

HUMAN RESOURCE MANAGEMENT – LECTURE 6

CHAPTER 6 – SELECTING EMPLOYEES WHO FIT

LESSON 6
SELECTING EMPLOYEES WHO FIT

Learning Objective 1 - How is employee selection strategic?

Employee selection

- The process of selecting employees for an organization.
- Efficient selection affords advantages to a company.
 - It can increase the efficacy of other human resource procedures and prevent a variety of issues.

HOW IS EMPLOYEE SELECTION STRATEGIC?

- Good selection procedures must align with an organization's HR strategy as a whole.
- In Chapter 2, we saw that HR strategies vary along two dimensions: whether they have an internal or external labor orientation, and whether they compete on the basis of cost or differentiation.
- These provide advise regarding the most effective staff selection techniques for a particular firm.

Aligning Talent and HR Strategy

Figure 6.1 Strategic Framework for Employee Selection

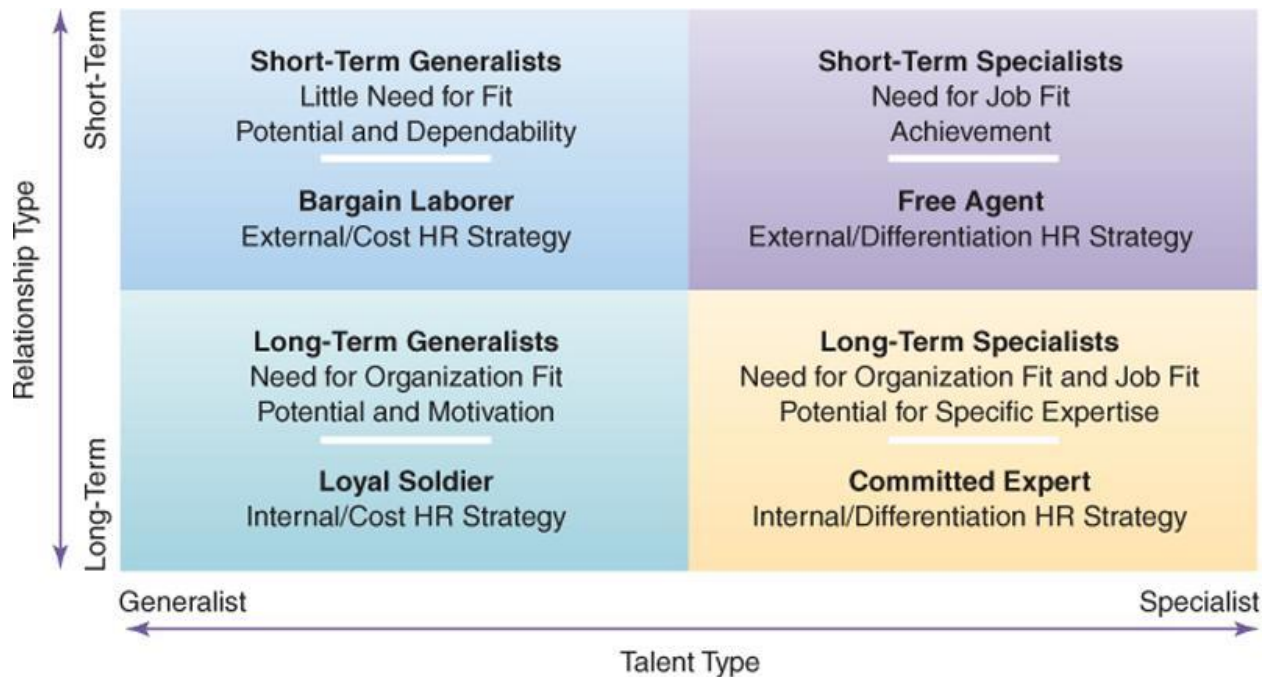


Figure 6.1 demonstrates how to link selection decisions with the HR initiatives discussed in Chapter 2. Consistent with HR strategies as a whole, strategic selection decisions are based on two crucial elements. Figure 6.1's horizontal dimension depicts variations in the type of talent sought. On one end of the continuum is generalist talent, which refers to people who may be outstanding workers but have no particular areas of specialty. On the opposite end of the spectrum is specialized talent, which consists of employees with uncommonly specific talents and abilities. The vertical dimension of Figure 6.1 indicates the nature of the employees' interaction with the organization. The continuum begins with long-term talent. This type of employees has a long tenure with the organization and a comprehensive awareness of its practices and operations. On the opposite end of the continuum is temporary skill. These individuals migrate from organization to organization without acquiring specialized knowledge of how things are performed at any one location.

Short-term generalists, provide a variety of different inputs but do not have areas of special skill or ability.

Examples include some retail sales clerks and hotel housekeepers.

The majority of positions in firms employing this HR strategy are filled by individuals recruited from other organizations. The purpose of selection is to find and hire personnel who can produce low-cost goods and services, and selection decisions are focused on identifying individuals who can do simple jobs requiring less specialized skill.

Benefits of a Short-Term Generalist Strategy

People without specific skills typically do not demand a high salary, which helps to keep payroll costs as low as feasible. Short-Term Generalists lack specialized knowledge and are typically more eager to perform routine tasks and accomplish whatever is requested of them. As the demand for goods and services increases or drops, the business is able to adjust the number of personnel accordingly. The work procedures are straightforward, and employees who seek higher pay are easily replaced.

Long-term Generalists

