Selection

Learning Objectives

1. Explain the significance of employee selection.

2. Describe the selection process.

3. Explain the importance of preliminary screening.

4. Describe reviewing applications and résumés.

5. Describe the use of tests in the selection process.

6. Explain the use of the employment interview.

Learning Objectives (Cont.)

7. Explain pre-employment screening and background checks.

8. Describe the selection decision.

9. Describe human capital metrics and explain the metrics for evaluating recruitment/selection effectiveness.

10. Identify environmental factors that affect the selection process.

11. Discuss selection in a global environment.

Significance of Employee Selection

➢ Goal is to match people with jobs and the company

➢ When properly done, selection can lead to improved productivity

➢ Mismatches (under- or over-qualified persons) will likely lead to ineffective performance and turnover

Selection

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

➢ Goal is to properly match people with jobs and organization

➢ Selecting wrong person for any job can be costly

The Selection Process
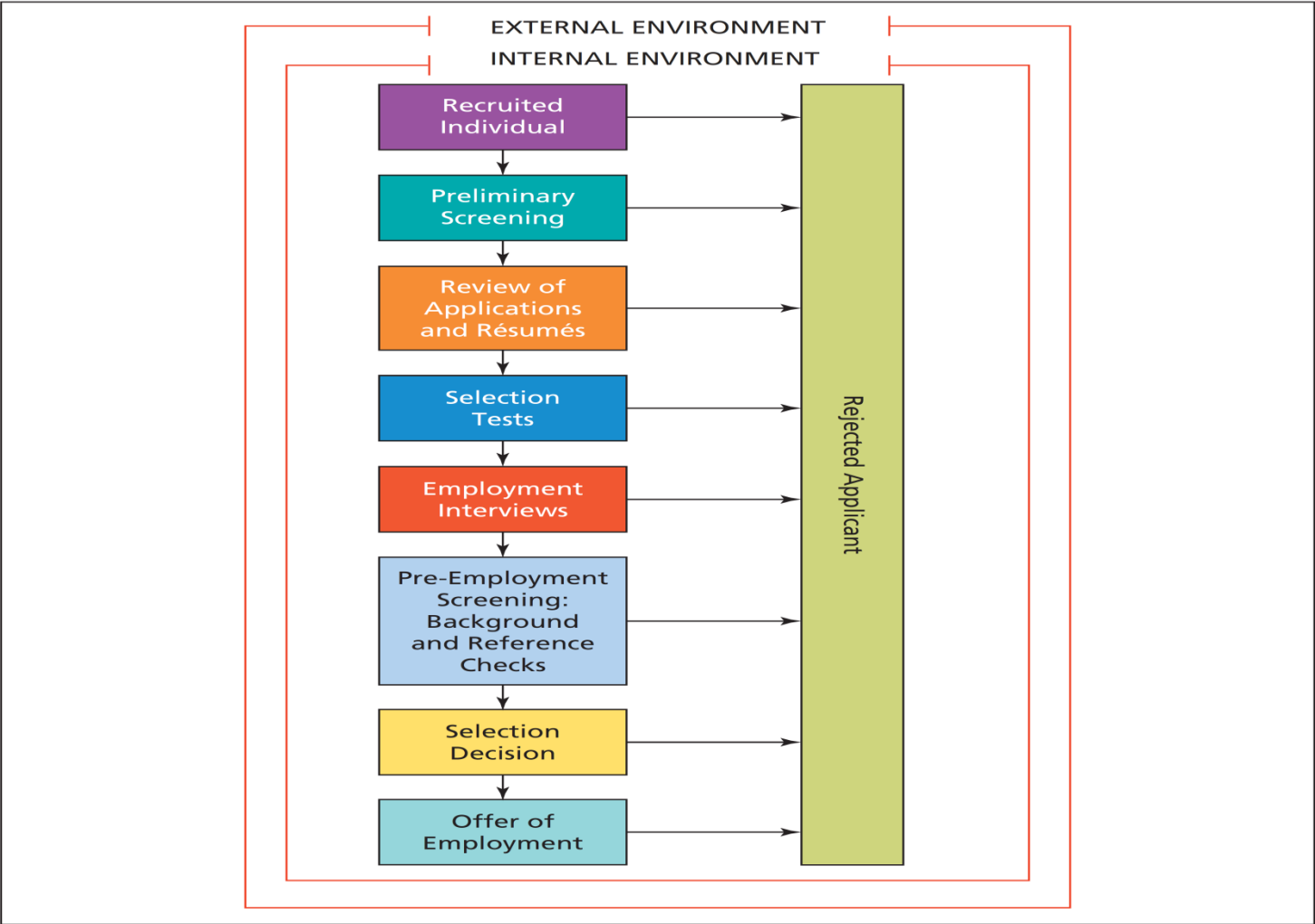
Preliminary Screening

