Managing Talent Acquisition Risk
Affiliate Member Webinar

Melanie@nonprofitrisk.org
703.777.3504

Nonprofit Risk Management Center
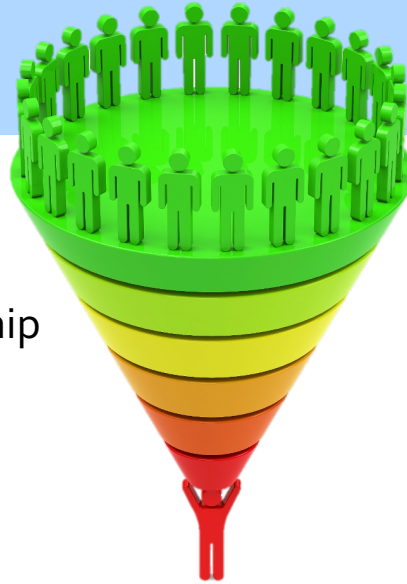Find the answer here | nonprofitrisk.org

1

- **Warm-up:** HR leadership, the importance of respectful treatment, and why people quit their jobs

- **5 Talent Acquisition Risks**

- **Hiring Art & Skill: Risk Tips**

Webinar Agenda

2

HR Leadership

"Leadership is not about being in charge. Leadership is about taking care of those in your charge."
– Simon Sinek

3

DID YOU KNOW that... respectful treatment of all employees at all levels is the

#1

contributor to overall job satisfaction?

4

75% of people voluntarily leaving
aren't quitting their *jobs*,

they are quitting their **bosses!**

SOURCE: StackHands

65%
of employees say
they'd take a new
boss over a pay raise.

SOURCE: OfficeVibe

5

5 Talent Acquisition Risks

1. Inadequate goal-setting & planning
2. Believing everything the applicant tells you
3. Hiring yourself OR hiring by yourself
4. Failing to ask meaningful questions
5. Premature criminal history or prohibited salary history questions

6

1. Inadequate planning / no clear goals

GOALS

- Matching the most qualified, best suited applicants to vacancies at your nonprofit

- Eliminating from consideration any and all applicants are are poorly suited or who pose an undue risk

GOALS

7

2. Believing everything the applicant tells you

…or failing to find out what others think

TIPS

1. Stop asking questions that invite the applicant to lie

2. Start verifying information on the application for employment

3. Get serious about reference checking

8

4

3. Hiring yourself, skipping steps or hiring in desperation

9

Hiring By Yourself

If you want to go quickly, go alone.

If you want to go far, go together.
African Proverb

10

- Was the team involved in position design, recruitment and hiring?

- How will the team support training and on-boarding?

- What will the new staff member's first year goals look like?

11

4. Failing to Ask Meaningful Questions

11 → Now, please read the following statement:

"Effective risk management should inspire confidence among internal and external stakeholders in a nonprofit."
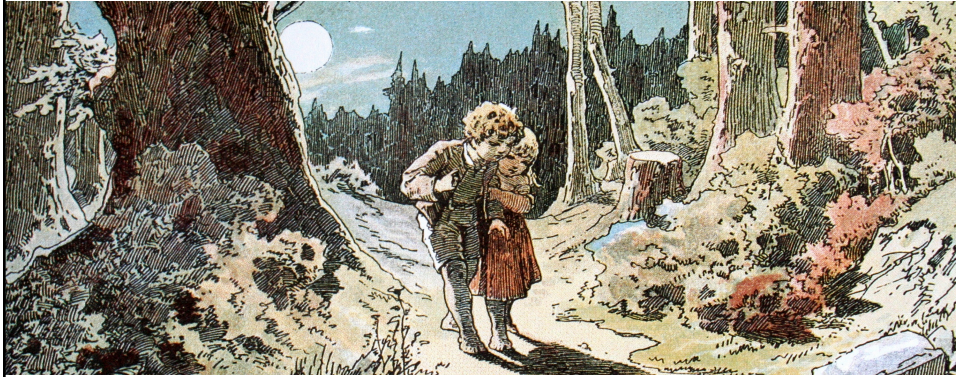
Do you agree? What does this mean to you? *

Type your answer here...

SHIFT + **ENTER** to make a line break

12

5. Premature or Prohibited Criminal History and Salary History Questions

13

Ban the Box

- What is *ban the box*?
- Why is it gaining momentum in state legislatures?

"Ban the box" is a term used to describe policies that prohibit employers from asking about an applicant's criminal record on an initial employment application.

14

"Robust fair-chance employment laws ensure a fairer decision-making process by requiring employers to consider job-relatedness of a conviction, time passed, and mitigating circumstances or rehabilitation evidence."

SOURCE: NELP

15

SOURCE: www.nelp.org/publication/ban-the-box-fair-chance-hiring-state-and-local-guide/

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BAN THE BOX: U.S. CITIES, COUNTIES, AND STATES ADOPT FAIR HIRING POLICIES

by Beth Avery
Areas of expertise: Criminal Records and Employment

Nationwide, 35 states and over 150 cities and counties have adopted what is widely known as "ban the box" so that employers consider a job candidate's qualifications first—without the stigma of a conviction or arrest record. Borne out of the work of All of Us or None, these initiatives provide applicants a fair chance at employment by removing the conviction history question from job applications and delaying background checks until later in the hiring process.

