CHAPTER 5 Recruiting and Selecting Employees

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CHALLENGES

After reading this chapter, you should be able to deal more effectively with the following challenges:

1. **Understand** human resource supply and demand.
2. **Have** familiarity with the hiring process.
3. **Recognize** challenges in the hiring process.
4. **Learn** practices for meeting the challenge of effective staffing.
5. **Know** the tools of selection.
6. **Develop** awareness of legal issues in staffing.

The Espresso Hut had quickly found success as a coffee shop. The shop catered to coffee lovers and offered fresh-press coffee. The Hut had been able to attract baristas who not only had great knowledge of their coffee products but also provided customers outstanding service. Many customers became regulars, and the Espresso Hut was positioned to expand the business. An assistant store manager was a new position for the Hut, but the additional help was clearly needed.

The store manager, Emily, posted an online ad for an assistant manager. She also put an ad in the classified section of the local newspaper. Emily was contacted by a number of interested candidates. One candidate, Anthony, had never been a barista but had worked in the industry as a repair person for espresso and other equipment commonly found in coffee shops. Anthony clearly had understanding of the industry, and his repair skills could be a useful benefit to have in the store. Anthony had also taken some business courses at a community college. He didn't complete a degree, but the business courses were a plus. Although Anthony didn't have the experience of being a barista, Emily was confident that Anthony could quickly learn the ropes and be an effective store manager. His knowledge of the industry and his exposure to business concepts could be the assets that would lift the performance of the Espresso Hut to a new level.

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Emily's hopes for Anthony as an assistant store manager proved to be overly optimistic. A number of baristas were making complaints to Emily about Anthony's lack of understanding of how the coffee shop worked. Anthony had expressed frustration with how the baristas prepared drinks and processed customers, but the baristas felt that his questioning was annoying and misplaced, particularly because he had never done their jobs. Anthony had also missed ordering needed supplies, and many customers had to be told that they couldn't have their favorite drink for a couple of days. Perhaps the worst for Emily was having a long-term customer share with her that she didn't feel that Anthony treated her well as a customer and just didn't seem to have a customer orientation.

The workers, and apparently even the customers, were wondering why Anthony had been brought in to help manage the shop. Anthony was also unhappy with the situation and was questioning why he had taken on the challenge of managing a group of baristas who would rather manage themselves. For her part, Emily was confronting the reality that her new hire wasn't working out and was wondering how she hadn't seen the misfit before she made the job offer.

The Managerial Perspective

Although HR managers may be responsible for designing employee recruitment and selection systems in many firms, all managers need to understand and use these systems. After all, attracting and hiring the right kind and level of talent are critical elements of business effectiveness. Stocking a company with top talent has been described as the single most important job of management.[1] The ability to attract and hire effective employees is also a key element of a successful management career. As the Espresso Hut example demonstrates, managers may be in charge of recruiting or have a key role in the process. If they do not attract and hire the right people, managers can hurt the organization.

The focus of this chapter is on understanding and conducting effective recruitment and selection. As you think back to the situation at Espresso Hut, consider these important questions:

- Who should make the hiring decision?
- What characteristics should a firm look at when deciding whom to hire, and how should those characteristics be measured?
- Should managers consider how a potential employee "fits" with the firm's culture in addition to that employee's skill level?

In this chapter, we explore how managers plan recruitment efforts effectively by assessing the supply of and demand for human resources. Then we examine the hiring process in detail, the challenges managers face in hiring and promoting, and recommendations for dealing with those challenges. Finally, we evaluate specific methods for making hiring decisions and the legal issues that affect hiring decisions.

✪ Learn It!

If your professor has chosen to assign this go to **www.mymanagementlab.com** to see what you should particularly focus on, and take the chapter 5 warmup.

Human Resource Supply and Demand

labor supply
The availability of workers with the required skills to meet the firm's labor demand.

labor demand
How many workers the organization will need in the future.

human resource planning (HRP)
The process an organization uses to ensure that it has the right amount and the right kind of people to deliver a particular level of output or services in the future.

Labor supply is the availability of workers who possess the required skills that an employer might need. **Labor demand** is the number of workers an organization needs. Estimating future labor supply and demand and taking steps to balance the two require planning.

Human resource planning (HRP) is the process an organization uses to ensure that it has the right amount and the right kinds of people to deliver a particular level of output or services in the future. Firms that do not conduct HRP may not be able to meet their future labor needs (a labor shortage) or may have to resort to layoffs (in the case of a labor surplus).

Failure to plan can lead to significant financial costs. For instance, firms that lay off large numbers of employees are required to pay higher taxes to the unemployment insurance system, whereas firms that ask their employees to work overtime are required to pay them a wage premium. In addition, firms sometimes need to do HRP to satisfy legally mandated affirmative action programs (see Chapter 4). In large organizations, HRP is usually done centrally by specially trained HR staff.

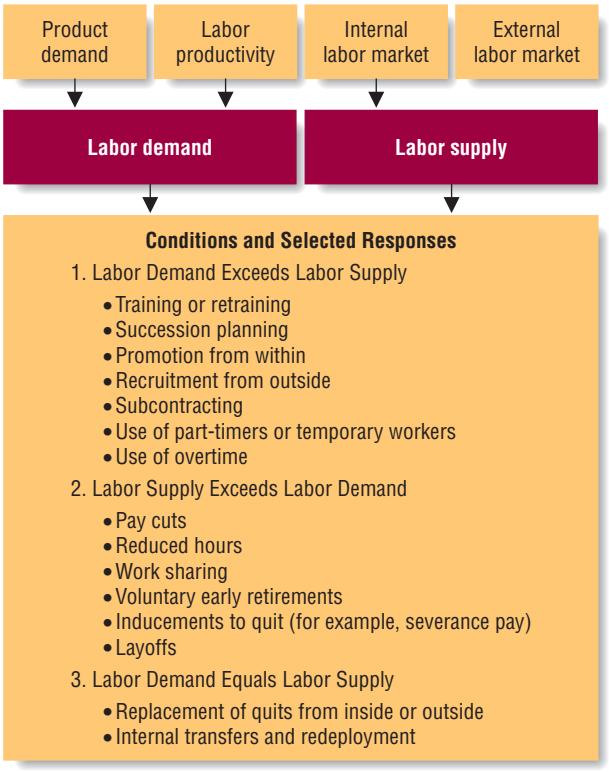

FIGURE 5.1
Human Resources Planning

Figure 5.1 summarizes the HRP process. The first HRP activity entails forecasting labor demand. Labor demand is likely to increase as demand for the firm's product or services increases and is likely to decrease as labor productivity increases (because more output can be produced with fewer workers, usually because of the introduction of new technology).

The second part of the HRP process entails estimating labor supply. The labor supply may come from existing employees (the *internal* labor market) or from outside the organization (the *external* labor market).

After estimating labor demand and supply for a future period, a firm faces one of three conditions, each of which requires a different set of responses. In the first scenario, the firm will need more workers than will be available. A variety of approaches can then be used to increase the labor supply available to a specific firm. These include training or retraining existing workers, grooming current employees to take over vacant positions (*succession planning*), promoting from within, recruiting new employees from outside the firm, subcontracting part of the work to other firms, hiring part-timers or temporary workers, and paying overtime to existing employees.

Whether there is an adequate supply of labor can be a difficult question, as described in the Manager's Notebook, "Global Labor Supply: Surpluses or Shortages? Depends on How You Look at It."

MANAGER'S NOTEBOOK

Global Labor Supply: Surpluses or Shortages? Depends on How You Look at It

Is the supply of labor sufficient? From a macro perspective, the answer must be yes. At the time of this writing, the unemployment rate in the United States is close to 7.50 percent. If you look at the supply of labor as simply the number of bodies willing to work, the unemployment rate indicates that there is a surplus of labor: There are simply more people willing to work than there are jobs. But does viewing labor as simply the number of potential workers adequately depict the

status of the supply of labor? The picture is more complex when the supply of labor is looked at more closely.

In most organizations, adequately performing jobs requires various types of skills and experience. In other words, not everyone can perform all jobs, and different types of talent are required to perform different jobs. Thus, recognizing that different skills are needed for different jobs leads to the conclusion that there may be labor shortages, even though there appears to be a labor surplus in terms of the number of potential workers.

The reality is that there are imbalances in the supply of labor, with surpluses and shortages occurring across industries and regions. For example, workers in the skilled trades (such as electricians, carpenters, masons, plumbers, and welders) are in short supply in France, Italy, Brazil, Germany, Canada, and the United States.

At a global level, the shortage of college-educated workers is anticipated to be 40 million by 2020. However, over twice that number may lack the skills needed for employment. China, for example, has been making substantial investments in education, but still anticipates a shortage of college-educated workers. India, on the other hand, may have a surplus of labor but a shortage of workers in skilled trades such as plumbing and welding. What accounts for such imbalances in the supply of labor? Several factors are at work here, but some shortages in the skilled trades are due to these jobs being less attractive options to workers. The blue-collar jobs of the skilled trades are not viewed as positively as careers as they used to be. If the jobs aren't perceived as attractive, it is harder to find qualified candidates who are willing to fill the positions. Variations in the supply of labor across countries can reflect national policies and shifts in labor markets, for instance, from farming to industrial to high technology. Labor markets are dynamic and variations in the supply of labor can occur due to changes in policies and economic conditions as well as people deciding to move or to invest in additional education.

An important message for managers is that the supply of labor isn't just the number of bodies willing to work. Critical issues are the talent that is available in the market and whether a sufficient number of workers are available in an area or industry at a reasonable wage rate.

Sources: Based on Cairns, T. D. (2010). The supply side of labor: HR must be ready to steer organizations to the future, *Employee Relations Today*, *37*, 1–8; Dobbs, R., Lund, S., and Madgakar, A. (2012). Talent tensions ahead: A CEO briefing. *McKinsey Quarterly*, *4*, 92–102; Graham-Leviss, K. (2012). A targeted hiring methodology can hit the bulls-eye in recruiting sales professionals. *Employment Relations Today*, *38*(4), 9–17; *PR Newswire* (2010, August 25). Manpower, Inc. warns global skilled trades shortage could stall future economic growth: Manpower suggests strategic migration, promoting skilled trades key to plugging talent gap. New York. ■■

In the second scenario, labor supply is expected to exceed labor demand. This excess means that the firm will have more employees than it needs. Firms may use a variety of measures to deal with this situation. These include pay cuts, reducing the number of hours worked, and work sharing (all of which may save jobs). In addition, the firm may eliminate positions through a combination of tactics, including early retirement incentives, severance pay, and outright layoffs. (We discuss these issues in detail in Chapter 6.) If the labor surplus is expected to be modest, the firm may be better off reducing the number of hours worked instead of terminating employees. Under federal law, the latter option would force the firm to pay more into the unemployment compensation insurance program. Furthermore, reducing hours worked rather than laying off workers can avoid additional recruiting and training costs when the demand for labor increases.[2]

In the third scenario, labor demand is expected to match labor supply. The organization can deal with this situation by replacing employees who quit with people promoted from inside the business or hired from the outside. The firm may also transfer or redeploy employees internally, with training and career development programs designed to support these moves.

A Simplified Example of Forecasting Labor Demand and Supply

Figure 5.2 shows how a large national hotel chain with 25 units forecasts its labor demand for 16 key jobs two years in advance. Column A indicates the number of employees who currently hold each of these jobs. Column B calculates the present ratio of employees to hotels—that is, the number of current employees divided by the current number of hotels (25). The hotel chain expects to add seven additional hotels by the year 2015 (for a total of 32).

	A Number of Employees (2013)	B Ratio of Employees/Hotels (Calculated as Column A ÷ 25)	C Projected 2015 Labor Demand for 32 Hotels (Calculated as Column B × 32)*
Key Positions			
General Manager	25	1.00	32
Resident Manager	9	.36	12
Food/Beverage Director	23	.92	29
Controller	25	1.00	32
Assistant Controller	14	.56	18
Chief Engineer	24	.96	31
Director of Sales	25	1.00	32
Sales Manager	45	1.80	58
Convention Manager	14	.56	18
Catering Director	19	.76	24
Banquet Manager	19	.76	24
Personnel Director	15	.60	19
Restaurant Manager	49	1.96	63
Executive Chef	24	.96	31
Sous Chef	24	.96	31
Executive Housekeeper	25	1.00	32
Total	379		486

*These figures are rounded.

