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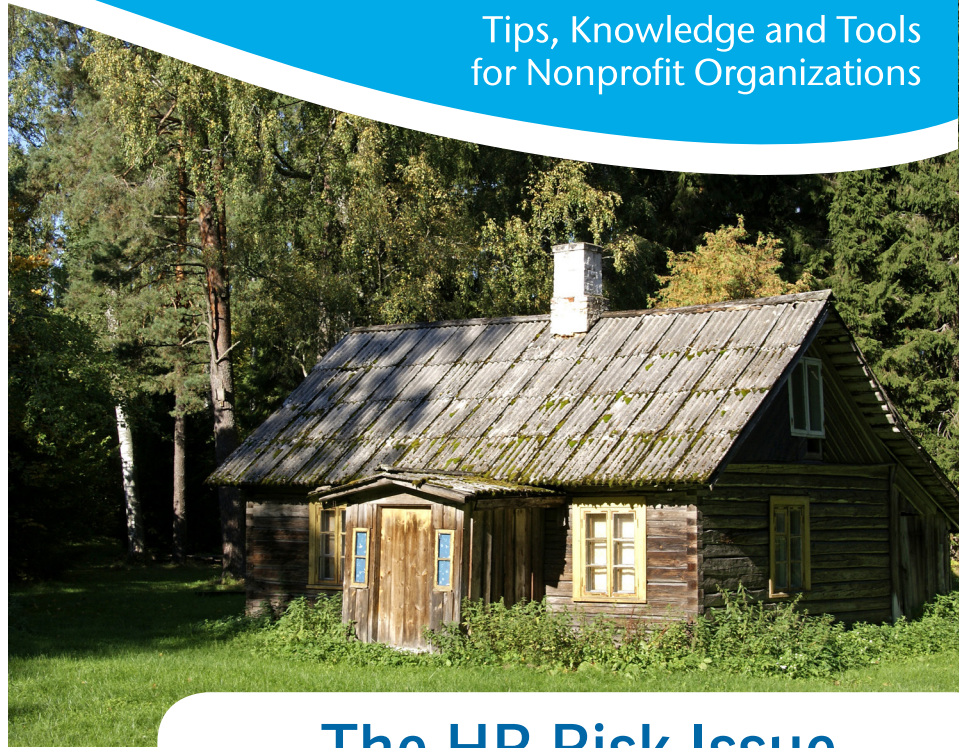
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The HR Risk Issue

The Goldilocks Principle: Creating a Culture That's Just Right

By *Melanie Herman and Alexandra Ricketts*

After several difficult years during which many nonprofits were unable to add staff to meet the increasing demand for services, HELP WANTED signs are now appearing on nonprofit windows and websites across the country. According to a recent survey by Nonprofit HR and the Improve Group, 45 percent of nonprofits plan to add new staff this year. This uptrend is good news for nonprofits and great news for our country: it reflects the

stability and resilience of the nonprofit sector and its capacity to grow. It's also welcome news for nonprofit employees who have been picking up the slack or taking on some of the duties of eliminated or vacant positions.

But is it simply time to fill open chairs with warm bodies? If your expectations for performance are low, then almost any applicant will do. But if your mission is to make a difference in

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your community or in the world, you'll want to make wise hiring choices and invest in your new staff to help them succeed. One area that requires special attention anytime the makeup of the workforce is changing, is workplace culture.

What is Workplace Culture?

Culture is the sum of the values, beliefs, attitudes, and behaviors of a shared group of people. Essentially, it is your nonprofit's personality. Although culture is something you can't see, it influences productivity and the willingness of team members to persevere and pull together to overcome the inevitable challenges in a nonprofit workplace. Culture is reflected in:

- ❑ How employees behave and interact
- ❑ Whether and how employees hold one another accountable
- ❑ How staff define good enough versus going the extra mile
- ❑ Shared values and beliefs
- ❑ The tone of spoken communication, from one-on-one conversations to group discussions at staff meetings
- ❑ The tone of written communication, from short text or instant messages to announcements of changes in policy sent to large groups via email

Risks of an Ineffective Culture

Have you ever worked for an organization where:

- ❑ The boss grumbled when employees socialized after work?
- ❑ The perks, pay raises and privileges were limited to staff with corner offices?
- ❑ Employees openly sabotaged one another?
- ❑ New hires were interviewed in secret and their identities unknown until their first day of work?

If any of those circumstances sound familiar, you've worked for a manager or organization that cared very little about workplace culture. The consequences of inattention to culture are serious. They include:

- ❑ Low commitment to mission
- ❑ Ineffective, nonexistent or insincere teamwork
- ❑ High turnover and frequent use of sick leave
- ❑ Frequent crisis events caused by poor communication or lack of coordination

Culture Change: Risk Recommendations

Changing the culture in a nonprofit is no easy task and you don't have the option of casting a magic spell to turn bad to good. To reduce the likelihood that an ineffective workplace culture will weaken your mission, consider the five risk tips below.

