

Employee Selection

CHAPTER 6



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Learning Objectives

After reading and studying this chapter and doing the exercises, you should be able to:

1. Explain the importance of the validity and utility of selection devices.
2. Understand how bias might be reduced during employee selection.
3. Present an overview of the job interview and how it can be replaced.
4. Present an overview of psychological and employment testing.
5. Explain the use of the background investigation, reference checks, and physical exams in employee selection.
6. Explain why teams are sometimes hired rather than individuals.
7. Describe the role of artificial intelligence and algorithms in the selection process.
8. Know why it is important to use multiple selection techniques.

Chapter Outline

- Validity, Adverse Impact, and Utility of Selection Methods
- The Reduction of Bias During Employee Selection
- Job Application Forms
- The Job Interview and Its Replacements
- Psychological and Employment Testing
- Background Investigation, Reference Checks, and the Physical Exam
- Hiring of Teams Instead of Individuals
- Artificial Intelligence and Algorithms
- The Importance of Multiple Selection Techniques

Walmart, the largest private employer in the United States, uses virtual reality headsets as part of the assessment of an employee's potential for middle management positions. The VR headsets project Walmart store associates into real-life business situations, such as calming angry shoppers or giving new employees a tour of the store. Dealing with a poor-performing employee is another VR scenario. Drew Holler, the senior vice president for associate experience, says that the purpose of the VR is to test knowledge of store departments, decision-making skills, leadership ability, and the ability to place store associates in jobs they fit the best. In this way the strengths, weaknesses, and potential of employees are assessed.

STRIVR, a California company, designed Walmart's virtual reality training that was later for assessments. The VR headsets cost \$250. They were first rolled out in 30 Walmart Academies where store associates were trained to deal with situations ranging from mundane tasks, such as managing the produce section, to the exceptional, such as the Black Friday chaos. In a simulated environment, candidates for promotion might find themselves standing in a busy aisle facing multiple problems, such as spills, misplaced items, and trash, and allotted 30 seconds to figure out which to resolve first.



About 10,000 store associates had taken the skill management assessment within two years of its introduction. The idea is to identify high-potential employees and reduce the overall number of managers in each store. Walmart's idea for a VR assessment was rooted in wanting to see how its associates might respond to challenging situations and how they prioritize tasks that need doing. Both of these behaviors seemed to be difficult to assess through an interview.

The assessment scenarios can be virtually replicated and standardized for all employees assessed for management potential, thereby eliminating bias while placing employees in positions that best match their skill sets. "What we measure is how they engage with us," said Holler. "There's no right or wrong, but it gives an understanding of their level of maturity when it comes to leadership, as well as how they view customer service." The VR approach to employee assessment can also be used to enhance diversity in management positions as new talent is uncovered.

David Arias, an employee with 12 years of Walmart experience, earned a promotion and a 10 percent salary increase after being tested with the VR technology. He said that one of the VR scenarios required him to act in the role of a manager and assist a store employee and customer searching the aisles for mascara. Based on his performance, Arias's hiring manager and the VR technology determined he had equally good strengths for teaching and leadership.

Holler explains that the VR assessment is only one of the “data points” used during the process of selecting associates for promotion. To be promoted into a managerial position, workers take the VR assessment and also undergo more traditional evaluation by managers. The hiring director still makes the final decision. The VR assessment is not used as a disqualifier or a mandatory part of the promotion process. Michelle Malashock, the Walmart director of media relations, said, “The assessment can reveal leadership, but it also might show that someone is actually a better fit in another job.”¹

The story about how Walmart uses virtual reality to provide work situations for candidates to handle illustrates a modern method of employee selection. In the Walmart scenario, candidates are evaluated for middle-management positions. Selection flows from recruitment, which aims to provide a number of candidates from which to choose. Selecting qualified candidates is the lifeblood of the firm. A major goal of selection is to fill as many positions as possible with top-level performers. Even in the most basic positions, some people outperform others, such as a custodial worker in a fast-service restaurant, because some cleaners outperform others.

Employee selection, as with many topics in human resource management, is a vast field of study within itself. In this chapter we concentrate on key topics in selection, as depicted in Figure 6-1. The first step in the model is recruitment, which was described in Chapter 5. Going beyond the model, this chapter also describes the related topics of artificial intelligence in selection, the use of multiple selection techniques, and hiring teams.

Validity, Adverse Impact, and Utility of Selection Methods

Three important considerations about selection methods are whether they measure what they intend to, are nondiscriminatory, and are cost effective.

Validity of the Selection Method

A major requirement for any selection device is that it is a true measure of what it attempts to measure. As a basic example, is it really true that scoring high on a test of mental ability is a true predictor of the job success of a data scientist or job analyst? Since the 1940s, extensive research has been conducted concerning the characteristics of scientifically sound selection devices. Much of this research has centered on the use of psychological tests. However, the principles that apply to predictions of job performance made with psychological tests also apply to other selection devices, including application forms, job interviews, job simulations and job samples, background investigations, and physical exams. Because invalid and unfair selection methods are now considered illegal, the general principles of selection device validation are of particular importance.

Validity is the extent to which a predictor (selection device) measures what it purports to measure. For example, if a job interview is used to measure interpersonal skill, does the interview really measure how well the interviewee gets along with people? Validity usually refers to whether or not the predictor measures future job performance. Two types of validity are especially relevant in selection. **Content validity** refers to whether the

validity The extent to which a predictor (selection device) measures what it purports to measure.

content validity Whether the measuring device adequately samples job behaviors and attitudes involved in performing the job.

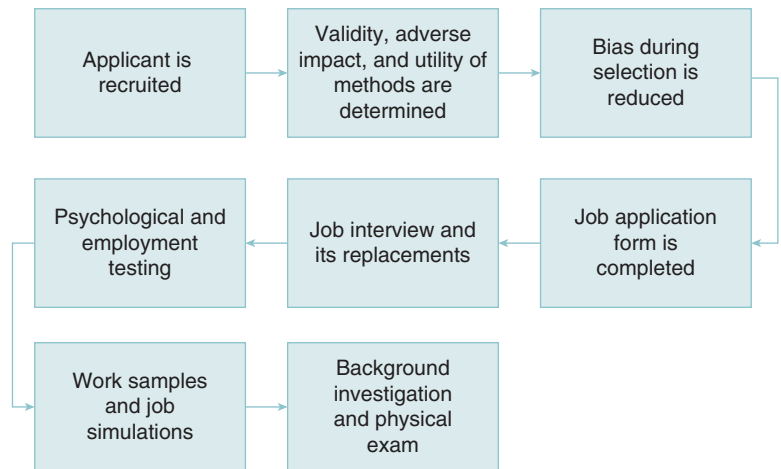


FIGURE 6-1 A Model of Selection

criterion-related validity The relationship between scores or ratings on the measuring device and some measure of job performance.

reliability Whether a test or other measuring instrument provides approximately the same score when given to an individual more than once.

measuring device adequately samples job behaviors and attitudes involved in performing the job. As in the example just presented, does the interview do an accurate job of measuring interpersonal skill? **Criterion-related validity** is the relationship between scores or ratings on the measuring device and some measure of job performance. For example, do the judgments about a candidate's interpersonal skill made during an interview really correlate with how well the candidate will get along with work associates to attain collaboration? Or for a sales rep, do the interview ratings predict the candidate's future sales performance?

Another key measure of the effectiveness of a predictor, particularly a test, is whether the score or results would be about the same if the predictor were used more than once with the same person. The **reliability** of a test or other measuring instrument provides approximately the same score when given to an individual more than once. Assume that a candidate takes a cognitive ability test one day and takes the test again ten days later and is in the same mental and physical condition. The test is considered reliable if the person attains about the same score both times.

A pioneering statement of principles for the validation of personnel selection procedures is still relevant and helps support the legal requirement for selection methods:²

1. Individual differences in personal characteristics and backgrounds are often related to individual differences in behavior, performance, and satisfaction on the job. For example, a person possessing high mathematical ability and abstract reasoning is better able to prepare an annual report than a person below average in these dimensions.
2. It is in the best interests of the organization and employees that information about relevant differences between and among people be developed and used in assigning people to jobs. If you needed brakes relined on your vehicle, for example, would you want the procedure performed by a technician who had below-average eye-hand coordination?
3. All criteria should represent important work behaviors or work outputs, on the job or in training, as indicated by an appropriate job analysis. Depending on the purpose of the selection device used, various criteria may be used. Among these criteria might be productivity, overall job performance, safety record, sales output, customer satisfaction complaints resolved successfully, and turnover.