FIGURE 5.2
Example of Predicting Labor Demand for a Hotel Chain with 25 Hotels

In column C, the expected number of employees for each job in 2015 is calculated by multiplying the current ratio of employees to hotels (column B) by 32. For instance, in 2013 there were 9 resident managers for 25 hotels, or a ratio of 0.36 (9 ÷ 25). When the number of hotels expands to 32 in 2015, it is forecasted that 12 resident managers will be needed (0.36 × 32 = 11.52, or 12.0 after rounding).

The same hotel chain's labor supply prediction is found in columns A to D of Figure 5.3. Column A shows the percentage of employees in each of the 16 key jobs who left the firm during the past two years (2011 to 2013). Multiplying this percentage by the number of present employees in each of these key jobs produces an estimate of how many current employees will have quit by 2015. For example, 38 percent of general managers quit between 2011 and 2013. Because there are now 25 employees holding this job, it is forecasted that by 2015, 10 of them will have left the firm (0.38 × 25 = 9.5, rounded to 10).

The projected turnover for each job is shown in column C. This means that by 2015, 15 of the current general managers (25 minus 10; see column D) will still be working for the company. Because the projected labor demand for general managers in 2015 is 32 (see Figure 5.2), 17 new general managers (32 minus 15) will have to be hired by 2015.

In the past, many firms avoided HRP, simply because their staffs were too swamped with everyday paperwork to manage the planning process effectively. For example, FedEx used to rely on a 20-page employment application. Imagine the labor and paper such a process entailed, especially when thousands of workers were hired. These excesses ended when FedEx moved to a paperless Web-based system that immediately caught errors as a job candidate was completing the employment application form and reduced by more than 50 percent the time needed for applicants to complete the application form and for recruiters to examine it.[3] Furthermore, the

	Supply Analysis				Supply–Demand Comparison	
	A	B	C	D	E	F
	% Quit* (2011–2013)	Number of Present Employees (See Figure 5.2, Column A)	Projected Turnover by 2015 (Column A × Column B)	Employees Left by 2015 (Column B − Column C)	Projected Labor Demand in 2015 (See Figure 5.2, Column C)	Projected New Hires in 2015 (Column E − Column D)
Key Positions						
General Manager	38	25	10	15	32	17
Resident Manager	77	9	7	2	12	10
Food/Beverage Director	47	23	11	12	29	17
Controller	85	25	21	4	32	28
Assistant Controller	66	14	9	5	18	13
Chief Engineer	81	24	16	8	31	23
Director of Sales	34	25	9	16	32	16
Sales Manager	68	45	30	15	58	43
Convention Manager	90	14	13	1	18	17
Catering Director	74	19	14	5	24	19
Banquet Manager	60	19	12	7	24	17
Personnel Director	43	15	6	9	19	10
Restaurant Manager	89	49	44	5	63	58
Executive Chef	70	24	17	7	31	24
Sous Chef	92	24	22	2	31	29
Executive Housekeeper	63	25	16	9	32	23
Total Employees		379	257	122	486	364

*These figures are rounded.

FIGURE 5.3
Example of Predicting Labor Supply and Required New Hires for a Hotel Chain

Web-based job application system was integrated with the human resource information system (HRIS) so that human resource supply and demand data could be updated automatically. Many software companies offer powerful computer-based HRP programs.[4]

Forecasting Techniques

Two basic categories of forecasting techniques are quantitative and qualitative. The example described in Figure 5.2 is a highly simplified version of a *quantitative technique.* A variety of mathematically sophisticated quantitative techniques has been developed to estimate labor demand and supply.[5]

Although used more often, quantitative forecasting models have two main limitations. First, most rely heavily on past data or previous relationships between staffing levels and other variables, such as output or revenues. Relationships that held in the past may not hold in the future, and it may be better to change previous staffing practices than to perpetuate them.

Second, most of these forecasting techniques were created during the 1950s, 1960s, and early 1970s and were appropriate for the large firms of that era, which had stable environments

and workforces. They are less appropriate today, when firms are struggling with destabilizing forces such as rapid technological change and intense global competition.

Unlike quantitative techniques, *qualitative techniques* rely on experts' qualitative judgments or subjective estimates of labor demand or supply. The experts may include top managers, whose involvement in and support of the HRP process is a worthwhile objective in itself. One advantage of qualitative techniques is that they are flexible enough to incorporate whatever factors or conditions the expert feels should be considered. However, a potential drawback of these techniques is that subjective judgments may be less accurate or lead to rougher estimates than those obtained through quantitative methods.

As described earlier, forecasting supply and demand is often approached as a separate and fairly specialized function. Further, in some ways it is similar to taking a snapshot of the past to predict the future. A drawback of this approach is the rate of change in many of today's workplaces. Labor supply and demand may shift frequently due to changes in projects, products, technology, competition, and so on.

The Hiring Process

Once the firm has determined its staffing needs, it needs to hire the best employees to fill the available positions. As Figure 5.4 shows, the hiring process has three components: recruitment, selection, and socialization.

Recruitment is the process of generating a pool of qualified candidates for a particular job. The firm must announce the job's availability to the market (inside and outside the organization) and attract qualified candidates to apply.

recruitment
The process of generating a pool of qualified candidates for a particular job; the first step in the hiring process.

Selection is the process of making a "hire" or "no hire" decision regarding each applicant for a job. The process typically involves determining the characteristics required for effective job performance and then measuring applicants on those characteristics, which are typically based on a job analysis (see Chapter 2). Depending on applicants' scores on various tests and/or the impressions they have made in interviews, managers determine who will be offered a job. This selection process often relies on *cut scores;* applicants who score below these levels are considered unacceptable.

selection
The process of making a "hire" or "no hire" decision regarding each applicant for a job; the second step in the hiring process.

The staffing process is not, and should not be, complete once applicants are hired or promoted. To retain and maximize the human resources who were so carefully selected, organizations must pay careful attention to socializing them. **Socialization** orients new employees to the organization and to the units in which they will be working. Socialization can make the difference between a new worker feeling like an outsider or feeling like a member of the team. We discuss the socialization process in more detail in Chapter 8.

socialization
The process of orienting new employees to the organization and the unit in which they will be working; the third step in the hiring process.

Challenges in the Hiring Process

It has been estimated that above-average employees are worth about 40 percent of their salary more to the organization than average employees.[6] Thus, an above-average new hire in a sales job with a $50,000 salary would be worth $20,000 more to the organization than an average employee hired for the same position. Over 10 years, the above-average employee's added value to the company would total $200,000! If this estimate of added value is multiplied across, for example, 10, 20, or 50 hires, it is easy to see that the monetary value of making above-average hires can total millions of dollars.

Poor hiring decisions are likely to cause problems from day one.[7] Unqualified or unmotivated workers will probably require closer supervision and direction. It has been estimated that managers spend 12 percent of their time managing poor performers,[8] time and energy that could be applied to more productive areas if the poor performers had not been hired. Workers who were hired with inadequate skills or experience may require additional training yet may never reach the required level of performance. They may also give customers inaccurate information or give customers a reason to do business with competitors. Poor hiring decisions can also lead to employee turnover.

Just how costly is employee turnover? A basic estimate is that turnover costs approximately 25 percent of the annual salary and benefits of the employee who is leaving.[9] An examination of turnover costs for park and recreation agencies found that the costs associated with the turnover

FIGURE 5.4
The Hiring Process

of a recreation staff member (such as a supervisor or program manager) ranged from $4,208 to $14,464. The turnover costs for operations/support services employees (such as a janitor, an office manager, or a receptionist) ranged from $2,647 to $23,142 per employee. As the level and salary of a worker goes up, so does the turnover cost. The cost to hire another physician for a medical center was found to be $36,743.00, but that cost does not include costs of lost productivity and training costs.[10]

The following list describes the major categories of turnover costs, which can add up to a significant sum.[11] Some may be difficult to estimate, but they are real costs just the same. For example, what is the cost of a disruption to peers and to the work process when someone quits? How much productivity was lost before the worker decided to quit?

Major Turnover Costs[12]

Separation Exit interview, paperwork processing
Recruitment Advertising, recruiter fees
Selection Pre-employment testing, interviewing
Hiring Orientation, training
Productivity Vacancy cost, disruption

Getting and keeping the best not only makes sense in terms of treatment of employees as customers of the management process, but also makes economic sense.

It is essential that line managers, and possibly other line workers, be involved in the hiring process. Although the HR department has an active role to play in recruiting, selecting, and socializing new employees, line personnel will actively be supervising the new hires, and these managers often have job-related insights that members of the HR department may lack.

The hiring process is fraught with challenges. The most important of these are:

- Determining which personal characteristics are most important to performance.
- Measuring those characteristics.
- Evaluating applicants' motivation levels.
- Deciding who should make the selection decision.

We'll look at each of these next.

Determining Characteristics Important to Performance

For several reasons, the characteristics a person needs to perform a job effectively are not necessarily obvious. First, the job itself is very often a moving target. For instance, the knowledge, skills, and abilities (KSAs—see Chapter 2) necessary for a good computer programmer right now are certainly going to change as hardware and software continue to evolve. Second, the organization's culture may need to be taken into account. What kind of place is the organization, and will the worker fit in? The issue of fit can be as important to job performance and employee retention as is the ability to perform the tasks.

Third, different people in the organization often want different characteristics in a new hire. Upper-level managers may want the new manager of an engineering group to be financially astute, whereas the engineers in the group may want a manager with technical expertise.

Measuring Characteristics That Determine Performance

Suppose mathematical ability is considered critical for job performance. You cannot infer from looking at someone what level of mathematical ability he or she possesses. Rather, you must administer some test of mathematical ability. Some tests are better than others at predicting job performance, and they can vary widely in cost.

The Motivation Factor

Most of the measures used in hiring decisions focus on *ability* rather than *motivation.* There are countless tests of mathematical ability, verbal ability, and mechanical ability. But, as the following equation makes clear, motivation is also critical to performance:

$$\text{Performance} = \text{Ability} \times \text{Motivation}$$

This equation shows that a high ability level can yield poor job performance if it is combined with low motivation. Likewise, a high level of motivation cannot offset a lack of ability. (We will

discuss another influence on performance, system factors, in Chapter 7.) The performance equation makes conceptual sense, and recent empirical work supports the importance of both ability and motivation in determining performance. For instance, the early career success of M.B.A. graduates has been found to be a function of both ability and motivation levels.[13]

Unfortunately, motivation is very difficult to measure. Many employers try to assess motivation during the employment interview, but (as we will see later in this chapter) there are numerous problems with this method. As a manager, you can look for evidence of motivation in job applicants. For example, have they engaged in extracurricular activities, perhaps sports or in the arts, while attending college? You can try to determine what led to the person being motivated to engage in the activity or to meet the challenge. If similar conditions exist on the job, there will be a chance that the applicant could be inspired and be a motivated worker.[14] However, it is important to recognize that motivation seems to be much more dependent on context than ability is. If you are a typical student, your motivation to work hard in a class depends to a large extent on whether you like the course content, how much you like and respect your instructor, and how grades are determined. Your academic ability is fairly stable from course to course, but your motivation level is much more variable. Work situations are similar to the classroom example: How much you like your job responsibilities, how well you get along with your boss, and how you are compensated all affect your level of effort.

Who Should Make the Decision?

There are two good reasons for letting the HR department run the staffing process. The first (and more important) is that the organization must ensure that its employment practices comply with the legal requirements described in Chapter 3, and making HR staff responsible for all hiring decisions can help avoid problems in this area. The second reason is convenience. Because the HR staff is usually responsible for processing initial contacts with applicants and is often the repository of information about applicants, many organizations find it easier to let the HR department follow through and make hiring decisions.

However, this system leaves the line personnel out of a process that is critical to the operation's effectiveness. If an organization decides to involve line employees in hiring decisions, which ones should it consult? The first, and most obvious, are the managers who will be supervising the new hire. The second group consists of the new hire's coworkers. The third group, where applicable, are the new hire's subordinates. As we saw in the Espresso Hut example that opened this chapter, these groups do not necessarily share the same view of what characteristics are important in the new employee.

Meeting the Challenge of Effective Staffing

Each step of the staffing process—recruitment, selection, and socialization—must be managed carefully. We discuss the first two of these three steps next.

Recruitment

The recruitment process can be viewed as a sales activity. A qualified job candidate is your customer when you are trying to sell the job to him or her. Some keys to approaching recruitment from the perspective of applicants-as-customers are presented in the Manager's Notebook, "Taking an Applicant-Centered Approach to Recruitment."

MANAGER'S NOTEBOOK

Taking an Applicant-Centered Approach to Recruitment

Customer-Driven HR

Finding employees with appropriate qualifications to fill job openings is, of course, a primary purpose for recruitment. However, recruitment can be most effective when it is viewed from the applicant's perspective. Applicants are customers of the organization, and the organization hopes that the applicants make a buy decision about the job openings. Recruitment is your opportunity to sell the job, the organization, and maybe even the community to the job candidates.

