

Assessing External Candidates

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Summary

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- ❑ Identify different external assessment goals.
- ❑ Describe what is meant by an assessment plan.
- ❑ Describe different assessment methods and how each is best used.
- ❑ Discuss how to evaluate external assessment methods.
- ❑ Identify ways to reduce the adverse impact of an assessment method.

Facebook's Hiring Process

Online social media company Facebook recognizes the importance of hiring top talent, especially for its technical positions including software engineers and product managers. The company is consistently rated a top place to work and receives hundreds of thousands of applications each year for its job openings.¹ Consistent with its entrepreneurial spirit and flat organizational structure, Facebook looks for self-starters who don't need a lot of direction. Because employees are expected to work in teams, teamwork skills are also important.²

The most successful employees understand Facebook's product and the company's vision. The company knows that applicants with established and active Facebook accounts tend to be good fits, and engineers who have interesting, working products or apps they can demonstrate also tend to be good hires.³ The company wants to hire people who can make a real impact, solve challenging problems, and help to make the world more open and connected.⁴ Imagine that Facebook asks you for advice on how to best evaluate its applicants for both job and cultural fit. After studying this chapter, you should have some good ideas.

After strategic planning, writing a job description and person specification, sourcing candidates, and recruiting, the next step in the staffing process is assessing the degree to which job candidates possess the required qualifications and characteristics to perform the job well. The focus of this chapter is on the assessment of external job candidates—the next chapter covers the assessment of internal job candidates.

Why is assessment so important? Even if a firm's applicant pool contains some people who would make great hires, if the firm's assessment system can't identify them, they will not become employees. For example, in 2012 when Delta Airlines received 100,000 applications for 1,000 flight attendant jobs, including 22,000 applications for 300 positions in one week, it had to assess a large number of people to determine who to hire.⁵ The goal of assessment is to identify the job candidates who would make good hires, and to screen out people who would make poor hires. RadioShack found that using well-designed assessment tools in hiring for its hourly positions increased revenue by approximately \$10 per hour per employee. With an hourly workforce of over 1,000 associates, this translated into a \$10 million annual revenue increase.⁶

A poor assessment system is little better than picking job applicants at random and giving them job offers. By contrast, a well-designed assessment system can increase the number of good hires and reduce the number of bad hires an organization makes. What difference does this make to organizations? For jobs in which there is a meaningful performance difference between high and low performers, identifying and hiring the best candidates can dramatically increase productivity and performance. Consider computer programmers—the performance of star programmers can be eight to ten times greater than the performance of average programmers.⁷

To improve hiring speed, reduce turnover, and improve performance among its hourly workers Burger King requires all job seekers to apply online and complete a 100-item behavioral assessment tool to identify applicants high in customer service skills and reliability.⁸ Eyeglass company Luxottica Group gives all of its retail associate job candidates a 20-minute prehire assessment test that costs about \$10. New hires scoring in the top quartile on the test sell an average of \$14 more per hour than those scoring in the bottom quartile, returning the company's investment in the test in the associates' first hours on the job.⁹

In addition to identifying the job candidates who fit the person specification for the job, the assessment system should also evaluate candidates' fit with the organization's culture and business strategy. This allows a firm to identify those people best able to do the job and help the company execute its business strategy. For example, a candidate who meets a job's technical requirements will likely be a bad hire for a company pursuing an innovation strategy if she or he is risk averse and not creative.

Sunglass Hut was facing high turnover due to its use of kiosk stores, where an associate often works alone. To try to reduce turnover, it added assessment questions about whether candidates like to work on their own and their fit with the company's culture. New hires now stay on the job twice as long and turnover fell from 110 to 73 percent.¹⁰

Depending on their business strategy and competitive advantage, as well as their talent philosophy and culture, different companies value different characteristics for similar jobs. For

example, a retail store such as Wal-Mart that relies on low cost and high efficiency may look for efficiency-oriented candidates whom it can hire at a relatively low cost. A high-end retail store, such as Tiffany's that pursues a differentiation strategy based on high-quality customer service, may prefer to hire candidates who excel at customer relations and interpersonal skills, even if a higher salary is required to hire them. The choice of which candidates to hire should be based on who is likely to experience the greatest job success and who can best meet the overall hiring goals for the position, including job performance, promotability, and the cost of the total rewards package.

Apache Corporation, an independent oil company, has outperformed its peers by cultivating a culture supporting fast decision making and risk taking. Because new hires are important in maintaining this culture, Apache looks for external candidates who have shown initiative in getting projects done at other companies.¹¹ Investment management firm Bridgewater Associates is most interested in candidates' values, followed by their abilities, and least interested in their precise skills.¹² Internet company Yahoo! looks for really smart, passionate people who have conviction, courage, and a willingness to take some risk.¹³

If a company wants to give employees a lot of independence and discretion once they're hired, it is only by designing rigorous assessment processes that employees can later have this freedom.¹⁴ Although companies' primary hiring goal is usually job performance, some companies, including Southwest Airlines, subscribe to the philosophy that what people know is less important than who they are. These firms believe that the primary goal of assessment is to find people with the right mind-set, attitude, and personal attributes.

Real estate services company Planned Cos., a provider of janitors, maintenance workers, doormen, concierges, and security guards, believes its hire-for-attitude approach has minimized turnover and improved client retention rates. As CEO Robert Francis said, "You take inherently positive individuals and then provide the necessary training. In our work, employees need to be 'on' day in and day out."¹⁵

Assessment methods tend to become more complex the more critical a job is to the firm and the more complex the required competencies are. If a job is difficult to do well, then it is even more important to recruit strategically, assess job candidates carefully, and choose new hires wisely.

Different assessment methods are useful for assessing different job candidate characteristics. In this chapter, first we discuss the different types of goals that exist for external candidate assessment and then describe a variety of commonly used assessment methods and their strengths and weaknesses. Finally, we discuss ways of evaluating external assessment methods. After reading this chapter, you should have a good understanding of the external assessment process and how to best use different external assessment methods.

THE FIRM'S EXTERNAL ASSESSMENT GOALS

As we have explained, the primary goal of job candidate assessment is to identify the job candidates who will be the best hires in terms of meeting the organization's staffing goals, which usually includes performing at a high level and enhancing strategy execution. Identifying the job candidates who would be the worst hires is also important, as not hiring poor performers can be even more important and valuable than hiring good performers. There are a variety of other important goals organizations have when assessing external job candidates, and we discuss several of them next.

Maximizing Fit

Why are some very talented people considered undesirable hires despite their high level of skill? The answer lies in the many ways in which people need to fit with an employment opportunity to be a successful match. One goal of assessment is to maximize the degree to which the person fits the organization, work group, and job. Next, we describe each of these dimensions of fit in greater detail.¹⁶

THE PERSON-JOB FIT Person-job fit is the fit between a person's abilities and the demands of the job and the fit between a person's desires and motivations and the attributes and rewards of a job.¹⁷ Effective staffing enhances the degree to which an employee meets a job's requirements

PERSON-JOB FIT

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and the degree to which the job meets the individual's needs.¹⁸ Because the most important staffing outcome is usually the new hire's job performance, person-job fit is the primary focus of most staffing efforts. From the organization's perspective, if it has an opening for an accountant, if the new hire is not an effective accountant, then the staffing effort cannot be considered successful, regardless of how many other positive staffing outcomes are achieved. In organizations that are growing rapidly, the scope of any job expands quickly. To prepare for this, Google tries to hire people who are "overqualified" for the position they are being recruited for, who can handle the expanding job duties, and who are likely to be promoted multiple times.¹⁹

From the applicant's perspective, if the job does not meet his or her financial, career, lifestyle, and other needs, then the match also is not ideal. An individual motivated by commissions and individually based merit pay is not likely to be a good fit with a job based on teamwork and group rewards. Similarly, an individual who does not enjoy working with people should not be placed in a customer service position. Research suggests that person-job fit leads to higher job performance, satisfaction, organizational commitment, and intent to stay with the company.²⁰

PERSON-GROUP FIT

the match between an individual and his or her work group, including the supervisor

THE PERSON-GROUP FIT In addition to the fit between the recruit and the nature of the work, the fit between the recruit and his or her potential work team and supervisor is also important. **Person-group fit** (or person-team fit) is the match between an individual and his or her work group, including the supervisor. Good person-group fit means that an individual fits with the goals, work styles, and skills of coworkers. Person-group fit recognizes that in many jobs, interpersonal interactions with group members and teammates are important in getting the work done. Employees must also be able to work effectively with their supervisor. Person-group fit leads to improved job satisfaction, organizational commitment, and intent to stay with the company.²¹

Because teamwork, communication, and interpersonal competencies can be as critical to team performance as team members' ability to perform core job duties, person-group fit can be particularly important when hiring for team-oriented work environments.²² At Men's Wearhouse, CEO George Zimmer rewards team selling because shoppers want to have a positive total store experience. The company takes team selling so seriously that it even terminated one of its most successful salespeople because he focused only on his own sales figures. After firing the salesperson, the store's total sales volume increased significantly.²³ Individual characteristics such as personal goals that are consistent with those of the group, and skills that complement those of the rest of the group's members are particularly important to assess.

PERSON-ORGANIZATION FIT

the fit between an individual's values, beliefs, attitudes, and personality and the values, norms, and culture of the organization

THE PERSON-ORGANIZATION FIT **Person-organization fit** is the fit between an individual's values, beliefs, and personality and the values, norms, and culture of the organization.²⁴ Research has found that a good fit has a strong positive relationship with an employee's job satisfaction, organizational commitment, and intent to stay with the company. It also has a moderate impact on employees' attitudes and "citizenship behaviors"—behaviors people engage in that go beyond their job requirements, such as helping others or talking positively about the firm.²⁵ Some organizational values and norms important for person-organization fit include integrity, fairness, work ethic, competitiveness, cooperativeness, and compassion for one's customers and fellow employees. Despite the potential overlap between person-job and person-organization fit, research suggests that people can experience differing degrees of fit with their jobs versus the organizations for whom they work.²⁶ When a metal-stamping plant started hiring based on candidates' fit with basic corporate values instead of lifting and integrity test scores, it dramatically reduced scrap rates, injuries, absenteeism, and turnover.²⁷

How can person-organization fit be maximized? One good way is to identify those applicant qualifications, competencies, and traits that relate to the organization's strategy, values, and work processes. Individuals whose work styles are inconsistent with the organization's culture, business strategy, and work processes are not likely to be as successful as individuals who are good fits in these ways. For example, even if Juan is technically well qualified as a biomedical researcher, if he avoids risk, is indecisive, and tends to ruminate over a decision, he may be unsuccessful in an innovative, fast-paced, and forward-looking organization.

