

The 10 Biggest Mistakes that HR Directors Make and How to Avoid Them

The value of the HR department has long been recognised by businesses. Hiring, firing, compensation, benefits administration, training and personnel development, compliance, discipline, and retirement among others all fall squarely on the shoulders of the HR department.

The role of the HR Director is a pivotal one, and often defines the character of an entire company. Through and application of recruitment, retention and development policies, the HR department quite possibly has a broader impact on an organisation than does the MD or the Board of Directors. HR mishaps tend to produce long-standing effects on a company, so avoiding common traps is critical. This document looks at the 10 Mistakes HR Directors Make and How To Avoid Them.

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Number 1: Inadequate Reference Checking

Good hiring policies create good staffs. When you are preparing to hire a new person, reference checking is an absolute necessity. Thorough reference checks can help you and your organisation avoid hiring mistakes that can affect the company for years. Some HR directors or staff members avoid reference checking because it is a time-consuming exercise that may not produce much useful information about the person in question.

Reference checks may reveal discrepancies between the candidate's reported work history and his actual work history. Similarly, candidates may report that they have successfully completed advanced degrees, possess particular certifications, licenses, citizenship or other credentials when they do not. When applicants know that they will be subjected to background screenings, unqualified applicants tend not to apply for the position in the first place.

Since these qualifications may impact your compensation offer or your ability to legally employ a candidate, it's critical to know that your company is getting what it's paying for. A highly visible hire who later proves to be unqualified for his or her position, could also bring deep embarrassment to the company. In hindsight, HR will be held responsible for allowing an unfortunate hire in the door.

Reference checking is essential for employees in certain industries. Providers in the financial services industries are strongly encouraged to make routine background checks and pre-employment screenings, due to the nature of their business, and the increased potential for identity theft and fraud. Workers in hospitals, universities, and government offices also have access to sensitive information and should be vetted prior to hire.

If you perform your own reference checks or screenings, develop a checklist of information to request from each reference. This will standardise your reference checks and prevent you from accidentally omitting important questions.

If the time-consuming nature of reference checking is a concern, check references only for the candidates for whom the company is prepared to make an offer. This will reduce the number of references to be checked. Be aware, however, that most employers report encountering CVs with inaccurate or false information, so you may have to reject an "ideal" candidate fairly late in the game.

Consider hiring an employment screening firm to conduct your background checks. Such agencies have the time and tools to perform thorough reference checks on a prospective employee. While hiring a service to do your digging may be expensive, think of the cost as insurance against a poor hiring choice. It's far better and less expensive to find out that your ideal candidate is not qualified for a job than it is to let an employee go and start the hiring process all over.

Number 2: Careless Use of E-Mail

One company that experienced a downturn in business planned to lay off several employees, even though the management had previously assured the staff that no layoffs would take place. A list of the employees to be terminated emailed to the human resources department several days ahead of the planned termination. A manager received a copy of the email list and printed it out on one of the company's printers, but was distracted by a phone call before the printed email could be retrieved. One of the employees on the list found the printed email and distributed copies to the rest of the staff, who were all shocked and angry to learn of the terminations since they'd been told that no terminations would take place. The ill-will generated by the careless use of email continues to dog the management of the company, even though the incident happened several years ago.

Email is everywhere and its use in corporations has exploded in the past twenty years. Because email is so familiar and easy to use, people tend to forget that it is also easy to abuse. If you are not careful with your email, you can inadvertently include personal or sensitive information about employees, compensation rates, and performance information in a message. Your intended recipient may not be discreet with the information.

Likewise, it is very easy to accidentally send email where it should not have been sent, or delete important messages. In some cases, a sent message can be deleted before the recipient opens it, but only with extraordinary effort on the part of the IT staff, and usually only for messages destined for someone else within your own company. Once an email has been sent, generally it cannot be retrieved.

Email should never be used for formal correspondence. Managers and supervisors should be cautioned against using email to formally or informally reprimand or criticise an employee. Likewise, commentary, complaints and Email should not contain personnel or business records of any sort.

Develop a corporate policy on the use of email. Require employees to use a separate personal email account to send non-work related email. Many services offer free email accounts. Restrict the disclosure of work-related email from an employee's private account. Alone, this tactic can separate the company from embarrassing public disclosures of sensitive information. This kind of exposure is less damaging when it's not delivered using a corporate email address.

Including general, non-specific information about personnel matters, human resources services, job opportunities and other "public" information in email is acceptable. With regard to what does and doesn't belong in email, a good rule to follow is this: if you wouldn't want to see the contents of an email printed in the newspaper, then don't put the information in an email.