- ***Go to where the customers are*** Millions of users are on Facebook, Twitter, and LinkedIn, and many people are now using these and other forms of social media to network and find leads for jobs. Many potential applicants are on the Internet, and using social media can be an effective way to connect with them.
- ***What do they want and what do you have to offer?*** It's about more than the job: People are joining an organization when they take a job. Some of the characteristics that can be important to prospective employees include:
  - working atmosphere (e.g., degree of formality, sense of teams, and fun)
  - career opportunities (opportunity for advancement)
  - work-life value (attractiveness of location, concern for employees)
  - job characteristics (degree to which work is challenging and interesting)
  - pay (level of wages and other benefits)

  These organizational characteristics may not be equally important for all types of potential job applicants. For example, candidates for a managerial-level job might be most interested in work-life value issues and in opportunities for career advancement. Potential applicants for a blue-collar job might focus on, for example, pay and working atmosphere considerations. As a manager, it is important to have a sense of what organizational characteristics are most important to your potential job applicants. Make sure that your recruitment efforts emphasize these characteristics, because it is the potential candidates' perceptions of what your organization can offer on those dimensions that can determine whether they decide to apply.

  Recruitment is your opportunity to attract qualified people to your organization and to provide a picture of the benefits of being a member of your organization that will convince them to be applicants.
- ***Treat applicants like customers*** Do your job applicants feel like they were treated as customers? Applicants who feel they were treated positively are more likely to pursue employment with an organization. If applicants view the hiring process as inconvenient or overly intrusive, it could mean the loss of some great hires. To avoid this problem, try to maintain a customer-oriented approach in the recruitment and selection process. Are interviews and other assessments explained, particularly if some of them might seem to delve into areas that don't seem to be directly related to work? For example, providing applicants with an explanation of why aspects of personality are being measured, or why social media use is an issue, can assure applicants that they are dealing with a transparent and fair employer. Likewise, making sure that interviews and other assessments are scheduled as conveniently as possible can convey the message that this organization cares for its employees and would be a good place to work.

If applicants are treated as customers, even those who are not hired are likely to have a positive impression of the organization. As a result, they may become customers of the organization's products or services and recommend the organization to other potential customers and applicants.

Sources: Based on Baum, M., and Kabst, R. (2013). How to attract applicants in the Atlantic versus the Asia-Pacific region? A cross-national analysis on China, India, Germany, and Hungary. *Journal of World Business*, *48*, 175–185; Bettencourt, L. A., Brown, S. W., and Sirianni, N. J. (2013). The secret to true service innovation. *Business Horizons*, *56*, 13–22; Madera, J. M. (2012). Using social networking websites as a selection tool: The role of selection process fairness and job pursuit intentions. *International Journal of Hospitality Management*, *31*, 1276–1282.

Sources of Recruiting

A great number of recruitment sources are available to organizations.[15] The most prominent are:

- ***Current employees*** Many companies have a policy of informing current employees about job openings before trying to recruit from other sources. Internal job postings give current employees the opportunity to move into the firm's more desirable jobs. However, an internal promotion automatically creates another job opening that has to be filled.
- ***Referrals from current employees*** Studies have shown that employees who were hired through referrals from current employees tended to stay with the organization longer and displayed greater loyalty and job satisfaction than employees who were recruited by other

means.[16] Some organizations offer incentives to their employees for successful referrals. For example, the Container Store pays employees between $200 and $500 for successful referrals, after the new hire has completed a probationary period. REI, the outdoor outfitter, found that employee referrals increased by 850 percent after it doubled its referral bonus to $100 per hire.[17] Employee referrals can be an effective recruitment tool, because employees have a good sense of what it takes to be a successful worker and member of the organization. However, to the extent current employees tend to refer people who are demographically similar to themselves, it can create equal employment opportunity (EEO) problems.

- ***Former employees*** A firm may decide to recruit employees who previously worked for the organization. Typically, these are people who were laid off, although they may also have worked seasonally (during summer vacations or tax season, for example). Forming an online alumni network could be a simple and cost-effective way to maintain a hiring pool of competitive candidates.[18] Furthermore, a network of former employees can be a source of employee referrals because they are familiar with the company, its culture, and its values.
- ***Former military*** Since the war on terror began, employers have had the option to hire discharged soldiers. This is more than patriotism. Some organizations recruit former military in the belief that military experience will result in better and more consistent job performance. In some situations, the link between military experience and the job that needs to be filled is direct. The U.S. Border Patrol, for example, has been hiring thousands of new border patrol agents. The job involves protecting the U.S. border from illegal immigration and illegal contraband, as well as from infiltration by terrorists. The job requirements of a border patrol agent line up well with the basic experience of many military, and it is little wonder that the U.S. Border Patrol is targeting former military as a source of new agents.[19]
- ***Customers*** Customers can be a convenient and cost-effective source of employees. Customers are already familiar with the organization's products or services. Recruiting customers can capitalize on this familiarity, as well as on enthusiasm and alignment with the brand that often goes along with being a committed customer.[20]
- ***Print and radio advertisements*** Advertisements can be used both for local recruitment efforts (newspapers) and for targeted regional, national, or international searches (trade or professional publications).
- ***Internet advertising, career sites, and social media*** Employers are increasingly turning to the Web as a recruitment tool because online ads are relatively cheap, are more dynamic, and can often produce faster results than newspaper help-wanted ads. The Web is not only an economical, efficient means to recruit, but it is also a convenient tool for job seekers. Thousands of career Web sites exist, and almost all are free to people searching for jobs. One of the best known sites is Monster.com. Job seekers can search for jobs by industry, geographic location, and, in some cases, by job description. Social media sites such as Facebook, LinkedIn, and Twitter are also being used by applicants and employers as a way to connect with each other. The Manager's Notebook, "Don't Get Screened Out in a Social Media Screen," points out, however, that employers may also use these sites to evaluate you as a potential employee.

MANAGER'S NOTEBOOK

Don't Get Screened Out in a Social Media Screen

Technology/Social Media

The popularity of social networking sites has made social media an attractive recruitment tool for employers. Having an online presence to promote the business and to recruit new employees makes sense when the increasing number of people using social media is considered. For example, Facebook was founded in 2004[a] and now has over one billion users. If Facebook were a country, it would have a population greater than the United States. It's no wonder that many employers have recognized social media as an important marketing and

communication tool. Social media has permeated our culture, and it has become increasingly common for employers to use social media in their recruitment efforts.

An increasing number of employers are going beyond the use of social media as a recruitment tool and are using social media to screen applicants. Some companies, such as Microsoft, openly state that the use of social medial to screen applicants is typical.[b] Surveys indicate that over a third of employers report using social networking sites to screen applicants, and the actual percentage is probably higher. Further, a third of those employers who do social media screening report that they have found content that led them to not hire job candidates.[c]

You might believe that someone's pictures and their postings on social networking sites should not influence an employment decision. You might be right! Nonetheless, the reality is that employers are increasingly using social media not only to recruit but also to screen applicants. Being aware that what is publically accessible could be viewed by potential employers is a basic starting point for making sure that your use of social media doesn't cause you difficulty in being recruited for job openings.

Here are some additional tips for building an online image that will be positive to employers.

- ***No inappropriate or provocative information*** About half of employers who didn't offer a job to a candidate due to information on social networking sites said it was due to pictures or information that were inappropriate. Make sure this type of material is not something you post, or at least that it is not something publically available.
- ***Build strong social networks*** Building a positive online image means more than avoiding or eliminating inappropriate content. Building connections with people who can post or provide positive references can be very helpful. How do you build these connections? It takes being active and stepping in where you can. For example, can you direct someone to a helpful online source or article? Did you follow up when someone in your field asked for input?
- ***Present a professional image*** Make sure that the information you post in a profile is accurate and consistent across social networking sites. Take time to make sure that your profile and postings are well stated and free of typos.

Sources: Based on [a]Brown, V. R., and Vaughn, E. D. (2011). The writing on the (Facebook) wall: The use of social networking sites in hiring decisions. *Journal of Business & Psychology*, *26*, 219–225; [b]Ebnet, N. J. (2012). It can do more than protect your credit score: Regulating social media pre-employment screening with the Fair Credit Reporting Act. *Minnesota Law Review*, *97*, 306–336; [c]Smith, J. (2013). How social media can help (or hurt) you in your job search. *Forbes*, online posting on April 16, 2013, accessed on May 31, 2013 at *www.forbes.com*.

A fun social posting could screen you out of a job.

Source: Daniel Berehulak/Getty.

- ***Employment agencies*** Many organizations use external contractors to recruit and screen applicants for a position. Typically, the employment agency is paid a fee based on the salary offered to the new employee. Agencies can be particularly effective when the firm is looking for an employee with a specialized skill.
- ***Temporary workers*** Temporary workers provide employers the flexibility to quickly meet fluctuating demands. Bringing in temporary workers enables employers to bypass the time-consuming hiring process of job interviews and background checks. Temporary workers also provide a buffer between the changing business environment and the permanent workforce. For example, a decrease in demand for the product or service provided by a business could be balanced with a layoff of temporary workers. The temporary workers may have been hired with the hope they would become permanent, but the presence of temporary workers can mean that permanent workers aren't affected by a business downturn.

The demand for temporary workers can increase in times of economic uncertainty. In difficult and uncertain times, firms may be reluctant to hire permanent staff, preferring instead to bring in temporary workers who can be dismissed more easily than permanent employees.[21] In addition to providing flexibility, the increase in the demand for temporary workers may also be due to employers using temporary workers as a way to avoid paying benefits. However, this practice can lead to abuse, unfair treatment, and, as we saw in Chapter 3, potential legal liability.

- ***College recruiting*** Your school probably has a job placement office that helps students make contacts with employers. Students whose majors are in accounting, engineering, computer programming, and information systems at the undergraduate level and those with graduate degrees in business and law are often considered the most desirable candidates because of the applied training they have received.

  You might think that college recruiting may change in its nature and shift from face-to-face meetings to Web-based interactions. For example, Hewlett-Packard has a Web site specifically focused on college recruiting at *www.jobs.hp.com*. However, savvy organizations recognize that the Internet cannot do the entire recruiting job.[22] There is value in interacting with college students, developing relationships, and generating interest in the college pool of candidates. Company visits to college campuses, job fairs, and various relationships such as internships are likely to continue for the long term.

Finding qualified and motivated employees is a key concern for small businesses. Bad hires can be catastrophic for small businesses, which do not have the luxury of reassigning workers who are not well suited for their positions.[23]

How do employers evaluate the effectiveness of different recruitment sources? One way is to look at how long employees recruited from different sources stay with the company. Studies show that employees who know more about the organization and have realistic expectations about the job tend to stay longer than other applicants.[24] Current employees, employee referrals, and former employees are likely to turn up applicants with realistic expectations of the job.

Another way of evaluating recruitment sources is by their cost. There are substantial cost differences between advertising and using cash awards to encourage employee referrals, and between hiring locally and hiring beyond the local area (which entails relocating the new employee).

Comparing the effectiveness of various recruiting sources is easier with the use of a simple spreadsheet. As shown in Figure 5.5, the spreadsheet could have recruiting sources in the rows and effectiveness measures (say, on a scale of 1 to 10) in the columns. The columns might track various outcomes from each of the recruitment sources, such as number of employment offers, number of acceptances, turnover at one year, and employee performance ratings at one year.

NONTRADITIONAL RECRUITING Recruiting new workers is a central concern for managers in U.S. organizations when unemployment rates are low. Regardless of current conditions, a long-term perspective leads to the expectation of a labor shortage because the baby boomer generation is nearing retirement and relatively fewer young people are entering the workforce.[25] Furthermore, even in times of high employment and a general labor surplus, there can be shortages of workers with particular skills or in particular areas.

When faced with a labor shortage, companies spend more to advertise job openings via radio, the Web, billboards, television, and print media and at job fairs. Many firms also use employment agencies and employee leasing firms to recruit and select new hires. In addition, many companies recruit from nontraditional labor pools and use innovative methods to attract new employees.