Adobe Systems President and CEO Shantanu Narayen tries to hire people who share the company's fundamental values. He states, "Unless people really internalize and believe in the core values of the company, they're unlikely to be successful."²⁸ Deloitte Consulting constantly pays attention to hiring the right fit because it is very expensive to recruit and because it is even

more costly to train new employees. To identify fit, Deloitte uses behavioral interviews and case questions to assess integrity, collaboration skills, and the ability to think logically and solve problems. Deloitte also recruits people with nontraditional majors and backgrounds who display attributes and competencies that are consistent with its culture.²⁹

Rather than evaluating flight attendant candidates for a fixed set of skills or experiences, Southwest Airlines looks for the energy, humor, team spirit, and self-confidence that matches its offbeat, creative, customer-focused culture.³⁰ Job candidates don't just interview for a job, they audition—and the audition starts the moment they call for an application. In fact, candidates are being evaluated even when they do not think that they are being assessed. When a recruit calls, managers jot down anything memorable about the conversation, good or bad. Recruits flown out for interviews receive special tickets that alert gate agents, flight attendants, and others to pay special attention. Employees observe whether recruits are consistently friendly to others or complaining and drinking cocktails at 9 a.m., and pass their observations on to the people department.³¹ When flight attendant candidates give five-minute speeches about themselves in front of as many as 50 other recruits, managers watch the audience as closely as the speaker to see who is enthusiastically supporting their potential coworkers. Unselfish people who will support their teammates are the ones who catch Southwest's eye, not the applicants who seem bored or distracted or use the time to polish their own presentations.³²

A new hire must be able and willing to adapt to the company by learning, negotiating, enacting, and maintaining the behaviors appropriate to the company's environment.³³ To successfully adapt, new hires must be open minded, have sufficient information about the organization's expectations and standards—and their own performance in light of those standards—and the ability to learn new behaviors and habits.

It is important to note that hiring for any type of fit does not mean hiring those whom we are most comfortable with, which can lead to dysfunctional stereotyping and discriminating against those different from ourselves who may offer a great deal to the success of the firm. One company that assesses and selects employees based on their fit with the organization and its core values is Johnson & Johnson (J&J). J&J's credo³⁴ clearly spells out its values: customer well-being, employee well-being, community well-being, and shareholder well-being, in that order. J&J recruits, hires, and evaluates employees against their credo, which is central to J&J's organizational culture. Ralph Larsen, J&J's chairman and CEO, attributes the majority of J&J's success to its core values.³⁵

THE PERSON-VOCATION FIT Person-vocation fit is the fit between a person's interests, abilities, values, and personality and his or her chosen occupation, regardless of the person's employer.³⁶ For example, a social individual who dislikes detail work and working with numbers would be a poor fit with the accounting vocation.

Although individuals usually choose a vocation long before applying to an organization, understanding person-vocation fit can still be useful in staffing. Companies that would like to develop their own future leaders, or smaller organizations that need employees to fill more than one role, may be able to use applicants' vocational interests to determine whether they would be a good fit. Retaining valued employees might be easier if an organization can match their interests with a variety of career opportunities within the company. Some people pursue two or more different vocations over the course of their careers because they have diverse interests or because they become bored working in the same vocation for a long period of time. Organizations may better retain these valued career changers by understanding their vocational preferences and designing career tracks or career changes. If the measure is successful, valued employees who would otherwise be likely to leave the organization to pursue a different type of vocation may be able to pursue multiple vocations without leaving the company.

Table 9-1 summarizes these four different types of fit.

PERSON-VOCATION FIT

the fit between a person's interests, abilities, values, and personality and his or her chosen occupation, regardless of the person's employer

COMPLEMENTARY AND SUPPLEMENTARY FIT There are two ways people can fit in to an organization or work group.³⁷ **Complementary fit** is when a person adds something that is missing in the organization or work group by being different from the others, typically by having different skills or expertise.³⁸ A research and development organization looks for a complementary fit when, for example, it seeks scientists with new backgrounds and skills to work with existing scientists to develop a new line of products. As J. J. Allaire, founder, chairman,

COMPLEMENTARY FIT

when a person adds something that is missing in the organization or work group by being different from the others

TABLE 9-1 Dimensions of Fit

Type of Fit	Possible Dimensions of Fit
Person-Job Fit: the potential of an individual to meet the needs of a particular job and the potential of the job to meet the needs of the individual	Intelligence Job-related skills and competencies Job knowledge Previous experience Personality related to performing job tasks
Person-Group Fit: the match between individuals and their work groups, including their supervisors	Teamwork skills Expertise relative to other team members Conflict management style Preference for team-based work Communication skills Personality related to working well with others
Person-Organization Fit: the fit between an individual's values, beliefs, and personality and the values, norms, and culture of the organization	Alignment between one's personal motivations and the organization's purpose Values Goals
Person-Vocation Fit: the fit between an individual's interests, abilities, values, and personality and his or her occupation	Aptitudes Interests Personal values Long-term goals

and executive vice president of products at Allaire Corporation, said, "It's tempting not to hire people who compensate for your weaknesses—because you don't want to admit that you have any. But ... you've got to understand the strengths and weaknesses of your entire group and hire accordingly."³⁹

SUPPLEMENTARY FIT

when a person has characteristics that are similar to those that already exist in the organization

Supplementary fit occurs when a person has characteristics that are similar to those that already exist in the organization.⁴⁰ Supplementary fit can be important when a firm needs to replace a departing customer service representative with another person who can perform the job similarly to the other customer service representatives. In this case, the organization wants to hire customer service representatives with similar skills and characteristics.

Both complementary and supplementary fit are important as together they help to ensure that new hires will not only fit in with the work group and organization but also bring new skills and perspectives that will enhance the work group's and organization's performance.

Assessing Accurately

Another goal of external assessment systems is that they be valid, or that they accurately identify the candidates who would be the best or worst employees. The wider the spread of talent in an applicant pool, the greater the pressure on the assessment system to weed out the bad fits and identify the good ones.

Another way to express this idea is to think about the possible outcomes of an assessment effort. Candidates are either hired or not hired, and will be either good performers or poor performers on the job. As shown in Figure 9-1, hiring people who become good performers generates *true positives*. Not hiring people who would have been poor performers produces *true negatives*. Both of these outcomes are desirable and are goals of the staffing effort. The two possible undesirable outcomes are not hiring people who would have been good performers, generating *false negatives*, or hiring people who perform poorly, generating *false positives*. (Recall that we first discussed false negatives and positives in Chapter 8.) No assessment system is perfect, but more valid assessment systems do a better job than less valid ones of identifying both the most and least desirable hires from the pool of job candidates and generating high numbers of true positive and true negative hiring outcomes.

In some jobs, one type of error can be more important than the other type. For example, false positives are particularly expensive for high-risk jobs like pilots or surgeons. False negatives, on the other hand, are particularly costly in highly competitive jobs or markets in which losing someone good to a competitor not only weakens a firm's market position but considerably strengthens

	Poor Performer	Good Performer
Hired	False Positive ☹	True Positive ☺
Not Hired	True Negative ☺	False Negative ☹

FIGURE 9-1 Possible Assessment Outcomes

its competition's. When a top scientist chooses to join a competitor, not only does the company not acquire the top talent, its competitor is strengthened as well. After international soccer star David Beckham came to the United States to play for the L.A. Galaxy, his former Real Madrid soccer club lost a substantial amount of revenue from his jersey sales alone.⁴¹ False negatives can also be expensive when a member of a protected class is not hired, sues, and wins a big settlement.

Accurate assessments are also affected by job candidates' motivation.⁴² Due to minority subgroup members' awareness of subgroup differences on standardized tests, the administration of employment tests can produce a **stereotype threat** that creates frustration among minority test takers and ultimately lower test scores due to lowered expectations and effort.⁴³ Together, these factors can lead to differences in subgroup test performance that are not due to differences in knowledge or ability.⁴⁴ One study found that greater anxiety and lower motivation predicted African Americans' increased likelihood of withdrawing from a job selection process.⁴⁵

STEREOTYPE THREAT

awareness of subgroup differences on standardized tests creates frustration among minority test takers and ultimately lower test scores

Maximizing the Firm's Return on Its Investment in Its Assessment System

Another important goal is maximizing the firm's return on its investment in its assessment system. The greater the return on the investment in an assessment method, the greater the assessment method's value. One assessment method may be slightly superior to another in identifying the best candidates, but if its cost exceeds the gain to the organization of hiring these slightly better candidates, then the other method may be the better choice. Although some managers are more influenced by the simple correlation between predictor and criterion, Table 9-2 presents a basic formula for calculating the return on investment of an assessment method compared to hiring randomly.

TABLE 9-2 Return on Investment Formulas⁴⁶

Economic value of improved performance = $(N_h \times T \times r_{xy} \times Z_y) - (N_a \times C_a \times SR)$

Savings from avoiding bad hires = $(N_h \times HA \times CBH) - (N_a \times C_a)$

ROI = Economic value of improved performance + Savings from avoiding bad hires

Where:

N_h = Number of people hired

T = Average number of years employees stay in the position

r_{xy} = Correlation between assessment method and job performance (the amount of improvement in job performance from using the assessment method)

Z_y = Dollar value of improved job performance using the new assessment method (default value = 40 percent of average base salary)

N_a = Number of job candidates assessed

C_a = Cost per assessment

SR = Selection ratio (the number of candidates assessed before making a hiring decision)

HA = Percentage of bad hires avoided (default value 5 percent)

CBH = Average cost of a bad hire (default value \$7,500)

ROI = Dollar return on the assessment method investment

The return on investment formula presented in Table 9-2 reflects both the economic gain of hiring better employees and the economic gain of not hiring lower-performing employees that can result from using an assessment method versus hiring randomly. The economic value of improved performance formula presented in Table 9-2 subtracts the costs of using a predictor from the economic gain derived from using the predictor compared to randomly selecting candidates. The economic value of improved job performance resulting from using an assessment method rather than randomly selecting job candidates depends on the number of people hired, how long they stay with the company, their job performance improvements resulting from using the assessment method, and the value of the performance improvements. The cost of the assessment method multiplied by the number of people assessed is the cost of using the predictor.

The value of retaining top performers should be evident from the previously mentioned formula. The longer good performers stay with your company, the greater the return on the company's investment in them. Because research has shown that people who have frequently changed jobs in the past are more likely to do so in the future,⁴⁷ some companies consider frequent job changes without evidence of professional advancement as a negative factor in their hiring decision. One survey of more than 1,400 chief financial officers found that for 87 percent of them, the length of time a job candidate has spent with previous employers was an important factor in making hiring decisions.⁴⁸ Because so many factors influence job tenure, we advise caution when using candidates' previous job tenure to predict their likely future job tenure.

The savings from avoiding bad hires reflects the fact that bad hires can actually cost the organization money. The return on investment from a new assessment method is the sum of the economic value of improved performance and the savings from avoiding bad hires.

Although staffing should be seen as an investment rather than a cost, cost is still important for many companies that simply don't have the money to invest in more expensive systems even if they are more accurate at identifying the best new hires. Nonetheless, the formula provides a way to estimate the ROI of any new assessment method. We would like to note that some managers are less convinced by ROI formulas and are more strongly influenced by the correlation between the assessment methods and the criterion (turnover, job performance, and so on).

