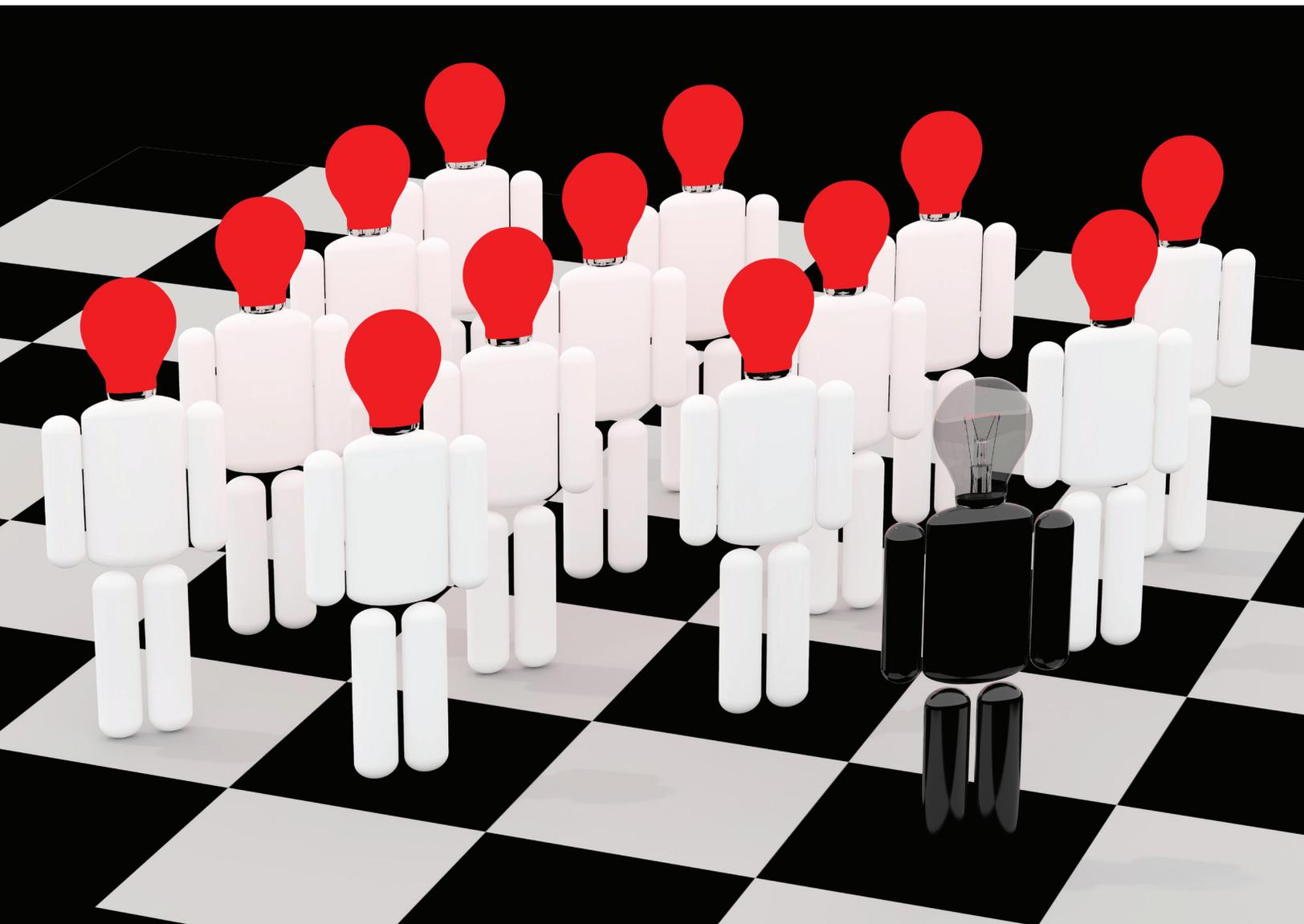


THE BIGGEST MYTH

HELD BY
TALENT ACQUISITION PROFESSIONALS
AND WHY IT HOLDS THEM BACK



by Yves Lermusi and Roger Baker

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INTRODUCTION

“Employers put too much weight on interviews, and too little weight on references... If you told me, ‘Pick One’ - you could either get references or an interview - I would pick references every day of the week”

– Reid Hoffman, LinkedIn founder & Greylock Partner

The biggest myth held by many senior people in Talent Acquisition, is that interviewing is much better than reference checking, or even that reference checking does not work well. But we can prove that myth wrong with hard data, if we dare to question our hard-formed beliefs. There is more to it, by reading this report you will also learn how to boost your career!

