benevolent institutions (other than hospitals) - capping threshold of \$30,000 per employee applies;
- Health promotion charities - capping threshold of \$30,000 per employee, applies; and
- Public and non-profit hospitals and public ambulance services – capping threshold of \$17,000 per employee apply.

Other businesses not included in the above list do not attract special FBT exemptions. Therefore, they will attract FBT payments.

FBT Calculations

FBT is grossed up, so the tax rate is aligned with the highest marginal tax rate and takes account of GST where applicable. Calculated as follows:

- When the benefit provider is not entitled to a GST credit: $1 / (1 - 46.5\%) = 1.8692$
Example 1: a \$1,000 benefit would cost a company \$1,869, including FBT.
- Where the Benefit provider is entitled to a GST credit, the calculation becomes:
FBT rate + GST rate calculated as $(1 - \text{FBT rate}) \times (1 + \text{GST rate}) \times \text{FBT rate} = 2.0747$
Example 2: The cost of the \$1,000 benefit in Example 1 above would cost \$2,074.

This means that benefits that attract Full-FBT are costly to provide for whoever pays the FBT, and HR (and remuneration professionals in particular) must look closely at the cost of introducing new benefits.

Be aware that if you provide certain fringe benefits with a total taxable value of more than \$2,000 in the FBT year, you must report the grossed-up taxable value of the fringe benefits on the employee's payment summary for the corresponding income year.

When these amounts appear on the payment summary, they are considered when considering eligibility for certain government benefits, including superannuation and Medicare levy surcharges, income-tested government benefits, child support and HECS contributions.

Where people are tipped over a tax threshold by a fringe benefit, even a holiday, dinner or concert visit can significantly impact their family income flow.

FBT and the treatment of different benefits Exempt fringe benefits – work-related

Exempt fringe benefits that are work-related include:

- a portable electronic device;
- an item of computer software;
- an item of protective clothing;
- a briefcase; and

- a tool of the trade.

These work-related items commonly provided in salary sacrifice arrangements are exempt benefits. The work-related items exemption is limited to items primarily for work-related use and one item per FBT year for items with a substantially identical function unless the item is a replacement item.

Superannuation

Salary sacrificed superannuation contributions under an effective salary sacrifice arrangement are considered employer contributions which, when paid in respect of an employee to a complying superannuation fund, are not fringe benefits.

However, superannuation contributions to benefit an associate, such as your spouse, are a fringe benefit. Similarly, contributions paid to a non-complying superannuation fund will be a fringe benefit.

Otherwise Deductible Benefits

Under this rule, the taxable value of a benefit may be reduced by the amount of the income tax deduction that would have been allowable to the employee if the employee had met the expense and not been reimbursed.

In other words, the value of the benefit is reduced to the extent that the cost could have been a tax deduction to the employee. For example, if an employee gets reimbursed for business calls only on their mobile, these would ordinarily be a tax-deductible expense to the employee. The 'otherwise deductible' rule reduces the taxable value to nil (no FBT). No income tax deduction is available to the employee if reimbursed for an expense. An employee declaration is also required to support the business use claim. Professional Membership fees are another example of an otherwise deductible benefit.

Motor Vehicles – (Concessional FBT Treatment)

The method of providing motor vehicles to employees will often depend on how a company typically sources its vehicles and at what cost, its history of providing motor vehicles (culture), type of industry, type of work, and type of cars typically offered. Where the company provides panel vans and utilities with a payload of 1 tonne or more, they are exempt from FBT.

In most other cases where the employee uses the vehicle for private purposes (including travelling to and from home to the normal place of work), an FBT liability will occur.

Motor vehicles can be provided to employees by employers in several ways, including:

- Purchase of the motor vehicle – often, there is a lack of choice in the vehicle provided, and private use may be limited. It can often be a “tool of trade vehicle.”
- Operating lease (most costs are paid in one monthly lease figure, and the vehicle is handed back at the end of the lease. An easy option, but a choice of vehicle can be an issue with a high cost for the convenience of the one-stop lease, and the vehicles can be poorly maintained.