Generating Positive Stakeholder Reactions

Meeting the needs of different stakeholders in the staffing process is another assessment goal. Recruits, hiring managers, and recruiters should all be satisfied with the processes and outcomes involved in using an assessment method. For example, requiring hiring managers to take three hours out of their busy day to interview each job candidate might not be practical or even possible. Recruiters may feel that doing 20-minute phone interviews to prescreen each job applicant is too burdensome, and applicants may feel that three separate visits for different assessments are excessive. So, although an assessment method might be valid and identify the best and worst job candidates, if it does not also meet the needs of the firm's stakeholders, it is not as effective as it could be. When Google's research determined that conducting more than four interviews added little value to the quality of hire, it was able to shorten its hiring process dramatically.⁴⁹

Some organizations involve customers and external stakeholders in the hiring process. Not only can this build trust and cultivate loyalty, but stakeholders can provide useful input into the evaluation of candidates. Candidates for positions at Orlando's Nemours Children's Hospital are interviewed by parents who are members of its Family Advisory Council. The hospital takes the council's input seriously, hiring one chief administrative officer based on the council's comments.⁵⁰

An assessment method's speed, usability, and ability to predict job success all influence the ease of getting people in the organization to use it correctly and consistently. Training recruiters and hiring managers in the use of the technique and its benefits, assessing and rewarding them for using it correctly and consistently, and having an assessment system expert perceived as credible and competent available to help when needed can increase the adoption and the correct and consistent use of new assessment methods.

It is also important to remember that reactions to the same staffing process will differ across cultures. When KPMG opened a hiring center in India, where there is an ongoing battle for top talent, applicants wouldn't stick around for its lengthy hiring process. As soon as the company took the advice of local experts and changed the process to be more consistent with local norms it instantly became more effective.⁵¹

Supporting the Firm's Talent Philosophy and Human Resource Strategy

Another goal of an assessment system is to support the organization's talent philosophy and HR strategy. Viewing applicants and employees as investors might stimulate a company to incorporate more interviews into the assessment process and develop a comprehensive careers section on its Web site to allow candidates ample opportunity to learn as much as possible about the company before joining it. On its Web site UBS explains how its candidate evaluation process is quantifiable and objective, and describes the seven core competencies it assesses to give applicants an honest understanding of how the hiring decision will be made.⁵²

A firm viewing employees as assets will tend to focus on efficient candidate assessment and minimize candidates' opportunities to meet with a variety of the firm's representatives to learn about different jobs. An organization that wants people to contribute over long-term careers should evaluate job candidates in terms of their long-term career potential within the company, rather than evaluate them just for the current open position. In this case, identifying the competencies, styles, and traits required for career advancement within the company is also relevant. If an organization does not plan to promote from within, its recruitment profile and screening criteria should focus only on the open position.

Establishing and Reinforcing the Firm's Employer Image

Another goal of external assessment can be to establish and maintain an organization's employer image. A company that wants to be known as an innovative and engaging place to work might reinforce that image during the assessment process by asking applicants challenging interview questions that require creativity. Every interaction job applicants have with a firm establishes and reinforces the firm's employer image. Consequently, one of the goals of the assessment process should be to consistently reinforce the firm's desired image.

Identifying New Hires' Developmental Needs

Assessment tests can also identify new hires' developmental needs. If a top candidate's assessment scores show that her organization and time management skills are good but her customer service skills need further development, posthire training can improve these skills. Some assessment methods even identify applicants' preferred learning styles, which can decrease their training time, improve the effectiveness of their training, and increase their retention.⁵³

Assessing Ethically

Ethics is an important issue in staffing, and particularly in assessment. The entire selection process needs to be managed ethically. The people administering an assessment need to be properly trained and appropriately qualified, and applicants' privacy needs to be protected at all times. For example, firms need to think through the ethics of using assessment methods applicants find invasive, including integrity tests and genetic tests. Managing the process ethically also involves explaining to candidates how any test results will be used and how their privacy will be protected, and communicating with them when you promise you will.

Complying with the Law

Legal issues loom large when it comes to assessment. Thus, companies have good reason to protect themselves against potential charges of hiring discrimination. In addition to the negative publicity generated by a lawsuit, plaintiffs are often successful and court awards regularly run into the hundreds of thousands of dollars. One landmark case in this area is *Griggs v. Duke Power Company*.⁵⁴ In this case, the Supreme Court found that under Title VII of the Civil Rights Act of 1964, if an employment test disparately impacts ethnic minority groups, the firm must demonstrate that the test is "reasonably related" to the job for which the test is required. Credit checks, background checks, and cognitive ability tests are among the most likely assessment methods to result in disparate impact.

Following the Uniform Guidelines on Employee Selection Procedures (UGESP),⁵⁵ which we introduced in Chapter 3, and conducting fair, consistent, and objective assessments are important to legal compliance. We discuss these next.

UNIFORM GUIDELINES ON EMPLOYEE SELECTION PROCEDURES As you learned in Chapter 3, the UGESP assist organizations in complying with requirements of federal law prohibiting race, color, religion, sex, and national origin discrimination in hiring practices by providing a framework for determining the proper use of tests and other assessment procedures. Under Title VII, the UGESP apply to the federal government with regard to federal employment; to most private employers with at least 15 employees for 20 weeks or more a calendar year; to most labor organizations, apprenticeship committees, and employment agencies; and to state and local governments with at least 15 employees. Through Executive Order 11246, they also apply to federal government contractors and subcontractors.⁵⁶

Here are some sample UGESP guidelines that pertain to candidate assessment:⁵⁷

- A test of knowledge and abilities may be used if it measures a representative sample of knowledge, skills, or abilities that are necessary to performance of the job and are operationally defined.
- Knowledge must be defined in terms of behavior and must be part of a body of learned information that is actually used in and necessary for required, observable job behaviors.
- Abilities must be defined in terms of observable aspects of job behavior and should be necessary for the performance of important work behaviors. Any selection procedure measuring an ability should closely approximate an observable work behavior.
- To the extent that the setting and manner of the administration of the selection procedure fail to resemble the work situation, the less likely it is that the selection procedure is content valid, and the greater the need for other validity evidence.

The entire UGESP are available online,⁵⁸ and staffing specialists should develop a thorough knowledge of this document. The *Principles for the Validation and Use of Personnel Selection Procedures*⁵⁹ and the *Standards for Educational and Psychological Testing*⁶⁰ are also important documents that provide standards and guidelines for developing and using various assessment methods.

FAIR, CONSISTENT, AND OBJECTIVE ASSESSMENTS Good hiring practices compare all applicants using the same fair, consistent, and objective information predictive of job success. A false or contradictory reason given for not hiring someone can be considered a pretext for discrimination. For example, if an employer states that an applicant was not hired because of insufficient experience, but the successful candidate has less experience, the contradiction can be interpreted as a pretext for discrimination.

One employment law expert goes so far as to advise companies to drop the use of vague terms such as *best fit* when documenting why someone was hired because the ambiguity makes it more difficult to reconstruct the selection process and explain why the candidate was chosen.⁶¹ Recruiters and hiring managers should be able to articulate objective, neutral reasons for rejecting or hiring any applicant. The required qualifications must make sense to the EEOC and its state-level equivalents who are looking for a simple, fair process that treats all applicants the same.

Consistently applied, objective assessment methods based on bona fide occupational qualifications (BFOQ) derived from a job analysis are best for legal compliance. Subjective assessment criteria that involve speculation about the types of employees customers prefer to deal with or how a candidate is likely to perform on the job are not advisable. Although it is not illegal to reject someone based on subjective evaluations and speculation, subjective evaluations and speculation are precursors to stereotyping. Of course, this can quickly get employers into legal trouble.⁶²

Fair, consistent, and objective assessments result in the best quality employees as well. P&G believes that it makes its best hires and creates a competitive talent advantage when it uses an assessment process that is objective and fair, is comprehensive, is efficient, and focuses on factors that predict job performance as determined by thorough research and job analysis.⁶³

EXTERNAL ASSESSMENT METHODS

Typically, job candidates are assessed in waves. When people first apply for a job, they are *job applicants* and are evaluated against the minimum acceptable criteria for the job, such as relevant education and skills. The purpose of these **screening assessment methods** is to narrow a pool of job applicants down to a smaller group of *job candidates*. The job candidates are then assessed

SCREENING ASSESSMENT METHODS

methods that narrow a pool of job applicants down to a smaller group of job candidates

TABLE 9-3 A Comparison of Some Commonly Used External Assessment Methods

Assessment Method	Average Validity ^{64*}	Applicant Reactions ⁶⁵	Relative Costs ⁶⁶ (Development/ Administration)	Adverse Impact	Usability
Assessment centers	.37	Good	High/High	Low	Difficult
Cognitive ability tests	.51	Good	Low/Low	High	Easy
Integrity tests	.41	Low	Low/Low	Low	Easy
Job knowledge tests	.48	Good	High/Low	Low	Easy
Reference checks	.26	Good	Low/Low	Low	Easy
Situational judgment tests	.34	Good	High/Low	Low	Moderate
Structured interviews	.51–.63	Good	High/High	Mixed	Moderate
Unstructured interviews	.20–.38	OK	Low/High	Mixed	Easy
Personality testing	–.13–.33	Good	High/Low	Low	Easy
Biodata	.35	Good	High/Low	Low	Easy
Graphology	.02	Low	High/High	Low	Low
Weighted application forms	.50	Good	High/Low	Low	Easy
Simulations	.54	Good	High/High	Low	Difficult
Work samples	.54	Good	High/High	Low	Difficult

*Validity values range from –1 to 1, with numbers closer to –1 or +1 reflecting better prediction of job performance.

in more depth using **evaluative assessment methods** that evaluate the pool of job candidates to determine whom to hire. Job offers may be made contingent on passing **contingent assessment methods**. Contingent assessments are used when the firm has identified whom it wants to hire. If the finalist passes the contingent assessment (typically a background check, drug screen, proof of employment eligibility, and so forth) their contingent job offer becomes a formal job offer. Assessments tend to get more detailed and rigorous as people move from being job applicants to receiving job offers.

Table 9-3 summarizes the general effectiveness of many possible assessment methods used to predict on-the-job performance (validity), applicant reactions, the relative cost of the methods compared to other assessment methods, adverse impact, and ease of use. The values presented are typical of those found in organizations, but the exact validity, cost, and adverse impact will vary from job to job and from company to company. Thus, we advise you to exercise caution when using these values. Differences in the quality of an assessment method's development, the degree of training users receive, and how consistently the tools are used can all influence the costs and validity of any assessment method as well as its adverse impact and applicant reactions to it.

Although we group the following external assessment methods into screening, evaluative, and contingent categories based on how they are typically used, it is possible to use any screening or evaluative assessment method at any time during the hiring process. Contingent assessment methods, of course, must be administered after a contingent job offer is extended.

Screening Assessment Methods

RÉSUMÉS AND COVER LETTERS Although little research exists on the validity or adverse impact of using résumés as an assessment method, résumés and cover letters have historically been a core part of the hiring process. Applicants volunteer information about themselves and their interest in the position in a cover letter, and provide a résumé summarizing their relevant education and work and nonwork experiences. As we have explained, technology has facilitated the management of the large number of résumés companies often receive, and software tools have made it possible for firms to do a better job searching them for relevant information. One of the biggest drawbacks of résumés and cover letters is that applicants do not use the same format or include the same information in their résumés, which can make it difficult to compare them.