➢ Removes obviously unqualified individuals

➢ Benefit: Applicant may be qualified for another position with the firm

Review of Applications

- ➢ Essential information is included and presented in a standardized format

- ➢ Application form must reflect firm's informational needs and EEO requirements

- ➢ Preprinted statements are usually included:
  - ➢ Certifies that information provided is accurate
  - ➢ Should state position is *employment at will*
  - ➢ Gives permission for background check

Review of Résumés

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

➤ Professional/managerial applicants often begin selection process by submitting résumé

➤ Concept of relevancy is crucial in selling the applicant to the company

Résumés and Keywords

- Most large companies now use automated tracking systems
- Résumés deviating from required style are ignored
- **Keywords:** Job-related words or phrases used to search databases
- **Keyword résumé:** Adequate description of job seeker's characteristics and industry-specific experience using keyword terms

Selection Tests

- ➢ Reliable and accurate means of selecting qualified candidates
- ➢ Cost is small in comparison
- ➢ Identify attitudes and job-related skills that interviews cannot recognize

Potential Problems of Using Selection Tests

- *Can do* versus *will do*
- Test anxiety
- Legal liabilities

Characteristics of Properly Designed Selection Tests

➢ **Standardization:** Uniformity of procedures and conditions of administering test

➢ **Objectivity**: Everyone scoring a test obtains same results

➢ **Norms:** Frame of reference for comparing applicant's performance with that of others

Characteristics of Properly Designed Selection Tests (Cont.)

➢ **Reliability:** Provides consistent results

➢ **Validity:** Measures what it is supposed to measure (basic requirement)

➢ **Requirement for job relatedness:** Must not have adverse impact on minorities, females, and individuals with backgrounds or characteristics protected under law

Test Validation Approaches

➢ **Criterion-related validity:** Comparing scores on selection tests to some aspect of job performance

➢ **Content validity:** Includes certain tasks actually required by job

➢ **Construct validity:** Measures certain traits or qualities important in performing job

Forms of Criterion-Related Validity

➢ **Concurrent validity:** Obtaining test scores and the criterion data at essentially the same time

➢ **Predictive validity:** Administering a test and later obtaining the criterion information

Employment Tests

➢ **Achievement test:** A test of current knowledge and skills

➢ **Cognitive Ability test:** A test that determines general reasoning ability, memory, vocabulary, verbal fluency, and numerical ability

➢ **Aptitude test:** A test of how well a person can learn or acquire skills or abilities

Types of Employment Tests

- Cognitive ability
- Psychomotor abilities
- Personality
- Job knowledge
- Work-sample
- Unique types
  - genetic
  - graphoanalysis
  - polygraphs

Cognitive Ability Tests

➢Measures individual's ability to learn, as well as to perform a job

➢Form of IQ test

➢Helpful in identifying job candidates who have extensive knowledge bases

Psychomotor Abilities Tests

- Strength
- Coordination
- Dexterity
- Miniaturization in assembly operations

Personality Tests

➢ Self-reported measure of:

  ➢ Traits

  ➢ Temperaments

  ➢ Dispositions

➢ Tap into softer areas, such as leadership, teamwork, and personal assertiveness

Job-Knowledge Tests

➢ Measure candidate's knowledge of duties of position for which he or she is applying

➢ Are commercially available

Work-Sample

➢ Perform set of tasks representative of job

➢ Job related

➢ Produces high validity

➢ Reduces adverse impact

➢ More acceptable to applicants

Online Assessment

Organizations increasingly are using the Internet to test applicants

- ➢ Makes it faster and easier to process applications
- ➢ Can check job applicants on their alleged technical abilities

Assessment Centers

➢ Require candidates to perform activities similar to those on the job

➢ Examples:

  ➢ In-basket exercises

  ➢ Management games

  ➢ Leaderless discussion groups

  ➢ Mock interviews

Unique Forms of Testing—Genetic Testing

➢ Tests performed to identify predisposition to inherited diseases, including cancer, heart disease, neurological disorders, and congenital diseases

➢ Genetic Information Nondiscrimination Act of 2008—Designed to prohibit improper use of genetic information in health insurance and employment

Unique Forms of Testing—Graphoanalysis (Handwriting Analysis)

➢ Many people view handwriting analysis in same context as psychic readings or astrology

➢ In Europe, many employers use it to screen and place job applicants

Unique Forms of Testing— Polygraph Tests

➢ Can confirm or refute application information

➢ Employee Polygraph Protection Act of 1988 severely limited use in private sector

Employment Interview

➢ Goal-oriented conversation where interviewer and applicant exchange information

➢ Continues to be primary method used to evaluate applicants

➢ At this point, candidates are assumed to be qualified

Interview Planning

➢ Physical location of the interview should be both pleasant and private

➢ Develop a job profile based on job description/specification

➢ Questions should be prepared that relate to the qualities needed

Content of the Interview

➢ Seek additional job-related information and examples of past job-related behaviors:

➢ Occupational experience

➢ Academic achievement

➢ Interpersonal skills

➢ Personal qualities

➢ Provide information about:

➢ Company

➢ Job

➢ Expectations

Types of Interviews

➢ Unstructured

➢ Structured

➢ Behavioral

➢ Situational

Unstructured Interview

- ➢ Asks probing, open-ended questions
- ➢ Encourages applicant to do much of the talking
- ➢ Is often time consuming
- ➢ Potential legal issues

Structured Interview

➢ Series of job-related questions asked of each applicant

➢ Increases reliability and accuracy by reducing subjectivity and inconsistency of unstructured interviews

Behavioral Interview

➤ Behavioral questions prompt applicants to relate actual incidents relevant to target job

➤ Look for three main things:

  ➤ Description of a challenging situation

  ➤ What the candidate did about it

  ➤ Measurable results

➤ Example: Describe a situation where you were responsible for motivating others

Situational Interview

➢ Creates hypothetical situations candidates would be likely to encounter on the job and ask how they would handle them

➢ Example: One of your employees has shown a significant decline in productivity. How would you handle it?

Methods of Interviewing

- **One-on-one interview:** Applicant meets one-on-one with interviewer

- **Group interview:** Several applicants interact in presence of one or more interviewers

- **Board interview:** Several firm representatives interview candidate at same time

- **Multiple interviews:** Applicants typically interviewed one-on-one by peers, subordinates, and supervisors

Methods of Interviewing (Cont.)