Frequently, utility company employees are long-term generalists who lack technical expertise but develop skills and information regarding how things are done in a particular business. Long-term generalists are frequently employed by other utilities and certain parcel delivery organizations. These employees help in a variety of areas but do not require technical expertise. Long-term generalists are advantageous for companies employing the Loyal Soldier HR strategy.

Benefits of a Long-Term Generalist Strategy

Lack of specialized knowledge allows businesses to decrease payroll expenses. It is less likely that an employee will switch to a new company if he or she has acquired talents and abilities that are uniquely beneficial to the specific firm. Cost savings in recruiting,

selection, and training. They tend to create relationships and develop a strong feeling of devotion to the company during their tenure.

Long-term Specialists

These individuals have expertise in a certain field. Including Accounting. Utilizing long-term specialists is consistent with the Committed Expert HR technique. The purpose of selection is to discover individuals who can help the organization innovate and deliver greater goods and services throughout time. People who can gain specialized abilities over time are hired to form a talent pool.

Benefits of Long-Term Specialists

It allows organizations to cultivate and retain talent. Employees are provided with the time and resources necessary to acquire the skills necessary to excel at their jobs and add value to the firm.

Short-term Specialists

These workers supply specific inputs for relatively brief durations. Relevant to the Free Agent HR strategy. The objective of the hiring process is to find individuals with the abilities necessary to deliver new products and superior service.

Benefits of Short-Term Specialists

Employees give services for comparatively brief durations. Permits the firm to gain critical expertise without having to wait for new hires to learn the capabilities. The business pays a premium dollar for this knowledge and expertise, but makes no long-term commitments, and both sides are free to terminate the employment agreement at any moment.

Learning Objective 2 – What Makes a Selection Method Good?

We have addressed strategic concerns when selecting employees. The subsequent phase is to analyze specific methods that facilitate strategy execution. How can an organization identify tests or metrics that will identify individuals who are a good match or who have the ideal combination of potential and accomplishment? Should prospective employees be given a paper-and-pencil examination? Is a background investigation required? Will an interview be advantageous? If so, what is the best type of interview? The responses provide information regarding the precision, cost-effectiveness, fairness, and acceptance of various selection procedures. Next, we analyze a few related principles for each inquiry. These include dependability, validity, usefulness, legality, fairness, and acceptance. Figure 6.2 depicts fundamental questions linked with every principle.

Figure 6.2 What Makes a Selection Method Good?