1. Don't Spoon Feed Your

Employees – All nonprofit staff share the desire for some degree of autonomy. No one likes to be told what to do and how to do it every minute of the day. Ask: do our supervisors and managers allow staff to experiment, make decisions, and sometimes fail? When your culture allows staff to try new things and explore different ways of getting the job done, some of those new ways might wind up saving financial and other resources. When employees are boxed into the same way of accomplishing every task, boredom sets in along with rote focus on inputs, rather than real results.

2. Answer the Door, Accountability is Knocking!

– Accountability means living up to the commitments you make. When nonprofit staff let each other

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“

Don't ignore the risk of your culture becoming watered down as you grow.

”

down they also let the mission of the nonprofit down. True accountability requires candid conversations when a co-worker lets you down. Explain what didn't happen, the consequences of a dropped commitment, and listen with empathy to understand why. Discuss ways to support one another and live up to commitments the next time. Managers and supervisors should model the values of candor and respect by being candid and respectful with one another as well as their direct reports.

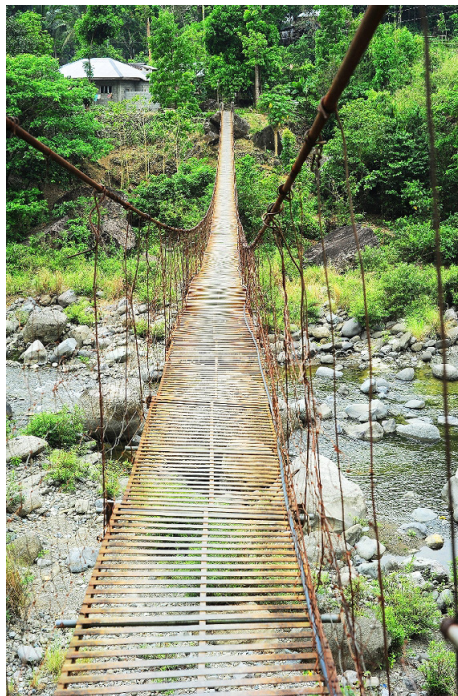
3. Pay Attention to Size if You Want a Perfect Fit – Your culture is in greatest jeopardy when your organization is growing or shrinking. Growing nonprofits often find it hard to sustain a family or small nonprofit atmosphere when new staff members arrive on a weekly basis. Thoughtful orientation programs

become rushed meetings where packets are distributed. Don't ignore the risk of your culture becoming watered down as you grow. Convene a task group to brainstorm how to keep a connected, mission-focused culture alive and well during a growth spurt. If downsizing is necessary due to changes in your business model or available funding, recognize that remaining staff may have survivor's guilt or fear that they will be next. Worse, they may feel that the nonprofit has abandoned its commitment to staff. Resolve to be honest with all staff about necessary changes in structure and staffing and encourage questions about what's taking place as well as why it is necessary to sustain your mission.

4. Never Leave Your Most Valuable Assets Unattended – Most nonprofit employers describe employees as their most valuable

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assets. Yet some leaders pay scant attention to employee needs. A strong, collaborative culture begins in the corner offices at the nonprofit. When employees see the CEO and other senior leaders of a nonprofit going the extra mile for clients and co-workers, refusing to take arguably unethical shortcuts, and demonstrating sincere concern for the health and welfare of staff, a positive, affirming culture has the greatest opportunity to spread throughout the organization. Executives who are isolated or unavailable send a clear message that teamwork and camaraderie simply aren't important.

5. Safety in Numbers: Remember the Rule of Three – To start building a culture that your mission deserves, focus on 1. Employee engagement, 2. Self-forming teams, and 3. Transparency. Engage staff by *asking* employees what they think, rather than *telling* them what to think. Solicit input from every level in the

organization about big and small changes—especially those related to changes in product/service mix or structure. You'll not only get the benefit of diverse points of view, but you'll increase the chances of buy-in when necessary changes are made. Empower staff to form and join teams as they see fit. Teamwork is the lifeblood of nonprofit organizations, yet many leaders continue to believe that assigning teams is a privilege that comes with a management title. Finally, demonstrate your commitment to internal transparency by generously sharing information and encouraging and promptly answering questions from staff. The only dumb question in a culture that values its employees is the question an employee was too afraid to ask.

Leading a nonprofit organization sometimes feels like a walk in a forest inhabited by not-so-friendly bears. But it needn't be that way. A commitment to growing and sustaining a positive, collaborative workplace culture is within the reach of every nonprofit leadership team. It may require some experimentation and the occasional burnt tongue or uncomfortable night's sleep. But the rewards are likely to greatly exceed the bumps, bruises and battles along the journey.

Melanie Herman is Executive Director and Alexandra Ricketts is Project Manager at the Nonprofit Risk Management Center. They welcome your questions and thoughts about the intersection of workplace culture and risk management. Both staff members can be reached at (202) 785-3891. Reach the authors by email at Melanie@nonprofitrisk.org or Alexandra@nonprofitrisk.org.