➢ **Video Interview:** Involves an applicant being interviewed with both individuals being in different locations

➢ **Stress interview:** Interviewer intentionally creates anxiety

Realistic Job Previews

➢ Provide both positive and negative job information to applicant in unbiased manner

➢ Convey information about tasks person would perform and behavior required to fit into organization's culture

Potential Interviewing Problems

➢Inappropriate questions

➢Permitting non-job-related information

➢Interviewer bias

➢Interviewer domination

➢Lack of training

➢Nonverbal communication

Inappropriate Questions

➢ Basic rule: Ask only job-related questions

➢ Interview is a "test," subject to same validity requirements as any other step in the selection process

➢ Historically, interview has been more vulnerable to charges of discrimination than any other tool used in the selection process

Permitting Non-Job-Related Information

➢ If candidate begins volunteering personal information not related to job, interviewer should steer conversation back on course

➢ Engaging in friendly chitchat with candidates might be pleasant

➢ In our litigious society, it may be the most dangerous thing interviewer can do

Interviewer Bias

Interviewer makes assumptions about interviewee which may be incorrect and lets these biases influence the selection decision

➢ *Stereotyping bias*: Occurs when interviewer assumes that applicant has certain traits because they are members of a certain class

➢ *Positive halo bias*: Occurs when interviewer generalizes one positive impression feature of the candidate

Interviewer Bias (Cont.)

➢ *Horn error bias:* Occurs where interviewer's first impression of candidate creates a negative first impression that exists throughout interview

➢ *Halo Effect:* Occurs where interviewer's first impression of candidate creates a positive first impression that exists throughout interview

➢ *Contrast bias*: Occurs when, for example, interviewer meets with several poorly qualified applicants and then confronts a mediocre candidate

➢ *Premature judgment bias:* Interviewer makes judgment about candidates in first few minutes of interview

➢ *Interview illusion bias:* Belief in ability was exaggerated

Interviewer Domination

➢ Relevant information must flow both ways

➢ Interviewers must learn to be good listeners as well as suppliers of information

Lack of Training

➢ Interview is much more than carrying on conversation with another person

➢ Expense of training employees in interviewing skills can be easily justified

➢ What does "Tell me about yourself" mean to a trained interviewer?

Nonverbal Communication

➢ Body language is nonverbal communication in which physical actions, such as gestures and facial expressions, convey thoughts and emotions

➢ Avoid sending inappropriate or unintended nonverbal signals

Concluding the Interview

➢ When interviewer has obtained necessary information and answered applicant's questions, he or she should conclude the interview

➢ Tell applicant he or she will be notified of the selection decision shortly

➢ Management must then determine whether candidate is suitable for the open position and organization

Pre-Employment Screening: Background Checks

➢ Determine accuracy of information submitted or determine if vital information was not submitted

➢ Principal reason is to hire better workers

➢ Background investigations involve obtaining data from various sources

➢ Intensity of background investigations depends on the nature of the open position

Continuous Background Investigation

➢ Some employers are screening their employees on an ongoing basis

➢ Financial devastation, marital collapse, or a medical crisis can send a person with a clean record over the edge

LO 7

Background Investigation with Social Networking

➤ Increasingly being used to conduct background investigations

➤ Use an applicant's Facebook, LinkedIn, and postings made on an industry blog to find out about individuals they are considering hiring

Hiring Standards to Avoid

➢ Some standards used in background investigation have potential to violate equal employment opportunity and affirmative action laws

➢ When HR management practices eliminate substantial numbers of minority or women applicants (*prima facie* evidence), the burden of proof is on the employer to show that the practice is job related

➢ Examples: Criminal conviction and credit checks

Fair Credit Reporting Act

- Amended in 1997

- Places new obligations on employers who use certain information brought to light through background investigations

Reference Checks

➢ Information from individuals who know applicant

➢ Provide additional insight into information furnished by applicant

➢ Verify accuracy of information

➢ Possible flaw: Virtually everyone can name three or four individuals willing to make favorable statements

Reference Checks (Cont.)

➢ Many state laws shield employers from liability for harm to an ex-employee based on job references.