- Non-operating is like an operating lease, except the costs are usually based on the actual cost instead of a fixed amount. Employees are typically given a wider choice of vehicles to select from. Operating costs can blow out, and the organisation may be left with many different vehicles and a high disposal cost.
- Car Allowance – (negative gearing and use of logbook) There are no FBT issues with this option where the employee sources the vehicle, pays for the operating costs and claims a tax deduction for the work-related expenses of operating the vehicle. Costs are fixed for the organisation, but there is little control over vehicle types, and the option is not necessarily the cheapest for the employee.
- Novated Lease (operating cost or statutory method) – A novated lease can offer employees and employers the greatest flexibility and the cheapest option. Using a post-tax contribution can bring this option within reach of people earning relatively low incomes. It usually works best if the organisation outsources the process to a professional provider. There are plenty around but get a good one who explains the system clearly to employees and operates an easy-to-use administrative system that can link to your organisation's finance package.

Housing – Payment of an employee's home loan attracts full FBT. Still, there are benefits associated with Living Away From Home Allowance payments or when employees live in a designated remote area where housing payments may be FBT exempt.

Entertainment – Using the 50/50 split method, the total taxable value of meal entertainment fringe benefits is 50% of the total expenses you incur in providing meal entertainment to all persons (whether employees, clients or otherwise) during the FBT year.

There is an advantage for people earning high incomes if their salary sacrifices an amount to entertainment as only 50% of the entertainment cost attracts FBT. Therefore, 50% of the cost is not taxed.

Car Parking – Attracts FBT but is not reportable on the Payment Summary. Calculation of FBT is based on usage level and the lowest day parking rate for commercial parking stations within a 1-kilometre radius of the business.

Living Away From Home Allowance (LAFHA) – As mentioned in Housing, there are benefits in both housing and food allowances that can be paid through salary sacrifice up to designated levels that do not attract FBT when a person meets the definition of living away from home.

Complying Share Plans – do not attract FBT.

Loans – Most organisations have stopped providing loans at lower than commercially available rates and, as such, do not attract any FBT liability. Each year the ATO sets its interest rate for the appropriate commercial interest rate to be used in FBT calculations.

Paying an employee's home loan repayments will attract full FBT.

Taxi Travel – is an exempt benefit if the travel is a single trip beginning or ending at the employee's place of work or arises as a result of sickness or injury to the employee.

Health Insurance – Where an organisation pays for health insurance, it attracts full FBT.

Child Care – Must be provided by the employer in a registered facility on the employer’s work site to receive a concessional benefit.

CAUTION: *This is a general overview of key aspects relating to Fringe Benefits Tax (FBT) as is current at the time of creation. For a more comprehensive explanation of FBT and any potential liability of your organisation to pay FBT, it is recommended that you seek professional advice from a finance and a tax professional.*

Position descriptions

Position descriptions (PDs) have historically been the most critical element in helping employees and managers agree on a role’s activities. They come in many different forms and assist in ensuring that both HR and staff know the job and what it entails.

In discussions with line managers (if applicable) and staff about the job, HR must familiarise themselves with the job description when asked to evaluate the role and provide salary information.

The development of a position description or the verification of a PD in conjunction with the manager or the incumbent is a valuable tool for HR in helping to provide accurate information and gain credibility with the line.

When deciding what headings and information to include in a PD, consider the activities that make the position different.

Once you have a current position description, you have something you can compare against similar positions internally and externally to the organisation.

If you are going to use PDs, be sure to review how each PD interacts with others within your organisation to ensure it is a true reflection of both:

- What do you **want** to be happening within your organisation; and
- What **is** happening within your organisation?

Sourcing Candidates

Internal sourcing

Internal recruitment consists of promotions and transfers from within the organisation.