Number 3: Not Understanding The Changes In Technology That Affect Your Business Needs

Rapid advances in technology have affected virtually every position. Positions that were virtually unknown twenty years ago are in high demand now. Companies need workers at every level with up-to-date technology skills. The need for technologically savvy workers is unlikely to change in the future, although the skills themselves may change frequently. These changes mean that recruiting and hiring goals are also changing.

HR managers must understand the technology needs of their organisations to compete effectively for skilled workers, and to retain individuals with the right mix of skills. Changing technology needs will affect not only recruiting, but also employee compensation, and the education or training that existing workers will need to keep their skill set up-to-date.

Periodically review the standard job descriptions your company uses when hiring for a position. If you consistently need to re-write more than 20 percent of a standard job description before you can post it for hiring, it's probably time to review all job descriptions within a company. If you don't have a policy that calls for a regular description review, consider implementing one. Positions that rely heavily on technology should be reviewed at least every other year.

Ask the departmental managers to assist you with reviewing job descriptions. Each description should accurately reflect the tasks associated with it, as well as the education and skill set necessary to perform the associated work. If a number of your employees are being sent for training in a particular competency, this is another good indication that you may need to review a job description.

Ask the employees who perform the work for their opinions on the skills needed to carry out their jobs. Also, ask what skills they would add to their repertoire to make themselves more effective in their jobs. Current employees may be nervous about talking about their job descriptions, so you may have to reassure them that you're not planning to recruit their replacement!

When an employee leaves, try to conduct an HR exit interview whenever possible. Ask the employee to review his or her existing job description and suggest the skills and educational background needed by the next person to fill the position.

Review postings for similar jobs in the paper and online. Read the descriptions carefully and see how well they match up to the descriptions for your current positions. Look for trends that suggest your competitors are seeking individuals with certain skills, and find out how these skills might also benefit your organisation.

Number 4: Not Providing Employee Training Opportunities

One of the best investments a company can make is in training for its employees. The benefits of training are numerous, both for the company as well as the employee. Some organisations look at training as a benefit of employment, while others look at it as a cost of doing business. Some skills are so much in demand that employers resist paying for training for fear that their employees will take their newfound skills elsewhere.

For an organisation, training opportunities given to employees will produce not only the benefit of the employee's new skill; but also an increase in the employee's productivity; and improved morale. By providing training opportunities, the company indicates its willingness to invest in its employees.

Most employees welcome the opportunity for professional development, and enjoy learning new skills. Employee training is most profitable when the newly trained employee is given an opportunity to put his or her training to work. If a company asks an employee to learn a new software package or acquire a new competency, but then does not provide the proper tools for the employee to put his or her training to good use, the value of the investment will be diminished, and the employee will feel as though he or she has wasted valuable time.

Don't forget to ask the employees about the training opportunities they'd choose. Employees can often see the need to develop or sharpen skills that would improve their productivity or effectiveness. Additionally, "soft skills" training in customer service, leadership, time management, communication may rank high on their list of desirable development.

When an organisation places a prominent value on training, it sends a strong message to employees about their value and the company's willingness to invest in them. The exact opposite message is sent when a company refuses or neglects to provide training opportunities. By not investing in employees, or by making it difficult for employees to receive training, company's send a clear message that skill building, self-improvement and education are not valued and not wanted. Employees who are continually exposed to this message, and who are still inclined to improve themselves might make finding a new position elsewhere their first "improvement."

Number 5: Not Providing Training For New Supervisors

When a person is first promoted to a supervisory position, he or she may not fully understand the requirements of the new position. It's always a good idea to cover company policies, procedures, and legal requirements supervisors must meet. If your organisation does not schedule mandatory training for new supervisors, or has no up-to-date information about policies and regulations, your company could be setting itself up for an HR disaster.

Create a handbook for supervisory personnel. Minimally, the handbook should cover basic company policies, including vacation; short term sick time; leaves for medical, professional, personal, or military service reasons; time-keeping; discipline; record-keeping; required reporting; hiring and firing; purchasing rules; travel; expenses; fraternisation; accounting and any other internal procedures the company follows.

New supervisors may be completely unfamiliar with employment law, therefore, they should also be trained on any legal requirements, restrictions, prohibitions and limitations placed on them in their new roles. Adherence to legal requirements is especially important for new supervisors, since they may unwittingly run afoul of the law, leaving the company vulnerable to repercussions.

New supervisors should also receive training in communication, leadership, presentation skills, project management and developing people skills. These will be especially important if the new supervisor has been promoted from within the company. This type of training will help both the new supervisor and other employees who were previously on a peer level, cope with the new supervisor's change in status.

It will take a new supervisor some time to learn all of the legal and procedural requirements of his new position, so a training plan that covers a new supervisor's first year on the job may be the most appropriate way to deliver all of this information. Another way to ensure that the new supervisor receives adequate training is to pair him or her up with a more experienced supervisor who can help smooth the transition into management.