EVALUATIVE ASSESSMENT METHODS

methods that evaluate the pool of job candidates to determine who will be hired

CONTINGENT ASSESSMENT METHODS

methods whereby a job offer is made contingent upon a candidate passing the assessment

TABLE 9-4 Actual Résumé Blunders

These are from actual résumés:⁶⁷

- "You are privileged to receive my résumé."
- "Able to say the ABCs backward in under five seconds."
- "I often use a laptap."
- "I will accept nothing less than \$18 annually."
- Reason for leaving last job: "Pushed aside so the vice president's girlfriend could steal my job."
- Accomplishments: "Completed 11 years of high school."
- "I am relatively intelligent, obedient, and as loyal as a puppy."
- Specified that his availability to work Fridays, Saturdays, or Sundays "is limited because the weekends are 'drinking time.'"
- Explained a three-month gap in employment by saying that he was getting over the death of his cat.
- Explained an arrest record by stating, "We stole a pig, but it was a really small pig."

Because the information put on résumés may not be accurate, it is important to confirm the accuracy of any résumé information a firm relies on when making a hiring decision. Experts estimate that 10 to 30 percent of job seekers shade the truth or flat-out lie on their résumés, particularly in the areas of education, previous compensation, reason for leaving previous jobs, and previous job titles and accomplishments.⁶⁸ The fact that firms have even fired CEOs after discovering that they have inflated their educational credentials illustrates how important it is to confirm the accuracy of all self-reported information used to make hiring decisions.⁶⁹ False information can be reduced by requiring applicants to sign a statement when submitting an application or résumé that knowingly falsifying this information can result in immediate termination.

Because many firms now use automated résumé scanning and screening software, it is important to proofread your own résumé and cover letter for accuracy and to correct any typographical or spelling errors. If a word the firm uses to screen candidates is misspelled, the computer system won't identify your résumé as a good match. Just for fun, Table 9-4 contains some actual résumé and cover letter blunders.

This chapter's Develop Your Skills feature will help you maximize the effectiveness of your own online résumé.

JOB APPLICATIONS

forms that require applicants to provide written information about their skills and education, job experiences, and other job-relevant information

JOB APPLICATIONS Job applications require applicants to provide written information about their skills and education, job experiences, and other job-relevant information. Although the information on an application may replicate information already contained on a résumé, applications help to ensure that consistent information is collected. They also help HR professionals check the accuracy of the information provided. Many employers require all applicants, regardless of the job they're applying for, to complete a job application form. Although job applications often contain a statement that providing inaccurate information is grounds for dismissal, it is still best to verify any information used to screen candidates. Figure 9-2 shows a typical job application form.

To standardize the information collected from job applicants, some organizations have begun using online applications. For example, when job seekers apply at any The Fresh Market gourmet grocer location, they first complete an online employment application. Within minutes of finishing the less-than-30-minute application, the hiring manager receives a three-page report via e-mail that summarizes the biographical information provided by the individual, answers to the application questions and an analysis of the answers, and a page of follow-up interview questions if the applicant passes the online screening.⁷⁰

To take the subjectivity out of the store manager's interview process, McDonald's developed an online application for job candidates in the United States that asks them questions about their work experiences, preferences, and how they would respond to certain situations. Based on the results, the questionnaire prompts a green light to the hiring manager, signaling that the candidate would be a good hire; a yellow light, meaning that the manager should ask more questions; or a red light, meaning do not hire the person.⁷¹

Online applications cannot only be fast and cost-efficient, they can also greatly reduce the initial assessment burden placed on recruiters or hiring managers. For example, using Web-based assessment tools for screening applicants applying for hourly positions decreased the number of

Instructions: Print clearly in black or blue ink. Answer all questions. Sign and date the form.

Position Applied For: _____ Today's Date: _____

PERSONAL INFORMATION

Full Name: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: (_____) _____

Are you eligible to work in the United States? Yes _____ No _____

If you are under age 18, do you have an employment/age certificates? Yes _____ No _____

Have you been convicted of or pleaded no contest to a felony within the last five years?

Yes _____ No _____

If yes, please explain: _____

AVAILABILITY

Days/Hours Available:

Monday from _____ to _____

Tuesday _____ to _____

Wednesday _____ to _____

Thursday _____ to _____

Friday _____ to _____

Saturday _____ to _____

Sunday _____ to _____

What date are you available to start work? _____

EDUCATION

Name and Address of School	Degree/Diploma	Graduation Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Skills and Qualifications: Licenses, Skills, Training, Awards

EMPLOYMENT HISTORY

Present or Last Position:

Employer: _____

FIGURE 9-2 An Example of a Job Application Form

Address: _____
 Supervisor: _____
 Phone: _____
 E-mail: _____
 Position Title: _____
 From: _____ To: _____
 Responsibilities: _____

 Salary: _____
 Reason for Leaving: _____
May We Contact This Employer?
 Yes _____ No _____

THREE REFERENCES (required)

Name/Title	Address	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____

 I certify that information contained in this application is true and complete.

 I understand that providing false information may be grounds for not hiring me or for immediate termination of employment at any point in the future, if I am hired. I authorize the verification of any or all information listed above.

 Signature _____
 Date _____

FIGURE 9-2 Continued

employment interviews Sherwin-Williams conducts each year by more than 5,000. Using online candidate assessment tools also reduced the turnover among hourly workers at Kroger grocery stores by 25 percent, meaning that the company now spends 25 percent less time recruiting and hiring candidates.⁷² Online applications and assessments can not only give candidates real time status information, they also give applicants the flexibility to complete them at their convenience. This is especially important to Gen Y job seekers as well as many passive or semi-passive job seekers unwilling to take time off of work to pursue another job opportunity.

In addition to providing in-store kiosks at which online applications can be completed, employers including American Express now direct job seekers to their corporate Web sites to answer a series of preliminary screening questions, such as the degrees they obtained and their willingness to relocate, and then apply for jobs. American Express uses its questionnaire to weed out the bottom half of candidates, which allows its recruiters to focus their time and attention on more promising applicants.⁷³

SOCIAL NETWORK SEARCH Recruiters and hiring managers are increasingly using a variety of social networking tools to evaluate applicants. An applicant's professional history can be reviewed on LinkedIn, shared connections contacted to provide "back door" references in addition to those submitted by the applicant, and blog entries and Twitter posts read to evaluate applicants' skills, goals, and values. If social media is used in evaluating or performing casual background checks

DEVELOP YOUR SKILLS

Online Résumé Tips⁷⁴

When you apply to an organization, your résumé is likely one of the first things a prospective employer will look at. Employers routinely mine the some 70 million résumés on job site Monster.com, for example. Now that many employers receive résumés only through the Internet and process résumés electronically using search terms, it is important to ensure that your résumé makes the cut. Here are some tips to help your résumé rise to the top of the stack.

1. State your experience as achievements rather than stating the requirements of past jobs. For example, instead of writing, "Supervised the completion of strategic marketing agreements," write, "Successfully met strategic marketing agreements on schedule and under budget."
2. Use your résumé to highlight areas not covered in the company's online application, including your language skills, technical skills, volunteer work, and professional organization involvement relevant to your ability to perform the job.
3. Add a section near the top of your résumé named "skills" or, even, "keywords," where you list as many keywords as possible to describe yourself. When developing your list, be creative, but be accurate. Include the standard job titles for your current and previous jobs, particularly if a previous employer used nonstandard titles. List any job-specific, profession-specific, and industry-specific tools including software or hardware that you use or are qualified to use. Include any industry and professional organizations of which you are a member. Include any common professional or technical acronyms as well as the words that explain them. The phrase explaining the acronym does not have to be in the same sentence or paragraph, but including both versions will increase the probability that your résumé will appear in the search results whether the recruiter searches on the acronym or the phrase that it represents. Also, be as creatively inconsistent as you can—for example including *M.B.A.*, *MBA*, *Master of Business Administration*, *Masters in Bus. Admin*, and so forth, will ensure that your résumé will appear in the search results regardless of the exact words input by the recruiter.
4. Be sure to include the word *resume* in your résumé as recruiters frequently use it when searching for résumés. Put it in the top line (e.g., "J. Cortina's Resume") as well as in the file name (J. Cortina-resume.html). Using the word *résumé*, which is technically the correct form of the word, replaces the letter e with a character code to create the é. Some search software does not recognize this character as an e and will not find your résumé.
5. Attend to the security of your online résumé. Remove your standard contact information, including your address, phone number, business e-mail address, and personal address if it is associated with a detailed profile on you (as in AOL). Replace this information with a Web-based e-mail address that is harder to trace to you personally, like hotmail.com, Gmail, and MSN.
6. Don't use a goofy e-mail address (e.g., hotstuff@aol.com) or your messages will probably be deleted unread. Use the e-mail address as an opportunity to market and differentiate yourself—like kbell-web-pro@aol.com or kbell-MIT-PhD@aol.com.

on candidates, it is a good idea to limit it to the final candidates and let the candidate know that you will be doing the search. It is also best to document the search and have someone other than the hiring decision maker do the search to prevent the decision maker from learning any legally impermissible information.⁷⁵

WEIGHTED APPLICATION BLANKS The information collected on a job application can be weighted according to its importance. Having job experts participating in a job analysis rate the relative importance of and the relative time spent on each job duty can inform these weights.⁷⁶ The degree to which different application-blank information differentiates high and low performers can also inform the weights to use for each item. When information receives different weights, the assessment method is a **weighted application blank**. As shown in Table 9-3, weighted application blanks are received well by applicants, relatively inexpensive, easy to use, and have an average validity of .50.

Developing a weighted application blank involves:

1. Selecting an employee characteristic to be measured;
2. Identifying which job application questions predict the desired employee behaviors and outcomes;
3. Evaluating the questions' relative predictive power;
4. Assigning weighted values to each relevant question; and
5. Scoring each applicant's completed job-application form using the scoring key.

Candidate advancement decisions are made according to applicants' weighted scores. It can even be possible to determine the total score below which a prospective employee might be a bad risk for the company and above which the applicant is likely to be a successful employee.⁷⁷ Weighted application blanks look like regular application blanks, and applicants typically do not know that a weighted scoring system will be used to evaluate their answers. Although this

WEIGHTED APPLICATION BLANK

a job application on which different information receives different weights

<i>Previous Occupation</i>	<i>Full- or Part-Time Preference</i>
Social +1	Full time +2
Not social -1	Part time -1
<i>Education</i>	<i>Confidence</i>
8 years 0	Replies to question, "What amount are you confident of selling each month" +1
9-10 years +1	Does not reply to question -1
11-12 years +2	
12-13 years +3	
Over 13 years +2	<i>Family Sales Industry</i>
	Has anyone in your family ever worked in sales?
<i>Personal Sales Experience</i>	Yes +2
Previous sales experience +2	No 0

FIGURE 9-3 A Weighted Application Blank Scoring Key for a Sales Associate Position

encourages honest answers, any applicant-provided information should be verified if it is to be used in making a hiring decision. Figure 9-3 shows a sample (fictitious) weighted application blank scoring key for a sales associate position.