It will typically take one of four forms:

1. Direct appointment or promotion based on internal promotion or succession planning activities.
2. Sideways movement from another department or team to provide development to an employee may be a permanent move or temporarily as a secondment.
3. Internal advertising to allow any existing employee to put themselves forward for the role
4. Referral from existing employees of friends or acquaintances who may be suited to the role.

Advantages of internal recruitment:

- It builds morale for existing employees
- Employees may be motivated by the possibility of career opportunities within the organisation, learning new skills or enriching their jobs
- Employees may be more inclined to stay with the organisation when there are career opportunities, reducing turnover
- Information about the internal labour supply that arises from internal recruitment processes helps identify high potential employees and assists in succession planning
- It provides an opportunity to reward the excellent performance of existing employees
- It is generally a lower-cost approach to recruitment

Disadvantages of internal recruitment:

- It can create dissatisfaction in those internal candidates not selected
- A robust performance measurement process is required to ensure that suitable internal candidates are recognised in the recruitment process
- It can reinforce an existing culture or climate which would benefit from a change

External sourcing

External recruitment is the sourcing of candidates from outside of the organisation through avenues such as:

- Direct advertising in suitable online and print-based publications, including social media platforms
- Referrals and recruiting from similar companies
- Utilising a recruitment agency to source suitable candidates
- Professional association job boards
- Standard job boards such as www.jobsearch.gov.au (free service) and www.seek.com.au (fee for service)
- Educational institutions, i.e. graduate recruitment, career fairs and internships

Advantages of external recruitment:

- The widening of the pool of candidates to access skills and experience that does not exist inside the organisation
- A larger pool of candidates allowing the recruiter to make an informed decision based on all the candidates available
- The opportunity to introduce new employees into the talent pool in the organisation

Disadvantages of external recruitment

- External recruitment methods can be costly
- It can create dissatisfaction in existing employees
- The process can take a long-time including the advertising process and notice periods for new employees

Writing the Job Ad

Considerations

Compliance

Make sure that you are aware of the legal requirements for compliance regarding your job ad, such as (indication only):

- Equal Employment Law (EEO); and
- Discrimination Law

Be realistic and honest in your advert.

There is no benefit in attracting candidates with enticements or promises that the role or organisation cannot live up to.

Focus on the positive things about the role and the organisation but don't over-embellish.

Know your target audience

Make sure you select the best avenues for recruiting the right people for your role, i.e. if the role would suit a recent graduate, look at graduate advertising opportunities and university job boards.

If the role requires someone with a specific accreditation/s, consider industry bodies or associations who may have access to candidates (such as AHRI for HR professionals or CPA for accountants).

Know your limits

Choose your advertising methods in mind your budget and the time available to recruit.

Keep in mind your customers and other stakeholders

Ensure your advert is consistent with other communication methods and aligned with organisational values and image.

For example, if recruiting for a not-for-profit, you may not want to focus on large financial rewards but rather promote the more intangible benefits of what the opportunity will provide.

The AIDA Principle

You may wish to adopt the AIDA principal outlined below. It is an effective way to ensure that you have covered all the necessary information in your job advertisement:

Attention: The advertisement requires something in the heading or appearance that will attract the desired candidates' attention, which reflects the organisation's image and culture.

Example - A café or restaurant may use images of food or coffee to attract the eye of employees interested in hospitality. A pet shop may use animals to draw the attention of suitable candidates. Government departments use their logo and crest to attract those keen to work in the public sector.

Interest: The advertisement will draw interest to the role by providing accurate and clear information about the role and the organisation.

The advert needs to be clear in what is required to be a successful candidate for the role and provide enough information to allow the candidate to make an informed decision about applying for the job.

Be clear in the requirements – state what essential qualifications or training are required so that candidates know up front if they have what is needed for the role.

State the benefits of the role – what benefits and remuneration range are on offer that will appeal to the candidates you want to apply.