The Equal Employment Opportunity Commission insists that psychological tests be scientifically accurate, job-related, and not discriminatory against any group. The same ruling should therefore be applied to other screening measures including job interviews, job simulations administered by virtual reality, physical exams, and polygraph (lie detector) tests. A *validity study* is a statistical and scientific method of seeing whether a selection device does predict job performance. Do high scorers perform well on the job? Do low scorers tend to be poor performers? Are the scores on the predictor randomly related to job performance?

Adverse Impact

adverse impact When a substantially different rate of selection in hiring, promotion, or other employment decision works to the disadvantage of a race, sex, or ethnic group.

A concern about the potential of a selection method to discriminate is whether affected groups are negatively impacted when it is applied. According to the EEOC, **adverse impact** occurs when a substantially different rate of selection in hiring, promotion, or other employment decision works to the disadvantage of a race, sex, or ethnic group. In the United States, protected classes include the same classes as with other antidiscrimination laws: race, sex, age (40 and over), religion, disability status, sexual orientation, and veteran status.

Adverse impact can result in fewer qualified minorities being hired for discriminatory reasons. The word *qualified* is key. A person from an affected group who is not qualified for a position is not being discriminated against when he or she does not receive a job offer. For example, a 6' 7" woman who applies for a position as a flight attendant on a

commercial airplane might be rejected because a person of that size takes up too much space in the aisles. Furthermore, she has to crouch while walking down the aisles to avoid bumping her head against the cabin ceiling, and her height might be perceived as too intimidating to many passengers. The flight attendant applicant is not rejected because of her sex or height. But her tallness would create a job-related problem.

Adverse impact is a legal requirement for US employers with 15 or more employees to be in compliance with the law. For age discrimination, the minimum is 20 employees. Federal contractors are required to conduct adverse impact analyses of the selection of affected groups each year as part of an affirmative action program. The HR department is usually assigned the task of ensuring that the company is compliant.

Adverse impact can be measured across the entire hiring process, referring to the percentage of applicants that are ultimately hired. Or adverse impact can be segmented by each step that screens candidates, such as job résumés, psychological testing, or physical exam. The most frequently used measure of adverse impact is the Four-Fifths Rule that is used by the federal government Uniform Guidelines on Employee selection procedures. The Four-Fifths Rule specifies that if the selection rate is less than 80 percent of that of the group with the highest selection rate, there is adverse impact on that group.

Here is an example of the calculation of adverse impact. Suppose a financial service firm is looking to fill 25 positions for wealth managers, and 500 men and 1,000 women apply. Of these applicants, 10 men and 15 women are hired. As a result, the selection rate for men is 2 percent, and the selection rate for women is 1.5 percent. Dividing 1.5 by 2 yields 75 percent, just shy of the required 80 percent. Although more women than men were hired overall, women were adversely impacted according to the EEOC, particularly if the difference of 5 people is statistically significant.³

We emphasize again that the adverse impact rule should not be seen as a force to hire unqualified candidates. Assume that the National Football League (NFL) wants to hire five new tacklers for the upcoming season. Among the applicants are 10 African Americans and 5 Japanese Americans. (No women applied for the position.) Four African Americans are hired, and only one Japanese American man is hired. The reason for the disproportionate hiring of African Americans is that only one Japanese man is big enough to be an NFL tackler—not anti-Japanese discrimination.

Utility of the Selection Method

Another consideration with respect to an employee selection method is whether it is worth using. **Utility** is the degree to which the selection method is cost effective. If the selection method is reliable and valid, it is more likely to have utility. Assume that a supermarket chain is hiring cashiers to work at its service stations. Carefully conducted validation studies have shown that a person needs at least average problem-solving ability to perform the cashier position well. The HR director of the supermarket chain chooses an inexpensive mental ability test to administer to each applicant for the position and looks to see if a given applicant scores at least in the average range. The mental ability test score is combined with other screening devices such as a brief job interview, a background investigation, and drug testing.

The mental ability test proves to be a good predictor of who can run the payment register correctly. At the same time the cost of about \$15 per applicant saves the company a lot of money in terms of a reduction in payment errors, and having to replace poor performers. The mental ability test therefore has high utility because it is cost effective.

Prominent HRM authority Peter Cappelli, from the Wharton School, provides a key insight into the utility of selection methods. He contends that at times HR analytics



Source: Jamie Lamor Thompson/Shutterstock

The adverse impact rule should not be seen as a force to hire unqualified candidates. This could mean that a disproportionate number of Black males are recruited to be NFL players.

utility The degree to which the selection method is cost effective.

(or Big Data) is not cost effective. He points out that what determines a good hire has been studied in almost the same way since World War II. The idea of bringing in exploratory techniques to analyze HR data to arrive at a big insight the field has known about is “pretty close to zero.” Valid information about the quality of good hires has been available in textbooks for at least 75 years.⁴

The Reduction of Bias During Employee Selection

Biases can enter into most approaches to selecting people, and in recent years considerable attention has been devoted to reducing these biases. One example of a bias would be that only highly intelligent candidates can fill a particular position and therefore rejecting candidates whose educational record and mental-ability test scores do not reflect high intelligence. Another example of a hiring bias would be to think that a person who has exceptional technology skills most likely has poor interpersonal skills and therefore rejecting that person for promotion to team leader. Here we look at how managers can often reduce biases in the process of selection. Later in the chapter, we describe more about potential bias in the job interview and how artificial intelligence might introduce bias into selection procedures.

A major contributor to hiring bias is our hidden *template of success*, referring to our implicit assumption of what success looks like. When interviewing a candidate, we might ask that person where he or she went to school or to share interesting experiences that will help us make an objective decision about that person’s fit for the job. In reality, we most likely are measuring that person against our hidden template. Among these templates would be that person attending a school we think is good, having experiences similar to ours, and having a personality that would match other members of the team. The problem is that the template of success might be too traditional and exclude diverse people.

According to Lori Mackenzie and Shelley Correll, based on their work at the Stanford Women’s Leadership Lab, to block implicit biases, managers need to challenge the assumptions behind their templates for success. At the same time hiring managers and HR managers can look for how each candidate might make an additive contribution to the group instead of preserving the status quo. It is helpful to clarify ambiguous criteria for success, such as asking “Does everyone on the team have to be highly intelligent?” or “Does a person really need to have full physical mobility to succeed as an outside sales representative?”⁵

Behavioral economist and Nobel laureate Richard Thaler points to how we can reduce bias against diversity of thought. He says that when hiring a new person for the group, it is helpful at times to look for someone who might think differently than other group members. He says that this is particularly important when making junior hires because it could lead to more risk taking.⁶

Assume that the manager of a residential real-estate company is looking to hire a new agent to join the group who will have to train for the position and then take a real-estate licensing exam. The manager’s bias is that only job candidates who have grown up in a house or who currently own a home could become effective agents. This particular bias fringes on being a socioeconomic bias. To overcome this bias, the manager might ask herself why only people who have lived in a single-family house can become effective real-estate agents. How about a person who lives in a crowded apartment but aspires to home ownership? Wouldn’t such an individual aspire to home ownership and want to help others accomplish the same? By overcoming her bias about the



Sometimes it is helpful to hire someone who might think differently than other group members.

importance of home ownership for becoming a real-estate agent, the manager can bring more diversity of perspectives into her real-estate firm.

Job Application Forms

Job application forms both online and in print remain an important part of the selection process even though some employers accept a résumé in their place. A job application form (sometimes referred to as a job application blank) is a prescreening device that takes place before a job interview. A completed application provides information about a person's schooling, job experience, citizenship status, special abilities, and other relevant information. Unlike résumés, job application forms are usually completed without assistance from another party or professional preparer. As a result of fair employment legislations, application forms no longer ask questions about an applicant's age, sex, marital status, or religion. Even asking about education could possibly be interpreted as a proxy of asking about age. However, education is very relevant for many jobs, such as a degree in mechanical engineering required for a specialist in designing elevators. Asking the applicant to attach a photo of himself or herself is usually considered to be discriminatory because it reveals demographic characteristics.