How to Hire the Staff Your Mission Deserves

By *Melanie Lockwood Herman and Arley Turner*

As the economy continues to rebound from the recent recession, hiring—not downsizing—is the name of the game in nonprofit HR. For leaders that have been in the difficult position of managing layoffs and coping with increased work demands due to vacancies, the availability of funds for new personnel is a welcome development. But with the enthusiasm to “staff up” to restore staffing levels to what a mission needs, there is a commensurate risk of committing costly mistakes. Screening—separating the “want to work here” from the very best candidates for open positions—is the key to hiring the caliber of staff your mission deserves.

What could go wrong?

Not every applicant is suited for the vacant role posted on your website and

on job boards. Ineffective screening can lead to:

1. **Poor performance** – Hiring an applicant who doesn’t have the experience, skills or know-how needed to succeed.
2. **Culture clash** – Bringing a new team member on board whose attitude, behavior or style clashes with the culture of the organization. (To learn more about managing the risk of culture clash, see the article by Melanie Herman and Alexandra Ricketts beginning on page 1).
3. **Danger zone** – Introducing a new hire with characteristics or a past history that put your clientele, staff, financial assets or reputation at undue risk.

The risks of inadequate screening are exacerbated when:

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- You need to fill a position... yesterday
- You need to fill a position with unusually technical or other rare skills
- Your nonprofit can't afford competitive compensation and benefits
- The applicant pool is small due to your location, job requirements or other reasons

Screening Trends: What's New?

Screening prospective staff has become routine for most nonprofits. Yet despite its familiarity, it's never safe to screen on autopilot. Consider following new developments as you re-tool, update or revamp your screening process to increase its effectiveness.

Ban the Box: A growing number of employers have removed from the application the question that has been asked for decades: "Have you ever been convicted of a crime?" The primary reason for the shift is due to "ban the box" legislation that prohibits employers from asking that question on an employment application. Why? Research suggests that employers are very unlikely to give an applicant who answers "yes" any further consideration. And this is true even in cases where a criminal history has not been identified as a disqualifying characteristic. According to the [National Employment Law Project](#), more than 50 cities and counties and 10 states have adopted laws requiring that public employers wait to ask about criminal convictions until a later stage in the hiring process. States with ban-the-box laws applicable to private employers are: Hawaii, Massachusetts, Minnesota, and Rhode Island. [EEOC Enforcement Guidance](#) issued in 2013 includes the following "best practice" recommendations for employers who

use criminal history information when making employment decisions:

- Eliminate policies or practices that exclude people from employment based on any criminal record*.
- Train managers, hiring officials, and decision-makers about Title VII and its prohibition on employment discrimination.
- Develop a narrowly tailored written policy and procedure for screening applicants and employees for criminal conduct.

Social Media Site Surfing: At a recent presentation by our CEO, Melanie Herman, more than half of the attendees acknowledged surfing the Web to find information on applicants. The motivation to surf is a valid one: to identify prospective staff whose lack of maturity or good judgment would disqualify them for paid positions. While that sounds good, did you know that surfing the Web for "dirt" on applicants can be risky? The principal risk lies in the potential to learn something about an applicant that an employer isn't legally permitted to consider when making a hiring decision, such as:

- **Medical conditions or disabilities.** Remember that an applicant who is qualified to perform the essential functions of the job is protected from discrimination in screening.
- **Age.** While you can be picky about experience levels for certain positions, unless your nonprofit falls under the federal or state size thresholds, you cannot discriminate against a potential employee solely because they are 40 years of age or older. See the article titled "My Generation" for additional information on age discrimination.

* It is important to keep in mind, however, that specific offenses related to the position remain a bona fide area of inquiry. For example, it's fair to ask a bookkeeper about crimes that involve financial misdeeds. It's also fair to ask individuals who will be working with children whether they have committed any offenses on your list of disqualifying offenses for the position, such as child abuse, child neglect or sexual offenses of any kind.

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❑ **Personal preferences or beliefs.**

Unless you are a church or religious nonprofit permitted to discriminate against those outside your faith, religious beliefs should have no impact on a hiring decision.

Ongoing Screening: A growing number of nonprofit employers are adopting policies that require re-screening during an employee's tenure. Re-screening sends the important message that your eligibility or disqualifying criteria apply to current, as well as prospective staff. In an article that originally appeared in the publication *eVolunteerism*, Consultant Linda Graf wrote:

“Once a candidate has been screened, accepted, and placed, the organization continues to have a duty to ensure that he or she performs satisfactorily in his or her assigned position. Potentially harmful candidates can slip through even the most comprehensive screening protocols, and initially superb candidates can decline in capacity or develop ill intent at any point after their acceptance into a position. Simply put, it is nothing short of dangerous to assume that risks end when a candidate has been screened, even when the screening has been rigorous.” **Source:** “It’s Never Over: Ongoing Screening of Volunteers and Paid Staff,” by Linda Graf

One of the downside risks of ongoing screening, however, is creating a culture of mistrust. Consider the following tips when re-screening to ensure that you aren't doing more harm than good:

❑ **Be transparent.** Be honest and open with employees on why and how re-screening is part of your safety program. Trusted and valued staff have the right to know what you are looking for. Make certain

your disqualifying criteria are clear and applied consistently. Since current staff may not recall the details of your screening process and policies, provide a refresher and consider asking staff to sign a new consent form.