Use the ad to filter out those unsuitable for the role – knowledge, skills, and attributes should be spelled out to save your time and the candidate's time.

Desire: The advertisement needs to create a desire for candidates to want to apply for the role. What is the value proposition in this role or organisation?

Why would the candidate want to work for you over a competitor or another organisation?

- Be clear in the role's benefits and remuneration range and other positive aspects.
- Describe the organisation's culture (e.g. collaborative, relaxed, energetic, family-oriented).
- List what intangible benefits apply – (e.g. flexibility, lifestyle benefits, industry recognition)
- Explain what people can expect from being affiliated with the organisation or brand (e.g. 'join the leading brand in ...', 'work for the number one supplier of ...').

Action: Don't forget to include what the candidate needs to do to apply for the role.

This might include:

- closing date, i.e. 'applications close 6 January 2020,
- whom to contact for more information, i.e. 'email recruitment@xyz.com.au or contact Mary Bloggs on 1234 5678 for a confidential discussion' and what the application process entails. You may need to vary whether you advertise online, i.e. 'click apply now' versus print advertising, i.e. 'download an application form at www.sbaas.com.au'.

Establishing Selection Criteria

The purpose of selection criteria is to assist in making objective decisions about the most suitable candidates for a position. Well thought out and constructed selection criteria can make decisions transparent and justifiable.

Selection criteria assist with identifying the factors considered essential or desirable to perform the role you are recruiting for successfully. The development of the selection criteria should be closely linked to the job analysis and design process and the position description used in the recruitment process.

To develop selection criteria, you will need to ask the following questions:

- What does the successful candidate need? Establish specific evidence of knowledge, skills, behaviour, education, and qualifications candidates require to succeed in the role.
- What level is required? Set the criteria and capabilities standards based on the job requirements, position description and person specifications.
- How important is it to the role? Determine which criteria are essential for the person to perform the job role competently and which are desired but not essential. This distinction is vital when no candidate meets all the criteria or all candidates meet the essential criteria, and the desirable criteria can be used to assess.

Tip: When determining if knowledge or skills are essential or desirable, consideration should also be given to whether the knowledge or **skill can be quickly learnt on the job**. Those skills that can be easily picked up in on-the-job training or other development activities while still important to the role may be less critical to the selection process as it may not be necessary for the successful candidate to have the skill when they commence the role. This may widen the pool of appropriate candidates to include in the selection process.

The selection criteria can then inform which selection methods are used to identify the best candidate for the role.

Developing Selection Criteria

It is important to be clear on your selection criteria when using an external recruitment provider to ensure they understand what you are looking for from the candidates they recruit for you. While a position description is helpful, it can be interpreted differently.

A good recruiter will work with you to identify your selection criteria so they feel confident in recruiting relevant candidates for your selection process. It is also essential when working with an external recruiter that they are doing more than just matching keywords from your selection criteria to the resumes they receive. Many recruiters use software that parses candidates' resumes looking for keywords, which may remove exceptional candidates from the group. Remember, there are many transferable skills from one industry to the next. For example, if someone has experience interpreting the Clerical Award, they won't take too long to pick up the idiosyncrasies of the Mining Industry Award.

Assessing Applications

Those involved in the selection process should study the applications and assess the potential candidate against the established selection criteria. Good practice and privacy obligations require that all applications are treated with the strictest confidentiality.

Please refer to the section on privacy for more information.

Assess applications against the selection criteria and identify those that meet the requirements for the position and that should be considered further. The result of the assessment process should be a list of candidates to be approached for the selection process.

The number of applicants who progress to the selection process should depend on the number and quality of applications received.

Tip: if working with an external recruiter, you may wish to request a minimum and a maximum number of candidates be submitted to you for selection. This should be a guideline only so that the recruiter can provide candidates that meet the selection criteria identified and that no candidate is disadvantaged through the process.

