

# REFERENCE CHECKS

---

WHY THEY'RE CRITICAL  
AND WHAT YOU SHOULD ASK



**HIRING THE BEST TALENT  
CAN TRANSFORM YOUR  
ORGANISATION.**

**MAKING THE WRONG  
HIRING DECISIONS CAN  
BE INCREDIBLY COSTLY.**



Aside from the costs of recruiting and onboarding new team members, hiring the wrong person could cost your organisation in productivity, performance and morale.

Heart Talent helps leaders solve their most critical challenge: getting the best people on their team.

We believe and invest in improving our knowledge about best practice in our industry – including the role of reference checking in a robust recruitment process.



“

“As a talent consulting business, we are committed to a robust, merit-based process that is executed with accountability.”

– Cynthia Harris, Heart Talent

# MORE THAN A RUBBER STAMP

Based on more than 17 years' experience and ongoing research about recruitment best practice, the verdict is clear: the most important parts of your selection process are a well-designed interview and a thorough reference check.

This guide includes a few reasons why reference checks are critical.



# AN ACCURATE PREDICTOR OF PERFORMANCE



Whether you are for or against, the evidence is clear: speaking with relevant external observers will give you an accurate estimate of whether a candidate can perform certain tasks and tackle the challenges ahead. Senior leadership at Google believe this to be the case.

**“We did a regression test on what was the best predictor of performance with the interview score, the references, their background. We basically found that their background and references are the best predictors.”**

Marissa Mayer, VP of Search Product and User Experience, Google

# DUE DILIGENCE



Determining who is the most suitable candidate to join your organisation is not a small decision.

Conducting professional reference checks to verify the claims made by the candidate is simply doing your due diligence – an essential part of a robust process.

Confirmation questions are an important part of an effective reference check. For example, when a candidate tells you they have a team of 20 staff and a budget of \$8m, you might ask the referee the following question:

“It is my understanding that David led a team of 20 and oversaw a budget of \$8m. May I confirm that is correct?”

# ANOTHER DATA SOURCE



Making an informed hiring decision is about collecting, analysing and comparing data.

While a well-designed interview will uncover important insights, gathering data from a source other than the candidate themselves will give you another perspective.



# REDUCE BIAS WITH THIRD-PARTY INSIGHT



There are several types of unconscious bias that can impact your recruitment process and hiring decisions.

Whether you're unsure about a candidate or you love them so much you want to hire them on the spot, conducting a thorough reference check that is intentionally free from bias will give you important, independent insight.



# STRETCHING THE TRUTH IS NOT UNCOMMON

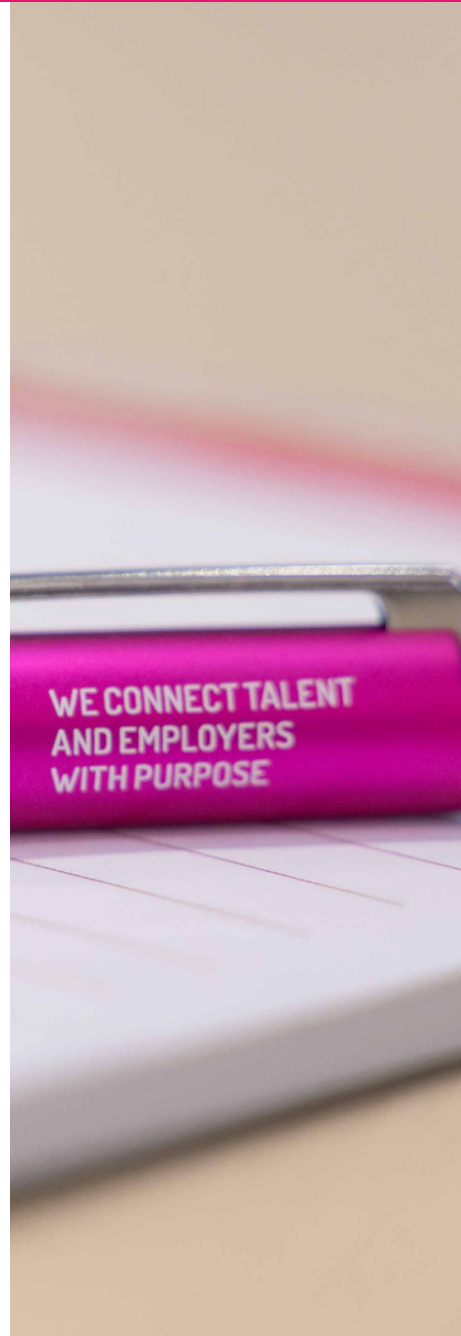
The evidence here is loud and clear: people don't always tell the truth.

More than 40% of Australians believe it's okay to lie in an interview.

Conservative estimates suggest 25% of Australians have inaccurate information in their CV.

A 2018 report by CareerBuilder showed a staggering 75% of hiring managers have caught fabrications in applicant CVs.

We think these statistics speak for themselves. As much as we'd love to take everyone at their word, when it comes to a robust recruitment process and hiring based on accurate data, there will always be a place for reference checking.



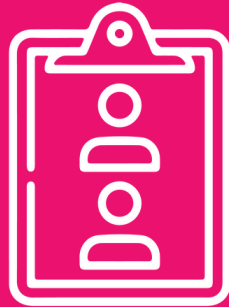
# FUTURE PROOFING YOUR TEAM AND ORGANISATION



We believe you can transform your organisation through the people you hire, and we know the cost of making the wrong hiring decision can be significant.