16

Salary History Bans

- Focus on gender inequality in pay has led to the passage of laws that PROHIBIT employers from asking applicants about their salary history
  - 17 statewide bans + 19 local bans (as of 10.31.19)
- These laws don't prohibit questions about salary *requirements* or *expectations*
- See an interactive map of salary history legislation here:
  - www.hrdive.com/news/salary-history-ban-states-list/516662/

17

SOURCE: https://www.hrdive.com/news/salary-history-ban-states-list/516662/

ALABAMA

★ State-wide

Effective Date: Sept. 1, 2019

Employers Affected: All employers

Employers may not refuse to hire, interview, promote or employ a job applicant based on the applicant's decision not to provide pay history.

View the law

18

CALIFORNIA

★ **State-wide**

Effective Date: Jan. 1, 2018

Employers Affected: All employers, including state and local government employers and the legislature

California's ban prohibits private and public employers from seeking a candidate's pay history. Even if an employer already has that information or an applicant volunteers it, it still can't be used in determining a new hire's pay. The law also requires employers to give applicants pay scale information if they request it.

19

Salary History: What to Do

- Remove questions on printed and online applications that request salary history
- Remove questions about salary history from your reference checking process
- Train hiring managers NOT to ask questions about salary history; substitute with questions about earnings requirements or expectations... OR
- Publish salary ranges when recruiting; base starting salary on merit, education and experience
- NEVER refuse to hire someone because they were unwilling to provide salary history

20

Hiring Art & Skill: Risk Tips

1. Don't skip hiring steps; the cost of a mis-hire is far greater than the cost of being deliberate to find your best hire
2. Remember that a hiring manager only has one lens; a hiring *team* has many
3. Be aware of unconscious bias: interviews should be the LEAST valuable part of the hiring process
4. Be aware of biases, especially age bias
5. Revisit reference-checking
6. Turn-off hiring autopilot!
7. Don't oversell the organization OR the role
8. Don't assume: find out what your team loved or hated about the hiring process

21
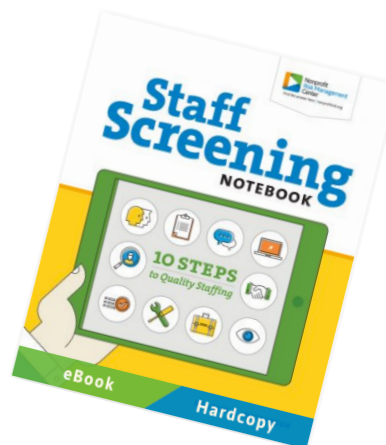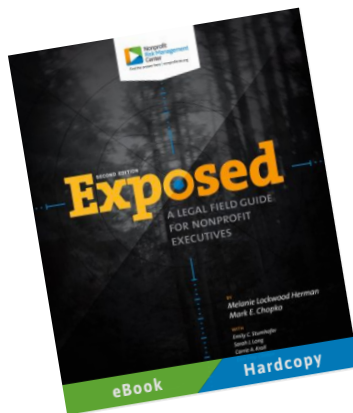
22

RISK eNews

5 Winning Ways to Wrestle Recruitment Risk

By Melanie Lockwood Herman and Katharine Nesslage

If your nonprofit hasn't already faced the difficult challenge of attracting new staff to fill the shoes of departing rock stars, get ready! According to the Society for Human Resource Management (SHRM), an estimated 7.8 million jobs will need to be filled by 2020. This unsettling headline has led many nonprofit teams to rethink their approach to the recruitment risk/reward equation.

The cost of hiring mistakes and misfires is significant: did you know that leaders of small organizations spend as much as 40% of working hours on tasks unrelated to generating revenue? Another study indicates that it takes up to 50-60% of a departing employee's annual salary to find and onboard their replacement. Ouch! And the pain only intensifies when the new hire is a poor fit for the job or the organization.

Given that no nonprofit can afford to spend time on mis-hires, or lose ground when a campaign to replace talent drags on, we're excited to share the following winning ways to manage recruitment risk. We'll take a deeper dive into the murky waters of recruitment risk during the "Managing Staff Recruitment Risk" session that will be featured at Risk Connect on May 14th. As a reminder, Risk Connect is a free, all-day virtual conference for Affiliate Members of NRMC.

1. **Update the position description, first!** When a superstar team member announces their intention to retire in Tahiti or take a more lucrative position, many executives believe that the fastest way to move from denial to acceptance is to post the opening without delay. That's a mistake. The departure of a key team member should always be an opportunity to pause and reflect. Use the current position description as a tool to reflect on what your nonprofit needs in the years ahead. How might the role change? Do the minimum requirements listed still make sense?

23

Melanie L. Herman
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24