

Human Resource Management

Chapter 6

Selecting Employees Who Fit

Lecturer Dr. Michaella D. Castillo

LEARNING OBJECTIVES

- After reading this chapter you should be able to:
 - Describe how employee selection practices can strategically align with overall HR strategy.
 - Explain what makes a selection method good, and be able to apply the concepts of reliability, validity, utility, legality and fairness, and acceptability to appropriately evaluate different employee selection methods.
 - Describe several commonly used selection methods, evaluate their strengths and weaknesses, and explain how they link with particular employee selection strategies.
 - Explain how to combine scores from several different selection methods to arrive at a final selection decision.

Employee selection

- The process of choosing people to bring into an organization.
- Effective selection provides benefits to an organization
 - It can improve the effectiveness of other human resource practices and prevent numerous problems.
 - For example; motivated employees who fit with the organizational culture can reduce disciplinary problems and diminish costs associated with replacing employees who quit.

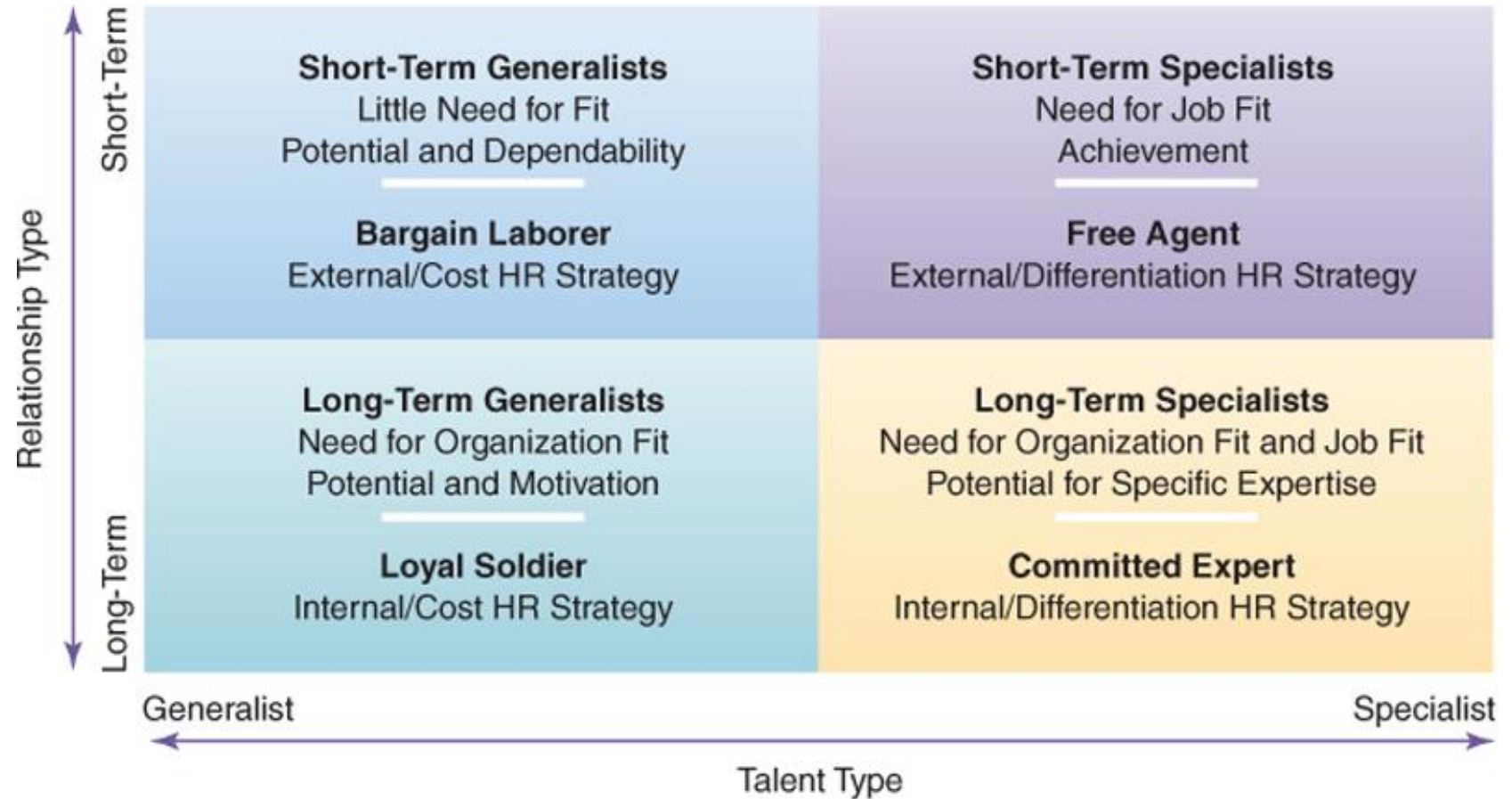
HOW IS EMPLOYEE SELECTION STRATEGIC?