❑ **Be consistent.** The mission and programs of your organizations will help you determine how often to re-screen. Groups who serve vulnerable populations, such as children, may want to re-screen more frequently, such as every two years, while other organizations may be able to re-screen every three to five years. Make certain that individuals in the same or similar roles are subject to the same re-screening process.

❑ **Stay focused.** As described in this section, re-screening refers to conducting a recheck of criminal history and driving records rather than a complete re-screening. Performance issues should be addressed as part of the routine supervision and staff evaluation process. Organizational policies should also require staff members to inform supervisors of any incidents that could impact the organization.

Auditions, Tryouts and Trial Work Periods:

A growing number of organizations are placing less emphasis on resume sorting and interviews, and instead using a structured trial period to determine which prospects best fit the organization's culture and the requirements of a particular job. In his HBR Blog titled “Hire by Auditions, Not Resumes,” Matt Mullenweg, CEO of Automattic, writes that, “trials don't just help us better determine who will succeed at Automattic; they help potential employees avoid big problems



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“Reference checks remain a vital screening tool. They are uniquely valuable because they provide an opportunity to learn about the candidate from someone other than the candidate.”

down the road.” His company pays potential candidates on an hourly basis for 10-20 hours per week over an eight week period. These staff are assigned tasks related to the jobs they are seeking and are given specific feedback along the way. The trial work period enables managers to experience a prospect’s work ethic and style, as well as their ability to get up to speed quickly. Your organization will need to customize the process to best fit your mission and culture, but a tryout is a great way to really see the potential of an applicant. Keep in mind that a short-term trial period will work best when you are considering an employee who is currently out of work, or an applicant returning to the workforce after a period of retirement or time off. Applicants with full-time positions may be unable to accept a trial work period at the risk of losing their current position. In those cases it may be possible to assign a task or project the applicant can complete during their non-work hours that enables you to evaluate the applicant’s suitability. **Source:** “Hire by Auditions, Not Resumes,” HBR Blog Network, January 7, 2014.

Practical Screening Risk Tips

So in addition to considering screening trends, what specific steps or approaches will help you minimize the danger while maximizing the opportunity for a perfect fit? As in other areas, there is no one-size-fits-all approach. Consider the tips described below to fortify staff screening in your nonprofit.

Don't believe everything you read.

There are conflicting statistics about the percentage of applicants who lie on a resume, but according to an infographic created by gradschoolhub.com, nearly 40% of applicants lie on their resumes, and a whopping 78% have resumes with misleading information on them. So

how can an employer manage the risk of being bamboozled?

- ❑ **Verify anything on the resume that is a requirement for the position.** Although it’s hard to believe, lying about receiving a college degree is relatively common. If the open position requires an undergraduate or graduate degree, call the granting institution to confirm the applicant indeed graduated.
- ❑ **Confirm titles, dates of employment and the actual description of the position with prior employers.** Reference checks remain a vital screening tool. They are uniquely valuable because they provide an opportunity to learn about the candidate from someone other than the candidate. To verify the applicant’s description of their former job, ask the former employer: “May I read the description of the job on the applicant’s resume? I’m interested in hearing if the applicant’s description is an accurate summary of the role she held at your organization.”
- ❑ **Consider using an application, in lieu of, or in addition to accepting a resume.** An application requires the applicant to answer your questions and provide information you want and need to know to complete the screening process. A resume contains information the applicant wants you to know. There is a subtle, but important difference.

Never make exceptions to your screening protocols. Ask any manager who has made a disastrous hiring decision, and you’re likely to hear how the candidate’s charm or perfect fit for the job led the hiring manager to skip a step. This rule is especially important when hiring someone you know, such as a friend, acquaintance, former

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associate, friend of a friend, etc. Never cut corners or skip steps because you are in desperate need for help. Your mission deserves more than careless or spotty screening.

Double down on reference checks.

Former Center staff member John C. Patterson, the author of our forthcoming “Staff Screening Notebook” reminded us recently that reference checks are a nonprofit’s “most important and never to be skipped screening tool.” John advises nonprofit leaders to make certain that they complete all of the steps in the screening process for finalists, including checking professional or personal references. Failure to check references will nearly always be an issue in litigation against the organization alleging misconduct on the part of a staff member. It’s also important to qualify references to ensure that each reference has a basis for making authoritative observations concerning the applicant’s abilities to perform the duties and responsibilities of the position for which they are being considered.

Be aware of the confirmation bias when conducting interviews.

Interviews are a great way to begin the process of getting to know an applicant. But research suggests that most interviewers decide whether the applicant is a perfect fit during the first 30 seconds of the interview. Interviewers spend the remaining time with the candidate listening for information that confirms their first impression. This tendency is an example of the confirmation bias. To guard against it, remind yourself before the interview that it’s probably better to focus on information that counters your first impression. If your first impression is favorable, look and listen carefully for statements that suggest the candidate might not be the best fit for your

culture and requirements. If the first impression is negative, look and listen for information that might contradict the first impression. And make certain to ask open-ended questions, ask finalists for the same position the same questions, and don’t delve into areas that are irrelevant to the position or might lead the interviewee to reveal personal information that you aren’t allowed to consider when making a selection. Bias may be minimized by sharing the interviewing task with other staff members and then comparing notes. Each interviewer can identify strengths and weaknesses with the goal of arriving at a consensus.