Applicants who meet and exceed the selection criteria should be considered strong candidates for the position and moved through to the selection process.

Applicants who do not meet the selection criteria should be advised that they have not met the requirements and will not proceed with the selection process. These applicants should be informed as early as possible and given appropriate application feedback.

You may wish to use a table or spreadsheet to record applicant details, and the process is undertaken to identify successful candidates.

Individual Candidate Assessment

Below is an example of an individual candidate assessment using a scoring/ranking method for a role:

- 0 – does not meet selection criteria
- 1 – partially meets selection criteria
- 2 – meets selection criteria
- 3 – exceeds selection criteria

Privacy

Once you have advertised your position, you will receive applications from potential candidates for the role. You may wish to predetermine the information supplied by the candidates by providing an application form or inviting applicants to submit it in their format.

While an application form can help capture a consistent set of information from each candidate, a more unstructured approach will allow the candidate to be more creative and uniquely demonstrate what they bring to the role.

You may wish to use an application form for roles where you anticipate receiving many candidates or for positions where you are recruiting on an ongoing basis, i.e. hospitality, retail, trades etc.

Handling of Application Forms

It is essential that all information relating to the recruitment process (particularly that gathered on individual applicants) is handled appropriately and remains confidential so that only those involved in the process can access the data.

There is privacy legislation in place to ensure the protection of personal information. The Privacy Act 1988 defines 'personal information' as:

Information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion.

The legislation imposes obligations on organisations concerning the collection, use and storage of personal information, including any information collected, used and stored as part of the recruitment and selection process.

Access to personal information

Under privacy legislation, applicants have the right to obtain access to personal information and opinions about them held by an organisation. The individual must be informed of this right to access their personal data. This includes all personal information collected as part of the recruitment process.

For example, the following information must be available if requested by both successful and unsuccessful applicants:

- The job application letter or form
- Curriculum vitae
- Interview notes
- Written discussion notes
- Emails between the HR and Line Managers
- Notes taken during reference checks
- Aptitude tests
- Pre-medical and psychological tests

There are five standard exemptions to an applicant's right to access.

To use these exemptions, the organisation must explain to the applicant the decision-making process and provide access to the factual personal information used in the evaluative process. The five exemptions are:

1. Where the record is subject to legal privileges, such as communication with a lawyer;
2. Where the request is legally defined as being frivolous or vexatious;
3. Where the provision of the information would be unlawful or pose a severe or imminent threat to a person;
4. Where access would reveal the intentions of the organisation about negotiations with the job applicant in such a way as to prejudice those negotiations; and
5. It reveals an evaluative process used by the employer (such as a scorecard to compare job applicants) that is commercially sensitive and not in the public domain.

Interview Techniques

Interviews are the standard selection tool in the process of hiring new employees. An interview is a meeting (face-to-face, over the phone or virtual) with the candidate to ask questions to ascertain their suitability for the role.

An interview can take several forms, from very structured to more informal and unstructured. Multiple interviews and other selection techniques may be included in the selection process.

An interview allows the employer to gain additional information about the candidate's suitability for the role through a discussion regarding their knowledge, skills and experience. It also provides the opportunity for the employer to assess things not able to be evaluated from a curriculum vitae or application forms, such as behaviour, fit for the organisation and personal qualities.

An interview provides an opportunity for the candidate to gain information about the organisation and the role they have applied for. It is important to remember that the interview is an opportunity for both parties to ascertain their interest!

Structured or Directive Interview

A structured interview is one organised around specific questions and subject areas. The set questions do not vary between candidates interviewed except in response to candidate answers to the set questions (e.g. to request further information or clarification).

Structured interviews are straightforward and seek information to assess the relationship between the applicant's education, skills and experience and the job specification/description.

A structured interview will generally include an assessment or rating scale for use by the interviewers in quantifying the candidate's response to the questions.