- Good selection practices must fit with an organization's overall HR strategy.
- In Chapter 2 we saw HR strategies vary on two dimensions:
 - whether they have an internal or an external labor orientation and
 - whether they compete through cost or differentiation.
- These provide guidance about the type of employee selection practices that will be most effective for a particular organization.

Aligning Talent and HR Strategy

- The chart in Figure 6.1 shows how selection decisions can be aligned with the HR strategies.
- The horizontal dimension represents differences in the type of talent sought
- The vertical dimension represents the type of relationship between the employees and the organization .

Figure 6.1 Strategic Framework for Employee Selection



Aligning Talent and HR Strategy

- Short-term Generalists - provide a variety of different inputs but do not have areas of special skill or ability.
- This is most often associated with the Bargain Laborer HR strategy.
 - Most positions are filled by hiring people away from other organizations.
 - The objective is to identify and hire employees to produce low-cost goods and services.
 - To selection people who can perform simple tasks that require little specialized skill.

Benefits of a Short-Term Generalist Strategy

- People without specialized skills do not generally demand high compensation, which keeps payroll costs as low as possible.
- Because Short Term Generalist lack specific expertise, they also are usually more willing to work in routine jobs and do whatever they are asked.
- The number of employees working for the organization can be flexed up or down as demand for goods and services increases or decreases
- Work procedures are simple, and employees who demand higher wages are simply replaced by new workers.

Long-term Generalists

- Are individuals who have developed skills and knowledge concerning how things are done in a specific organization.
- Long-term generalists are beneficial for organizations using the Loyal Soldier HR strategy.
- HR strategy is focused on keeping employees once they are hired.

Benefits of a Long-Term Generalist Strategy

- Lack of specific expertise allows firms to reduce payroll costs.
- Employees have develop skills and abilities that are only valuable to the specific organizations, which reduces the likelihood that they will move to another employer.
- Reduction in the recruitment, selection and training expenses.
- Because they stay long they tend to develop relationships and form a strong sense of commitment to the organization.

Long-term Specialists

- These are people who have an expertise in a particular area. Such as Accounting.
- The use of long-term specialists fits the Committed Expert HR strategy.
- Selection is to identify people who can assist the company in innovating and produce superior goods and services over time.
- People are hired who can develop specialized skills over time and create a resource of talent.

Benefits of Long-Term Specialists

- It enables organizations to create and keep a develop talent.
- Employees are given the time and assets to develop the skills they need to be the best at what they do and add value back to the organization.

Short-term Specialists

- Are employees who provide specific inputs for relatively short periods of time.
- Associated with the Free Agent HR strategy.
- Staffing is aimed at hiring people who have already developed skills that they can bring to the organization to produce innovative goods and top-quality service.

Benefits of Short-Term Specialists

- Employees provide services relatively short periods of time.
- Allows the organization to quickly acquire needed expertise, without waiting for hires to acquire the skills.
- The organization pays premium dollar for this knowledge and skills but makes no long-term commitments and both parties can end the employment relationship at anytime.

Making Strategic Selection Decision

- The focus is on two factors:
 - job-based fit
 - organization-based fit

Balancing Job Fit and Organization Fit

- **Job-based fit** seeks to match an individual's abilities and interests with the demands of a specific job.
- **Organization-based fit** is concerned with how well the individual's characteristics match the broader culture, values, and norms of the firm

Selecting the Best Selection Method-Questions to ask

- How reliable is the process-do you get the same result time and again.
- Is it valid-does it relate to the job or performance outcome
- **Is the method** cost effective-utility.

Utility

Table 6.1

Factors Influencing Utility of Selection Methods

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 process legal – does not break any laws and fair – treats every application the equally.
- Is it acceptable – How does the applicant view the selection process and consequently the organization.

