

### OBJECTIVE 6.1

Explain the significance of employee selection.

#### selection

Process of choosing from a group of applicants the individual best suited for a particular position and the organization.

### OBJECTIVE 6.2

Describe the selection process.

## Significance of Employee Selection

**Selection** is the process of choosing from a group of applicants the individual best suited for a particular position and the organization (optimal types and levels of human capital). Properly matching people with jobs and the organization is the goal of the selection process. If individuals are overqualified, underqualified, or for any reason do not fit either the job or the organization's culture, they will be ineffective and probably leave the firm, voluntarily or otherwise. There are many ways to improve productivity, but none is more powerful than making the right hiring decision. A firm that selects high-quality employees reaps substantial benefits, which recur every year the employee is on the payroll. On the other hand, poor selection decisions can cause irreparable damage. A bad hire can negatively affect the morale of the entire staff, especially in a position where teamwork is critical.

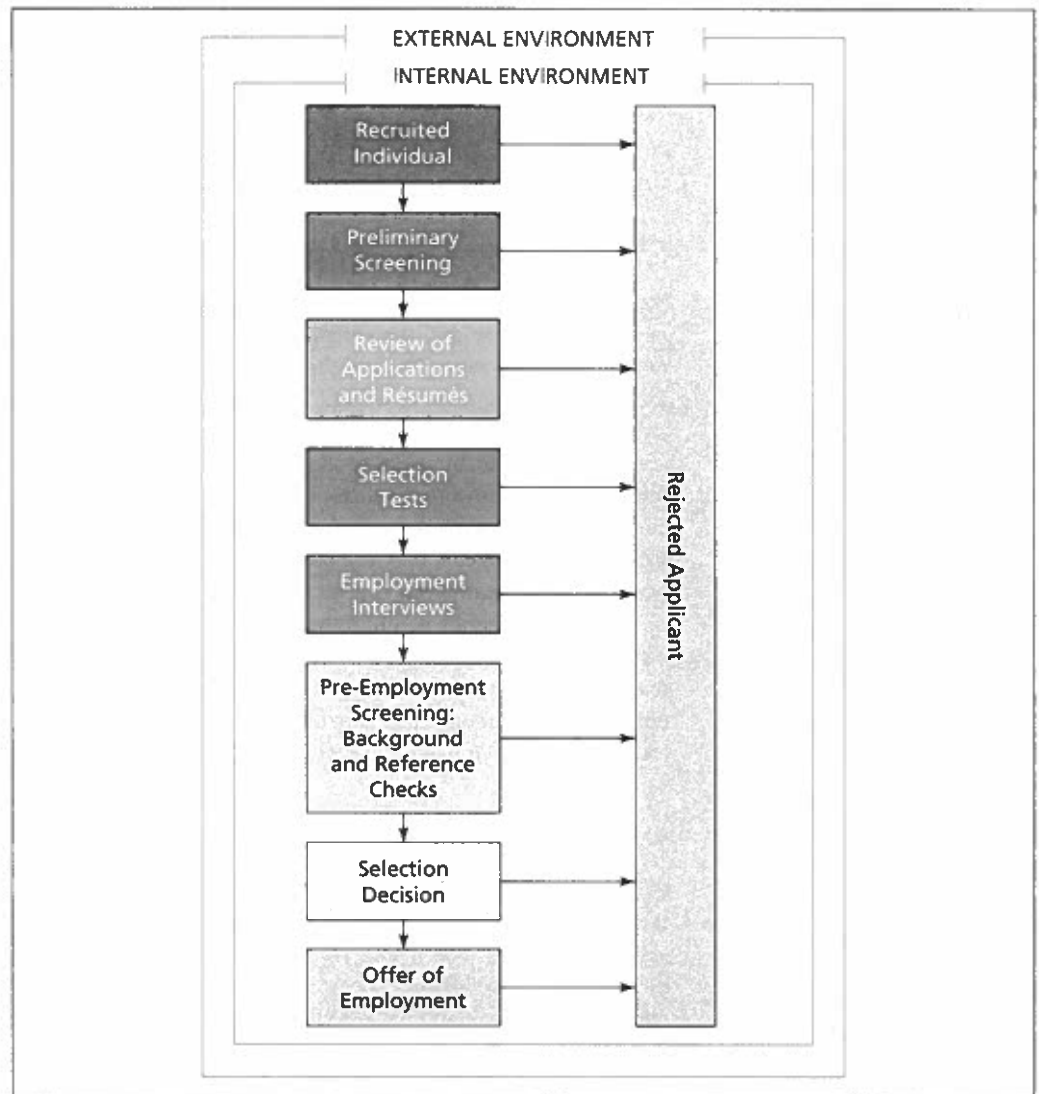
Many companies would rather go short and work overtime than hire one bad apple. If a firm hires many bad apples, it cannot be successful for long even if it has perfect plans, a sound organizational structure, and finely tuned control systems. Competent people must be available to ensure the attainment of organizational goals. Today, with many firms having access to the same technology, *people* make the real difference.

## Selection Process

Companies make selection decisions to determine whether individuals who were identified through the selection process will be offered employment. Figure 6-1 illustrates a generalized selection process, but it may vary from company to company and also according to the type of job being filled. This process typically begins with preliminary screening. Next, applicants complete the firm's application for employment or provide a résumé. Then they progress through a series of selection tests, one or more employment interviews, and pre-employment screening, including background and reference checks. The hiring manager then offers the successful applicant a job, subject to successful completion of a medical examination. Notice that an applicant may be rejected or opt out at any time during the selection process. To a point, the more screening tools used to assess an applicant, the greater the chance of making a good selection decision. A good selection decision results in either one of two outcomes. First, job candidates who do not meet the standard for employment are not offered employment. Second, job candidates who do meet the standard for employment are offered employment, and those individuals accept the company's offer of employment.



**FIGURE 6-1**  
Selection Process



### OBJECTIVE 6.3

Explain the importance of preliminary screening.

**preliminary screening**  
In employee selection, a review to eliminate those who obviously do not meet the position's requirements.

## Preliminary Screening

The selection process often begins with preliminary screening. The basic purpose of **preliminary screening** is to eliminate those who obviously do not meet the position's requirements. Preliminary screening may take the form of reviewing for obviously unqualified applicants with a brief interview, test, or only a review of the application or résumé for clear mismatches. In addition to eliminating clearly unqualified job applicants quickly, preliminary screening may produce other positive benefits for the firm. It is possible that the position for which the applicant applied is not the only one available. If the person doing the screening knows about other vacancies in the firm, he or she may be able to steer the prospective employee to another position. For instance, the assessor may decide that although an applicant is not a good fit for the applications-engineering job, she is an excellent candidate for an internal research-and-development position. This type of assessment not only builds goodwill for the firm but also can maximize recruitment and selection effectiveness.

At times a short test may be administered to determine if a person should proceed in the selection process. For example, in the recruitment of sales representatives, a brief sales aptitude test may be given to determine if the applicant has a talent or interest in sales. Then the company knows that the people they interview are already more likely to succeed in the role. By conducting a quick assessment before scheduling interviews, the company is more likely to hire people who will add value to the organization.

**OBJECTIVE 6.4**

Discuss reviewing applications and résumés.

## Review of Applications and Review of Résumés

Having the candidate complete an application for employment is another early step in the selection process. This may either precede or follow preliminary screening. The employer then evaluates it to see whether there is an apparent match between the individual and the position. A well-designed and properly used application form can be helpful because essential information is included and presented in a standardized format. Completion of an application may not be initially required for many management and professional positions. In these cases, a résumé may suffice. A complete application usually is obtained at a later time often for job candidates who have successfully passed the initial screening process and for whom the company intends to further consider for employment.

The specific information requested on an application form may vary from firm to firm, and even by job type within an organization. An application typically contains sections for name, address, telephone number, e-mail address, military service, education, and work history. Managers compare the information contained in a completed application to the job description to determine whether a potential match exists between the firm's requirements and the applicant's qualifications. As you might expect, this judgment is often difficult.

Several preprinted statements are usually included on the application form. First, by signing the form, the applicant certifies that information provided on the form is accurate and true. Employers will likely reject candidates who make false claims for major issues. Candidates may be terminated after employment if they made any representation or statement that was not accurate or if they did not disclose matters that might significantly prejudice the employer's hiring decision. Second, when not prohibited by state law, the form should also state that a condition of employment is employment-at-will. *Employment-at-will* is a policy that either the employer or the employee can terminate employment at any time for any reason. Finally, the form should contain a statement whereby the candidate gives permission to have his or her background and references checked.

An employment application form must reflect not only the firm's informational needs but also legal requirements. Potentially discriminatory questions inquiring about such factors as gender, race, age, convictions, national origin, citizenship, birthplace, dependents, disabilities, religion, color, and marital status should be avoided.

Applicants sometimes deliberately leave out information on the application that may present them in a negative light. To combat this, many employers are requiring applicants to use online applications that force a person to complete a required field before the application is successfully submitted. In fact, corporations have increasingly declined to accept a printed résumé and applicants are directed to company Web sites for employment application and résumé submission.

A **résumé** is a goal-directed summary of a person's experience, education, and training developed for use in the selection process. Professional and managerial applicants often begin the selection process by submitting a résumé. Figure 6-2 illustrates a traditional résumé. Note that the résumé includes the career objective for the specific position the applicant is seeking (a curriculum vitae does not contain a career objective). Some human resources (HR) professionals suggest that a professional summary at the beginning of the résumé is more useful to the recruiter. However, young job seekers with little work experience may be best served by using a career objective statement. The remainder of the résumé should be directed toward showing how a person has the skills and competencies necessary to accomplish the position identified in the career objective statement.<sup>1</sup> Using keywords from the job description or employment ad will help an applicant get past the résumé-scanning programs many firms use.<sup>2</sup> Only information necessary to show a relationship to the objective should be included. The all-important concept of relevancy is crucial in selling the applicant to the company. A new trend that has evolved over time is that the content of the résumé is more important than fitting an applicant's entire career onto one page. Historically, a one-page résumé was the standard that applicants were told to use.

In developing a résumé, the sender should be careful not to misrepresent the truth. An applicant who has three credit hours to meet graduation requirements has not graduated, and therefore, does not possess the degree for which she or he is studying. Certainly, the résumé should be designed to present the applicant in a positive light but without exaggeration. With regard to job

**résumé**

Goal-directed summary of a person's experience, education, and training developed for use in the selection process.

**FIGURE 6-2**  
**Example of a Traditional**  
**Résumé**

| <b>Marianne Sanders</b>   |  |
|---|--|
| <i>Current Address</i><br>4289 Tiger Bend Road<br>Baton Rouge, LA 71220<br>Phone: 555.555.5151<br>E-mail: MSanders@internet.com |  |
| <b>Objective:</b>   | To obtain an entry level position in accounting.   |
| <b>Education:</b>   | McNeese State University<br><b>Bachelor of Science, Accounting,</b><br><b>Expected date of graduation, May 2015</b><br><b>GPA: 3.5/4.0</b>   |
| <b>Experience:</b>  | January 2013 – Present Accounting Internship with McElroy, Quirk, & Burch, APC (Accounting firm) Lake Charles, LA<br><br>January 2011 – December 2012 McNeese State University Student worker (Financial Aid) Lake Charles, LA <ul style="list-style-type: none"> <li>• Assist full-time worker with office work</li> <li>• Help students complete financial aid question/forms</li> </ul> |
| <b>Honors:</b>  | Beta Gamma Sigma Honor Fraternity<br>Beta Alpha Psi Honor Fraternity<br>Pi Beta Lambda – Business Professionals<br>President Honor Role (Six times)  |
| <b>Personal:</b>  | Hard working, goal-oriented, conscientious, positive thinker, work well in teams, excellent people skills  |
| <b>Interests:</b>   | Accounting, physical fitness, traveling, tennis  |
| <b>Software Proficiency:</b>  | Microsoft Office 2010, Excel, Word, PowerPoint, Windows 7, Social Networking (Facebook, Twitter, LinkedIn)   |

history, dates of employment should be accurate. It goes without saying that résumés should not contain grammar and spelling errors. The résumé should show that the applicant has an understanding of the job and how his or her work history can assist in accomplishing the job.