The advantage that a directive or structured interview brings is consistency. As all candidates answer the same questions, it enables comparison by the interviewers. Structured interviews are also easier

to conduct for inexperienced interviewers and can be time effective in keeping to a set number of questions.

Structured interviews can be inflexible and reduce the opportunity for interviewers to ask questions on areas that, while not covered by the discussion, could provide invaluable information about the candidate and their ability to be successful in the role.

The structured interview can be a less positive experience for the candidate, as it can appear one-sided and may result in reduced interest in the role.

Example questions for a structured interview

- Tell me about a time when you had to give employees negative feedback about their performance. What was the situation? What did you do? What was the outcome?
- Tell me the switchboards you have worked with in your previous roles. What training did you receive on each? How long have you worked with each?
- What 2 or 3 words would your previous supervisors describe your work?

Unstructured or Non-Directive Interview

Unstructured interviews are primarily unplanned and guided by the interviewer based on the material introduced by the interviewee.

The applicant tends to do most of the talking in an unstructured interview.

Unstructured interviews can mean the applicant is more relaxed and open, providing less guarded or prepared responses and showing more of themselves and their personality than achieved during a structured interview.

Unstructured interviews require a more experienced interviewer to achieve what is needed from the interview process and find points of comparison between applicants. Unstructured interviews are less controlled, and extracting the pertinent evidence the interviewer is looking for to address selection criteria may be more challenging.

Example questions for an unstructured interview

- Tell me something about yourself
- Can you expand on that example?
- How did that make you feel? What did you learn from that?

Behavioural Interviews

Behavioural interviews are based on the competencies and behaviours required to perform the role. Questions tend to delve into specific life history events that give the interviewer insight into how the candidate would perform in the role.

Candidates will be asked to give an example of a situation as they have experienced it. Questions will be crafted around how the candidate responded to the problem, the outcomes, and what they learnt from the experience.

Behavioural interviews allow the interviewer to look at the candidate's past behaviour as a predictor of future behaviour. The interviewer can probe the details of an example shared by the candidate.

Behavioural interviews combine structured and unstructured techniques, allowing the candidate to share examples from various life experiences, not just previous roles.

Behavioural interviews assume that individuals repeat specific behaviour when faced with certain situations. An inexperienced interviewer may find it challenging to capture the pertinent points of the example the candidate shares and assess objectively.

Example questions for a behavioural interview:

- Describe a time in the past when you had to change someone's mind about something. How did you go about it, and were you successful?
- What has been the most challenging thing you have ever had to organise? What did you do?

Panel Interviews

Most often used in a larger organisation, panel interviews involve two or more interviewers questioning one candidate.

Generally, the panel will include one or more HR representatives, the supervisor or manager of the role, and other key stakeholders from the team or broader organisation. Panel interviews must be planned to ensure each member understands their role and questions can be allocated accordingly.

Panel interviews can produce more unbiased and reliable outcomes as a consensus from the panel members is required, drawing on multiple opinions rather than just one or two in a formal interview.

A more informed view of the candidate can be gained through a panel interview as panel members can observe the candidate while other panel members are questioning or writing notes.

Panel interviews can be more costly and difficult to arrange with multiple individuals to coordinate times and dates.

Panel interviews may be intimidating to candidates who may not perform as well as in a more intimate interview situation.

It can also be difficult to gain consensus amongst a larger panel and create a situation where the group identifies no or multiple preferred candidates.

Panel interviews may use structured, unstructured or behavioural interview techniques. Examples of who might comprise a panel interview:

- HR Manager
- Manager/Supervisor to whom the role will report to
- Incumbent in the role and peer to the role
- Key internal stakeholders, i.e. internal client, project team peer
- Departmental head sitting above Manager or Supervisor to the role
- Employee in a similar role from another department or team.

Group Interviews

Group interviews are when an individual or panel interviews a group of candidates for a role or are brought together and asked to interact while observed.

More commonly used for bulk or graduate recruitment, the group interview is used to identify candidates who display leadership, problem-solving and interpersonal skills.

