FACT SHEET
MANAGING CONFLICTS OF INTEREST IN RECRUITMENT

Conflicts of interest are common in recruitment processes across the public sector.

A conflict of interest arises when there is a conflict between the performance of a public duty and a private or personal interest (including a person’s family, friends and associates). The conflict can be actual, potential or perceived.

Effectively managing conflicts of interest in recruitment protects the process itself, as well as the reputation of successful applicants, the panel and the organisation.

The merit principle

Recruitment in the Tasmanian public sector is based on the merit principle. This means that:

- all eligible members of the community are given a reasonable opportunity to apply for a position
- an assessment is made of the relative suitability of candidates, using a competitive selection process
- the assessment is based on the relationship between the candidates’ work-related qualities and the qualities genuinely required to perform the relevant duties
- the assessment focuses on the relative capacity of candidates to achieve outcomes related to the relevant duties, and
- the assessment is the primary consideration in making the employment decision.

An applicant should not be excluded from a recruitment process because they have a relationship with an employee involved in that process. At the same time, they should not have any advantage because of the relationship.

How can conflicts of interest arise in recruitment?

Conflicts of interest can arise in a number of ways, including:

- designing and advertising a position with a particular applicant in mind
- assisting a particular applicant with their application
- being part of a panel where there is an undisclosed relationship with an applicant
- appointing panel members who can be influenced to ensure a favoured candidate is selected, and
- failing to complete appropriate documentation once the conflict of interest has been disclosed.
Prevention strategies

Strategies for your organisation

In addition to conflict of interest policy and procedures, an organisation needs to have specific guidance for managing conflict of interest in recruitment. This includes:

• providing training and ongoing support for panel members
• developing guidance documents for panel members, including identifying and managing areas of particular risk (such as internal applicants)
• clarifying the points at which conflicts of interest should be considered, declared and discussed in a recruitment process (planning, advertising, selection)
• clarifying the role and expectations in the process for:
  o Hiring managers
  o Human Resources (HR) staff
  o Panel members, and
  o Panel chair.
• confirming requirements for documenting conflicts of interest and other recruitment decisions.

Responsibility of panel members

Any employee involved in any stage of a recruitment process must consider, prior to their involvement, whether they have a conflict of interest, including:

• association with any of the applicants
• financial interests (either in relation to an applicant or the process outcome), or
• a negative relationship with any applicant.

Panel members should disclose any knowledge of, or association with, any applicant to the panel chair.

Responsibility of the panel chair

The panel chair should canvas panel members independently prior to commencement of the selection process to see if they have any personal interests in respect to any applicant.

The chair must then review any disclosures, decide how conflicts should be managed, and document the outcome.

Management strategies

Any conflict of interest needs to be identified, disclosed and managed as early as possible. At a minimum, a conflict of interest should be disclosed and discussed. From here, appropriate management strategies can be chosen.

These may include:

• removing the person from the process
• restricting their role in the process (for example, where they have particular skills, their role may be limited to participating in a blind assessment of a task given to applicants), or
• including an independent person from outside the organisation on the panel.

A note on internal applicants

The recruitment and selection process must demonstrate fairness and impartiality in respect to potential internal applicants for a position.
Your organisation should have processes in place to ensure that any potential internal applicants are not involved in any part of the recruitment process, including:

- assisting with the preparation of position descriptions or statements of duty
- assisting with the preparation of position advertisements, and
- being the contact officer for potential candidates.

No applicant should receive an advantage. This includes such actions as coaching or specialist advice that is not provided to all applicants.

Internal applicants must not have an expectation of success or failure.

**Referee reports by selection panel members**

If you are on a selection panel, and you are nominated as a referee for an applicant, you must ensure the panel members agree to any one of the following options:

- that you provide a written referee report prior to commencement of the selection process
- that you suggest the candidate nominate a different referee, or
- that another referee report be sought.

**Documenting decisions is key**

It is vital that all disclosures and decisions are documented, including the disclosed conflict and discussion and decisions around management.

**The Commission can help**

The Commission is available to provide support and assistance on identifying and managing areas of misconduct risk, including conflicts of interest.

Call us on 1300 720 289 or email prevention@integrity.tas.gov.au.

**Further resources**

The Department of Premier and Cabinet has further resources on managing conflict of interest in recruitment, available at www.dpac.tas.gov.au.