When sending a résumé via the Internet, applicants should realize that most large companies now use applicant-tracking systems. These systems assume a certain résumé style. Résumés that deviate from the assumed style are ignored or deleted. These systems scan résumés into databases, search the databases on command, and rank the résumés according to the number of resulting “hits” they receive. At times such searches use multiple (10–20) criteria. Some systems flag résumés that appear to misrepresent the truth, present misleading information, or are in other ways suspicious.

The use of applicant-tracking systems coupled with the downsizing of HR departments has resulted in a situation in which many résumés are never seen by human eyes once they enter the system. Therefore, a job applicant should make his or her résumé as computer/scanner friendly as possible so that its life in a database will be extended. Even if you are a perfect match for the job, your résumé may never get to someone who could decipher your potential value. To make the process work, a keyword résumé style should be used. **Keywords** refer to those words or phrases that are used to search databases for résumés that match. A **keyword résumé** contains an adequate description of the job seeker’s characteristics and industry-specific experience

#### keyword résumé

Résumé that contains an adequate description of the job seeker’s characteristics and industry-specific experience presented in keyword terms in order to accommodate the computer search process.

#### keywords

Words or phrases that are used to search databases for résumés that match.



## ETHICAL DILEMMA

### Employee Selection Criteria?

You are the newly appointed sales manager for a large manufacturing organization that has been struggling of late, even though your region is the firm's most successful one. Your office is located in a very close-knit community where people place a high value on local basketball. In fact, it didn't take you long to realize that to most people, local basketball is even more important than the Super Bowl. While you were watching a game the other night with your biggest customer, who purchases almost 40 percent of your yearly volume, he told you that the star on the team may soon be leaving the community because his father was laid off. He has heard that your region has an opening for a sales representative, and he asks you to hire the boy's father. You tell him that you will be glad to review the

man's résumé, but you think that you have already found an extremely qualified person.

As you are reviewing the résumé of your customer's recommended candidate the next day, the person you are replacing comes by the office to say good-bye. In the conversation he mentions that in this town, people do each other favors, and that is how they build trust. He also tells you that if the boy's father is not hired, the firm may lose most, if not all, of the buyer's business. That is quite a shock because you realize that the customer's candidate lacks some qualifications for the position.

1. What would you do?
2. What factor(s) in this ethical dilemma might influence a person to make a less-than-ethical decision?

presented in keyword terms to accommodate the computer search process. The keywords are often job titles, skills, or areas of expertise related to the position. Keywords tend to be more of the noun or noun-phrase type (Office 2013, Windows 8, UNIX, Biochemist) as opposed to power action verbs often found in traditional résumés (developed, coordinated, empowered, organized). Another way to look at keyword phrases is to think in terms of job duties. The terms employers search for most often are problem solving and decision making, oral and written communication, customer service or retention, performance and productivity improvement, leadership, technology, team building, project management, and bilingual.

Applicants should study the job posting and industry ads to get an overview of the phrases that keep reappearing. Detailing an individual's job duties may require a change in mind-set away from traditional résumé writing. Recruiters should be mindful that applicants have gotten smarter in résumé preparation and at times include words that hardly resemble their past accomplishment.

#### OBJECTIVE 6.5

Describe the use of tests in the selection process.

### Selection Tests

Tests are essential components of employee selection. There are many considerations, including advantages and disadvantages, property of tests, validation approaches, and test type.

#### Preliminary Considerations

Recognizing the shortcomings of other selection tools, many firms have added selection tests to their hiring process. These tests rate factors such as aptitude, personality, abilities, and motivation of potential employees, allowing managers to choose candidates according to how they will fit into the open positions and corporate culture. However, tests alone are not enough to make a sufficient evaluation of a candidate because they are not fool proof. Firms need to use them in conjunction with other selection tools such as reference checks and interviews.

#### Advantages and Disadvantages of Selection Tests

Research indicates that customized tests can be a reliable and accurate means to predict on-the-job performance.<sup>3</sup> Organizations use tests to identify attitudes and job-related skills that interviews cannot recognize. Also, the cost of employment testing is small in comparison to ultimate hiring costs. They are a more efficient way to get at information that results in better-qualified people being hired.

Job performance depends on an individual's ability and motivation to do the work. Selection tests may accurately predict an applicant's ability to perform the job, the "can do," but they are

less successful in indicating the extent to which the individual will be motivated to perform it, the “will do.” The most successful employees are likely to have two things in common: they identify with their firm’s goals, and they are highly motivated. For one reason or another, some employees with high potential never seem to reach it. The factors related to success on the job are so numerous and complex that selection may always be more of an art than a science.

Employers should be aware that tests might be unintentionally discriminatory. Office of Federal Contract Compliance Programs (OFCCP) former director Charles E. James Sr. said, “Testing is a ‘necessary business tool’ to help employers select qualified candidates. Hiring the wrong person puts your company at risk. The key is to make the test fit the job you’re using it for.”<sup>4</sup> When a test excludes a protected class at a significant rate, the test should be avoided unless the employer can show that the test is job related for the position in question and consistent with business necessity. Using selection tests carries with it legal liabilities of two types. One is a lawsuit from rejected applicants who claim a test was not job related or that it unfairly discriminated against a protected group, violating federal employment laws. The second potential legal problem relates to *negligent hiring* lawsuits filed by victims of employee misbehavior or incompetence (a topic discussed later in this chapter).

Test anxiety can also be a problem. Applicants often become quite anxious when confronting yet another hurdle that might eliminate them from consideration. The test administrator’s reassuring manner and a well-organized testing operation should serve to reduce this threat. Actually, although a great deal of anxiety is detrimental to test performance, a slight degree is helpful.

The problems of hiring unqualified or less-qualified candidates and rejecting qualified candidates will continue regardless of the procedures followed. Well-developed tests administered by competent professionals help organizations minimize such consequences.

### Characteristics of Properly Designed Selection Tests

Properly designed selection tests are standardized, objective, based on sound norms, reliable, and of utmost importance, valid. These concepts and the application of these concepts are discussed next.

**STANDARDIZATION** The uniformity of the procedures and conditions related to administering tests is **standardization**. To compare the performance of several applicants taking the same test, it is necessary for all to take the same test under conditions that are as identical as possible. For example, the content of instructions provided and the time allowed must be the same, and the physical environment must be similar. If one person takes a test in a room with jackhammers operating just outside and another takes it in a more tranquil environment, differences in test results are likely.

**OBJECTIVITY** In testing, **objectivity** occurs when everyone scoring a test obtains the same results. Multiple-choice and true-false tests are objective. The person taking the test either chooses the correct answer or does not.

**NORMS** A frame of reference for comparing an applicant’s performance with that of others is a **norm**. Specifically, a norm reflects the distribution of many scores obtained by people similar to the applicant being tested. A score by itself is insignificant. It becomes meaningful only when compared with other applicants’ scores. To better understand this important concept, think about one of the standardized tests required for college admission such as the ACT or SAT. For example, scores of 400 and 700 have limited usefulness. At best, they indicate that the applicant who scored 700 answered more questions correctly than the applicant who scored 400, and this conclusion might favor admission for the higher score. However, a comparison of raw test scores does not inform college admissions committees about how well these individuals performed relative to everyone who took this test. A more useful metric is to convert the raw scores into percentile rankings. For example, a percentile ranking of 90 tells admissions committees that the raw scores earned by those in this percentile ranking exceed 90 percent of the scores of other test takers.

When a sufficient number of employees are performing the same or similar work, employers can standardize their own tests. Typically, this is not the case, and a national norm for a particular test is used. When an employee takes the test, the score obtained is compared to the norm.

#### standardization

Uniformity of the procedures and conditions related to administering tests.

#### objectivity

Condition that is achieved when everyone scoring a given test obtains the same results.

#### norms

Frame of reference for comparing an applicant’s performance with that of others.

**RELIABILITY**

Extent to which a selection test provides consistent results.

**RELIABILITY** The extent to which a selection test provides consistent results is **reliability**. For example, if a person were to take the same test of personality several times and received highly similar scores (consistent results), this personality test would be judged to be reliable. Reliability data reveal the degree of confidence placed in a test. For example, if a person scores 130 on a certain test of conscientiousness this week and retakes the test next week and scores 80, the test reliability would likely be low. Tests with low reliability have implications for validity. For example, if a test has low reliability, its validity (accuracy) as a predictor (for example, of job performance) will also be low. If after scoring 130 the first week a person scores another 130 the second week, the test is reliable. However, the existence of reliability alone does not guarantee the test's validity.

Reliability is expressed as a correlation coefficient. A correlation coefficient shows the strength and direction of the relationship between two variables, for example, personality measured at time 1 (say, on February 1, 2014) and the same personality test measured at a later time, time 2 (say, on December 1, 2014). Correlation coefficients can range between  $-1.0$  and  $+1.0$ . In the cases of  $-1.0$  and  $+1.0$ , there is evidence of perfect correlation. For example, when the correlation coefficient is  $+1.0$ , for every 1-unit change in personality test score at time 1, we see a corresponding 1-unit *increase* in personality score at time 2. When the correlation coefficient is  $-1.0$ , for every 1-unit change in personality score assessed at time 1, we see a corresponding 1-unit *decrease* in personality measured at time 2. When the correlation coefficient equals 0, then there is no correspondence between changes in scores on the personality test at times 1 and 2. In the selection context, we hope to obtain correlations equal to  $+1.0$ . In reality, correlation coefficients fall somewhere between these scores, which allows us to talk about the reliability of the test in terms of *degrees* of reliability. The goal is to obtain positive correlations that are as close to 1.0 as possible. Correlations equal to zero or thereabouts have no utility as a selection tool. That is, such tests do not aid in the selection process.

**VALIDITY**

Extent to which a test measures what it claims to measure.

**VALIDITY** The basic requirement for a selection test is that it be valid. **Validity** is the extent to which a test measures what it claims to measure. If a test cannot indicate ability to perform the job, it has no value. And if used, it will result in poor hiring decisions and a potential legal liability for the employer.

Title VII requires the test to work without having an adverse impact on minorities, females, and individuals with backgrounds or characteristics protected under the law. If using the test results in an adverse impact on certain members of protected groups, the firm must have a compelling reason why it is used; that is, it must validate the test. Employers are not required to validate their selection tests automatically.

### Test Validation Approaches

The *Uniform Guidelines on Employee Selection Procedures* established three approaches to validating selection tests: criterion-related validity, content validity, and construct validity.

**Criterion-related validity**

Test validation method that compares the scores on selection tests to some aspect of job performance determined, for example, by performance appraisal.

**CRITERION-RELATED VALIDITY** A test validation method that compares the scores on selection tests to some aspect of job performance determined, for example, by performance appraisal is **criterion-related validity**. Performance measures might include quantity and quality of work, turnover, and absenteeism. A close relationship between the score on the test and job performance suggests that the test is valid. The two basic forms of criterion-related validity are concurrent and predictive validity.

*Concurrent validity* is determined when the firm obtains test scores and the criterion data at essentially the same time. For instance, it administers the test to all currently employed telemarketers and compares the results with company records that contain current information about each employee's job performance. If the test is able to identify productive and less productive workers, one could say that it is valid. A potential problem in using this validation procedure results from changes that may have occurred within the work group. For example, firms may have fired the less productive workers, and promoted the more productive employees out of the group.

*Predictive validity* involves administering a test and later obtaining the criterion information. For instance, all applicants take the test but the firm uses other selection criteria, not the test results, to make the selection decision. After observing employee performance over time, the company analyzes test results to determine whether they differentiate the successful and less successful employees.

**Content Validity**

Test validation method whereby a person performs certain tasks that are actually required by the job or completes a paper-and-pencil test that measures relevant job knowledge.