Group interviews often form part of an overall assessment centre to process multiple candidates when more extensive scale recruitment is required.

Group interviews can be economical and time-saving when selecting from multiple candidates and are a good way for the interviewer to see how candidates interact with others.

Group interviews can be intimidating for less outgoing individuals and are only suited to assessing specific interactional and interpersonal type competencies. Interviewers may overlook a strong candidate who does not operate well in such an environment. Interviewers need to know the behavioural patterns of Introverted and Extroverted people to determine the most suitable people for the role correctly. Group interviews have been historically biased towards extroverted people, meaning better-suited and qualified introverts miss out.

Examples of group interview activities and tasks:

- Work simulation activities – candidates are asked to participate in a discussion that simulates a task or activity they are required to do on the job, i.e. brainstorm with other candidates on an idea, solve a problem or challenge.
- Work-related tasks – candidates may be separated into teams and asked to perform a task and then report back to the group, i.e. design a marketing campaign for a new product, design a process for handling a complaint etc.

Candidate Testing

The purpose of testing as a selection tool is to get an accurate picture of candidates' aptitude levels and abilities in certain areas.

Selection tests may include:

- General ability tests measure verbal, numerical, speed, spatial strength, coordination and perceptual skills.
- Specific aptitude tests (or work samples) such as technical accounting and finance-specific knowledge and skills – these tests may relate to tasks, equipment, tools or technology specific to the role or organisation.
- Personality tests (psychological profiles) are designed to assess personality characteristics. These tests are often used in executive or leadership roles or require personality traits suited to sales, negotiation, influencing etc.

As with interview questions, the recruiter must ensure the tests used are relevant to the role and will assist in identifying the right candidate for the position.

Employers must be careful in their use of such tests. In some cases, it may be appropriate for the tests to be formulated and administered with the assistance of HR and psychological science professionals skilled in this field.

Issues associated with the reliability and validity of tests used need to be thoroughly explored to ensure they do not directly or indirectly discriminate.

The significant advantage of using tests is that they may provide information that is not obtainable through any other selection technique. Still, the test should not be used as the only selection technique but should complement other selection techniques.

Assessment Centres

The purpose of assessment centres as a selection technique is to assess numerous candidates in a consolidated and consistent process.

Assessment centres may be used for ongoing or bulk recruitment activities. They are often used for graduate programs and when several employees are required to fill seasonal retail roles, call centre roles or where bulk intakes of new employees are needed. Assessment centres may also be used to build a talent pool of potential employees for positions with regular vacancies.

Assessment centres are a process rather than a place and comprise several selection techniques used to identify the best candidates from large numbers of applicants. Selection techniques likely to be used are:

- Testing – general and specific aptitude tests
- Group interviews – both task and simulation exercises
- Panel interviews

The facilitation of assessment centres may be outsourced to specialised recruitment agencies or managed in-house where an ongoing demand is in place. Assessment centres may be expensive but allow multiple roles to be recruited simultaneously, and where a continuing need exists, create a consistent approach to recruiting employees.

Job Trials

The purpose of job trials is to give employers a better idea of how a candidate will perform in the role and a realistic job preview of what they can expect if they are successful.

Job trials are best used for roles where it is difficult to ascertain how a candidate will perform from other selection techniques and where a candidate can step into the role with little preparation for a short period. Job trials are often used in customer service, hospitality and retail roles.

Candidates should not be expected to undertake a job trial without payment, so employers should be prepared to remunerate candidates for any substantial job trial.

A job trial is an excellent way to see a candidate in action and is often helpful in determining between two candidates of similar merit.

Job trials should not take any longer than it would be reasonable to ascertain someone's skill to perform specific duties. For example, you wouldn't need an eight-hour shift to determine the competency of a Barista.

Furthermore, a job trial **MUST** be under the supervision of the person making the final decision. Otherwise, it may be considered that you have, through your actions, taken that candidate on as an employee!