Remember your mission. The most important reminder in an effective screening process is to remain focused on the skills, abilities and traits you need in the position. Some information you find may not be great, but what is relevant and matters to the position? Does she have the skills and experience that the position requires? Is he someone who will be truly motivated to help fulfill your mission? And of course, always look for positive information that shows the person would be a great fit at your organization, not just the negative! Finally, when selecting staff members remember to think strategically beyond your immediate needs and consider the evolving, future needs and vision for the organization. Remember to ask: is this applicant likely to contribute to the strategic vision of the organization?

Melanie Herman is Executive Director and Arley Turner is Project Manager at the Nonprofit Risk Management Center. They welcome your feedback and questions about the topic of staff screening at Melanie@nonprofitrisk.org or Arley@nonprofitrisk.org or (202) 785-3891.

Resources

“Hire by Auditions, Not Resumes,” by Matt Mullenweg, featured on the HBR Blog Network, <http://blogs.hbr.org/2014/01/hire-by-auditions-not-resumes/>

“It’s Never Over: Ongoing Screening of Volunteers and Paid Staff,” by Linda Graff, from Linda Graff and Associates, Inc., www.volunteermbc.org/sites/default/files/pdfs/It's-Never-Over-Ongoing-Screening-of-Volunteers-and-Paid-Staff.pdf

“More Hiring Tips for Nonprofits: Screening,” from the Hiring Tips & Strategies forum by *The NonProfit Times*, www.thenonproffitimes.com/jobs/more-hiring-tips-for-nonprofits-screening/

“6 Tips for Screening Prospective Volunteers,” from the Management Tips forum by The NonProfit Times, www.thenonproffitimes.com/management-tips/6-tips-for-screening-prospective-volunteers/

“Ten Tips on Screening Resumes,” by John Vlastelica, featured in the Tools for Better Hiring on Dice.com, <http://resources.dice.com/report/tips-screening-resumes/>



My Generation: Reaping the Rewards of a Multigenerational Workforce

By Melanie Lockwood Herman and Arley Turner

Nonprofit missions require high performing, collegial work teams. And increasingly, nonprofit workplaces are staffed by individuals from three, four or even five generations. These intergenerational staff teams are charged with delivering services and programs that advance ambitious, community-serving missions. During the years ahead, the differences in age between nonprofit staff is certain to grow, as an unprecedented number of professional men and women remain in the workplace long after reaching the age of 65. (See: “A billion shades of grey,” and

“Age invaders,” *The Economist*, April 26, 2014.)

Many nonprofit leaders count themselves as early advocates of the benefits of diverse and inclusive workplaces. With that track record, how are nonprofits faring when it comes to seizing the opportunities presented by having multiple generations of workers in the same office? And how effectively do nonprofit employers manage the downside risks in a workplace where staff work side by side, but sometimes fail to see eye to eye with their much older, or much younger co-workers?

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Staff Stereotypes are a Disservice to Your Mission

Nonprofit employers, like their for-profit counterparts, are in many cases perpetuating or ignoring stereotypes about staff based on age. Articles, workshops and webinars on multigenerational issues in the workplace point out the most common stereotypes about younger and older workers, such as:

- ❑ Older staff are more loyal and dependable than their younger counterparts
- ❑ Younger staff require minimal systems and IT training because they've been active users of computers, software and the Internet since birth
- ❑ Older staff value employee benefits over pay, while younger staff care little about traditional benefits while putting a high premium on casual dress, flex-time and telecommuting
- ❑ Younger staff are open to new ways of thinking about challenges and

opportunities, while older workers are often "set in their ways"

- ❑ Older employees resent reporting to younger bosses

Team-busting stereotypes can't be shaken or dismantled without conscious effort. Permitting stereotypes to prevail exposes a nonprofit to potentially dangerous and costly downside risks.

Dangerous Downside Risks

Making assumptions or generalizations about any current or prospective employee based on where they come from, what they look like, or when they were born, is risky in many respects. The downside risks include:

- ❑ Claims based on the perception that the nonprofit either permits, or ignores, discriminatory bias in the workplace
- ❑ Higher than normal turnover caused by the belief that certain staff, because of characteristics completely beyond their control, are valued more than others

Age Discrimination in the Workplace: What You Need to Know

Stereotypes about older workers are risky from several perspectives. One especially dangerous risk is that attitudes about the capabilities of older staff can lead to claims alleging illegal age discrimination. Every nonprofit employer should pay careful attention to this risk, recognize the warning signs of illegal conduct, and take steps to prevent age discrimination.