**Construct Validity**

Test validation method that determines whether a test measures certain constructs, or traits, that job analysis finds to be important in performing a job.

**Aptitude Tests**

A test of how well a person can learn or acquire skills or abilities.

**Achievement Tests**

A test of current knowledge and skills.

**Cognitive Ability Tests**

Tests that determine general reasoning ability, memory, vocabulary, verbal fluency, and numerical ability.

**Personality**

Individual differences in characteristic patterns of thinking, feeling, and behaving.

**Personality Tests**

Self-reported measures of traits, temperaments, or dispositions.

**CONTENT VALIDITY** A test validation method whereby a person performs certain tasks that are actually required by the job or completes a paper-and-pencil test that measures relevant job knowledge is **content validity**. Although statistical concepts are not involved, many practitioners believe that content validity provides a sensible approach to validating a selection test. This form of validation requires thorough job analysis and carefully prepared job descriptions. An example of the use of content validity is giving a word-processing test to an applicant whose primary job would be word processing. Court decisions have supported the concept of content validity.

**CONSTRUCT VALIDITY** A test validation method that determines whether a test measures certain constructs, or traits, that job analysis finds to be important in performing a job is **construct validity**. For instance, a job may require a high degree of creativity or reasoning ability. Or a sales representative position may require the applicant to be extroverted and aggressive. Construct validity in and of itself is not a primary method for validating selection tests.

## Employment Tests

Individuals differ in characteristics related to job performance. Broadly, tests fall into one of two categories: aptitude tests and achievement tests. **Aptitude tests** measure how well a person can learn or acquire skills or abilities. **Achievement tests** assess a person's current knowledge and skills. These differences, which are measurable, relate to cognitive abilities, psychomotor abilities, job knowledge, work samples, and personality.

**COGNITIVE ABILITY TESTS** Tests that determine general reasoning ability, memory, vocabulary, verbal fluency, and numerical ability are **cognitive ability tests**.

Cognitive ability tests are a form of IQ tests and these measure the capacity of an individual to learn at higher levels of difficulty (for example, learning to write at the fifth-grade level and learning to write at the college level). As the content of jobs becomes broader and more fluid, employees must be able to adapt quickly to job changes and rapid technological advances. It is likely that testing will be necessary to match the broader range of characteristics required for successful performance of these flexible jobs. The NFL uses the Wonderlic Personnel Test, which is designed as a way to measure cognitive ability, the applicant's natural aptitude for learning new information.

**PSYCHOMOTOR ABILITIES TESTS** Psychomotor abilities refer to the capacity to connect brain or cognitive functions and functions of the body such as physical strength. An example of a psychomotor ability is reaction time, which is defined as "the ability to quickly respond (with the hand, finger, or foot) to a signal (sound, light, picture) when it appears."<sup>5</sup>

**PERSONALITY TESTS** According to the American Psychological Association, "**personality** refers to individual differences in characteristic patterns of thinking, feeling and behaving. The study of personality focuses on two broad areas: One is understanding individual differences in particular personality characteristics, such as sociability or irritability. The other is understanding how the various parts of a person come together as a whole."<sup>6</sup> Self-reported measures of temperaments, or dispositions, are **personality tests**. For example, health-care social workers "Job requires being reliable, responsible, and dependable, and fulfilling obligations."<sup>7</sup> Personality tests, unlike ability tests, are not time constrained and do not measure specific problem-solving skills. These questionnaires tap into areas, such as leadership, teamwork, and personal assertiveness. A properly designed personality profile can measure and match the appropriate personality dimensions to the requirements of the job.

Most large companies now use psychometric testing to identify future managers. These individuals are being assessed for their ability to bring about long-term change and their ability to handle day-to-day management tasks. Generally, fire departments and law enforcement agencies use the Minnesota Multiphasic Personality Inventory (MMPI) test, which consists of 567 statements that help to determine a subject's degree of paranoia, depression, mania, or anxiety. In police departments the MMPI is used to detect the inclination toward substance abuse. These types of tests are typically used in the early stage of the selection process.

**Integrity tests** represent a specific type of personality attribute. Integrity refers to "being honest and ethical."<sup>8</sup> Employers have used them to measure candidates' attitudes toward theft, dishonesty, absenteeism, violence, drug use, alcohol abuse, and other counterproductive behaviors.

Retail stores, nuclear plants, law enforcement agencies, and child-care facilities typically use integrity tests. Research has shown that integrity tests have high validity for predicting undesirable behaviors at work.<sup>9</sup> Because the polygraph test (discussed later) has been effectively banned in the private sector as a hiring tool, integrity tests have often been used to detect dishonesty in candidates.

As the previous discussion indicates, many companies consider a variety of factors before offering employment. Rudi's Organic Bakery discusses the elements and dimensions they look for in potential employees. In addition to looking at a candidate's "ability" (mental horsepower to understand and process information and find solutions to problems), which comes from experience, they are also looking at "personality" (how motivated a person is and how they will interact as part of a team). Besides "technical fit"—a background in food science—the company is looking for how an individual will fit into the company's organizational culture and wants individuals who are reliable, positive, team players, and proactive. The following Watch It video describes Rudi Bakery's employee selection considerations.

### ★ Watch It 1

If your instructor has assigned this, go to MyManagementLab to watch a video titled Rudi's Bakery: Ability and Testing and respond to questions.

CH2M Hill is another example of a company that considers both ability and personality in their selection process. An employee from CH2M Hill, an industry-leading and global project delivery engineering firm, discusses key indicators that they look for in potential employees—from ability (technical fit) to personality (organizational fit) and why these indicators are essential to finding the right candidate for the job.

### ★ Watch It 2

If your instructor has assigned this, go to MyManagementLab to watch a video titled CH2M Hill's and respond to questions.

#### Job-knowledge tests

Tests designed to measure a candidate's knowledge of the duties of the job for which he or she is applying.

**JOB-KNOWLEDGE TESTS** Tests that measure a candidate's knowledge of the duties of the job for which he or she is applying are **job-knowledge tests**. For example, lawyers must have knowledge of law and government, which is defined as "Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process."<sup>10</sup> Such tests are commercially available but individual firms may also design them specifically for any job, based on data derived from job analysis.

#### Work-sample tests

Tests that require an applicant to perform a task or set of tasks representative of the job.

**JOB PERFORMANCE AND WORK-SAMPLES** Tests that require an applicant to perform a task or set of tasks representative of the job are **work-sample tests**. For positions that require heavy use of spreadsheets, having the applicant construct a sample spreadsheet, with data the firm provides, will be useful in assessing a required ability. Electrical and electronic equipment assemblers "position, align, or adjust work pieces or electrical parts to facilitate wiring or assembly."<sup>11</sup> Such tests, by their nature, are job related. A real test of validity, in the opinion of some experts, should be a performance assessment: take individuals to a job and give them the opportunity to perform it.

#### Assessment center

Selection technique that requires individuals to perform activities similar to those they might encounter in an actual job.

An **assessment center** is a selection approach that requires individuals to perform activities similar to those they might encounter in an actual job. The assessment center is one of the most powerful tools for assessing managerial talent because it is designed to determine if they will be effective in performing a specific job. Research has established the validity of the assessment center approach to predicting performance. Many of the top companies in the United States have set up assessment centers where they can first interview potential employees and then evaluate them in real work situations. It provides an excellent way to determine an individual's capabilities to perform an entry-level management job.



HR Web Wisdom

*Genetic Testing*

<http://ghr.nlm.nih.gov/>

A guide to understanding genetic conditions.

#### genetic tests

Tests given to identify predisposition to inherited diseases, including cancer, heart disease, neurological disorders, and congenital diseases.

#### graphoanalysis

Use of handwriting analysis as a selection factor.

In an assessment center, candidates perform a number of exercises that simulate the tasks they will carry out in the job they seek. Typical assessment center tests include having applicants complete *in-basket exercises* and perform in *management games*, *leaderless discussion groups*, *mock interviews*, and other simulations. The traditional in-basket exercise has received a technological boost by replacing the paper memos with e-mail messages, faxes, tweets, or voice mail. Assessment centers measure candidates' skills in prioritizing, delegating, and decision making. The professional assessors who evaluate the candidates' performances usually observe them away from the workplace over a certain period of time, perhaps a single day. The assessors selected are typically experienced managers who may not only evaluate performance but also participate in the exercises.

An advantage of the assessment center approach is the increased reliability and validity of the information provided. Research has shown that the in-basket exercise, a typical component of assessment centers, is a good predictor of management performance. Its validity provides an alternative to paper-and-pencil tests.

### Unique Forms of Testing

**GENETIC TESTING** Tests performed to identify predisposition to inherited diseases, including cancer, heart disease, neurological disorders, and congenital diseases are **genetic tests**. DNA-testing companies can tell us our potential risk for breast cancer, cystic fibrosis, Alzheimer's disease, and other common chronic conditions. Scientists have assembled the entire set of genetic instructions for building a human body, and world leaders likened this achievement to putting a human being on the moon. This brings both hope and concerns to the forefront in employment testing.

Genetic tests may predict a predisposition to having a disease. However, such tests cannot tell whether a person is certain to get the disease or when he or she would become ill. In addition, everyone has some disposition to genetic disease and a genetic predisposition is not the same as a preexisting condition.

The Equal Employment Opportunity Commission (EEOC) has issued guidelines stating that healthy individuals with a genetic predisposition to a disease, and thus perceived as disabled, are protected by the Americans with Disabilities Act (ADA). The Genetic Information Nondiscrimination Act (GINA) of 2008 is designed to prohibit the improper use of genetic information in health insurance and employment. Recently the EEOC issued a final regulation, which generally bars employers, unions, employment agencies, and joint apprenticeship programs from requesting, requiring, or purchasing an individual's genetic information and making employment decisions based on such data.<sup>12</sup>

**GRAPHOANALYSIS (HANDWRITING ANALYSIS)** The use of handwriting analysis as a selection factor is **graphoanalysis**. Many in the United States view handwriting analysis in the same context as psychic readings or astrology. In Europe, however, many employers use graphoanalysis to help screen and place job applicants. It is not unusual for European companies to have full-time handwriting analysts on staff. With graphoanalysis, every stroke of handwriting has a meaning that can be understood only within the context of the other strokes present in the handwriting.

Although no definitive study exists on the extent of its use in the United States, according to some handwriting experts, graphoanalysis is becoming more common. A basic reason for the reluctance of U.S. employers to use this approach appears to be a concern over the ability to validate such tests. And there is little research demonstrating the effectiveness of graphology in employee selection. This and the worry about possible legal action seem to make many U.S. employers wary of the process.

**POLYGRAPH TESTS** For many years, another means used to verify background information was the polygraph, or lie-detector test. One purpose of the polygraph was to confirm or refute the information contained in a candidate's application. However, the Employee Polygraph Protection Act of 1988 severely limited the use of polygraph tests in the private sector. It made unlawful the use of a polygraph test by any employer engaged in interstate commerce. However, the act does not apply to governmental employers, and there are other limited exceptions. Even here, the technology has been found to be flawed. Effective techniques for beating lie detectors, which only measure stress and anxiety, have been developed and are available for use.

The act permits use of polygraph tests in the private sector in screening certain prospective employees for security service firms and pharmaceutical manufacturers, distributors, and

dispensers. The act also permits, with certain restrictions, polygraph testing of certain employees reasonably suspected of involvement in a workplace incident, such as theft or embezzlement. Persons who take polygraph tests have a number of specific rights. For example, they have the right to a written notice before testing, the right to refuse or discontinue a test, and the right not to have test results disclosed to unauthorized persons.

### OBJECTIVE 6.6

Explain the use of the employment interview.

*Employment interview.*  
Goal-oriented conversation in which an interviewer and an applicant exchange information.