Candidate Selection, Decision and Offer

The selection decision should be based on objective information gathered from the candidate's application, interviews and testing conducted, and reference and background checks.

The selection decision

Once the selection processes are complete, it is advisable to move quickly on the selection decision. Lengthy processes can result in candidates accepting other roles or losing interest in the position you are recruiting for.

Two approaches can be taken in making the final selection decision. You can reserve the judgment until all selection processes are complete and look at each candidate's performance and assessment in each method.

Alternatively, you can take a cumulative approach where the decision is made after each selection process, gradually narrowing down the pool of candidates and selecting whom to appoint from those who have survived all the selection processes. SBAAS recommends that you inform any unsuccessful candidates and wouldn't be reconsidered throughout the process as a matter of courtesy.

After completing the selection process, it is essential to make the selection decision as soon as possible. Do not allow the decision-making process to drag out as, in a strong job market; high-quality candidates may be in a position where they receive multiple offers.

The job offer

The initial job offer should be verbal and followed immediately by written confirmation of the job offer and the proposed terms of employment, i.e. position title, salary, commencement date, and any terms or conditions particular to the position. A full employment contract should then follow.

If you do not have a professionally reviewed employment contract, feel free to get onto our website and purchase our template or contact us to arrange for a bespoke one to be created.

Unsuccessful candidates

Whilst not a legal requirement, all candidates for the role should be informed of the outcome of their application regardless of the stage in the selection process they reached. Remember, this is their lasting impression of your organisation, and you don't want them thinking that you have no respect for their time and effort; this may reflect in future purchasing decisions.

Any candidates who were spoken to or attended an interview should be advised by phone so that feedback can be provided verbally.

All other applicants can be e-mailed with a covering statement regarding the calibre of the candidates and details of the selection process undertaken. Job boards such as SEEK have templated rejection letters or the ability to create personalised letters to finish the process with a polite and considered message. Remember to thank them for applying, acknowledge their time and effort, and wish them the best in their job search. If you keep applications for a specific period, then let them know and specify the period you will retain their CV for (remembering that is their personal information and there are rules around storing this).

Do not inform other preferred candidates that they have been unsuccessful in obtaining the role until the first preferred candidate has accepted the job offer. If the first preferred candidate does not accept the job offer, then the selectors can still consider other preferred candidates for the position.

Reference Checks

SBAAS recommends that referee and background checks of the preferred candidates be undertaken before offering the position to a candidate.

Referee checks are when the recruiter contacts the candidate's previous employers and asks questions to determine whether they are the right person for the role based on their performance in previous roles.

Some scepticism exists about the value of reference checks as candidates can supply the contacts of previous managers, employers or peers who are most likely to give a favourable report. Good questioning techniques can assist in getting value from a conversation with a colleague earlier.

Several new cloud-based systems are available that send a link to the referee so they can complete a referee form. SBAAS strongly recommends against this as they are time-consuming, and the referee will be very cautious about what they put in writing! An experienced recruiter can gain much from tone and inflection in a referee's responses. The referee can request that specific comments be 'off the record', which creates comfort to be more accurate in their assessment of the candidate.

Referee reports and background checks of the preferred candidates should be undertaken before offering the position to a candidate.

When approaching previous employers for information regarding the candidate, it is helpful to have a short list of questions relating to:

- Seeking confirmation of the term and type of employment
- Confirming job role and responsibilities
- Addressing previous employment issues raised by the candidate during the process
- Confirming the reason for leaving the role

In addition to contacting a previous employer, contacts provided by the candidate at this stage in the selection process may also include:

- Checking claims made on resumes about previous employment history
- Checking police and financial records for criminal records or bankruptcy etc
- Checking accuracy and authenticity of certificates and qualifications with educational institutions and training providers.

These checks are more important for some position types than others, i.e. accountancy, finance, childcare, medical, legal, etc.