We will prove to you why this belief is so engrained, why it is wrong, and why it is symptomatic of a larger problem that holds back Talent Acquisition leaders from gaining more executive respect within their organizations.

If you believe that gaining insight from colleagues on your candidates is an antiquated way to select people and are not willing to reconsider it, you may be out of a job very soon. If you are reporting to one of those people... run, you'll understand why later.

In order to address this myth objectively, we at Checkster have run a nationally representative survey and analyzed results from millions of reference responses.

If you are a typical Talent Acquisition leader what follows should surprise you. If you are reading this, we hope this could be the beginning of a unique competitive differentiator in your organization, as well as in your career. Enjoy!



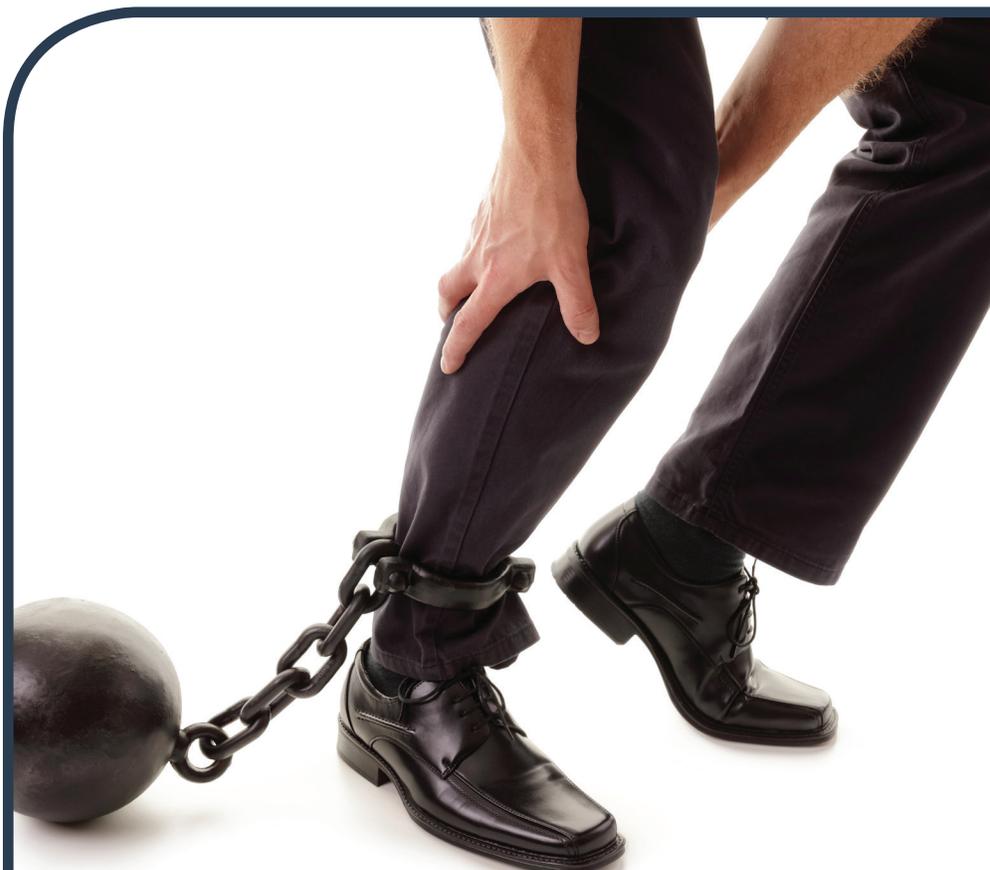
WHY EXPERIENCE CAN BE YOUR BIGGEST LIABILITY

When they train baby circus elephants, the trainer ties a chain around it's leg and ties it to a metal stake in the ground. The chain and peg are strong enough to hold the baby elephant. When it tries to break free, the metal chain pulls it back. Sometimes, tempted by the world it sees in the distance, the elephant pulls harder. But the chain cuts into the elephant's leg, making it bleed, creating a wound that hurts. Soon the baby elephant realizes it was futile trying to escape, and it stops trying! As the elephant grows older, the trainer still uses the same chain and the same small peg. The elephant, now fully grown, could easily break free, but it doesn't try, because it believes what it learned before still applies to its world today, that its past reality remains true.

