FIGURE 4-5 Sample Report Based on Department of Labor Job Analysis Technique

Job Analysis Schedule

1. Established Job Title DOUGH MIXER

2. Ind. Assign (bake prod.)

3. SIC Code(s) and Title(s) 2051 Bread and other bakery products

4. JOB SUMMARY:

   Operates mixing machine to mix ingredients for straight and sponge (yeast) doughs according to established formulas, directs other workers in fermentation of dough, and curls dough into pieces with hand cutter.

5. WORK PERFORMED RATINGS:

	D	P	(T)
Worker Functions	Data	People	Things
	5	6	2

   Work Field Cooking, Food Preparing

6. WORKER TRAITS RATING (to be filled in by analyst):

   Training time required
   Aptitudes
   Temperaments
   Interests
   Physical demands
   Environment conditions

discuss and finalize the knowledge, skills, abilities, and other characteristics doing the job requires.[24]

Without a job analyst actually sitting there with the employee or supervisor, there's a chance they won't cover important points or that misunderstandings arise. Therefore, all instructions should be clear, and test the process first.

The U.S. Navy used Internet-based job analysis.[25] To keep ambiguities to a minimum, it had the employees complete structured online job analysis forms step by step and duty by duty, as follows:

- First, the online form lists *a set of work activities* (such as "Getting Information" and "Monitor Processes") from the Department of Labor O*NET work activities list (see Figure 4-6).[26]
- Next, the form directs employees to *select those work activities* that are important to their job.
- Then, the form asks them to *list actual duties* of their jobs that fit each of those selected work activities. For example, suppose an employee chose "Getting Information" as an important work activity. Now he or she would list next to "Getting Information" specific job duties, such as "bring new orders from our vendors to the boss's attention."

Again, the main caveat with online job analysis is to strip the process of ambiguities. The Navy's online method proved effective.[27]

FIGURE 4-6 O*NET Generalized Work Activities Categories

Note: The U.S. Navy employees were asked to indicate if their jobs required them to engage in work activities such as: Getting Information; Monitoring Processes; Identifying Objects; Inspecting Equipment; and Estimating Quantifiable Characteristics.
Source: From O*NET Web site, www.onetonline.org.

Print-friendly Version
(Outline View | **Description View**)

- **Generalized Work Activities** — General types of job behaviors occurring on multiple jobs
  - Information Input — Where and how are the information and data gained that are needed to perform this job?
    - Looking for and Receiving Job-Related Information — How is information obtained to perform this job?
      - **Getting Information** — Observing, receiving, and otherwise obtaining information from all relevant sources.
      - **Monitor Processes, Materials, or Surroundings** — Monitoring and reviewing information from materials, events, or the environment, to detect or assess problems.
    - Identify and Evaluating Job-Relevant Information — How is information interpreted to perform this job?
      - **Identifying Objects, Actions, and Events** — Identifying information by categorizing, estimating, recognizing differences or similarities, and detecting changes in circumstances or events.
      - **Inspecting Equipment, Structures, or Material** — Inspecting equipment, structures, or materials to identify the cause of errors or other problems or defects.
      - **Estimating the Quantifiable Characteristics of Products, Events, or Information** — Estimating sizes, distances, and quantities; or determining time, costs, resources, or materials needed to perform a work activity.

MyLab Management Apply It!

If your professor has assigned this activity, go to the Assignments section of **www.pearson.com/mylab/management** to complete the video exercise.

KNOWLEDGE BASE

LEARNING OBJECTIVE 4-4

Explain how you would write a job description, and what sources you would use.

Writing Job Descriptions

The most important product of job analysis is the job description. A job description is a written statement of what the worker actually does, how he or she does it, and what the job's working conditions are. You use this information to write a job specification; this lists the knowledge, abilities, and skills required to perform the job satisfactorily.[28]

HR in Action at the Hotel Paris In reviewing the Hotel Paris's employment systems, the HR manager was concerned that virtually all the company's job descriptions were out of date, and that many jobs had no descriptions at all. She knew that without accurate job descriptions, all her improvement efforts would be in vain. To see how this was handled, see the case on page 127 of this chapter.

Diversity Counts

You might assume that job descriptions are only of use in business settings, but that's not the case. For example, for parents who want the best care for their kids, writing up a job description before hiring a child-care worker could be quite useful. For instance, because what children learn when they're very young predicts their future academic and career success, facilitating early-childhood learning is a crucial task for many caregivers.[29] And yet because few parents think through and write a job description before recruiting their child-care workers, many hire this important person not clearly crystallizing what they want this person to do—including, for instance, facilitating learning.

A well-thought-out job description might benefit everyone involved. The parent—knowing that supporting early-childhood learning is so important—might put more effort into finding and training the child's caregiver (95% of whom are women). The child might benefit from a more nurturing learning environment. And the caregiver would gain if, after recognizing how many challenging tasks she is responsible for, the parent would raise her salary from the current national average of about $19,000 per year—just about the poverty level for a family of three. ■

There is no standard format for writing a job description. However, most descriptions contain sections that cover:

1. Job identification
2. Job summary
3. Responsibilities and duties
4. Authority of incumbent
5. Standards of performance
6. Working conditions
7. Job specification

Figures 4-7 and 4-8 present two sample forms of job descriptions.

Job Identification

As in Figure 4-7, the job identification section (on top) contains several types of information.[30] The *job title* specifies the name of the job, such as *inventory control clerk*. The Fair Labor Standards Act (FLSA) status section identifies the job as exempt or nonexempt. (Under the FLSA, certain positions, primarily administrative and professional, are exempt from the act's overtime and minimum wage provisions.) *Date* is the date the job description was approved.

There may also be a space to indicate who approved the description and perhaps one showing the job's location in terms of facility/division and department. This section might also include the supervisor's title and information regarding salary and/or pay scale. There might also be space for the pay grade/level of the job, if there is one. For example, a firm may classify programmers as programmer II, programmer III, and so on.

WHAT'S IN A NAME (OR IN A JOB TITLE)? Some job titles are quite creative. For example, Pinterest calls its designers Pixel Pushers, and its interns Pinterns.[31] One study concluded that employees who participate in retitling their jobs and who have more descriptive job titles tend to be more satisfied and to feel more recognized.[32]

The U.S. Navy discovered that the hard way. From the Navy's earliest days, sailors traditionally had descriptive job titles such as "electrician's mate first class." In part to strip its job titles of gender-specific labels containing "man" or "men," the Navy decided to group all sailors with the same pay rate together, with the same (bland) job title such as "petty officer first class."[33] An uproar ensued. A petition with over 100,000 signatures got to the White House. The Navy returned to its traditional job titles.

Job Summary

The job summary should summarize the essence of the job, and should include only its major functions or activities. Thus (in Figure 4-7), the telesales rep " . . . is responsible for selling college textbooks. . . ." For the job of mailroom supervisor, "the mailroom supervisor receives, sorts, and delivers all incoming mail properly, and he or she handles all outgoing mail including the accurate and timely posting of such mail."[34]

Some experts state unequivocally that "one item frequently found that should never be included in a job description is a 'cop-out clause' like 'other duties, as assigned,'"[35] since this leaves open the nature of the job. Finally, state in the summary that the employee is expected to carry out his or her duties efficiently, attentively, and conscientiously.

JOB TITLE: Telesales Respresentative	**JOB CODE:** 100001
RECOMMENDED SALARY GRADE:	**EXEMPT/NONEXEMPT STATUS:** Nonexempt
JOB FAMILY: Sales	**EEOC:** Sales Workers
DIVISION: Higher Education	**REPORTS TO:** District Sales Manager
DEPARTMENT: In-House Sales	**LOCATION:** Boston
	DATE: April 2013

SUMMARY (Write a brief summary of job.)

The person in this position is responsible for selling college textbooks, software, and multimedia products to professors, via incoming and outgoing telephone calls, and to carry out selling strategies to meet sales goals in assigned territories of smaller colleges and universities. In addition, the individual in this position will be responsible for generating a designated amount of editorial leads and communicating to the publishing groups product feedback and market trends observed in the assigned territory.

SCOPE AND IMPACT OF JOB

Dollar responsibilities (budget and/or revenue)

The person in this position is responsible for generating approximately $2 million in revenue, for meeting operating expense budget of approximately $4000, and a sampling budget of approximately 10,000 units.

Supervisory responsibilities (direct and indirect)

None

Other

REQUIRED KNOWLEDGE AND EXPERIENCE (Knowledge and experience necessary to do job)

Related work experience

Prior sales or publishing experience preferred. One year of company experience in a customer service or marketing function with broad knowledge of company products and services is desirable.

Formal education or equivalent

Bachelor's degree with strong academic performance or work equivalent experience.

Skills

Must have strong organizational and persuasive skills. Must have excellent verbal and written communications skills and must be PC proficient.

Other

Limited travel required (approx 5%)

(*Continued*)

FIGURE 4-7 Sample Job Description, Pearson Education

Source: Reprinted and electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

Relationships

There may be a "relationships" statement (not in Figure 4-7) that shows the jobholder's relationships with others inside and outside the organization. The following presents some illustrative relationships for a human resource manager.[36]

PRIMARY RESPONSIBILITIES (List in order of importance and list amount of time spent on task.)

Driving Sales (60%)

- Achieve quantitative sales goal for assigned territory of smaller colleges and universities.
- Determine sales priorities and strategies for territory and develop a plan for implementing those strategies.
- Conduct 15–20 professor interviews per day during the academic sales year that accomplishes those priorities.
- Conduct product presentations (including texts, software, and Web site); effectively articulate author's central vision of key titles; conduct sales interviews using the PSS model; conduct walk-through of books and technology.
- Employ telephone selling techniques and strategies.
- Sample products to appropriate faculty, making strategic use of assigned sampling budgets.
- Close class test adoptions for first edition products.
- Negotiate custom publishing and special packaging agreements within company guidelines.
- Initiate and conduct in-person faculty presentations and selling trips as appropriate to maximize sales with the strategic use of travel budget. Also use internal resources to support the territory sales goals.
- Plan and execute in-territory special selling events and book-fairs.
- Develop and implement in-territory promotional campaigns and targeted email campaigns.

Publishing (editorial/marketing) 25%

- Report, track, and sign editorial projects.
- Gather and communicate significant market feedback and information to publishing groups.

Territory Management 15%

- Track and report all pending and closed business in assigned database.
- Maintain records of customer sales interviews and adoption situations in assigned database.
- Manage operating budget strategically.
- Submit territory itineraries, sales plans, and sales forecasts as assigned.
- Provide superior customer service and maintain professional bookstore relations in assigned territory.

Decision-Making Responsibilities for This Position:

Determine the strategic use of assigned sampling budget to most effectively generate sales revenue to exceed sales goals.
Determine the priority of customer and account contacts to achieve maximum sales potential.
Determine where in-person presentations and special selling events would be most effective to generate the most sales.

Submitted By: Jim Smith, District Sales Manager	Date: April 10, 2013
Approval:	Date:
Human Resources:	Date:
Corporate Compensation:	Date:

FIGURE 4-7 *Continued*

Reports to: Vice president of employee relations.

Supervises: Human resource clerk, test administrator, labor relations director, and one secretary.

Works with: All department managers and executive management.

Outside the company: Employment agencies, executive recruiting firms, union representatives, state and federal employment offices, and various vendors.[37]

FIGURE 4-8 Marketing Manager Description from Standard Occupational Classification

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Responsibilities and Duties

This is the heart of the job description. It should present a list of the job's responsibilities and duties. As in Figure 4-7, list each of the job's major duties separately, and describe it in a few sentences. In the figure, for instance, the job's duties include "achieve quantitative sales goal . . . " and "determine sales priorities. . . ." Typical duties for other jobs might include making accurate postings to accounts payable, maintaining favorable purchase price variances, and repairing production-line tools and equipment. This section may also define the jobholder's authority limits. For example, the jobholder might have authority to approve purchase requests up to $5,000, grant time off or leaves of absence, discipline department personnel, recommend salary increases, and interview and hire new employees.

Usually, the manager's basic question here is, "How do I determine what the job's duties are and should be?" The answer first is, from the *job analysis*; this should reveal what the employees on each job are doing now.

Standard Occupational Classification (SOC)
Classifies all workers into one of 23 major groups of jobs that are subdivided into minor groups of jobs and detailed occupations.

Second, you can review various sources of standardized job description information. For example, the U.S. government's **Standard Occupational Classification (SOC)** (www.bls.gov/soc/socguide.htm) classifies all workers into one of 23 major groups of jobs, such as "Management Occupations" and "Healthcare Occupations." These in turn contain 96 minor groups of jobs, which in turn include 821 detailed occupations, such as the marketing manager description in Figure 4-8. The employer can use standard descriptions like these to identify a job's duties and responsibilities, such as "Determine the demand for products."

The employer may also use other popular sources of job description information, such as www.jobdescription.com. Another simple solution is just to *Google* the job description you want, by seeing online what others are doing. Thus, someone writing job descriptions for *marketing manager* would readily find relevant online descriptions using methods like these:

- Go to http://hiring.monster.com. Then click Resource Center, then Recruiting and Hiring Advice, then Job Descriptions. Then find the Marketing and Sales Manager Sample Job Description.[38]
- Go to www.careerplanner.com. Then click Job Descriptions, then scroll down to the job description you're interested in.[39]
- O*NET online, as noted, is another option for finding job duties. We present an example in the HR Tools for Line Managers and Small Businesses feature at the end of this section.

TRENDS SHAPING HR: *DIGITAL AND SOCIAL MEDIA*

Thanks to social media such as LinkedIn, line managers today can do things for which they formerly required HR managers. For example, (to paraphrase what someone posted on LinkedIn): *I hope some of you IT recruiters out there can help me to better understand what I need to put into the job descriptions that I'm writing for the O*NET developers and development managers I'm recruiting for*. The first of many replies listed 12 tasks including: (1) Do technical skills match the desired job?, (2) What technical problems were solved by the job seeker?, and (3) Did job seeker know about Cloud Deployment?[40] ■

Writing clear job duties is an art. For a teacher, for example, one duty might be:[41]

Incorrect: Ensures that students learn fifth-grade English with the aim of passing the required common exam.

Comment: What the teacher does is ambiguous, and the expected process and results of the teacher's actions aren't clear.

Correct: Studies past common English exams to understand what they typically involve; prepares yearly, weekly, and daily lesson plans; presents each day's lesson clearly with follow-up questions to ensure learning; administers weekly tests to confirm learning; and counsel students one-on-one in class lessons as necessary.

KNOW YOUR EMPLOYMENT LAW

KNOWLEDGE BASE

Writing Job Descriptions That Comply with the ADA

The list of job duties is crucial to employers' efforts to comply with the Americans with Disabilities Act (ADA). Under the ADA, the individual must have the requisite skills, educational background, and experience to perform the job's essential functions. The EEOC says, "Essential functions are the basic job duties that an employee must be able to perform, with or without reasonable accommodation."[42] Factors to consider include:

- Whether the position exists to perform that function
- The number of other employees available to perform the function
- The degree of expertise or skill required to perform the function
- Whether employees in the position are actually required to perform the function[43]
- What the degree of expertise or skill required to perform the function is[44]

As an example, answering calls and directing visitors to the proper offices might be essential functions for a receptionist. The EEOC says it will consider both the employer's judgment about which functions are essential, and a written job description prepared before advertising or interviewing for a job as evidence of essential functions. Other evidence includes the actual work experience of present or past employees in the job, the time spent performing a function, and the consequences of not requiring that function.

If the disabled individual can't perform the job as currently structured, the employer is required to make a "reasonable accommodation," unless doing so would present an "undue hardship." The EEOC says reasonable accommodation may include:

- acquiring or modifying equipment or devices,
- part-time or modified work schedules,
- adjusting or modifying examinations, training materials, or policies,
- providing readers and interpreters, and
- making the workplace readily accessible to and usable by people with disabilities. ■

Standards of Performance and Working Conditions

A "standards of performance" section lists the standards the company expects the employee to achieve for each of the job description's main duties and responsibilities. One way to set standards is to finish the statement, "I will be completely satisfied with your work when . . . ." This sentence, completed for each duty, should produce a usable set of performance standards. For example:

***Duty:* Accurately Posting Accounts Payable**

1. Post all invoices received within the same working day.
2. Route all invoices to the proper department managers for approval no later than the day following receipt.
3. Commit an average of no more than three posting errors per month.

Finally, the job description may list the job's working conditions, such as noise level or hazardous conditions.

IMPROVING PERFORMANCE: *HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES*

Using O*NET

Without their own job analysts or even HR managers, many small business owners face two hurdles when doing job analyses. First, most need a more streamlined approach than those provided by questionnaires like Figure 4-4. Second is the concern that, in writing their job descriptions, they'll overlook duties that should be assigned. What they need is an encyclopedia listing all the possible positions they might encounter, including a list of the duties normally assigned to these positions.

The small business owner has at least three options. The *Standard Occupational Classification*, mentioned earlier, provides detailed descriptions of thousands of jobs and their human requirements. Web sites like www.jobdescription.com provide customizable descriptions by title and industry. And the Department of Labor's O*NET is a third alternative. We'll focus here on how to write a job description using O*NET (http://online.onetcenter.org).[45] It is free to use.

O*NET

The U.S. Department of Labor's online occupational information network, called O*NET, enables anyone to see the most important characteristics of various occupations, as well as the experience, education, and knowledge required to do each job well. Both the Standard Occupational Classification and O*NET list the specific duties associated with numerous occupations. O*NET also lists skills, including *basic skills* such as reading and writing, *process skills* such as critical thinking, and *transferable skills* such as persuasion and negotiation.[46] An O*NET job listing also includes information on worker requirements (required knowledge, for instance), occupation requirements (such as compiling, coding, and categorizing data, for instance), and experience requirements (including education and job training). Employers and career planners also use O*NET to check the job's labor market characteristics, such as employment projections and earnings data.[47]

The steps in using O*NET to facilitate writing a job description follow.

STEP 1. ***Review Your Plan.*** Ideally, the jobs you need should flow from your departmental or company plans. Do you plan to enter or exit businesses? What do you expect your sales to be in the next few years? What departments will have to be expanded or reduced? What kinds of new positions will you need?

STEP 2. ***Develop an Organization Chart.*** Start with the organization as it is now. Then produce a chart showing how you want it to look in a year or two. Microsoft Office and others offer free tools.[48]

STEP 3. ***Use a Job Analysis Questionnaire.*** Next, gather information about each job's duties. (You can use job analysis questionnaires, such as those shown in Figures 4-4 and 4-9.)

STEP 4. ***Obtain Job Duties from O*NET.*** The list of job duties you uncovered through the job analysis in step 3 may or may not be complete. We'll therefore use O*NET to compile a more complete list. (Refer to the A, B, and C examples pictured.)

Source: Reprinted by permission of O*NET OnLine.

A (above)

B (above)

C (above)

Start by going to www.onetonline.org/[49] (A). Here, click on *Find Occupations*. Assume you want to create job descriptions for a retail salesperson. Key *Retail Sales* in the Industry Keyword drop-down box. This brings you to the Occupations matching "retail sales" page (B).[50]

Clicking on the *Retail Salespersons* summary produces the job summary and specific occupational duties for retail salespersons (C).[51] For a small store, you might want to combine the duties of the "retail salesperson" with those of "first-line supervisors/managers of retail sales workers."

STEP 5. ***List the Job's Human Requirements from O*NET.*** Next, return to the summary for *Retail salespersons* (C). Here, click, for example, Knowledge, Skills, and Abilities. Use this information to help develop a job specification for your job. Use this information for recruiting, selecting, and training your employees.

STEP 6. ***Finalize the Job Description.*** Finally, perhaps using Figure 4-9 as a guide, write an appropriate job summary for the job. Then use the information obtained previously in steps 4 and 5 to create a complete listing of the tasks, duties, and human requirements of each of the jobs you will need to fill. ■

FIGURE 4-9 Simple Job Description Questionnaire

Source: Copyright Gary Dessler, PhD.

Background Data
for Job Description

Job Title ______________ Department ______________

Job Number ______________ Written by ______________

Today's Date ______________ Applicable DOT Codes ______________

I. Applicable DOT Definition(s):

II. Job Summary:
(List the more important or regularly performed tasks.)

III. Reports To:

IV. Supervises: ______________

V. Job Duties: ______________
(Briefly describe, for each duty, what employee does and, if possible, how employee does it. Show in parentheses at end of each duty the approximate percentage of time devoted to duty.)

A. Daily Duties:

B. Periodic Duties:
(Indicate whether weekly, monthly, quarterly, etc.)

C. Duties Performed at Irregular Intervals:

MyLab Management Talk About It 2

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. Pick a job that someone with whom you are familiar is doing, such as a bus driver, mechanic, and so on. Review the O*NET information for that job. To what extent does the person seem to have what it takes to do that job, based on the O*NET information? How does that correspond to how he or she is actually doing?

KNOWLEDGE BASE

LEARNING OBJECTIVE 4-5

Explain how to write a job specification.

Writing Job Specifications

The job specification takes the job description and answers the question, "What human traits and experience are required to do this job effectively?" It shows what kind of person to recruit and for what qualities you should test that person. It may be a section of the job description, or a separate document. Often—as in Figure 4-7 ("REQUIRED KNOWLEDGE AND EXPERIENCE") on pages 113–114—it is part of the job description.[52]

Specifications for Trained versus Untrained Personnel

Writing job specifications for trained and experienced employees is relatively straightforward. Here job specifications tend to focus on factors such as length of previous service, quality of relevant training, and previous job performance.

The problems are more complex when you're filling jobs with untrained people (with the intention of training them on the job). Here you must specify qualities such as physical traits, personality, interests, or sensory skills that imply some potential for performing the job or for trainability. Thus, for a job that requires detailed manipulation, you might want someone who scores high on a test of finger dexterity. Employers identify the job's human requirements either through a subjective, judgmental approach or through statistical analysis (or both).

Filling jobs with untrained employees requires identifying the personal traits that predict performance.

Blend Images - Hill Street Studios/Brand X Pictures/Getty Images

Specifications Based on Judgment

Most job specifications simply reflect the educated guesses of people like supervisors and human resource managers. The basic procedure here is to ask, "What does it take in terms of education, intelligence, training, and the like to do this job well?"

How does one make such "educated guesses"? You could simply review the job's duties, and deduce from those what human traits and skills the job requires. You can also choose human traits and skills from those listed in Web-based job descriptions like those at www.jobdescription.com. (For example, one job description there lists "Generates creative solutions" and "Manages difficult or emotional customer situations.") O*NET online is another option. Job listings there include lists of required education, experience, and skills.

In any case, use common sense. Don't ignore behaviors that may apply to almost any job but that might not normally surface through a job analysis. Industriousness is an example. Who wants an employee who doesn't work hard? One researcher collected information from 18,000 employees in 42 different hourly entry-level jobs.[53] Generic work behaviors that he found to be important to all jobs included thoroughness, attendance, unruliness [lack of], and scheduling flexibility (for instance, offers to stay late when store is busy). Another study, of over 7,000 executives, found that crucial top-leader behaviors included: takes initiative, practices self-development, displays high integrity, drives for results, and develops others.[54]

HR AND THE GIG ECONOMY *DO GIG WORKERS NEED JOB SPECIFICATIONS?*

Hiring nonemployee gig workers doesn't mean the employer doesn't need job descriptions and job specifications. The employer must still ensure that the workers at least fit certain minimum requirements.

