



# Facing the Candidate Glut

**R**emember the year 2000, when unemployment was at 4%? The most difficult task for credit union human resource professionals that year was finding qualified candidates for positions that required specialized training or experience.

In 2004, with the national unemployment rate a couple of percentage points higher, things are different. Stories abound about companies receiving hundreds of resumés for positions they would have struggled to interest a handful of applicants in just a couple of years ago. For example, the Executive Recruiting practice at DHA recently received 1,200 resumés in response to a CEO opening. Of course, the number of resumés received depends heavily on the skills required. Recruiters sometimes struggle to identify a half-dozen quality candidates for “hot” jobs such as business lending positions.

Even lower-level staff positions can draw overwhelming responses in today’s tight job market. Back-office positions such as those in accounting where specific experience in the industry is not a requirement are an example.

Executives predict increased hiring as 2004 progresses. The key challenge in credit union HR departments remains avoiding drowning in the morass of resumés. The available pool of experienced financial services professionals could become even deeper should the Chase-Bank One merger herald another round of banking mergers, as many industry analysts seem to expect.

So, how does today’s human resource executive manage to stay afloat? Even more importantly, how do credit unions use this time to position themselves for future success? Hiring will increase as older workers (leading-edge Baby Boomers are now 58) depart the workforce in rapidly increasing numbers. Here are five strategies for successfully coping with the current flood of applicants while preparing for an oncoming drought:

1

### Reconsider job announcement strategies—take a more personal approach

When candidates are hard to find, employers often ask other employees to refer candidates for positions they need to fill. It’s not a bad strategy in the current job market either. Current employees know the organizational culture and what it takes to succeed there. It’s unlikely that they’ll want to endorse someone they know has little chance of succeeding. When a successful candidate comes to the credit union through such a channel, it’s a win-win situation. The credit union gets a new employee who is, to some extent, a known quantity, while avoiding advertising expense and candidate screening time. The employee who refers the candidate gets the satisfaction of helping a friend, plus reinforcement of the credit union’s belief in his or her judgment. If you choose, you may also present the referring employee a small financial award as a “bounty” for the successful referral. Finally, the newly hired employee gets a job with a company convinced that he or she has a great future there.

Other networking strategies can also yield highly qualified candidates. For example, professional contacts in firms that have experienced cutbacks may be able to refer former employees of theirs who have the qualifications the credit union is seeking. Contacts made through participation in trade and professional associations can also result in qualified applicants, either through referrals or as applicants themselves.

To ensure the best field possible, such strategies can be supplemented by the judicious use of advertising. However, be selective about where ads are placed and be as specific as possible about the qualifications. This may mean advertising only through highly targeted outlets. For example, place a job listing on the web site or in the newsletter of an appropriate trade organization, rather than in the daily newspaper. It certainly means clearly stating any special requirements. If the

position requires credit union experience, say so.

2

### Screen resumés thoroughly

Using the job description, develop a list of the minimum qualifications acceptable for the position. Review candidate resumés using that list and eliminate any who are obviously unqualified. However, as you review, keep in mind other openings the credit union is currently seeking to fill or that it may need to fill in the near future. If none of the candidates appear to meet the minimum qualifications, modify your recruiting approach and seek additional applicants. Don’t waste either the HR department’s or the candidates’ time interviewing people obviously unqualified for a position.

If there are candidates who seem appropriate in most respects but appear to lack a minor qualification or two, consider making a telephone call for additional information. In an effort to provide a concise summary of their qualifications, candidates sometimes omit details of their training or experience. Also call applicants who don’t seem appropriate for the position for which they’ve applied, but who the credit union would like to consider for other current or future openings. Use this call as an opportunity to ascertain the candidate’s interest in alternate openings as well as to build the foundation of a relationship for the future.

3

### Screen applicants further through telephone interviews

Once an initial field of candidates is identified, screen applicants further with a telephone interview prior to bringing them in for face-to-face meetings with credit union staff. Use a standardized set of questions to ensure that parallel information is available for all applicants. Among the goals for this interview are getting a feel for each candidate’s communication skills and learning more about the level of technical skill each pos-

esses. However, the main focus should be learning more about the candidates' experience in critical skills identified for the position.

Depending on the position to be filled, another aspect of the telephone interview may be securing work samples from candidates or enlisting their participation in a project that will illustrate their abilities. Having this information in advance of a personal interview provides an additional means of assessment for each candidate and offers staff members who meet the candidates specific examples of the prospective employees' thought processes.

#### 4 Conduct personal interviews

Build on the information collected in the telephone interview, as well as on insights provided by candidate work samples/professional projects and personal interviews with the best candidates. As a rule, several staff members will be involved in interviewing prospects, either through sequential interviews on the same day, or at multiple interviews.

Using an interview guide will help ensure that similar information is provided to and collected from each candidate. It also provides a valuable resource for staff members who are rarely involved in the interviewing process by steering them away from inappropriate questions.

At the conclusion of the personal interviews, staff members involved should meet to discuss the candidates. Having multiple perspectives may help the credit union to achieve a more balanced view of the prospects. Assessments should come together quickly. Even in a candidate-rich environment, the most qualified people will attract interest quickly. Linger too long over a decision, and you may lose the opportunity to make a great addition to your staff.

#### 5 Check background and references

At some point during the interview process, final candidates should be asked

to provide the credit union with a release to enable the credit union to conduct a check of background and references. Don't skip this vital stage of the process. Since credit union employees typically have access to large quantities of cash and an extensive database of information about members, security must be a main concern. The background check should include a credit check and criminal records check, as well as verification of the applicant's driving record (if appropriate) and educational credentials. In addition, references supplied by the applicant should be contacted (see "The Art of Reference Checking," page 15).

Never finalize an offer before the results of the background check become available. Sadly, a lot of candidates aren't candid on their resumé. To cope with the candidate glut, HR professionals must develop strategies for targeting appropriate people early in the process. Limit the work early on by eliminating those applicants who can't possibly meet the credit union's needs. One great strategy for attracting the right employees is developing relationships with rising stars and getting to know them over time.

After that, know the details, do your homework and stick to the procedures the credit union has established to protect its reputation and its members.

### Resumé Flubs, Outright Omissions and Downright Mistruths

- 22% make totally false claims
- 41% list inflated salary claims
- 33% list inflated titles and responsibilities
- 25% list a phony former employer
- 34% list false reasons for termination
- 27% show falsified educational records or degrees (including medical credentials)

Source: Xucor Information Services

#### The more serious includes:

- 5% with a criminal record in the past seven years
- 24% with credit records showing a judgment, lien or bankruptcy, or which had been to a collection agency
- 51% with employment, education or credential reference checks where information the applicant provided diverged from what the source reported

Source: ADP Employer Services

For more information on DHA's executive recruiting services, contact Janice Shisler at 800.367.0433 ext. 119.