In addition to providing biographical information used for record keeping, the application form might provide some information that predicts job success. For example, a person who has a hobby of making household repairs might perform well as a store associate at Home Depot or Lowe's. How a person completes the form might provide some clues to the person's language skills, particularly if the online form does not have a spell or grammar checker. For example, the form might contain a few instances of word misuses such as "Go ice fishing in cold *whether*," "Have no *fare* of pressure," or "Was the *manger* of accounts receivable."

A refinement of the ordinary application form is the weighted application blank (WAB) that is scored much like a psychological test. Statistical analysis indicates which items are positively or negatively related to job success. For example, it might be found that having a personal investment program is a good predictor of low turnover. To be hired, the applicant must achieve a certain minimum score on the WAB. Although not widely used today, the weighted application blank has attained positive research results. For example, a study in the hotel industry concluded that these blanks are a cost-effective tool, useful in reducing employee turnover.⁷ The finding has practical value because of the high turnover in entry-level positions in the hotel industry.

The Job Interview and Its Replacements

The job interview remains a standard selection device for the majority of hiring. A major reason is that managers, teams, and HR specialists think it is important to see whether they would be able to get along well with the person being hired. The higher the level of the position, the more likely that an interview will be required. Can you imagine an organization hiring a C-suite executive without talking in person or at least virtually to that individual? Here we look at several aspects of the job interview, including the preliminary screening interview, the traditional interview, replacements for the interview, and interviewing for the person-culture fit, and minimizing and avoiding biases during interviews.



Source: Pongsaed-Studio/Shutterstock

The job interview remains a standard selection device for the majority of hiring.

The Preliminary Screening Interview and Texting

Selection begins as soon as candidates come to the attention of the recruiter, often by cover letter and résumé. The job application form usually precedes the interview and is often requested of job candidates whose résumés are of interest to the recruiter. If candidates come close to fitting the job specifications, a brief screening interview follows frequently by phone, Skype, or Messenger. A recruitment robot such as Mya Systems described in Chapter 5 might perform the screening interview.

The purpose of the screening interview is to determine whether the candidate should be given further consideration. One area of disqualification would be for the candidate to demonstrate such poor spoken communication skills over the phone or video interview that the person is excluded from consideration for a job requiring considerable contact. Another disqualifier would be the candidate stating up front a salary expectation far beyond what the position pays, such as saying, “Hi, this is Colleen, and I want a customer-care job paying \$100,000 per year.”

Knockout questions are sometimes used to quickly disqualify candidates. Assume a person is applying for a parking valet job and is asked, “Are you a safe driver?” The candidate would be immediately disqualified if he or she responds, “No, I have had five speeding tickets.” A person applying for an inspector position at a meat packer might be asked, “What is your attitude toward eating meat?” A disqualifying answer would be, “I hate eating meat. I’m a vegan.”

Many employers now use texting to replace preliminary screening interviews by telephone. For a large percentage of people in the applicant pool, texting is more natural than being interviewed over the phone or even responding to an email. Some recruiters report that many applicants do not bother to answer phone calls. A texting app might ask a question such as “What motivates you?” or “Why do you want to work for us?”⁸ A text response might be useful as a screening device because it could reveal that the applicant writes, spells, and thinks incoherently.

The Traditional Job Interview

Traditional job interviews are more valid when the interviewer is trained and experienced. Evidence also suggests that when the interviewer carefully follows a format, predictions about job performance tend to be more accurate.⁹ A surprising finding is that building rapport through small talk before the formal part of the interview lowers the validity of the interview. The problem appears to be that if the interviewer appears to like or dislike a person based on small talk, observations made later in the interview might be biased.¹⁰

Job interviews serve a dual purpose. The interviewer tries to decide whether the interviewee is appropriate for the organization. At the same time, the interviewee tries to decide whether the job and organization fit him or her. An important approach to helping both the organization and the individual make the right decision is to offer a realistic job preview, as mentioned in Chapter 5 in relation to recruiting. For example, an applicant for a tech support center position might be told, “At times customers will scream and swear at you because a computer file has crashed. Around holiday time many frustrated customers go ballistic.” Telling job applicants about potential problems leads to fewer negative surprises and less turnover.

Figure 6-2 presents a long list of interview questions, grouped into three types: basic, behavioral, and career-related questions. **Behavioral interviewing** refers to asking questions that reveal actual job behaviors relevant to a given position. A behavioral interview question is also referred to as a job-sample question because it approximates the type of behavior exhibited in a job situation. An airline marketing manager might be instructed, “Give me an example of what you have done in the past to compete with a lower-price competitor.” Behavioral interviewing can also take the form of asking the candidate to display a job competency. Here are two examples: “Show me how you can set up a Zoom meeting.” “Develop a marketing plan for a fish product made out of vegetables.”

behavioral interviewing

Asking questions that reveal actual job behaviors relevant to a given position.

Many of these job interview questions have become standard practice for most hiring managers and HR interviewers, whereas many others are asked less frequently. Note that some of the *questions* are really requests that do not pose a question.

Basic Interview Questions

1. Tell me about yourself.
2. Why do you want this job?
3. Why should we hire you?
4. If we hired you, how would that make us more profitable (or stay within budget)?
5. What are your best job-related strengths?
6. What are two job-related areas in which you need the most improvement?
7. What are the two most positive things you know about our company?
8. What are the two most negative things you know about our company?
9. Why are you willing to leave your present job?
10. What makes you happy at work?
11. What is the best thing your manager would say about you?
12. What is the worst thing your manager would say about you?
13. What negative information about you is likely to show up when we conduct a background check about you?
14. How much time do you spend each workday on your phone or social media not related to the job?
15. What is your opinion of your online presence?
16. How would you describe your personal brand?
17. What are your salary expectations for this position? (This might be a prohibited question in some states and provinces.)
18. What questions do you have for me?

Behavioral (or Work Sample) Interview Questions

19. Give me an example of a time that you far exceeded expectations on the job.
20. Give me an example of a creative idea you had on the job that was actually implemented.
21. How would you handle the situation if a customer started screaming and swearing at you?
22. How have you handled a situation in which you felt your workload was beyond what you could manage?
23. Tell me about a time when you had to say no to a work request from your boss or a coworker.
24. Describe a difficult work situation or project and how you dealt with it.
25. Give me an example of how you have good skill in dealing with people.
26. How do you think you would be able to help our company reduce some costs?
27. What do you think would be a catchy name for a new smartphone?

Career Questions

28. Where would you like to be at your career peak?
29. If you receive this job, what kind of promotion would you be looking for later on?
30. In what ways do you want to develop your professional skills?

FIGURE 6-2 Representative Job Interview Questions

Sources: A few of these interview questions are from Alison Doyle, "Top 10 Job Interview Questions and Best Answers," *Careers* (www.thebalancecareers.com), October 28, 2020, 1–12; Thad Peterson, "100 Top Job Interview Questions: Be Prepared," *Monster* (www.monster.com), 2020, 1–8.

If the candidate lacks much job experience, a behavioral question can be asked about a characteristic important to the job, such as resiliency.¹¹ The candidate might be asked, “Tell me about how you acted the last time you were rejected for something you really wanted?”

Challenging interview questions appear to be helpful in obtaining a higher acceptance rate, particularly among young job candidates. Glassdoor, the job website, analyzed data from 100,000 job candidates, asking them to rate their interview experiences. The interview had a huge effect on how candidates see a company. Glassdoor found that among candidates for professional and technical jobs, raising the difficulty one level on a five-point scale increased job acceptance by 2.6 percent.¹² An example of a challenging interview question is, “Why should we hire you?”

Figure 6-3 presents guidelines for conducting a job interview. Following these guidelines will often lead to more valid interviews than simply relying on intuition and common sense.

Replacements for the Traditional Job Interview

Although interviews will most likely remain a permanent part of selection, they are sometimes being replaced or eliminated for several reasons. One is that the validity of the selection interview for many positions has been questioned, meaning that interview observations might not be highly accurate predictors of job performance. Another reason is that interviewers are subject to bias, and they often hire people who are quite similar to them in terms of cultural background and personality. A third reason is that in a tight job market, requiring candidates to visit the organization for an interview is too time consuming. A valuable candidate might take another position before the interview can be completed.