Q. What is illegal age discrimination?

A. Illegal age discrimination occurs when an employer makes a decision about the terms and conditions of the job (hiring, firing, wages and benefits) based on the fact that an employee is 40 or older. Enforced by the EEOC, the Age Discrimination in Employment Act of 1967 (ADEA) is the federal law that specifically prohibits discrimination against current or prospective employees who are 40 years of age or older. For example, an employer may not choose a 26 year old applicant over a 42 year applicant simply because he believes that the younger applicant, because of her age, is likely to be more flexible and creative. Choosing the younger applicant because her credentials, training and references suggest a better match for the job and the organization is not discriminatory. NOTE: it is not illegal to favor an older worker over a younger one, even if both staff members are over 40.

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Q. Does the ADEA apply to all nonprofit employers?

A. The ADEA applies to employers with 20 or more employees. For employers whose total staff count varies on a week to week basis, count the 20 weeks of the year with your highest staffing levels. If your nonprofit had 20 or more employees during your busiest 20 weeks (including part-time employees), the ADEA applies for that year. Close but not quite there? When in doubt, operate as if the law applies.

Q. Are there similar state laws prohibiting age discrimination?

A. Yes. All states have their own anti-age discrimination laws. Generally the prohibition against age discrimination is contained in a state's broad anti-discrimination statute. Keep in mind that state anti-discrimination statutes often have lower applicability thresholds. As a result, your nonprofit may be subject to an age discrimination law at the state level even though you are not subject to the federal ADEA because of your staff size. For example:

- Washington State's anti-discrimination statute applies to secular employers with at least 8 employees. The law prohibits discrimination based on race, creed, color, national origin, sex, marital status, age (40+), disability, retaliation, sexual orientation/gender identity, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability. **Source:** www.hum.wa.gov/employment/WLADEmployment.html



- ❑ Missed opportunities to innovate and collaborate to advance a nonprofit's mission
- ❑ Less than optimal decisions about strategies or resource allocation due to a narrow and incomplete view about the interests, competencies and potential of workers

From legal claims to workplace unrest to turnover, no employer can afford to ignore the price of generational stereotypes and typecasting. The sooner the leadership team identifies and understands ageism and generational bias, the sooner it can begin to set the record straight and seize the opportunities presented by a multigenerational workforce.

Risk Tips for Multiple Generations in the Workplace

Consider the tips and strategies below to leverage the advantages of multiple generations while minimizing the downside risks.

- 1. Debunk the Myths and Stereotypes** – An important first step to capitalizing on the talents

of a diverse workforce, is to actively debunk the myths. For example, the myth that older staff resent a younger manager was proven untrue in a survey by *Career Builder*, which found that only 5 percent of workers older than 55 said they don't like taking directions from a younger boss. Get myths out in the open by encouraging candid and respectful conversations about stereotypes. Challenge members of your team to provide examples of how the myths are untrue or exaggerated and also how they interfere with or otherwise dampen the spirit of collaboration.

- 2. Adopt Broad Anti-Discrimination and Anti-Harassment Policies** – If your nonprofit's anti-discrimination and anti-harassment policies are more than five years old, or if they are convoluted or poorly understood, it's time for an update. The overarching theme of a good anti-discrimination policy is that your nonprofit does not tolerate discrimination. The clear message of an anti-harassment policy

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My Generation: Reaping the Rewards of a Multigenerational Workforce
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Generation	Millennial (Gen Y)	Generation X (Gen X)	Baby Boomer (Boomers)	Traditionalist (Veterans)
Birth Dates	1981 – 2000	1961 – 1980	1944 – 1960	1922 – 1943
Approximate Population	73 million	58 million	80 million	52 million
Percentage of US Workforce	23.5%	45.5%	26.6%	4.4%

Data source: United States Department of Labor, Bureau of Labor Statistics, Employment status of the civilian non-institutional population by age, sex, and race, 2009 annual average.

should be that harassing conduct is offensive and harmful to your mission. It's also essential to convey that your nonprofit is committed to providing—for all employees—a positive work environment, a workplace that values mutual respect, opportunities to use talents and skills, the chance to learn and grow on the job, and the opportunity to collaborate and help others.

3. Encourage Self-Forming Teams

– Stereotypes and myths about staff based on their age may come into play when managers and executives select and form teams. Without even realizing it, there may be a tendency to group people based on one's perception of who will work well together, instead of teams with complementary skills and perspectives. And those perceptions may be driven in part, by perceived generational differences. For example, a manager selecting staff for a project that requires a high degree of creativity may unknowingly form a team consisting of the youngest members of a department. Or a leader forming a team focused on tightening compliance with funder requirements may assign the task to a

team consisting of older staff, who the manager perceives to be more patient or respectful of legal requirements than their younger counterparts. Try a counterintuitive approach: assign a tough challenge to a staff leader and encourage her to recruit and form a diverse team of her choosing to tackle the problem. Don't be surprised if self-forming teams wind up being generationally diverse!