Making Strategic Selection Decision

The focus is on two factors:

- job-based fit
- organization-based fit

Balancing Job Fit and Organization Fit

When job-based fit is the objective, the organization strives to match the skills and interests of an employee with the requirements of a given position. This type of fit depends heavily on a person's technical abilities. For instance, proficiency in mathematics qualifies an individual for positions such as financial analyst or accountant.

Organizational fit is concerned with how well an individual's traits align with the firm's larger culture, values, and standards. Individual personality, values, and objectives have a greater impact on organizational fit than technical competence. A individual with conservative views, for instance, can be a good fit for a cautious and traditional company culture.

Selecting the Best Selection Method-Questions to ask

Reliability is concerned with measurement consistency. One method for evaluating dependability is to provide a test or interview to an individual on two separate occasions and then compare the results. We refer to this way of measuring reliability as the test-retest method. Another method for assessing reliability is to administer two distinct test formats. Due to the fact that both tests were intended to examine the same concept, we would anticipate comparable results. This is the approach of assessing dependability using alternative forms.

How do we know if a test is **valid**?

Numerous types of evidence of validity exist, and assessments of validity should consider all data suggesting a correlation between the assessment approach and job performance. The third principle related with staff selection methods is utility, which relates to the cost-effectiveness of the process.

Is the test too expensive for the number of applicants to be tested?

Table 6.1 summarizes factors that influence utility.

Table 6.1		<i>Factors Influencing Utility of Selection Methods</i>	
Factor	Utility	When ...	
Validity	↑	selection test increases.	
Number	↑	more people are hired into that position.	
Tenure	↑	people who are hired stay with the organization for longer time periods.	
Performance variation	↑	there is a lot of variation in how well people do the job	
Selectivity	↑	a smaller proportion of applicants are hired.	
Fixed cost	↓	it is expensive to establish procedures to use the test.	
Variable cost	↓	the cost of each test that is given is high.	
Number	↓	you give the test to a lot of people.	

Choosing the Best Selection Method-Questions to ask

Is the procedure lawful? Here, the HR professional must ensure that the evaluation procedures do not violate any regulations and are fair for all applicants. Each application is evaluated honestly and impartially.

For instance, when the applicant perceives the selection process to be fair and equal, they have a favorable impression of the organization and accept the techniques.

Learning Objective 3 – What Selection Methods Are Commonly Used?

Methods, information collection, and interviews are all methods for selecting staff. In the sections that follow, specific practices related with each of these categories will be discussed.

What Selection Methods Are Commonly Used?

The three most common methods used are:

- Testing
- Gathering Information
- Interviewing

Employment testing gives a means of evaluating employability traits. Tests provide a standard set of questions or tasks for each job applicant to complete. In addition to measuring knowledge, competence, and ability, several types of examinations also assess personality qualities. Organizations use a range of techniques to directly collect information regarding the work histories and qualifications of prospective employees. Typical techniques for acquiring information include application forms and resumes, biographical information, and checking references. The interview is the most common way of selection. Applicants are interviewed when they respond to questions posed by a manager or other organization representative. The vast majority of interviews involve communication between the interviewer and applicant. The interview is useful not just for evaluating applicants but also for informing them about the organization and pitching it as a desirable place to work.

On Testing

- Situational Judgment Testing – ask the job applicant what they would do, or should do in a hypothetical situation.
- Physical Ability Testing -assesses muscular strength, cardiovascular endurance, and coordination.
- Integrity Testing - are designed to assess the likelihood that applicants will be dishonest or engage in illegal activity.
- Drug Testing - normally requires applicants to provide a urine sample that is tested for illegal substances.
- Work Sample Testing (Assessment Center) -measures performance on some element of the job such as keyboarding.

Table 6.2 contains examples of items from a widely used cognitive ability test. How would you perform on an exam like this? Cognitive ability assessments offer a high degree of reliability; individuals tend to score comparably across multiple test types. In addition, these examinations are difficult to cheat on, and taking classes that teach test-taking strategies does not typically result in significant score improvements. Cognitive ability assessments have the highest validity of all selection methods. This combination of high validity and low

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cost leads in great benefit. Cognitive ability assessments are effective and affordable predictors of job performance.