One replacement for the interview is for the candidate to respond over the phone to automated exchanges in which the candidate gives recorded responses to a series of questions related to the job. Allstate Insurance Co. uses this technique in selecting candidates for some positions. The questions asked by the automated system might duplicate those asked in a traditional interview, such as “Describe your best job skill.” The automated interview can be taken at any time and from any place.¹³ A problem with this technique is that the person taking the automated interview is unable to ask questions, which is considered a bedrock principle of job interviews.

Another replacement for the traditional interview is to use only a phone interview to make a hiring decision. The more difficult the position is to fill, the more likely to skip the in-person interview. The in-person interview is most likely to be skipped in a tight labor market, and for seasonal work, particularly in retail. However, the in-person interview is sometimes bypassed when attempting to fill in-demand professional roles such as engineers, IT specialists, and teachers for elementary and high schools.¹⁴ Managers at all levels, however, are rarely hired without an in-person interview despite criticisms about the validity of such job interviews.

Hiring for Person–Organization Fit

A widespread employment strategy among hiring managers and HR professionals is to deliberately hire candidates who appear to fit the organizational culture. The strategy is sensible because workers whose personal style fits the culture are more likely to perform well and have high job satisfaction. For example, a creative person who likes to take risks on making suggestions would fit well into an organization in which creativity and risk taking are valued, such as Tesla or Apple Corp.

A large body of empirical evidence demonstrates that culture fit matters significantly for how people behave and think on the job. **Person–organization fit** is how well a worker’s values adhere to the values of the organization, group, or team. Meta-analyses have demonstrated that workers whose values are more aligned to those of their employer are

person-organization fit

How well a worker’s values adhere to the values of the organization, group, or team.

1. *Prepare in advance.* Prior to the interview, carefully review the applicant's application form and job résumé. Keep in mind several questions worthy of explanation, such as "I notice that you have no previous supervisory experience. Why do you want a job as a supervisor now?"
2. *Find a quiet place free from interruptions.* Effective interviewing requires careful concentration. Also, the candidate deserves the courtesy of an uninterrupted interview both in person and virtually. Do not access email, look at a computer or phone screen, or engage in phone conversations during the interview.
3. *Take notes during the interview.* Take notes on the content of what is being said during the interview, preferably by hand rather than hacking away at a keyboard. In addition, record your observations about the candidate's statements and behavior. For example, "Candidate gets very nervous when we talk about performance appraisals received in the past." Make sure that observations are factual and fair.
4. *Use a brief warm-up period.* A standard way of relaxing a job candidate is to spend approximately three minutes talking about a neutral topic such as the weather, sports preferences of the candidate, or his or her family members. A caution, however, is not to make definitive judgments about the candidate just because you two have good rapport. For example, if you like soccer and the candidate played soccer in college, do not conclude that the person is a strong candidate.
5. *Avoid off-limit questions.* You need to be familiar with job discrimination legislation to figure out what might be legal. To be safe, avoid questions about race, color, sex, religion, national origin, birthplace, age, disability, sexual orientation, marital and family status, and in some states and provinces, salary. A general guideline is to avoid questions not strictly related to the candidate's ability to perform the job.
6. *Ask open-ended questions.* To encourage the candidate to talk, ask questions that call for more than a one- or two-word answer. Sometimes a request for information works like an open-ended question. For example, "Tell me about how you reduced turnover in your group when you were the department head."
7. *Follow an interview format.* Effective interviewers carefully follow a predetermined, structured interview format. They ask additional questions that are based on responses to the structured questions.
8. *Encourage the candidate.* The easiest way to keep an interviewee talking is to provide encouragement. Standard encouraging statements include "That's very good," "How interesting," "I like your answer," "Very impressive," and "Amazing."
9. *Dig for additional details.* When the interviewee brings up a topic worthy of exploration, dig for additional facts. Assume the interviewee says, "I used to work as a corporate jet airline pilot, but then I lost my pilot's license." Noticing a red flag, the interviewer might respond, "Why did you lose your pilot's license?"
10. *Spend most of the interview time listening.* An experienced job interviewer spends little time talking. The interviewee should be doing almost all the talking.
11. *Provide the candidate ample information about the organization.* Here is the time for the interviewer to talk while answering questions posed by the job candidate.
12. *Do not "ghost" interviewees.* Applicants deserve a follow-up response even if they have been rejected for further consideration. The lack of follow-up is discourteous to the interviewee and hurts the reputation of the organization recruiting the applicant.

FIGURE 6-3 Guidelines for Conducting an Effective Job Interview

Note: Point 12 is from Sue Shellenbarger, "Interview Rules for Employers," *The Wall Street Journal*, July 10, 2019, A13.

more committed to the organization and perform better. Furthermore, they have higher job satisfaction and are less inclined to quit.¹⁵

A frequent misconception is that culture fit runs counter to diversity because it leads hiring managers to attempt to duplicate the present workforce. A simultaneous pursuit of cultural fit and diversity is possible because such a fit is not necessarily based on demographic characteristics. According to management professors Joeri Hofmans and Timothy A. Judge, an assessment of culture should focus on how well the person's values align with those of the organization. This approach contrasts with focusing on how well the applicant's personal characteristics such as gender, ethnicity, age, and sexual

orientation align with the present workforce. Personality characteristics can also be an important part of culture fit. For example, an outgoing, fun-loving person might be a poor fit in an organization in which most members are staid and somber.

Research suggests that looking at culture fit as based on values and personality rather than group characteristics can reap the benefits of person–culture fit while still attracting diverse perspectives, experiences, and skills. A subtle finding is that a higher value fit is associated with higher retention of culturally diverse people who, because of being demographically different, are typically at risk for higher turnover.

Hofmans and Judge caution that culture fit cannot be determined without proper measurement, consisting of three steps. First, the actual values of the organization or team must be measured by using a standardized instrument for measuring values. Second, the values of the candidate should be measured using the same instrument. Third, the candidate's value profile should be compared with that of the overall organization or team. A perfect match might not be found between the organization and the individual, but a good match on a couple of key values such as working hard and being fair to people.¹⁶

Few organizations are willing to invest the time and money into the approach to measuring culture fit just described. As a result, hiring managers tend to use careful judgment and intuition in searching for the fit. A common error to avoid is searching for *looking-glass merit*, or looking for attributes in candidates that make them feel good about themselves. For example, a manager who received low grades as a college freshman will often warm to a job applicant who also got off to a difficult start in college. Or an HR recruiter who attended a college that is not well known might favor applicants who did the same.¹⁷

Minimizing Bias During the Selection Interview

In the preceding sections we described reducing bias in the selection process. Because biases are the most likely to surface during the interview, the topic deserves separate mention. It takes effort to recognize personal biases. Quite often biases take the form of unconscious prejudices that could work against or in favor of candidates from a particular demographic or cultural group. On the negative side, if a hiring manager thinks most women are not well suited to the construction business, the manager might look for reasons to disqualify a woman for a construction supervisor position. On the positive side, if the hiring manager thinks Irish Americans are good natured and witty, the manager might be quick to think an Irish American applicant for a machinery sales position is well qualified.

Biases about race, sex (or gender), and age are the most common, but employment interviews can harbor unconscious prejudices about many other factors. Among them are height and weight, physical status (such as using a wheelchair or cane), foreign accents, where a candidate attends school, and leisure activities.¹⁸ A recommended technique for overcoming biases in recruiting and hiring is to try going against your intuition a couple of times and observe the results. This could mean having a gut feeling that a candidate is not right for the position or a gut feeling based on a prejudice such as discrediting candidates with facial tattoos.¹⁹

Psychological and Employment Testing

Hundreds of different tests are used in employment testing, and such testing is standard practice in about one-half of firms. All tests are psychological tests in the sense that measuring human ability is an important part of psychology. Five major types of psychological tests used in employment screening are (1) work samples and job simulations, (2) cognitive ability, (3) mechanical ability, (4) personality, and (5) honesty and integrity. We also describe how to give job candidates an opportunity to take a practice test here.

Work Samples and Job Simulations

Work samples and job simulations are a method of measurement typically composed of job-related situations or scenarios that describe a dilemma or problem representative of

the job under consideration. As described in the chapter opener, Walmart uses virtual reality to provide work simulations to candidates for promotion to managerial positions. Dealing with the work situation requires the application of relevant knowledge, skills, abilities, and perhaps personality characteristics. Work samples and job simulations are also referred to as *situational judgment tests* because the job applicant has to make a judgment about a situation, such as discovering that a customer has presented a stolen credit card.