One criticism of the weighted application blank is that it doesn't matter why an item differentiates successful from unsuccessful performers, only that it does. To maximize the chances that an item will work over time, it is best to know or at least have an idea why the question predicts job success. For example, asking whether someone was ever the captain of a sports team is a clear indicator of leadership. Weighted application blanks have been used successfully with occupations including production workers,⁷⁸ scientists,⁷⁹ and life insurance salespeople.⁸⁰

BIOGRAPHICAL INFORMATION (BIODATA) Biographical information, also referred to as **biodata**, is collected via questions about candidates' interests, work experiences, training, and education, assessing a variety of personal characteristics such as achievement orientation and preferences for group versus individual work. Biodata questionnaires allow people to describe more personal aspects about themselves and their experiences and successes in social, educational, or occupational pursuits.⁸¹ Biodata can be collected as part of a job application or via a separate questionnaire.

Biodata, when properly done, can be both valid⁸² and low in adverse impact⁸³ although adverse impact is a possible issue. Adverse impact may depend on the degree to which items directly or indirectly reflect cultural differences in people's social, educational, or economic advancement opportunities. Thus, when developing a biodata questionnaire, you should include items with the potential for reducing adverse impact, and validate and check the biodata for adverse impact before using it in making hiring decisions. Guidelines, regulations, and statutes restrict certain types of information from being included on biodata questionnaires to protect applicants from being denied employment based on factors unrelated to jobs. Unless demonstrated to be job relevant, items addressing race, gender, marital status, number of dependents, birth order, and spouse's occupation are clearly not appropriate as a basis for making selection decisions. As long as they are correlated with job success or related to "business necessity," other personal items, such as a person's grade point average or level of education, can be used for personnel decisions although their tendency to cause adverse impact needs to be checked. After evaluating their effectiveness, Google no longer asks for grade point averages from candidates who have been out of school for at least three years, and doesn't require standardized test scores (like the GRE or SAT) from any candidate.⁸⁴ Table 9-5 contains some sample biodata items.

For moral, ethical, and legal reasons, biodata items should not be intrusive or make the respondent uncomfortable. In general, a biodata item should not inquire about activities to which not everyone has equal access or about events over which the individual has no control.⁸⁵ Nonetheless, just because one respondent was a captain on a sports team and another respondent

BIODATA

information about candidates' interests, work experiences, training, and education

TABLE 9-5 Sample Biodata Items

Choose the best response to each question.

1. How many different paying jobs have you held for more than two weeks in the past year?
 - a. 5–6
 - b. 3–4
 - c. 1–2
 - d. None
2. In my leisure time, the activities I most enjoy doing are:
 - a. Team sports
 - b. Individual sports
 - c. Constructing things
 - d. Reading
 - e. Social activities
 - f. None of the above
3. Have any of your family ever worked in this industry? ____ Yes ____ No
4. Have you ever repaired small motors at home? ____ Yes ____ No

went to a small school without sports teams does not diminish the first respondent's accomplishments. This highlights the balance we must strike when using biodata items.⁸⁶

As shown in Table 9-3, well-developed biodata items can have acceptable predictive validity (average validity of .35) for a variety of criteria including training, job performance, tenure, and promotions.⁸⁷ When properly done, biodata is also among the best assessment techniques in terms of minimizing adverse impact although applicants may perceive them as invasive⁸⁸ and different keys may be needed for males and females.⁸⁹ Biodata have been used to predict many aspects of job success with many different jobs, including research competence and creativity.⁹⁰

Creating a biodata assessment involves:

1. defining job performance;
2. identifying employees who have done the job successfully;
3. collecting biographical data;
4. correlating the biographical data with the performance scores;
5. creating the final biodata form; and
6. testing, using, and continually checking the accuracy of the biodata.

An example of a biodata formula to predict the tenure of secretaries is as follows:

$$\text{Tenure} = (3.1 \times \text{years of education}) + (4.2 \times \text{years of related job experience}) \\ - (1.4 \times \text{miles from office}).$$

Biodata has been used successfully to predict success with electricians,⁹¹ blue-collar workers,⁹² and managers.⁹³ Internet search company Google asks job applicants to complete an elaborate online survey that explores their attitudes, behavior, personality, and biographical details going back to high school. The questions range from the age when applicants first got excited about computers to whether they have ever tutored or established a nonprofit organization and are used to predict how well a person will fit into Google's culture. To create the biodata formulas, Google asked every employee who had been working at the company for at least five months to fill out a 300-question survey. It then compared this data with 25 separate measures of each employee's performance, including the employee's supervisor and peer performance reviews, and their compensation to identify which biodata items predicted performance.⁹⁴

The difference between job applications, weighted application blanks, and biodata can be confusing. Job applications are the forms job applicants expect to complete to provide information about themselves when they are applying for a job. Weighted application blanks look like regular job application forms, but unlike regular job applications, applicants' responses are scored and combined to determine the individual's likely fit with the job and the organization. Job applications may contain biodata items but do not have to. Weighted application blanks are designed to assess different types of biodata. When items on a job

application are evaluated to determine how well they predict job success, these items become biodata. For example, asking applicants to state their years of experience in an industry could be a minimum-qualifications question on a job application, but when people's responses to that question are correlated with their subsequent job performance, then it becomes biodata. As with any assessment, job applications, weighted application blanks, and biodata should not be used alone. They should be a part of a system that uses several types of assessments to evaluate different aspects of likely job performance. Job applications, weighted application blanks, and biodata are most commonly used early on in the hiring process as screening assessment methods.

TELEPHONE SCREENS As we have explained, many firms use quick telephone interviews as a screening assessment method to assess applicants' availability, interest, and preliminary qualifications for a job. Some recruiters use the phone interview to assess an applicant's on-the-job critical screening factors to prevent both parties from wasting time. Other recruiters use the telephone screen as a way to develop a more thorough picture of the individual and/or to give them a good impression of the company. The phone screen can also help to identify other positions with which the applicant might be a good fit.⁹⁵

In an earlier chapter, we noted that one common assessment mistake companies make is to assume that highly qualified and experienced applicants wouldn't be happy in a job with less responsibility than positions they've held in the past. There are many reasons people may want to move to lower-stress and lower-responsibility positions including the opportunity to work for a stable and growing company, a positive work environment, and the challenge of learning new things. Highly qualified people are likely to get up to speed faster (saving training costs), help mentor other employees, and can be a good value. A quick telephone screen can allow a seemingly overqualified applicant to elaborate on his or her interest in the position and receptiveness to accepting a lower salary.⁹⁶

Evaluative Assessment Methods

COGNITIVE ABILITY TESTS Research shows that individuals with higher levels of general mental ability acquire new information more easily and more quickly, and are able to use that information more effectively. Frank Schmidt and Jack Hunter's⁹⁷ research suggests that general cognitive ability influences job performance largely through its role in the acquisition and use of information about how to do one's job. Research supports the idea that cognitive ability is more important in complex jobs, when individuals are new to the job, and when there are changes in the workplace that require workers to learn new ways of performing their jobs.⁹⁸ Some companies, including Internet search firm Google, prefer to hire for intelligence rather than experience.⁹⁹

Many organizations, including the National Football League,¹⁰⁰ use cognitive ability tests.

Cognitive ability tests are computerized or paper-and-pencil tests that assess candidates' general mental abilities, including their verbal and mathematical reasoning, logic, and perceptual abilities. Because the scores on these tests can predict a person's ability to learn via training or on the job,¹⁰¹ be adaptable and solve problems, and tolerate routine, their predictive value may rise, given the increasing trend toward jobs requiring innovation, continual training, and nonroutine problem solving. There are many different types of cognitive ability tests, including the Wonderlic Personnel Test, Raven's Progressive Matrices, the Kaufman Brief Intelligence Test, and the Wechsler Abbreviated Scale of Intelligence. Table 9-6 contains some questions like those found on the Wonderlic Personnel Test. Some organizations customized tests to assess cognitive ability. P&G has over 1,000 adaptive reasoning test questions calibrated by over 180,000 candidates and validated with over 2,000 employees that it uses to measure cognitive ability and thinking style.¹⁰²

Despite being easy to use and one of the most valid selection methods for all jobs, with an average validity of .51, cognitive ability tests produce racial differences that are three to five times larger than other predictors, such as biodata, personality inventories, and structured interviews.¹⁰³ Although the reasons for the disparate impact are not fully understood, it is thought that factors including culture, the different access people have to test coaching and preparation programs, and the different test motivation levels due to different perceptions of the test's

COGNITIVE ABILITY TESTS

tests that assess a person's general mental abilities, including their verbal and mathematical reasoning, logic, and perceptual abilities

TABLE 9-6 Cognitive Ability Test Items

The following questions are like those found on the Wonderlic Personnel Test measuring cognitive ability. The answers are at the bottom of the table.

1. Assume the first two statements are true. Is the final one (1) True, (2) False, (3) Not certain?
 - The girl plays basketball.
 - All basketball players wear hats.
 - The girl wears a hat.
2. Pencils sell for \$0.17 each. What will four pencils cost?
3. How many of the five pairs of items listed below are exact duplicates?
 - Smith, T. J. Smith, J. T.
 - Liao, G. K. Liao, G. K.
 - Barry, P. P. Barry, J. P.
 - Kovich, L. E. Kovich, E. E.
 - Garcia, T. S. Garcia, T. S.
4. DEMAND DEFILE—Do these words
 1. Have similar meanings?
 2. Have contradictory meanings?
 3. Mean neither the same nor opposite?

Answers: (1) True, (2) 68 cents, (3) 2, (4) 3

validity among people in different subgroups might have an impact.¹⁰⁴ Applicants also often dislike cognitive ability tests because they don't seem job related.¹⁰⁵

Because disparate impact can be problematic when using cognitive ability tests,¹⁰⁶ employers should evaluate the effect a test has on protected groups before using the test. We stress that no assessment method is best used alone, but this is particularly true in the case of cognitive ability tests. However, they can often be combined with other predictors to reverse the adverse impact they have while increasing the overall validity of the testing process.¹⁰⁷

NONCOGNITIVE ABILITY TESTS Tests can also measure psychomotor, sensory, and physical abilities. **Psychomotor tests** assess a person's capacity to manipulate and control objects. Reaction times, manual dexterity, and arm-hand steadiness are examples of psychomotor abilities. **Sensory tests** assess candidates' visual, auditory, and speech perception. The ability to speak clearly, discriminate colors, and see in low light conditions are examples of sensory abilities. **Physical ability tests** assess a person's strength, flexibility, endurance, and coordination. The ability to lift certain amounts of weight, exert yourself physically over extended periods, and keep your balance when in an unstable position are examples of physical abilities. Physical ability tests can reduce injuries by ensuring that employees can do necessary, job-related tasks. For example, firefighters must be able to carry heavy hoses up stairs, delivery people must be able to safely lift and move heavy boxes, and so forth. Because physical ability tests can result in adverse impact against women, it is important that all applicants have a fair chance to perform and show that they meet the job's BFOQs. As shown in Table 9-3, when carefully developed to assess a job's requirements, noncognitive tests can be highly valid, well received by applicants, and relatively easy to use.