Nontraditional labor pools can include prisoners, welfare recipients, senior citizens, and workers from foreign countries. An innovative and inspiring example of an organization that

Source	Number of Employment Offers	Number of Acceptances	Total Cost	Turnover After 1 Year	Average Performance Rating at 1 Year
Referrals					
Print ads					
Internet ads and career sites					
Agencies					
College recruitment					
Customers					

FIGURE 5.5
Example Criteria for Assessing Effectiveness of Recruitment Sources

embraces a nontraditional labor pool is Greyston Bakery in Yonkers, New York (see *www.greystonbakery.com*). Greyston, a gourmet bakery, has supplied cakes and tarts to the White House and bakes the brownies and blondies used in Ben & Jerry's ice cream and yogurt. Greyston produces all these products with employees who had been chronically unemployed. Greyston Bakery is committed to giving people opportunities—people who may be homeless or drug addicts. Its choice of a nontraditional labor pool helps people get off the streets and into the workforce. Greyston's CEO and president states, "We don't hire people to make brownies, we make brownies to hire people."[26]

EXTERNAL VERSUS INTERNAL CANDIDATES Hiring externally gives the firm the advantage of fresh perspectives and different approaches. Sometimes it also makes economic sense to search for external specialists rather than bear the expense of training current workers in a new process or technology.

On the downside, current employees may see externally recruited workers as "rookies" and, therefore, discount their ideas and perspectives, limiting their impact. Another disadvantage is that it may take weeks before a new recruit has learned the job. Bringing in someone from the outside can also cause difficulties if current workers resent the recruit for filling a job they feel should have gone to a qualified internal worker.

Internal recruiting, usually in the form of promotions and transfers, also has its advantages and disadvantages. On the positive side, it is usually less costly than external recruiting. It provides a clear signal to the current workforce that the organization offers opportunities for advancement. And internal recruits are already familiar with the organization's policies, procedures, and customs.

One drawback of internal recruiting is that it reduces the likelihood of introducing innovation and new perspectives. Another is that workers being promoted into higher-level jobs may be undercut in their authority if, for example, former coworkers expect special treatment from a supervisor or manager who used to be a colleague.

RECRUITING PROTECTED CLASSES An integral part of many organizations' recruitment efforts, both externally and internally, is attracting women, minorities, people with disabilities, and other employees in the protected classes. Although the Equal Employment Opportunity Commission guidelines stipulate only that government employers and government contractors must have written affirmative action policies, many private sector employers believe that such policies make good business sense for them. It stands to reason, for instance, that newspapers with diverse readerships would want to increase the diversity of their editorial and reporting staffs.

A good rule of thumb is to target potential recruits through media or recruitment methods that focus on minorities. For example, recruitment efforts could include black colleges and Hispanic organizations.[27] When a company puts too much emphasis on hiring of minorities in ads, candidates may feel resentful or believe they are being hired simply to fill a quota. Recruitment experts say that minority candidates should be addressed the same way all candidates are.[28]

PLANNING THE RECRUITMENT EFFORT To be effective, recruitment should be tied to HRP.[29] As we saw earlier in this chapter, HRP compares present workforce capabilities with future demands. The analysis might indicate, for example, a need for 10 more staff personnel given the firm's expansion plans and anticipated market conditions. This information should play a key role in determining the level of the recruitment effort.

How many candidates should the recruitment effort attempt to attract for each job opening? The answer depends on *yield ratios*, which relate recruiting input to recruiting output. For example, if the firm finds that it has to make two job offers to get one acceptance, this offer-to-acceptance ratio indicates that approximately 200 offers will have to be extended to have 100 accepted. Perhaps the interview-to-offer ratio has been 3:1. This ratio indicates that the firm will have to conduct at least 600 interviews to make 200 offers. Other ratios to consider are the number of invitations-to-interview ratio and the number of advertisements or contacts-to-applicant ratio. Ratios and other measures of effectiveness can vary across sources of recruitment. Investing in the best ways to recruit employees requires a comparison of the effectiveness of the various recruitment sources used by your company. Figure 5.5 provides a listing of basic recruitment sources and criteria that can be important in assessing effectiveness.

PLANNING YOUR JOB SEARCH The flip side of recruitment is the job search process in which people search for the right employer. Are you looking for your first job or a change in your career? In addition to the sources listed in Figure 5.5 another place to start your job search is the local library. In addition to online sources, libraries offer print resources that can be useful to job seekers.[30] For example, *The Dictionary of Occupational Titles* describes job responsibilities and requirements for a wide array of jobs. However, the Occupational Information Network, or O*NET, is an online database that is replacing the book system used in the *Dictionary of Occupational Titles*. You can access this online resource at *onetonline.org*.

Selection

Selection determines the overall quality of an organization's human resources. Consider what happens when the wrong person is hired or promoted. How do you, as a customer, like being served by someone who is slow and inept? How would you, as a line supervisor, like to deal with the problems caused by a worker who cannot perform necessary tasks on a production line? Hiring the wrong person can also cause friction among staff as other workers become resentful of having to pick up the slack for inept employees. Inappropriate hires may even lead better employees to seek employment elsewhere. We've seen that all these effects have economic ramifications.

In fact, the economic value of good selection procedures is higher than most people realize. For example, an academic study in 1984 estimated that the federal government's use of ability testing for entry-level jobs saved the government over $15 billion per year.[31] This amazing figure, which can only be larger in today's dollars, is derived from the cumulative effects of modest job performance increases by people hired because they scored better than average on the selection test. Continually hiring people who perform, say, 20 percent above average can make a tremendous difference to an organization that hires many workers.

A variety of tools can be used in the selection process. Before we consider these techniques, though, you should be aware of two concepts important for selection tools: reliability and validity.

Reliability and Validity

Reliability refers to consistency of measurement, usually across time but also across judges. If a measure produces perfectly consistent results, that measure is perfectly reliable. For example, if you take a math test every week for five weeks and always obtain the same score, then that measure of your mathematical skill level would be considered to be perfectly reliable. Likewise, if five different interviewers all judged you to have the same level of social skill, the interjudge reliability would be perfect.

reliability
Consistency of measurement, usually across time but also across judges.

However, perfect reliability is rarely if ever achieved. Measurement almost always involves some error and that error is "noise," or unreliability. The greater the amount of noise in a measure, the harder it is to determine the true signal that the measure is trying to detect. Reliability is an index of how much error has influenced the measures.

The error with which something is measured can be broken down into two types: deficiency error and contamination error.[32] *Deficiency error* occurs when a component of the domain being measured is not included in the measure. Not including subtraction questions in a test of basic math skills would yield a deficient measure: one that does not capture the true level of basic math skill.

Contamination error occurs when a measure includes unwanted influences. For example, an interviewer may be under undue time pressure from other job duties and not take the time to accurately assess a job candidate. Or, an interviewer might rate an average job candidate lower than average because of the contrast with an outstanding candidate who preceded him.

validity
The extent to which the technique measures the intended knowledge, skill, or ability. In the selection context, it is the extent to which scores on a test or interview correspond to actual job performance.

Validity is the extent to which the technique measures the intended knowledge, skill, or ability. In the selection context, this means that validity is the extent to which scores on a test or interview correspond to actual job performance. A technique that is not valid is useless and may even present legal problems. When discrimination in hiring practices is charged, the critical evidence will be the job relatedness (validity) of the selection technique.[33] Documentation of validity is critical.

There are typically two basic strategies for demonstrating the validity of selection methods: content and empirical. A *content validity* strategy assesses the degree to which the content of the selection method (say, an interview or a test) is representative of job content. For instance, applicants for the job of commercial airline pilot are required to take a series of exams administered by the Federal Aviation Administration. These exams assess whether the candidates have the necessary knowledge to pilot safely and effectively. However, passing these tests does not guarantee that the applicant has the other abilities necessary to perform well in the cockpit.

An *empirical validity* strategy demonstrates the relationship between the selection method and job performance. Scores on the selection method (say, interview judgments or test scores) are compared to ratings of job performance. If applicants who receive higher scores on the selection method also turn out to be better job performers, then empirical validity has been established.

concurrent validity
Extent of correlation between selection and performance scores, when measured at the same time.

There are two types of empirical (also known as criterion-related) validity: concurrent and predictive.[34] **Concurrent validity** indicates the extent to which scores on a selection measure are related to job performance levels, when both are measured at roughly the same time. To illustrate, say that a company develops a test to use for hiring additional workers. To see how well the test might indicate job performance levels, the company gives the test to its current workforce. The company then correlates the test scores with the performance appraisal scores that supervisors just completed. The correlation between the test scores and job performance scores indicates the concurrent validity of the test because both the test and job performance scores were measured concurrently in time.

predictive validity
Extent to which selection scores correlate with performance scores, when performance is measured later in time.

Predictive validity indicates the extent to which scores on a selection measure correlate with future job performance. For example, the company gives the test to all applicants and then checks new hires' job performance levels 12 months later. The correlation between the test scores and job performance in this case indicates the predictive validity of the test because the selection measure preceded the assessment of job performance.

Even if empirical validity is the goal when developing or choosing a selection measure, all measures should have content validity.[35] That is, what is being measured to assist in making the hiring decision should be job related. The starting point for establishing job-related content is a job analysis (see Chapter 2). However, content validity does not necessarily guarantee empirical validity. For instance, a measure that is content valid but so difficult that no one can earn a passing score will probably not be found to have empirical validity. Further, if empirical validity is assessed, the two forms, concurrent and predictive, each have their advantages and disadvantages.

Concurrent validation can be done relatively quickly and easily. However, the validity found with the concurrent approach may not be a good estimate of how valid a measure may be when used for assessing job applicants. To illustrate, current workers may not be representative of job applicants in that they may be older and tend to be white and male. We see, then, that concurrent validity may not be a good estimate of how valid a selection measure might be in practice.

A QUESTION OF ETHICS
Suppose you are asked to write a recommendation letter for a friend whom you like but consider unreliable. Would it be ethical for you to write a positive reference even though you anticipate that your friend will not be a good employee? If not, would it be ethical for you to agree to write the letter knowing that you will not be very positive in your assessment of your friend's abilities?

In contrast, predictive validation most closely matches the hiring problem of trying to predict who will develop into the best performers for the organization. However, determining the predictive validity of a measure requires a fairly large number of people, at least 30, for whom both selection and job performance scores are available. Further predictive validity cannot be determined until job performance is measured, perhaps 6 to 12 months later.

Selection methods can be reliable but not valid; however, selection methods that are not reliable cannot be valid. This fact has a great deal of practical significance. Whether someone has an M.B.A. or not can be measured with perfect reliability. But if having an M.B.A. is not associated with improved job performance, attainment of an M.B.A. is not a valid selection criterion for that job. It seems clear that more highly motivated applicants make better employees, but if the selection method used to measure motivation is full of errors (not reliable), then it cannot be a valid indicator of job performance.

Selection Tools as Predictors of Job Performance

In this section we look at the most commonly used methods of selection, in no particular order. Each approach has its limitations as well as its advantages.

LETTERS OF RECOMMENDATION In general, letters of recommendation are not highly related to job performance because most are highly positive.[36] This does not mean that *all* letters of recommendation are poor indicators of performance, however. A poor letter of recommendation may be very predictive and should not be ignored.

A content approach to considering letters of recommendation can increase the validity of this selection tool. This approach focuses on the content of the letters rather than on the extent of their positivity.[37] Assessment is done in terms of the traits the letter writer attributes to the job candidate.[38] For example, two candidates may be given equally positive letters, but the first candidate's letter may describe a detail-oriented person, whereas the second candidate's letter describes someone who is outgoing and helpful. The job to be filled may require one type of person rather than the other. For example, a job in customer relations requires an outgoing and helpful person, whereas clerical work requires someone who is good at details.

A more proactive approach to increasing the validity and usefulness of letters as well as verbal references (see "Reference Checks ," p. 170) is to focus the reference on key job competencies. Rather than asking a reference broad questions, such as "Tell me what you think of this job candidate?" ask the reference about the applicant's specific skill in areas relevant to the job opening.[39]

APPLICATION FORMS Organizations often use application forms as screening devices to determine whether a candidate satisfies minimum job specifications, particularly for entry-level jobs. The forms typically ask for information regarding past jobs and present employment status.

A recent variation on the traditional application form is the *biodata form.*[40] This is essentially a more detailed version of the application form in which applicants respond to a series of questions about their background, experiences, and preferences. Responses to these questions are then scored. For instance, candidates might be asked how willing they are to travel on the job, what leisure activities they prefer, and how much experience they have had with computers. As with any selection tool, the biodata most relevant to the job should be identified through job analysis before the application form is created. Biodata have moderate validity in predicting job performance.

Application forms are often the first formal contact a job seeker has with an organization. Typically, most job applicants are eliminated in this initial stage, and it is therefore important that the application form be seen as fair and nondiscriminatory. If an applicant feels that he or she was rejected based on personal information collected in the application form, a charge of discrimination and a lawsuit may result. Based on an analysis of federal court cases involving application forms, items about an applicant's gender, age, race, and national origin were most frequently associated with charges of discrimination involving the application form.[41] To lower this legal risk, organizations need to be sure that information concerning an applicant's gender, age, race, or national origin is not collected on the application forms.