Work samples may be presented in written, oral, video-based, computer-based, or virtual reality formats. The applicant often has to choose among alternatives, such as the best way to deal with an angry customer. Areas of competence typically measured by job simulation tests include job knowledge and skills, interpersonal skills, teamwork, leadership, and personality tendencies such as agreeableness.²⁰

In some work sample tests, actual equipment is used, although if the equipment is particularly expensive or hazardous, simulated equipment might be substituted. A scoring scheme is developed that establishes a minimum passing score. For example, work sample tests have been developed for such operations as truck driving. Candidates are required to maneuver around a small course without striking rubber markers. The most valid special ability tests are custom made, complex, and a close approximation of the actual work needed to be performed in the position under consideration.

An advantage of work sample or job simulation tests is that job applicants tend to perceive them as fair because the simulations appear to be relevant. When any kind of test appears to be closely related to job performance, it is said to have *face validity*.

Cognitive Ability Tests

Cognitive ability, or intelligence, is one of the major differences among people that affect job performance. (The terms *problem-solving ability* and *mental ability* are also used to refer to cognitive ability and intelligence.) As common sense would suggest, there is an advantage to being bright when faced with a complex job. In contrast, when performing a job requiring menial, repetitive tasks, having modest intelligence would be an advantage.

Cognitive ability tests measure the ability to solve problems and learn new material. The same tests measure such specific aptitudes as verbal reasoning, numerical reasoning, and spatial relations (the ability to visualize in three dimensions). Many people refer to cognitive ability, or problem-solving, tests as IQ (intelligence quotient) tests, but IQ is the score on one type of mental ability test. IQ tests are almost never used in employment settings. Here is an example of a type of question that is used to measure numerical comprehension:



Source: pathdoc/Shutterstock

Cognitive ability, or intelligence, is one of the major differences among people that affects job performance.

In the following series, which two numbers should come next?

16 18 17 20 18 22

1. 19 and 24
 2. 23 and 27
 3. 19 and 23
 4. 25 and 26
-

A recent approach to measuring cognitive ability is to infer those skills from the candidate's experience or ability in playing or developing video games. A range of employers believe that job applicants with backgrounds in playing or developing video games can help organizations with online collaboration, problem solving, and other critical workplace skills. The virtual reality described in the chapter opener originated in the gaming industry. Video game experience helps people develop skills in being given a set of instructions and then finding a solution.

In a survey conducted by Robert Half Technology, 24 percent of more than 2,500 chief information officers said they were attracted to entry-level candidates who mentioned playing or developing video games as a hobby. Video game experience is more impressive to potential employers when candidates can provide evidence why their gaming experience is valuable.²¹ If job candidates were given video games to play or asked to develop a video game, the use of video games would classify as a cognitive ability test. For now, video game skills are considered a proxy for strong cognitive ability.

Mechanical Ability Tests

Despite automation and digital control of many machines, hundreds of jobs still call for mechanical ability, such as crane operator or forklift truck operator. Tests of mechanical ability therefore still have a place in employee selection and might be combined with work samples. Mechanical ability tests ask questions that cannot be answered through intelligence alone. To achieve a high score, you need both mechanical know-how and, quite often, experience. Here is an example of the type of question measuring a quite basic mechanical skill:

In order to get the maximum power from an ordinary hammer, hold the hammer

- a. close to the hammer head.
 - b. right in the middle.
 - c. down by the bottom.
 - d. any place on the handle or head.
-

Personality Inventories

Personality tests measure personal traits and characteristics that could be related to job performance, such as extraversion. The use of personality tests still sparks controversy, but research shows positive connection between certain personality tests and subsequent

job performance. Critics express concern that these tests invade privacy and are too imprecise to be useful. Nevertheless, personality factors can profoundly influence job performance. Personality tests are increasingly used to screen applicants for entry-level jobs at call centers, retail stores, and other customer-contact positions. The most widely used personality inventory or test is the Five-Factor Model, which measures five traits highly relevant to job behavior and performance: openness to experience (intellectual curiosity), conscientiousness, extroversion, agreeableness, and neuroticisms (degree of emotional stability).

Tests of *emotional intelligence* are widely used whereby the candidate is measured on the ability to deal with people's feelings and emotions. Although emotional intelligence requires general intelligence, it is mostly a collection of personality traits and behaviors including empathy, compassion,



Although emotional intelligence requires general intelligence, it is mostly a collection of personality traits and behaviors including empathy, compassion, emotional control, and sensitivity to people.

emotional control, and sensitivity to people. A recently developed test of emotional intelligence asks applicants to choose the best response to certain situations, such as dealing with a subordinate who is displaying rage or soothing a grieving coworker.²²

Here are two examples of the types of questions likely to be found on a personality test:

	Mostly Agree	Mostly Disagree
1. I become impatient when I have to wait in line.	_____	_____
2. I have more than my share of bad breaks.	_____	_____

A key issue in personality testing for employee screening is whether these tests can be faked. Although many personality tests have built-in safeguards against faking, the evidence suggests that faking is possible under some situations. A study was conducted with working adults to see whether they could adapt their answers to a standard personality inventory to improve their person–organization fit as revealed by the inventory. The study focused on competitiveness and innovativeness as two central elements of organizational culture. To illustrate the nature of the study, here is the scenario presented to the participants who applied for a hypothetical position in a competitive culture:

At Western Inc. it's all about winning. We often say; Winning is not the first thing, it's the only thing! People here realize that it's kind of a dog-eat-dog world where you have to be ruthless at times.

The results showed that applicants infer an ideal personality profile from elements of organizational culture and then adapt their responses on personality inventories to fit the culture. Using readily available information about the culture, applicants figure out the profile of an individual who potentially thrives in the environment and then adapt their responses accordingly.²³

Honesty and Integrity Tests

Honesty and integrity tests are designed to measure a person's honesty or integrity as it relates to job behavior. (Honesty relates most specifically to lying, whereas integrity refers to sticking with your principles.) These tests are frequently used in workplaces such as retail stores, banks, and warehouses, where employees have access to cash or merchandise. Other types of work in which employees may potentially damage computers or access secret documents also require prediction of employee honesty. A major factor measured by integrity tests is social conscientiousness. People who score high on this personality factor show a much greater likelihood of following organizational rules. Here is an example of the type of question that might be found on an honesty and integrity test:

	True	False
1. I have never taken a break from my work to look at social media.	_____	_____
2. I can name every past president of the United States without checking a reference source.	_____	_____

Practice Employment Test

A humane approach to the use of psychological and employment tests is to provide recruits and applicants an opportunity to practice a test to see if they wish to continue to participate in the selection process. To study the effects of practice tests, a team of human resource management researchers surveyed a large sample of potential applicants and applicants who later decided to apply for jobs within a professional organization. The

jobs applied for were evaluated as professional level in a US government agency. The practice tests assessed occupation-specific knowledge and English writing skills. Over 25,000 people took the practice tests, and over 19,000 participants who applied to the organization took the actual tests.

The researchers reached three key conclusions. First, those who took the practice tests scored higher on the actual test. Second, score gains between practice tests and actual tests were greater for Blacks and Hispanics when compared to Whites. Third, the practice tests had a self-selection effect, encouraging those with higher scores to apply.

The findings suggested that practice tests can help the organization in terms of increased quality of applicants, reduced cost of testing unqualified applicants, and reduced adverse impact. Applicants also benefit in terms of increased chances of eventual employment, plus reduced disappointment and wasted effort from unsuccessful application. Not wasting time and effort was considered to be a good use of human capital.²⁴

Validity and Usefulness of Psychological Tests

The most consistent finding about the effectiveness of psychological tests in predicting job performance stems from a long series of studies concerning general intelligence and conscientiousness. Research has shown consistently that, in general, employees who have good problem-solving ability and are conscientious are likely to perform well in most jobs. The relationship between cognitive ability and job performance has been documented for over 100 years.²⁵ (These findings assume the employee also has the necessary education and job skills. Yet for basic jobs, the ability to learn and dependability are more important than experience and already-existing skills.) Problem-solving ability is measured by a mental ability test, and conscientiousness by a personality test. A straightforward explanation of these findings is that a bright person will learn quickly, and a conscientious person will try hard to get the job done.