## Employment Interview

The **employment interview** is a goal-oriented conversation in which the interviewer and applicant exchange information. Traditionally, interviews have not been valid predictors of success on the job.<sup>13</sup> In fact, courts are often suspicious of hiring decisions based primarily on interview results because of their inherently subjective nature. For 500 years, Leonardo da Vinci's *Mona Lisa* has confounded viewers who try to read her expression. Like the *Mona Lisa*, every job applicant presents a mysterious façade. Nevertheless, interviews continue to be the primary method companies use to evaluate applicants. The employment interview is especially important because the applicants who reach this stage are the survivors. They have endured preliminary screening, had their applications reviewed, and scored satisfactorily on selection tests. At this point, the candidates appear to be qualified, at least on paper. Every seasoned manager knows, however, that appearances can be quite misleading. Additional information is needed to indicate whether the individual is willing to work and can adapt to that particular organization (organizational fit).

### Interview Planning

Interview planning is essential to effective employment interviews. A primary consideration should be the speed in which the process occurs. Many studies have demonstrated that the top candidates for nearly any job are hired and off the job market within anywhere from 1 to 10 days.

The physical location of the interview should be both pleasant and private, providing for a minimum of interruptions. The interviewer should possess a pleasant personality, empathy, and the ability to listen and communicate effectively. He or she should become familiar with the applicant's qualifications by reviewing the data collected from other selection tools. As preparation for the interview, the interviewer should develop a job profile based on the job description/specification. After listing job requirements, it is helpful to have an interview checklist that involves comparing an applicant's application and résumé with the job description. Also questions should be prepared that relate to the qualities needed in a person being sought. In doing so, it is helpful to ask for examples of past job-related applicant behavior.



## HR BLOOPERS

### The First Interview

As Henry Davidson heads to the conference room for his first interview, he starts to think about what he is going to ask the candidate. As a new Human Resources Assistant at Samson Corporation, Henry is conducting interviews of candidates being considered for an administrative assistant position. Although he has a degree in HR and has worked in the field for more than a year now, this is his first opportunity to conduct an interview. His manager directed him to the company's interview training program, but Henry believes that an interview is really just a conversation so he didn't bother with the training. He has great interpersonal skills and can't wait to tell the candidate all about the company. As Henry

enters the room and shakes the candidate's hand, he realizes that he forgot to bring her resume and the job description he had sitting on his desk. He's not worried though, as he is good at engaging people in conversation and should do just fine without them. After greeting the candidate, Henry spends the first 20 minutes telling her about the job and the company. Once finished he asks her to "tell me about yourself." The first thing Henry learns is that she attended the same college as he did, so he knows she is a good candidate. Although he is unsure on what to ask next, he doesn't think it really matters as he already knows he is going to recommend her for the job.

★ If your professor has assigned this, go to [mymanagementlab.com](http://mymanagementlab.com) to complete the HR Bloopers exercise and test your application of these concepts when faced with real-world decisions.

## Content of the Interview

Both the interviewer and the candidate have agendas for the interview. After establishing rapport with the applicant, the interviewer seeks additional job-related information to complement data provided by other selection tools. The interview permits clarification of certain points, the uncovering of additional information, and the elaboration of data needed to make a sound selection decision. The interviewer should provide information about the company, the job, and expectations of the candidate. Other areas typically included in the interview are discussed next.

**OCCUPATIONAL EXPERIENCE** The interviewer will explore the candidate's knowledge, skills, abilities, and willingness to handle responsibility. Although successful performance in one job does not guarantee success in another, it does provide an indication of the person's ability and willingness to work.

**ACADEMIC ACHIEVEMENT** In the absence of significant work experience, a person's academic record takes on greater importance. Managers should, however, consider grade point average in the light of other factors. For example, involvement in work, extracurricular activities, or other responsibilities may have affected an applicant's academic performance.

**INTERPERSONAL SKILLS** An individual may possess important technical skills significant to accomplishing a job. However, if the person cannot work well with others, chances for success are slim. This is especially true in today's world, with the increasing use of teams. The biggest mistake an interviewee can make is thinking that firms hire people only for their technical skills.

**PERSONAL QUALITIES** Personal qualities normally observed during the interview include physical appearance, speaking ability, vocabulary, poise, adaptability, assertiveness, leadership ability, and cooperative spirit. As with all selection criteria, these attributes should be considered only if they are relevant to job performance.

## Candidate's Role and Expectations

Although the interviewer will provide information about the company, it is still important for candidates to do their homework, including studying the job description and checking the Internet (including the firm's Web site) before the interview. Employees are also conducting background checks on companies to check out potential employers on such things as financial stability, whether or not the company would be a good place to work, and career opportunities. Most company sites include information tailored to job seekers. They often provide a history of the company and a description of its products and customers. Applicants can often find out the culture of the firm by doing a thorough search of the Internet and the news media. WetFeet.com provides insightful profiles of companies, careers, and industries to guide job seekers toward finding the right career, the right industry, the right company, and the right job for them. A person applying for a management position, especially, should have a thorough understanding of the firm's business priorities, its strengths and weaknesses, and its major competitors. Applicants should consider how they would address some of the issues facing the company. They need to be able to show how their experiences can help in addressing these issues.

Recruiters need to remember that interviewees also have objectives for the interview. One might be to determine what the firm is willing to pay as a starting salary. Job seekers have other goals that may include the following:

- To be listened to and understood
- To have ample opportunity to present their qualifications
- To be treated fairly and with respect
- To gather information about the job and the company
- To make an informed decision concerning the desirability of the job

Candidates can learn what interviewing skills they need to improve by undergoing a mock interview or two. Having a colleague or friend interview them and afterward critically review their own responses can be beneficial. This mock interview allows candidates to analyze their strengths and interests that they would bring to a job. The process would also help them prioritize the points they want to make in the real interview.



HR Web Wisdom

WetFeet.com

Helps equip job seekers with the advice, research, and inspiration needed to plan and achieve a successful career

## General Types of Interviews

Types of interviews are often broadly classified as structured, unstructured, behavioral, and situational. A discussion of the differences follows.

### unstructured interview

Interview in which the job applicant is asked probing, open-ended questions.

**UNSTRUCTURED INTERVIEW** An **unstructured interview** is one in which the interviewer asks probing, open-ended questions. This type of interview is comprehensive, and the interviewer encourages the applicant to do much of the talking. Questions such as “What professional accomplishments are you most proud of and why?” “What is your greatest professional strength, and how have you used it to overcome a challenge in your career?” and “What specifically attracted you to our organization?” might be asked. The unstructured interview is often more time consuming than the structured interview and results in obtaining different information from different candidates. This adds to the potential legal woes of organizations using this approach. Compounding the problem is the likelihood of discussing ill-advised, potentially discriminatory information. Applicants who are being encouraged to pour their heart out may volunteer facts that the interviewer does not need or want to know. Unsuccessful applicants subjected to this interviewing approach may later claim in court that the reason for their failure to get the job was the employer’s use of this information.

### structured interview

Interview in which the interviewer asks each applicant for a particular job the same series of job-related questions.

**STRUCTURED INTERVIEW** In the **structured interview**, the interviewer asks each applicant for a particular job the same series of job-related questions. Although interviews have historically been very poor predictors of job success, use of structured interviews increases reliability and accuracy by reducing the subjectivity and inconsistency of unstructured interviews. With the structured interview, questions are developed and asked in the same order of all applicants applying for the vacant position. This makes it easier to compare candidates fairly. There is a better chance that the best candidate will be selected using this technique. Often benchmark answers are determined beforehand.

Certainly, job-knowledge questions would be asked to probe the applicant’s job-related knowledge: these questions may relate to basic educational skills or complex scientific or managerial skills. Worker requirements questions might also be asked of each applicant to determine the applicant’s willingness to conform to the requirements of the job. For example, the interviewer may ask whether the applicant is willing to perform repetitive work or move to another city. Determining what questions to ask involves a thorough analysis of the position including a detailed analysis of the job description. Questions related to major job requirements in the job description make the process extremely job related.

### behavioral interview

Structured interview in which applicants are asked to relate actual incidents from their past relevant to the target job.

**BEHAVIORAL INTERVIEW** Traditional interviewing has a reputation of being a poor predictor of job success. Because of the low success rate of traditional interviews, the behavioral interview is often used. The **behavioral interview** is a structured interview in which applicants are asked to relate actual incidents from their past relevant to the target job. Once used exclusively for senior executive positions, behavioral interviewing is now a popular technique for lower-level positions also. The assumption is that past behavior is the best predictor of future behavior.

Behavioral interviewers look for three main things: a description of a challenging situation, what the candidate did about it, and measurable results. In the behavioral interview, the questions are selected for their relevance to job success in a particular job. Questions are formed from the behaviors by asking applicants how they performed in the described situation. For example, when probing to determine how creative an applicant is, the candidate might be requested to “Describe an experience when you were faced with a new problem and how you handled it.”<sup>14</sup> Or if seeking to determine the applicant’s enthusiasm, the request might be, “Relate a scenario during which you were responsible for motivating others.” Behavioral interviewers ask each candidate the same open-ended questions, and then score responses on a scale. Interviewing is based on the principle that what you did previously in your life is a good predictor of what you will do in the future. Interviewees are asked to give an example of a situation when they faced a dilemma, a problem, or a situation.

In behavioral interviews, candidates may unwittingly reveal information about their attitudes, intelligence, and truthfulness. Arrogance, lack of cooperation with team members, and anger can all spill out during such an interview. Although some candidates may think the interview is all about technical skills, it is as much about them as a person as anything.

Questions asked during behavioral interviews are equally important. Equally important, because both questions and answers are related to successful job performance, they are more accurate in predicting whether applicants will be successful in the job they are hired to perform. It answers the one question both the hiring manager and the candidate want to know most: Is this a good fit?

**SITUATIONAL INTERVIEW** Whereas the behavioral interview focuses on how an individual handled circumstances in the past, the **situational interview** creates hypothetical situations candidates would likely encounter on the job and asks how they would handle them. For example, the question might be asked: "One of your employees has experienced a significant decline in productivity. How would you handle it?" As another example, "You completely disagree with the way that your boss has told you to handle a project. What would you do?" Basically, a situational interview provides a preview of the "how" a candidate might handle situations in a simulated work environment.

### Methods of Interviewing

Organizations conduct interviews in several ways. The level of the open position and the appropriate labor market determine the most fitting approach. A discussion of these methods follows.

**ONE-ON-ONE INTERVIEW** In a typical employment interview, the applicant meets one-on-one with an interviewer. As the interview may be a highly emotional occasion for the applicant, meeting alone with the interviewer is often less threatening. This method provides a better opportunity for an effective exchange of information to take place.

**GROUP INTERVIEW** In a **group interview**, several applicants interact in the presence of one or more company representatives. This approach, although not mutually exclusive of other interview types, may provide useful insights into the candidates' interpersonal competence as they engage in a group discussion. Another advantage of this technique is that it saves time for busy professionals and executives.

**BOARD (OR PANEL) INTERVIEW** In a **board interview**, several of the firm's representatives interview a candidate at the same time. Companies use the board interview to gain multiple viewpoints because there are many cross-functional workplace relationships in business these days. Once the interview is complete, the board members pool their evaluation of the candidate. Most Ph.D. recipients are quite familiar with the board interview because they were required to defend their dissertation as their professors asked questions. At times, some candidates claimed that professors having opposing views were deliberately placed on the board and the candidate had to tiptoe through the session, hoping not to offend anyone.

**MULTIPLE INTERVIEWS** At times, applicants are interviewed by peers, subordinates, and potential superiors. This approach permits the firm to get a more encompassing view of the candidate. It also gives the candidate a chance to learn more about the company from a variety of perspectives. The result of this type of interview is a stronger, more cohesive team that shares the company's culture and helps ensure organizational fit.

**STRESS INTERVIEW** What would you do if you were in an interview that was going quite well and all at once the interviewer said, "I think your answer is totally inadequate: it doesn't deal with my concerns at all. Can't you do better than that?" You may not realize it, but you have just been exposed to a stress interview. In the **stress interview**, the interviewer intentionally creates anxiety.