Table 6.2		<i>Use of Selection Methods Around the World</i>				
Selection Method	Scores¹¹³					
	United States	Portugal	France	Hong Kong	South Africa	
Cognitive ability test	2.09	3.27	2.29	1.83	3.25	
Personality test	1.62	3.00	3.42	2.50	3.66	
Physical ability test	1.21	1.69	1.29	1.17	1.26	
Integrity test	1.09	1.92	1.00	1.33	1.62	
Drug test	2.21	1.93	1.18	1.17	1.58	
Application form	4.12	3.40	4.09	4.75	4.20	
Biodata	1.21	2.29	1.20	1.62	1.41	
Work sample	1.40	1.69	1.50	1.83	1.71	
Reference check	4.02	3.14	3.32	3.75	4.09	
Individual interview	4.78	4.77	4.85	3.38	4.72	
Panel interview	3.27	3.29	2.06	3.63	3.63	
Handwriting analysis	1.09	1.00	3.26	1.00	1.45	

Table 6.4		<i>Summary of Personality Testing Research</i>	
		Average Correlation with Job Performance	Average Correlation with Job Satisfaction
Openness to Experience—High scorers are imaginative, idealistic, unconventional, not cautious, and inventive		.07	.02
Extraversion—High scorers are sociable, aggressive, not shy, enthusiastic, cheerful, and forceful		.15	.25
Emotional Stability—High scorers are not anxious, contented, confident, not moody, not irritable, and not fearful		.15	.29
Conscientiousness—High scorers are efficient, organized, goal-driven, ambitious, and thorough		.24	.20
Agreeableness—High scorers are forgiving, trusting, friendly, not stubborn, warm, and sympathetic		.11	.17

In conclusion, cognitive ability tests are a valuable tool for hiring decisions. According to the "How Do We Know?" section, these assessments can predict long-term achievement. They are best suited for firms pursuing long-term hiring strategies since they indicate potential more than achievement. In firms with long-term employment strategies, where employees must learn and adapt throughout the course of their careers, cognitive capacity is very critical for success. Therefore, companies seeking long-term generalists and specialists can benefit from using cognitive ability testing. Not all jobs lend themselves to this kind of testing, which is a drawback of work sample tests. What form of work sample

test would you administer, for instance, to a medical doctor or an attorney? The complexity of these professions makes it exceedingly difficult to create work sample testing. Nonetheless, human resource specialists have devoted a substantial amount of time and energy to designing a work sample examination for the complicated position of manager. This instrument is typically referred to as an evaluation center.

Information Gathering

Typical techniques for acquiring information include application forms and resumes, biographical information, and checking references. Application Forms and Résumés – Inquire about the applicant's address and telephone number, education, work experience, and special training. Resumes typically include identical material at the professional level.

Biographical data -involves asking questions about historical events that have shaped a person's behavior and identity. Some questions seek information about early life experiences that are assumed to affect personality and values.

Please Note - Some human resource specialists express concern about legality and fairness issues with biodata. Much of the information collected involves things beyond the control of the person being evaluated for the job and is likely to have adverse impact for some.

Reference checking involves contacting an applicant's previous employers, teachers, or friends to learn more about the applicant. Reference checking is one of the most common selection methods.

Reference checking raised some legal questions. Organizations can be held accountable for what they say about current or past employees. A bad reference can become the basis for a lawsuit claiming **defamation of character**, which occurs when something untrue and harmful is said about someone.

Many organizations adopt policies that allow managers and human resource specialists to provide only dates of employment and position. **negligent hiring**, can occur

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when an organization hires someone who harms another person and the organization could reasonably have determined that the employee was unfit.

Interviewing

The interview is the most common way of selection. Applicants are interviewed when they respond to questions posed by a manager or other organization representative (interviewer). Education, experience, knowledge of job processes, mental ability, personality, communication ability, and social skills are typical question topics.