Therefore both Lyft and Uber list "driver requirements," which are essentially job specifications.[55] Driver requirements vary somewhat by location, but both Uber and Lyft require drivers to be at least 21, have a Social Security number and in-state driver's license (at least one year old), have in-state insurance, and undergo both DMV and national and county-wide background checks. For Uber the background check also requires no recent DUI or drug-related offenses, or incidents of driving without insurance or license, or fatal accidents, or history of reckless driving, and no criminal history. And your car must pass muster. For example, it must be a four-door sedan, seat four or more (excluding driver), be 2001 or newer, have in-state plates and be currently registered, and pass Uber's vehicle inspection.

MyLab Management Talk About It 3

If your professor has chosen to assign this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. Based on your experience, what other human requirements would you say there are to be a good Uber or Lyft driver? Should the companies add these as requirements? Why?

Job Specifications Based on Statistical Analysis

Basing job specifications on statistical analysis (rather than only judgment) is more defensible, but it's also more difficult. The aim is to determine statistically the relationship between (1) some *predictor* (human trait such as height, intelligence, or finger dexterity), and (2) some indicator or *criterion* of job effectiveness, such as performance as rated by the supervisor. The basic procedure is predictive validation.

This procedure has five steps: (1) analyze the job and decide how to measure job performance, (2) select personal traits like finger dexterity that you believe should predict performance, (3) test candidates for these traits, (4) measure these candidates' subsequent job performance, and (5) statistically analyze the relationship between the human trait (finger dexterity) and job performance. Your aim is to determine whether the trait predicts performance.

Why is this more defensible than the judgmental approach? First, if the trait doesn't predict performance, why use it? Second, equal rights laws prohibit using traits that you can't prove distinguish between high and low job performers. But, in practice, most employers rely on judgmental approaches.

The Job-Requirements Matrix

job-requirements matrix
A more complete description of what the worker does and how and why he or she does it; it clarifies each task's purpose and each duty's required knowledge, skills, abilities, and other characteristics.

Although most employers use job descriptions and specifications to summarize their jobs' duties and responsibilities, the **job-requirements matrix** is also popular.[56] A typical matrix lists the following information, in five columns:

Column 1: Each of the job's four or five *main job duties* (such as *post accounts payable*)

Column 2: The *task statements* for the main tasks associated with each main job duty

Column 3: The relative *importance* of each main job duty

Column 4: The *time spent* on each main job duty

Column 5: The *knowledge, skills, ability*, and *other* human characteristics (KSAO) related to each main job duty[57]

task statement
Written item that shows *what* the worker does on one particular job task; *how* the worker does it; the *knowledge, skills, and aptitudes required* to do it; and the *purpose of the task*.

The main step in creating a job-requirements matrix involves writing the *task statements*. Each **task statement** describes *what* the worker does on each of a main job duty's separate job tasks and *how* the worker does it.

Employee Engagement Guide for Managers

As noted earlier, the manager should not ignore, while writing the job specification, desirable on-the-job behaviors that apply to almost any job but that might not normally surface through a job analysis. *Employee engagement* is an example.

The human resource consulting company Development Dimensions International conducted a study of 3,800 employees, and identified several personal characteristics that seemed to predict the likelihood someone would be engaged.[58] These traits included adaptability, passion for work, emotional maturity, positive disposition, self-advocacy, and achievement orientation.

A sensible suggestion is to seek out people who already have records of being engaged employees. Because past behavior is often the best predictor of future behavior, one suggestion is that if you want to hire people who are more likely to become engaged employees, " . . . look for examples of engagement in other areas of life."[59] For example, seek out candidates with a demonstrated commitment to serve others, such as nurses, veterans, and voluntary first responders.

LEARNING OBJECTIVE 4-6

Give examples of competency-based job analysis.

Using Competencies Models

Many people still think of a "job" as a set of specific duties someone carries out for pay, but the concept of job is changing. Companies today continue to flatten their hierarchies, squeezing out managers, and leaving the remaining workers with more jobs to do. Changes like these tend to blur where one job starts and another ends. In situations like these, relying on a list of job duties that itemizes specific things you expect the worker to do is often impractical.[60]

Many employers are therefore using a different job analysis approach. Instead of listing the job's duties, they list, in *competency models* (or profiles), the knowledge, skills, and experience someone needs to do the job. Such models or profiles (see Figure 4-10) list the competencies employees must be able to exhibit to get their jobs done.[61] In

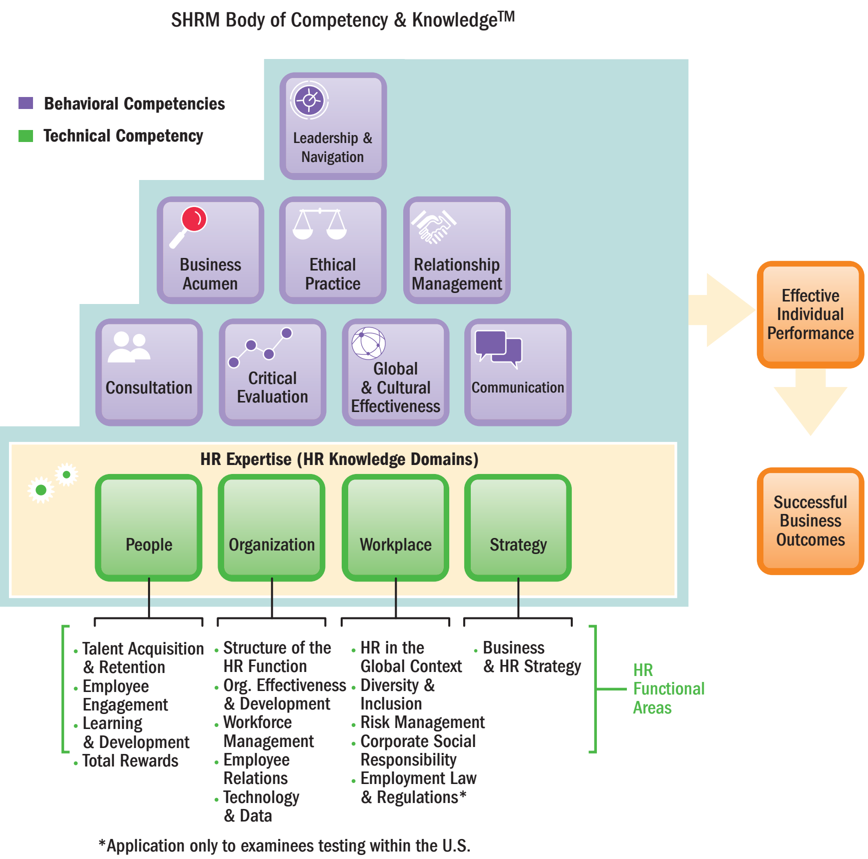

FIGURE 4-10 HR Manager Competency Model

Source: The SHRM Body of Competency and Knowledge. ©2014, Society for Human Resource Management, Alexandria, VA. Used with permission. All rights reserved.

creating a competency model for HR managers, the Society for Human Resource Management describes a competency as a "cluster of highly interrelated attributes" (such as research design knowledge, critical thinking skills, and deductive reasoning abilities) that give rise to the behaviors (such as *critical evaluation*) someone would need to perform a given job (in this case, HR manager) effectively.[62]

The competency model or profile then becomes the guidepost for recruiting, selecting, training, evaluating, and developing employees for each job.[63] In other words, the manager *hires* new employees using tests that measure the profile's list of competencies, *trains* employees with courses that develop these competencies, and *appraises* performance by assessing the worker's competencies. The accompanying Strategic Context feature illustrates.

IMPROVING PERFORMANCE: *THE STRATEGIC CONTEXT*

Daimler Alabama

By 2020, Daimler intends to use its expanded Tuscaloosa, Alabama factory complex to start building hybrid and (eventually) electric SUVs.[64] That's a step it could take because its original factory there, which came on line about 20 years before, has been so successful.

In planning its original Alabama Mercedes-Benz factory, Germany-based Daimler's strategy was to design a high-tech factory.[65] The plant emphasizes *just-in-time* inventory methods, so inventories stay negligible due to the arrival "just in time" of parts. It also organizes employees into *work teams*, and emphasizes that all employees must dedicate themselves to *continuous improvement* (seeking continuously to find better ways to do things).

Such a production strategy requires certain employee competencies (skills and behaviors). For example, it requires multiskilled and flexible employees who are eager to work cooperatively in teams.

Competency-based job analysis played an important role in this factory. Guidelines here regarding whom to hire and how to train them are based more on the competencies someone needs to do the job (such as "ability to work cooperatively on a team") than on lists of job duties. Because employees don't have to follow detailed job descriptions showing what "my job" is, it's easier for employees to move from job to job within their teams. Not being pigeonholed also encourages workers to look beyond their own jobs to find ways to improve things. For instance, one team found a $0.23 plastic prong that worked better than the one for $2.50 the plant was using to keep car doors open during painting. Building its modern "continuous improvement" plant meant Daimler needed employees who thought for themselves. Organizing its jobs around worker competencies and using **competency-based job analysis** helped Daimler achieve its strategic aims here.

competency-based job analysis
Describing the job in terms of measurable, observable, behavioral competencies (knowledge, skills, and/or behaviors) that an employee doing that job must exhibit to do the job well.

MyLab Management Talk About It 4

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. Specifically, what competencies would you look for in a prospective Alabama plant employee? Why?

How to Write Competencies Statements

The process for identifying a job's required competencies (competency-based job analysis—describing the job in terms of measurable, observable, behavioral competencies) is similar to a traditional job analysis. Thus, you might interview job incumbents and ask about job responsibilities and activities, and required skills and knowledge.

But instead of compiling lists of job duties, your aim is to finish the statement, "*In order to perform this job competently, the employee should be able to. . . .*" Use your knowledge of the job to answer this, or the worker's or supervisor's insights, or use information from a source such as O*NET, or from the Department of Labor's Office of Personnel Management (see www.opm.gov). Then, for each competency write a *competency statement*.

A good competency statement includes three elements.[66] One is the *name and a brief description* of the competency, such as "Project Management—creating accurate and effective project schedules." The second is a *description of the observable behaviors* that represent proficiency in the competency, such as "continuously manage project

FIGURE 4-11 Skills Matrix

Note: This is an example of a skills matrix for technical/engineering product development employees. The blue numbered boxes show the level required for each skill for these product development employees. An accompanying key would provide specific examples for each level of each skill, with difficulty increasing for each skill level starting at Level 1. For example, Level 1 for Technical Expertise/Skills might say "has or is in process of acquiring the basic knowledge necessary to do this type of job," while Level 6 might say, "Capable of conducting and supervising highly complex analytical tasks requiring advanced technical know-how and skills."
Source: Copyright Gary Dessler, PhD.

Level 6	6	6	6	6	6
Level 5	5	5	5	5	5
Level 4	4	4	4	4	4
Level 3	3	3	3	3	3
Level 2	2	2	2	2	2
Level 1	1	1	1	1	1
	Technical Expertise/Skills	Decision-Making and Problem Solving Skills	Interpersonal Skills	Leadership Skills	Commercial Awareness Skills

risks and dependencies by making timely decisions." Third are *proficiency levels.* For example (for project management from low to high):[67]

- ***Proficiency Level 1.*** *Identify* project risks and dependencies and communicate routinely to stakeholders
- ***Proficiency Level 2.*** *Develop systems to monitor* risks and dependencies and report changes
- ***Proficiency Level 3.*** *Anticipate* changing conditions and impact to risks and dependencies and take preventive action

BP EXAMPLE British Petroleum's (BP's) exploration division executives wanted to shift employees from a job duties–oriented "that's-not-my-job" attitude to one that motivated employees to obtain the skills required to accomplish broader responsibilities.[68]

Their solution was a skills matrix like that in Figure 4-11. They had skills matrices for each job or job family (such as drilling managers). As in Figure 4-11, each matrix listed (1) the types of skills required to do that job, such as technical expertise, and (2) the minimum skill required for proficiency at each level. The figure's note shows how to actually use the matrix.

BP's talent management efforts in this unit could now focus on recruiting, hiring, training, appraising, and rewarding employees based on the set of skills employees need to perform the job in question.

Chapter Review

Chapter Section Summaries

4-1. Employers today often view all the staff–train–reward activities as part of a single integrated talent management **process.** Talent management is *the holistic, integrated, and results and goal-oriented process of planning, recruiting, selecting, developing, managing, and compensating employees*. Taking a talent management perspective means: keep in mind that the talent management tasks are parts of a single interrelated talent management process; make sure talent management decisions such as staffing and pay are goal-directed; use the same "profile" for formulating recruitment plans for a job as you do for making selection, training, appraisal, and payment decisions for it; and integrate all the talent management functions.

4-2. **Job analysis** is the procedure through which you determine the duties of the department's positions and the characteristics of the people to hire for them. Job descriptions are a list of what the job entails, while job specifications identify what kind of people to hire for the job. The job analysis itself involves collecting information on matters such as work activities; required human behaviors; and machines, tools, and equipment used. The basic steps in job analysis include deciding on the use of the job analysis information, reviewing relevant background information, analyzing the job, verifying the information, and developing job descriptions and job specifications.

4-3. There are various **methods for collecting job analysis information.** These include interviews, questionnaires, observation, participant diary/logs, and quantitative techniques such as position analysis questionnaires. Employers increasingly collect information from employees via the Internet.

4-4. Managers should know how to **write job descriptions.** While there is no standard format, most descriptions contain sections that cover job identification, a job summary, a listing of responsibilities and duties, the job incumbent's authority, and performance standards. It may also contain information regarding the job's working conditions and the job specifications. Many employers use Internet sources such as www.jobdescription.com to facilitate writing job descriptions.

4-5. In **writing job specifications,** distinguish between specifications for trained versus untrained personnel. For trained employees, you're looking primarily for traits like experience. For untrained personnel, you should identify traits that might predict success on the job. Most job specifications come from the educated guesses of people like supervisors, and are based mostly on judgment. Some employers use statistical analyses to identify predictors or human traits that relate to success on the job. Human traits that may predict the job candidates' likelihood to be *engaged* and that the manager might therefore want to include in the job specification include adaptability, passion for work, emotional maturity, positive disposition, self-advocacy, achievement orientation, and a work history that includes a demonstrated commitment to serve others.

4-6. With **competencies models** and profiles, the aim is to create descriptions of what is required for exceptional performance in a given role or job, in terms of required competencies, knowledge, and experience. Each job's profile then becomes the benchmark for creating recruitment, selection, training, and evaluation and development plans for each job. *Competency-based job analysis* means describing the job in terms of measurable, observable, behavioral competencies (such as skills).

Discussion Questions

4-1. Why, in summary, should managers think of staffing, training, appraising, and paying employees as a talent management process?

4-2. What items are typically included in the job description?

4-3. We discussed several methods for collecting job analysis data—questionnaires, the position analysis questionnaire, and so on. Compare and contrast these methods, explaining what each is useful for and listing the pros and cons of each.

4-4. Describe the types of information typically found in a job specification.

4-5. Explain how you would conduct a job analysis.

4-6. Do you think all companies can really do without detailed job descriptions? Why or why not?

4-7. Explain how you would create a job-requirements matrix for a job.

4-8. In a company with only 25 employees, is there less need for job descriptions? Why or why not?

Individual and Group Activities

4-9. Working individually or in groups, obtain copies of job descriptions for clerical positions at the college or university where you study, or the firm where you work. What types of information do they contain? Do they give you enough information to explain what the job involves and how to do it? How would you improve on the description?

4-10. Working individually or in groups, use O*NET to develop a job description for your professor in this class. Based on that, use your judgment to develop a job specification. Compare your conclusions with those of other students or groups. Were there any significant differences? What do you think accounted for the differences?

4-11. Appendices A and B at the end of this book (pages 614–634) list the knowledge someone studying for the HRCI (Appendix A) or SHRM (Appendix B) certification exam needs to have in each area of human resource management (such as in Strategic Management and Workforce Planning). In groups of several students, do four things: (1) review Appendix A and/or B; (2) identify the material in this chapter that relates to the Appendix A and/or Appendix B required knowledge lists; (3) write four multiple-choice exam questions on this material that you believe would be suitable for inclusion in the HRCI exam and/or the SHRM exam; and (4) if time permits, have someone from your team post your team's questions in front of the class, so that students in all teams can answer the exam questions created by the other teams.

Experiential Exercise

The Instructor's Job Description

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Purpose: The purpose of this exercise is to give you experience in developing a job description, by developing one for your instructor.

Required Understanding: You should understand the mechanics of job analysis and be thoroughly familiar with the job analysis questionnaires. (See Figures 4-4 and 4-9.)

How to Set Up the Exercise/Instructions: Set up groups of several students for this exercise. As in all exercises in this book, the groups should be separated and should not converse with each other. Half of the groups in the class will develop the job description using the job analysis questionnaire (Figure 4-4), and the other half of the groups will develop it using the job description questionnaire (Figure 4-9). Each student should review his or her questionnaire (as appropriate) before joining his or her group.

4-12. Each group should do a job analysis of the instructor's job: Half of the groups will use the Figure 4-4 job analysis questionnaire for this purpose, and half will use the Figure 4-9 job description questionnaire.

4-13. Based on this information, each group will develop its own job description and job specification for the instructor.

4-14. Next, each group should choose a partner group, one that developed the job description and job specification using the alternate method. (A group that used the job analysis questionnaire should be paired with a group that used the job description questionnaire.)

4-15. Finally, within each of these new combined groups, compare and critique each of the two sets of job descriptions and job specifications. Did each job analysis method provide different types of information? Which seems superior? Does one seem more advantageous for some types of jobs than others?

CHAPTER 4

Application Case

The Flood

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In August 2017, hurricane Maria hit Miami, Florida, and the Optima Air Filter Company. Many employees' homes were devastated. Optima found that it had to hire almost three completely new crews, one for each shift. The problem was that the "old-timers" had known their jobs so well that no one had ever bothered to draw up job descriptions for them. When about 30 new employees began taking their places, there was general confusion about what they should do and how they should do it.

The flood quickly became old news to the firm's out-of-state customers, who wanted filters, not excuses. Phil Mann, the firm's president, was at his wits' end. He had about 30 new employees, 10 old-timers, and his original factory supervisor, Maybelline. He decided to meet with Linda Lowe, a consultant from the local university's business school. She immediately had the old-timers fill out a job questionnaire that listed all their duties. Arguments ensued almost at once: Both Phil and Maybelline thought the old-timers were exaggerating to make themselves look more important, and the old-timers insisted that the lists faithfully reflected their duties. Meanwhile, the customers clamored for their filters.

Questions

4-16. Should Phil and Linda ignore the old-timers' protests and write the job descriptions as they see fit? Why? Why not? How would you go about resolving the differences?

4-17. How would you have conducted the job analysis? What should Phil do now?

Continuing Case

Carter Cleaning Company

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The Job Description

Based on her review of the stores, Jennifer concluded that one of the first matters she had to attend to involved developing job descriptions for her store managers.

As Jennifer tells it, her lessons regarding job descriptions in her basic management and HR management courses were insufficient to convince her of the pivotal role job descriptions actually play in the smooth functioning of an enterprise. Many times during her first few weeks on the job, Jennifer found herself asking one of her store managers why he was violating what she knew to be recommended company policies and procedures. Repeatedly, the answers were either "Because I didn't know it was my job" or "Because I didn't know that was the way we were supposed to do it." Jennifer knew that a job description, along with a set of standards and procedures that specified what was to be done and how to do it would go a long way toward alleviating this problem.

In general, the store manager is responsible for directing all store activities in such a way that quality work is produced, customer relations and sales are maximized, and profitability is maintained through effective control of labor, supply, and energy costs. In accomplishing that general aim, a specific store manager's duties and responsibilities include quality control, store appearance and cleanliness, customer relations, bookkeeping and cash management, cost control and productivity, damage control, pricing, inventory control, spotting and cleaning, machine maintenance, purchasing, employee safety, hazardous waste removal, human resource administration, and pest control.

The questions that Jennifer had to address follow.

Questions

4-18. What should be the format and final form of the store manager's job description?

4-19. Is it practical to specify standards and procedures in the body of the job description, or should these be kept separate?

4-20. How should Jennifer go about collecting the information required for the standards, procedures, and job description?

4-21. What, in your opinion, should the store manager's job description look like and contain?

Translating Strategy into HR Policies and Practices Case*,§

**The accompanying strategy map for this chapter is in MyLab Management; the overall map on the inside back cover of this text outlines the relationships involved.*

Improving Performance at the Hotel Paris

The New Job Descriptions

The Hotel Paris's competitive strategy is "To use superior guest service to differentiate the Hotel Paris properties, and to thereby increase the length of stay and return rate of guests, and thus boost revenues and profitability." HR manager Lisa Cruz must now formulate functional policies and activities that support this competitive strategy and boost performance by eliciting the required employee behaviors and competencies.

As an experienced human resource director, the Hotel Paris's Lisa Cruz knew that recruitment and selection processes invariably influenced employee competencies and behavior and, through them, the company's bottom line. Everything about the workforce—its collective skills, morale, experience, and motivation—depended on attracting and then selecting the right employees.

In reviewing the Hotel Paris's employment systems, she was therefore concerned that virtually all the company's job descriptions were out of date, and that many jobs had no descriptions at all. She knew that without accurate job descriptions, all her improvement efforts would be in vain. After all, if you don't know a job's duties, responsibilities, and human requirements, how can you decide whom to hire or how to train them? To create human resource policies and practices that would produce employee competencies and behaviors needed to achieve the hotel's strategic aims, Lisa's team first had to produce a set of usable job descriptions.

A brief analysis, conducted with her company's CFO, reinforced that observation. They chose departments across the hotel chain that did and did not have updated job descriptions. While they understood that many other factors might be influencing the results, they believed that the statistical relationships they observed did suggest that having job descriptions had a positive influence on various employee behaviors and competencies. Perhaps having the descriptions facilitated the employee selection process, or perhaps the departments with the descriptions just had better managers. In any case, Lisa received the go-ahead to design new job descriptions for the chain.

While the resulting job descriptions included numerous traditional duties and responsibilities, most also included several competencies unique to each job. For example, job descriptions for the front-desk clerks included competencies such as "able to check a guest in or out in five minutes or less." Most service employees' descriptions included the competency, "able to exhibit patience and guest supportiveness even when busy with other activities." Lisa knew that including these competencies would make it easier for her team to devise useful employee selection, training, and evaluation processes.

Questions

In teams or individually:

4-22. Based on the hotel's stated strategy and on what you learned here in Chapter 4 of Dessler *Human Resource Management*, list at least four more important employee behaviors important for the Hotel Paris's staff to exhibit.

4-23. If time permits, spend some time prior to class observing the front-desk clerk at a local hotel. In any case, create a job description for a Hotel Paris front-desk clerk.

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MyLab Management

Go to **www.pearson.com/mylab/management** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

4-24. What is job analysis? How can you make use of the information it provides?
4-25. Explain what a competencies model is and what the model would look like for the job of university professor.
4-26. MyLab Management only—comprehensive writing assignment for this chapter.

MyLab Management Try It!