Most interviewers strive to minimize stress for the candidate. However, in the stress interview, the interviewer deliberately makes the candidate uncomfortable by asking blunt and often discourteous questions. The purpose is to determine the applicant's tolerance for stress that may accompany the job. Knowledge of this factor may be important if the job requires the ability to deal with a high level of stress.

Amazon.com interviewers have been known to ask job candidates to guess how many gas stations there are in the United States or to estimate the cost to wash all of Seattle's windows. Google interviewers have also been known to ask, "You are shrunk to the height of a nickel and your mass is proportionally reduced so as to maintain your original density. You are then thrown

#### Situational Interview

Gives interviewers better insight into how candidates would perform in the work environment by creating hypothetical situations candidates would be likely to encounter on the job and asking them how they would handle them.

#### Group Interview

Meeting in which several job applicants interact in the presence of one or more company representatives.

#### Board Interview

An interview approach in which several of the firm's representatives interview a candidate at the same time.

#### Stress Interview

Form of interview in which the interviewer intentionally creates anxiety.

into an empty glass blender. The blades will start moving in 60 seconds. What do you do?"<sup>15</sup> The answer is not as important as your logic in approaching an answer.

Stress interviews are not new. The late Admiral Hyman G. Rickover, father of the U.S. Navy's nuclear submarine program, was known to offer interviewees a chair that had one or two legs shorter than the other. The candidates' problems were compounded by the chair's polished seat. The admiral once stated that "they had to maintain their wits about them as they answered questions while sliding off the chair."<sup>16</sup>

#### REALISTIC JOB PREVIEW (RJP)

Method of conveying both positive and negative job information to an applicant in an unbiased manner.

**REALISTIC JOB PREVIEW** A realistic job preview (RJP) conveys both positive and negative job information to the applicant in an unbiased manner. Many applicants have unrealistic expectations about the prospective job they are seeking. They may have been told the exciting part of the job, but the less glamorous areas are not mentioned. RJPs have become increasingly common in certain fields because of the high turnover rates and the constant cost of replacing those individuals who do not work out.<sup>17</sup> For instance, when conducting an interview in the fast-food restaurant industry, an applicant might be taken behind the counter to see what it is like to work in a hot, greasy environment, smell food cooking all day, and scramble around other bodies in close quarters. An inaccurate perception may occur when interviewers paint false, rosy pictures of the job and the company. This practice leads to mismatches of people and positions. What compounds the problem is when candidates exaggerate their own qualifications. The RJP should typically be done early in the selection process, and definitely, before a job offer is made.

An RJP conveys information about tasks the person would perform and the behavior required to fit into the culture of the organization. This approach helps applicants develop a more accurate perception of the job and the firm. Employers who give detailed RJPs get two results: fewer employees accept the job offer, and applicants who do accept the offer are less likely to leave the firm. Given an RJP, some candidates will take themselves out of the selection process, minimizing the number of unqualified candidates. Another reason to use RJPs is the benefit a firm receives from being an up-front, ethical employer.

As the previous discussion indicates, interviews play a crucial role in the employee selection process. Zipcar is a car-sharing business. When interviewing, they recommend not speaking negatively about past employers, being genuine but respectful, showing interest in the organization with which you are interviewing, and being prepared. The interview process helps Zipcar to identify prospective employees who are passionate about the brand, professional, courteous, and presentable. The following Watch It video describes Zipcar's perspectives on employee selection.

#### ★ Watch It 3

If your instructor has assigned this, go to MyManagementLab to watch a video titled Zipcar: Interviewing Candidates and respond to questions.

### Potential Interviewing Problems

Potential interviewing problems that can threaten the success of employment interviews are discussed next.

**INAPPROPRIATE QUESTIONS** Many questions are clearly hiring standards to avoid. When they are asked, the responses generated create a legal liability for the employer. The most basic interviewing rule is this: "Ask only job-related questions." The definition of a test in the *Uniform Guidelines* includes "physical, education, and work experience requirements *informal or casual interviews*." Because the interview is a test, if adverse impact is shown, it is subject to the same validity requirements as any other step in the selection process. For unstructured interviews, this constraint presents special difficulties. Historically, the interview has been more vulnerable to charges of discrimination than any other tool used in the selection process.

The ADA also provides a warning for interviewers. Interviewers should inquire about the need for reasonable accommodations in only a few situations. For example, the topic is appropriate if the applicant is in a wheelchair or has an obvious disability that will require accommodation. Also the applicant may voluntarily disclose a disability or even ask for some

reasonable accommodation. Otherwise, employers should refrain from broaching the subject. Instead, interviewers should frame questions in terms of whether applicants can perform the essential functions of the jobs for which they are applying.

**PERMITTING NON-JOB-RELATED INFORMATION** If a candidate begins volunteering personal information that is not job related, the interviewer should steer the conversation back on course. The interviewer might do well to begin the interview by tactfully stating something like, "This selection decision will be based strictly on qualifications. Let's not discuss topics such as religion, social activities, national origin, gender, or family situations. We are definitely interested in you, personally. However, these factors are not job related and will not be considered in our decision." This enables better decisions to be made while decreasing the likelihood of discrimination charges.<sup>18</sup>

To elicit needed information in any type of interview, the interviewer must create a climate that encourages the applicant to speak freely. However, the conversation should not become too casual. Whereas engaging in friendly chitchat with candidates might be pleasant, in our litigious society, it may be the most dangerous thing an interviewer can do. Asking a woman a question about her children that has nothing to do with the job would not be appropriate.

**INTERVIEWER BIAS** Often a problem that may arise in an interview is interviewer bias where the interviewer makes assumptions about the interviewee that may be incorrect and lets these biases influence the selection decision. Various forms of biases will next be discussed.

*Stereotyping bias* occurs when the interviewer assumes that the applicant has certain traits because they are members of a certain class. The classic case of stereotyping bias is when an interviewer assumes that a woman applicant cannot meet a certain physical requirement such as being able to lift 50 pounds.

A *positive halo bias* occurs when the interviewer generalizes one positive first impression feature of the candidate. Such might be the case with discovering that you have something in common with the applicant. The opposite could occur with *negative horn bias* where the interviewer's first negative impression of the candidate generalizes throughout the interview.

*Contrast errors* may occur when, for example, an interviewer meets with several poorly qualified applicants and then confronts a mediocre candidate. By comparison, the last applicant may appear to be better qualified than he or she actually is. The opposite can also occur. Suppose that a clearly outstanding candidate is followed by a very good candidate. The second candidate may not be considered even if the first candidate turns down the job offer.

*Premature judgment bias* suggests that interviewers often make a judgment about candidates in the first few minutes of the interview.<sup>19</sup> Apparently, these interviewers believe that they have the ability to determine immediately whether a candidate will be successful or not. When this occurs, a great deal of potentially valuable information is not considered. Even if an interviewer spent a week with an applicant, the sample of behavior might be too small to judge the candidate's qualifications properly. In addition, the candidate's behavior during an interview is seldom typical or natural, thereby making a quick judgment difficult.

*Interview illusion bias* is closely related to premature judgment but not the same. Managers may say something to the effect "Give me just five minutes with an applicant and I can tell if they will be successful with our company." Their belief in their interview ability was likely exaggerated. Recruiters are often overconfident about their ability to judge others in general. Interviewers have to be careful about placing excessive weight on interviews and thinking "I just feel good about this applicant" when making the hiring decision.<sup>20</sup>

**INTERVIEWER DOMINATION** In successful interviews, relevant information must flow both ways. Sometimes, interviewers begin the interview by telling candidates what they are looking for, and then are excited to hear candidates parrot back their own words. Other interviewers are delighted to talk through virtually the entire interview, either to take pride in their organization's accomplishments or to express frustrations over their own difficulties. After dominating the meeting for an hour or so, these interviewers feel good about the candidate. Therefore, interviewers must learn to be good listeners as well as suppliers of information.

**LACK OF TRAINING** Anyone who has ever conducted an interview realizes that it is much more than carrying on a conversation with another person. The interviewer is attempting to gain insight into how the applicant answers job-related questions. There should be a reason for asking

each question. For instance, suppose the applicant is told, “Tell me about yourself.” A trained interviewer asks this question to determine whether the applicant’s life experiences qualify the applicant for the job, not the fact that he or she had a little dog named Moe as a child. Interviewers should be trained to have a job-related purpose for asking each question. When the cost of making poor selection decisions is considered, the expense of training employees in interviewing skills can be easily justified.

**NONVERBAL COMMUNICATION** *Body language* is the nonverbal communication method in which physical actions such as motions, gestures, and facial expressions convey thoughts and emotions. The interviewer is attempting to view the nonverbal signals from the applicant. Applicants are also reading the nonverbal signals of the interviewer. Therefore, interviewers should make a conscious effort to view themselves as applicants do to avoid sending inappropriate or unintended nonverbal signals.

### Concluding the Interview

When the interviewer has obtained the necessary information and answered the applicant’s questions, he or she should conclude the interview. Management must then determine whether the candidate is suitable for the open position and organization. If the conclusion is positive, the process continues; if there appears to be no match, the candidate is no longer considered. Also in concluding the interview, the interviewer should tell the applicant that he or she will be notified of the selection decision shortly. Keeping this promise helps maintain a positive relationship with the applicant.

#### OBJECTIVE 6.7

Explain pre-employment screening and background checks.

## Pre-employment Screening and Background Checks

Pre-employment screening has experienced tremendous growth since the terrorist attack of 9/11. It went from a possible step in the selection process to that of a necessary step. Background investigation is more important than ever because of the rise in negligent hiring (to be discussed later in this chapter) lawsuits, recent corporate scandals, and national security concerns. At this stage of the selection process, an applicant has normally completed an application form or submitted a résumé, taken the necessary selection tests, and undergone an employment interview. On the surface the candidate looks qualified. It is now time to determine the accuracy of the information submitted or to determine whether vital information was not submitted.

Background investigations involve obtaining data from various sources, including previous employers, business associates, credit bureaus, government agencies, and academic institutions. Fingerprinting also is becoming a more common part of checks, especially for companies that employ workers in charge of securing a worksite—for example, airports, the financial services industry, hospitals, schools, the gaming industry, and hazardous materials services. Reasons for leaving jobs or gaps in employment may be cleverly disguised to present a work history that does not provide an accurate or complete picture. Letters of recommendation from companies that are no longer in existence and differences between their résumé and completed job application may raise a red flag.

Checking for criminal records is important because many applicants with criminal records tend to lie about it on their applications. A 2010 Society for Human Resource Management (SHRM) survey that found criminal background investigations are conducted to ensure a safe work environment, to reduce legal liability for negligent hiring, and to eliminate or reduce criminal activity in the workplace.<sup>21</sup>

The intensity of background investigations depends on the nature of the open position’s tasks and its relationship to customers or clients. To be legally safe, employers should ask applicants to sign a liability waiver permitting a background investigation. The waiver is typically a statement on the application form that releases former employers, business references, and others from liability. It also authorizes checks of court records and the verification of the applicant’s educational history and other credentials.