Figure 6.2 What Makes a Selection Method Good?



WHAT SELECTION METHODS ARE COMMONLY USED?

- The three most common methods used are:
 - Testing
 - Gathering Information
 - Interviewing

Testing

- Tests measure knowledge, skill, and ability, as well as other characteristics, such as personality traits.
 - Types of Test
 - Cognitive Ability Testing. **Cognitive ability testing** measures learning, understanding, and ability to solve problems. e.g. Intelligence Tests.
 - Personality testing measures patterns of thought, emotion, and behavior. e.g. Myers Briggs

Testing - continued

- 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.

Testing - continued

- 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.

Testing

Selection Method	Scores ¹¹³				
	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

*1 5 never; 2 5 rarely; 3 5 occasionally; 4 5 often; 5 5 almost always
Higher scores thus represent more widespread usage.

Source: Information from Ann Marie Ryan, Lynn McFarland, Helen Baron, and Ron Page, "An International Look at Selection Practices: Nation and Culture as Explanations for Variability in Practice," *Personnel Psychology* 52 (1999): 359–391.

Testing

Table 6.3

Wonderlic Personnel Test Sample Questions

- Which of the following is the earliest date?
A) Jan 16, 1898 B) Feb. 21, 1889 C) Feb. 2, 1898 D) Jan. 7, 1898 E) Jan. 30, 1889
- LOW** is to **HIGH** as **EASY** is to ____?
J) **SUCCESSFUL** K) **PURE** L) **TALL** M) **INTERESTING** N) **DIFFICULT**
- What is the next number in the series? 29 41 53 65 77 ____?
J) 75 K) 88 L) 89 M) 98 N) 99
- One word below appears in color. What is OPPOSITE of that word?*
She gave a **complex** answer to the question and we all agreed with her.
A) long B) better C) simple D) wrong E) kind
- Jose's monthly parking fee for April was \$150; for May it was \$10 more than April; and for June \$40 more than May. His average monthly parking fee was ____?____ for these 3 months.
J) \$66 K) \$160 L) \$166 M) \$170 N) \$200
- If the first two statements are true, is the final statement true?*
Sandra is responsible for ordering all office supplies.
Notebooks are office supplies.
Sandra is responsible for ordering notebooks.
A) yes B) no C) uncertain
- Which THREE of the following words have similar meanings?
A) observable B) manifest C) hypothetical D) indefinite E) theoretical
- Last year, 12 out of 600 employees at a service organization were rewarded for their excellence in customer service, which was ____?____ of the employees.
J) 1% K) 2% L) 3% M) 4% N) 6%

Correct Answers: 1. E, 2. N, 3. L, 4. C, 5. M, 6. A, 7. CDE, 8. K

Source: Sample items for Wonderlic Personnel Test-Revised (WPT-R).
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Testing

Table 6.4

Summary of Personality Testing Research

	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

Sources: Information from Timothy A. Judge, Daniel Heller, and Michael K. Mount, "Five-Factor Model of Personality and Job Satisfaction: A Meta-Analysis," *Journal of Applied Psychology* 87 (2002): 530–541; Murray R. Barrick, Michael K. Mount, and Timothy A. Judge, "Personality and Performance at the Beginning of the Millennium," *International Journal of Selection and Assessment* 9 (2001): 9–30.

Information Gathering

- Common methods for gathering information include application forms and résumés, biographical data, and reference checking.
 - Application Forms and Résumés –Generally ask for information such as address and phone number, education, work experience, and special training.
 - At the professional-level, similar information is generally presented in résumés.

Information Gathering - continued

- Biographical data - historical events that have shaped a person's behavior and identity.
- Reference Checking - involves contacting an applicant's previous employers, teachers, or friends to learn more about the applicant
Issues with reference checking:
 - **defamation of character**, which occurs when something untrue and harmful is said about someone.
 - **negligent hiring**, occurs 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 frequently used selection method.
- Interviewing occurs when applicants respond to questions posed by a manager or some other organizational representative (interviewer).
- Typical areas in which questions are posed include education, experience, knowledge of job procedures, mental ability, personality, communication ability, social skills.

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.

Types of Interviews-continued

- 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.

Interviews

Table 6.5		<i>Types of Employment Interview Question</i>	
	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.

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.

Selection Decisions-continued

- **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.

Thank you