How would you apply the concepts and skills you learned in this chapter? If your professor has assigned this activity, go to the Assignments section of **www.pearson.com/mylab/management** to complete the simulation.

PERSONAL INVENTORY ASSESSMENTS

PERSONAL INVENTORY ASSESSMENT

How good are you at sizing up one's skills? Go to **www.pearson.com/mylab/management** to complete the Personal Inventory Assessment related to this chapter.

Key Terms

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Standard Occupational Classification (SOC), 115
job-requirements matrix, 121
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CHAPTER 4

Endnotes

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66. This is adapted from Campion et al., "Doing Competencies Well."
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5 Personnel Planning and Recruiting

LEARNING OBJECTIVES

When you finish studying this chapter, you should be able to:

5-1 **Define** workforce planning, and explain how to develop a workforce plan.

5-2 **Explain** the need for effective recruiting and how to make recruiting more effective.

5-3 **Discuss** the main internal sources of candidates.

5-4 **Describe** how to use recruiting to improve employee engagement.

5-5 **Discuss** the main outside sources of candidates, and create an employment ad.

5-6 **Explain** how to recruit a more diverse workforce.

5-7 **Discuss** practical guidelines for obtaining application information.

Like most luxury hotel chains, Four Seasons builds its strategy around offering superior customer service, and doing that requires highly motivated and high-morale employees.[1] Therefore, in thinking through how to recruit employees, Four Seasons managers decided to use recruitment to help increase the employee motivation and morale that they believed would lead to improved customer service. We will see what they did.

WHERE ARE WE NOW . . .

In Chapter 4, we discussed job analysis and the methods managers use to create job descriptions, job specifications, and competency profiles or models.The purpose of this chapter is to improve your effectiveness in recruiting candidates. The topics we discuss include include **Workforce Planning and Forecasting, Why Effective Recruiting is Important, Internal Sources of Recruits, Employee Engagement Guide, Outside Sources of Recruits, Recruiting a More Diverse Workforce,** and **Developing and Using Application Forms.** Then, in Chapter 6, we'll turn to the methods managers use to select the best employees from this applicant pool.

Introduction

Job analysis identifies the duties and human requirements of each of the company's jobs. The next step is to decide which of these jobs you need to fill, and to recruit and select employees for them.

The recruiting and selecting process can be envisioned as a series of hurdles, as illustrated in Figure 5-1:[2]

1. Decide what positions to fill, through *workforce/personnel planning and forecasting*.
2. Build a pool of candidates for these jobs, by *recruiting* internal or external candidates.
3. Have candidates complete *application forms* and perhaps undergo initial screening interviews.
4. Use *selection tools* like tests, background investigations, and physical exams to screen candidates.
5. Decide who to make an offer to, by having the supervisor and perhaps others *interview* the candidates.

This chapter focuses on personnel planning and on recruiting employees. Chapters 6 and 7 address tests, background checks, physical exams, and interviews.

KNOWLEDGE BASE

LEARNING OBJECTIVE 5-1
Define workforce planning, and explain how to develop a workforce plan.

workforce (or employment or personnel) planning
The process of deciding what positions the firm will have to fill, and how to fill them.

Workforce Planning and Forecasting

Workforce (or employment or personnel) planning is the process of deciding what positions the firm will have to fill, and how to fill them. Its aim is to identify and to eliminate the gaps between the employer's projected workforce needs and the current employees who might be suitable for filling those needs. The manager should engage in workforce planning before recruiting and hiring employees. After all, if you don't know what your employment needs will be in the next few months or years, why are you hiring?

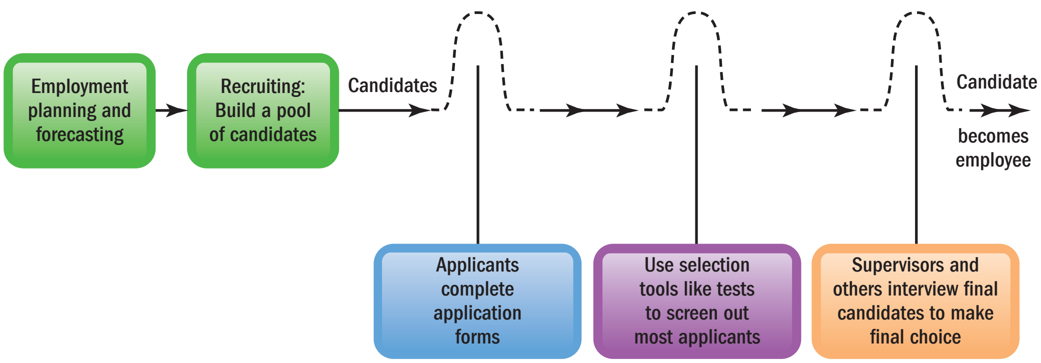
One consulting firm's workforce planning methodology illustrates the basic workforce planning process.[3]

First, Towers Watson *reviews the client's business plan and workforce data* (for instance, on how revenue influences staffing levels). This helps them understand how projected business changes may influence the client's headcount and skills requirements.

Second, they *forecast and identify what positions the firm will have to fill and potential workforce gaps*; this helps them understand what new future positions they'll have to fill, and what current employees may be promotable into them.

Third, they develop a *workforce strategic plan*; here they prioritize key workforce gaps (such as, what positions will have to be filled, and who do we have who can fill them?) and identify specific (recruitment, training, and other) plans for filling any gaps.

FIGURE 5-1 Steps in Recruitment and Selection Process

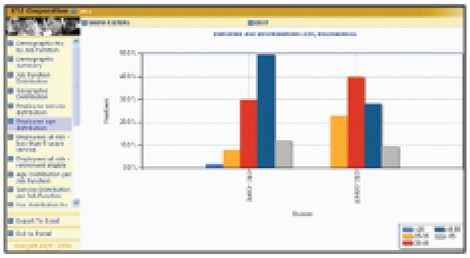


The recruitment and selection process is a series of hurdles aimed at selecting the best candidate for the job.

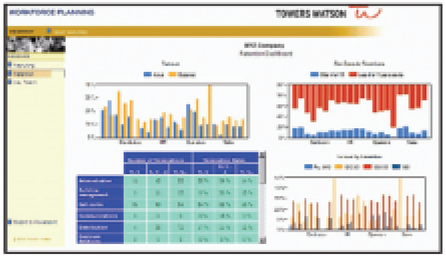
The dashboards, which are part of Towers Watson's workforce planning Internet software, help clients manage the workforce planning process.

Source: © Towers Watson 2012. Used with permission.

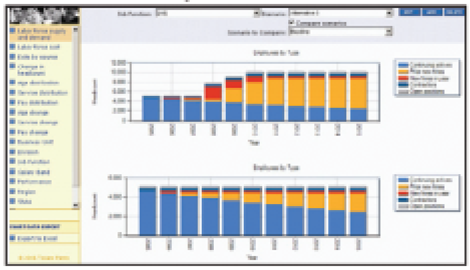
Workforce scan



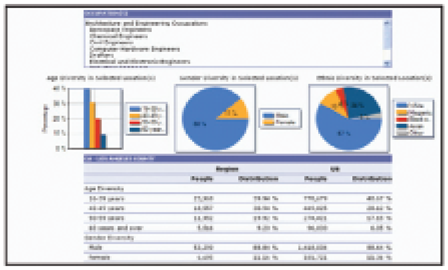
Dashboards



Workforce projection model



External labour scan



Finally, they implement the plans (for instance, new recruiting and training programs), and use various metrics to monitor the process.

Towers Watson clients can use its special "MAPS" software to facilitate this workforce planning process. MAPS contains dashboards (see the preceding four exhibits). The manager uses these, for instance, to monitor key recruitment metrics and for a detailed analysis of the current workforce and historical workforce trends.

Workforce planning embraces all future positions, from maintenance clerk to CEO. However, we'll see that most firms call the process of deciding how to fill executive jobs *succession planning*.[4]

Strategy and Workforce Planning

Workforce planning should be an integral part of the firm's strategic planning process. For example, plans to enter new businesses, to build new plants, or to reduce activities will all influence the personnel skills the employer needs and the positions to be filled. At the same time, decisions regarding *how* to fill these positions will require other HR plans, such as training and recruiting plans. The Strategic Context feature illustrates.

IMPROVING PERFORMANCE: *THE STRATEGIC CONTEXT*

Four Seasons[5]

As noted, Four Seasons builds its strategy around offering superior customer service, and that requires highly motivated and high-morale employees.[6] Four Seasons uses its recruitment practices to inspire such motivation and morale. One way Four Seasons does this is by filling hotel positions around the world with internal transfers. In one year, for instance, about 280 employees relocated from hotels from one country to another within the Four Seasons chain. Employees love it. It gives them a chance to see the world, while building a career with a great hotel chain.[7] And it's great for Four Seasons too, because the resulting high morale and motivation supports Four Seasons' strategic goal of superior customer service. In other words, Four Seasons uses recruitment practices that produce the excellent service the chain needs to achieve its strategic goals.

MyLab Management Talk About It 1

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. Can you think of any other benefits Four Seasons may derive from its policy of transferring employees among its hotels? What are they?

Like any good plans, employment plans are built on forecasts—basic assumptions about the future. Here, the manager will usually need three sets of employment forecasts: one for *personnel needs* (demand), one for the supply of *inside candidates*, and one for the supply of *outside candidates*. (As at Four Seasons, the employer will usually have to decide whether to fill projected openings internally with current employees or externally by bringing in new people). Then with these three forecasts, the manager can identify needs-supply gaps, and develop training and other plans to fill the anticipated gaps. We will start with forecasting personnel needs/demand.

Forecasting Personnel Needs (Labor Demand)

How many people with what skills will we need? Managers consider several factors.[8]

Most importantly, a firm's future staffing needs reflect demand for its products or services, adjusted for changes in its turnover rate and productivity, and for changes the firm plans to make in its strategic goals. Forecasting workforce demand therefore starts with estimating what the demand will be for your products or services. Short term, management should be concerned with daily, weekly, and seasonal forecasts.[9] For example, retailers track daily sales trends because they know, for instance, that Mother's Day produces a jump in business and a need for additional store staff. Seasonal forecasts are critical for retailers contemplating end-of-year holiday sales, and for many firms such as landscaping and air-conditioning vendors. Longer term, managers will try to get a sense for future demand by speaking with customers and by following industry publications and economic forecasts. Such future predictions won't be precise, but should help you address the potential changes in demand.

The basic process for forecasting personnel needs is to forecast revenues first. Then estimate the size of the staff required to support this sales volume. However, managers must also consider other factors. These include projected turnover, decisions to upgrade (or downgrade) products or services, productivity changes, financial resources, and decisions to enter or leave businesses. The basic tools for projecting personnel needs include trend analysis, ratio analysis, and the scatter plot.

trend analysis
Study of a firm's past employment needs over a period of years to predict future needs.

TREND ANALYSIS **Trend analysis** means studying variations in the firm's employment levels over the past few years. For example, compute the number of employees at the end of each of the last 5 years in each subgroup (like sales, production, secretarial, and administrative) to identify trends.

Trend analysis can provide an initial rough estimate of future staffing needs. However, employment levels rarely depend just on the passage of time. Other factors (like productivity and retirements, for instance), and changing skill needs will influence impending workforce needs.

ratio analysis
A forecasting technique for determining future staff needs by using ratios between, for example, sales volume and number of employees needed.

RATIO ANALYSIS Another simple approach, **ratio analysis,** means making forecasts based on the historical ratio between (1) some causal factor (like sales volume), and (2) the number of employees required (such as number of salespeople). For example, suppose a salesperson traditionally generates $500,000 in sales. If the sales revenue to salespeople ratio remains the same, you would require six new salespeople next year (each of whom produces an extra $500,000) to produce a hoped-for extra $3 million in sales.

Like trend analysis, ratio analysis assumes that things like productivity remain about the same. If sales productivity were to rise or fall, the ratio of sales to salespeople would change.

scatter plot
A graphical method used to help identify the relationship between two variables.

THE SCATTER PLOT A **scatter plot** shows graphically how two variables—such as sales and your firm's staffing levels—are related. If they are, then if you can forecast the business activity (like sales), you should also be able to estimate your personnel needs.

For example, suppose a 500-bed hospital expects to expand to 1,200 beds over the next 5 years. The human resource director wants to forecast how many registered nurses the hospital will need. The human resource director realizes she must determine the relationship between hospital size (in number of beds) and number of nurses required. She calls eight hospitals of various sizes and finds this:

Size of Hospital (Number of Beds)	Number of Registered Nurses
200	240
300	260
400	470
500	500
600	620
700	660
800	820
900	860

Figure 5-2's graph compares hospital size and number of nurses. If the two are related, then the points you plot (from the data in the table above) will tend to fall on a straight line, as here. If you carefully draw in a line to minimize the distances between the line and each one of the plotted points, you will be able to estimate the number of nurses needed for each hospital size. Thus, for a 1,200-bed hospital, the human resource director would assume she needs about 1,210 nurses.

While simple, tools like scatter plots have drawbacks.[10]

1. Historical sales/personnel relationships assume that the firm's existing activities and skill needs will continue as is.
2. They tend to reward managers for adding employees, irrespective of the company's needs.
3. They tend to institutionalize existing ways of doing things, even in the face of change.

Computerized systems (like Towers Watson's) and Excel spreadsheets help managers translate estimates of projected productivity and sales levels into forecastable personnel requirements. *Computerized forecasts* enable managers to build more variables into their personnel projections. Thus, at Chelan County Public Utility District, the development manager built a statistical model encompassing such things as age, tenure,

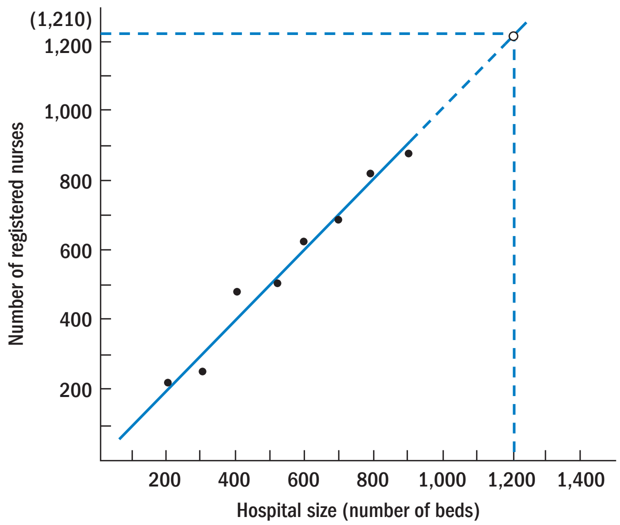


FIGURE 5-2 Determining the Relationship between Hospital Size and Number of Nurses

Note: After fitting the line, you can project how many employees you'll need, given your projected volume.

turnover rate, and time to train new employees.[11] This model helped quickly identify five occupational "hotspots" among 33 occupational groups at the company. This in turn prompted Chelan to focus more closely on creating plans to retain and hire, for instance, more systems operators.[12]

MANAGERIAL JUDGMENT Few historical trends, ratios, or relationships will continue unchanged into the future. Judgment is thus needed to adjust the forecast. Important factors that may modify your initial forecast of personnel requirements include decisions to upgrade quality or enter into new markets; technological and administrative changes resulting in increased productivity; and financial resources available, for instance, a projected budget crunch.

KNOWLEDGE BASE

Forecasting the Supply of Inside Candidates

The personnel demand forecast provides only half the staffing equation, by answering the question: "How many employees in what positions will we *need*?" Next, the manager must forecast the *supply* (availability) of inside and outside candidates.

Most firms start with possible inside candidates. The main task here is determining which current employees are qualified or trainable for the projected openings. Department managers or owners of smaller firms can use manual devices to track employee qualifications (or will simply know who can do what). For example, you can create your own *personnel skills inventory and development record form.*[13] For each current employee, list the person's skills, education, company-sponsored courses taken, career and development interests, languages, desired assignments, and other relevant experiences. Computerized versions of skills inventory systems are also available.[14]

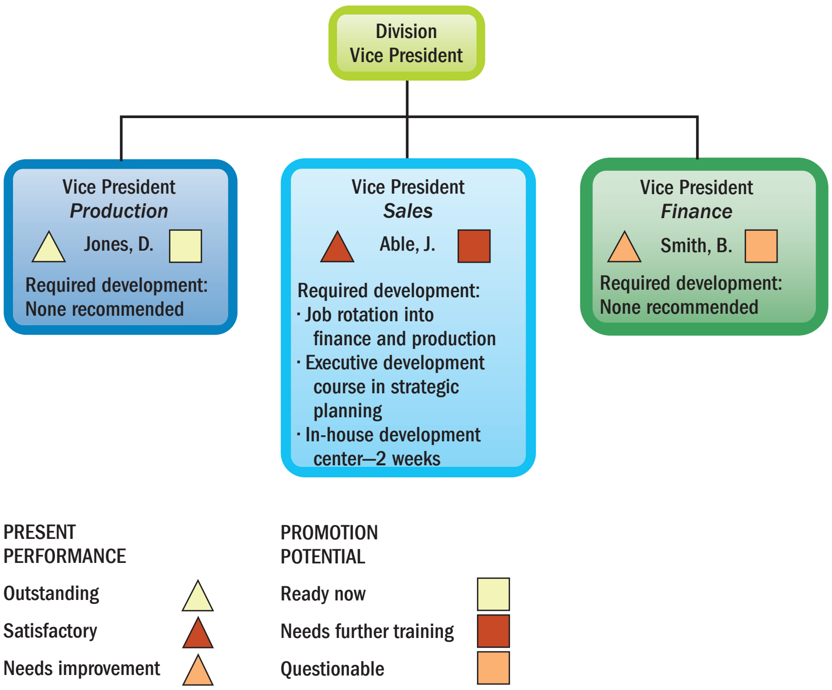
personnel replacement charts
Company records showing present performance and promotability of inside candidates for the most important positions.

position replacement card
A card prepared for each position in a company to show possible replacement candidates and their qualifications.

Personnel replacement charts (Figure 5-3) are another option, particularly for the firm's top positions. They show the present performance and promotability for each position's potential replacement. As an alternative, with a **position replacement card** you create a card for each position, showing possible replacements as well as their present performance, promotion potential, and training.

Larger firms obviously can't track the qualifications of hundreds or thousands of employees manually. They therefore computerize this information, using various packaged software systems such as Survey Analytics's Skills Inventory Software.

FIGURE 5-3 Personnel or Management Replacement Chart Showing Development Needs of Potential Future Division Vice Presidents



Skills inventory systems such as one from Perceptyx (www.perceptyx.com) enables employers to collect and compile employee skills information in real time via online employee surveys. Skills inventory programs help management anticipate staffing and skills shortages, and also facilitate workforce planning, recruitment, and training.[15] They typically include items like *work experience codes, product knowledge*, the employee's *level of familiarity* with the employer's product lines or services, the person's *industry experience, formal education*, industry *experiences*, foreign *language* skills, *relocation* limitations, *career* interests, and *performance* appraisals.

The usual skills inventory process is for the employee, the supervisor, and human resource manager to enter information about the employee's background, experience, and skills via the system. Then, when a manager needs someone for a position, he or she uses key words to describe the position's specifications (for instance, in terms of education and skills). The computerized system then produces a list of qualified candidates. As the user of one such system said, "The [SumTotal] platform allows us to track and assess the talent pool and promote people within the company. . . . The succession module helps us to identify who the next senior managers could be and build development plans to help them achieve their potential."[16]

The employer must secure all its employee data.[17] Employees have legal rights regarding who has access to information about them.[18] Internet access makes it relatively easy for more people to access the firm's computerized files.[19] The U.S. Office of Personnel Management lost data on as many as 14 million current and former employees this way.[20] Figure 5-4 summarizes some guidelines for keeping employee data safe.

MARKOV ANALYSIS Employers also use a mathematical process known as *Markov analysis* (or "transition analysis") to forecast availability of internal job candidates. Markov analysis involves creating a matrix that shows the probabilities that employees in the chain of feeder positions for a key job (such as from junior engineer, to engineer, to senior engineer, to engineering supervisor, to director of engineering) will move from position to position and therefore be available to fill the key position.

Forecasting the Supply of Outside Candidates

If there won't be enough skilled inside candidates to fill the anticipated openings (or you want to go outside for another reason), you will turn to outside candidates.

Forecasting workforce availability depends first on the manager's own sense of what's happening in his or her industry and locale. For example, unemployment rates above 7% a few years ago signaled to HR managers that finding good candidates might be easier.[21] The manager then supplements such observations with formal labor market analyses. For example, look for economic projections online from the U.S. Congressional Budget Office (www.cbo.gov) and the Bureau of Labor Statistics (www.bls.gov/emp/ep_pub_occ_projections.htm). You may also want to forecast specific occupations. O*NET (discussed in Chapter 4) reports

FIGURE 5-4 Keeping Data Safe

Source: Reprinted with permission from *HR Magazine*, November 2005. © SHRM.

Since intruders can strike from outside an organization or from within, HR departments can help screen out potential identity thieves by following four basic rules:

- Perform background checks on anyone who is going to have access to personal information.
- If someone with access to personal information is out sick or on leave, don't hire a temporary employee to replace him or her. Instead, bring in a trusted worker from another department.
- Perform random background checks such as random drug tests. Just because someone passed 5 years ago doesn't mean their current situation is the same.
- Limit access to information such as SSNs, health information, and other sensitive data to HR managers who require it to do their jobs.

projections for most occupations. The U.S. Bureau of Labor Statistics publishes annual occupational projections both online and in the *Monthly Labor Review* and in *Occupational Outlook Quarterly*.

Today's emphasis on technology means many applicants may lack basic skills such as math, communication, creativity, and teamwork.[22] Such needs, too, get factored into the employer's workforce and training plans.

Predictive Workforce Monitoring

When a new executive took over staffing at Valero Energy, he reviewed Valero's projected retirements, growth plans, and turnover history. He discovered that projected employment shortfalls were four times what Valero could fill with its current recruitment plans. He formulated new personnel plans for boosting employee retention and for recruiting and screening more candidates.[23]

Most employers review their workforce plans every year or so, but this isn't always sufficient For instance, Valero almost lacked sufficient time to implement a plan to address replacing employees who would soon retire.

Some employers therefore plan continuously: they do *predictive workforce monitoring*. For example, Intel conducts semiannual "Organization Capability Assessments." The staffing department works with the firm's business heads twice a year to assess workforce needs—both immediate and up to 2 years off.[24] Boeing considers various factors when predicting talent gaps as part of its periodic "workforce modeling" process. These include workforce characteristics such as age, retirement eligibility for job groups, economic trends, anticipated increases or decreases in staffing levels, and internal transfers/promotions.[25]

Matching Projected Labor Supply and Demand with a Plan

Workforce planning should culminate in a workforce plan. This plan should identify the positions to be filled; potential internal and external candidates or sources (such as temp agencies) for these positions; the training and promotions moving people into the positions will entail; and the resources that implementing the plan will require, for instance, in recruiter fees, estimated training costs, and interview expenses.[26]

Succession Planning

In 2018, Apple CEO Tim Cook announced that Apple's board had a succession plan for who could become CEO should Cook step down.[27]

succession planning
The ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance.