This story applies to many of us in life and in business, we refuse to consider a new option because due to past experience we are certain it will never work. This is what we have seen for talent management leaders as well. They don't think asking for a reference will provide value because they've tried so many times before with poor results. Not realizing that the world has changed, that they are not a "baby elephant" anymore.

Our well engrained beliefs can be fatal for business and for our career. Britannica did not believe that an open participating online encyclopedia could hold any credibility. Now Wikipedia is thriving, while Britannica is defunct. Blockbuster did not believe in the on demand (mail and online) video service, now they are no longer around. Taxi companies could not even fathom that people would rideshare, but mobile apps changed the equation and now they are suffering the consequences.

We believe the same is happening in the world of talent management today, experience can become a liability. Be open to explore and consider new options; do not close the door because yesterday it did not work. Your mental chains need to be broken!



THE FOUNDATION OF THE BIGGEST MYTH

When you speak with tenured TA leaders, one of the certainties they have is that interviews are way better than reference checks, and that reference checks don't work well.

When you ask them why, they typically give several foundational beliefs:

1 Myth 1: References cannot and will not participate because of company policies

While it is true that some organizations have a policy asking employees not to participate in reference checks, very few people respect it. How do we know this?

We asked a representative sample of the U.S. population and found that 99% of adults said they would participate in a confidential, online reference check.



The proof is shown in the online reference checking tool, Checkster, which has a participation of over 75% of invitees. While 25% do not respond, it is very likely that other reasons such as travelling, procrastination, or deleted emails may be a factor more so than the voluntary unwillingness to participate. However, even if unwillingness was the case, we still have three quarters of the population that are participating.

Finally, when we clear the confusion between the double standard that legal counsels have towards reference checks (i.e. doing reference checks in order to not be seen as a negligent hiring organization, but do not giving them to avoid potential liabilities) most people will agree when asked the following:

Are you telling me that you never or will never give a reference for one of your close colleagues?

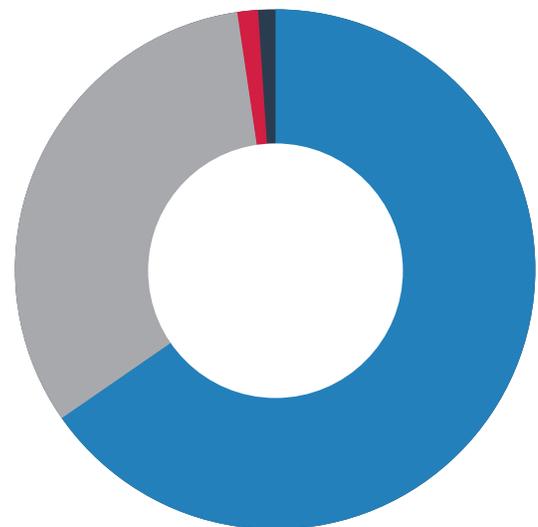
Facing this reality people often concede. But even if you were a hard core “never”, we can tell you that the majority of people are giving references today.

2 Myth 2: References will never say something negative about a colleague

While it is true that every serious candidate will try to influence their references, most people will keep some objectivity in their responses. How do we know this?

We asked a representative sample of the U.S. population and found that, when asked “If you were asked by a colleague to participate in a confidential online reference check, where you are asked to review your colleague’s performance for a new job he or she is applying for, how truthful would you be?” Two-thirds said “Very truthful - I’d give an honest review, not just positive feedback.” One-third said “Somewhat truthful - I’d give a pretty honest review, but I’d be slightly more positive in my feedback to support my colleague”. While only 1% said “Somewhat untruthful - I’d only give positive feedback about my colleague”.

Will References Give Realistic Feedback?