ABILITY TESTS Various tests measure a wide range of abilities, from verbal and qualitative skills to perceptual speed. *Cognitive ability tests* measure a candidate's capability in a certain area, such as math, and are valid predictors of job performance when the abilities tested are based on a job analysis.

A number of studies have examined the validity of *general cognitive ability* (*g*) as a predictor of job performance. General cognitive ability is typically measured by summing the scores on tests of verbal and quantitative ability. Essentially, *g* measures general intelligence. A higher level of *g* indicates a person who can learn more and faster and who can adapt quickly to changing conditions. People with higher levels of *g* have been found to be better job performers, at least in part because few jobs are static today.[42]

Some more specific tests measure physical or mechanical abilities. For example, the *physical ability tests* used by police and fire departments measure strength and endurance. The results of these tests are considered indicators of how productively and safely a person could perform a job's physical tasks. However, companies can often get a more direct measure of applicants' performance ability by observing how well they perform on actual job tasks. These types of direct performance tests, called *work sample tests*, ask applicants to perform the exact same tasks that they will be performing on the job. For example, one of Levi Strauss's work sample tests asks applicants for maintenance and repair positions to disassemble and reassemble a sewing machine component.[43] Work sample tests typically have high reliability and validity, the essential ingredients for an effective and legal selection tool.[44]

Work sample tests are widely viewed as fair and valid measures of job performance, as long as the work samples adequately capture the variety and complexity of tasks in the actual job. Work sample test scores have even been used as criteria for assessing the validity of general mental ability selection measures.[45] However, physical ability measures have been found to screen

out more women and minorities than white men. Physical preparation before the testing has been found to reduce this adverse impact significantly.[46]

Another form of ability, emotional intelligence, has become popular to measure. Emotional intelligence has been variously defined by researchers,[47] but can probably be fairly described as the ability to perceive and manage emotions in the self and in others.[48] Although the concept is popular, its validity has yet to be proven convincingly.[49] For instance, one study found no correlation between a measure of emotional intelligence and grade point average. However, a measure of general cognitive ability and personality measures were found to be correlated with grade point average. Similar findings for work performance has led researchers to question whether emotional intelligence really adds to our ability to predict performance beyond measures of general intelligence and ability.[50]

PERSONALITY TESTS Personality tests assess *traits,* individual workers' characteristics that tend to be consistent and enduring. Personality tests were widely used to make employee selection decisions in the 1940s and 1950s,[51] but then fell out of favor as predictors of job-related behaviors.[52] The arguments against using personality tests revolve around questions of reliability and validity. It has been argued that traits are subjective and unreliable,[53] unrelated to job performance,[54] and not legally acceptable.[55] Research on the use of personality measures in selection continues, and the use of personality measures in organizations continues to increase.[56]

Many traits can be measured in a variety of ways, and this lack of consistency produces problems with reliability and validity. However, recent research on personality measurement has demonstrated that personality can be reliably measured[57] and summarized as being composed of five dimensions.[58] The "Big Five" factors, now widely accepted in the field of personality psychology, follow:[59]

- ***Extroversion*** The degree to which someone is talkative, sociable, active, aggressive, and excitable.
- ***Agreeableness*** The degree to which someone is trusting, amiable, generous, tolerant, honest, cooperative, and flexible.
- ***Conscientiousness*** The degree to which someone is dependable and organized and conforms and perseveres on tasks.
- ***Emotional stability*** The degree to which someone is secure, calm, independent, and autonomous.
- ***Openness to experience*** The degree to which someone is intellectual, philosophical, insightful, creative, artistic, and curious.

Of the five factors, conscientiousness appears to be most related to job performance.[60] It is hard to imagine a measure of job performance that would not require dependability or an organization that would not benefit from employing conscientious workers. Conscientiousness is thus the most generally valid personality predictor of job performance. Conscientiousness has also been found to be related to safety at work.[61] For example, people with low levels of conscientiousness tend to ignore safety rules and regulations and, thus, tend to have more accidents and injuries than people with higher levels of conscientiousness.

The validity of the other personality factors seems to be more job specific, which bring us to two warnings about personality tests. First, whether personality characteristics are valid predictors of job performance depends on both the job and the criteria used to measure job performance. A job analysis should be done first to identify the personality factors that enhance job performance. Second, personality may play little or no role in predicting performance on certain measures, such as the number of pieces produced on a factory line (which may depend largely on such factors as speed of the production line). However, personality factors may play a critical role in jobs that are less regimented and demand teamwork and flexibility. Clearly, then, selection procedures should take both personality and the work situation into account.[62] Some types of people may be better suited for some work situations than for others. Overall, although the validity of personality tests can vary across work situations, research supports the conclusion that personality measures are valid for predicting job performance.[63] It remains to be seen, however, whether personality measures are sufficiently valid so as to be useful tools in the hiring process.[64]

HONESTY TESTS Employee theft is a serious problem for organizations, thus it is no surprise that employers want to make sure that they are hiring honest workers. The polygraph test measures an interviewee's pulse, breathing rate, and galvanic skin response (perspiration) while he or she is asked a series of questions. The theory is that these physiological measures will change when the interviewee is not telling the truth. However, the passage of the federal Employee Polygraph Protection Act in 1988 has eliminated the use of polygraph tests by most employers.

Honesty or integrity tests are designed to identify job applicants who are likely to engage in theft and other undesirable behavior. Integrity tests can now be administered in a variety of forms, including paper and pencil, via telephone, and via the Internet, among others. The typical test measures attitudes toward honesty, particularly whether the applicant believes that dishonest behavior is normal and not criminal.[65] For example, the test might measure the applicant's tolerance for theft by other people and the extent to which the applicant believes most people steal regularly.

A study by independent researchers appears to confirm the validity of honesty testing.[66] It found that those who scored more poorly on the honesty test were more likely to steal from their employer. A study reported by one of the major honesty test publishers supports the validity of the measure. Specifically, a retailer began using an integrity test in 600 of its 1,900 locations. Within one year there was a 35 percent drop in the rate of inventory shrinkage in the stores using the test while there was a 10 percent rise in the shrinkage rates in the stores not using the tests.[67]

Nevertheless, honesty tests are controversial. Most of the arguments against integrity testing center on the issue of false-positive results: people who are honest but score poorly on the tests. Typically, at least 40 percent of the test takers receive failing marks.[68]

INTERVIEWS Although the job interview is probably the most common selection tool, it has often been criticized for its poor reliability and low validity.[69] Countless studies have found that interviewers do not agree with one another on candidate assessments. Other criticisms include human judgment limitations and interviewer biases. For example, one early study found that most interviewers make decisions about candidates in the first two or three minutes of the interview.[70] Snap decisions can adversely affect an interview's validity because they are made based on limited information. More recent research, however, indicates that interviewers may not make such hasty decisions.[71]

Another criticism is that traditional interviews are conducted in such a way that the interview experience is very different from interviewee to interviewee. For instance, it is very common for the interviewer to open with the following question: "Tell me about yourself." The interview then proceeds in a haphazard fashion depending on the applicant's answer to that first question. Essentially, each applicant experiences a different selection method.

Dissatisfaction with the traditional unstructured interview has led to an alternative approach called the structured interview.[72] The **structured interview** is based directly on a thorough job analysis. It applies a series of job-related questions with predetermined answers consistently across all interviews for a particular job.[73]

structured interview
Job interview based on a thorough job analysis, applying job-related questions with predetermined answers consistently across all interviews for a job.

Figure 5.6 gives examples of the three types of questions commonly used in structured interviews:[74]

- ***Situational questions*** try to elicit from candidates how they would respond to particular work situations. These questions can be developed from the critical incident technique of

Type	Example
Situational	You are packing things into your car and getting ready for your family vacation when you realize that you promised to meet a client this morning. You did not pencil the meeting into your calendar and it slipped your mind until just now. What do you do?
Job knowledge	What is the correct procedure for determining the appropriate oven temperature when running a new batch of steel?
Worker requirements	Some periods are extremely busy in our business. What are your feelings about working overtime?

FIGURE 5.6
Examples of Structured Interview Questions

job analysis: Supervisors and workers rewrite critical incidents of behavior as situational interview questions, then generate and score possible answers as a benchmark.[75]

- ***Job knowledge questions*** assess whether candidates have the basic knowledge needed to perform the job.
- ***Worker requirements questions*** assess candidates' willingness to perform under prevailing job conditions.

Structured interviews are valid predictors of job performance.[76] First, the content of a structured interview is, by design, limited to job-related factors. Second, the questions asked are consistent across all interviewees. Third, all responses are scored the same way. Finally, because a panel of interviewers is typically involved in conducting the structured interview, the impact of individual interviewers' idiosyncrasies and biases is limited.

Structured interviews have been used very successfully at numerous companies. Interviewing panels range from two to six members and typically include an HR professional, the hiring manager, and the person who will be the candidate's manager. The panels often also include key people from other departments who will have to work very closely with the new hire.

The usual practice is to interview all candidates over a one- or two-day period. This makes it easier to recall interviewee responses and compare them equitably. Immediately after an interview, panel members rate the interviewee using a one- to two-page sheet that lists important job dimensions along with a five-point rating scale. After each interviewer has rated the candidate, one member of the panel—usually either the HR professional or the hiring manager—facilitates a discussion in which the panel arrives at a group rating for the candidate. After all applicants have been interviewed, the panel creates a rank order of acceptable job candidates.[77]

If the structured interview is so effective, why does the traditional interview remain popular? One reason is that many equate the panel format of structured interviews with a stress test. Another is that organizations find the traditional interview quite useful, probably because it serves more functions than just selection.[78] For example, it can be an effective public relations tool in which the interviewer gives a positive impression of the organization. Even a candidate who is not hired may retain this positive impression. In addition, the unstructured interview may be a valid predictor of the degree to which a candidate will fit with the organization. Finally, the open-ended nature of unstructured interviews may provide an opportunity for unsuitable candidates to demonstrate the qualities that make them less desirable as potential employees.

Whatever the interview procedure, employers are assessing interviewees for the role of employee. In addition to responses to interview questions, the assessment of job candidates may include mannerisms and behavior during the interview, as well as dress. If you want to make a good impression during the job interview, you might begin by avoiding some of the real-life interviewing mistakes presented in Figure 5.7.

Whether employers choose to use structured or unstructured interviews, they need to make sure their interview questions are not illegal. Companies that ask job applicants certain questions (for example, their race, creed, sex, national origin, marital status, or number of children) either on application forms or in the interview process run the risk of being sued.

To operate within the limits of the law, interviewers should remember the "nine don'ts" of interviewing:[79]

1. Don't ask applicants if they have children, plan to have children, or what child-care arrangements they have made.
2. Don't ask an applicant's age.
3. Don't ask whether the candidate has a physical or mental disability that would interfere with doing the job. The law allows employers to explore the subject of disabilities only *after* making a job offer that is conditioned on satisfactory completion of a required physical, medical, or job skills test.
4. Don't ask for such identifying characteristics as height or weight on an application.
5. Don't ask a female candidate for her maiden name. Some employers have asked this to ascertain marital status, another topic that is off limits in interviewing both men and women.
6. Don't ask applicants about their citizenship.
7. Don't ask applicants about their arrest records. You are, however, allowed to ask whether the candidate has ever been convicted of a crime.

The impression you make through your behavior at a job interview is critical to your being favorably considered for the job. No matter how stellar your résumé, inappropriate behavior during the interview can ruin your chances for a job offer. The following are some real situations that indicate how unusual (even bizarre) the behavior of some job seekers can be.

- The applicant wore a Walkman and said she could listen to me and the music at the same time.
- A balding candidate abruptly excused himself and returned to the office a few minutes later wearing a hairpiece.
- The applicant asked to see the interviewer's résumé to determine if the interviewer was qualified to judge his capabilities for the job.
- The interviewee announced she hadn't had lunch and proceeded to eat a hamburger and french fries in the interviewer's office—wiping the ketchup on her sleeve.
- When I asked the candidate about his hobbies, he stood up and started tap dancing around my office.
- After arriving for a morning interview, the candidate asked to use the employer's phone. She called her current employer, faked a coughing fit, and called in sick to her boss.
- In response to the interviewer's offer to answer questions, a job seeker replied, "What happens if I wake up in the morning and don't feel like going to work?"
- The applicant brought his mother to the interview.
- The applicant swore throughout the interview.
- A candidate interrupted a discussion of work hours and the office environment to say that he would take the job only if he could move his desk to the courtyard outside.
- Asked what he would like to do in his next position, a candidate replied, "I'll tell you what I don't want to be doing—sitting in boring meetings, doing grunt work, and having to be nice to people all day long."
- Question: "Why do you want this job?" Answer: "I've got a big house, a big car, and a big credit card balance. Pay me and I'll be happy."

