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Paul E. Bayes

Thomas E. McKee

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Personnel Selection Practices

A Checklist for Evaluation

By Paul E. Bayes and Thomas E. McKee

EXHIBIT 1 Hiring Policy Evaluation Checklist

	YES	NO
1. Does your firm have a single individual or department in charge of hiring practices?		
2. Are individuals responsible for hiring in your firm aware of the provisions of Title VII of the Civil Rights Act of 1964, its amendment by The Equal Opportunity Act of 1972, and their effects on hiring practices?		
3. Are individuals responsible for hiring in your firm aware of the provisions of The Age Discrimination in Employment Act as it affects hiring practices?		
4. Are individuals responsible for hiring in your firm aware of the provisions of the Vietnam Era Readjustment Assistance Act of 1974 as it affects hiring practices?		
5. Are individuals responsible for hiring in your firm aware of the provisions of state and/or local civil rights laws and their effect on hiring practices?		
6. Are individuals responsible for hiring in your firm aware of state-enacted Privacy of Information Acts which may affect acquisition of information?		
7. Does your firm require an official transcript to be sent directly from a college/university?		
8. Are written references required prior to hiring an applicant?		
9. Does your firm telephone an applicant's references prior to hiring?		
10. Does your firm use an interview checklist to standardize interview evaluations and avoid discriminatory questions?		
11. Are guidelines (such as ranking in the top quarter of the class) used as a measure of intelligence for applicants?		
12. Does your firm take any action upon discovery of misrepresentation by applicants?		
13. Does your firm have a low rate of personnel turnover?		
14. Does your firm conduct exit interviews to identify reasons for departure and/or deficiencies in the hiring process?		

Do your selection practices meet the intent of Statement of Auditing Standards (SAS) 1 or Statement of Quality Control Standards (SQCS) 1? Could your firm defend its hiring practices against a discrimination suit in a court of law? Will your employees' credentials stand up under legal scrutiny in other types of legal actions? Recent research by the authors on CPA firms' personnel policies indicates the answer to these questions may very well be an emphatic NO! The authors surveyed all 1,697 member firms of Public Practice Section of the AICPA and had responses from 764 firms. Ten percent of the respondent CPA firms indicated they had hired a professional employee based on falsified credentials and did not discover the falsification until after employment. This is a shocking failure rate for the profession! The employment policies of most CPA firms, whether those policies are formal or informal, can benefit from a careful review that could expose possible problems, from minor to litigious.

A checklist to assist you in evaluating your firm's hiring practices is given in Exhibit 1. "No" answers indicate a potential problem with a possible overall assessment of a firm's hiring policies provided by the following scale:

- 1-3 **No** answers:
A minor problem exists
- 4-6 **No** answers:
A serious problem exists
- 7 or more **No** answers:
A potential litigation problem exists

Question 1 in Exhibit 1 indicates whether you have someone that has the "expertise" to develop and maintain an effective hiring policy and is current on regulations regarding employment practices. Questions 2 through 5 provide a measure of the knowledge that individuals responsible for hiring have of existing federal, state, or local laws. If you checked "no" in any of the first five categories, your firm could be at risk to litigation in the form of a discrimination suit. A "no" answer to question 6 indicates possible problems in acquiring substantive evidence in order to evaluate a candidate. A "no" answer to questions 7 through 12 indicates an inability to provide an adequate evaluation of candidates. A failure in these areas

(More on page 24)

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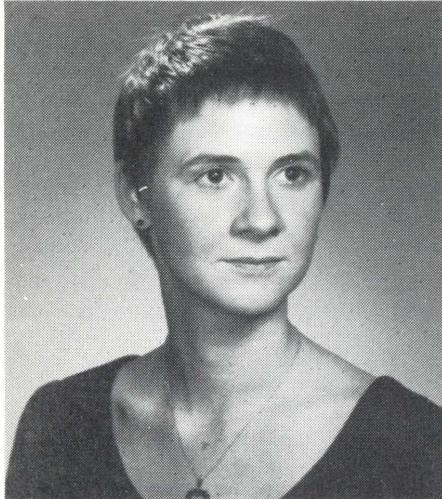
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may result in noncompliance with SQCS 1 and possible litigation losses for failing to follow generally accepted auditing standards. Questions 13 and 14 relate to the effectiveness of the hiring process and the degree to which this effectiveness is monitored. Based on your responses, do your hiring policies need to be revised? Ω



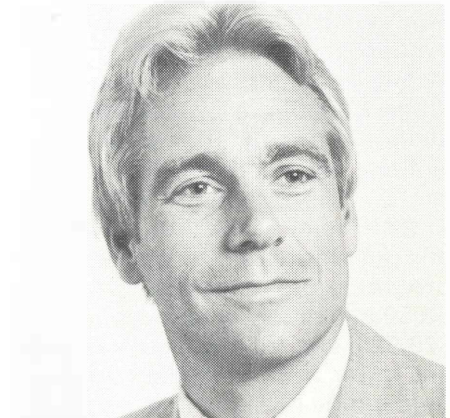
Denise Nitterhouse has a DBA and an MBA from the Harvard Business School and a BA from Duke University. She currently teaches management information systems and accounting at DePaul University. She was previously a staff accountant with Deloitte, Haskins, & Sells, chief accountant for a not-for-profit agency, and a self-employed consultant. She has also served as Treasurer and member of the board of directors of A Woman's Fund, Inc., of Urbana, Illinois.



Florence Sharp has a Ph.D. from the University of Illinois, an MAS degree from Florida State University, and a BA from Duke University. She is currently on the faculty at the University of Illinois at Urbana-Champaign where she teaches auditing and governmental and nonprofit accounting. She spent several years in public accounting practice with Coopers & Lybrand and Seidman & Seidman, where she had several government and nonprofit clients.



Paul E. Bayes, D.B.A., is Associate Professor of Accountancy at East Tennessee State University. He received his D.B.A. from the University of Kentucky, and has previously taught at Eastern Kentucky University. Dr. Bayes has made numerous presentations to professional organizations as well as authoring articles in professional journals.



Thomas E. McKee, Ph.D., CPA, CMA, CIA, is Professor of Accountancy at East Tennessee State University. He previously taught at the University of Maryland and Georgia State University. Dr. McKee was formerly a senior accountant with Price Waterhouse. He has co-authored an auditing textbook and authored two AICPA courses as well as numerous articles in professional journals.

Editor's Notes

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Machoff says being super people is nonsense and very stressful. Furthermore, she believes that "... what we really need to do is make smoother transitions between different parts of our life and that's about as good as it is going to get."

Thus, in the morning, there must be a transition from home to work with a conscious effort to leave the house behind. Conversely, in the

evening, there must be a transition from work to home with a conscious effort to leave the office behind. It's not being able to leave either one behind that creates stress.

Lillian C. Parrish