A study with middle managers in an energy company suggests that personality tests are good predictors of management performance with respect to both the task and interpersonal aspects of their job. Management performance was measured in terms of judgments by both superiors and subordinates, providing more insight into performance than judgments of performance made by superiors only. Subordinate judgments were made using 360-degree feedback ratings (described later in this chapter).²⁶

A more recent study demonstrates how the personality trait of honesty-humility relates to job performance. Honesty-humility (H-H) is defined as “the tendency to be fair and genuine in dealing with others in the sense of cooperating with others even when one might exploit them without suffering retaliation.” A meta-analysis revealed that H-H has a significant negative correlation with counterproductive work behavior. In other words, job applicants and workers who are low on honesty and humility tend to engage in counterproductive work behavior on the job. (Any surprise with this finding?)²⁷

Background Investigation, Reference Checks, and the Physical Exam

Three additional key aspects of selection are the background investigation, reference checks, and physical exam. For most employers, the latter also involves testing for the use of illegal drugs.

The Background Investigation

Background investigations are closely related to reference checks, except they focus on information from sources other than former employers. The growth of databases accessible through the Internet has facilitated reference checking. Areas investigated include driving record, possible criminal charges or convictions, creditworthiness, disputes with the IRS, and coworkers’ and neighbors’ comments about a candidate’s reputation. Many

employers believe a good credit record reflects dependability. A concern for both employers and job candidates is that many credit reports are inaccurate.

Standard practice today is for prospective employers to search the Internet, including social networking websites, for potential negative as well as positive information about candidates. Candidates with popular names, such as Karen Johnson or John Anderson, often advise potential employers in advance as to their full identifying information.

One justification for background investigations is that so many job candidates present untrue information in résumés and job interviews. According to a recent Monster's State of the Recruiter survey, 85 percent of recruiters said that candidates exaggerate skills and competences on their résumés. Similarly, according to a HireRight employment screening background report, 85 percent of employers caught applicants lying on their résumés or applications. Three of the most common lies related to embellishing their education, covering up employment gaps, and stretching their true skills. Employment gaps are frequently hidden by stretching dates for one or two positions to cover a time gap or even fabricating an interim position. For more experienced workers, a fabricated interim position might be "consultant" even though the person had no clients.²⁸

The many financial scandals in the executive suite in recent years have prompted more thorough background investigations (or vetting) of candidates for top-level management positions. Executives also have been found to misrepresent facts on their résumés, such as claiming a college degree never earned.

A current development in background investigations is *ban-the-box policies* in more than one-half of the states that remove the conviction check box from public-sector job applications and defer background checks. Private-sector employers in some jurisdictions are also prohibited from asking about convictions.

A curious potential drawback to ban-the-box legislation is that some employers would like to know about private convictions because they favor such job applicants. The founder of a Denver-based telecommunications company says, "Of all the groups we targeted, people with criminal records turned out to be the best employees, in part because they usually have a desire to create a better life for themselves, and are highly motivated."²⁹

The accompanying Human Resource Management in Action sidebar describes how one employer actively recruits talent from among people who were formerly incarcerated.

HUMAN RESOURCE MANAGEMENT IN ACTION

Nehemiah Industries Screens Workers with a Criminal Past to Offer Them a Second Chance

Nehemiah Manufacturing Co. is a household and personal care products company that has been in operation since 2009. The company makes and packages several lines for Procter & Gamble, such as Downey, Draft, and Febreze, and has annual revenues of over \$50 million. Since it first opened, Nehemiah has practiced what the company terms *second-chance hiring* of difficult-to-employ, formerly incarcerated people. The company has a workforce of 150 people, and about 83 percent have a criminal record. An outstanding example is Michael Taylor, now the operations manager at Nehemiah. He has been promoted seven times in five years. Before the company gave him a second chance, Taylor could not land a job anywhere. "Employers would run a background check on me, and back out," he said.

When two managers with extensive consumer-products experience founded Nehemiah, their idea was to create more job opportunities in a struggling part of Cincinnati. Often job creation meant recruiting and hiring a subset of the population with difficulty finding employment, those with criminal backgrounds.

The program of hiring workers with a criminal past centers on providing social services and support to workers returning from incarceration out of necessity because the program got off to a rocky start. Many employees continued to struggle with substance abuse or mental illness, and some were homeless. "We didn't understand all of the challenges," said Dan Meyer, CEO of Nehemiah. Employees showed up one day only to disappear the following day. To help deal with these

(continued)

Nehemiah Industries Screens Workers with a Criminal Past to Offer Them a Second Chance *Continued*

problems, Nehemiah employs a social worker full time along with a three-person support team. The company also partners with several social service agencies in the Cincinnati area, such as The HELP Program.

The social worker team meets with each recruit to conduct a complete assessment of the worker's immediate barriers to employment. Among the factors evaluated are housing stability, available transportation, drug and alcohol problems, mental health issues, and outstanding fees. Next, a plan is developed to remove the barriers that have in the past kept that person from holding a job. "We are investing in our employees in order to retain them," said Richard Palmer, president of Nehemiah. Employees are offered temporary jobs first and start employment on the factory floor taking products off the conveyor belt and loading them onto a pallet.

Nehemiah management quickly saw the need for being more deliberate about identifying candidates who are likely to be good, reliable employees. Even the candidates who appear to be the strongest still need extensive social support.

During the first nine years of operation, 170 employees passed through the company's second-chance program. The turnover rate has been a low 15 percent, a fact that contributes to company productivity. Nehemiah leadership contends that difficult-to-employ workers appreciate their second chance and become extremely loyal "super-workers." Palmer said, "We found out that the population we were hiring who had criminal backgrounds were our most loyal people. When we were looking for people to work overtime, come in on Saturday or go to that extra mile, it was the second-chance population that was saying, 'I'm in.'"

Palmer said the company hiring model has not scared away customers, but there are still struggles with some of the workers hired. Even though screened before hiring, some workers are not ready, such as showing up for work drunk. Yet Nehemiah management perseveres. Meyer said, "We are about second chances, third chances, and I may go to five."

Questions

1. What does the story about Nehemiah Manufacturing have to do with employee recruitment and selection?
2. Should anyone complain that the Nehemiah recruiting and hiring approach has an adverse impact on applicants who were not formerly incarcerated?
3. What would you see as a major source of satisfaction of being the Nehemiah human resource manager?
4. What would you see as a major challenge of being the Nehemiah human resource manager?

Sources: Original story based on facts and observations in the following sources: Ruth Simon, "The Company of Second Chances," *The Wall Street Journal*, January 25–26, 2020, B1, B6; "Expanding the Workforce with Second Chance Employment," *The Business Journals* (www.bizjournal.com), May 3, 2019, 1–4. Parija Kavilanz, "The Factory Where Prisoners Get a Second Chance," *CNNMoney* (<https://money.cnn.com>), May 8, 2017, 1–3; Erica Spaid Patras, "Nehemiah Industries Offers a 'Second Chance' Through Employee Hiring," *Greater Ohio Policy Center* (www.greaterohio.org), February 21, 2019, 1–2.

Reference Checking

reference check An inquiry to a second party about a job candidate's suitability for employment.

A **reference check** is an inquiry to a second party about a job candidate's suitability for employment. The two main topics explored in reference checks are past job performance and the ability to get along with coworkers. However, asking about any evidence of violent behavior has become more frequent. Laws about what former employers are permitted to reveal about employees exist only at the state level. Employers can typically share information about the employee's time at the company, such as date of employment, job title, and responsibilities. Some states allow past employers to reveal more about the employee, such as salary, ability, job performance, and the reason the person left the organization. In spite of such legislation, many past employers are hesitant to provide complete references because job applicants have legal access to written references unless they specifically waive this right in writing (Privacy Act of 1974). Also, former employers are usually aware of laws regarding defamation, slander, and libel.³⁰

SHRM investigated the top reasons employers conduct background investigations, including reference checks. The reasons were as follows:

1. Protect employees and customers, 86 percent
2. Improve quality of hires, 52 percent
3. Mandated by law or regulation, 39 percent
4. Protect company reputation, 38 percent
5. Prevent and/or reduce theft, embezzlement, or other criminal activity, 36 percent.³¹

Physical Examination and Drug Testing

The physical examination remains a key part of preemployment screening. The exam gives some indication as to the person's physical ability to handle the requirements of particular jobs. For example, a person with a history of two heart attacks would be a poor candidate for a high-stress managerial position. The physical exam also provides a basis for later comparisons. This step lessens the potential for an employee to claim the job caused a particular injury or disease. For example, after one year on the job, an employee might claim the job created a fusion of two vertebrae. If the preemployment physical showed evidence of two fused vertebrae before the employee was hired, the employer would have little to fear from the claim.