FIGURE 5.7
Unusual Job Interview Behaviors

8. Don't ask if a candidate smokes. Because there are numerous state and local ordinances that restrict smoking in certain buildings, a more appropriate question is whether the applicant is aware of these regulations and is willing to comply with them.
9. Don't ask a job candidate if he or she has AIDS or is HIV-positive.

The key point to remember is not to ask questions that are peripheral to the work itself. Rather, interviewers should stay focused on the objective of hiring someone who is qualified to perform the tasks required by the job.

ASSESSMENT CENTERS An **assessment center** is a set of simulated tasks or exercises that candidates (usually for managerial positions) are asked to perform. Observers rate performance on these simulations and make inferences regarding each candidate's managerial skills and abilities. Many organizations use assessment centers for external recruitment and for internal promotion.[80]

assessment center
A set of simulated tasks or exercises that candidates (usually for managerial positions) are asked to perform.

Although expensive, the assessment center appears to be a valid predictor of managerial job performance.[81] Assessment centers also appear to be an effective technique for judging key leadership competencies.[82] Assessment centers may be well worth the price when the costs of poor hiring or promotion decisions are high.[83] However, given a tight budget, the cost of an assessment center can be prohibitive. For example, the State of Maryland used to require the use of assessment centers in hiring public school principals, but that requirement was dropped because the expense of $1,200 to $1,500 per candidate became too onerous.[84] A strategy to reduce the costs associated with using an assessment center is to not conduct an assessment for those candidates with exceptionally poor or good prescreening scores (such as scores on ability tests). Thus, the relatively expensive and more involved assessment-center procedure is used to focus on those candidates in the middle range who are not clearly acceptable or unacceptable for the job.[85]

Assessment centers are usually conducted off-premises, last from one to three days, and may include up to six candidates at a time. Most assessment centers evaluate each candidate's abilities in four areas: organizing, planning, decision making, and leadership. Task-based assessment

A QUESTION OF ETHICS

Some experts contend that urinalysis is an invasion of privacy and, therefore, should be prohibited unless there is reasonable cause to suspect an employee of drug use. Is it ethical for companies to insist that applicants undergo urinalysis? Suppose a company that wants to save on health insurance costs decides to test the cholesterol levels of all job applicants to eliminate those susceptible to heart attacks. Would this practice be ethical? Would it be legal?

centers focus more directly on work-related situations and how well people perform on these specific tasks.[86] There is considerable variability in what exercises an assessment center includes, how these are conducted, and how they are scored.[87] Candidates who can put an activity behind them and focus on the next challenge are likely to perform better in the assessment center.[88] In addition, candidates who are not too dominant or too timid but who can effectively interact with others are likely to perform better.

The *in-basket exercise* is probably the exercise most widely associated with assessment centers. It includes the kinds of problems, messages, reports, and so on that might be found in a manager's in-basket. The candidates are asked to deal with these issues as they see fit, and then are assessed on how well they prioritized the issues, how creative and responsive they were in dealing with each one, the quality of their decisions, and other factors. Performance on an in-basket exercise can be highly revealing. Often it points up the skills of a candidate who might otherwise have appeared average.[89]

DRUG TESTS Preemployment drug testing typically requires job applicants to undergo urinalysis as part of routine selection procedures. Applicants whose test results are positive are usually eliminated from further consideration. Alternatively, they may be given the option of taking another test at their own expense if they challenge the test's outcome.[90]

The purpose of preemployment drug testing is to avoid hiring people who may become problem workers. Given this purpose, the critical question is: Do drug test results correlate to an applicant's later job performance? The answer is yes. In one study done by the U.S. Postal Service, urine samples were taken from more than 5,000 job applicants, but the results were not used in hiring. Six months to one year later, it was found that the applicants who had positive tests were absent 41 percent more often and fired 38 percent more often than those who did not. It appears that drug testing is a valid predictor of job performance.[91]

REFERENCE CHECKS One of the best methods of predicting the future success of prospective employees is to look at their past employment record. Fear of defamation suits has often caused companies to not provide job-related information about former employees. However, checking employees' references is an employer's best tactic for avoiding negligent hiring suits, in which the employer is held liable for injuries inflicted by an employee while on the job. What should companies do?

Courts in almost every state have held that employers—both former and prospective—have a "qualified privilege" to discuss an employee's past performance. But to enjoy that privilege, a company must follow three rules. First, it must determine that the inquirer has a job-related need to know. Second, the former employer must release only truthful information. Third, EEO-related information (such as an employee's race or age) should not be released.[92]

BACKGROUND CHECKS Background checks can be distinguished from reference checks and can include, depending on the job opening, criminal background checks, verifications of academic achievements, driving histories, immigration status checks, and Social Security checks. A primary motivation for organizations to conduct background checks is to avoid a lawsuit charging negligent hiring. However, after the terrorist attack of September 11, 2001, some organizations broadened their screening efforts out of a concern for security. The Patriot Act, passed in November 2001, requires background checks on people who work with certain toxins and bans felons and illegal aliens, among others, from working with these materials.[93] Surveys have found that some employers very infrequently uncover potential problems through the background-check process.[94] However, it is well worth having performed a background check if a problem and consequent lawsuit alleging negligent hiring were to occur. In fact, conducting a background check has largely become an expected practice, and not conducting one can be considered evidence of negligence in hiring.[95]

HANDWRITING ANALYSIS Graphology, the study of handwriting for the purpose of measuring personality or other individual traits, is routinely used to screen job applicants in Europe, the birthplace of the technique. Analysis looks at over 300 aspects of handwriting, including the slope of the letters, the height at which the letter *t* is crossed, and the pressure of the writing. Although graphology is not as widely used in the United States as it is in Europe, it has been

estimated that over 3,000 U.S. organizations use the procedure as part of their screening process. Furthermore, the covert and occasional use of graphology may be even more widespread and may be growing.[96] The important question, of course, is whether handwriting is a valid predictor of job performance. Research on this issue indicates that the answer is no.

One study collected handwriting samples from 115 real estate associates and gave them to 20 graphologists, who scored each sample on a variety of traits, such as confidence, sales drive, and decision making.[97] Later, these results were compared with the subject's actual performance ratings as well as with objective performance measures such as total sales volume. There was a fair amount of consistency across graphologists' judgments of the handwriting samples (reliability). However, none of the judgments made by the graphologists correlated with any of the performance measures, so graphology cannot be considered a valid measure. This conclusion is echoed by other research on graphology.[98] Thus, it should not be used as an employment screening device, and you should be wary when you see graphology touted as a valuable selection tool in magazines and other popular press outlets.[99]

Combining Predictors

Organizations often use multiple methods to collect information about applicants. For instance, managers may be selected on the basis of past performance ratings, an assessment center evaluation, and an interview with the manager to whom they will be reporting.

How should these pieces of information be combined to make an effective selection decision? There are three basic strategies. The first requires making a preliminary selection decision after completion of each method. This approach is called *multiple-hurdle strategy*, because an applicant has to clear each hurdle before moving on to the next one. Those who do not clear the hurdle are eliminated from further consideration.

Both the remaining approaches require collecting all the information before making any decision; the difference is in how that information is combined. In a *clinical strategy,* the decision maker subjectively evaluates all the information and comes to an overall judgment. In a *statistical strategy,* the various pieces of information are combined according to a mathematical formula, and the job goes to the candidate with the highest score.

The multiple-hurdle strategy is often the choice when a large number of applicants must be considered. Usually, the procedure is to use the less-expensive methods first to screen out clearly unqualified applicants. Research studies indicate that a statistical strategy is generally more reliable and valid than a clinical strategy,[100] but many people—and probably most organizations—prefer a clinical strategy.

Selection and Person/Organization Fit

Many companies have successfully used various selection tools to hire above-average employees who have made a significant contribution to the firm's bottom line.[101] However, the traditional approach to selection may not be sufficient for a growing number of organizations. For a growing number of organizations, the business involves more than material gain and the bottom line. There may also be values and responsibilities that are considered core to the business. Various social responsibilities, for example, can be core obligations for organizations. These responsibilities can become part of the culture and employment brand of the organization. These characteristics can make a potential employer more attractive to job applicants and, for those who are hired, they are more likely to be committed and loyal employees the better their values fit with the organization.[102]

In addition, a problem with fit can be difficult to solve. In general, it may be possible to reduce a deficit in knowledge or expertise with training, but changing a person's values is typically very difficult or impossible. Thus, hiring people who share the organization's desired priorities and characteristics might be much better than trying to remedy problems later. The Manager's Notebook, "A Larger Purpose: Social Responsibility in the Recruitment and Hiring Process," considers social responsibility as an important component in person/organization fit.

Providing opportunities to contribute to the community can be an important part of an employer's brand.

Source: © aberCPC/Alamy.

Ethics/Social Responsibility

MANAGER'S NOTEBOOK

A Larger Purpose: Social Responsibility in the Recruitment and Hiring Process

You want a job to make money, right? But is that all you are looking for? Companies are finding that many workers, and especially younger workers who are part of Generation Y, want more from work. They have ambitions to also make a positive difference in society and, thereby, find meaning and value in their jobs. For these workers, the job is more than just about a paycheck. As a manager, how can you meet that ambition and have your business benefit from the motivation and loyalty that can result from workers finding a fit with their desire to make a positive contribution? Some basic, but important suggestions regarding social responsibility and maximizing person/organization fit in recruitment and selection are presented below.

- ***How is your business socially responsible?*** Does your business support particular causes or contribute to the local community? Is your company particularly focused on being environmentally responsible? If your organization emphasizes various aspects of social responsibility, these commitments need to be clarified. For example, if there are core values that reflect social responsibility commitments, they need to be identified. Likewise, if there are actions such as community projects, charity drives, or environmental programs that your organization engages in, these actions need to be highlighted in a description of the organization's social responsibility efforts.
- ***Include your social responsibility message in your recruitment efforts*** Social responsibility efforts can attract applicants and increase the likelihood they will accept a job offer. If social responsibility is to have an effect, people need to know about it. Including social responsibility in your recruitment efforts can get out the message that your organization is a place where workers can, indeed, find a larger purpose.
- ***Job performance remains a priority*** Although you hope that social responsibility efforts of the organization resonate with job candidates, the ability to perform the job is the primary concern. In other words, the fit between the person and the job should be satisfied before the degree of fit between the person and the organization is a focus.
- ***A larger purpose isn't for everyone*** Finding meaning through work by contributing to social responsibility efforts is important for some people, but not for everyone. For some people, a job is primarily a job and a way to make money, not a way to make a positive social difference. For these people, the social responsibility message may not make much difference in terms of the attractiveness of the organization and the likelihood of applying for a job.

Sources: Based on Chuang, P. M. (2013). Gen Y staff want meaning in work, employers told. *The Business Times*, April 22; Gully, S. M., Phillips, J. M., Castellano, W. G., Han, K., and Kim, A. (2013). A mediated moderation model of recruiting socially and environmentally responsible job applicants. *Personnel Psychology*, *66*, 1–39; Roberts, B. (2012, March). Values-driven HR. *HRMagazine*, 44–48; Zhang, L., and Gowan, M. A. (2012). Corporate social responsibility, applicants' individual traits, and organizational attraction: A person-organization fit perspective. *Journal of Business and Psychology*, *27*, 345–362. ■■

Reactions to Selection Devices

Over the last several pages, we have discussed how well the various selection tools predict job performance. Next, we consider reactions to selection tools. How do applicants and managers respond to the selection methods we have discussed? The answer is clearly important, because these responses may be the determining factor in a decision to file a lawsuit.

1. ***Applicant reactions to selection devices*** Applicants are a major customer of selection systems; they want and may demand fair selection devices. Moreover, applicants' reactions to selection methods can influence their attraction to and opinions of an organization and their decision to accept or reject an offer of employment.[103] Applicants' reactions to selection tools also influence their willingness to purchase the company's products.[104]

To which selection tests do applicants respond most favorably and least favorably? Some interesting findings have emerged. For example, despite the increasing use of personality assessment devices as predictors, many job applicants believe that personality traits are not job relevant. A more negative reaction to personality tests tends to be characteristic of U.S. applicants, whereas job applicants in Europe and other areas don't seem to have as much of a problem with personality assessment being a part of the hiring process.[105]

2. ***Manager reactions to selection systems*** Managers need selection systems that are quick and easy to administer and that deliver results that are easy to understand. However, very little research has considered manager reactions to selection systems. One study surveyed 635 managers from 38 agencies in state government.[106] The study assessed the managers' perceptions of various factors related to the selection process, including selection methods. These findings were used to revise selection systems and other HR practices in those agencies.