### Employment Eligibility Verification (Form I-9)

The employment eligibility verification form I-9 must be filled out by U.S. job applicants, but it allows any number of documents to be used to demonstrate their legal right to work in the United States. Every employee hired since 1986 must have a completed Form I-9 on file. In an audit,

federal immigration agents review the Form I-9 that employers are required to keep on file. The law provides for penalties from \$100 to \$1,000 for each incorrect or missing I-9. Recently, the government required 1,000 companies to turn over employment records for inspection. Organizations including Chipotle Mexican Grill, apple grower Gebbers Farms, and clothing retailer Abercrombie & Fitch have received substantial fines for I-9 violations.<sup>22</sup> Disneyland in California was accused of having more than 1,000 paperwork violations and received a \$395,000 fine.<sup>23</sup>

An additional level of verification involves the use of *E-Verify* to check out new hires, and its use is required for federal contractors and subcontractors with contracts of \$100,000 or more. Recently, the U.S. Supreme Court granted states the right to require employers to use the federal E-Verify system to check on the eligibility of employees to work in the United States. E-Verify is a Web-based system that lets employers check Social Security and visa numbers submitted by workers against government databases. The system is not checking for citizenship, but for eligibility to be lawfully employed in the United States. The E-Verify system is not flawless because a recent report found that 6 percent passed the E-Verify checks because they had used fraudulent or stolen identities.<sup>24</sup>

### Continuous Background Investigation

Background investigations are not just for pre-employment any more. Some employers are screening their employees on an ongoing basis. In certain industries, such as banking and health care, employers are required by regulation to routinely research the criminal records of employees. People and events are ever-changing. For example, financial devastation, marital collapse, or a medical crisis can send a person with the cleanest record over the edge. It has been estimated that every year one or two of every 1,000 existing employees acquire a new criminal record. Because only a small percent of convictions lead to jail time, the employer may never know of a conviction unless there is an ongoing background investigation.

### Background Investigation with Social Networking

An increasing number of employers are using social networking to conduct background investigations. Employers use an applicant's Facebook page, LinkedIn profile, and postings made on an industry blog to find out about individuals they are considering hiring. According to one study, more than 8 out of 10 employers say that a positive online reputation influences their hiring decisions at least to some extent, and nearly half say a strong online reputation influences their decisions to a great extent.<sup>25</sup> Industries most likely to conduct background investigations on applicants are those that specialize in technology or that use sensitive information.

Employers reported that they have found content on social networking sites that caused them not to hire the candidate. Some examples include posting provocative or inappropriate photographs or information, posting content about alcohol or drug use, and posting negative comments about their previous employer, coworkers, or clients. Other information found on these sites supported their decision to hire the candidate. For example, the profile provided a good feel for the candidate's personality and fit within the organization, the profile supported candidate's professional qualifications, and other people posted good references about the candidate.

As the cost of background checking has dropped and technology has improved, background checking has entered new dating relationships. Prior to accepting an invitation for a date with a new person, that individual can be "checked out" to determine if what was said was fact or fiction. Apps are now available to conduct a background check before entering into any relationship. Through these new apps, one can quickly determine if a person is telling the truth about factors such as age, relatives, addresses, criminal history, bankruptcies, judgments, liens, aliases, and current contact information. The cost for these background checks is under \$10.00.

### Remembering Hiring Standards to Avoid

Some of the standards used in the background investigation have the potential to violate a hiring standard to avoid. A word of caution is advised in situations when an applicant *acknowledges* that he or she has been convicted of a crime. A major implication of the *Griggs v. Duke Power Company* Supreme Court case was that when HR management practices eliminate substantial numbers of minority or women applicants (prima facie evidence), the burden of proof is on the employer to show that the practice is job related. If a criminal record automatically eliminates a candidate that means that approximately 65 million people who have been convicted of felonies

and misdemeanors may struggle to find employment.<sup>26</sup> Some states and cities have done away with asking about criminal convictions on applications, and there is a push to do it also on the national level. Therefore, caution should be taken using criminal conviction as a hiring criterion if it cannot be shown to be job related.

The same rationale can be said for conducting credit checks. If a disproportionate number of members of a protected group are rejected through the use of the credit check, the company would need to validate its use. Certainly, if a company does a credit check on all applicants, it is difficult to say that the credit check is job related. Presently 10 states have laws on their books limiting credit check uses, and other states are considering credit check proposals.<sup>27</sup>

Congress created somewhat of an obstacle for employers when it amended the federal Fair Credit Reporting Act (FCRA). Employers' obligations are triggered under the act when they use consumer reports that contain information about an individual's personal and credit characteristics, character, general reputation, and lifestyle. To avoid legal problems, employers need to allow sufficient time between notifying an applicant or employee of a less than favorable consumer report and taking adverse action. If an unfavorable credit check surfaces, the potential employee should be given time to dispute and correct the errors.<sup>28</sup> The FCRA covers only reports that are prepared by a consumer reporting agency such as a credit bureau.

The EEOC has recently conducted hearings claiming there are employers that hire only individuals who are presently employed.<sup>29</sup> Paul C. Evans, a partner with law firm Morgan Lewis & Bockius LLP in Philadelphia, said, "I do think the EEOC will look to see whether or not employers are de facto, even without an explicit policy, precluding or eliminating from consideration" those who have been out of work for long periods of time.<sup>30</sup>

Much of the social media content contains information regarding possible hiring standards to avoid. The typical Facebook page will reveal race, sex, age, ethnic background, and more by just looking at the pictures and profile. Religion, especially if it is a strong part of the member's belief system, is often easy to detect. None of these factors should be considered in the selection process. However, information is usually available that is legal to consider. In fact, according to a survey by Microsoft Corporation, 7 out of 10 U.S. hiring managers reject candidates based on information they have posted online even though 90 percent of these managers are concerned that the information they find can be inaccurate and unreliable.<sup>31</sup>

**Reference checks** are validations from those who know the applicant that provide additional insight into the information furnished by the applicant and allow verification of its accuracy. They are a valuable source of information to supplement the background investigation. Applicants are often required to submit the names of several references who can provide additional information about them. A possible flaw with reference checking is that virtually everyone can name three or four individuals willing to make favorable statements about him or her. Even so, there is anecdotal evidence that personal references do not always provide favorable information. They may not necessarily be committed to shading the truth for the applicant.

A related problem in obtaining information from previous employers is their general reluctance to reveal such data and this trend continues to grow. In a 2010 Society for Human Resource Management poll on background investigations, 98 percent of respondents said their organizations would verify dates of employment for current or former employees, 68 percent said they would not discuss work performance, and 82 percent said they would not discuss character or personality.<sup>32</sup>

There are two schools of thought with regard to supplying information about former employees. One is, "Don't tell them anything." The other is, "Honesty is the best policy." In the more conservative approach, the employer typically provides only basic data such as name, job title, and dates of employment. The honesty approach is based on the reality that facts honestly given or opinions honestly held constitute a solid legal defense. It is helpful to know why the person left that job. If the response differs from that given by the applicant, it is definitely a red flag. Although protective laws regarding reference checking do exist, apparently there is a wait-and-see attitude among some employers. It will likely take litigation and court rulings before employers fully understand, and have confidence in, the statutes.

Traditional reference checking has been heavily labor intense. *Automated reference checking* (ARC) has been a boon in this area. With ARC, references are anonymous and more efficient and a more comprehensive report can be provided. ARC automates one of the last elements of recruiting that used to be heavily manual. Because it is confidential, people are more forthcoming. And

#### reference checks

Validations from individuals who know the applicant that provide additional insight into the information furnished by the applicant and verification of its accuracy.

because it is online, the process goes faster. Reference checking requires an e-mail link to the job candidate. It is the candidate, not the recruiter, who contacts references to fill out the questionnaire. The system collects the surveys and prepares a report for the recruiter. Referencing is much faster, going from an average of 4 days to an average of 1.2 days. ARC can help reduce the legal risks for the company seeking the reference because the request comes from the candidate, not the organization. The company does not run the risk of a recruiter asking an inappropriate question, because the applicant has preapproved the questions.

#### **negligent hiring**

Liability a company incurs when it fails to conduct a reasonable investigation of an applicant's background, and then assigns a potentially dangerous person to a position in which he or she can inflict harm.

**Negligent hiring** is the liability an employer incurs when it fails to conduct a reasonable investigation of an applicant's background, and then assigns a potentially dangerous person to a position in which he or she can inflict harm. The typical negligent hiring case involves a deliberate inflicting of harm committed by an employee including fraud, assault, or battery. Reasonable investigation varies according to the nature of the job. The risk of harm to third parties, for example, requires a higher standard of care when hiring a taxi driver as opposed to a machinist. The taxi cab driver is alone and has control of his or her customer during the time the customer is in the car. This would not be the case for the machinist. Employers who operate home-service businesses, day-care centers, and home health-care operations are particularly at risk, as are those with employees who drive company vehicles, visit customer locations, handle money, or work with children, the elderly, or the impaired.<sup>33</sup> The primary consideration in negligent hiring is whether the risk of harm from a dangerous employee was reasonably foreseeable. Accusers will argue that employers knew, or should have known, about a hire's potential threat to others.<sup>34</sup> In one negligent hiring case, a hospital nursing assistant was hired without a background investigation and the medical center did not ask former employers why the worker had left. If it had, the medical center would have discovered that the worker had previously sexually harassed, assaulted, and inappropriately touched female patients. Once hired, the worker was left alone in rooms with vulnerable female patients and sexually abused them.<sup>35</sup>

#### **OBJECTIVE 6.8**

Describe the selection decision.

### **Selection Decision**

At this point, the focus is on the manager who must take the most critical step of all: the actual hiring decision. If a firm is going to invest thousands of dollars to recruit, select, and train an employee, it is important for the manager to hire the most qualified available candidate, according to the firm's criteria. The final choice is made from among those still in the running after selection tests, interviews, background investigations, and reference checks have been evaluated. Usually, the person selected has qualifications that most closely conform to the requirements of the open position and the organization.

The person who normally makes the final selection is the manager who will be responsible for the new employee's performance. In making this decision, the manager will review results of the selection methods used. All will not likely be weighted the same. The question then becomes, "Which data are most predictive of job success?" For each firm or group of jobs, the optimal selection method may be different.

#### **Medical Examination**

The ADA does not prohibit pre-employment medical examinations. However, it does determine the point at which they may be administered during the selection process. The ADA explicitly states that all exams must be directly relevant to the job requirements and that a firm cannot order a medical exam until the applicant is offered employment. Typically, a job offer is contingent on the applicant's passing this examination. The basic purpose of the medical examination is to determine whether an applicant is physically capable of performing the work. The *Uniform Guidelines* state that these examinations can be used to reject applicants only when the results show that job performance would be adversely affected.

At this stage, some companies may also require drug testing to determine whether applicants are using chemical substances or alcohol. There are a variety of reasons for choosing to test applicants for drug use. Primarily, the use of illegal drugs, which impairs judgment and psychomotor coordination, may create workplace hazards. Pre-empting drug-related accidents through systematic drug testing may reduce the cost to provide employees with disability insurance. In addition, health-care claims may be higher for drug users than for those who do not use illegal

substances. Ultimately, employers bear the cost of higher health insurance premiums. Finally, wherever called for by industry standards or government regulation, drug testing help companies to maintain compliance.

### Notification of Candidates

Management should notify both successful and unsuccessful candidates of selection decisions as soon as possible. This action is a matter of courtesy and good public relations. Any delay may also result in the firm losing a prime candidate because top prospects often have other employment options.

Employers may reject applicants at any time during the selection process. Most people can accept losing if they lose fairly. Problems occur when the selection process appears to be less than objective. It is therefore important for firms to develop and use rational selection tools. Time constraints prevent firms from spending much time explaining a decision to an unsuccessful candidate. If the person rejected was an internal candidate, managers may visit or make a personal phone call to the rejected applicant. A rejection letter is a more likely method if the candidate was not an internal candidate. However, a letter with a personal touch may reduce the stigma of rejection and avoid the applicant's having a negative feeling about the company. An impersonal letter is likely to have the opposite effect. The best an organization can do is to make selection decisions objectively. Hopefully, most unsuccessful individuals can, with time, accept the fact that they were not chosen.

#### OBJECTIVE 6.9

Describe the metrics for evaluating recruitment/selection effectiveness.

## Metrics for Evaluating the Effectiveness of Recruitment/Selection

There is, however, no one-size-fits-all metric that employers can adopt to achieve greater hiring efficiency. The metrics that best suit each company depends on a variety of factors, including its business goals. The recent recession heightened the need to have metrics regarding the productivity of employees. When employee cost-cutting decisions must be made, it is important that the most productive employees are retained. One survey revealed that companies with best-in-class talent acquisition programs were most successful at measuring the following four performance criteria: time to hire, quality of hire, new-hire retention, and hiring managers' overall satisfaction with the program.<sup>36</sup> Possible metrics for evaluating the effectiveness of recruitment/selection are described next. Metrics for evaluating other functions are discussed at the appropriate time.