Many companies test all job applicants for use of illegal drugs. (Executives as well as entry-level workers can be drug abusers.) Abuse of prescription drugs is also a widespread problem. Testing for substance abuse includes blood analysis, urinalysis, analysis of hair samples, observations of eyes, and examination of skin for punctures.

Most states allow for preemployment drug screens, yet some require employers to notify applicants of the drug testing. Courts have generally ruled that testing for illegal drugs does not classify as medical examinations under the Americans with Disabilities Act. The EEOC says that drug screens should be administered after a conditional offer of employment has been made because it might be necessary to ask job applicants follow-up medical questions depending in the results.³²

Some people raise the concern that inaccurate drug testing may unfairly deny employment to worthy candidates. A strong argument in favor of drug testing, however, is that employees who are drug abusers may create such problems as lowered productivity, lost time from work, and misappropriation of funds. Accident and absenteeism rates for drug (as well as alcohol) abusers are substantial, and they also experience more health problems.

Hiring of Teams Instead of Individuals

The focus of employee selection is on hiring individuals, but the practice of hiring teams also exists. A **lift-out** is the practice of recruiting an entire high-functioning team from another organization. The company doing the recruiting believes that the team is more important for attaining its goals than an individual star. It is also believed the recruited team can get up to speed rapidly in the new setting. By hiring a team, the path to productivity is shorter because the group members have a track record of working well together.

The newly hired team might integrate into the organization quickly because they have a built-in support system in each other. By enabling the newly hired team to have a built-in support group, they are more likely to be more aggressive with new ideas. Teams are likely to have skill sets that complement each other, making up for shortfalls in any one individual. Another advantage is that team members have already demonstrated the ability to work smoothly with people because they have been part of a high-functioning team.

Lift-outs have been used frequently in such industries as financial services, law, and information technology. Now professional services firms, such as management consulting and accounting firms, are hiring more teams.³³ Despite the increase in lift-outs, the concept can raise legal issues and might be considered unethical. Is it fair to

lift-out The practice of recruiting an entire high-functioning team from another organization.



Source: Rawpixel.com/Shutterstock

The focus of employee selection is on hiring individuals, but the practice of hiring teams also exists.

decimate a competitor by hiring one of its key teams? Or, is it just part of competitive business?

A challenge for the HRM professional when top-level management proposes hiring a team is whether each team member should go through a careful assessment. It could be that one of the team members is not a talented individual but has been carried along by the group because he or she is well liked. The HRM professional might then suggest that only the other members of the team be hired.

Artificial Intelligence and Algorithms

Artificial intelligence software is increasingly used in selection. The contribution of AI to recruiting was described in the opener to Chapter 5. Many companies, including Allstate, Hilton, and Five Guys Burgers and Fries, use AI to help recruiters, hiring managers, and HR professionals screen candidates. At its best, AI can speed up the vetting process by providing online simulations of what the applicants might do after being employed. In addition to measuring cognitive knowledge, AI also measures personal attributes and constructs a psychological profile that predicts whether a job candidate will fit the organizational culture. The measurement includes the words favored by the candidate. For example, a penchant for using *please* and *thank you* reflects empathy. AI might also predict how well an applicant can juggle holding a conversation and paying attention to detail.

A candidate's social media posts might be analyzed with AI to search for data that could possibly be related to job performance. AI searches might find, for example, that people who have high-quality contacts in their social media network may develop high-quality contacts on the job. An AI service called SkillSurvey predicts turnover and job performance based on words used by a candidate's references, who are presented with an online series of behavioral-science-based questions tailored to the specific job. The input is then compared with a database of thousands of candidates for the same position, providing insight into how the candidate compares with others.

HealthSouth, the large health-care provider, reported a 17 percent decrease in employee terminations, a 10 percent drop in employee resignations, and 92 percent less time checking references after SkillSurvey was implemented. The algorithms produced by AI have been used by consumer products giant Unilever PLC to sort applicants and target young potential hires where they spend a good portion of their time—on smartphones.³⁴

Research was conducted about the use of machine learning to predict the job outcomes of 16,071 applicants for public school teaching positions. The outcomes

measured were student evaluations, expert observations of performance, value-added to student test scores, voluntary turnover, and involuntary turnover. The study found that work experience being relevant to teaching and a history of approaching better jobs were linked to positive work outcomes. In contrast, a history of avoiding bad jobs was associated with negative outcomes.³⁵ The argument in favor of AI and machine learning here is that human observers might not have been able to find these predictors of teacher effectiveness.

A concern frequently expressed about the use of AI for selection, as well as other purposes, is that it might be biased against women and minorities. Legal standards enforced by the EEOC warn against possible bias in AI for selection. One approach to reduce bias is to carefully review AI as used in selection to ensure that it does not produce an adverse impact. Companies are urged to minimize disparate impact in their models. In addition, they must generate clear, good faith justification for using the models they eventually deploy.³⁶ For example, if an AI model included home ownership as a predictor variable, it might be unintentionally discriminating against a few minority groups.

The Importance of Multiple Selection Techniques

A key principle of employee selection is that the process tends to be more valid when multiple approaches are used, such as those described in this chapter. A prime example is how the US Army recently revamped its approach to hiring battalion-level commanders. Up until 2019, the Army had chosen these commanders by having senior officers independently score each candidate's personnel file. The review took about 90 seconds, and the text evaluated was normally shorter than a typical tweet. Quite often the soldiers chosen for the leadership positions were not effective in their roles. To improve the quality of battalion-level commanders selected, the Army revamped the selection process. Each candidate now goes through four days of physical, cognitive, communication, and psychological assessments. The assessments conclude with an in-person interview designed to reduce bias.³⁷ The long-term validity of the new assessment process is yet to be calculated, but early results are promising.

A widely used approach to using multiple selection techniques is an assessment center. An **assessment center** provides a comprehensive, structured evaluation of applicants using a wide variety of instruments and techniques. Assessment center programs do not follow a standardized format. Commonly used formats include assessment in groups, psychological assessments, interviews, and situational exercises that simulate job conditions. The total assessment often lasts a few days. Seventeen head-to-head comparisons were made between the criterion-related validity of assessment center results versus simply using a test of cognitive ability to predict performance. In 15 of the comparisons, the criterion-related validity of the assessment center was higher than that of a cognitive ability test alone.³⁸

assessment center A method of assessment that provides a comprehensive, structured evaluation of applicants using a wide variety of instruments and techniques.

An encouraging note about the type of selection methods described in this chapter is that they are valid if combined with assessor judgment. Judgment here refers to the manager or human resources specialist integrating data from the various sources and then making a decision. For example, algorithms alone should not be the basis for choosing job candidates. A decision about a candidate reached by an algorithm may be based on hundreds of variables common to high performers but might not be good predictors of future performance.³⁹ A synthesis of 29 validation studies of the assessment of job candidates found that the validity was higher for managerial than nonmanagerial occupations. Furthermore, the validity was higher when the assessments included a cognitive (mental) ability test.⁴⁰

After selection comes making a job offer and placing the person who accepts the offer. Because these activities are not measurement processes as in the rest of selection, the job offer and placement are included with the topic of employee orientation in the next chapter.

1. Explain the importance of the validity and utility of selection devices.

A major requirement of any selection device is that it be a valid measure of what it attempts to measure, including content validity and criterion-related validity. The reliability of the predictor is also important. The EEOC insists that psychological tests be scientifically accurate, job-related, and not discriminatory against any particular group. Adverse impact occurs when a substantially different rate of selection in hiring works to the disadvantage of members of a protected class. The Four-Fifths Rule specifies that if the election rate is less than 80 percent of that of the group with the highest selection rate, there is adverse impact. Another consideration with respect to employee selection is whether it is worth using, or its utility.