➢ Two schools of thought:

> ➢ Don't tell them anything

> ➢ Honesty is the best policy

Automated Reference Checking

➢ References are anonymous, more efficient, and more comprehensive

➢ It is the candidate, not the recruiter, who contacts references

➢ Referencing is much faster

Negligent Hiring

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

➢ Risk of harm to third parties requires a higher standard of care

Selection Decision

➢ Most critical step

➢ Person whose qualifications most closely conform to requirements of open position and organization should be selected

Medical Examination

➢ Americans with Disabilities Act does not prohibit pre-employment medical examinations

➢ Determines point at which they may be administered during selection process

➢ Determines whether applicant is physically capable of performing the work

Notification to Candidates

➢ Results should be made known to candidates as soon as possible

➢ Delay may result in firm losing prime candidate

➢ Unsuccessful candidates should also be promptly notified

Metrics for Judging Recruiting and Selection Effectiveness

- ➢ Measures of HR performance
- ➢ Task of measuring and understanding how they contribute to the bottom line is often difficult
- ➢ No one-size-fits-all metric

Metrics for Evaluating Recruitment/Selection Effectiveness

➢ **Quality of hire:** Most important metric to use in the selection process

➢ **Time required to hire:** Shorter the time to hire, the more efficient the HR department

➢ **New hire retention:** Percent of new hires that remain with company after one or two years

Metrics for Evaluating Recruitment Effectiveness

➢ **Hiring manager overall satisfaction:** Manager is largely responsible for success of his or her department

➢ **Turnover rate:** Average number of times employees have to be replaced during a year

➢ **Cost per hire:** Determined by dividing recruiting expenses by number of recruits hired

Metrics for Evaluating Recruitment Effectiveness (Cont.)

➢ **Selection rate:** Number of applicants hired from group of candidates; expressed as a percentage

➢ **Acceptance rate:** Number of applicants who accepted the job divided by number who were offered the job

➢ **Yield rate:** Percentage of applicants from particular source and method that make it to next stage of selection process

LO 10 Environmental Factors Affecting the Selection Process

➢ Other HR functions

➢ Legal considerations

➢ Decision-making speed

➢ Organizational hierarchy

➢ Applicant pool

➢ Type of organization

➢ Probationary period

➢ Organizational fit

Other HR Functions

Selection process affects, and is affected by, virtually every other HR function

Legal Considerations

➢ Greatly influenced by legislation, executive orders, and court decisions

➢ Guiding principle: Why am I asking this question?

➢ If information is job related, usually asking for the information is appropriate

Speed of Decision Making

➢ Time available to make the selection decision can have major effect on selection process

➢ Conditions also can impact the needed speed of decision making

6-68

Organizational Hierarchy

➢ Different approaches to selection are generally taken for filling positions at different levels in the organization

Applicant Pool and Selection Ratio

➢ **Applicant pool**: Number of qualified applicants recruited for a particular job

➢ **Selection ratio**: Number of people hired for a particular job compared to number of people in the applicant pool

Type of Organization

➢ **Private sector:** Screen applicants with regard to how they can help achieve profit goals

➢ **Government civil service systems:** Identify qualified applicants through competitive examinations

➢ **Not-for-profit organizations:** Applicants must be qualified and dedicated to work

Probationary Period

➢ Period that permits evaluating an employee's ability based upon performance

➢ May be a substitute for certain phases of the selection process

➢ Must be job related

Organizational Fit

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

➤ Poor fit—The chemistry was just not right

Selection Technology— Applicant Tracking Systems

➢ Software application designed to help an enterprise select employees more efficiently

➢ Permits managers to oversee the entire selection process

➢ Compile job applications electronically

  ➢ Quickly amass candidates

  ➢ Set up interviews

  ➢ Get new hires on board

6-74

Selection Technology: Candidate Relationship Management

➢ Help manage potential and actual applicants in an organized manner

➢ Capability to search the Internet, and then adds and catalogues resumes and other information to the database

➢ Ability to link with other applicant tracking systems and any Web site

Selection in the Global Environment

➢ Country's culture plays a major role in determining whether an executive will be successful or not

➢ Majority of firms are deeply rooted in the culture of their home countries