### Quality of Hire

Many recruiters believe that quality of hire is the most important metric to use in the selection process. Some possible measures to determine the quality of hire might be communication effectiveness, ability to motivate others, leadership ability, and cultural fit.<sup>37</sup> Even though the question of how to measure quality of hire and set standards for new-hire performance is difficult to determine, it is an important decision that HR professionals are constantly striving to determine. Realistically, the answer depends on the system and the company involved. For quality of hire to be usable, one needs to have performance assessment for two or three years before the real capabilities of a new hire will be understood.

### Time Required to Hire

The shorter the time to hire, the more efficient the HR department is in finding the replacement for the job. The top candidates for nearly any job are hired and off the job market within anywhere from 1 to 10 days. It then becomes crucial that the time required to hire be as low as possible while still ensuring quality of hire. Otherwise your best prospect will have already signed on to work for a competitor.

### New-Hire Retention

It is important to measure new-hire retention because costs go up dramatically if a position has to be filled again in a short period. New-hire retention is calculated by determining the percentage of the new hires that remain with the company at selected intervals, typically one or two years. If this situation is happening excessively, HR should analyze the selection process to determine if there are flaws in the system that cause new hires to terminate prematurely. Perhaps, as was mentioned previously, an RJP needs to be instituted.



HR Web Wisdom

HR Advice for Small  
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<http://hradviceforsmallbusinesses.blogspot.com/>

Offers advice for the small  
business owner to hire, manage,  
and retain employees.

### Hiring Manager Overall Satisfaction

The manager is largely responsible for the success of his or her department. It is the quality of the employees in the workgroup that have a major impact on success of the department. A manager's belief that employees being hired through the recruitment and selection system do not perform as well as expected casts doubt on the entire selection process. Some measure manager satisfaction based on the survey of hiring managers, compared to previous period. Other firms provide a rating scale for the manager to evaluate how a new hire is performing after the employee's first 90 or 120 days.

### Turnover Rate

*Turnover rate* is the number of times on average that employees have to be replaced during a year. For example, if a company has 200 employees and 200 workers had been hired during the year, a 100 percent turnover rate would be experienced. As one might expect, a 100 percent rate is quite costly to the organization, and ways need to be found to reduce the rate. Employees who are hired and then quit within 120 days are called "False Starts" and are considered to be especially expensive because the company spends money on their hire but then quickly must spend even more to replace them. Across all industries, the average turnover rate is 15 percent, whereas companies in the service industries typically have the highest turnover rates at 35 percent.<sup>38</sup>

As the previous discussion indicates, there are a variety of measures to judge whether recruitment and selection decisions are effective. Among them is turnover. Patagonia, maker of outdoor gear, strives to select employees whose values are consistent with the philosophies and values of the company. They boast a high employee retention rate, which they attribute, in part, to their approach to employee selection. The following Watch It video describes Patagonia's approach to employee selection.

#### ★ Watch It 4

If your instructor has assigned this, go to MyManagementLab to watch a video titled Patagonia: Employee Testing and Selection and respond to questions.

### Cost Per Hire

In determining the recruiting cost per hire, the total recruiting expense must first be calculated. Then, the cost per hire may be determined by dividing the recruiting expenses (calculation of advertising, agency fees, employee referrals, relocation, recruiter pay, and benefits costs) by the number of recruits hired. Naturally, the difficulty associated with this measure is in determining the exact costs to include as recruiting expenses. It may be beneficial for a firm to use a benchmark cost per hire to compare to the specific cost for the company.

### Selection Rate

The number of applicants hired from a group of candidates expressed as a percentage is the *selection rate*. For example, if 100 qualified candidates are available and 25 are chosen, the selection rate would be 25 percent. Certainly, the selection rate is affected by the condition of the economy. Also the validity of the selection process (previously discussed) will impact the selection rate.

### Acceptance Rate

Once an offer has been extended, the firm has said that this applicant meets the requirements for the position. The *acceptance rate* is the number of applicants who accepted the job divided by the number who were offered the job. If this rate is unusually low, it would be wise to determine the reason that jobs are being turned down. A low acceptance rate increases recruiting cost.

### Yield Rate

It has been suggested that the selection process can be viewed somewhat as a funnel, with the number of applicants available at each stage of the selection process getting smaller. A *yield rate* is the percentage of applicants from a particular source and method that make it to the next

stage of the selection process. For example, if 100 applicants submitted their résumés through the firm's corporate career Web site and 25 were asked in for an interview, the yield rate for the corporate career Web site would be 25 percent. Each recruitment method would be analyzed in a similar manner. Continuing this example, assume that 10 of the 25 applicants who were interviewed received job offers, and 5 of those accepted the offers. The yield rate would be 50 percent.

#### OBJECTIVE 6.10

Identify environmental factors that affect the selection process.

## Environmental Factors Affecting the Selection Process

A standardized selection process followed consistently would greatly simplify the selection process. However, circumstances may require making exceptions. The following sections describe environmental factors that affect the selection process.

### Other HR Functions

The selection process affects, and is affected by, virtually every other HR function. For example, if the compensation package is inferior to those provided by competitors, hiring the best-qualified applicants will be difficult or impossible to achieve. The same situation applies if the firm's safety and health record is substandard or if the firm has a reputation for providing minimal training. Certainly, if marginal workers are hired, additional training will be needed to get them qualified.

### Legal Considerations

Legal matters play a significant role in HR management because of EEOC legislation, executive orders, and court decisions. Although the basic purpose of selection is to determine candidates' eligibility for employment, it is also essential for organizations to maintain non-discriminatory practices. The guiding principles in determining what information to get from an applicant are: Why am I asking this question and why do I want to know this information? If the information is job related, usually asking for the information is appropriate. The following are examples of recent EEOC litigation and settlements illustrating basic EEO principles that focus on testing:<sup>39</sup>

- **Title VII and Cognitive Tests:** Less Discriminatory Alternative for Cognitive Test with Disparate Impact. *EEOC v. Ford Motor Co. and United Automobile Workers of America*, involved a court-approved settlement agreement on behalf of a nationwide class of African Americans who were rejected for an apprenticeship program after taking a cognitive test known as the Apprenticeship Training Selection System (ATSS). The ATSS was a written cognitive test that measured verbal, numerical, and spatial reasoning to evaluate mechanical aptitude. Although it had been validated in 1991, the ATSS continued to have a statistically significant disparate impact by excluding African American applicants. Less discriminatory selection procedures were subsequently developed that would have served Ford's needs, but Ford did not modify its procedures. In the settlement agreement, Ford agreed to replace the ATSS with a selection procedure, to be designed by a jointly-selected industrial psychologist, that would predict job success and reduce adverse impact. Additionally, Ford paid \$8.55 million in monetary relief.
- **Title VII and Physical Strength Tests:** Strength test must be job-related and consistent with business necessity if it disproportionately excludes women. In *EEOC v. Dial Corp.*, women were disproportionately rejected for entry-level production jobs because of a strength test. The test had a significant adverse impact on women; prior to the use of the test, 46 percent of hires were women, and after use of the test, only 15 percent of hires were women. Dial defended the test by noting that it looked like the job and use of the test had resulted in fewer injuries to hired workers. The EEOC established through expert testimony, however, that the test was considerably more difficult than the job and that the reduction in injuries occurred two years before the test was implemented, most likely because of improved training and better job rotation procedures. On appeal, the Eighth Circuit upheld the trial court's finding that Dial's

use of the test violated Title VII under the disparate impact theory of discrimination. See <http://www.eeoc.gov/press/11-20-06.html>.

- **ADA and Test Accommodation:** Employer must provide reasonable accommodation on pre-employment test for hourly, unskilled manufacturing jobs. The EEOC settled *EEOC v. Daimler Chrysler Corp.*, a case brought on behalf of applicants with learning disabilities who needed reading accommodations during a pre-employment test given for hourly unskilled manufacturing jobs. The resulting settlement agreement provided monetary relief for 12 identified individuals and the opportunity to take the hiring test with the assistance of a reader. The settlement agreement also required that the employer provide a reasonable accommodation on this particular test to each applicant who requested a reader and provided documentation establishing an ADA disability. The accommodation consisted of either a reader for all instructions and all written parts of the test, or an audiotape providing the same information.

### Speed of Decision Making

The time available to make the selection decision can also have a major effect on the selection process. Conditions also can impact the needed speed of decision making. Suppose, for instance, that the only two quality-control inspectors on a production line just had a fight and both resigned, and the firm cannot operate until the positions are filled. In this situation, speed is crucial, and a few phone calls, two brief interviews, and a prayer may constitute the entire selection procedure. On the other hand, conducting a national search to select a CEO may take months or even a year. In bureaucracies, it is not uncommon for the selection process to take a considerable amount of time.

### Organizational Hierarchy

Organizations usually take different approaches to filling positions at varying levels. For instance, consider the differences in hiring a CEO versus filling a clerical position. Extensive background investigations and multiple interviews would most likely apply for the executive position. On the other hand, an applicant for a clerical position would probably take a word-processing test and perhaps have a short employment interview.

### Applicant Pool

The number of qualified applicants recruited for a particular job makes up the **applicant pool**. The process can be truly selective only if there are several qualified applicants. Yet, only one or two applicants with the required skills may be available, and companies report a shortage of skilled individuals available for employment, particularly in the science, technology, engineering, and mathematics fields.<sup>40</sup> The expansion and contraction of the labor market also affects the size of the applicant pool. According to the U.S. Bureau of Labor Statistics, the total number of job openings in early 2014 was 4 million,<sup>41</sup> with more than 10.2 million unemployed workers.<sup>42</sup>

The number of people hired for a particular job compared to the number of qualified individuals in the applicant pool is often expressed as a **selection ratio**, or

**applicant pool**  
Number of qualified applicants recruited for a particular job.

**selection ratio**  
Number of people hired for a particular job compared to the number of qualified individuals in the applicant pool.

$$\text{Selection Ratio} = \frac{\text{Number of people hired}}{\text{Number of qualified applicants (applicant pool)}}$$

A selection ratio of 1.00 indicates that the number of people hired equals the number of qualified applicants. The lower the ratio falls below 1.00, the more alternatives the manager has in making a selection decision. For example, a selection ratio of 0.10 indicates that one in ten applicants were qualified for an open position.

Note in the preceding selection ratio formula that “qualified” applicants are sought and not just a warm body to fill a vacant position. One might think that during a recession it would be easy to find “qualified” applicants for vacant positions. True, in a recession there are often many candidates, but after screening for qualified applicants, the realistic selection pool may be greatly reduced. Often companies are finding it difficult to attract critical-skills employees. The jobs that are going unfilled often require a combination of new skills or entirely new skill sets compared with those that were required before the recession.

## Type of Organization

The type of organization employing individuals, such as private, governmental, or not for profit, can also affect the selection process. Most private-sector businesses are heavily profit oriented. Prospective employees who can help achieve profit goals are the preferred candidates. Consideration of the total individual, including job-related personality factors, is involved in the selection of employees for this sector.

Government civil service systems typically identify qualified applicants through competitive examinations. Often a manager may select only from among the top three applicants for a position. A manager in this sector may not have the prerogative of interviewing other applicants.

Individuals considered for positions in not-for-profit organizations (such as the Boy Scouts and Girl Scouts, YMCA, or YWCA) confront still a different situation. The salary level in these organizations may not be competitive with those of private and governmental organizations.<sup>43</sup> Therefore, a person who fills one of these positions must be not only qualified but also dedicated to this type of work.