Succession planning involves developing workforce plans for the company's top positions. **Succession planning** is the ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance.[28] It entails three main steps: identify key position needs, develop inside candidates, and assess and choose inside (or outside) candidates who will fill the key positions.[29]

First, based on the company's strategic and business plans, top management and the human resource director identify what the company's future key position needs will be. Matters to address include defining key positions and "high potentials," reviewing the company's current talent, and creating (based on the company's strategy) skills profiles for the key positions.[30]

After identifying future key positions, management turns to creating candidates for these jobs. "Creating" means identifying inside (or bringing in outside) candidates and providing them with the developmental experiences they require to be viable candidates. Employers develop high-potential employees through internal training and cross-functional experiences, job rotation, external training, and global/regional assignments.[31]

Finally, succession planning requires assessing these candidates and selecting those who will actually fill the key positions.[32]

As at Apple, the firm's board of directors should ensure that top management succession plans are in place. In fact, monitoring plans for and approving top management appointments is one of a corporate board's essential roles. (The others are overseeing strategy, performance, governance, and integrity.)[33]

EXAMPLE Several years ago, Dole Foods' strategy involved improving financial performance by reducing redundancies and centralizing certain activities, including succession planning.[34] For succession planning, Dole chose software from Pilat. (Several vendors supply succession planning software.[35]) The Pilat system keeps the data on its own servers for a fee. Dole's managers access the program via the Web using a password. They fill out online résumés for themselves, including career interests, and note special considerations such as geographic restrictions.

The managers also assess themselves on several competencies. Then, once the manager provides his or her input, the program notifies that manager's boss, who assesses his or her subordinate and indicates whether the person is promotable. This assessment and the online résumés then go automatically to the division head and the divisional HR director. Dole's senior vice president for human resources then uses the information to create career development plans for each manager, including seminars and other programs.

MyLab Management Apply It!

How does a company actually do workforce planning? If your professor has assigned this activity, go to the Assignments section of **www.pearson.com/mylab/management** to complete the video exercise.

LEARNING OBJECTIVE 5-2

Explain the need for effective recruiting and how to make recruiting more effective.

Why Effective Recruiting Is Important

Assuming the company authorizes you to fill a position, the next step is to build up, through recruiting, an applicant pool.[36] **Employee recruiting** means finding and/or attracting applicants for the employer's open positions.

employee recruiting
Finding and/or attracting applicants for the employer's open positions.

Recruiting is important. If only two candidates apply for two openings, you may have little choice but to hire them. But if 10 or 20 applicants appear, you can use interviews and tests to screen out all but the best.

Improving Recruitment Effectiveness: Recruiters, Sources, and Branding

Of course, it's not just recruiting but effective recruiting that you want. Recruiters, sources, and employer "brand" are important.

In one early study of recruiter effectiveness, subjects were 41 graduating college students who'd been on several job interviews.[37] When asked afterwards why they thought a particular company might be a good fit, 39 mentioned the nature of the job, but 23 said they'd been turned off by the recruiters. For example, some were dressed sloppily; others were rude. Therefore, the employer should carefully select and train recruiters. Training should include interpersonal skills (such as in communicating), and basic knowledge about how to recruit and how EEO laws affect recruiters.

Recruitment sourcing involves determining what your recruitment options (referrals, online ads, and so on) are, and then assessing which are best for the job in question. For assessing which source is best, most employers look at how many applicants the source generates. However quantity doesn't necessarily mean quality. Other effectiveness metrics should include, for each source, how many of its applicants were hired, how well its applicants performed on the job, how many failed and had to be replaced, and applicants' performance in terms of training, absence, and turnover.[38]

Similarly, the employer's *brand* or reputation affects recruiting success. Most obviously, it is futile to recruit if the employer's reputation is that it's an awful place to work.

How does the employer want others to see it as a place to work? The branding often focuses on what it's like to work at the company, including company values and the work environment.[39] GE, for instance, stresses innovation (hiring "bright, interesting people working together on new and exciting projects").[40] Others stress being environmentally responsible.[41]

Job applicants' employer reviews are widely available on sites like glassdoor.com, so employers must be diligent. Ensure that all applicants are treated courteously and that no reviews go unanswered.[42]

The Recruiting Yield Pyramid

recruiting yield pyramid
The historical arithmetic relationships between recruitment leads and invitees, invitees and interviews, interviews and offers made, and offers made and offers accepted.

Filling a handful of positions might require recruiting dozens or hundreds of candidates. Managers therefore use a staffing or **recruiting yield pyramid,** as shown in Figure 5-5, to gauge the staffing issues it needs to address. In Figure 5-5, the company knows it needs 50 new entry-level accountants next year. From experience, the firm also knows the following:

- The ratio of offers made to actual new hires is 2 to 1.
- The ratio of candidates interviewed to offers made is 3 to 2.
- The ratio of candidates invited for interviews to candidates interviewed is about 4 to 3.
- Finally, the firm knows that of six leads that come in from all its recruiting sources, it typically invites only one applicant for an interview—a 6-to-1 ratio.

Therefore, the firm must generate about 1,200 leads to be able to invite in 200 viable candidates of which it interviews about 150, and so on.

KNOW YOUR EMPLOYMENT LAW

Recruiting Employees

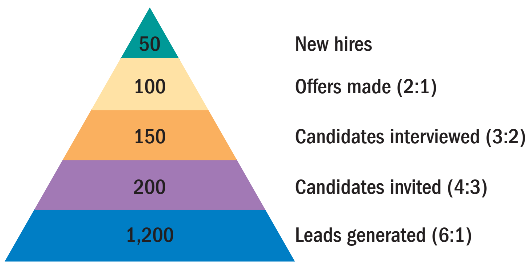
As we explained in Chapter 2, numerous federal, state, and local laws and court decisions restrict what employers can and cannot do when recruiting job applicants. In practice, "the key question in all recruitment procedures is whether the method limits qualified applicants from applying."[43] So, for example, gender-specific ads that call for "busboy" or "fireman" would obviously raise red flags. Similarly, courts will often question word-of-mouth recruiting because workers tend to nominate candidates of the same nationality, race, and religion.[44]

Other laws are relevant. For example, it is illegal for employers to conspire not to hire each other's employees. Yet Apple and Google paid over $400 million to settle a claim alleging that they did just that.[45] ■

THE SUPERVISOR'S ROLE Line and staff cooperation in recruitment is essential. The human resource manager charged with filling an open position is seldom very familiar with the job itself. So, for example, the recruiter will want to know from the supervisor what the job really entails and its job specifications, as well as informal things like the supervisor's leadership style and how the team gets along.

HR in Action at the Hotel Paris As they reviewed the details of the Hotel Paris's current recruitment practices, Lisa Cruz and the firm's CFO became increasingly concerned. They found that the recruitment function was totally unmanaged. To see how they handled this, see the case on pages 163–164 of this chapter.

FIGURE 5-5 Recruiting Yield Pyramid



KNOWLEDGE BASE

Internal Sources of Candidates

LEARNING OBJECTIVE 5-3

Discuss the main internal sources of candidates.

Recruiting typically brings to mind LinkedIn, employment agencies, and classified ads, but internal sources—in other words, current employees or "hiring from within"—are often the best sources of candidates.

Filling open positions with inside candidates has advantages. There is really no substitute for knowing a candidate's strengths and weaknesses, as you should after working with them for some time. Current employees may also be more committed to the company. Morale and engagement may rise if employees see promotions as rewards for loyalty and competence. And inside candidates should require less orientation and (perhaps) training than outsiders.

There are other advantages. External hires tend to come in at higher salaries than do those promoted internally, and some apparent "stars" hired from outside may still disappoint. On the other hand, some firms—particularly those facing challenges, such as McDonald's—have done very well by bringing in outsiders.[46]

One executive recruiter argues that internal candidates are always better than external ones unless the internal candidates simply can't pass muster. One study concluded that firms that hired their CEOs from inside rather than outside performed better.[47]

Hiring from within can also backfire. Inbreeding is a potential drawback, if new perspectives are required. The process of posting openings and getting inside applicants can also be a waste of time, when the department manager already knows whom he or she wants to hire. Rejected inside applicants may become discontented; telling them why you rejected them and what remedial actions they might take is crucial.

There are some practical rules to use in determining whether to go outside or promote from within. For example, if you need specific skills that aren't currently available in your company, or have to embark on a tough turnaround, or your current succession planning or skills inventory systems are inadequate, it may be best to look outside. On the other hand, if your company is thriving and you have effective succession planning and skills inventories, have the skills you need internally, and have a unique and strong company culture, then look within.[48]

Finding Internal Candidates

job posting
Publicizing an open job to employees (often by literally posting it on bulletin boards) and listing its attributes, like qualifications, supervisor, working schedule, and pay rate.

In a perfect world, the employer will adhere to formal internal-recruitment policies and procedures. These typically rely heavily on job posting and on the firm's skills inventories. **Job posting** means publicizing the open job to employees (usually by literally posting it on company intranets or bulletin boards). These postings list the job's attributes, like qualifications, supervisor, work schedule, and pay rate. *Qualifications skills inventories* may reveal to the company's recruiters those employees who have the right background for the open job. Ideally, the employer's internal-recruitment system therefore matches the best inside candidate with the job. In practice, this doesn't always happen. For better or worse, internal politics and having the right connections may well lead to placements that seem (and indeed may be) unfair and suboptimal.

Rehiring someone who left your employ has pros and cons. Former employees are known quantities (more or less) and are already familiar with how you do things. On the other hand, employees who you let go may return with negative attitudes.[49] Inquire (before rehiring) about what they did during the layoff and how they feel about returning. After a probationary period, credit them with the years of service they had accumulated before they left.[50]

Employee Engagement Guide for Managers

LEARNING OBJECTIVE 5-4

Describe how to use recruiting to improve employee engagement.

Promotion from Within

Many employers encourage internal recruiting, on the reasonable assumption that doing so improves employee engagement. Thus, as IBM shifted from supplying mostly hardware to consulting, it assessed its skills gaps and instituted workforce plans to train current employees for new jobs; this assumedly fostered employee engagement.

Similarly, International Paper appointed a single person "to provide support to all [business units], Staff Groups and Regions for Workforce Planning and Engagement."[51] Conversely, other employers, faced with strategic shifts, simply dismiss employees who don't "fit."

FedEx has had strong internal recruiting and promotion-from-within policies almost from its inception. FedEx's commitment to promotion from within grew out of founder Frederick Smith's belief that "when people are placed first they will provide the highest possible service, and profits will follow."[52] FedEx weaves together promotion from within with other policies—including annual employee attitude surveys, employee recognition and reward programs, a leadership evaluation process, extensive employee communication, and an employee appeals process—to foster employee commitment and engagement. FedEx's approach underscores the need to take an integrated approach to fostering employee engagement. For example, promotion-from-within is futile without effective performance appraisal and training practices.

Also, as at FedEx, effective promotion from within requires a system for accessing career records and *posting job openings*, one that guarantees eligible employees are informed of openings and considered for them. FedEx calls its job posting system JCATS (Job Change Applicant Tracking System). Announcements of new job openings via this online system usually take place each Friday. All employees applying for the position get numerical scores based on job performance and length of service. They are then advised as to whether they were chosen as candidates.

A manager interested in fostering his or her employees' engagement can draw several useful guidelines from FedEx's system: show a genuine interest in your employees' career aspirations; provide career-oriented appraisals; have a formal job-posting system; see that your employees have access to the training they need; and balance your desire to keep good employees with the benefits of helping them learn of and apply for other positions in your company.

KNOWLEDGE BASE

Outside Sources of Candidates

LEARNING OBJECTIVE 5-5

Discuss the main outside sources of candidates, and create an employment ad.

Employers can't always get all the employees they need from their current staff, and sometimes they just don't want to. We look at the sources firms use to find outside candidates next.

Informal Recruiting and the Hidden Job Market

Many job openings aren't publicized at all; jobs are created and become available when employers serendipitously encounter the right candidates. The author of *Unlock the Hidden Job Market* estimates that perhaps half of all positions are filled without formal recruiting.[53] Similarly, one survey found that 28% of those surveyed found their most recent job through word of mouth. Nineteen percent used online job boards, 16% direct approaches from employers and employment services, 7% print ads, and only 1% social media sites (although 22% used sites like LinkedIn to *search* for jobs).[54]

Recruiting via the Internet[55]

Most employers post ads on their own Web sites, as well as on job boards such as Indeed.com, Monster, and CareerBuilder. For example, by using Indeed's smartphone app, job hunters can search for jobs by key word, read job descriptions and salaries, save jobs to a list of favorites, e-mail job links, search for jobs nearby, and often directly apply for the job. Employers should also make their job listings easily recognizable by Google's job search tool. When a job seeker types a specific job search term (such as, "social media marketing director jobs for law firms in Cleveland Ohio") into Google's search box, its search algorithms unearth relevant listings from both employers and from job listings services like LinkedIn and CareerBuilder.[56]

Employers use various methods to facilitate online recruiting. In Hungary, the local office of accountants PriceWaterhouseCoopers (PWC) lets prospective applicants use a online simulation it calls Multipoly, to let applicants better understand what working for PWC is like. The firm attributes a significant increase in applicants to use of the game.[57] McDonald's posted employee testimonials on social networking sites to attract applicants.[58] Other employers simply scan through job boards' résumé listings. The *dot-jobs* domain gives job seekers a one-click conduit for finding jobs at the employers who register at www.[employer's name].jobs. For example, applicants seeking a job at Disneyland can go to www.Disneyland.jobs. *Hire Vue* "lets candidates create video interviews and send them to employers to review, share, and compare with other applicants."[59]

Virtual (fully online) job fairs are another option. Here online visitors see a similar setup to a regular job fair. They can listen to presentations, visit booths, leave résumés and business cards, participate in live chats, and get contact information from recruiters and hiring managers.[60] Fairs last about 5 hours.

ONLINE RECRUITMENT AROUND THE GLOBE Just about every country has its own recruitment sites, such as Zhaopin.com in China. The popularity of baitoru.com in Japan shows how culture is changing there. After decades in which most workers there had lifetime job security, that system recently has broken down. Today large numbers of Japanese workers are part-time or temporary. They use baitoru.com to find jobs.[61]

PROS AND CONS Online recruiting generates more responses quicker and for a longer time at less cost than just about any other method. And, because they are more comprehensive in describing the jobs, Web-based ads have a stronger effect on applicant attraction than do printed ads.[62] But, online recruiting has two potential problems.

First is bias.[63] Older people and some minorities are less likely to be online, so such recruiting may exclude some older applicants (and certain minorities). Similarly, some ads reportedly have dropdown boxes that won't allow (older applicants) adding data prior to 1980, and some media, such as Facebook, enable recruiters to specify that ads target particular (usually younger) age groups.

The second problem is Internet overload: Employers end up deluged with résumés. Self-screening helps: The Cheesecake Factory posts detailed job duties listings, so those not interested needn't apply. Another approach is to have job seekers complete a short online prescreening questionnaire, then use these to identify those who may proceed in the hiring process.[64] Most employers also use applicant tracking systems, to which we now turn.

Using Recruitment Software and Artificial Intelligence

applicant tracking systems (ATS)
Online systems that help employers attract, gather, screen, compile, and manage applicants.

Internet overload means that most employers use applicant tracking software to screen applications.[65] **Applicant tracking systems (ATS)** are online systems that help employers attract, gather, screen, compile, and manage applicants.[66] They also provide other services, including requisitions management (for monitoring the firm's open jobs), applicant data collection (for scanning applicants' data into the system), and reporting (to create various reports such as cost per hire and hire by source).[67] Most systems are from *application service providers* (ASPs). These basically redirect applicants from the employer's to the ASP's site. Thus, applicants who log on to take a test at the employer are actually taking the test at the ASP's site.[68] As one example, a bank uses its ATS to bump applicants who don't meet the job's basic requirements; it then e-mails them suggesting they review the bank's site for more appropriate positions. This bank then uses either phone or video interviews to reduce the applicant pool to a few candidates. Then its recruiters interview those at headquarters and send them through the final selection process.[69]

Similarly, software like that from Breezy HR (https://breezy.hr/) offers what it calls "end-to-end" recruitment solutions. For example, the recruitment manager can use Breezy HR's software application to create the position title and position description for the ad, and to automatically post the ad to more than 40 job boards such as Indeed and ZipRecruiter. The recruiter then uses the Breezy HR application to schedule interviews, conduct video interviews, keep track of applicants in tabular form, discuss each applicant within the app with members of the recruiter's team, and compile and report statistics, for instance to the EEOC. Similar systems are available from Automatic Data Processing (ADP.com), HRsmart (hrsmart.com), SilkRoad Technology (silkroad.com), and Monster (monster.com).

ARTIFICIAL INTELLIGENCE SYSTEMS Employers also use artificial intelligence–based systems to improve recruitment.[70]

Here the main focus is on automating the résumé analysis. To paraphrase one expert, why read through 10,000 résumés if a machine can instantaneously find the top 20?

For example, Textkernel (www.textkernel.com/) can quickly scan thousands of résumés and find viable candidates. It uses AI to identify alternative words. Thus if a recruiter wants a candidate with experience in autonomous driving technology, Textkernel would scan the résumés not just for "autonomous driving" but also for similar words (like "self-driving") that its algorithms have found people use in place of "autonomous driving." SAP's Resume Matcher takes the employer's position description and scans Wikipedia entries to better understand the human traits, skills, and experience the job requires.[71] That helps it quickly read through résumés to rank those that are best.

Even with AI, beware of bias. How the bots define "good candidate" depends on what the employer did in the past. So, if the employer usually chose young white candidates from top universities to hire from its applicant pool, then the AI system will tend to favor such candidates.

TRENDS SHAPING HR: *SCIENCE IN TALENT MANAGEMENT*

When research from Google's "People Operations" (HR) group found that job boards weren't cost-effective for them, they created their own in-house recruiting team. This in-house team uses a proprietary candidate database called gHire. Google's recruiters continually expand and winnow this candidate list, by searching social networking and other sites, by searching who's working where, and by reaching out to prospective hires and maintaining dialogues with them, sometimes for years. These in-house recruiters produce handpicked candidates and account for about half of Google's yearly hires.[72]

Google also actively solicits employee referrals. Because inside referrals turned out to be great candidates, Google analyzed how to boost employee referrals. It found that higher referral fees weren't the answer (because Googlers already loved recommending great candidates). Instead, Google streamlined the selection process, so more referrals got hired.

Google uses outside recruiters sparingly for special assignments and dropped job boards years ago.[73] ■

IMPROVING ONLINE ADS The ad you post requires thought. The best Web ads don't just transfer newspaper ads to the Web. As one specialist put it, "Getting recruiters out of the 'shrunken want ad mentality' is a big problem." Figure 5-6 is an example of recycling a print ad to the Web. The ineffective Web ad has needless abbreviations and doesn't say much about why the job seeker should want that job.[74]

Now look at the effective Web ad in Figure 5-6. It provides good reasons to work for this company. It starts with an attention-grabbing heading and uses the extra space to provide more specific job information. Many employers include the entire job description.[75] Ideally, an ad also should provide a way (such as a checklist of the job's human requirements) for potential applicants to gauge if the job is a good fit.[76]

Furthermore, it's best to place employment information one click away from the home page. Applicants can submit their résumés online at most larger firms' Web sites.

Finally, online recruiting requires caution for *applicants*. Some job boards don't check the legitimacy of the "recruiters" who place ads. Applicants may submit personal details, not realizing who is getting them.[77]

FIGURE 5-6 Ineffective and Effective Web Ads

Ineffective Ad, Recycled from Magazine to the Web	Effective Web Ad (Space Not an Issue)
Process Engineer Pay: $65k–$85k/year Immediate Need in Florida for a Wastewater Treatment Process Engineer. Must have a min. 4–7 years Industrial Wastewater exp. Reply KimGD@ WatersCleanX.com	Do you want to help us make this a better world? We are one of the top wastewater treatment companies in the world, with installations from Miami to London to Beijing. We are growing fast and looking for an experienced process engineer to join our team. If you have at least 4–7 years' experience designing processes for wastewater treatment facilities and a dedication to make this a better world, we would like to hear from you. Pay range depending on experience is $65,000–$85,000. Please reply in confidence to KimGD@ WatersCleanX.com

TRENDS SHAPING HR: *DIGITAL AND SOCIAL MEDIA*

LinkedIn and Beyond

Accenture predicts that about 80% of new recruits will soon come through prospective employees' social media connections.[78]

Recruiters use social media recruiting in several ways. They dig through social Web sites and competitors' publications to find applicants who may not even be looking for jobs. They seek passive candidates (people not actively looking for jobs) by using social networking sites such as *LinkedIn Recruiter Lite* (a premium service) to browse members' résumés and to find such candidates.[79] Many firms use Twitter to announce job openings to job seekers who subscribe to their Twitter feeds.[80] Theladders.com's Pipeline™ networking tool lets recruiters maintain a dialogue with prospective job seekers even before they're interested in seeking a job. Others use Facebook's friend-finding search function, and Twitter, to learn more about prospective and actual candidates. TalentBin searches sites such as Pinterest to find qualified tech workers.[81] Many employers have social media strategies and career pages that establish an online presence highlighting the benefits of working for them.[82] At one diversity conference, consultants Hewitt Associates displayed posters asking attendees to text message *hewdiversity* to a specific 5-digit number. Each person texting then became part of Hewitt's "mobile recruiting network," periodically receiving text messages regarding Hewitt openings.[83] (The employer should retain the text messages, in case it is audited, for instance by the EEOC.)[84]

LinkedIn Recruiter Lite lets employers post jobs on LinkedIn. The employer can also conduct its own LinkedIn search for talent, by using Recruiter Lite's search filters to search through LinkedIn's database. Recruiters then use LinkedIn's InMail to send short personalized messages to people they're interested in. And by joining relevant LinkedIn groups the recruiter can discover other LinkedIn group members who might be potential hires.[85] This not only helps them generate more relevant applicants, but also lets the recruiter mine the applicants' sites for feedback from the person's blog comments and his or her likes/dislikes. Recruiters also post job openings on professional associations and other social networks.[86] (Note that in one scam, hackers created LinkedIn profiles and then engaged in online chats with recruiters, to obtain access to employees' e-mails and profiles within the company.)[87]

The Oracle Taleo Social Sourcing Cloud Service is integrated with social sites like LinkedIn, Twitter, and Facebook. It notifies the company's current employees about open positions, and then scans their social connections for referral suggestions that they may want to make. With the My Staffing Pro applicant tracking system, applicants can apply on Facebook, share job openings, and connect with hiring managers.[88] ■

Advertising

While Web-based recruiting is replacing traditional help wanted ads, print ads are still popular. To use such help wanted ads successfully, employers should address two issues: the advertising medium and the ad's construction.

THE MEDIA The best medium—the local paper, *The Wall Street Journal*, *The Economist*, for instance—depends on the positions for which you're recruiting. For example, the local newspaper is often a good source for local blue-collar help, clerical employees, and lower-level administrative employees. On the other hand, if recruiting for workers with special skills, such as furniture finishers, you'd probably want to advertise in places with furniture manufacturers, such as the Carolinas, even if your plant is in Tennessee. The point is to target your ads where they'll reach your prospective employees.

For specialized employees, advertise in trade and professional journals like *American Psychologist*, *Sales Management*, *Chemical Engineering*, and *Women's Wear Daily*. Help wanted ads in papers like *The Wall Street Journal* can be good sources of middle- or senior-management personnel. Most of these print outlets include online ads with the purchase of print help wanted ads. Electronic Arts included information about its internship program on its video game manuals.