Hiring the wrong person could cost your organisation more than 50% of their salary.

That's a decision worth getting right.



# HOW TO CONDUCT A GOOD REFERENCE CHECK

Before you pick up the phone or fire off an email, it's important to make sure you know how to conduct an appropriate and effective reference check.



# CONSIDER THE ROLE OF REFERENCES IN YOUR PROCESS



Are reference checks a tick box exercise to comply with HR process? Or a genuine attempt to gather additional information about a candidate before you make a decision?

Are references taken at the very final stage of the process, when you have a preferred candidate in mind? Or do you need to have a referee report for each shortlisted candidate? Would you use a reference check to decide between two candidates?

# HAVE A PLAN



Think about what you need to know about the candidate and why.

Are you simply looking to verify what the candidate has told you during the interview process?

Does the hiring team have any concerns or doubts you need to explore? Who is best placed to gather the information and answers you need?

# IDENTIFY THE MOST APPROPRIATE REFEREES

In most cases, this is someone your candidate directly reported to in a previous role, ideally in the last five years. In some cases for senior leadership candidates, you might like to speak with someone who reported to them.

Beware of referees who were colleagues (and could also be friends). Remember the story of the infamous Myer executive who lied his way into a very senior role and used acquaintances to act as referees? It's important to be able to verify that referees are who they say they are.

## 3 WAYS TO PROTECT AGAINST REFEREE FRAUD

If you're given a mobile phone number for a referee, call them via the main company phone line and ask to be transferred. This way, you know you're speaking with the right person, not a friend pretending to be a referee.

Always confirm if you are speaking to the candidate's direct line manager/former manager. Taking a reference from a colleague is vastly different and may be more likely to produce biased results.

If something doesn't feel right, consider conducting an employment verification check. There are a range of third-party providers who can verify qualifications, employment history and professional memberships.



## CONSIDER WHO SHOULD CONDUCT CHECKS

While many organisations prefer that HR or recruitment teams undertake reference calls, some leaders prefer to speak to a candidates' referees directly.

## BE IMPARTIAL WHEN SPEAKING TO REFEREES

Assume nothing. Even if you're sure this candidate is the real deal, don't show favour (or negativity) during the reference check call. Remember that the goal is to gather independent insight.

## AIM TO ASK SMART QUESTIONS

The best reference check questions are specific but open-ended. You don't want to lead the referee too much. Give them plenty of scope to comment in an unstructured and natural way.

## SET THE SCENE FOR THE REFEREE

Start the reference call by giving some context around the role, organisation and likely challenges. This will enable the referee to provide the most relevant information.

## ALWAYS FOCUS ON THE FACTS

Reference checks are a fact-checking exercise. You'll need to focus on what the referee is saying, not how they are saying it. When you're speaking to a complete stranger, you can't read too much into intonation.

## GET READY TO GET THE INFORMATION YOU NEED!

# WHAT YOU SHOULD ASK



While most organisations need reference checks to be kept on file in written form, we recommend speaking with the referee on the phone, rather than gathering this information via email. A personal conversation gives you the opportunity to practise active listening and ask additional questions, depending on what you're hearing.

**Always consult with the hiring team before calling the referee so you know what areas they would like to explore.**

Remember to start all reference check calls by thanking the referee for their time and giving them a short brief on the role and organisation the candidate is being considered for.

# UNCOVER THE MOST IMPACTFUL INSIGHTS WITH THESE QUESTIONS

What was the working relationship between you and the candidate?

Did the candidate report directly to you?

May I confirm the dates the candidate worked for the organisation?

What were the candidate's key responsibilities when they worked with you?

May I confirm that the candidate [insert details of what the candidate has told you here]?

How would you describe the overall quality of their work? Did they always meet expectations?

What do you consider to be their strengths?

How would you describe their work ethic and attitude?



How does the candidate receive and process feedback?

How would you describe the candidate's ability to work as part of a team?

How would you describe the candidate's ability to lead a team? (if appropriate)

Please describe the candidate's communication skills, both written and verbal.

Can you describe any areas for improvement or development? We are interested to know about how we can support, coach or train the candidate as required.

In the right circumstances, would you rehire this person? Why or why not?

Do you have any recommendations for how to best set them up for success in a new role?

Is there anything else you'd like to comment on or share with the hiring manager/team?

Do I have your permission to share your responses with the candidate, should they request it?

# MORE THAN A FORMALITY



Harvard Business Review contributor and president of Boston-based consulting firm Career Strategies, Priscilla Claman, says you can't rely on a hunch.

“Even though your hunch may be right 90% of the time, the 10% that you're wrong ... could be very damaging.”

# THE BEST HIRING DECISIONS DON'T HAPPEN BY ACCIDENT

To ensure you hire the best talent, invest in a robust, merit-based process that is executed with accountability.

When it comes to reference checking, the evidence is clear: references are critical to good recruitment.

We hope you find this guide to reference checking useful and welcome your comments or feedback.

Please get in touch with Cynthia Harris  
at [cynthia@hearttalent.com.au](mailto:cynthia@hearttalent.com.au) or 0432 044 527.







**Ready for a modern, marketing-led approach to talent?**

**ENGAGE. RETAIN. ATTRACT. DELIGHT**

[www.hearttalent.com.au](http://www.hearttalent.com.au)  
[cynthia@hearttalent.com.au](mailto:cynthia@hearttalent.com.au)

0432 044 527

**Helping people build happy, engaged teams and careers they love.**