Although validity must remain a central concern in selection, applicant and manager reactions to selection methods also need to be considered in the design of a selection system. Managers who are not happy with a selection method may ignore the data collected using that method or find a way to eliminate the use of the method. Applicants who perceive a method to be unfair may be more likely to file a discrimination charge over its use. In short, validity is critical, but applicant and manager perceptions can determine whether a method is going to be useful in practice.

Legal Issues in Staffing

Legal concerns can play an exceptionally important role in staffing, particularly in selection. A number of legal constraints, most notably federal legislation and its definition of illegal discrimination, affect selection.

Discrimination Laws

The Civil Rights Act of 1964 and its extension, the Civil Rights Act of 1991, provide broad prohibition against discrimination based on race, color, sex, religion, and national origin. These laws, which state that such discrimination in *all terms and conditions* of employment is illegal, affect selection as well as many other organizational programs, including performance appraisal and training.

To decrease the chances of lawsuits claiming discrimination, firms should ensure that selection techniques are job related. In other words, the best defense is evidence of the validity of the selection process. For example, if a minority group member who was turned down for a job claims discrimination, the organization should have ample evidence to document the job relatedness of its selection process. This evidence should include job analysis information and evidence that test scores are valid predictors of performance.

The Age Discrimination in Employment Act of 1967 and the 1978 amendments to the act prohibit discrimination against people aged 40 and older. Again, the organization needs evidence of the validity of the selection process if older applicants are turned away—particularly if comparable but younger applicants are hired.

The Americans with Disabilities Act (ADA) of 1991 extends the Vocational Rehabilitation Act of 1973 and provides legal protection for people with physical or mental disabilities. ADA requires employers to provide reasonable accommodations for people whose disabilities may prevent them from adequately performing essential job functions, unless doing so will create an undue hardship for the organization. Thus, employers need to determine what constitutes a job's essential functions. Although the law does not clearly define "reasonable accommodation," the courts may deem reasonable such actions as modifications in schedules, equipment, and facilities. In terms of selection, ADA prevents employers from asking applicants whether they have a disability and prohibits the requirement of medical examinations before making job offers. However, an employer can ask applicants whether they can perform a job's essential functions. Also, job offers can be made contingent on the results of a medical examination.

Affirmative Action

Affirmative action must also be considered. Federal Executive Order 11246 requires organizations that are government contractors or subcontractors to have affirmative action programs

in place. These programs are designed to eliminate any underutilization of protected group members that might occur in an organization's employment practices (see Chapter 3). Affirmative action is not the same as the equal employment opportunity required by Title VII of the Civil Rights Act and related legislation. Making job-related selection decisions while not discriminating against subgroups is not the same as setting utilization goals. However, organizations that are not government contractors or subcontractors can lose the privilege of selecting employees solely on the basis of expected job performance if they are found guilty of discrimination. In that case, they can be ordered to put an affirmative action program in place.

Negligent Hiring

The final legal issue in staffing concerns claims of *negligent hiring*. Negligent hiring refers to a situation in which an employer fails to use reasonable care in hiring an employee, who then commits a crime while in his or her position in the organization. Because claims of negligent hiring have increased over the years,[107] managers need to be particularly sensitive to this issue. For example, Avis Rent A Car hired a man without thoroughly checking his background; the man later raped a female coworker. Avis was found guilty of negligent hiring and had to pay damages of $800,000. Had the company carefully checked the information provided in the man's job application, it would have discovered that he was in prison when he claimed he was attending high school and college. Employers are responsible for conducting a sound investigation into applicants' backgrounds. Factors such as gaps in employment or admission of prior criminal convictions should prompt closer investigation. To avoid liability for negligent hiring, employers should:[108]

- Develop clear policies on hiring as well as on disciplining and dismissing employees. The hiring policy should include a thorough background check of applicants, including verification of educational, employment, and residential information.
- Check state laws regarding hiring applicants with criminal records. What is legal in this area varies widely among states.
- Learn as much as possible about applicants' past work-related behavior, including violence, threats, lying, drug or alcohol abuse, carrying of weapons, and other problems. Keep in mind that privacy and discrimination laws prohibit inquiries into an applicant's personal, non–work related activities. Behavioral problems may be investigated only in the context of their possible effect on job performance.

Summary and Conclusions

Human Resource Supply and Demand

HRP is the process an organization uses to ensure that it has the right amount and right kinds of people to deliver a particular level of output or services at some point in the future. HRP entails using a variety of qualitative or quantitative methods to forecast labor demand and labor supply and then taking actions based on those estimates.

The Hiring Process

The hiring process consists of three activities: recruitment, selection, and orientation.

Challenges in the Hiring Process

The hiring process is filled with challenges. These include (1) determining which characteristics are most important to performance, (2) measuring these characteristics, (3) evaluating applicants' motivation, and (4) deciding who should make hiring decisions.

Meeting the Challenge of Effective Staffing

Because choosing the right person for a job can have a tremendous positive effect on productivity and customer satisfaction, it is important that each step of the hiring process be managed carefully.

Recruitment

Recruiting should focus on attracting qualified candidates, internally and/or externally. Recruiting efforts should be tied to the firm's HRP efforts. To ensure proper fit between hires and their jobs and to avoid legal problems, firms should conduct job analyses.

Selection

Many selection tools are available. These include letters of recommendation, application forms, ability tests, personality tests, psychological tests, interviews, assessment centers, drug tests, honesty tests, reference checks, and handwriting analysis. The best (and most legally defensible) selection tools are both reliable and valid.

Legal Issues in Staffing

Several federal legal issues govern staffing practices. The Civil Rights Act, the Age Discrimination Act, and the Americans with Disabilities Act all prohibit various forms of discrimination. Executive Order 11246 spells out affirmative action policies. Employers must also take steps to protect themselves from negligent hiring litigation.

Key Terms

assessment center, 197
concurrent validity, 192
human resource planning (HRP), 178
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Watch It!

Gawker Media: Personnel Planning and Recruiting. If your instructor has assigned this, go to **mymanagementlab.com** to watch a video case and answer questions.

Discussion Questions

5-1. Recent economic difficulties, restructurings, and plant closing have left many people without jobs and looking for new career paths. A hiring employer can now enjoy being able to select from among far more applicants than typical. Unfortunately, many of these applicants lack qualifications for the jobs. How can a hiring employer avoid or deal with a potentially large number of unqualified applicants? How can the problem be approached in recruitment? In selection, what tools would you recommend when an employer is facing a large number of applicants?

5-2. Should applicants be selected primarily on the basis of ability or on personality/fit? How can fit be assessed?

5-3. A company uses a series of selection measures to try and predict future job performance. The company gives the test to all applicants and then checks new hires' job performance levels 12 months later. Theoretically, there should be a correlation between the test scores and job performance. The problem is that the first cohort of employees show a marked over-estimation of job performance in selection compared to the results a year later. There is little correlation between the two sets of scores and this leads the company to assume that the selection process test is somehow flawed. What could be the problem? How could this problem be sorted out? What can the company do about the seemingly under-performing employees after one year of employment with the company?

5-4. You have been asked by your company to hire a new worker for your unit. You have been given responsibility for conducting the recruitment and selection. How would you recruit a new worker for your unit? Explain why you would use those particular methods and sources.

How will you select the applicant who will actually get the job? Would you use some sort of tests and an interview? If so, what kind and in what order?

5-5. Interviewing unqualified applicants can be a frustrating experience and a waste of time for managers, peers, or whoever is responsible for interviewing. How can the HR department minimize or eliminate this problem?

5-6. You work for a medium-sized organization that has very distinct core values and social responsibilities. It is the only major employer in the locality and takes its community responsibilities very seriously. This does mean that there is a tension between recruiting those local to the organization and those who hold a similar set of values and feel similar responsibilities. How can this tension be handled as an integral part of the recruitment process?

5-7. Your boss has stated that he wants the hiring program to hire the best workers and to be legally defensible. Are those two goals compatible? What would be your basic recommendations to your boss to achieve those two goals?

MyManagementLab®

If your instructor has assigned this, go to **mymanagementlab.com** for the following Assisted-graded writing questions:

5-8. A job applicant complained that his job interview was positively evaluated by one member of the interview panel and negatively evaluated by another panel member. Is the applicant describing a problem of reliability or validity? Explain. Why is this type of disagreement a problem?

5-9. A manager explained that he denied a promotion to a worker due to the results of his personal test. His personal test consisted of examining a workers' car in the parking lot to determine if it was clean and well kept. A car in disrepair and with material strewn around the interior indicated the worker was disorganized and could not be counted on to take care of details. Should the manager's personal test be used to make promotion assessments? Why or why not? What alternatives to the personal test would you suggest?

5-10. One of your managers thinks that ability to do the job is the most important issue in assessing job applicants. Another manager thinks that personality and fit issues are most important. Assuming that both characteristics are important, how would you recommend that abilities needed to do the job be identified and measured? How would you recommend that personality be measured?

You Manage It! 1: Customer-Driven HR

Women: Keeping the Supply Lines Open

Women leave the workforce at higher rates than men. In part, this may help explain why only about 2 percent of top CEO positions are held by females. But why do women quit? Further, do they later rejoin the labor force? Can they, after leaving? Let's take a look at these issues.

First, there is little doubt that women are more likely than men to leave the labor force. For example, a recent survey focused on a nationally representative group of women who had a graduate, professional, or high-honors undergraduate degree. The survey included over 2,400 women. A major finding of the survey was that 24 percent of men had voluntarily left their job whereas nearly 40 percent of women had voluntarily left. These women invested in education that positioned them for successful careers, yet many of them chose to leave the workforce.

Why do women choose to leave the workforce? There is, of course, no single answer. Family and child-care issues certainly can "pull" women away from work. However, a surprising number of women report leaving their jobs due to boredom and frustration. That is, in order to feel challenged and to increase their chances for growth and opportunity, women feel that they have to leave their current employer.

The factors that "push" women to leave jobs would seem to be most directly manageable by organizations. Some organizations offer programs such as coaching and mentoring programs for women, family-friendly policies, and training targeted at women returning to the workforce in an attempt to retain and attract high-quality female workers.

Critical Thinking Questions

5-11. Why is the departure of women an issue for organizations?
5-12. When trying to reenter the workforce, women often find that they have to take a lower pay rate to "get back in the game." Do you think this is fair? Why or why not?
5-13. If push factors can be controlled by employers, what could stop them from doing so?

Team Exercise

5-14. "Pull" factors are issues or characteristics that draw a woman away from her job responsibilities. "Push" factors are characteristics that repel a woman from her current job responsibilities. Join team members in your class and identify reasons why women leave their jobs. Classify each as a pull or push factor and judge the extent to which each tends to affect women rather than men. (You can use the following rating scale to make these judgments.)

1	2	3	4	5	6	7
Mainly affects men			Affects men and women equally			Mainly affects women

Experiential Exercise: Team

5-15. Join team members and research what companies are doing to retain women employees. Classify these management initiatives as addressing either "push" or "pull" factors. Are there approaches that you think would be effective for retaining women but that you did not find being used by organizations? List and describe what you consider to be the best approaches. Be prepared to discuss expected costs and benefits and to justify your recommendations.

Experiential Exercise: Individual

5-16. Design a job that you think would maximize the retention of women. What characteristics would the job have in terms of policies, benefits, and so on? Would any costs associated with these job characteristics be worth it for men as the job holders? Why or why not? Share the job characteristics with the rest of the class.

Sources: Based on Deutsch, C. H. (2005, May 3). Boredom is the culprit: Exodus of women executives has a cure. *Arizona Republic,* D-4; Hewlett, S. A., and Luce, C. B. (2005). Off-ramps and on-ramps: Keeping talented women on the road to success. *Harvard Business Review, 83,* 43–54; Booth, N. (2007, November 13). Scheme aims to attract women back into IT. *Computer Weekly,* 41.

 You Manage It! 2: Ethics/Social Responsibility

What a Fraud!