CONSTRUCTING (WRITING) THE AD Experienced advertisers use the guide AIDA (attention, interest, desire, action) to construct ads. First, you must grab attention to the ad. Why does the ad in Figure 5-7 attract attention? The phrase "next key player" helps.

Next, develop interest in the job. For instance, "Are you looking to make an impact?"

Create desire by spotlighting words such as *travel* or *challenge*. As an example, having a graduate school nearby may appeal to engineers and professional people.

Finally, the ad should prompt action with a statement like "call today."

Job applicants view ads with more specific job information as more attractive and more credible.[89] If the job has big drawbacks, consider a realistic ad. When the New York City Administration for Children's Services was having problems with employee

FIGURE 5-7 Help Wanted Ad That Draws Attention

Source: "Help Wanted Ad That Draws Attention," in Giombetti Associates, Hampden, MA. Reprinted with permission.

Are You Our Next Key Player?

PLANT CONTROLLER — **Northern New Jersey**

Are you looking to make an impact? Can you be a strategic business partner and team player, versus a classic, "bean counter"? Our client, a growing Northern New Jersey manufacturer with two locations, needs a high-energy, self-initiating, technically competent Plant Controller. Your organizational skills and strong understanding of general, cost, and manufacturing accounting are a must. We are not looking for a delegator, this is a hands-on position. If you have a positive can-do attitude and have what it takes to drive our accounting function, read oh!

Responsibilities and Qualifications:

- Monthly closings, management reporting, product costing, and annual budget.
- Accurate inventory valuations, year-end physical inventory, and internal controls.
- 4-year Accounting degree, with 5–8 years experience in a manufacturing environment.
- Must be proficient in Microsoft Excel and have general computer skills and aptitude.
- Must be analytical and technically competent, with the leadership ability to influence people, situations, and circumstances.

If you have what it takes to be our next key player, tell us in your cover letter, *"Beyond the beans, what is the role of a Plant Controller?"* Only cover letters addressing that question will be considered. Please indicate your general salary requirements in your cover letter and email or fax your resume and cover letter to:

Ross Giombetti
Giombetti Associates
2 Allen Street, P.O. Box 720
Hampden, MA 01036
Email: Rossgiombetti@giombettiassoc.com
Fax: (413) 566-2009

GIOMBETTI ASSOCIATES
INSTITUTE OF LEADERSHIP

retention, it began using these ads: "Wanted: men and women willing to walk into strange buildings in dangerous neighborhoods, [and] be screamed at by unhinged individuals. . . ."[90]

Employment Agencies

There are three main types of employment agencies: (1) public agencies operated by federal, state, or local governments; (2) agencies associated with nonprofit organizations; and (3) privately owned agencies.

PUBLIC AND NONPROFIT AGENCIES Every state has a public, state-run employment service agency. The U.S. Department of Labor supports these agencies, through grants and through other assistance such as a nationwide computerized job bank. Similarly the DOL's CareerOneStop enables agency counselors to advise applicants about available jobs in other states as well.

Some employers have mixed experiences with public agencies. For one thing, applicants for unemployment insurance are required to register and to make themselves available for job interviews. Some of these people are not interested in returning to work, so employers can end up with applicants who have little desire for immediate employment. And fairly or not, employers probably view some of these local agencies as lethargic in their efforts to fill area employers' jobs.

Yet these agencies are useful. Beyond just filling jobs, counselors will visit an employer's work site, review the employer's job requirements, and even assist the employer in writing job descriptions. Most states have turned their local state employment service agencies into "one-stop" shops—neighborhood training/employment/career assessment centers.[91] At Oregon State's centers, job seekers can use "iMatch" skills assessment software, while employers can get up-to-date local economic news and use the center's online recruitment tools.[92] More employers should be taking advantage of these centers (formerly the "unemployment offices" in many cities).

Most (nonprofit) professional and technical societies, such as the Institute for Electrical and Electronic Engineers (IEEE), have units that help members find jobs. Many special public agencies place people who are in special categories, such as those who are disabled.

PRIVATE AGENCIES Private employment agencies are important sources of clerical, white-collar, and managerial personnel. They charge fees (set by state law and posted in their offices) for each applicant they place. Most are "fee-paid" jobs, in which the employer pays the fee. Use one if:

1. Your firm doesn't have its own human resources department and feels it can't do a good job recruiting and screening.
2. You must fill a job quickly.
3. There is a perceived need to attract more minority or female applicants.
4. You want to reach currently employed individuals, who might feel more comfortable dealing with agencies than with competing companies.
5. You want to reduce the time you're devoting to recruiting.[93]

Yet using employment agencies requires avoiding the potential pitfalls. For example, the employment agency's screening may let poor applicants go directly to the supervisors responsible for hiring, who may in turn naively hire them. Conversely, improper screening at the agency could block potentially successful applicants.

To help avoid problems:

1. Give the agency an accurate and complete job description.
2. Make sure tests, application blanks, and interviews are part of the agency's selection process.
3. Periodically review equal employment data on candidates accepted or rejected by your firm, and by the agency.

4. Screen the agency. Check with other managers to find out which agencies have been the most effective at filling the sorts of positions you need filled. Review the Internet and classified ads to discover the agencies that handle the positions you seek to fill.
5. Supplement the agency's reference checking by checking at least the final candidate's references yourself.

Recruitment Process Outsourcers

Recruitment process outsourcers (RPOs) are special vendors that handle all or most of an employer's recruiting needs. They usually sign short-term contracts with the employer, and receive a monthly fee that varies with the amount of actual recruiting the employer needs done. This makes it easier for an employer to ramp up or ramp down its recruiting expenses, as compared with paying the relatively fixed costs of an in-house recruitment office.[94] Large RPOs include Manpower Group Solutions, Allegis Global Solutions, and IBM Recruitment Services.[95]

On-Demand Recruiting Services

on-demand recruiting services (ODRS)
Services that provide short-term specialized recruiting to support specific projects without the expense of retaining traditional search firms.

On-demand recruiting services (ODRS) are recruiters who are paid by the hour or project, instead of a percentage fee, to support a specific project. For example, when the human resource manager for a biotech firm had to hire several dozen people with scientific degrees and experience in pharmaceuticals, she used an ODRS firm. A traditional recruiting firm might charge 20% to 30% of each hire's salary. The ODRS firm charged by time, rather than per hire. It handled recruiting and prescreening, and left the client with a short list of qualified candidates.[96]

HR AND THE GIG ECONOMY: *TEMPORARY WORKERS AND ALTERNATIVE STAFFING*

Vast numbers of workers today work in the gig (also called the sharing, 1099, and on-demand) economy.[97] From Uber drivers to temp employees, they typically work in freelance, contract, temporary, or consultant capacities.

For example, many employers build their staff wholly or in part around freelance programmers, designers, or marketers. Freelancer community Web sites enable such employers to recruit based on the freelancer's reputation and work product. For example, upwork.com (see www.upwork.com) reports its members' skills assessments, and lists detailed project work experience, making it easier for prospective employers to decide who to hire. The TopCoder.com (see www.topcoder.com/how-it-works/) programming community site enables employers to identify top programmers based on their reputations.

Temporary Workers

Employers also increasingly supplement their permanent workforces by hiring contingent or temporary workers, often through temporary help employment agencies. Also known as *part-time* or *just-in-time workers*, the contingent workforce is big and growing, and it isn't limited to clerical or maintenance staff. It includes thousands of engineering, science, and management support occupations, such as temporary chief financial officers, human resource managers, and chief executive officers.[98]

Employers use temps for many reasons. One is the trend toward organizing around short-term projects. For example, Makino, which manufactures machine tools, now outsources the installation of large machines to contract firms, who in turn hire temps to do the installations. Flexibility is another concern, with more employers wanting to quickly reduce employment levels if the economic turnaround proves short-lived.[99] Other employers use temp agency–supplied workers to "try out" prospective employees. Employers have also long used "temps" to fill in for employees who were out sick or on vacation.

The employer should compare costs of temps versus permanent employees. Productivity in output per hour paid can be higher, since temps often only get paid when they're working—not for days off. However, temps often cost employers more per hour because the agency gets a fee. But the agency also does the recruiting, whereas for permanent employees the employer should include costs such as for placing ads and interviewers' time.[100]

alternative staffing
The use of nontraditional recruitment sources.

Temporary employees are examples of **alternative staffing**—basically, the use of nontraditional recruitment sources. Other alternative staffing arrangements include "in-house temporary employees" (people employed directly by the company, but on an explicit short-term basis) and "contract technical employees" (highly skilled workers like engineers, who are supplied for long-term projects under contract from outside technical services firms).

THE TEMP AGENCY Employers hire temp workers either through direct hires or through temporary staff agencies. Direct hiring involves simply hiring workers and placing them on the job. The employer usually pays these people directly, as it does all its employees, but classifies them separately, as casual, seasonal, or temporary employees, and often pays few if any benefits.[101] The other approach is to use a temp agency. Here the agency handles all the recruiting, screening, and payroll administration for the temps. Thus, Nike hired Kelly Services to manage Nike's temp needs.

When working with temporary agencies, understand their policies. For example, with temps, the time sheet is not just a verification of hours worked. Once the worker's supervisor signs it, it's usually an agreement to pay the agency's fees. What is the policy if the client wants to hire one of the agency's temps as a permanent employee? How does the agency plan to recruit employees? And finally, check their references.[102]

TEMP EMPLOYEES' CONCERNS To make temporary relationships successful, those supervising temps should understand their concerns. In one survey, temporary workers said they were:

1. Treated by employers in a dehumanizing and ultimately discouraging way.
2. Insecure about their employment and pessimistic about the future.
3. Worried about their lack of insurance and pension benefits.
4. Misled about their job assignments and in particular about whether temporary assignments were likely to become full-time.
5. "Underemployed" (particularly those trying to return to the full-time labor market).[103]

MyLab Management Talk About It 2

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. Go to one or more sites like elance.com. If you were a programming manager for a company, could you use the site to find and hire a new employee directly? If not, what else might you need?

KNOW YOUR EMPLOYMENT LAW

Contract Employees

For purposes of most employment laws, with certain limited exceptions, employees of temporary staffing firms working in an employer's workplace will be considered to be employees both of the agency and of the employer.[104] The employer's liability depends on the degree to which its supervisors control the temp employee's activities. Therefore, the more the agency does, the better. For example, have the agency handle training. Let it negotiate and set the pay rates and vacation/time-off policies.

Employers can take other steps. Require the agency to follow the employer's background checking process, and to assume the legal risks if the employer and agency are found to be jointly responsible. Carefully track how many temporary employees your company actually has. Screen and supervise temporary employees with care if they may have access to your intellectual property and computer systems.[105] Don't treat temporary workers as "employees," for instance, in terms of business cards, employee handbooks, or employee ID badges.[106] ■

POACHING In 2018 Uber agreed to pay Google about $245 million to settle claims that an employee of Google's Waymo driverless car division took Waymo secrets with him when he joined Uber.

"Poaching" employees from competitors can produce good recruits but can be problematical. For example, the employee almost always has a fiduciary responsibility to the current employer, for instance, regarding proprietary information. Therefore, keep the possibility of litigation in mind. Don't ask for or accept proprietary information about your competitor.

There is no way for a target firm to become "poaching proof." However, steps such as having employees sign noncompete agreements and antisolicitation clauses prohibiting them from soliciting current customers may help protect the employer for a time.[107] Both Apple and Google allegedly took a more dubious approach: According to several lawsuits, they simply agreed between themselves not to poach each other's employees, but then agreed to a $415 million legal settlement.[108]

Offshoring and Outsourcing Jobs

Rather than bringing people in to do the company's jobs, outsourcing and offshoring send the jobs out. *Outsourcing* means having outside vendors supply services (such as benefits management, market research, or manufacturing) that the company's own employees previously did in-house. *Offshoring* means having outside vendors or employees *abroad* supply services that the company's own employees previously did in-house.

Employees, unions, legislators, and even many business owners feel that "shipping jobs out" (particularly overseas) is ill-advised. That notwithstanding, employers are sending jobs out, and not just blue-collar jobs. For example, U.S. employers shipped about 135,000 IT jobs recently to countries like India.[109]

Sending out jobs, particularly overseas, presents employers with special personnel challenges. One is the likelihood of cultural misunderstandings (such as between your home-based customers and the employees abroad). Others are security and information privacy concerns; the need to deal with foreign contract, liability, and legal systems issues; and the fact that the offshore employees need special training (for instance, in using pseudonyms like "Jim" without discomfort).

Rising wages in Asia, coupled with reputational issues, a desire to invest more in local communities, and political pressures are prompting employers to bring jobs back. Several U.S. employers including Apple and Microsoft are shifting jobs back to America.[110]

America's H-1B visa program originally aimed to help U.S. employers temporarily hire workers from abroad in specialty occupations. Today, newspaper accounts of employers bringing in foreign workers to be trained by their American counterparts before taking over their jobs has prompted legislators (and others) to argue that the program is misused.[111] For example, they want to limit use of H-1B visas to skilled foreign workers.[112] With the program under scrutiny, the number of evidence requests (required to confirm the need for the visa) recently rose from about 17% of

The numbers of temporary and freelance workers are increasing all over the world.

Hero Images/Getty Images

applications to over 46%.[113] Giant outsourcers, such as India's Infosys Ltd, reacted with plans to hire thousands of U.S. workers, and by opening technology centers in the United States.[114]

Executive Recruiters

Executive recruiters (also known as *headhunters*) are special employment agencies employers retain to seek out top-management talent for their clients. The percentage of your firm's positions filled by these services might be small. However, these jobs include key executive and technical positions. For executive positions, headhunters may be your only source of candidates. The employer always pays the fees.

There are contingent and retained executive recruiters. Members of the Association of Executive Search Consultants usually focus on executive positions paying $150,000 or more and on "*retained* executive search." They are paid regardless of whether the employer hires the executive through the search firm's efforts. *Contingency-based recruiters* tend to handle junior- to middle-level management job searches in the $80,000 to $160,000 range. Recruiter fees are around 15% to 25% of the executive's total first-year pay (salary plus bonus).[115] Top recruiters (all retained) include Heidrick and Struggles, Egon Zehnder International, Russell Reynolds, and Spencer Stuart.

The challenging part of recruiting has always been finding potential candidates. Not surprisingly, Internet-based databases now dramatically speed up such searches. Executive recruiters are also creating specialized units aimed at specialized functions (such as sales) or industries (such as oil products).

Recruiters bring a lot to the table. They have many contacts and are relatively adept at finding qualified candidates who aren't actively looking to change jobs. They can keep your firm's name confidential, and can save top management's time by building an applicant pool. The recruiter's fee might actually turn out to be small when you compare it to the executive time saved.

The big issue is ensuring that the recruiter really understands your needs and then delivers properly vetted candidates. It is essential that the employer explain completely what sort of candidate is required. Some recruiters also may be more interested in persuading you to hire a candidate than in finding one who will really do the job. And one or two of the "final candidates" may actually just be fillers to make the recruiter's one "real" candidate look better.

WORKING WITH RECRUITERS Retaining and working with executive recruiters require some caution. In choosing and working with one, guidelines include[116]

1. Make sure the firm can conduct a thorough search. Under their ethics code, a recruiter can't approach the executive talent of a former client for a period of 2 years after completing a search for that client. Since former clients are off limits for 2 years, the recruiter must search from a constantly diminishing pool.[117]
2. Meet the individual who will actually handle your assignment.
3. Make sure to ask how much the search firm charges. Get the agreement in writing.[118]
4. Make sure the recruiter and you agree on what sort of individual to hire for the position.
5. Ask if the recruiter has vetted the final candidates. Do not be surprised if the answer is, "No, I just get candidates—we don't really screen them."
6. *Never* rely solely on any recruiter to do all the reference checking. Let them check the candidates' references, but get notes of these references in writing from the recruiter (if possible). Recheck at least the final candidates' references yourself.
7. Consider using a recruiter who has a special expertise in your specific industry—he or she may have the best grasp of who is available.

INTERNAL RECRUITING More employers are bringing management recruiting in-house. They still use executive recruiters such as Heidrick and Struggles to conduct top officer (CEO and president) and board member placements, and to conduct confidential searches. But employers such as General Electric and Google now have their own internal recruiting offices doing much of their own management recruiting. Time Warner reported saving millions of dollars per year using internal recruiting teams.[119]

With employers increasingly finding new ways of recruiting top management talent, executive search firms are diversifying. For example, the head of Korn/Ferry says his firm is increasingly being asked to investigate prospective candidates' backgrounds, and his firm is also expanding into areas such as employee development.[120] The accompanying HR Tools feature explains what small businesses can do.

IMPROVING PERFORMANCE: *HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES*

Recruiting 101

There comes a time in the life of most small businesses when it dawns on the owner that new blood is needed to take the company to the next level. Should the owner personally recruit this person?

While most large firms don't think twice about hiring executive search firms, small-firm owners will understandably hesitate before committing to a fee that could reach $60,000 or more for a $120,000 marketing manager.

However, engaging in a search like this is not like seeking supervisors or data entry clerks. Chances are, you won't find a top manager by placing ads. He or she is probably not reading the want ads. You'll end up with résumés of people who are, for one reason or another, out of work, unhappy with their work, or unsuited for your job. Many may be capable. But you will have to ferret out the gem by interviewing and assessing them.

You won't know where to place or how to write the ads; or where to search, who to contact, or how to screen out the laggards who may appear to be viable candidates. Even if you do, this process will be time-consuming and will divert your attention from other duties.

If you do decide to do the job yourself, consider retaining an industrial psychologist to spend 4 or 5 hours assessing the problem-solving ability, personality, interests, and energy level of the two or three candidates in which you are most interested. The input can provide a valuable perspective on the candidates.

Exercise special care with applicants from competing companies. Some of the issues at 2018's Uber versus Google Waymo autonomous driving technology trial included, for instance, "Is information 'stolen' if you simply remember it?", and "Even if the engineer developed the solution him or herself, the person cannot tell new employers about specific engineering solutions." Always ascertain if applicants are bound by noncompete or nondisclosure agreements. And perhaps check with an attorney before asking certain questions—regarding patents or potential antitrust issues, for instance.[121]

If you're a manager with an open position to fill in a *Fortune* 500 company, even you may find you have a dilemma. You may find that your firm's HR office will do little recruiting, other than, perhaps, placing an ad on CareerBuilder. On the other hand, your firm almost surely will not let you place your own help wanted ads. What to do? Use word of mouth to "advertise" your open position within and outside your company. And contact your colleagues in other firms to let them know you are recruiting. ■

MyLab Management Talk About It 3

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete these discussion questions. You own a small chemical engineering company and want to hire a new president. Based on what you read in this chapter, how would you go about doing so, and why?

Referrals and Walk-Ins

Employee referral campaigns are a very important recruiting option. Here the employer posts announcements of openings and requests for referrals on its Web site, bulletin boards, and/or wallboards. It often offers prizes or cash awards for referrals that lead to hiring. For example, at health-care giant Kaiser Permanente, referring someone for one of its "award-eligible positions" can produce bonuses of $3,000 or more.[122] The Container Store trains employees to recruit candidates from among the firm's customers. Many employers use tools like Jobvite Refer to make it easier for their employees to publicize the firm's open positions via their own social media sites.[123]

Referral's big advantage is that it tends to generate "more applicants, more hires, and a higher yield ratio (hires/applicants)."[124] Current employees tend to provide accurate information about their referrals because they're putting their own reputations on the line. And the new employees may come with a more realistic picture of what the firm is like. A SHRM survey found that of 586 employer respondents, 69% said employee referral programs are more cost-effective than other recruiting practices, and 80% specifically said they are more cost-effective than employment agencies. On average, referral programs cost around $400–$900 per hire in incentives and rewards.[125]

If morale is low, address that prior to asking for referrals. And if you don't hire someone's referral, explain to your employee/referrer why you did not hire his or her candidate. In addition, remember that relying on referrals might be discriminatory where a workforce is already homogeneous. Employee referral programs can also backfire when most of a firm's employees are nonminority. Here one suggestion is to offer bigger bonuses for diversity hires.[126]

WALK-INS Particularly for hourly workers, walk-ins—direct applications made at your office—are a big source of applicants. Sometimes, posting a "Help Wanted" sign outside the door may be the most cost-effective way of attracting good local applicants. Treat walk-ins courteously, for both the employer's community reputation and the applicant's self-esteem. Many employers give every walk-in a brief interview, even if it is only to get information on the applicant "in case a position should be open in the future." Employers also typically receive unsolicited applications from professional and white-collar applicants. Good business practice requires answering all applicants' letters of inquiry promptly.

College Recruiting

college recruiting
Sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from the graduating class.

College recruiting—sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from the graduating class—is important. Recently, the entry-level job market has been the strongest it's been in years, and historically, almost 40% of such jobs have gone to recent college graduates.[127]

One problem is that such recruiting is expensive. Schedules must be set well in advance, company brochures printed, interview records kept, and much time spent on campus. And recruiters are sometimes ineffective. Some are unprepared, show little interest in the candidate, and act superior. Many don't screen candidates effectively. Employers need to train recruiters in how to interview candidates, how to explain what the company has to offer, and how to put candidates at ease. The recruiter should be personable and have a record of attracting good candidates.[128]

The campus recruiter has two main goals. One is to determine if a candidate is worthy of further consideration. Traits to assess include communication skills, education, experience, and technical and interpersonal skills. The other aim is to make the employer attractive to candidates. A sincere and informal attitude, respect for the applicant, and prompt follow-up emails/letters can help sell the employer to the interviewee.

Employers who build relationships with opinion leaders such as career counselors and professors have better recruiting results.[129] Building close ties with a college's career center provides recruiters with useful feedback regarding things like labor market conditions and the effectiveness of one's online and offline recruiting ads.[130]

Employers should narrow the list of schools its recruiters visit, using criteria such as quality of academic program, number of students enrolled, curriculum, distance to campus, competitive environment (students salary expectations, and so forth), and student body diversity.[131]

Employers generally invite good candidates for an on-site visit. The invitation should be warm but businesslike, and provide a choice of dates. Have a host meet the applicant, preferably at the airport or at his or her hotel. A package containing the applicant's schedule as well as other information—such as annual reports and employee benefits—should be waiting for the applicant at the hotel.

Plan the interviews and adhere to the schedule. Avoid interruptions; give the candidate the undivided attention of each person with whom he or she interviews. Have another recently hired graduate host the candidate's lunch. Make any offer as soon as possible, preferably at the time of the visit. Frequent follow-ups to "find out how the decision process is going" may help to tilt the applicant in your favor.