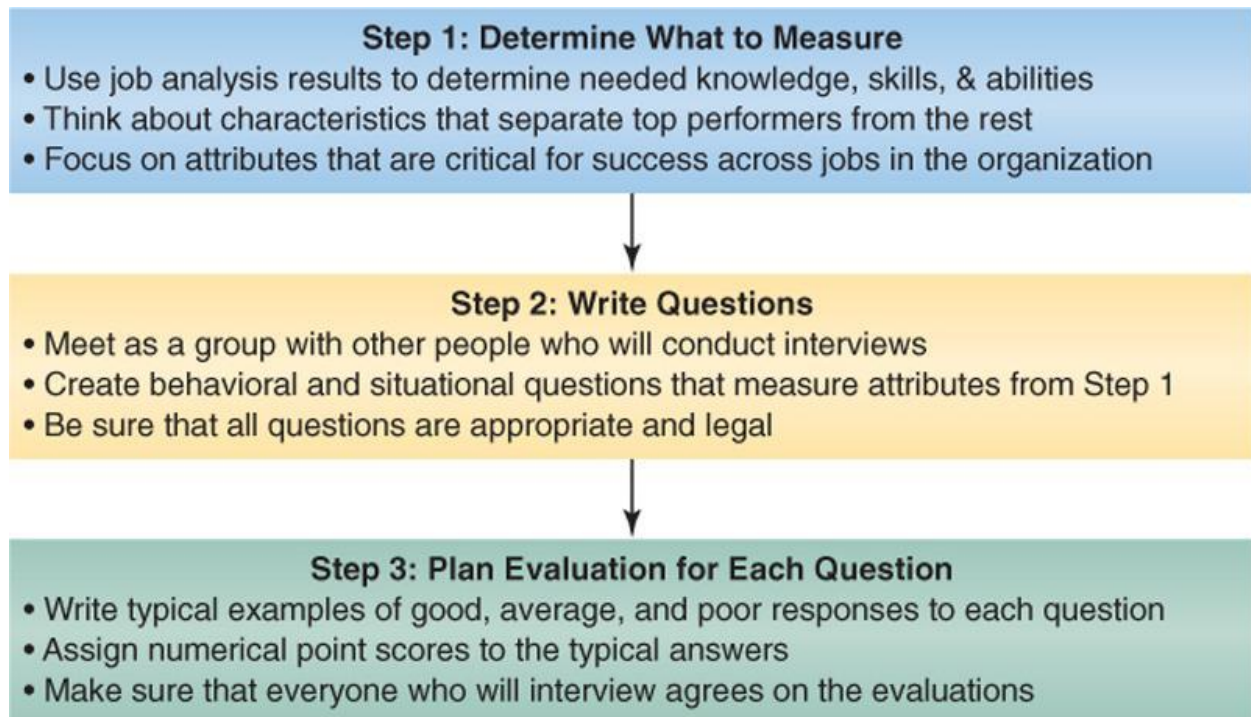
Types of Interviews

Structured Interviews - uses a list of predetermined questions. All applicants are asked the same set questions. There are two types of structured interviews.

Situational interview, in which the interviewer asks questions about what the applicant would do in a hypothetical situation

Behavioral interview, in which the questions focus on the applicant's behavior in past situations

Figure 6.4 Creating Structured Interview Questions



Unstructured Interviews-open ended questions are used such as “Tell me about yourself”. This allows the interviewer to probe and pose different sets of questions to different applicants.

Table 6.5. The table also shows scoring for sample responses; one reason these interview formats work is that they provide raters with clear examples for determining how a response should be scored.