VALUES ASSESSMENTS Businesses often have key values and core competencies tied to their business strategies. As we have discussed, it is important to make sure new employees appreciate and share these values. Some companies, including J&J, which we mentioned at the beginning of the chapter, have improved their corporate effectiveness by actively matching their candidates' values to their corporate cultures.¹⁰⁸ Computerized or paper-and-pencil assessments of candidates' values exist. Some firms try to evaluate candidates by watching groups of candidates interact with one another on structured tasks and exercises.

PERSONALITY ASSESSMENTS Personality has had a spotty reputation as a predictor of work outcomes. Until the 1990s, personality assessments were a poor predictor of performance.¹⁰⁹ Some of the early tests that were tried were designed for employment screening, but others were tests originally intended for diagnosing mental illness. The Minnesota Multiphasic Personality

PSYCHOMOTOR TESTS

tests that assess the capacity of a person to manipulate and control objects

SENSORY TESTS

assess visual, auditory, and speech perception

PHYSICAL ABILITY TESTS

tests that assess a person's physical abilities including strength, flexibility, endurance, and coordination

Inventory (MMPI) and the California Psychological Inventories presented applicants with true/false questions including:¹¹⁰

- I believe my sins are unpardonable.
- I would like to be a florist.
- Evil spirits possess me sometimes.
- I go to church almost every week.

Given questions like these, it is not surprising that their ability to predict job success was among the lowest of any assessment method! Fortunately, research on the use of personality in predicting job success continued. As shown in Table 9-3, personality tests can have low to moderate validity (ranging from $-.13$ to $.33$), which improves when the personality assessment is well matched to specific job criteria.¹¹¹ Outsourced contact center operator Novo 1 realized 14 percent greater productivity and 10 percent lower early job attrition when it started screening applicants for the personality traits that worked well with its culture.¹¹² Research has found that personality measures are an even stronger predictor of performance when the questions or instructions reference work-specific behaviors.¹¹³

When Google realized that its use of university grade point average and interview performance was not as predictive of employee success as it had thought, it asked all employees who had been there at least five months to complete a survey assessing factors including personality traits and interests. After comparing this data with 25 measures of each employee's performance, it identified algorithms for different jobs that allow it to best assess candidates for roles in sales, finance, engineering, and human resources.¹¹⁴ Google continually fine-tunes its assessment and hiring approaches based on its ongoing analyses of what predicts employee success and why. Johnson & Johnson, Lowes, and Wal-Mart also use personality assessments to screen candidates. Because of its operational excellence strategy and focus on following procedures, Wal-Mart prefers to hire candidates who disagree with the statement, "There is room in every corporation for a non-conformist."¹¹⁵

Because hundreds of different personality traits exist, researchers combined related personality traits and reduced this list into a few broad behavioral (rather than emotional or cognitive) traits that each encompasses many more specific traits. As a group, these Big Five factors of personality capture up to 75 percent of an individual's personality.¹¹⁶ The Big Five factors are:

- **Extraversion:** outgoing, assertive, upbeat, and talkative; predicts salesperson performance.¹¹⁷
- **Conscientiousness:** attentive to detail, willing to follow rules and exert effort; predicts performance across all occupations.¹¹⁸
- **Emotional Stability:** calm, optimistic, well adjusted, able to allocate resources to accomplish tasks; predicts job performance in most occupations, particularly those involving interpersonal interactions and teamwork such as occupations in management, sales,¹¹⁹ and teaching.¹²⁰
- **Agreeableness:** sympathetic, friendly, cooperative; predicts performance in jobs involving teamwork and interpersonal interactions.¹²¹
- **Openness to Experience:** imaginative, intellectually curious, open to new ideas and change; predicts creativity and expatriate performance.¹²²

Conscientiousness and emotional stability seem to predict overall performance for a wide range of jobs.¹²³ These two "generalizable" traits seem to affect performance through "will do" motivational components. On the other hand, general mental ability affects performance in all jobs primarily through "can do" capabilities.¹²⁴ Extraversion, agreeableness, and openness to experience are valid predictors of performance only in specific occupations or for some criteria.¹²⁵ Extraversion predicts performance in occupations where a significant portion of the job involves interacting with others, particularly when influencing others and obtaining status and power is required, such as in managerial and sales jobs.¹²⁶ Agreeableness is a valid predictor when it comes to jobs involving a significant amount of interpersonal interaction, such as helping, nurturing, and cooperating with others. The trait might also be the single best personality predictor of who will and will not work well in a team.¹²⁷ Employees who are argumentative, inflexible, uncooperative, uncaring, intolerant, and disagreeable are likely to be less effective working in teams and also engage in more counterproductive behaviors, such as theft. One's openness to new

experiences is a predictor of a person's creativity and ability to adapt to change.¹²⁸ Employees who are artistically sensitive, intellectual, curious, polished, original, and independent are likely to deal better with change and be innovative on the job.¹²⁹

The Big Five are very stable over time, and seem to be determined in part by genetics.¹³⁰ Like all personality tests, the validity of the Big Five is not high enough to warrant the selection of applicants based solely on their personality test scores. Personality tests including the Big Five tend to have low adverse impact and may be able to alleviate the adverse impact caused by other assessment methods, such as cognitive ability.

Because job performance reflects many different behaviors, some scholars feel that broad dispositions such as the Big Five might best predict it. Some research has supported this proposition¹³¹ although the validities of the five traits are relatively low compared to other assessment methods. Conscientiousness is the most consistent predictor of performance across all occupations, with an average validity of .31,¹³² suggesting that conscientiousness may be a useful assessment method for all jobs. Some research has suggested that conscientiousness and emotional stability are particularly useful for predicting performance for jobs higher in complexity.¹³³

Some prominent scholars argue that the best criterion-related validities will result from matching specific traits (traits narrower than the Big Five) to specific job-relevant performance dimensions.¹³⁴ When choosing a personality assessment, it is critical to match the trait to some aspect of job success in terms of both content and specificity. If a firm wants to predict broadly defined job success, broad traits, such as the Big Five, may be better predictors than narrower traits. If the firm wants to predict more specific job success dimensions and work behaviors, such as customer service skills, then narrower traits such as a person's customer service orientation, sales drive, and social interests¹³⁵ might have higher validity.

In addition to trying to find applicants with characteristics that fit the job, workgroup, and organization, new hire fit can also be maximized by screening out applicants with characteristics that are related to poor fit or performance. **Derailers** are personality or other attributes that contribute to failure. Talent management and assessment expert Development Dimensions International, researchers Joyce and Robert Hogan, and others have identified several personality attributes that can emerge in times of stress that derail people's chances of success. Being too micromanaging, too sensitive to criticism, too attention-seeking, or too moody, for example, can disrupt relationships and hurt performance. Identifying the derailers for a job and taking the time to weed out candidates who possess these undesirable traits can improve the chances for a good fit and successful hire.¹³⁶

Faking can be an issue with personality assessments,¹³⁷ although there is some evidence that applicants who try to enhance their personality test responses also try to manage other's impressions of them on the job, which can actually help them perform the job better.¹³⁸ When considering using any personality or values assessment, it is important to assess the test's validity and adverse impact. No personality test will work for all jobs or for every company. How the assessment has held up to any legal challenges is also important, as are applicant reactions to its use. Buros Institute of Mental Measurements publishes a *Mental Measurements Yearbook*¹³⁹ that reviews a variety of commercially available cognitive ability tests as well as personality and other types of assessment tests.

Personality tests are easy to use, but applicants often react to poorly to them. Drug users, in particular, have been found to react negatively to them.¹⁴⁰ The biggest legal problem with personality tests is based on privacy issues. For example, if the tests ask about invasive topics, such as a person's religious beliefs and sexual preferences, that are not shown to be related to job success or to the job requirement being predicted, this can get firms into trouble.¹⁴¹

Psychological assessments designed for clinical or diagnostic use, such as the MMPI and California Psychological Inventories, should not be used to assess the personality of candidates except when jobs they are applying for could endanger the public safety, such as police officers, firefighters, and airline pilots. The courts have consistently ruled against the use of clinical psychological assessments in the general business environment.¹⁴² The use of clinical personality instruments is also inconsistent with the ADA because the tests are designed to diagnose abnormal behavioral patterns. The ADA states that an employer "shall not conduct a medical examination or make inquiries as to whether such applicant is an individual with a disability or as to the nature and severity of such disability." Discuss the use of any psychological test with a qualified lawyer and assess its compliance with the ADA and other laws.¹⁴³ Except in certain situations,

DERAILER

personality or other attribute that contributes to failure

if an assessment reveals anything about an employee's mental impairment or a psychological condition, even if it is unintentional, the ADA has been violated.¹⁴⁴

About one-third of employers use personality testing for hiring and promotion decisions. The employment assessment market is currently worth about \$2 billion, and prehire personality testing has been growing by as much as 20 percent annually. The increasing use of personality assessment has been driven in part by high unemployment increasing the number of applications submitted for open positions, particularly in the retail, food service, and hospitality industries. Automated personality assessments, which are often administered online, can help to quickly and cost-effectively prescreen applicants on job-related characteristics.¹⁴⁵

INTEGRITY TESTS

tests that measure people's trustworthiness, honesty, moral character, and reliability

INTEGRITY TESTS Why is integrity important? U.S. stores lose tens of billions of dollars each year to shoplifting and employee theft.¹⁴⁶ Hiring employees less likely to steal or engage in other illegal or counterproductive behaviors can be particularly important for jobs requiring money handling (such as the jobs held by clerks, tellers, or cashiers) or handling controlled substances (such as the jobs held by police officers and security people). **Integrity tests** are typically written tests that use multiple-choice or true/false questions to measure candidates' attitudes about their trustworthiness, honesty, moral character, and reliability. Integrity tests can be *clear purpose*—that is, they can openly assess integrity. The following is an example of a clear purpose question: "Did you ever write a check knowing you did not have enough money in the bank to cover it?" Alternatively, an integrity test can be *general purpose* and indirectly assess people's integrity. The following is a general purpose question: "Do you like to take chances?"¹⁴⁷

Integrity tests do not tend to result in adverse impact and appear to be unrelated to cognitive ability. Accordingly, when used with cognitive ability tests, integrity tests can add validity to the selection process and reduce adverse impact. Faking also does not appear to be a problem with integrity tests. Perhaps dishonest applicants choose not to lie more than do honest applicants because they feel that *everyone* is like themselves—dishonest. In other words, they might not think that they need to fake their answers because they believe that everyone is dishonest to some extent.¹⁴⁸ It is also possible to embed items on an integrity test that detect faking. For example, although some people are consistently honest in all areas of their lives, respondents agreeing with items asking if they "always" engage in good behavior or "never" engage in bad behavior are often being dishonest.

As shown in Table 9-3, the validity of integrity tests averages .41. In terms of detecting counterproductive work behaviors, clear purpose integrity tests are more valid (.55) than general purpose tests (.32).¹⁴⁹ Both tests predict more generally counterproductive behaviors, including absenteeism and disciplinary problems, better than they predict employee theft.¹⁵⁰ Applicants also tend to react somewhat unfavorably to integrity tests,¹⁵¹ although, nondrug users have been found to react more favorably to the tests than drug users.¹⁵² Another issue with integrity tests that applies to all assessment methods is ethical in nature. Some of the people who score poorly on integrity tests are misclassified and wouldn't have stolen from the company. Managers must decide if it is fair or ethical to use a test that incorrectly screens out good applicants.