4. Explore and Celebrate Shared Values

– A recent study by Ben Rosen, PhD., from the Kenan Flagler Business School at the University of North Carolina at Chapel Hill, negates prevailing, but inaccurate stereotypes about what different generations of workers value at work. The study, which involved 5,400 survey takers, examines the workplace expectations of staff from three generations: Baby Boomers, Gen Xers and Millennials. Instead of distinct differences in values based on age, Rosen found that workers in the three generation groups actually shared the same five expectations of their employers:

- To work on challenging projects
- Competitive compensation
- Opportunities for advancement

- The Illinois Human Rights Act prohibits discrimination based on an employee's age and protects workers who are 40 years of age and older. In contrast with the ADEA, the Illinois Human Rights Act permits Illinois government employees to sue for damages. With respect to age discrimination cases, the law applies to private employers with 15 or more employees. That threshold is applicable to all employers with public contracts—regardless of staff size. **Source:** www.illinoislegalaid.org/index.cfm?fuseaction=home.dsp_content&contentID=1400

Q. May our nonprofit implement a mandatory retirement age?

A. Yes. Under the ADEA, an employer may require employees to retire if: 1. The employee is at least 65 years old, 2. The employee is entitled to an immediate, nonforfeitable annual retirement benefit equal to at least \$44,000 (from a pension, savings, deferred comp or combination of plans), and 3. The employee has been in an executive or high policy-making position for at least two years prior to the retirement date.

Source: Sheef & Stone, LLP

“
 Sadly, missed opportunities to communicate and share are common in nonprofit workplaces.”
 ”

Age Discrimination Resources

Use the search feature on the following websites to find helpful information on age discrimination, including the factsheets and articles noted.

www.dol.gov – Questions regarding the ADEA’s coverage or its application to any specific fact situation may be addressed to the Department of Labor’s Civil Rights Center at 202-693-6500.

www.eeoc.gov – Prohibited Employment Policies/Practices

www.aarp.org – Age Discrimination: What Employers Need to Know

My Generation: Reaping the Rewards of a Multigenerational Workforce continued from page 13

- ❑ To be fairly treated
- ❑ Work-life balance

Consider inviting staff from different generations to participate in a focus group session to discuss:

- ❑ What they love about working at your nonprofit
- ❑ The values promoted by the nonprofit that resonate with their own values
- ❑ What they appreciate about working in teams at the nonprofit
- ❑ What they hope to contribute to and learn when working in diverse teams
- ❑ What additional steps the nonprofit’s managers and executives can take to promote the benefits of generational diversity

In addition to learning information you can use to sync workplace practices with your mission, these conversations offer a chance for staff to identify and celebrate shared values.

5. Put a Premium on Communications

– Many workplace complaints are the result of poor intra-office communications. For example:

- ❑ Employees who believe they were intentionally left out of the loop
- ❑ Managers who send mixed messages about goals or performance expectations
- ❑ Executives who refrain from ever admitting mistakes, missed opportunities, or less than positive results
- ❑ Employees who zealously guard information and keep secrets,

believing that not sharing gives them power

Sadly, missed opportunities to communicate and share are common in nonprofit workplaces. Yet the cost of organization-wide communication (e.g., via text, email) has never been lower and creative communication tools are in abundance. If there is a chance intergenerational issues may be due to or fueled by poor communication, convene a task group without delay to tackle this issue. Invite the group to consider:

- ❑ Examples of how we succeed in delivering information to staff on a timely basis
- ❑ Examples or instances where we sometimes or often fail to communicate effectively or in a timely fashion
- ❑ The culture of communication—what expectations do managers have with regard to effective communication? What perceptions do staff have about our culture of communication?

Rather than perceiving the presence of multiple generations in the workplace as a negative, nonprofit employers should embrace the potential that age diversity offers. By taking measured steps to debunk stereotypes about the generations, and encouraging candid dialog about communication styles and teamwork, every nonprofit employer can add a generationally diverse workforce to its list of treasured assets.

Melanie Herman is Executive Director and Arley Turner is Project Manager at the Nonprofit Risk Management Center. They welcome your feedback and questions about the topic of generational diversity at Melanie@nonprofitrisk.org or Arley@nonprofitrisk.org or (202) 785-3891.

Think Again: What You Don't Know but Should About Interviewing & Reference Checking

By Erin Gloeckner

“Death will be a great relief. No more interviews.” – Katharine Hepburn

Walking into an interview is like walking into a pressure-cooker. As an applicant, you sense that the interview is your best chance at winning a job. Most nonprofit hiring teams would agree that an interview would make or break a candidate's chances. But research has shown that interviews are often flawed, making them a less reliable source of information on which to base hiring decisions. Former Center staff member John C. Patterson, the author of our upcoming “Staff Screening Notebook” has shared two little-known secrets with us. Reference checks are a nonprofit's most important screening tool, and interviews should be analyzed through a new perspective.

The Ugly Truth About Interviews

Interviews are a significant piece of the hiring puzzle, but they are often given too much weight. The “Staff Screening Notebook” reminds us that an interview is only one screening tool and should not be the sole basis of a hiring decision. Edward Lawler, Distinguished Professor of Business and Director of the Center for Effective Organizations in the Marshall School of Business, University of Southern California writes in a recent Forbes article, “Years of research on job interviews has shown that they are poor predictors of who will be a good employee. There are many reasons for this, but perhaps the key explanation is that individuals simply don't gather the right information and don't understand

what the best predictors of job success are. A careful analysis of the background of individuals and their work history and work samples are more accurate predictors of success on the job than are the judgments which result from interviews.”