What else to do? A study of 96 graduating students provides some insights. Fifty-three percent said "on-site visit opportunities to meet with people in positions similar to those applied for, or with higher-ranking persons" had a positive effect. Fifty-one percent mentioned, "impressive hotel/dinner arrangements and having well-organized site arrangements." "Disorganized, unprepared interviewer behavior, or uninformed, useless answers" turned off 41%. Schools such as the University of Virginia provide job-seeking students with guidelines about what to expect at the employer's on-site visit.[132]

INTERNSHIPS Internships can be win–win situations. For students, they can mean honing business skills, learning more about potential employers, and discovering one's career likes (and dislikes). Employers can use the interns to make useful contributions while evaluating them as possible full-time employees. A study found that about 60% of internships turned into job offers.[133]

Unfortunately, some internships turn into nightmares. Many interns, particularly in industries like fashion and media, report long unpaid days of menial work.[134] Courts have laid out several criteria for determining whether someone is actually an "intern." Criteria include: whether both the intern and employer understand that no compensation is expected; whether the internship provides training similar to an educational environment; and whether the internship is tied to the person's formal education program.[135]

Military Personnel

Returning and discharged U.S. military personnel provide an excellent source of trained and disciplined recruits.[136] Yet all too often they have trouble getting placed. To help remedy this, the federal government offers tax credits to employers who hire veterans, and many employers including Walmart have special programs to recruit veterans.[137] The military also has programs to facilitate soldiers finding jobs. Thus the U.S. Army's Partnership for Youth Success enables someone entering the Army to select a post-Army corporate partner as a way to help soldiers find a job after leaving the Army.[138]

Misconceptions about veterans (for instance, that posttraumatic stress disorders influence job performance) are generally not valid.[139] Walmart has a program offering jobs to honorably discharged veterans who left the service in the past year.[140] The Web site www.helmetstohardhats.org puts vets together with building trades employers.[141]

The accompanying Profit Center feature describes how one employer reduced recruiting costs.

IMPROVING PERFORMANCE: *HR AS A PROFIT CENTER*

Cutting Recruitment Costs[142]

GE Medical hires about 500 technical workers a year to design sophisticated medical devices such as CT scanners. It has cut its hiring costs by 17%, reduced time to fill the positions by 20% to 30%, and cut in half the percentage of new hires who don't work out.[143]

GE Medical's HR team accomplished this in part by applying its purchasing techniques to its dealings with recruiters. For example, it called a meeting and told 20 recruiters that it would work with only the 10 best. To measure "best," the company created measures inspired by manufacturing techniques, such as "percentage of résumés that result in interviews" and "percentage of interviews that lead to offers." Similarly, GE Medical discovered that current employees are very effective as references. For instance, GE Medical interviews just 1% of applicants whose résumés it receives, while 10% of employee referrals result in actual hires. So GE Medical took steps to double the number of employee referrals. It simplified the referral forms, eliminated bureaucratic submission procedures, and added a small reward like a gift certificate for referring a qualified candidate. GE also upped the incentive—$2,000 if someone referred is hired, and $3,000 if he or she is a software engineer. (In 2018, GE spun off ownership of its Medical/Healthcare unit to GE shareholders.) ■

> **MyLab Management Talk About It 4**
>
> If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete this discussion question. What other tools described in this chapter could GE Medical use to improve recruiting efficiency?

> LEARNING OBJECTIVE 5-6
>
> **Explain** how to recruit a more diverse workforce.

Recruiting a More Diverse Workforce

The recruiting tools we described to this point are certainly useful for recruiting minority applicants, too. However, diversity recruiting requires several special steps. For example, Facebook is said to award its recruiters more points for hiring black, Hispanic, or female engineers.[144] Facebook also has its hiring managers interview at least one person from an underrepresented group for each open position.[145] Pinterest recently set aggressive diversity goals, such as to hire women for 30% of open engineer jobs. Although it missed that goal, women still represented 22% of the engineers it hired. Microsoft ties manager bonuses to hiring diverse employees.[146]

Recruiting Women

Given the progress women have made in getting and excelling in a wide range of professional, managerial, and military occupations, one might assume that employers need no special recruitment efforts to recruit women, but that's not the case. For example, women still face headwinds in certain male-dominated occupations such as engineering. Women also carry the heavier burden of child-rearing, fill proportionately fewer high-level managerial posts, and still earn only about 70% of what men earn for similar jobs. Many employers therefore focus particular efforts on recruiting qualified women.[147]

The most effective strategy is top management driven.[148] Here the employer emphasizes the importance of recruiting women, identifies gaps in the recruitment and retention of women, and implements a comprehensive plan to attract female applicants. The overall aim is to show that the employer is somewhere women want to work, and the details of any such plan needn't be complicated. For example, particularly for "nontraditional" jobs (like engineering), use the company Web site to highlight women now doing those jobs. Emphasize the employer's mentoring program for moving women up. Offer real workplace flexibility; for example, not just flexible hours but the option of staying on a partner track even while working part-time. Focus some of the recruiting effort on women's organizations, women's employment Web sites, and women's colleges. Make sure benefits cover matters such as prenatal care. Maintain a zero-tolerance sexual harassment policy.

Recruiting Single Parents

Recently, there were about 15 million single-parent families with children under 18 maintained by the mother and about 5 million maintained by the father.[149] (And keep in mind that many of these issues also apply to families in which both parents are struggling to make ends meet.) In one survey:

> Many described falling into bed exhausted at midnight without even minimal time for themselves. . . . They often needed personal sick time or excused days off to care for sick children. As one mother noted, "I don't have enough sick days to get sick."[150]

Given such concerns, the first step in attracting and keeping single parents is making the workplace user friendly.[151] A supportive attitude on the supervisor's part can go far toward making the single parent's work–home balancing act more bearable.[152] Many firms have *flextime* programs that provide employees some schedule flexibility (such as 1-hour windows at the beginning or end of the day). Unfortunately, for many single parents this may not be enough. CNN even offered a "Work/Life Balance Calculator" to assess how far out of balance one's life may be.[153] We'll discuss other options in Chapter 13, Benefits and Services.

Older Workers

About 32% of Americans age 65 to 69 were employed recently, as were 19% of all those over 65.[154] It therefore makes sense for employers to encourage older workers to stay (or to come to work at the company). The big draw is to provide opportunities for flexible (and often shorter) work schedules.[155] At one company, workers over 65 can progressively shorten their work schedules; another company uses "mini shifts" to accommodate those interested in working less than full-time. Other suggestions include the following: phased retirement that allows workers to ease out of the workforce,[156] portable jobs for "snowbirds" who wish to live in warmer climates in the winter, part-time projects for retirees, and full benefits for part-timers.[157]

As always in recruiting, project the right image. The most effective ads emphasize schedule flexibility, and accentuate the firm's equal opportunity employment statement, *not* "giving retirees opportunities to transfer their knowledge."[158]

Not just single parents, but also their children may occasionally need some extra support.

Stewart Cohen/Agefotostock

Diversity Counts: Older Workers

Older workers are good workers. A study focused on the validity of six common stereotypes about older workers: that they are less motivated, less willing to participate in training and career development, more resistant to change, less trusting, less healthy, and more vulnerable to work–family imbalance.[159] They actually found not a negative but a weakly positive relationship between age and motivation and job involvement (suggesting that as age goes up motivation rises). They did find a weak negative relationship between age and trainability. Age was weakly but positively related to willingness to change, and to being more trusting. Older workers were no more likely than younger ones to have psychological problems or day-to-day physical health problems, but were more likely to have heightened blood pressure and cholesterol. Older workers did not experience more work–family imbalance. So there was little support for the common age stereotypes.

What should employers do? First, raise employees', managers', and recruiters' awareness about incorrect age stereotypes. And provide opportunities for more contacts with older people and for information flows between younger and older workers.[160] ■

Recruiting Minorities

Similar prescriptions apply to recruiting minorities.[161] First, *understand* the barriers that prevent minorities from applying. For example, some minority applicants won't meet the educational or experience standards for the job; many employers therefore offer remedial training. In one retail chain, a lack of role models stopped women from applying. Other times schedule flexibility is crucial.

After recognizing the impediments, one turns to formulating plans for remedying them and for attracting and retaining minorities and women. This may include, for instance, basic skills training, flexible work options, role models, and redesigned jobs.

Next, implement these plans. For example, many job seekers check with friends when job hunting, so encouraging your minority employees to assist in your recruiting makes sense. Diversity recruitment specialists include www.diversity.com and www.2trabajo.com.[162] Others collaborate with specialist professional organizations, such as the National Black MBA Association (http://careersuccess.nbmbaa.org/).

Some employers experience difficulty in assimilating people previously on welfare. Applicants sometimes lack basic work skills, such as reporting for work on time, or working in teams. The key to welfare-to-work seems to be a pretraining program, consisting of counseling and basic skills training over several weeks, offered by the employer and/or many states.[163]

The Disabled

Bias against disabled applicants may or may not be intentional but surely occurs. In one study, researchers replied to accounting job openings by sending résumés and cover letters from fictitious candidates; all "candidates" were qualified, but some letters revealed a disability. The candidates with expressed disabilities were chosen by recruiters 26% less frequently for follow-up than were those with no revealed disability.[164]

The research is quite persuasive regarding the fact that in terms of virtually all work criteria, employees with disabilities are capable workers. Thousands of employers in the United States and elsewhere have found that disabled employees provide an excellent and largely untapped source of competent, efficient labor for jobs ranging from information technology to creative advertising to receptionist.[165]

Employers can do several things to tap this huge potential workforce. The U.S. Department of Labor's Office of Disability Employment Policy offers several programs, including one that helps link disabled college undergraduates who are looking for summer internships with potential employers.[166] All states have local agencies (such as "Corporate Connections" in Tennessee) that provide placement services and other recruitment and training tools and information for employers seeking to hire the disabled. Employers also must use common sense. For example, employers who post job openings only in newspapers may miss potential employees who are visually impaired.[167]

LEARNING OBJECTIVE 5-7

Discuss practical guidelines for obtaining application information.

Developing and Using Application Forms

Purpose of Application Forms

application form
The form that provides information on education, prior work record, and skills.

With a pool of applicants, the prescreening process can begin. The **application form** is usually the first step in this process (some firms first require a brief, prescreening interview or online test).

A filled-in application provides four types of information. First, you can make judgments on *substantive matters*, such as whether the applicant has the education and experience to do the job. Second, you can draw conclusions about the applicant's *previous progress* and growth, especially important for management candidates. Third, you can draw tentative conclusions about the applicant's *stability* based on previous work record (although years of downsizing suggest the need for caution here). Fourth, you may be able to use the data in the application to *predict* which candidates will succeed on the job.

Application Guidelines

Ineffective use of the application can cost the employer dearly. Managers should keep several practical guidelines in mind. In the "Employment History" section, request detailed information on each prior employer, including the name of the supervisor and his or her e-mail address and telephone number; this is essential for reference checking. In signing the application, the applicant should certify that falsified statements may be cause for dismissal, that investigation of credit and employment and driving record is authorized, that a medical examination and drug screening tests may be required, and that employment is for no definite period.

Estimates of how many applicants exaggerate their qualifications range from 40% to 70%.[168] The most common problems concern education and job experience. A majority of graduating seniors reportedly believe that employers expect a degree of exaggeration on résumés. Much of this exaggeration occurs on résumés, but may occur on application forms too. Therefore, make sure applicants complete the form and sign a statement on it indicating that the information is true. The court will almost always support a discharge for falsifying information when applying for work.[169]

Finally, doing a less-than-complete job of filling in the form may reflect poor work habits. Some applicants scribble "see résumé attached" on the application. This is not acceptable. You need the signed, completed form. Some firms no longer ask applicants for résumés at all, but instead request (where permitted) and then peruse Web presence links, such as Twitter or LinkedIn accounts.[170]

Most employers need several application forms. For technical and managerial personnel, the form may require detailed answers to questions about education and training. The form for hourly factory workers might focus on tools and equipment. Figure 5-8 illustrates one employment application.

KNOWLEDGE BASE

KNOW YOUR EMPLOYMENT LAW

Application Forms and EEO Law[171]

Application forms must comply with equal employment laws. Problematical items include

Education. A question on dates of attendance and graduation is a potential violation, since it may reveal the applicant's age.

FIGURE 5-8 FBI Employment Application

Source: From FBI Preliminary Application for Honors Internship Program, Federal Bureau of Investigation.

FIELD OFFICE USE ONLY

HP

Div: Program:

FEDERAL BUREAU OF INVESTIGATION

Preliminary Application for Honors Internship Program (Please Type or Print in Ink)

Date: ________________

I. PERSONAL HISTORY

Name in Full (Last, First, Middle, Maiden)	List College(s) attended, Major, Degree (if applicable), Grade Point Average
Birth Date (Month, Day, Year) Birth Place:	Social Security Number: (Optional)

Current Address

Street Apt. No. Home Phone Area Code Number

City State Zip Code Work Phone Area Code Number

Are you: Licensed Driver ☐ Yes ☐ No U. S. Citizen ☐ Yes ☐ No

Have you served on active duty in the Armed Forces of the United States? ☐ Yes ☐ No	Branch of military service and dates of active duty:	Type of Discharge

How did you learn or become interested in the FBI Honors Internship Program?

Do you have a foreign language background? ☐ Yes ☐ No List proficiency for each language on reverse side.

Have you ever been arrested or charged with any violation including traffic, but excluding parking tickets? ☐ Yes ☐ No If so, list all such matters even if found not guilty, not formally charged, no court appearance, or matter settled by payment of fine or forfeiture of collateral. Include date, place, charge, disposition, details, and police agency on reverse side.

II. EMPLOYMENT HISTORY

Identify your most recent three years FULL-TIME work experience, after high school (excluding summer, part-time and temporary employment).

From	To	Description of Work	Name/Location of Employer

III. PERSONAL DECLARATIONS

Persons with a disability who require an accommodation to complete the application process are required to notify the FBI of their need for the accommodation.

Have you used marijuana during the last three years or more than 15 times? ☐ Yes ☐ No

Have you used any illegal drug(s) or combination of illegal drugs, other than marijuana, more than 5 times or during the last 10 years? ☐ Yes ☐ No

All Information provided by applicants concerning their drug history will be subject to verification by a preemployment polygraph examination.

Do you understand all prospective FBI employees will be required to submit to an urinalysis for drug abuse prior to employment? ☐ Yes ☐ No

I am aware that willfully withholding information or making false statements on this application constitutes a violation of Section 1001, Title 18, U.S. Code and if appointed, will be the basis for dismissal from the Federal Bureau of Investigation. I agree to these conditions and I hereby certify that all statements made by me on this application are true and complete, to the best of my knowledge.

____

Signature of Applicant as usually written. (**Do Not Use Nickname**)

The Federal Bureau of Investigation is an equal opportunity employer.

Arrest record. The courts have usually held that employers violate Title VII by disqualifying applicants from employment because of an arrest. This item has an adverse impact on minorities, and employers usually can't show it's required as a business necessity.

Notify in case of emergency. It is generally legal to require the name, address, and phone number of a person to notify in case of emergency. However, asking the relationship of this person could indicate the applicant's marital status or lineage.

Membership in organizations. Some forms ask to list memberships in clubs, organizations, or societies. Employers should include instructions not to include organizations that would reveal race, religion, physical handicaps, marital status, or ancestry.

Physical handicaps. It is usually illegal to require the listing of an applicant's physical handicaps or past illnesses unless the application blank specifically asks only for those that "may interfere with your job performance." Similarly, it is generally illegal to ask if the applicant has received workers' compensation.

Marital status. In general, the application should not ask whether an applicant is single, married, divorced, separated, or living with anyone, or the names, occupations, and ages of the applicant's spouse or children.

Housing. Asking whether an applicant *owns, rents*, or *leases* a house may be discriminatory. It can adversely affect minority groups and is difficult to justify on business necessity.

Video résumés. More candidates are submitting video résumés, a practice replete with benefits and threats. To facilitate using video résumés, several Web sites compile multimedia résumés for applicants.[172] The danger is that a video makes it more likely that rejected candidates may claim discrimination.[173] ■

Using Application Forms to Predict Job Performance

Some employers analyze application information ("biodata") to *predict* employee tenure and performance. In one study, the researchers found that applicants who had longer tenure with previous employers were less likely to quit, and also had higher performance within 6 months after hire.[174] Examples of predictive biodata items might include "quit a job without giving notice," "graduated from college," and "traveled considerably growing up."[175]

Choose biodata items with three things in mind. First, equal employment law limits the items you'll want to use (avoid age, race, or gender, for instance). And, noninvasive items are best. In one study, subjects perceived items such as "dollar sales achieved" and "grade point average in math" as not invasive. Items such as "birth order" and "frequent dates in high school" were more invasive. Finally, some applicants will successfully fake biodata answers ("quit my job") to impress the employer.[176]

Mandatory Arbitration

Many employers, aware of the high costs of litigation, require applicants to agree on their applications to mandatory arbitration should a dispute arise.

Different federal courts have taken different positions on the enforceability of such "mandatory alternative dispute resolution" clauses. They are generally enforceable, with two caveats. First, it must be a fair process. For example, the agreement should be a signed and dated separate agreement. Use simple wording. Provide for reconsideration and judicial appeal if there is an error of law. The employer must absorb most of the cost of the arbitration process. The process should be reasonably swift. Employees should be eligible to receive the full remedies they would have had if they had access to the courts.[177]

Second, mandatory arbitration clauses turn some candidates off. In one study, 389 MBA students read simulated employment brochures. Mandatory employment arbitration had a significantly negative impact on the attractiveness of the company as a place to work.[178]

KNOWLEDGE BASE

Building Your Management Skills: The Human Side of Recruiting

In one survey, almost 60% of job seekers said they had a poor applicant experience; the worst feedback came from those who never even heard back from the companies they applied to.[179] In another study, recruiter incivility hurt job seekers' "self-efficacy"—basically, the person's confidence in his or her ability to get a job. What comments qualified as "uncivil"? Comments or action that were *dismissive* of the applicant's qualifications (" the recruiter looked at my résumé and said they'd never hire someone like me"); *unresponsive* or untimely communication ("they said they'd get back to me and they never did"); *rude* interactions ("after waiting for my interview for 15 minutes, the interviewer just kept checking her watch while I was talking"); *belittling* ("the interviewer talked down to me in a demeaning tone"); and *rushing* through the interview.[180] Most employers can and should do better.

Chapter Review

Chapter Section Summaries

5-1. Recruitment and selection start with **workforce planning and forecasting.** Workforce planning is the process of deciding what positions the firm will have to fill, and how to fill them. This often starts by forecasting personnel needs, perhaps using trend analysis, ratio analysis, scatter plots, or computerized software packages. Next forecast the supply of inside candidates. Here employers use manual systems and replacement charts and computerized skills inventories. Forecasting the supply of outside candidates is important, particularly when good candidates are more difficult to come by.

5-2. Managers need to understand why **effective recruiting is important.** Without enough candidates, employers cannot effectively screen the candidates or hire the best. Some employers use a recruiting yield pyramid to estimate how many applicants they need to generate in order to fill predicted job openings.

5-3. Filling open positions with **internal sources of candidates** has several advantages. You are familiar with their strengths and weaknesses, and they require less orientation. Finding internal candidates often utilizes job posting. For filling the company's projected top-level positions, succession planning—the ongoing process of systematically identifying, assessing, and developing organizational leadership to enhance performance—is the process of choice.

5-4. Workforce plans influence **employee engagement.** For example, plans to develop and retain employees and promote from within tend to foster engagement, while contrary policies may erode it. Recognizing this, at some companies such as FedEx, internal recruiting and promotion from within both play central roles in employee engagement. The promotion-from-within policy includes helping employees identify and develop their promotion potential. It also requires a coordinated system for accessing career records and posting job openings.

5-5. Employers use a variety of **outside sources of candidates** when recruiting applicants. These include recruiting via the Internet, advertising and employment agencies (including public and nonprofit agencies, and private agencies), temporary agencies and other alternative staffing methods, executive recruiters, college recruiting, referrals and walk-ins, and military personnel.

5-6. Understanding how to **recruit a more diverse workforce** is important. Whether the target is the single parent, older workers, or minorities, the basic rule is to understand their special needs and to create a set of policies and practices that create a more hospitable environment in which they can work.

5-7. **Employers develop and use application forms** to collect essential background information about the applicant. The application should enable you to make judgments on substantial matters such as the person's education and to identify the person's job references and supervisors. Of course, it's important to make sure the application complies with equal employment laws, for instance, with respect to questions regarding physical handicaps.

Discussion Questions

5-1. Briefly outline the workforce planning process.

5-2. Briefly explain each step in the recruitment and selection process.

5-3. What are the four main types of information that application forms provide?

5-4. How, specifically, do equal employment laws apply to personnel recruiting activities?

5-5. What are the five main things you would do to recruit and retain a more diverse workforce?

Individual and Group Activities

5-6. Bring to class several classified and display ads from the Web or the Sunday help wanted ads. Analyze the effectiveness of these ads using the guidelines discussed in this chapter.

5-7. Working individually or in groups, develop a 5-year forecast of occupational market conditions for five occupations such as accountant, nurse, and engineer.

5-8. Working individually or in groups, visit the local office of your state employment agency (or check out its site online). Come back to class prepared to discuss the following questions: What types of jobs seem to be available through this agency, predominantly? To what extent do you think this particular agency would be a good source of professional, technical, and/or managerial applicants? What sorts of paperwork are applicants to the state agency required to complete before their applications are processed by the agency? What other services does the office provide? What other opinions did you form about the state agency?

5-9. Working individually or in groups, find at least five employment ads, either on the Internet or in a local newspaper, that suggest that the company is family friendly and should appeal to women, minorities, older workers, and single parents. Discuss what the firm is doing to be family friendly.

5-10. Working individually or in groups, interview a manager between the ages of 25 and 35 at a local business who manages employees age 40 or older. Ask the manager to describe three or four of his or her most challenging experiences managing older employees.

5-11. Appendices A and B at the end of this book (pages 614–634) list the knowledge someone studying for the HRCI (Appendix A) or SHRM (Appendix B) certification exam needs to have in each area of human resource management (such as in Strategic Management and Workforce Planning). In groups of several students, do four things: (1) review Appendix A and/or B; (2) identify the material in this chapter that relates to the Appendix A and/or B required knowledge lists; (3) write four multiple-choice exam questions on this material that you believe would be suitable for inclusion in the HRCI exam and/or the SHRM exam; and, (4) if time permits, have someone from your team post your team's questions in front of the class, so that students in all teams can answer the exam questions created by the other teams.

Experiential Exercise

The Nursing Shortage

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As of February 2018, U.S. unemployment was quite low, and that was doubly the case for nurse professionals. Virtually every hospital was aggressively recruiting nurses. Many were turning to foreign-trained nurses, for example, by recruiting nurses in the Philippines. Experts expect nurses to be in very short supply for years to come.

Purpose: The purpose of this exercise is to give you experience in creating a recruitment program.

Required Understanding: You should be thoroughly familiar with the contents of this chapter, and with the nurse recruitment program of a hospital such as Mt. Sinai Hospital in New York (see https://careers.mountsinai.org/).[181]

How to Set Up the Exercise/Instructions: Set up groups of four to five students for this exercise. The groups should work separately and should not converse with each other. Each group should address the following tasks:

5-12. Based on information available on the hospital's Web site, create a hard-copy ad for the hospital to place in the Sunday edition of *The New York Times*. Which (geographic) editions of the *Times* would you use, and why?

5-13. Analyze the hospital's current online nurses' ad. How would you improve on it?

5-14. Prepare in outline form a complete nurses' recruiting program for this hospital, including all recruiting sources your group would use.

Application Case

Techtonic Group

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It's been estimated that there are more than 600,000 unfilled technical jobs (systems engineers, programmers, and so on) in the United States.[182] Therefore, IT companies like Techtonic Group are continually battling for good applicants.