Integrity tests are relatively inexpensive and can be administered any time during the hiring process. Some companies screen all prospective applicants with integrity tests, and others only screen finalists.¹⁵³ As with any assessment method, check that the test truly predicts counterproductive work outcomes, including absenteeism, theft, and disciplinary problems before making the test part of the assessment process. Not all commercially available tests have been properly validated—that is, not all of them follow the American Psychological Association's guidelines for using integrity tests.¹⁵⁴ In addition, because theft is not a problem for all companies, sometimes the cost of integrity testing outweighs the gains a company achieves by reducing its employee-related theft.¹⁵⁵ As with any assessment test, applicants' privacy rights need to be protected. Integrity tests also have legal issues. Some states, including California and Massachusetts, limit the use of honesty and integrity testing in making hiring decisions.¹⁵⁶

POLYGRAPH TEST

measures and records physiological factors thought to be indicators of anxiety, including a candidates' blood pressure, respiration, pulse, and skin conductivity while the person answers a series of questions

POLYGRAPH TESTS A **polygraph test** measures and records physiological factors thought to be indicators of anxiety, including a candidates' blood pressure, respiration, pulse, and skin conductivity, while the person answers a series of questions. Because anxiety often accompanies the telling of lies, polygraphs are thought to assess lying and honesty. However, if the person is anxious for other reasons, or can voluntarily control his or her anxiety level, the conclusions can be unreliable.

The Polygraph Protection Act prohibits employers from requiring applicants or employees to take a polygraph test, using polygraph results for any employment decision, and discharging or disciplining anyone who refuses to take a polygraph. The only exceptions are for the military, police, private security firms, and controlled substance manufacturers. During theft, embezzlement, or sabotage investigations that resulted in economic loss or injury to an employer, employees can be tested.¹⁵⁷

JOB KNOWLEDGE TESTS Job knowledge tests measure a candidates' knowledge (often technical) required by a job. These tests are often in multiple-choice, essay, or checklist format and can assess either the candidate's knowledge of a job's duties or experience level with regard to the job's tasks, tools, and processes. An example is a test assessing an HR job applicant's knowledge of human resources. As shown in Table 9-3, job knowledge tests generally result in minimal adverse impact and can be highly valid (average validity of .48), particularly for complex jobs.¹⁵⁸ Many firms use job knowledge tests.

JOB KNOWLEDGE TESTS

tests that measure candidates' knowledge (often technical) required by a job

INTERVIEWS Interviews are perhaps the most commonly used selection tool.¹⁵⁹ Research has shown that organizations that use more quality staffing practices show higher levels of profitability and sales growth¹⁶⁰ and lower turnover¹⁶¹ than organizations that use fewer of them. When interview processes are effectively implemented they can enhance the selection process, resulting in the selection of higher-performing and better-fitting employees who will remain with a firm over a longer period of time.¹⁶²

Interviews can assess a variety of skills, abilities, and styles, including people's communication skills, interpersonal skills, and leadership style. Applicants react very well to interviews, and job seekers often rate interviews as the most job-related selection procedure.¹⁶³ Doubletree Hotels used the results of interviews with 300 high- and low-performing employees and began screening candidates on the "dimensions of success" it identified. Based on interviews with reservation agents, Doubletree identified seven dimensions for success on the job: practical learning, teamwork, tolerance for stress, sales ability, attention to detail, adaptability/flexibility, and motivation. Doubletree then designed specific interview questions to probe for these and other attributes.¹⁶⁴

In addition to evaluating job applicants, interviews can also serve an important recruiting purpose and communicate information about the job and organization to applicants. Remember, applicants choose organizations as much as organizations choose applicants. However, it can be difficult for a single interview to serve both purposes. Often applicants being assessed are too distracted to focus on the recruiting information being conveyed to them. They are likely to learn more about a job and organization during interviews focused solely on recruitment.¹⁶⁵ Thus, if a company decides to use interviews for recruiting purposes, the interviews should ideally focus exclusively on recruiting.

Some employers have also begun using tools such as Skype to conduct employment interviews over the web. This can save money, enable faster scheduling of interviews, and allow for the screening of a greater number of people. Web sites including HireVue let candidates quickly create video interviews to allow potential employers to interview more candidates faster and reduce costs. The employer simply e-mails a link to questions and the candidate records his or her responses via webcam.

There are several types of interviews used for candidate assessment, and next, we discuss some of the most common: unstructured interviews, structured interviews, behavioral interviews, and situational interviews.

Unstructured interviews ask questions that vary from candidate to candidate and that differ across interviewers. There are typically no standards for scoring or evaluating candidates' answers, and they are not always highly job related. The interview questions are often casual and open ended (e.g., "tell me about yourself") and can be highly speculative (e.g., "What do you see yourself doing in five to ten years?"). The interviewer often relies on his or her personal theories about what makes someone a good hire, such as personal appearance and nonverbal cues (whether or not the candidate fidgets or makes eye contact, for example), and makes a quick global evaluation of the candidate when the interview has finished. As shown in Table 9-3, the reliability of unstructured interviews can be low (averaging .20 to .38) due to their lack of consistency, which reduces their validity. Many managers nonetheless like using unstructured

UNSTRUCTURED INTERVIEW

questions that vary from candidate to candidate and that differ across interviewers

interviews because they feel that they are good judges of others, or believe that they have devised clever (although unvalidated) ways of verbally evaluating candidates. Given their expense and the legal risks associated with asking nonstandardized questions that have not been validated or shown to be related to job success, it is hard to recommend unstructured interviews over structured ones.

STRUCTURED INTERVIEWS

interviews in which candidates are asked a series of standardized, job-related questions with predetermined scores for different answers

Structured interviews are interviews in which candidates are asked a series of standardized, job-related questions with predetermined scores for different answers.¹⁶⁶ Because the same questions are asked in the same way for all applicants, and because raters are trained to consistently use the same rating scales to evaluate answers, structured interviews tend to be quite reliable and valid. As shown in Table 9-3, they have an average validity of as high as .63, and are liked by applicants.

They can be moderately expensive to develop. Nonetheless, research consistently demonstrates that well-executed structured interviews result in good prediction of high-performing employees.¹⁶⁷ One study determined that the use of structured interviews for a sales force reduced annualized turnover from 38.7 to 13.6 percent.¹⁶⁸ Research has shown that properly implemented structured interviews used as part of a selection system can also reduce adverse impact¹⁶⁹ and decrease related legal risks.¹⁷⁰ A review of litigation outcomes shows that organizational defendants are much more likely to prevail in courts of law when using job-related structured interview formats.¹⁷¹ This is because structured interviews help to reduce distortions caused by interviewer bias, differences in the questions asked to applicants, and factors unrelated to the job, such as a candidate's physical attractiveness, sex or race, and style of dress. Table 9-7 outlines the steps involved in crafting a structured interview.

Interviewer training in consistently asking and scoring the interview questions, body language, note taking, and asking follow-up questions is key to the improved performance of structured interviews compared to unstructured interviews because of the importance of their consistent administration and scoring.¹⁷² As the U. S. Office of Personnel Management states, "It is essential to train the person who will administer the structured interview. Interviewer training increases the accuracy of the interview."¹⁷³

There are two types of structured interviews: behavioral and situational. The choice of behavioral or situational interview questions depends in part on the level of the prior work experience of candidates. When interviewing people with limited work experience, situational questions (e.g., "what would you do if...") are likely to generate more insightful answers than behavioral questions (e.g., "what did you do when..."). We discuss behavioral and situational interviews in more detail next.

BEHAVIORAL INTERVIEWS

interviews that use information about what the applicants have done in the past to predict their future behaviors

Behavioral interviews are based on the idea that what applicants have *done* in the past is a better indicator of their future job success than what they believe, feel, think, or know.¹⁷⁴ In a behavioral interview, the interviewer first asks a candidate to describe a problem or situation the person faced while working or any other relevant situation that highlights a particular skill, trait, or core competency. Then the candidate describes the action he or she took and the results

TABLE 9-7 Steps to Crafting a Structured Interview

1. For the job requirements to be measured by a structured interview, identify the actions and behaviors that illustrate each qualification. For example, what does *leadership skills* mean in the context of the job being filled? What do people with good and bad leadership skills do? What is the impact of different leadership strategies? Are different leadership approaches equally effective?
2. Write questions that will generate relevant information about the degree to which candidates possess each job requirement.
3. Create an answer key with benchmark responses for at least the high, middle, and low scores on the scale.
4. Weight the benchmark responses based on the importance of each question relative to the others. Give more important questions greater weight relative to the other questions.
5. Select and train interviewers to increase the interview's standardization, reliability, and validity.
6. Evaluate the effectiveness of the structured interview in terms of its validity and the reactions of stakeholders, including how fair and job related they perceive it to be.

TABLE 9-8 A Behavioral Interview Question Assessing a Candidate's Persistence

Question: Tell me about a time when you were working on a project that you felt was important but that others thought was a waste of time. What did you do, and what was the result?

5—*Excellent:* I pursued the project despite the obstacles because I really believed in it. I wanted the project to succeed and I tried to find ways around problems.

4

3—*Marginal:* I continued working on the project but shifted my focus to other projects that had higher probabilities of success.

2

1—*Poor:* Once I felt that the project had low support, I stopped working on it.

it generated. For example, to assess leadership skills, a candidate can be asked to describe an ineffective team she was on, what action she took, and what results she obtained. Factors such as a candidate's work ethic, temperament, values, and general compatibility with the organization can often be assessed in behavioral interviews. Table 9-8 shows an example of a behavioral interview question and scoring key.

Candidates rarely give the exact answers suggested in the benchmark responses. However, training can help interviewers determine how to score an applicant's actual answer. Also, if a candidate has a limited work history or is unable to come up with an appropriate situation or problem, it can take skilled probing to obtain a scorable response. Behavioral interviews are most useful when it comes to evaluating job candidates who have employment experience. However, they can also be effectively used to assess candidates with little or no work experience. For example, McDonald's believes that a well-run interview can identify an applicant's potential to be a successful employee committed to delivering outstanding service. McDonald's uses an interview guide that helps to predict how an applicant's past behavior is likely to influence his or her future performance. The questions probe actual events or situations the candidate faced rather than allowing applicants to give a general or theoretical response. The interviewer rates candidates on their responses and offers jobs to those who earn the highest ratings.¹⁷⁵

As a job candidate, when preparing for behavioral interviews it can be useful to learn to use the STAR technique to help the recruiter effectively evaluate your response:

- **Situation or Task:** Describe a specific event or situation, giving enough detail for the interviewer to understand the situation and what you needed to accomplish. The situation can be from a previous job, volunteer activity, or any relevant event. For example, "Advertising revenue was falling and clients were not renewing contracts."
- **Action that you took:** Describe the actual action that you took. For example, "I designed a new Web site and promotional campaign. I also designed and delivered a customer service training session for our sales agents to develop selling and retention skills."
- **Results that you achieved:** Describe what happened, how the event ended, what you accomplished, and what you learned. For example, "New advertisers increased 25 percent over the next three months and our retention rate decreased by half. We also regained 40 percent of our former clients."