Trial-and-error leads to trial-by-fire, which benefits no one. Support new supervisors as much as possible and provide them with the administrative information they need to carry out their new roles.

Number 6: Not Having An Employee Handbook

Many new businesses resist the temptation to create an employee handbook. Over time, however, the need for a handbook will demonstrate itself. Not having a set of written policies and procedures is a major liability, and will work against a company if an employee or former employee complains of unfair, discriminatory, or harassing behavior on the part of another employee or supervisor.

For a handbook to be effective, policies must be written clearly and unambiguously. Use language that is easily understandable. State policies affirmatively. (e.g. *"Drinking alcoholic beverages while at work is strictly prohibited"* instead of *"Drinking alcoholic beverages while at work is not allowed"* or *"Employees may not consume alcoholic beverages while at work."*)

Within each policy, state the consequences of violating the policy, if any. When more than one sanction may be applied, explain how the sanctions will work. (e.g. *Employees who consume alcohol at work may be reprimanded, suspended for a first-time offence. Employees who have been reprimanded or suspended for drinking at work will be terminated for a second offence.*)

State any exceptions to the policy, to whom they apply, and why. (e.g., *The Sommelier may consume up to 30 ml of wine in any 60 minute period for the purpose of verifying wine quality.*)

Stated policies will not help the company if they are not followed uniformly. Once a policy is established in the handbook, it must be applied equally to all employees. Failing to follow established policies, having no established policies, or arbitrarily applying policies creates a liability for the company. Any of these circumstances could leave the company vulnerable to charges of discrimination or unfair labor practice.

Each employee should receive a copy of the handbook, and the handbook should also be made available in an accessible spot within the office. Note that employment law is complicated, and the distribution of an employee handbook will not change the terms of any employment contracts currently in effect.

Each new employee should be given a copy of the handbook at the time of hire, and policies in the handbook should be titled and dated. As employment contracts expire and are renewed, the handbook can be incorporated by reference. Periodically, each policy should be reviewed for clarity and completeness, and to verify that it describes the policy of the company. Updated policies should be distributed to every employee, with the date of modification, and the date the policy takes effect. It's a good idea, although not required, to announce policy changes in advance of their effective date.



Number 6: Not Having An Employee Handbook - continued

Every business should have an up-to-date employee handbook that is widely available throughout the company and should carefully follow all established policies.

Number 7: Not Having Proper Performance Appraisals

Businesses struggle with performance appraisals for employees. The performance appraisal is a valuable tool for both the manager and the employee, and organisations should perform appraisals for all employees regularly.

Prior to conducting performance appraisals, a standard appraisal should be drafted for all employees in a particular classification. The basis for the appraisal should reflect the duties of the position and should provide a means to gauge how well an employee performs in his or her major responsibilities. Reviews may also include assessments of how well an employee works within a group.

The appraisal should be a written document, and can be considered "formal" or "informal." Reviews should be conducted regularly by the employee's supervisor, with input from other people within the organisation. The appraisal should note any new skills the employee has acquired or developed, and areas of performance that have not been improved since the last review. Some employers use the appraisal as a way to record goals or improvement targets, but this is not strictly necessary.

After the review has been conducted, both the manager and the employee should sign and date the review. Employees should be provided with a copy of each performance appraisal, and a copy should be saved in the employee's personnel file. The appraisal form may also provide space for the employee to respond to negative criticisms of the employee's performance, or include any additional information, comments or remarks.

The performance appraisal creates a documented record of an employee's performance over time. A history of good performance or poor performance will become evident over the course of several appraisals. If a company chooses to act on an employee's performance, the appraisal will serve as documentation for promotion, improvement or termination.

Number 8: Mishandling Or Ignoring Employee Complaints

Michelle was a single mother with an excellent work record. Greg, her supervisor, began to ask her out. He was married, and Michelle wasn't interested in seeing him outside of work. Though she always refused, Greg continued to make advances, so Michelle complained to the HR department. On her last performance appraisal, Greg gave Michelle an unwarranted sub-standard mark, which reduced her raise, but privately indicated that he could make that up next time if she would go out with him. Feeling intimidated, Michelle took the matter to the Director of HR, who was unaware of her first complaint but promised to look into it. Three months later, nothing had changed for Michelle, so she resigned her position with the company and took a lower-paying position elsewhere. Michelle filed a complaint against her previous employer. After doing so, two female former colleagues confided that Greg had also made advances toward them.

The worst thing a Human Resources department can do is to ignore an employee's complaints, especially if it involves unfair, discriminatory or harassing conduct on the part of another employee. The actions of the HR department become the actions of the company in matters like this. When the HR response to a complaint is inadequate, the company will be held responsible. In this case, the company not only lost a good employee, but also gained an EOC complaint, which could subject them to fines, damages and other sanctions. If a pattern of inaction emerges, the reputation of the company may also be tarnished, affecting its ability to recruit and retain quality employees.