So what's the real problem with interviewing? Interviews invite bias and legal risks into hiring, more so than other screening tools.

- Interviewers often make a decision in the first 30 seconds of the interview (and first impressions aren't always accurate)
- Interviewers are susceptible to confirmation bias—listening selectively for information that confirms the first impression
- An individual interviewer can't offer your nonprofit the same range of thought as a team of interviewers
- Inconsistencies in interview questions or interviewers could lead to inaccurate or illegal hiring decisions (e.g., one candidate is asked different questions than another candidate)
- Your nonprofit could face discrimination lawsuits if interview questions focus on the applicant's personal life rather than the job description (e.g., a simple question like “Tell us about yourself...” can lead the applicant to reveal personal information which should not be assessed by the hiring team)
- Interviewers often fail to confirm applicants' qualifications during

interviews (dates of employment, position titles, academic credentials, etc.)

- Interview questions could be better formed to address the job description rather than gathering extraneous or illegal information.

It's tough to avoid these interview faux pas, but recognizing the risks before conducting an interview will enable you to handle the situation appropriately. Consider the strategies below as you prep for your next big hire.

Interview Like a Pro

- Reflect on the true objective of the interview—hiring a candidate based on qualifications related to the job description
- Remind yourself to consider all screening results—including applications, reference checks, etc.—not just the outcome of a candidate's interview
- Recognize the legal limits of interview inquiries and avoid questions that pertain to an applicant's personal life
- Select a small team of interviewers who will be available to meet with every candidate; encourage the team to deliberate together, or ask a team member to play devil's advocate if the interviewers are all gung-ho about a candidate
- Use the same interview questions and interviewers for each candidate to avoid inconsistencies and hiring bias
- Confirm applicants' qualifications during interviews, and look out for

continued on page 16

red flags that hint at dishonesty or embellishment

- Keep an open mind and listen for information that counters your first impression of an applicant
- Observe the candidate's body language for extra signs of nervousness or dishonesty
- When drafting interview questions, focus on the four categories of questions suggested by the *Wall Street Journal*:
 - **Fact-finding:** confirm application information such as gaps in employment or details of an applicant's previous position
 - **Creative thinking:** ask questions about the candidate's awareness of trends related to the position, to probe the candidate's ability to express thoughts on an impromptu basis
 - **Problem-solving:** explore the applicant's past experiences, or ask "what if" questions regarding challenges the applicant might face at your nonprofit
 - **Behavioral:** get a sense of how the candidate would react in common workplace situations—this will help you determine if the candidate will fit in at your organization (e.g., "How would you respond when a supervisor gives you critical feedback?")

Putting extra thought into your interview methods will likely result in stronger matches for open positions and a more positive interview experience for your applicants. Remember to consider every screening tool you have available—especially reference checks, which are a vital component of due diligence in the hiring process.

Reference Checking

Reference checking provides insight that hiring teams can't always get during interviews. The biggest risk of reference checking is failing to complete this step of the screening process. References can offer valuable information concerning an applicant's previous experience in similar positions, or personal attributes that would offer positive contributions to the organization. References may also offer information that could disqualify an individual from consideration for a position. These tidbits are essential when vetting finalists for a position, so reference checks should never be skipped.

Be aware of reference checking risks before blindly believing everything you hear about an applicant. A major concern is receiving information from references that may be inaccurate, incomplete, based on gossip, or deliberately falsified. Another risk is receiving information that can't be used to qualify or disqualify a candidate. Practice the strategies below to avoid common reference checking risks.

- **Skipping references:** Adopt and execute a reference checking policy—consider whether there are any circumstances when skipping references is okay
- **Information you can't use:** Create a script for reference checking calls so you ask references for appropriate and relevant information
- **Uncooperative or fearful references:** If a reference is uncooperative or fears defamation charges, share the applicant's signed statement so the reference knows you have permission to contact him or her
- **Negligent hiring claims:** always record information received from references—this will enable you to justify your hiring decisions if you

hire a candidate who should have been disqualified

To retain quality information from references, focus on the following four objectives from the "Staff Screening Notebook."

- **Qualify the reference:** verify that the reference can offer you accurate, insightful information
- **Verify information provided by the applicant:** try not to ask leading questions for the reference to confirm—instead, ask open questions to which the reference can provide a truthful answer (asking "Why did the applicant leave your organization?" is better than asking, "The applicant said he left your organization due to a family illness. Is this correct?")
- **Probe for information regarding the applicant's suitability:** ask the reference about the applicant's creative thinking, problem-solving, or behavioral work practices that pertain to the position
- **Seek information about potential risks or liabilities:** design questions for references with the risks of the position in mind—aim to avoid negligent hiring by asking references about a candidate's performance or character risks

For more interviewing and reference checking tips, order a copy of the Center's new book, "Staff Screening Notebook" using the order form on page 19 of this newsletter, or by visiting www.nonprofitrisk.org.

Erin Gloeckner is Project Manager at the Nonprofit Risk Management Center. She can be reached at Erin@nonprofitrisk.org.



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