- Be as truthful as possible
 - Be a little more positive but still realistic
 - Only say positive statements
 - Would never participate
- N=742

- Four interesting differences were that 18-24 year old men were far less likely than 25-39 year old men to be truthful: 56% of 18-24 year old men would give a “very truthful” review versus 70% of 25-39 year old men.
- Hispanic respondents were more likely to give positive-skewing reviews (somewhat truthful) than were their non-Hispanic counterparts (43% vs. 31%); this finding is consistent with our research that Hispanic respondents tend to be more positive in their feedback, overall.
- Parents were more likely to give “very truthful” reviews than were non-parents (68% vs. 61%, respectively).
- Finally, “trendsetters”--those who consider themselves to be influential among their peers, and more digitally-savvy, were the most likely to give “very truthful” reviews, with 79% of trendsetters versus 65% of mainstream respondents reporting they’d be “very truthful”.

In short, the big learning here is that very few (1%) people will be completely unreliable. So, the myth is not that people will never say something negative, but that at most 50% of the time they will give more positive feedback than realistic feedback. The core question here is how can we better understand the nuances of someone that is more positive, and qualify their feedback?

At Checkster we have gone through many evaluations to understand those nuances and make them better understood by recruiters and hiring managers. To start, make sure confidentiality is given during the reference check, this allows for respondents to speak their mind and provide insightful information into their experience with that individual. However, we often still get skeptical looks despite the facts. So, we ask you read the feedback, we received from references, below and tell us if you would expect to have a reference say that about a candidate?

- “He committed theft at one of our client’s sites”
- “He likes to call in sick a lot”
- “Not trustworthy”
- “No attention to detail and did not mesh well with the other people on my team”
- “Not a great team player”
- “Time management is an ongoing concern”
- “Improper call offs, theft, and has fallen asleep on post”
- “Lazy doesn’t like hard labor or labor at all”

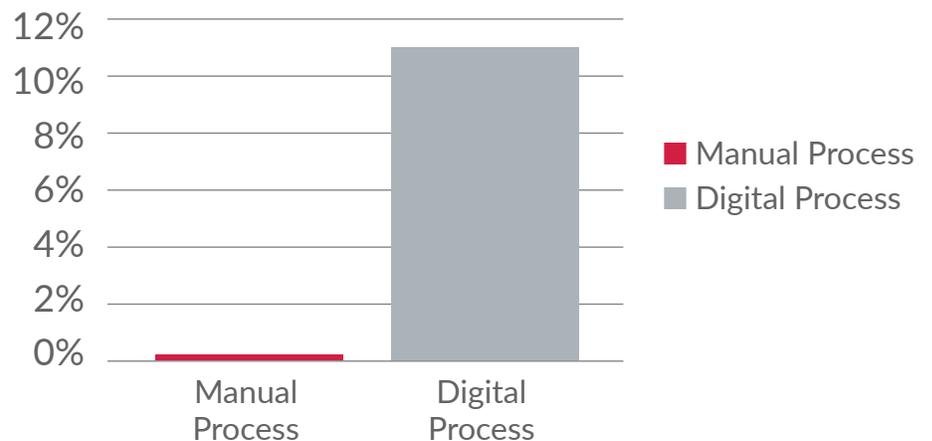
- “Quite a bit of personal issues and was not reliable”
- “Job abandonment”
- “She was my boss and was horrible”
- “He tends to lose his temper easily. He lost his last job due to his temper and his favoritism towards other employees he managed which is documented”
- “Unreliable”
- “I feel that she is very unorganized and overwhelmed. She does not follow up in a timely manner”
- “Very slow, needed to increase speed”
- “I like her ability to confront people, but many times she came off as too abrasive.”
- “I like that she was talkative & social with the public, but many times she brought up political opinions that didn’t need to be shared with our patrons.”
- “Makes a lot of mistakes and does not own up to them, moves at very slow pace, gets stressed in high paced environments easily.”
- “Called in for work a lot of the time, did not ever listen to supervisors when they tried to help him improve. Always late to work, bad attitude at times.”
- “Appropriate work talk. Stop arguing with coworkers. Have more respect for coworkers.”
- “Attendance issues, tendency to wander away from station”
- “Doesn’t have a good work ethic, and stole from the company”
- “Can seem willing but she is good at faking it”
- “I personally would not want to manage her”
- “Disrespectful when angry, rarely complies with anything she doesn’t want to do... thinks everyone exists solely for her benefit”
- “Drinking habit”
- “Attitude towards management and supervisors”
- “Anger outbursts, critical and disrespectful of coworkers”
- “We hired her and fired her twice. She was not punctual or reliable”
- “Patient safety”
- “Hard time putting her patients’ needs before her own”
- “Issues with communication with patients, staff and faculty”
- “Always tried to leave early”

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Myth 3: Organizations rarely remove candidates because of a poor reference check

While it is true that most organizations rarely (1-3 candidates per thousand) disqualify non-executive candidates because of a bad manual reference check, new ways to perform it digitally, as shown in real life examples, allows teams to disqualify 100-120 per thousand. How do we know this?