For many years, Techtonic outsourced app software development to Armenia; CEO Heather Terenzio flew twice a year to work with the people there. However, programmers' salaries in Eastern Europe were rising, and the distances involved and the language differences complicated managing the projects. Therefore, the CEO decided there had to be a better way. Since the programmers abroad required more and more detailed instructions, she decided she could hire junior people closer to home. Then with about the same effort and instructions Techtonic could do its programming locally.

The problem was, how do you recruit talent when the unemployment rate for tech workers is close to zero? Ms. Terenzio had a novel solution. Rather than looking for college graduates with technical degrees, Techtonic set up a training/apprenticeship program. The aim was to attract people who didn't necessarily have college degrees but who expressed a strong desire for doing programming. People apply for the five-week program at "Techtonic Academy," where they learn basic computer coding skills. Some of the graduates than qualify for an eight-month paid apprenticeship at Techtonic, where they learn software development.

The program is successful. They usually get about 400 applicants for each of the 15 spots in each five-week Academy program. The city of Boulder helps subsidize the program, and the applicants don't pay for classes. The company is now expanding its academy/apprenticeship programs to other U.S. cities.

Questions

5-15. Specifically what recruiting sources would you use to attract participants to the Techtonic Academy, and apprenticeship programs?

5-16. What other recruitment sources (other than the academy and apprenticeship programs) would you recommend Techtonic use, and why?

5-17. What suggestions would you make to Techtonic for improving its recruiting processes?

Continuing Case

Carter Cleaning Company

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Getting Better Applicants

If you were to ask Jennifer and her father what the main problem was in running their firm, their answer would be quick and short: hiring good people. Originally begun as a string of coin-operated laundromats requiring virtually no skilled help, the chain grew to six stores, each heavily dependent on skilled managers, cleaner/spotters, and pressers. Employees generally have no more than a high school education, and the market for them is very competitive. Over a typical weekend, literally dozens of want ads for experienced pressers or cleaner/spotters can be found in area newspapers. All these people usually are paid around $15 per hour, and they change jobs frequently. Jennifer and her father thus face the continuing task of recruiting and hiring qualified workers out of a pool of individuals they feel are almost nomadic in their propensity to move from area to area and job to job. Turnover in their stores (as in the stores of many of their competitors) often approaches 400%. "Don't talk to me about human resources planning and trend analysis," says Jennifer. "We're fighting an economic war, and I'm happy just to be able to round up enough live applicants to be able to keep my trenches fully manned."

In light of this problem, Jennifer's father asked her to answer the following questions:

Questions

5-18. First, how would you recommend we go about reducing the turnover in our stores?

5-19. Provide a detailed list of recommendations concerning how we should go about increasing our pool of acceptable job applicants so we no longer face the need to hire almost anyone who walks in the door. (Your recommendations regarding the latter should include completely worded online and hard-copy advertisements and recommendations regarding any other recruiting strategies you would suggest we use.)

Translating Strategy into HR Policies and Practices Case*,§

**The accompanying strategy map for this chapter is in MyLab Management; the overall map on the inside back cover of this text outlines the relationships involved.*

Improving Performance at the Hotel Paris

The New Recruitment Process

The Hotel Paris's competitive strategy is "to use superior guest service to differentiate the Hotel Paris properties, and to thereby increase the length of stay and return rate of guests, and thus boost revenues and profitability." HR manager Lisa Cruz must now formulate functional policies and activities that support this competitive strategy and boost performance, by eliciting the required employee behaviors and competencies.

As a longtime HR professional, Lisa Cruz was well aware of the importance of effective employee recruitment. If the Hotel Paris didn't get enough applicants, it could not be selective about who to hire. And, if it could not be selective about who to hire, it wasn't likely that the hotels would enjoy the customer-oriented employee behaviors that the company's strategy relied on. She was therefore disappointed to discover that the Hotel Paris was paying virtually no attention to the job of recruiting prospective employees. Individual hotel managers slapped together help wanted ads when they had positions to fill, and no one in the chain had any measurable idea of how many recruits these ads were producing or which recruiting approaches worked the best (or worked at all). Lisa knew that it was time to step back and get control of the Hotel Paris's recruitment function.

As they reviewed the details of the Hotel Paris's current recruitment practices, Lisa Cruz and the firm's CFO became increasingly concerned. What they found, basically, was that the recruitment function was totally unmanaged. The previous HR director had simply allowed the responsibility for recruiting to remain with each separate hotel, and the hotel managers, not being HR professionals, usually just took the path of least resistance when a job became available by placing help wanted ads in their local papers. There was no sense of direction from the Hotel Paris's headquarters regarding what sorts of applicants the company preferred, what media and alternative sources of recruits its managers should use, no online recruiting, and, of course, no measurement at all of effectiveness of the recruitment process. The company totally ignored recruitment-source metrics that other firms used effectively, such as number of qualified applicants per position, percentage of jobs filled from within, the offer-to-acceptance ratio, acceptance by recruiting source, turnover by recruiting source, and selection test results by recruiting source. This despite the fact, as the CFO put it, "that high-performance companies consistently score much higher

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than low-performing firms on HR practices such as number of qualified applicants per position, and percentage of jobs filled from within."

It was safe to say that achieving the Hotel Paris's strategic aims depended largely on the quality of the people that it attracted to, and then selected for, employment at the firm. "What we want are employees who will put our guests first, who will use initiative to see that our guests are satisfied, and who will work tirelessly to provide our guests with services that exceed their expectations," said the CFO. Lisa and the CFO both knew this process had to start with better recruiting. The CFO gave her the green light to design a new recruitment process.

Lisa and her team had the firm's IT department create a central recruiting link for the Hotel Paris's Web site, with geographical links that each local hotel could use to publicize its openings. The HR team created a series of standard ads the managers could use for each job title. These standard ads emphasized the company's service-oriented values, and basically said (without actually saying it) that if you were not people oriented you should not apply. They emphasized what it was like to work for the Hotel Paris, and the excellent benefits (which the HR team was about to get started on) the firm provided. It created a new intranet-based job posting system and encouraged employees to use it to apply for open positions. For several jobs, including housekeeping crew and front-desk clerk, applicants must now first pass a short prescreening test to apply. The HR team analyzed the performance (for instance, in terms of applicants/source and applicants hired/source) of the various local newspapers and recruiting firms the hotels had used in the past, and chose the best to be the approved recruiting sources in their local areas.

After 6 months with these and other recruitment function changes, the number of applicants was up on average 40%. Lisa and her team were now set to institute new screening procedures that would help them select the high-commitment, service-oriented, motivated employees they were looking for.

Questions

5-20. Given the hotel's required personnel skills, what recruiting sources would you have suggested it use, and why?

5-21. What would a Hotel Paris help wanted ad look like?

5-22. Based on what you know and on what you learned here in Chapter 5 of Dessler *Human Resource Management*, how would you suggest Hotel Paris measure the effectiveness of its recruiting efforts?

MyLab Management

Go to **www.pearson.com/mylab/management** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

5-23. What are the pros and cons of five sources of job candidates?

5-24. As explained in this chapter, technology is in many ways revolutionizing how employers recruit for employees. You manage a small women's clothing store and need to hire an assistant manager. How would you use social media to recruit candidates?

5-25. MyLab Management only—comprehensive writing assignment for this chapter.

MyLab Management Try It!

How would you apply the concepts and skills you learned in this chapter? If your professor has assigned this activity, go to the Assignments section of **www.pearson.com/mylab/management** to complete the simulation.

Key Terms

workforce (or employment or personnel) planning, 132
trend analysis, 134
ratio analysis, 134
scatter plot, 134
personnel replacement charts, 136
position replacement card, 136
succession planning, 138
employee recruiting, 139
recruiting yield pyramid, 140
job posting, 141
applicant tracking systems (ATS), 143
on-demand recruiting services (ODRS), 148
alternative staffing, 148
college recruiting, 153
application form, 158

Endnotes

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6 Employee Testing and Selection

LEARNING OBJECTIVES

When you finish studying this chapter, you should be able to:

6-1 **Answer** the question: Why is it important to test and select employees?

6-2 **Explain** what is meant by reliability and validity.

6-3 **List** and briefly describe the basic categories of selection tests, with examples.

6-4 **Explain** how to use two work simulations for selection.

6-5 **Describe** four ways to improve an employer's background checking process.

Zulily offers fashions, shoes, and other items through its online e-commerce site. Because it's competing with Amazon and other such sites, Zulily has to differentiate itself. Part of how it does this is by running new sales daily, offering up to 70% off, and offering "big brands you love."[1] Another way is by ensuring that employees adhere to its basic values, namely: "we work for mom" (meaning "we do everything for our customers"); "make the impossible happen"; "embrace change"; "color outside the lines" (don't imitate); "take ownership"; and "work as a team." But with strategic values like those, how do you select employees who you're sure will fit in?[2] We'll see what they did.

WHERE ARE WE NOW . . .

Chapter 5 focused on how to build an applicant pool. The purpose of Chapter 6 is to explain how to use various tools to select the best candidate for the job. The main topics we'll cover include the **Selection Process**, **Basic Testing Techniques**, **Types of Tests**, **Work Samples and Simulations**, and **Making Background and Reference Checks**. In Chapter 7, we will turn to the techniques you can use to improve your skills at what is probably the most widely used screening tool, the selection interview.

LEARNING OBJECTIVE 6-1

Answer the question: Why is it important to test and select employees?

Why Employee Selection Is Important

After reviewing the applicants' résumés, the manager turns to selecting the best candidate for the job. This usually means using the screening tools we discuss in this and the following chapter: tests, assessment centers, interviews, and background and reference checks.[3] (Applicants may first be prescreened to reduce the applicant pool to a manageable number, as discussed in Chapter 5.) The aim of employee selection is to achieve *person–job fit*. This means matching the knowledge, skills, abilities, and other competencies (KSACs) that are required for performing the job (based on job analysis) with the applicant's KSACs.

Of course, a candidate might be "right" for a job, but wrong for the organization.[4] For example, an experienced airline pilot might excel at American Airlines but perhaps not at Southwest, where the organizational values require that all employees help out, even with baggage handling. Therefore, while person–job fit is usually the main consideration, *person–organization fit* is important too.

In any case, selecting the right person is crucial for several reasons. First, employees with the right skills will perform better for you and the company. Those without these skills or who are abrasive or obstructionist won't perform effectively, and your own performance and the firm's will suffer. The bad apple on a team will diminish its morale and engagement, along with its efforts.[5] The time to screen out undesirables is before they are in the door.

Second, effective selection is important because it is costly to recruit and hire employees. One survey found that the average cost of hiring an employee who doesn't work out is about $50,000.[6] Testing can help: in one call center, the 90-day employee attrition rate fell from 41% to 12% after testing began.[7]

negligent hiring
Hiring workers with questionable backgrounds without proper safeguards.

Third, inept hiring has legal consequences. Equal employment laws require nondiscriminatory selection procedures.[8] And **negligent hiring** means hiring employees with criminal records or other problems who then use access to customers' homes (or similar opportunities) to commit crimes.[9] In one case, an apartment manager entered a woman's apartment and assaulted her.[10] The court found the apartment complex's owner negligent for not checking the manager's background properly.[11] Such suits are rising.[12]

The Basics of Testing and Selecting Employees

LEARNING OBJECTIVE 6-2

Explain what is meant by reliability and validity.

As with most personnel functions, technology (including *machine learning*) is changing how employers select employees. In this chapter, we'll discuss these and other popular selection tools, starting with tests. A *test* is basically a sample of a person's behavior. Any test or screening tool has two important characteristics, *reliability* and *validity*. We'll start with the former.

Reliability

reliability
The consistency of scores obtained by the same person when retested with the identical tests or with alternate forms of the same test.

Reliability is a selection tool's first requirement and refers to its consistency: "A reliable test is one that yields consistent scores when a person takes two alternate forms of the test or when he or she takes the same test on two or more different occasions."[13] If a person scores 90 on an intelligence test on a Monday and 130 when retested on Tuesday, you probably wouldn't have much faith in the test.

You can measure reliability in several ways. One is to administer a test to a group one day, re-administer the same test several days later to the same group, and then correlate the first set of scores with the second (called *test-retest reliability estimates*).[14] Or you could administer a test and then administer what experts believe to be an equivalent test later; this would be an *equivalent or alternate form estimate*. (The Scholastic Assessment Test [SAT] is one example.) Or, compare the test taker's answers to certain questions on the test with his or her answers to a separate set of questions on the same test aimed at measuring the same thing. This is an *internal comparison estimate*. For example, a psychologist includes 10 items on a test believing that they all measure interest in working outdoors, and then determines the degree to which responses to these 10 items vary together.

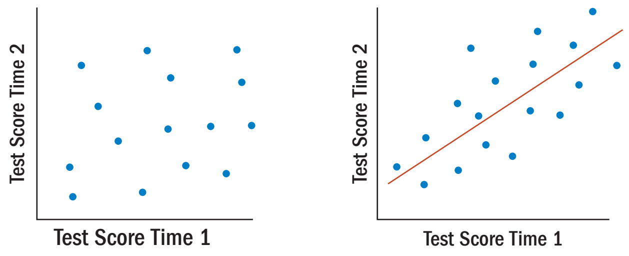


FIGURE 6-1 Test Score Correlation Examples

Many things cause a test to be unreliable. These include physical conditions (quiet one day, noisy the next), differences in the test taker (healthy one day, sick the next), and differences in test administration (courteous one day, curt the next). Or the questions may do a poor job of sampling the material; for example, test one focuses more on Chapters 1 and 3, while test two focuses more on Chapters 2 and 4.

Because measuring reliability generally involves comparing two measures that assess the same thing, it is typical to judge a test's reliability in terms of a *reliability coefficient*. This basically shows the degree to which the two measures (say, test score one day and test score the next day) are correlated.

Figure 6-1 illustrates correlation. In both the left and the right scatter plots, the psychologist compared each applicant's time 1 test score (on the *x*-axis) with his or her subsequent (time 2) test score (on the *y*-axis). On the left, the scatter plot points (each point showing one applicant's test score and subsequent test performance) are dispersed. There seems to be no correlation between test scores obtained at Time 1 and at Time 2. On the right, the psychologist tried a new test. Here the resulting points fall in a predictable pattern. This suggests that the applicants' test scores correlate closely with their previous scores.

Validity

test validity
The accuracy with which a test, interview, and so on, measures what it purports to measure or fulfills the function it was designed to fill.

Reliability, while indispensable, tells you only that the test is measuring something consistently. *Validity* tells you whether the test is measuring what you think it's supposed to be measuring.[15] **Test validity** answers the question "Does this test measure what it's supposed to measure?" Put another way, it refers to the correctness of the inferences that we can make based on the test.[16] For example, if Jane's scores on mechanical comprehension tests are higher than Jim's, can we be sure that Jane possesses more mechanical comprehension than Jim?[17] With employee selection tests, *validity* often refers to evidence that the test is job related—in other words, that performance on the test accurately predicts job performance. A selection test must be valid because, without proof of validity, there is no logical or (under EEO law) legally permissible reason to use it to screen job applicants.

A test, as we said, is a sample of a person's behavior, but some tests are more clearly representative of the behavior being sampled than others. A swimming test clearly corresponds to a lifeguard's on-the-job behavior. On the other hand, there may be no apparent relationship between the test and the behavior. Thus, in Figure 6-2, the psychologist asks the person to interpret the picture, and then draws conclusions about the person's personality and behavior. Here it is more difficult to prove that the tests are measuring what they are said to measure, in this case, some aspect of the person's personality—in other words, prove that they're valid.

criterion validity
A type of validity based on showing that scores on the test (predictors) are related to job performance (criterion).

There are several ways to demonstrate a test's validity.[18] **Criterion validity** involves demonstrating statistically a relationship between scores on a selection procedure and job performance of a sample of workers. For example, it means demonstrating that those who do well on the test also do well on the job, and that those who do poorly on the test do poorly on the job. The test has validity to the extent that the people with higher test scores perform better on the job. In psychological measurement, a *predictor* is the measurement (in this case, the test score) that you are trying to relate to a *criterion*, such as performance on the job. The term *criterion validity* reflects that terminology.

FIGURE 6-2 A Slide from the Rorschach Test

Fotografie/123RF

content validity
A test that is content valid is one that contains a fair sample of the tasks and skills actually needed for the job in question.

Content validity is a demonstration that the content of a selection procedure is representative of important aspects of performance on the job. For example, employers may demonstrate the *content validity* of a test by showing that the test constitutes a fair sample of the job's content. The basic procedure here is to identify job tasks that are critical to performance, and then randomly select a sample of those tasks to test. In selecting students for dental school, one might give applicants chunks of chalk, and ask them to carve something like a tooth. If the content you choose for the test is a representative sample of the job, then the test is probably content valid. Clumsy dental students need not apply. Subject matter experts (SMEs, such as practicing dentists) help choose the tasks.

construct validity
A test that is construct valid is one that demonstrates that a selection procedure measures a construct and that construct is important for successful job performance.

Construct validity means demonstrating that (1) a selection procedure measures a construct (an abstract idea such as morale or honesty) and (2) that the construct is important for successful job performance.

At best, invalid tests are a waste of time; at worst, they are discriminatory. Tests you buy "off the shelf" should include information on their validity.[19] But ideally, you should revalidate the tests for the job(s) at hand. In any case, tests rarely predict performance with 100% accuracy (or anywhere near it). Therefore, don't make tests your only selection tool; also use other tools like interviews and background checks.

KNOWLEDGE BASE

Evidence-Based HR: How to Validate a Test

Employers often opt to demonstrate evidence of a test's validity using criterion validity. Here, in order for a selection test to be useful, you need evidence that scores on the test relate in a predictable way to performance on the job. Thus, other things being equal, students who score high on the graduate admissions tests also do better in graduate school. Applicants who score high on mechanical comprehension tests perform better as engineers. In other words, you validate the test before using it by ensuring that scores on the test are a good predictor of some *criterion* like job performance—thus demonstrating the test's *criterion validity*.[20]

An industrial psychologist usually conducts the validation study. The human resource department coordinates the effort. Strictly speaking, the supervisor's role is just to make sure that the job's human requirements and performance standards are clear to the psychologist. But in practice, anyone using tests (or test results) should know something about validation. Then you can better understand how to use tests and interpret their results. The validation process consists of five steps.

STEP 1: ANALYZE THE JOB The first step is to analyze the job and write job descriptions and job specifications. The aim here is to specify the human traits and skills you believe are required for job performance. These requirements become the *predictors,* the human traits and skills you believe predict success on the job. For an assembler's job, *predictors* might include manual dexterity and patience.[21]

In this first step, also define "success on the job," since it's this success for which you want predictors. The standards of success are *criteria*. You could use production-related criteria (quantity, quality, and so on), personnel data (absenteeism, length of service, and so on), or worker performance (reported by supervisors).

STEP 2: CHOOSE THE TESTS Once you know the predictors (such as manual dexterity) the next step is to decide how to test for them. Employers usually base this choice on experience, previous research, and "best guesses." They usually don't start with just one test. Instead, they choose several tests and combine them into a test battery. The test battery aims to measure an array of possible predictors, such as aggressiveness, extroversion, and numerical ability.

What tests are available and where do you get them? Ideally, use a professional, such as an industrial psychologist. However, many firms publish tests.[22] Some tests are available to virtually any purchaser, others only to qualified buyers (such as with advanced degrees in psychology). Figure 6-3 lists some Web sites that provide information about tests or testing programs. Firms such as HRdirect of Pompano Beach, Florida, offers employment testing materials including a clerical skills test, telemarketing ability test, and sales abilities test.

STEP 3: ADMINISTER THE TEST Next, administer the selected test(s). One option is to administer the tests to employees currently on the job. You then compare their test scores with their current performance; this is *concurrent (at the same time) validation*. Its advantage is that data on performance are readily available. The disadvantage is that current employees may not be representative of new applicants (who, of course, are really the ones for whom you are interested in developing a screening test). Current employees have already had on-the-job training and screening by your existing selection techniques.

Predictive validation is the second and more dependable way to validate a test. Here you administer the test to applicants before you hire them, then hire these applicants using only existing selection techniques, not the results of the new tests. After they've been on the job for some time, measure their performance and compare it to their earlier test scores. You can then determine whether you could have used their performance on the new test to predict their subsequent job performance.

FIGURE 6-3 Examples of Web Sites Offering Information on Tests or Testing Programs

- www.hr-guide.com/data/G371.htm
  Provides general information and sources for all types of employment tests.
- http://ericae.net
  Provides technical information on all types of employment and nonemployment tests.
- www.ets.org/testcoll
  Provides information on more than 20,000 tests.
- www.kaplan.com
  Information from Kaplan test preparation on how various admissions tests work.
- www.assessments.biz
  One of many firms offering employment tests.

STEP 4: RELATE YOUR TEST SCORES AND CRITERIA Here, ascertain if there is a significant relationship between test scores (the predictor) and performance (the criterion). The usual method is to determine the statistical relationship between (1) scores on the test and (2) job performance using correlation analysis, which shows the degree of statistical relationship.

If there is a correlation between test and job performance, you can develop an **expectancy chart.** This presents the relationship between test scores and job performance graphically. To do this, split the employees into, say, five groups according to test scores, with those scoring the highest fifth on the test, the second highest fifth, and so on. Then compute the percentage of high job performers in each of these five test score groups, and present the data in an expectancy chart like that in Figure 6-4.

expectancy chart
A graph showing the relationship between test scores and job performance for a group of people.

In this case, someone scoring in the top fifth of the test has a 97% chance of being a high performer, while one scoring in the lowest fifth has only a 29% chance of being a high performer.[23]

STEP 5: CROSS-VALIDATE AND REVALIDATE Before using the test, you may want to check it by "cross-validating"—in other words, by again performing steps 3 and 4 on a new sample of employees. At a minimum, revalidate the test periodically.

Psychologists easily score many psychological tests online or using interpretive Windows-based software. However, managers can easily score many tests, like the Wonderlic Personnel Test, themselves.

Bias

Most employers know they shouldn't use biased tests in the selection process.[24] For example, a particular IQ test may provide a valid measure of cognitive ability for middle-class whites but not for some minorities, if the score depends on familiarity with certain aspects of middle-class culture.[25] For many years many industrial psychologists believed they were adequately controlling test bias, but experts have questioned that.[26] Employers should therefore redouble their efforts to ensure that the tests they're using aren't producing biased decisions.