2. Understand how bias might be reduced during employee selection.

Biases can enter into most approaches to selecting people. A major contributor to hiring bias is our hidden template of success, referring to our implicit assumption of what success looks like. To block implicit biases, managers need to challenge the assumptions behind these templates.

Job application forms, both online and in print, are an important part of selection, even though some employers accept a résumé in their place. In addition to providing biographical information needed for record keeping, the application form might contain information that predicts job success.

3. Present an overview of the job interview and how it can be replaced.

The higher the level of the position, the more likely that an interview will be required. If candidates come close to fitting the job specifications, a brief screening interview follows, frequently by phone or online video. Knockout questions are sometimes used to quickly disqualify candidates.

Traditional interviews are more valid when the interviewer is trained and experienced, and the interview follows a format. An important approach to helping both the organization and the individual is to use a realistic job preview. Behavioral interviews focus on job behaviors and therefore are job sample questions. Challenging interview questions are helpful in attaining a higher acceptance rate, particularly among young applicants.

Job interviews are sometimes replaced or eliminated because they might not be valid, biased, or too time consuming for a tight labor market. Automated phone calls can replace interviews, and a phone interview might replace an in-person interview. Interviews are useful in identifying a good person–organization fit. Looking at culture fit as based on values and personality rather than

group characteristics can reap the benefit of culture fit while still attracting diverse perspectives, experiences, and skills. Biases about race, sex, and age are the most common, but employment interviews can harbor unconscious prejudices about many other factors.

4. Present an overview of psychological and employment testing.

Four major types of psychological tests used in employment screening are work samples and simulations, cognitive ability, mechanical ability, and honesty and integrity. Giving candidates an opportunity to take a practice test often leads to higher scores on the actual test. Extensive research suggests that employees who have good problem-solving ability and are conscientious are likely to perform well in most jobs. A study with middle managers suggests that personality tests are good predictors of management performance with respect to both the task and interpersonal aspects of their jobs.

5. Explain the use of the background investigation, reference checks, and physical exams in employee selection.

Three additional key aspects of selection are the background investigation, reference checks, and the physical exam. Background investigations focus on information other than from former employers. Ban-the-box policies remove the conviction check box from public-sector job applications and defer background checks. The two main topics explored in reference checks are past job performance and the ability to get along with coworkers. The physical exam gives some indication of a person's physical ability to handle the requirements of particular jobs. The EEOC says that drug screens should be administered after a conditional offer of employment has been made.

6. Explain why teams are sometimes hired rather than individuals.

Teams rather than individuals are sometimes hired because the company doing the hiring believes that the team is more important for reaching its goals than an individual star.

7. Describe the role of artificial intelligence and algorithms in the selection process.

Artificial intelligence is frequently used in selection. In addition to measuring cognitive knowledge, AI might predict whether a candidate might fit the organizational culture and can sometimes pick up patterns that a human doing the selection might miss. AI may have to be checked for a hiring bias.

8. Know why it is important to use multiple selection techniques.

A key principle of employee selection is that the process tends to be more valid when multiple approaches

are used. An assessment center provides a comprehensive, structured evaluation of applicants, using a wide variety of selection instruments and techniques.

Assessor judgment combined with other selection techniques tend to be more valid.

Key Terms and Phrases

Validity, p. 133
Content validity, p. 133
Criterion-related validity, p. 134
Reliability, p. 134
Adverse impact, p. 134
Utility, p. 135

Behavioral interviewing, p. 138
Person–organization fit, p. 140
Reference check, p. 148
Lift-out, p. 149
Assessment center, p. 151

Discussion Questions and Activities

1. Based on your first-hand knowledge of Walmart or any other large discount retailer, what scenario would you like to add to test a potential store manager's skill?
2. A job applicant put on her application form and résumé that she was voted "Most likely to succeed" in high school. What do you think of her providing this information?
3. What would you think of a company hiring a manager without a job interview?
4. What do you think of the following interview question: "If you were an animal, which type of animal would you like to be?"
5. What might be considered discriminatory about this interview question, "Are you a home owner?"
6. What advantage do you see to an in-person interview versus a virtual interview, such as on Zoom, Skype, or Messenger?
7. Why might it be a bad idea from a job applicant's standpoint to fake that he or she is a good fit for the culture of the hiring company?
8. Very few people ever complain that job samples as a way of employment screening are unfair or biased. Why might that be true?
9. What is your opinion about the likelihood of AI replacing many human resource managers in the next few years?
10. Assume you are applying for a key position in your career. Explain which two selection techniques described in this chapter you would prefer to use in evaluating your candidacy.

Skill-Development Exercise: The Selection Interview

Assume the role of the owner of an athletic club with four locations. You need to fill the position of general manager for the club's most successful location. After thinking through the job demands of an athletic club general manager, conduct a 15-minute interview of a classmate who pretends to apply for the position. Before conducting the interview, review the guidelines in Figure 6-3. Other students on your team might observe

the interview and then provide constructive feedback. Among the feedback points to cover are the following:

1. Did the interviewer allow the interviewee to do most of the talking?
2. Did the interviewer demonstrate a selection bias?
3. How successful was the interviewee in moving the interviewer toward a "You're hired" decision?

CASE PROBLEM: Should We Hire Kaleb as the Manager of Loan Collection?

Danielle, the VP of Consumer Loans at a financial services company, is interviewing several candidates for the position of manager of consumer loan collection. Among the key responsibilities of the consumer loan collector are contacting customers who are delinquent in repayment of their loans and obtaining a repayment plan or agreement. In some cases of default on vehicles, motorcycles, or boat loans, the consumer loan collector

works with repossession specialists ("repo" workers) to take back the property. The manager will be responsible for about ten consumer loan collectors.

Danielle's first interview this morning is with Kaleb, whose job résumé and preliminary screening interview make him a plausible candidate for the position. An excerpt from the interview follows:

(continued)

CASE PROBLEM: Should We Hire Kaleb as the Manager of Loan Collection? (Continued)

Danielle: Good morning, Kaleb. We appreciate your applying for this position, but why should we hire you?

Kaleb: I know that I can work with the loan collectors to improve their collection rates. In my present position as a customer-care supervisor, I am considered to be a terrific motivator. And besides, I need the salary increase that this job would pay.

Danielle: How is your credit record with respect to paying back loans?

Kaleb: Pretty good. I would have an almost perfect credit score except for a dispute I had with my smartphone carrier. I was hit with an unjustified \$850 bill one month. We finally settled for \$450 after six months of haggling.

Danielle: Tell me about a time you really helped an employee reporting to you to improve his or her performance.

Kaleb: I supervise a customer-care technician right now who was falling behind schedule in terms of the number of cases he was handling each week. I listened in on a sampling of his calls. It seemed to me he was wasting too much time making small talk with customers. I coached him on this problem, and he was soon making quota.

Danielle: We need somebody who can devote full energy to this position. Distractions at home could be a problem. Do you and your wife plan to have any children soon?

Kaleb: No plans for another child right now. We already have three children.

Danielle: I noticed you have an interesting last name. Where were your parents born?

Kaleb: I'm proud to say that my mother was born in Ecuador, and my father in Brooklyn.

Danielle: Do you think that a customer who has not made a loan payment on a car in three months should have the car repossessed?

Kaleb: If the customer is facing some financial hard times, I might give that person a break. After all, even a loan company has to be a little bit human.

Danielle: The manager of consumer loan collection has to get involved with all sorts of electronic record keeping and reporting. How good are your technology skills?

Kaleb: I get what needs to be done after I have learned the system. When I'm stuck, I ask the youngest worker in the department for help (*said with a laugh*).

Danielle: People who have participated in team sports make the best team players on the job. What team sports have you played?

Kaleb: I played on the soccer team one season in high school. I was the third-string point guard on my college team for two seasons.

Danielle: What questions do you have of me?

Kaleb: I have two questions for now. How soon after starting will I get a raise? Is this a dead-end job?

Case Questions

1. Based on the limited evidence from this interview, how qualified does Kaleb appear to be for the position of manager of consumer loan collection?
2. What questions has Danielle asked of Kaleb that appear to be inappropriate or illegal?
3. Which one of Danielle's questions could be classified as a work-sample question?
4. What, if any, interviewer bias did Danielle display?

Endnotes

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