## Probationary Period

Many firms use a probationary or introductory period that permits them to evaluate an employee's ability based on established performance. The purpose of a probationary period is to establish the suitability of a new employee for the position and to resolve any issues there might be in the new employee's performance over the first three months or so. This practice may be either a substitute for certain phases of the selection process or a check on the validity of the process. The rationale is that if an individual can successfully perform the job during the probationary period, the process does not require other selection tools. From a legal viewpoint, the use of a probationary period in the selection process is certainly job related.

Even in unionized firms, the labor-management agreement typically does not protect a new employee until after a certain probationary period. This period is typically from 60 to 90 days. During that time, an employee can be terminated with little or no justification. On the other hand, firing a marginal employee in a union environment may prove to be quite difficult after the probationary period.

## Organizational Fit

**Organizational fit** refers to management's perception of the degree to which the prospective employee will fit in with the firm's culture or value system. There are numerous reasons that a new hire does not work out but none is as important as cultural fit. Knowledge and skill are important but the most lasting component of the employment relationship is cultural match.<sup>44</sup> The commonly heard statement, "the chemistry was just not right" may describe a poor fit. This was supported by Steven Rice, executive vice president of HR Juniper Networks Inc., who said, "If the customer sees you as team-oriented and such and the customer service guy is different, you have a problem. You have to hire against the brand."<sup>45</sup> A poor fit harms organizational effectiveness, hurts morale, and drains creativity. Nina Brody, head of talent for Take Care Health Systems in Conshohocken, Pennsylvania, said, "If we have 10 qualified clinical people in front of us, we want to know who will fit best with our culture, because that's where we tend to experience trouble, not necessarily with someone's ability to do the job technically."<sup>46</sup>

Using *fit* as a criterion may raise legal and diversity questions, and perhaps this explains the low profile of its use.<sup>47</sup> Nevertheless, there is considerable evidence that managers use it in making selection decisions and that it is not a minor consideration. Complicating the situation further is the fact that the same employee may be a poor fit with one firm and a perfect fit with another. Applicants also should consider organizational fit when assessing whether to accept a job offer.

## Selection Technology

The application of technology to employee selection practices has increased dramatically in recent years.<sup>48</sup> Two tools that are invaluable to the selection process in the technology boom that is sweeping HR today are applicant-tracking systems (ATSs) and candidate relationship management (CRM). "ATS and CRM are really your backbone," says Jim McCoy, vice-president of solutions for ManpowerGroup Solutions, the RPO software division of Milwaukee-based ManpowerGroup.<sup>49</sup>

### organizational fit

Management's perception of the degree to which the prospective employee will fit in with the firm's culture or value system.

An *ATS*, also called a talent management system, is a software application designed to help an enterprise select employees more efficiently. Current *ATSs* permit human resource and line managers to oversee the entire selection process. They often involve screening résumés and spotting qualified candidates, conducting personality and skills tests, and handling background investigations. They allow companies to compile job applications electronically, to more quickly gather candidates, set up interviews, and get new hires on board. An *ATS* can be used to post job openings on a corporate Web site or job board and generate interview requests to potential candidates by e-mail. Other features may include individual applicant tracking, requisition tracking, automated résumé ranking, customized input forms, prescreening questions and response tracking, and multilingual capabilities. *ATSs* are used extensively to help ease the labor-intensive process of sorting résumés from online job boards. In most cases, the goal is not merely to reduce costs but also to speed up the hiring process and find people who fit an organization's success profile. *ATSs* continue to be enhanced to make recruiters more efficient and extend sourcing into the global market. Developers of *ATSs* are now focusing efforts on developing quality-of-hire metrics.

Helene Richter, director of talent operations for Liz Claiborne, New York City, said, "People choose an applicant-tracking tool to streamline process. But you have EEO and compliance issues that you need to streamline as well." The applicant-tracking function does both.<sup>50</sup> Hiring information is tracked to comply with Office of Federal Contract Compliance Programs.

The purpose of *candidate relationship management (CRM)* is to help manage potential and actual applicants in an organized manner. It is useful in managing the relationship between the company and prospective applicants.<sup>51</sup> CRM can be used to send job postings and job descriptions to job boards and other sites. It has the capability to search the Internet, including social media sites, for résumés, and then adds and catalogues them and other information to the database. CRM systems have the ability to link with other *ATSs* and any Web site. CRM systems permit candidates to get to know more about the company and allow the company to get to know more about the candidate.

CRM systems are used to communicate with those who have applied or appear qualified for jobs with the firm. Once the CRM system identifies an individual who might be appropriate for an open position, the system can e-mail that person asking them to respond. Gerry Crispin, a principal at the consulting firm CareerXroads in Kendall Park, New Jersey, said, "Candidate relationship management systems can provide information that helps a candidate recognize himself as an employee of the company, creating an 'I'd fit there' attitude."<sup>52</sup>

The Internet has created a situation in which a large number of résumés can be received. Often, candidates send an application and never get a reply. Whether as a result of arrogance, ignorance, or incompetence, companies sometime fail to inform applicants after they have been rejected. To overcome this situation, organizations use CRM software to help job seekers have good experiences with the companies' Web sites and to bolster efforts to build talent pools. Companies truly dedicated to CRM do not stop after sending an auto reply; they also let them know when the position has been filled.

#### OBJECTIVE 6.11

Discuss selection in a global environment.

### Selection in a Global Environment

*Organizational fit* was discussed in this chapter as management's perception of the degree to which the prospective employee will fit in with the firm's culture or value system. When determining which leadership style will be more appropriate for a company, a country's culture plays a major role in determining whether an executive will be successful or not. Regardless of how far-flung their markets and operations, multinational leaders typically retain and reflect the cultural mores of their home countries. Because the vast majority of firms are deeply rooted in the culture of their home countries, leaders who adhere to the cultural norms have a better chance of success.<sup>53</sup> D. Quinn Mills, professor emeritus of business administration at Harvard Business School, said, "They are very much shaped by national culture. That's why it's very hard to lead an organization that's of a different national culture."<sup>54</sup> A perfect example of where style and culture clashed was with the ill-fated, co-presidency between Germany's Daimler and Detroit's Chrysler when one president was unwilling to share the authority

resulting in the resignation of the other president. Even though there does not appear to be a global market for CEOs, there are a few exceptions. Carlos Ghosn provides one exception. He was born in Brazil to Lebanese parents, educated in France, and speaks four languages fluently. He is chief executive officer of both French automaker Renault and its alliance partner Nissan, the Japanese car company.

Think of global business styles as a continuum with U.S. executives at one end and their Asian counterparts at the other. The United States and Japan provide an excellent example for studying cross-cultural leadership interaction because of the cultural differences between the countries. U.S. CEOs differ in styles, but most have a common denominator; they have more leeway to make large, strategic decisions themselves.<sup>55</sup> Japanese leaders tend to make decisions by consensus. Some wonder if it is possible for the various styles of executives to ever come together. It is too early to tell. However, there appears to be a shift away from emulating U.S. leaders, especially since the recent financial crisis.

Philip R. Harris and Robert T. Moran, in their book, *Managing Cultural Differences*, summarize feedback from Arab businesspeople regarding how they perceive many Westerners. To them, Westerners act superior, as if they know the answer to everything; are not willing to share credit for joint efforts; are unable or unwilling to respect and adjust to local customs and culture; prefer solutions based on their home cultures rather than meeting local needs; resist working through local administrative and legal channels and procedures; manage in an autocratic and intimidating way; and are too imposing and pushy.<sup>56</sup> In such an environment, a U.S. leader chosen for duty in an Arab country could possibly have difficulties being successful.

## Summary

1. **Explain the significance of employee selection.** Selection is the process of choosing from a group of applicants the individual best suited for a particular position. There are many ways to improve productivity, but none is more powerful than making the right hiring decision.
2. **Describe the selection process.** The selection process typically begins with preliminary screening. Next, applicants complete the firm's application form, and this is followed by the administration of selection tests and a series of employment interviews with reference and background investigations. Once the selection decision has been made, the prospective employee may be given a company medical examination.
3. **Explain the importance of preliminary screening.** Preliminary screening is important because it identifies those who obviously do not meet the position's requirements. Preliminary screening may take the form of reviewing for obviously unqualified applicants with a brief interview, test, or only a review of the application or résumé for clear mismatches.
4. **Describe reviewing applications and résumés.** Having the applicant complete an application for employment is another early step in the selection process. The employer evaluates this application to see whether there is an apparent match between the individual and the position. When writing their résumés, applicants should realize that most companies now use automated résumé systems. These systems assume a certain résumé style. Résumés that deviate from the assumed style are ignored or deleted.
5. **Describe the use of tests in the selection process.** Recognizing the shortcomings of other selection tools, many firms have added pre-employment tests to their hiring process. Selection tests may accurately predict an applicant's ability to perform the job, the "can do," but they are less successful in indicating the extent to which the individual will be motivated to perform it, the "will do." Employers should also be aware that tests might be unintentionally discriminatory. Test anxiety can also be a problem.
6. **Explain the use of the employment interview.** The interview permits clarification of certain points, the uncovering of additional information, and the elaboration of data needed to make a sound selection decision. The interviewer should provide information about the company, the job, and expectations of the candidate.

## INCIDENT 1 A Matter of Priorities

As production manager for Thompson Manufacturing, Sheila Stephens has the final authority to approve the hiring of any new supervisors who work for her. The human resource manager performs the initial screening of all prospective supervisors and then sends the most likely candidates to Sheila for interviews.

One day recently, Sheila received a call from Pete Peterson, the human resource manager: "Sheila, I've just spoken to a young man who may be just who you're looking for to fill the final line supervisor position. He has some good work experience and appears to have his head screwed on straight. He's here right now and available if you could possibly see him."

Sheila hesitated a moment before answering. "Gee, Pete" she said, "I'm certainly busy today, but I'll try to squeeze him in. Send him on down."

A moment later Allen Guthrie, the applicant, arrived at Sheila's office and she introduced herself. "Come on in, Allen," said Sheila. "I'll be right with you after I make a few phone calls." Fifteen minutes later Sheila finished the calls and began talking with Allen. Sheila was quite

impressed. After a few minutes Sheila's door opened and a supervisor yelled, "We have a small problem on line one and need your help." Sheila stood up and said, "Excuse me a minute, Allen." Ten minutes later Sheila returned, and the conversation continued for 10 more minutes before a series of phone calls again interrupted the pair.

The same pattern of interruptions continued for the next hour. Finally, Allen looked at his watch and said, "I'm sorry, Mrs. Stephens, but I have to pick up my wife."

"Sure thing, Allen," Sheila said as the phone rang again. "Call me later today."

### Questions

- 6-26. What should Sheila have done to avoid interviews like this one?
- 6-27. Explain why Sheila, not Pete, should make the selection decision.
- 6-28. What steps in the selection process were missed, if any? What problems might occur as a result of these omissions?

## INCIDENT 2 But I Didn't Mean To!

David Corbello, the office manager of the *Daily Gazette*, a midwestern newspaper, was flabbergasted as he spoke with the HR manager, Amanda Dervis. He had just discovered that he was the target of a lawsuit filed by an applicant who had not been selected. "All I did was make friendly inquiries about her children. She seemed quite receptive about talking about them. She was proud of her family. She even told me about every aspect of the difficult divorce she had just gone through. She seemed to want to talk so I let her. I thought I was merely breaking the ice and setting the tone for an effective dialogue.

I thought nothing of it when she told me that she needed a day-care facility when she went to work. A year later she claims to have been the victim of discrimination because she believes that a man would not have been asked questions about his children. There's nothing to this lawsuit, is there, Amanda?"

### Questions

- 6-29. How should Amanda respond to David's question?
- 6-30. What hiring standards to avoid did David violate?

## MyManagementLab®

Go to [mymanagementlab.com](http://mymanagementlab.com) for Auto-graded writing questions as well as the following Assisted-graded writing questions:

- 6-31. What is the significance of employee selection?
- 6-32. Why is background investigation important to the selection process?

## Endnotes

Scan for Endnotes or go to <http://www.pearsonhighered.com/mondy>