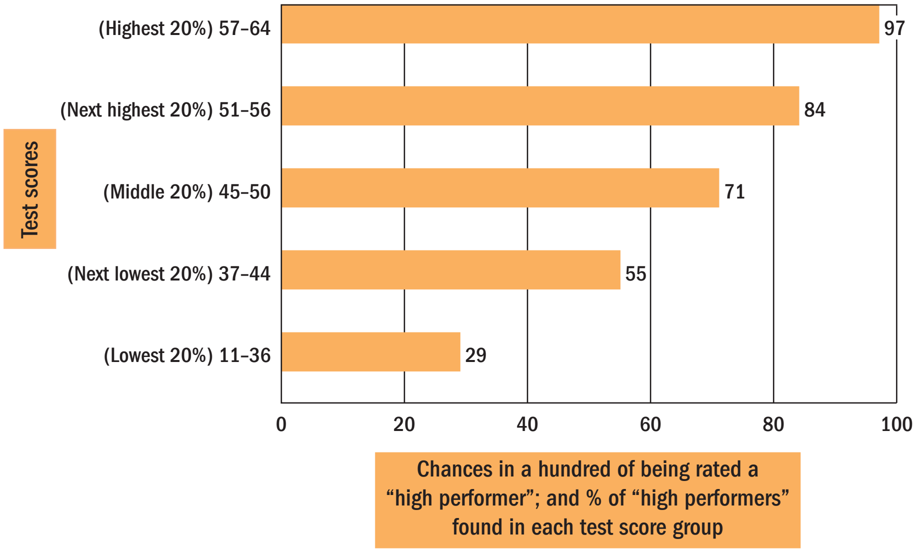
Utility Analysis

Knowing that a test predicts performance isn't always useful. For example, if it's going to cost the employer $1,000 per applicant for the test, and hundreds of applicants must be tested, the cost of the test may exceed the benefits.

Answering the question, "Does it pay to use the test?" requires *utility analysis*. Two selection experts say, "Using dollar and cents terms, [utility analysis] shows the degree to which use of a selection measure improves the quality of individuals selected

FIGURE 6-4 Expectancy Chart

Note: This expectancy chart shows the relation between scores made on the Minnesota Paper Form Board and rated success of junior draftspersons. *Example:* Those who score between 37 and 44 have a 55% chance of being rated high performer and those scoring between 57 and 64 have a 97% chance.



over what would have happened if the measure had not been used."[27] The information required for utility analysis generally includes, for instance, the validity of the selection measure, a measure of job performance in dollars, applicants' average test scores, cost of testing an applicant, and the number of applicants tested and selected. The accompanying HR as a Profit Center discussion shows how employers use tests to improve performance.

IMPROVING PERFORMANCE: *HR AS A PROFIT CENTER*

Using Tests to Cut Costs and Boost Profits

Financial services firm Key Bank wanted a better way to screen and select tellers and call-center employees.[28] The company calculated it cost about $10,000 to select and train an employee, but it was losing 13% of new tellers and call-center employees within the first 90 days. That turnover number dropped to 4% after Key Bank implemented a computerized *virtual job tryout candidate assessment screening tool*. It requires candidates to respond to realistic situations, such as impatient customers. "We calculated a $1.7 million cost savings in teller turnover in one year, simply by making better hiring decisions, reducing training costs, and increasing quality of hires," said the firm's human resources director. ■

MyLab Management Talk About It 1

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete this discussion. Choose a position with which you are familiar, such as a counterperson at a McDonald's restaurant, and describe how you would create a selection process for it similar to those in this feature.

MyLab Management Apply It!

How does a company actually do testing? If your professor has assigned this activity, go to the Assignments section of **www.pearson.com/mylab/management** to complete the video exercise.

Validity Generalization

Many employers won't find it cost-effective to conduct validity studies for the selection tools they use. These employers must find tests and other screening tools that have been shown to be valid in other settings (companies), and then bring them in-house in the hopes that they'll be valid there, too.[29]

If the test is valid in one company, to what extent can we generalize those validity findings to our own company? *Validity generalization* "refers to the degree to which evidence of a measure's validity obtained in one situation can be generalized to another situation without further study."[30] Factors to consider include existing validation evidence regarding using the test for various specific purposes, the similarity of the subjects with those in your organization, and the similarity of the jobs.[31]

Under the Uniform Guidelines, validation of selection procedures is desirable, but "the Uniform Guidelines require users to produce evidence of validity only when adverse impact is shown to exist. If there is no adverse impact, there is no validation requirement under the Guidelines."[32]

KNOW YOUR EMPLOYMENT LAW

Testing and Equal Employment Opportunity

Suppose a plaintiff shows that one of your selection procedures has an adverse impact on his or her protected class. If so, you may have to demonstrate the validity and selection fairness of the allegedly discriminatory test or item. With respect to testing, the EEO laws boil down to two things: (1) You must be able to prove that your tests are related to success or failure on the job, and (2) you must prove that your tests don't

Image Source/Alamy Stock Photo

Many employers administer online employment tests to job candidates.

unfairly discriminate against either minority or nonminority subgroups.[33] (Note that the same burden of proving job relatedness falls on interviews and other techniques, including performance appraisals, that falls on tests.)

Test Takers' Individual Rights and Test Security

Test takers have rights to privacy and feedback under the American Psychological Association's (APA) standard for educational and psychological tests. These guide psychologists but are *not* legally enforceable. Test takers have rights such as:

- To the confidentiality of test results.
- To informed consent regarding use of these results.
- To expect that only people qualified to interpret the scores will have access to them, or that sufficient information will accompany the scores to ensure their appropriate interpretation.
- To expect the test is fair. For example, no test taker should have prior access to the questions or answers.[34]

The Federal Privacy Act gives federal employees the right to inspect their personnel files and limits the disclosure of personnel information without the employee's consent, among other things.[35] Common law provides employees some protection against disclosing information about them to people outside the company. The main application here involves defamation (either libel or slander), but there are privacy issues, too.[36] The bottom line is this:

1. Make sure you appreciate the need to keep employees' information confidential.
2. Adopt a "need to know" policy. For example, if an employee has been rehabilitated after a period of drug use, the new supervisor may not "need to know."

Diversity Counts: Gender Issues in Testing

Employers using selection tests should know that gender issues may distort results. Some parents and others socialize girls into traditionally female roles and boys into traditionally male roles. For example, they may encourage young boys but not girls to make things with tools, or young girls but not boys to take care of their siblings. Such encouragement may translate into differences in how males and females answer items on and score on, say, tests of vocational interests. And these test score differences may

FIGURE 6-5 Sample Test

Source: Based on a sample selection test from *The New York Times*.

CHECK YES OR NO	YES	NO
1. You like a lot of excitement in your life.		
2. An employee who takes it easy at work is cheating on the employer.		
3. You are a cautious person.		
4. In the past three years you have found yourself in a shouting match at school or work.		
5. You like to drive fast just for fun.		

Analysis: According to John Kamp, an industrial psychologist, applicants who answered no, yes, yes, no, no to questions 1, 2, 3, 4, and 5 are statistically likely to be absent less often, to have fewer on-the-job injuries, and, if the job involves driving, to have fewer on-the-job driving accidents. Actual scores on the test are based on answers to 130 questions.

cause counselors and others to nudge men and women into what tend to be largely gender-segregated occupations, for instance, male engineers and female nurses.

The bottom line is that employers and others need to interpret the results of various tests (including of interests and aptitudes) with care. Such results may sometimes say more about how the person was brought up and socialized than about the person's inherent ability to do some task. ■

How Do Employers Use Tests at Work?

About 80% of the biggest U.S. employers now use testing.[37] To see what such tests are like, try the short test in Figure 6-5.

Tests are not just for lower-level workers. In general, as work demands increase (in terms of skill requirements, training, and pay), employers tend to rely more on selection testing.[38] And, employers don't use tests just to find good employees, but to screen out bad ones.[39] For good reason: In retail, employers apprehended about one out of every 28 workers for stealing.[40]

HR in Action at the Hotel Paris As she considered what to do next to improve the employees' performance in a way that would support the Hotel Paris's strategy, Lisa Cruz, the Hotel Paris's HR director, knew that employee selection had to play a role. The Hotel Paris currently had an informal screening process in which local hotel managers obtained application forms, interviewed applicants, and checked their references. To see how she improved their system, see the case on page 199.

LEARNING OBJECTIVE 6-3
List and briefly describe the basic categories of selection tests, with examples.

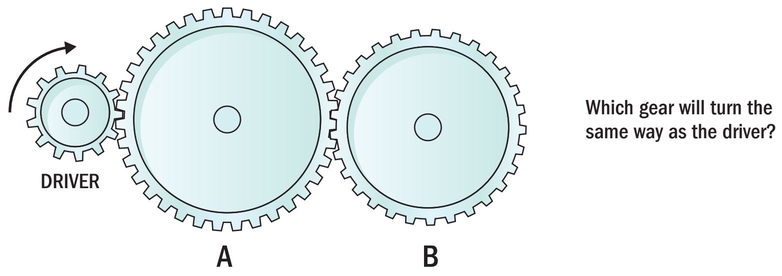
Types of Tests

We can conveniently classify tests according to whether they measure cognitive (mental) abilities, motor and physical abilities, personality and interests, or achievement.[41] We'll look at each.

Tests of Cognitive Abilities

Cognitive tests include tests of general reasoning ability (intelligence) and tests of specific mental abilities like memory and inductive reasoning.

FIGURE 6-6 Type of Question Applicant Might Expect on a Test of Mechanical Comprehension



INTELLIGENCE TESTS Intelligence (IQ) tests are tests of general intellectual abilities. They measure not a single trait but rather a range of abilities, including memory, vocabulary, verbal fluency, and numerical ability. An adult's IQ score is a "derived" score; it reflects the extent to which the person is above or below the "average" adult's intelligence score.

Intelligence is often measured with individually administered tests like the Wechsler Adult Intelligence Scale. Employers can administer other IQ tests such as the Wonderlic individually or to groups of people.[42] In one illustrative study of firefighter trainees' performance over 23 years, the researchers found that a measure of general intellectual ability and a physical ability assessment were highly predictive of trainee performance.[43]

SPECIFIC COGNITIVE ABILITIES There are also measures of specific mental abilities, such as deductive reasoning, verbal comprehension, memory, and numerical ability.

Psychologists often call such tests *aptitude tests*, since they purport to measure aptitude for the job in question. Consider the Test of Mechanical Comprehension illustrated in Figure 6-6, which tests applicants' understanding of basic mechanical principles. This may reflect a person's aptitude for jobs—like that of machinist or engineer—that require mechanical comprehension. Other tests of mechanical aptitude include the Mechanical Reasoning Test and the SRA Test of Mechanical Aptitude.

Tests of Motor and Physical Abilities

You might also want to measure motor abilities, such as finger dexterity, manual dexterity, and (if hiring pilots) reaction time. Thus, the Crawford Small Parts Dexterity Test measures the speed and accuracy of simple judgment as well as the speed of finger, hand, and arm movements.

Tests of *physical* abilities may also be required. These include static strength (such as lifting weights), dynamic strength (pull-ups), body coordination (jumping rope), and stamina.[44] Applicants for the U.S. Marines must pass its Initial Strength Test (2 pull-ups, 35 sit-ups, and a 1.5-mile run).

KNOWLEDGE BASE

Measuring Personality and Interests

A person's cognitive and physical abilities alone seldom explain his or her job performance. As one consultant put it, most people are hired based on qualifications, but are fired because of attitude, motivation, and temperament.[45]

Personality tests measure basic aspects of an applicant's personality. Industrial psychologists often focus on the "big five" personality dimensions: extraversion, emotional stability/neuroticism, agreeableness, conscientiousness, and openness to experience.[46]

> Neuroticism represents a tendency to exhibit poor emotional adjustment and experience negative effects, such as anxiety, insecurity, and hostility. Extraversion represents a tendency to be sociable, assertive, active, and to experience positive effects, such as energy and zeal. Openness to experience is the disposition to be imaginative, nonconforming, unconventional, and autonomous. Agreeableness is the tendency to be trusting, compliant, caring, and gentle. Conscientiousness is comprised of two related facets: achievement and dependability.[47]

Some personality tests are *projective*. The psychologist presents an ambiguous stimulus (like an inkblot or clouded picture), and the person reacts. The person supposedly projects into the ambiguous picture his or her attitudes, such as insecurity. Other projective techniques include Make a Picture Story (MAPS) and the Forer Structured Sentence Completion Test.

Other personality tests are *self-reported*: applicants fill them out. Thus, available online,[48] the Myers-Briggs test provides a personality type classification useful for decisions such as career selection and planning. Similarly the DISC Profile learning instrument enables the user to gain insight into his or her behavioral style.[49]

Personality test results do often correlate with job performance. For example, "in personality research, conscientiousness has been the most consistent and universal predictor of job performance."[50] Neuroticism is negatively related to motivation and to job engagement.[51] Extroversion correlates with success in sales, management, and expatriate jobs.[52] Emotional stability, extroversion, and agreeableness predicted whether expatriates would leave their overseas assignments early.[53] The HR Practices feature presents an example.

IMPROVING PERFORMANCE: *HR PRACTICES AROUND THE GLOBE*

Testing for Assignments Abroad[54]

Living and working abroad require some special talents. Not everyone can easily adapt to having one's family far away, and to dealing with colleagues with different cultural values. Doing so requires high levels of adaptability and interpersonal skills.[55]

Employers often use special inventories such as the Global Competencies Inventory (GCI) here. It focuses on three aspects of adaptability.

- ✓ The Perception Management Factor assesses people's tendency to be rigid in their view of cultural differences, to be judgmental about those differences, and to deal with complexity and uncertainty.
- ✓ The Relationship Management Factor assesses a person's awareness of the impact he or she is having on others.
- ✓ The Self-Management Factor assesses one's mental and emotional health.

MyLab Management Talk About It 2

If your professor has assigned this, go to the Assignments section of **www.pearson.com/mylab/management** to complete this discussion. You are trying to decide if you would be a good candidate for a job abroad, but you don't want to take any formal tests. Discuss another indicator you would use to answer the question, "Would I be a good candidate for a job abroad?"

There are several personality test caveats. *First,* projective personality tests are difficult to interpret and score; it usually requires an expert to analyze test takers' responses and infer their personalities. *Second,* for this and other reasons, personality tests can trigger legal challenges.[56] *Third,* experts debate whether self-report personality tests suffer from low validity.[57] *Fourth*, people can and will fake responses to personality and integrity tests.[58] The bottom line: make sure the personality tests you use predict performance for the jobs you are testing for.

interest inventory
A personal development and selection device that compares the person's current interests with those of others now in various occupations so as to determine the preferred occupation for the individual.

INTEREST INVENTORIES **Interest inventories** compare one's interests with those of people in various occupations. Thus, the Strong Career Interests Test provides a report comparing one's interests to those of people already in occupations like accounting or engineering. Someone taking the Self-Directed Search (SDS) (www.self-directed-search.com) uses it to identify likely high-fit occupations. The assumption is that someone will do better in occupations in which he or she is interested, and indeed such inventories can predict employee performance and turnover.[59] Poor fit frustrates workers.[60]

Achievement Tests

Achievement tests measure what someone has learned. Most of the tests you take in school are achievement tests. They measure your "job knowledge" in areas like economics, marketing, or human resources. Achievement tests are also popular at work. For example, the Purdue Test for Machinists and Machine Operators tests the job knowledge of experienced machinists with questions like "What is meant by 'tolerance'?" Some achievement tests measure the applicant's abilities; a swimming test is one example.

IMPROVING PERFORMANCE THROUGH HRIS: *COMPUTERIZATION AND ONLINE TESTING*

Computerized and/or online testing is increasingly replacing paper-and-pencil tests. For example, Timken Company uses online assessment of math skills for hourly position applicants.[61] The applicant tracking systems we discussed in Chapter 5 often include online prescreening tests.[62] (Here ATS users should particularly ensure that rejection standards are valid, and inform applicants quickly regarding their status.)[63] Vendors (as in www.iphonetypingtest.com) make tests available for applicants to take via smart phones.[64] Development Dimensions International developed a computerized multimedia skill test that Ford uses for hiring assembly workers. "The company can test everything from how people tighten the bolt, to whether they followed a certain procedure correctly. . . ."[65]

In addition to being quicker and less expensive to administer, computerized tests have other benefits. For example, vendors such as PreVisor (www.previsor.com) offer adaptive personality tests. These adapt the next question to each test taker's answers to the previous question. This improves validity and makes it less likely candidates can share test questions (because each candidate gets what amounts to a customized test).[66] For essay tests, a computer program trained to read applicants' essays recently produced scores as reliable as those of a human rater.[67] Most tests described in this chapter are available in computerized form. ■

TRENDS SHAPING HR: *USING ANALYTICS, MACHINE LEARNING, AND ARTIFICIAL INTELLIGENCE IN EMPLOYEE SELECTION*

The Holy Grail of employee selection is to identify predictors that characterize top-notch candidates and to do so quickly and effectively. Employers increasingly use several related analytical and technical tools to improve and expedite the employee selection process.

analytics
Using tools like statistical techniques to examine data, in order to draw cause–effect conclusions from that data.

Analytics refers to using tools like statistical techniques to examine data, in order to draw cause–effect conclusions from that data.[68] *Talent analytics* means using such techniques to let employers search through their employee data to identify patterns and correlations that show what types of people or processes succeed or fail.[69]

For example, a financial services company hired people on the assumption that what mattered for job performance were things like where they went to school and their grades.[70] However, a statistical analysis found that school and grades didn't matter at all. What did matter were things like whether the applicant had demonstrated success in prior jobs, had shown an ability to succeed with vague instructions, and had "no typos, errors, or grammatical mistakes on résumés."

As another example, department store chain Bon-Ton Stores Inc. had high turnover among its cosmetics sales associates. Bon-Ton chose 450 current cosmetics associates who filled out anonymous surveys aimed at identifying employee traits. By using talent analytics to analyze these and other data, the company identified cosmetics associates' traits that correlated with performance and tenure. Bon-Ton had assumed that the best associates were friendly and enthusiastic about cosmetics. However, the best were actually problem solvers. They take information about what the customer wants and needs, and solve the problem.[71] Talent analysis thereby helped Bon-Ton formulate better selection criteria.

machine learning
Software that can improve its own performance and learn on its own.

Machine learning basically refers to software that can improve its own performance and learn on its own. For example, the newsfeeds you subscribe to are often designed to identify the types of articles you prefer, and to feed you more of those articles: The software is "learning" without human intervention.[72]

Machine learning software "learns" to associate the (1) characteristics of an input (like loan applications) with (2) responses (like who defaults on loans). For example, a bank might use machine learning to review the data in its thousands of loan applications (the input) to determine the characteristics of the people who are most likely to repay their loans (the response).[73] Then, going forward, it could use what the machine learning software learned, to scrutinize future loan applicants who do not meet those characteristics.[74]

Machine learning doesn't just rely on tests, although tests may be one component. Instead, it can identify how factors like word use (does the person often say "tired"?), comments in social media postings, and tiny video interview facial gestures, were related to employee performance in particular companies in the past, and therefore how they may do so in the future.[75] For example, HireVue's software analyzes its clients' past video employment interviews for signs like facial expressions and voice modulation to determine which predict applicant's suitability for jobs. It can then analyze each new candidate's interview for tell-tale signs that predict performance. For checking references, Skillsurvey's tools help employers anticipate the candidate's prospective performance based on words his or her references use when responding to job specific behavioral questions.[76] Koru has an employer's current employees complete short surveys. Then its software identifies the traits and behaviors (such as persistence) for which applicant should be assessed, and provides a graphic profile.[77]

Many such tools use *algorithms*. These programs quickly crunch through thousands of "if–then" branches (sequentially checking experience, traits, word usage, facial gestures, and so on), to find the best matching candidates for the job. They do this based on what the systems previously learned about what traits historically correlated with high performance on that particular job.[78]

artificial intelligence
Using technology (particularly computers) to carry out tasks in a way that we would consider "human" or "smart."

Finally, these and other tools are building blocks for artificial intelligence systems. **Artificial intelligence** basically means using technology (particularly computers) to carry out tasks in a way that we would consider "human" or "smart."[79] ■

LEARNING OBJECTIVE 6-4
Explain how to use two work simulations for selection.

Work Samples and Simulations

work samples
Actual job tasks used in testing applicants' performance.

With **work samples**, you present examinees with situations representative of the job for which they're applying, and evaluate their responses.[80] Experts consider these (and *simulations,* like the assessment centers we also discuss in this section) to be tests. But they differ from most tests because they directly measure job performance.

Using Work Sampling for Employee Selection

work sampling technique
A testing method based on measuring performance on actual basic job tasks.

The **work sampling technique** tries to predict job performance by requiring job candidates to perform one or more samples of the job's tasks. For example, work samples for a cashier may include counting money.[81]

Work sampling has advantages. It measures actual job tasks, so it's harder to fake answers. The work sample's content—the actual tasks the person must perform—is not as likely to be unfair to minorities (as might a personnel test that possibly emphasizes middle-class concepts and values).[82] Work sampling doesn't delve into the applicant's personality, so there's little chance of applicants viewing it as an invasion of privacy. Designed properly, work samples also exhibit better validity than do other tests designed to predict performance.

The basic procedure is to select a sample of several tasks crucial to performing the job, and then to test applicants on them.[83] An observer monitors performance on each task, and indicates on a checklist how well the applicant performs. For example, in creating a work sampling test for maintenance mechanics, experts first listed all crucial job tasks (like "install pulleys and belts"). Four crucial tasks were installing pulleys and belts, disassembling and installing a gearbox, installing and

FIGURE 6-7 Example of a Work Sampling Question

Note: This is one step in installing pulleys and belts.

Checks key before installing against:

—shaft	score 3
—pulley	score 2
—neither	score 1

Note: This is one step in installing pulleys and belts.

aligning a motor, and pressing a bushing into a sprocket. Since mechanics could perform each task in a slightly different way, the experts gave different weights to different approaches.

Figure 6-7 shows one of the steps required for the task *installing pulleys and belts*—"checks key before installing . . ." Here the examinee might choose to check the key against (1) the shaft, (2) the pulley, or (3) neither. The applicant performs the task, and the observer checks off the score for the approach used.

Situational Judgment Tests

Situational judgment tests are personnel tests "designed to assess an applicant's judgment regarding a situation encountered in the workplace."[84] For example:

> You are a sales associate at Best Buy in Miami, Florida. The store sells electronics, including smart phones. Competition comes from other neighborhood retailers, and from online firms. Many customers who come to your store check the product with you, and then buy it on Amazon. As a sales associate, you are responsible for providing exceptional customer service, demonstrating product knowledge, and maximizing sales. You get a weekly salary, with no sales incentive. How would you respond to this situation?
>
> **Situation:**
>
> A customer comes to you with a printout for a Samsung Galaxy phone from Amazon.com, and proceeds to ask detailed questions about battery life and how to work the phone, while mentioning that "Amazon's price is $50 less than yours." You have been with this customer for almost 30 minutes, and there are other customers waiting. You would:
>
> 1. Tell the customer to go buy the phone on Amazon.
> 2. Tell the customer to wait 20 minutes while you take care of another customer.
> 3. Tell the customer that the local Sprint Mobility dealer has the phone for even less than Amazon.
> 4. Explain the advantages of similar phones you have that may better fulfill the buyer's requirements.
> 5. Ask your supervisor to come over and try to sell the customer on buying the Galaxy from you.

HR AND THE GIG ECONOMY: *FREELANCE WORKERS*

Many employers today build their staff wholly or in part around freelance workers like short-term self-employed programmers, designers, or marketers. One Web site design company owner says that if he needs designers for short projects he "just posts" the job online and gets multiple applications within minutes.[85]

Freelancer community Web sites enable such employers to recruit and select the right freelance team, based on each freelancer's reputation and work product. For example, Upwork.com (see www.upwork.com/) reports its members' skills assessments and lists detailed project work experience, making it easier for prospective employers to decide who to hire. Similarly, the TopCoder.com (see www.topcoder.com/) programmer community site helps employers identify top programmers based on the reputations they earned within the community.