The economy is tight, and there is competition among applicants to land jobs. This setting is expected to lead to an increase in the number of applicants who will misrepresent their background and credentials. The hope, of course, is that this bit of fudging will help them get the job. The misrepresentations might involve a change in the date of birth, shifting a college major, or maybe even the fabrication of a degree. There may also be lies about criminal records. The fact of the matter is that these misrepresentations, whether "little white lies" or major fabrications, are fraud. It is expected that fraud will be engaged in by approximately 30 percent of job applicants.

Critical Thinking Questions

5-17. Do you think fraud on resumes and job applications is an important issue for organizations? Why or why not?
5-18. In some countries, fake qualifications and forged certificates are as common as the real thing. To what extent do you think that this devalues the real thing? If it is so easy to obtain convincing forged documents, is there any incentive for people to study at all?
5-19. If a fraudulent imposter can perform the job, what's the harm?

Team Exercise

5-20. With your team members, identify how companies try to detect fraud. Do you think it is worth the cost? What could be the cost if it wasn't done?

Experiential Team Exercise

5-21. With your teammates, consider various jobs and the potential liability for each. For example, a cable installer would have access to private property, and teachers would work with children. Some jobs may have high stress, and some jobs involve driving vehicles. With your team, identify as many of the potential liability areas as you can, and list each as a row in a matrix or spreadsheet.

For the columns in your matrix, identify the types of characteristics or backgrounds that should be checked. For example, propensity for violence, driving record, and criminal record could be some of your major columns.

Mark the cells in the matrix to indicate where a check should occur. Are there some checks that appear more important than others? Describe. How can an organization use the type of matrix you developed?

Sources: Based on Guthrie, J. (2009, March 5). Beware the risky business of resume fraud. *Financial Times,* London, 15; Levashina, J., and Campion, M. A. (2009). Expected practices in background checking: Review of the human resource management literature. *Employee Responsibilities and Rights Journal, 21,* 231–249; Patel, P. (2009). Experts expect resume fraud to rise. *IEEE Spectrum, 46,* 24.

You Manage It! 3: Technology/Social Media

Social Media in the Hiring Process

As discussed in the Manager's Notebook, "Don't Get Screened Out in a Social Media Screen ," as a job applicant, it is best to recognize that many employers are using social media screening and accordingly to put your best foot forward. In this case, we take another look at the use of social media in the hiring process and ask you to consider issues from the perspectives of an applicant and a manager.

Many employers are using social media, such as Facebook and LinkedIn, in their recruitment and hiring process. As illustrated in Figure 5.8, the use of social media ranges from promotion, to public screening, and to private screening. Employers use social media as a promotion tool when they place ads and recruit for job applicants on social networking sites. Public screening refers to employer use of publically available digital information, such as postings, profiles, and blogs, in the evaluation of job applicants. Private screening, on the other hand, involves employers' asking applicants to provide access to their private social networking accounts.

There has been surprisingly little research on the effectiveness of social media as a recruitment tool or as a screening tool. However, there have been an increasing number of legal protections offered to job applicants regarding private screening. Employers may be overstepping a line of expected privacy by asking applicants for passwords to their social networking sites or by asking applicants to log in so that the employer can review the account. Given privacy concerns, legislation prohibiting this practice has been proposed or passed in various states and at the federal level.

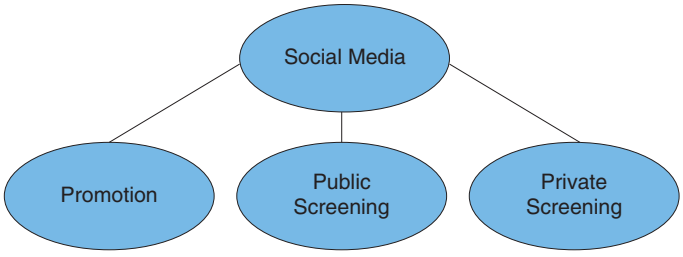

FIGURE 5.8
Categories of Employer Use of Social Media

Critical Thinking Questions

5-22. Do you think that the use of social media for recruitment is an effective approach to recruit workers?

5-23. As a manager looking to hire additional workers, what steps would you take to maximize the effectiveness of your recruitment efforts using social media?

5-24. Using social media to recruit for job openings may disproportionately tap into younger applicants. Older workers could be unintentionally precluded from the applicant pool to the extent they are less present and active on social networking sites. Why would this be a problem? What would you recommend to eliminate or reduce this problem?

5-25. What advice would you give someone who is actively seeking work in relation to their activities on social media? What should they avoid saying or doing? Should they consider "tidying up" their profiles, comments, and content? How likely is it that a potential employer will look at their social media activities? How should they react if a potential employer asks for access to their accounts?

Team Exercise

5-26. The use of social media for public screening of job applicants can offer benefits to an employer such as a relatively low cost recruitment alternative and a means for finding information about applicants that may be more honest than what is found in cover letters and resumes. However, costs may also be involved with this use of social media. For example, a charge of discrimination may occur (see Critical Thinking Question 5-25); postings that appear to have been by a candidate may have been made by someone else; or information about a candidate's activities may be old and no longer valid.

As a team, identify potential benefits of the use of social media for public screening. Also, identify potential costs of this approach. How could the potential costs be reduced?

Experiential Exercise: Team

5-27. Validity of measures is a critical concept in hiring: it is needed to identify those who will be better workers, and it is needed to legally defend the selection process. In the case of using social media to screen applicants, there is little evidence of validity of the various types of information that might be collected. How could the content validity of social media be developed?

a. As a team, pick a job and identify aspects of the job, such as task or competencies needed. Are there types of social media information that would reflect these aspects? Why would this job-driven approach be useful?

b. As a team, identify how you could assess the criterion-related validity of the types of social media information you identified in in Question 5-27a. How would this validity information be useful?

Share the assessments of your team with the rest of the class.

Experiential Exercise: Individual

5-28. Companies have recently been created, such as Social Intelligence, that offer pre-employment social media screening. Using an Internet search, identify some of the companies offering this service. What do the companies offer? Would you recommend the use of such a third-party approach to performing social media screening of job applicants? Why or why not?

Sources: Based on Brown, V. R., and Vaughn, E. D. (2011). The writing on the (Facebook) wall: The use of social networking sites in hiring decisions. *Journal of Business and Psychology*, *26*, 219–225; Ebnet, N. (2012). It can do more than protect your credit score: Regulating social media pre-employment screening with the Fair Credit Reporting Act. *Minnesota Law Review*, *97*, 306–336; Davison, H. K., Maraist, C., and Bing, M. N. (2011). Friend or foe? The promise and pitfalls of using social networking sites for HR decisions. *Journal of Business and Psychology*, *26*, 153–159; Martucci, W. C., and Shankland, R. J. (2012). New laws prohibiting employers from requiring employees to provide access to social-networking sites. *Employee Relations Today*, *39*, 79–85.

You Manage It! 4: Ethics/Social Responsibility

Fitting in Social Responsibility

As discussed in the Manager's Notebook, "A Larger Purpose: Social Responsibility in the Recruitment and Hiring Process ," social responsibility commitments can make an organization a more attractive employer. Furthermore, fit between an individual's values and interests and the organization's social responsibility commitments is associated with other positive outcomes, such as higher job performance and worker commitment. These positive outcomes can't be expected to materialize just from a policy statement regarding social responsibility. If managed well, however, social responsibility efforts can be a source of competitive advantage for an organization by attracting applicants and improving the chances that they will join as motivated workers.

Critical Thinking Questions

5-29. Traditionally, hiring decisions were primarily based on the extent to which an applicant's qualifications fit the job. In other words, the focus has been on hiring the person who, based on information collected through the selection process, was expected to best perform the job. To what extent do you think an applicant's fit with the social responsibility commitments of the organization should be considered? If, for example, person/organization fit is to be considered in the selection process, should this fit assessment be given weight equal to expected job performance? Or, should fit be given less weight or somehow taken into account in another way in the selection process?

5-30. What steps would you take to make sure that potential applicants are aware of the social responsibility commitments of your organization? That is, what would you recommend be done to make social responsibility part of the employer brand for the organization?

5-31. In the roles of an employer, how would you handle a situation where employees have taken on a greater sense of social responsibility than that is immediately apparent in your organization? How would you handle the potential tensions? Do you think it is important to adjust the organization's social responsibilities, or demand that the employees fall in line with the organization's stance? To what extent do you think that the absence of shared commitment might damage the organization?

Team Exercise

5-32. You may have management colleagues who think that social responsibility isn't an important issue for organizations and, therefore, it shouldn't play a role in employee recruitment and selection. The issue, as they see it, might be summarized as, "It's all about doing the job and making money." As a team, what arguments could you offer that might convince these colleagues of the usefulness of social responsibility? Share your arguments with the rest of the class.

Experiential Exercise: Team

5-33. With your teammates, look at some of the online job-opening announcements. Consider at least a dozen ads and summarize those that include a description of social responsibility commitments or activities. What social responsibility aspects are highlighted? Do you think the ads that include social responsibility information are more effective?

Experiential Exercise: Individual

5-34. Consider your own interests and values. What is important to you and in what do you find meaning or purpose? Given this reflection, what type of social responsibility activities would most appeal to you?

a. How important is it to you to have a positive social impact through your work?
b. Given the above considerations, can you identify employers that look like they would be a good person/organization fit for you?

Sources: Based on Aguinis, H., and Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management*, *38*, 932–968; Gully, S. M., Phillips, J. M., Castellano, W. G., Han, K., and Kim, A. (2013). A mediated moderation model of recruiting socially and environmentally responsible job applicants. *Personnel Psychology*, *66*, 1–39; Zhang, L., and Gowan, M. (2012). Corporate social responsibility, applicants' individual traits, and organizational attraction: A person-organization fit perspective. *Journal of Business and Psychology*, *27*, 345–362.

You Manage It! 5: Emerging Trends

One Job, Many Roles

Teamwork is how many organizations operate today. Rather than being independent contributors, team members have some degree of interdependence and share in getting the work done. The informal reality in many teams is that tasks or responsibilities are allocated depending on the relative strengths and weaknesses of the team members. For example, a technical problem faced by a team might be allocated to the team member who has the best technical skills, whereas a potential conflict is given to the person with the best interpersonal skills. The informal reality is that team members often end up playing different roles, depending on their natural strengths. Research has found that allowing people to play to their strengths can yield maximum performance and employee satisfaction. It makes sense that if people can do what they do best, performance should also be maximized.

If team members take on different roles, there really isn't one job for all of the workers, but different roles. Some people might do well in some of these roles and in others they might do poorly. Recognizing that people might take on different roles in a team environment can have important implications for the hiring process.

Critical Thinking Questions

5-35. If there are distinct roles to be played on a team, how would you go about recruiting and hiring for them?

5-36. The characteristics needed by individual team members depend on the team and the strengths and weaknesses of others who are on the team. In other words, the situation is much more dynamic than assuming that there is one static job with a single set of qualifications. How could you model or include this dynamic and interactive nature in the recruitment and hiring process?

Team Exercise

5-37. As a team, identify the roles that you think are important for teams in the small business workplace. To help you get started, here are some possible basic team roles that have been identified in research: contributor, collaborator, communicator, and challenger. A number of other roles have been identified in research or could be useful in practice. Don't limit yourself to this set of roles.

a. Identify the skills needed to perform each role.
b. In addition to skills, a natural tendency or motivation to perform in a particular type of role can be critical. How could you measure the motivation needed for each role?
c. How could you measure the skills needed for each role?
d. How could you effectively recruit for the various positions or roles?
e. Present your recruitment and selection plan to the rest of the class.

Individual Exercise

5-38. Suppose that you worked for an organization that promoted the establishment and running of self-managed teams. As head of HR, you have traditionally taken the lead role in the recruitment and selection process. You have developed sophisticated and effective selection methods over the course of the past few years and have made very few recruitment mistakes as a result. The suggestion is to now devolve some of those recruitment and selection duties to the self-managed teams. They will take the lead in the selection process and HR will provide the necessary logistical support and guidance. In effect, you will provide the guidelines and safety for them. In a short document, outline how you think this might work. What are the practicalities of the situation? You should assume that the organization is at least committed to employing these guidelines for a trial period. You should, therefore, make sure that checks and balances will be put in place to ensure that the process has a chance of working.

Sources: Based on Black, B. (2002). The road to recovery. *Gallup Management Journal, 1,* 10–12; Mumford, T. V., Van Iddekinge, C. H., Morgeson, F. P., and Campion, M. A. (2008). The team role test: Development and validation of a team role knowledge situational judgment test. *Journal of Applied Psychology, 93,* 250; Lupuleac, S., Lupuleac, Z., and Rusu, C. (2012). Problems of assessing team roles balance–team design. *Procedia Economics and Finance*, *3*, 935–940.

Endnotes

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