Percentage of poor candidates removed from process



The traditional reference checking model, of checking only the final applicant, has a major flaw. It is called confirmation bias. In other words, when your hiring managers have reviewed all the resumes, performed all the interviews, and selected “the one”, the last thing they want is to have the candidate rejected. Hence, an alternate model is to use the reference check on the 2 to 3 finalists. This is only possible when you can run reference checks quickly (see myth 4) and then use the feedback to decide who is the best fit for your team. In this case you are not really disqualifying candidates but improving your decision making process. The alternative is to perform them at the end of the process. In this case we know that organizations disqualify anywhere from 100 to 120 candidates, per thousand hires because of two reasons:

First, fraudulent references, it is sometimes the case that with the digital method of reference checking, candidates with low integrity will try to create the opportunity to fill out their own reference. Whether it is creating fake email addresses, influencing their references, or having their friends respond. Reference checking tools, such as Checkster, have methods in place to track and make you aware of these cases so that these candidates do not enter your organization.

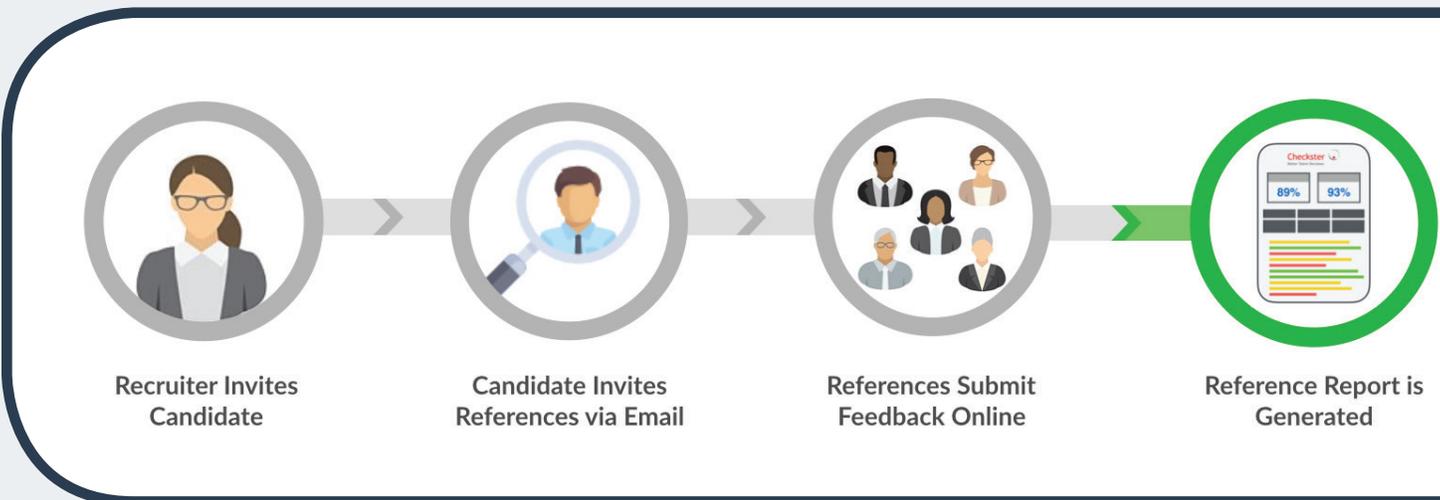
Secondly, poor candidates. Due to increased confidentiality, references vetted through online reference checking tools are much more likely to identify potential red flags. References who are put on the spot over the phone will leave these reasons not to rehire this individual out, simply because they want to get off the phone and not explain themselves. When you prompt references with specific questions digitally the information collected is much more authentic and can save you from making a bad hiring decision.