Your organisation should have a clear policy for investigating complaints. When an employee makes a complaint, a thorough investigation should begin immediately and should be concluded as quickly as circumstances allow. While the investigation is ongoing, the complainant should be removed from the offending circumstances as much as possible. If the employee cannot be reassigned to other tasks, and the complaint involves a supervisor, the employee should be temporarily reassigned to a different supervisor. Keep the complainant informed of the progress of the investigation, but do not disclose any findings.

If the complaint has merit, act immediately and apply the prescribed sanctions against the subject of the complaint. Also, evaluate whether the complaint has produced any other damages to the employee, such as loss of pay. If so, the loss should also be remedied. Closely monitor the situation for signs of a recurrence, or of additional violations. If the initial sanctions do not resolve the problem or new problems emerge, escalate disciplinary actions according to company policy.



Number 8: Mishandling Or Ignoring Employee Complaints - continued

If the complaint does not have merit, document the situation and the response thoroughly. This kind of documentation may be valuable later if the company must demonstrate that it acted promptly to a complaint.

Number 9: Not Knowing Or Understanding The Regulations That Apply To Your Business

Employment law and the court's interpretations change continually. HR personnel must always be aware of changes in law and practice that affect their operation. Ongoing training is a must for HR personnel. Failure to know or understand the regulations that apply to your organisation could be costly in terms of sanctions related to non-compliance.

General employment regulations apply to every business. Compliance is mandatory and the HR department may need to spend time documenting ordinary HR activities. Training on general employment law, policies, documentation and record-keeping is essential for everyone who works in the HR department. The use of technology in HR is also increasing and all employees should be trained to incorporate technology into their work. Employees should also be trained in handling sensitive information as privacy concerns and regulations are put into place.

Many HR responsibilities require in-depth knowledge of laws and policies. One approach may involve training a few departmental employees in specialities like taxation and hiring. Due to world events, closer attention is being paid to the documentation and employment of foreign workers. New governmental or international regulations and requirements may place additional demands upon HR departments. While other employees may be generally aware of these requirements, one or more employees may receive additional training.

Increasingly, employers are conducting background checks on prospective new hires. One or more employees may receive special training or resources to assist in the investigation of references, employment history, and work habits of applicants.

Employee benefits, compensation, pensions, vacation and sick leaves may all require additional training for HR personnel. Compliance is another emerging area of interest. In many cases, businesses are required to document that they are in compliance with laws and regulations. A compliance officer may be appointed to institute compliance procedures and to respond to requests for compliance verification.

Regulations, restrictions and the introduction of technology all have significant impacts on the way HR departments must perform their duties and document the performance of their duties. The rate of change and the addition of new requirements mean that training becomes a necessity for all HR personnel.

Number 10: Not Rewarding Good, Loyal Employees

Recognition of employees is a necessary and beneficial function of the HR department. Company policies should reflect the need to recognise good performance and longevity. If your organisation does not have a policy in place to recognise good work, longevity and other employee contributions, place a high priority on establishing one!

The organisation benefits from the increased employee morale a recognition programme generates. When employees feel valued, they also perform better and have a positive impact on their co-workers. Employees are often in a position to spot process errors that cause delay, introduce inefficiencies or incur additional expenses. When employees make suggestions that produce substantial savings, recognising their contribution is only fair.

Nelson was employed at a manufacturing facility in a specialised position in the powerhouse. He noticed that the company could reduce the amount of energy required by a particular line by applying technique he'd learned about while visiting another manufacturing facility. The company liked his suggestion and implemented it, saving hundreds of thousands of pounds over the course of three years. In recognition of his suggestion and the savings it generated, the company awarded Nelson a percentage of the savings, enough for him to buy a new car!

Recognition does not always have to be elaborate or expensive, and does not even have to be monetary in nature. Pins, certificates, luncheons, kind words from a supervisor, and other small tokens of appreciation often mean a great deal to employees.

When companies recognise and reward employees for their service, they send many positive messages. Recognition confirms that the company is aware of and appreciates an employee's performance and contributions to the well being of the company. It allows the employee to feel a sense of ownership and accomplishment, and gives other employees the opportunity to recognise a valued co-worker. It may also provide incentive and inspiration for other employees to improve the level of their own performance.

Because of its position within the company, the HR department is often in the best position to track and act upon employee milestones and achievements that merit recognition. For companies that already recognise their employees, HR should periodically review the programme to make sure that it remains interesting, relevant and fresh and that it supports the overall mission of the department and the company.

Questions? Would you like assistance combating the problems outlined here?

Contact Claire Blinman, Training Manager on 0800 021 7483 TODAY