Table 6.5		Types of Employment Interview Question	
	Format	Example Question	Possible Response
Behavioral Questions	Asks the applicant to describe actions in a particular past situation.	It is often necessary to work together in a group to accomplish a task. Please tell me about the most recent experience you had working as part of a group.	<i>Poor Response:</i> Lost of conflict. The other members were ineffective. <i>Average Response:</i> I did all the work myself. <i>Superior Response:</i> We worked together. I helped involve everyone.
Situational Questions	Puts the applicant in a particular situation and then asks for a description of behavior.	A customer comes into a store where you work to pick up a watch he left for repair. The repair was supposed to have been completed a week ago, but the watch is not yet back from the repair shop. The customer is very angry. How would you handle this situation?	<i>Poor Response:</i> Tell him he should check back later. <i>Average Response:</i> Apologize and tell him I will call him later. <i>Superior Response:</i> Listen, put him at ease, call the repair shop while he waits.

Effective firms begin the interview process by considering their HR strategy thoroughly. After selecting their technique, they begin to formulate questions that will assist them find persons with the desired attributes. Using the interview to correctly identify and select employees who are most likely to engage in the behaviors that support either a low-cost or differentiation strategy is a very effective method of using human resource management to gain a competitive advantage. Having the proper workers fosters an organizational culture that enables businesses to meet client demands.

Learning Objective 4 – How are Final Selection Decisions Made?

Here, decision-makers receive a numeric score for the outcome of each selection procedure before applying decision strategies to the scores. Weighting the predictors, employing minimum cutoffs, constructing several obstacles, and banding are typical decision-making techniques.

SELECTION DECISIONS

Decision can be made using one of the following methods.

Predictor Weighting - combines a set of selection scores into an overall score in which some measures count more than others.

Minimum Cutoff Approach_– The applicant's strength in one area to compensate for weakness in another area.

In practice, numerous companies employ minimal cutoffs to define a pool of individuals who meet minimum requirements in multiple areas. Once this pool of candidates has been identified, the ultimate hiring decision is made using weighted predictors.

Multiple Hurdle Approach - applicants must meet the minimum requirement of one selection method before they can proceed to the next.

Banding Approach - uses statistical analysis to identify scores that may not be meaningfully different.

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Test

True or False

1. When interviews are structured to ensure that each person being interviewed receives the same treatment as the others, they become less reliable and valid.
2. Almost no job requires intelligence tests to predict success.
3. Making good hiring decisions pays off when there are many job applicants.
4. There are significant correlations between the results of integrity tests and the results of personality tests, particularly for conscientiousness.
5. In the world of employee selection, biodata measures have been around for quite some time, and they are generally considered to be useful.
6. Selecting the most qualified candidates can increase the effectiveness of other human resource practices while also preventing a wide range of problems.
7. The ability to fit into an organization is less dependent on technical skills than it is on an individual's personality, values, and goals.
8. Applicants view selection procedures as indicators of an organization's culture, which can impact not only their decision to join, but also their subsequent feelings of job satisfaction and commitment.
9. Tests of personality ability are occasionally referred to as "intelligence" or "mental ability" tests.
10. Cognitive ability tests are effective predictors of job performance, but they are also expensive.

Answer key

1. False
2. False
3. True
4. True
5. True
6. True
7. True
8. True
9. False
10. False

Identification

1. For a relatively brief period of time, workers are hired to produce general labor inputs.
2. A selection strategy that places a strong emphasis on existing skills and previous accomplishments.
3. The process of testing and gathering information in order to decide who to hire is known as recruitment.
4. Finding the right match between a worker's knowledge and skills and the tasks associated with a specific position.
5. Employees who are hired to gain specialized knowledge and establish a long-term career with a company are known as contract workers.
6. An evaluation of the degree to which a selection method produces results that are consistent over time.
7. Employees who possess specialized and somewhat uncommon abilities and skills
8. A statistic that expresses the strength of a relationship between two variables.
9. Justification is the quality of being justifiable. To be valid, a selection method must accurately predict who will perform well on the job.

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10. It is a characteristic of selection methods that reflects applicants' beliefs about the appropriateness of the methods used in their selection.

Answer Key

1. Short – term Generalist
2. Achievement
3. Employee Selection
4. Job Based fit
5. Long-term Specialist
6. Reliability
7. Specialist Talent
8. Correlation Coefficient
9. Validity
10. Acceptability