4 Myth 4: Reference checking takes too much time

The traditional method of calling, leaving messages and carrying the conversation, takes 76 minutes on average. But a digital method takes, on average, just two minutes of recruiter time to start. How do we know this?

We have measured it.

But first let's understand the process change. The candidate is invited to begin the process, essentially taking the work out of the recruiter's hands, while giving them visibility into who is a proactive candidate.



Because references can respond outside of typical work hours, recruiters won't ever have to play phone tag again. References are given the choice to fill out the reference request from work, their home, their phone, or even the beach if they choose to do so! This accessibility helps speed up the process and gets you more feedback in a shorter amount of time.

All of the information collected is then converted into an easy to read report. Saving recruiters time, and preventing them from misinterpreting their hand-written notes that were taken over the phone. Having this cohesive report makes it easier to make an informed decision and gives recruiters on average over an hour back per candidate.



WHAT ARE THESE MYTHS TELLING US ABOUT TALENT ACQUISITION

Conflicting Rationale and Impact on TA Credibility

We are exposed to two rational conflicts that erode the credibility of any executive. The first is not taking reference checks seriously because of the reasons we have discussed. However, this rationale is in direct conflict with the fact that organizations take reference checks very seriously for executive hires. In our experience, when we expose TA professionals to this conflict they do not have a good explanation. This lack of consistency erodes any trust you place in your TA executives. Either reference checking works or it doesn't, or underlying differences need to exist that explain the difference.

The second rational conflict is more a confusion between asking for references and being a reference. TA leaders are conflicted about when they should be a reference and when they should not. Asking for references does not commit your employees to respond to any questions, on the other hand your staff will be the one asking the questions. This is typically recommended in order to not to be seen as a negligent hiring organization. Being a reference or answering questions, is completely separate. It is a little bit like competitive analysis, you would love to see your competitors org. chart for recruiting purposes, but would prefer that they don't see yours. The same principle applies here, you want to make sure you get as much certainty as possible by performing reference checks, but you would prefer people don't perform them with your employees as references.

Our recommendation here is the following:

Either do reference checking for all (and we recommend a digital version) or for none, but not just for your executive level. Be comfortable with the fact that you recommend performing the practice externally (ask for references) while at the same time have a policy to prevent them internally (being references).

A FIXED WORLDVIEW

As we understand with the analogy of the elephant, not understanding that its size changed and so had the potential outcome. HR leaders sometimes do not understand that the world around them has changed.

I use having a “fixed worldview”, as an analogy from the well-known research done by Carol Dweck on the fixed vs. growth mindset. A fixed mindset is one in which intelligence is seen as stagnant and that doesn’t grow, hence you avoid challenges and never stretch people or behaviors. Fixed mindsets are often held by the people that are the most naturally talented. However, many fixed mindsets lose their edge as they are paralyzed by mistakes that come along with growth and learning.

Similarly, a fixed worldview is often held by the people with the most experience. These individuals have many reference points and consequently trust their past experience without realizing that the world has evolved.

We need to wake up and make sure that in our quickly evolving world, our past experiences do not destroy the future legitimacy of HR. We should be confident and open to people and analytics, even if they contradict our beliefs. We need to consider facts for what they are, this is the only way we will gain legitimacy.

The HR leaders that will gain a competitive advantage are the ones that listen to the numbers first, consider new tools and technologies, and then their past experiences.

Methodology:

Data for this report came from 2 sources, first a representative sample of the US population comprised of 742 responses with 48% of women and 52% of men. Of those surveyed 80% were white, 20% non-white and 88% non-Hispanic compared to 12% Hispanic. The margin of error for this study were +/- 4% with a confidence level of 95%.

Second, we leveraged transactional and anonymized data from the Checkster application in order to give examples and statistics, those are based on several thousand most recent participants.

ABOUT THE AUTHOR

Yves Lermusi (aka Lermusiaux) is CEO & co-founder of Checkster. Mr. Lermusi is a well known public speaker and a Career and Talent industry commentator. He is often quoted in the leading business media worldwide, including Fortune, The Wall Street Journal, Financial Times, Business Week, and Time Magazine. His articles and commentary are published regularly in online publications and business magazines. Mr. Lermusi was named one of the “100 Most Influential People in the Recruiting Industry” and his blog has been recognized as the best third party blog.