Behavioral interviews are more reliable and substantially better at predicting job performance than are unstructured interviews.¹⁷⁶ Compared to unstructured interviews, behavioral interviews have been shown to improve the average job performance of new hires¹⁷⁷ and reduce subsequent employee turnover.¹⁷⁸

Behavioral interviews also reduce the effects of interviewer biases.¹⁷⁹ Research has found that interviewers are more influenced by the attractiveness of applicants and applicants' attempts to create a positive impression of them in unstructured interviews than in structured ones.¹⁸⁰

Many companies, including Southwest Airlines, use **situational interviews**, asking people not about their past behaviors but about how they might react to hypothetical situations and how they exemplify the firm's core.¹⁸¹ Situational interviews have fairly high validities but are often slightly less valid than well-constructed behavioral interviews.¹⁸²

As they do with behavioral interviews, job experts create a rating scale for a continuum of possible answers given during situational interviews. The answers range from excellent to poor

SITUATIONAL INTERVIEWS

asking people how they might react to hypothetical situations

TABLE 9-9 A Situational Interview Question Assessing a Candidate's Communication Skills

Question: Imagine that you are currently very busy working on several important projects with firm deadlines, but your supervisor brings you a stack of unrelated paperwork to complete that you feel is unrelated to any of your projects. In addition, you are certain that attending to this new paperwork will cause you to miss several project deadlines. What would you do?

5—*Excellent:* Explain the conflict to my supervisor and try to identify and discuss alternatives. It would be important to me to ensure that any changes were acceptable to both my manager and myself.

4

3—*Marginal:* Tell my supervisor about the conflict.

2

1—*Poor:* Accept the conflict as part of the job and do the best I can.

and link directly to the behavioral objectives determined by the job analysis. Excellent answers indicate probable success, marginal answers reflect probable difficulty, and poor answers indicate probable failure in performing the related job task. Although the exact expert-generated answers are rarely given, interviewers are trained to score their responses meaningfully at some point on the continuum marked by these anchors. Table 9-9 illustrates a behavioral interview rating scale that can be adapted for any type of structured interview.

One caution about behavioral and situational interviews is warranted. Web sites including Vault.com and WetFeet.com provide extensive information about companies' recruiting and hiring processes, actual interview questions, and summaries of the firms and their cultures. Companies' own Web sites often describe the qualities they are looking for in new hires and what it takes to fit into their cultures. These resources make it possible for some job seekers to fabricate answers to interview questions they've anticipated.

How can an employer spot false stories and improve the validity of their behavioral interviews? They can do so by asking follow-up questions, curiously requesting more specific information about the story, asking the candidate what he or she was thinking or feeling at the time, and asking what the candidate learned from the experience. This can make it more difficult for the candidate to fabricate a consistent story.¹⁸³

Case interviews give the candidate a situation, problem, or challenge and ask him or her to address and resolve it. The case problem could be a current challenge or situation the organization is facing or has faced in the past. The candidate then asks the interviewer questions to better understand the situation, gather relevant information, and develop a solution or recommendation. Case interviews are popular for assessing candidates for consulting positions and jobs that require strategic thinking, problem-solving, logical reasoning, and analytical skills. In a case interview, the reasoning process is typically more important than the actual answer. Case interviews are sometimes done as a group exercise in which the interviewer(s) watch a group of candidates discuss the case and agree on a solution. Deloitte provides candidates with case interview tips and practice cases on its Web site to help them prepare and do their best.¹⁸⁴

Whenever interviews are used, interviewers should be trained in the purpose of the interview, the interview protocol, the scoring process, and how to behave during the interview to put the candidate at ease and acquire the most accurate information. In addition, when an interview session is scheduled it should include 10–15 minutes after the candidate leaves to allow the interviewer to fill out his or her notes and make final ratings on the scoring dimensions. Interviewers should be trained in taking abbreviated notes to prevent intimidating and distracting the candidate during the interview.

CASE INTERVIEWS

interviews that give the candidate a situation, problem, or challenge and ask him or her to address and resolve it

SITUATIONAL JUDGMENT TESTS

measures of noncognitive skills; short scenarios are presented verbally, in writing, or in videos, and candidates are asked what they believe is the most effective response, or to choose the best response from a list of alternatives

SITUATIONAL JUDGMENT TESTS Like situational interviews, **situational judgment tests** measure job candidates' noncognitive skills. Short scenarios are presented verbally, in writing, or in videos, and candidates are asked what they believe is the most effective response, or to choose the best response from a list of alternatives. The tests have a moderate validity of about .34. The FBI uses situational judgment tests to measure candidates' integrity, and their ability to organize, plan, prioritize, relate effectively to others, maintain a positive image, evaluate information and make decisions, and adapt to changing situations.¹⁸⁵

JOB SIMULATIONS Many job candidates look good on paper or during interviews. The question is, can they really do the job successfully? **Job simulations** measure people's job skills by having them perform tasks similar to those performed on the job. Simulations can be *verbal*, requiring interpersonal interaction and language skills, such as a role-playing test for a call center worker. *Motor* simulations involve the physical manipulation of things, such as an assembly task or a test to see if a candidate can properly operate a machine. Multiple, trained raters and detailed rating systems are typically used to evaluate and score candidates.

Simulations also differ in their degree of *fidelity*, or the similarity between the scenario and the actual job tasks. In high-fidelity tests very realistic scenarios and often expensive equipment, such as flight simulators, are used. Cleveland-based bank National City Corporation's dynamic simulation uses interactive experiences with both video and audio.¹⁸⁶ Low-fidelity tests simulate the task via a written or verbal statement, to which candidates respond verbally or in writing. (Behavioral interviews can be a type of verbal, low-fidelity simulation.)

Simulations can be highly valid (averaging .54) and generally result in minimal adverse impact. Job candidates also tend to like them because they are highly job related. Because of their expense, particularly for high-fidelity simulations, some firms choose to use simulations later in the assessment process after the pool of applicants has been reduced. If a company plans to train new employees, then using simulations will probably be less appropriate. The use of simulations is rising, particularly for jobs in manufacturing, sales, health care, and call centers.¹⁸⁷

L'Oréal uses an online simulation that simulates real-world market conditions. Student teams log on to the Internet and "become" general managers of a cosmetics company. They decide how much to invest in research and development, how much to spend on marketing, and find ways to cut production costs without compromising quality. The game responds to every move by showing players how their decisions affect their simulated company's virtual share price.¹⁸⁸ KPMG's simulation presents real-life scenarios to candidates and asks them how they would handle it, and gives them 2½ minutes to type in a response to questions including, "how would you improve morale on your team?"¹⁸⁹

Prudential Realty uses a simulation that shows videos of actors posing as homebuyers. The actors "talk" to the aspiring realtors, who then choose from a list of what they consider the best response to the situation. Prudential feels that it can teach new real estate agents sales skills, but they still need certain personality traits to succeed in the business. The simulation reveals whether job applicants have those traits or not. In their first year, high scoring agents earned over 300 percent more than those who scored low.¹⁹⁰ Simulations can also serve as a recruiting tool—one real estate firm places a monthly newspaper ad that states, "Test Drive a Career in Real Estate Today" and directs readers to the company's Web site to do a simulation.¹⁹¹

Because they seem so job relevant, it can be tempting to overweight simulations in making screening decisions and ignore other components of the recruitment process. Experts recommend balancing simulation results with interviews, written assessment tests, and reference and background checks. No matter how well Prudential job applicants perform on the realtor simulation, they must still do well at an interview. At L'Oréal, the top-performing teams make a presentation to a panel of judges during which they explain their business strategy and try to convince L'Oréal to invest in their fictitious companies. The presentation helps L'Oréal assess candidates' personalities and communication skills.¹⁹²

Some games have been created to assess cognitive skills including adaptability and emotional intelligence. The assessment firm Knack created a game called Happy Hour that challenges participants to tell what drink each of a growing mob of customers wants based on their facial expressions. Each drink must be made and served, and each used glass washed within a short period of time. People playing the game well enough might win a real job.¹⁹³ Depending on their cost, simulations can be used at any time in the assessment process, although more expensive simulations are often reserved for use later in the process to assess a smaller group of candidates.

WORK SAMPLES Work samples require a candidate to perform observable work tasks or job-related behaviors to predict future job success. Work samples can include simulations, giving candidates an actual job task to perform, or even probationary hiring. The sandwich chain Pret A Manger pays potential employees to work for a day before the existing team votes them in or out.¹⁹⁴ The samples can also simulate critical events that might occur on the job to assess how well a candidate handles them. A candidate for a 911 dispatch center might be asked to handle

JOB SIMULATIONS

simulations that measure people's job skills by having them perform tasks similar to those performed on the job

WORK SAMPLES

require a candidate to perform observable work tasks or job-related behaviors to predict future job success

calls from distraught people and handle a high volume of calls to assess how they respond. Work samples can also take the form of a picture or description of an incident. A candidate then responds to a series of questions and indicates the decisions he or she would make and actions he or she would take. Job experts then score the test. Although they can be expensive to develop and administer, particularly in the case of probationary hiring, work samples tend to be highly reliable and can have high validity and low adverse impact if done well.

Work samples do not measure applicants' aptitudes, only what they are able to do at the current time. Work-sample trainability tests provide candidates with a period of training prior to being tested. They are then evaluated while completing the work sample. Work sample trainability tests are useful when the company intends to extensively train new hires.

As shown in Table 9-3, work samples have an average validity of .33, low adverse impact, and are generally received well by applicants. The difficulty of faking on-the-job proficiency helps to increase the validity of work samples. They are most useful for jobs and work tasks that can be completed in a short period of time. The tests are less able to predict a person's performance on tasks that take days or weeks to complete. A person's portfolio is a type of work sample. However, it can be faked if not done while a company representative is watching. Someone else could have created the "great" samples a candidate brings in as representative of his or her work.

Assessment centers that put candidates through a variety of simulations and assessments to evaluate their potential fit with and ability to do the job are one type of work sample. As shown in Table 9-3, assessment centers have an average validity of .37 and low adverse impact, although they tend to be expensive and are one of the more difficult assessment methods to use. We discuss assessment centers in more detail in Chapter 10.

REFERENCE CHECKS Reference checks can reveal information about a candidate's past performance or measure the accuracy of the statements a candidate makes in an interview or on his or her résumé. Individuals familiar with the person—usually people referred by the job candidate—are asked to provide confirmation of a candidate's statements or an evaluation of the job candidate. Applicants generally expect reference checks as a part of the hiring process. A survey found that 80 percent of employers do contact references when evaluating potential employees, and 16 percent of these employers will contact references before offering a candidate a job interview.¹⁹⁵ Although many previous employers are unwilling to provide extensive information about a candidate due to the risks of a defamation lawsuit, references should still be contacted because not checking them increases the risk that an organization will be accused of negligent hiring. Sometimes employees who have relocated but who have worked with the candidate in the past can provide useful information. Reference checks have low adverse impact but have a relatively low average validity of .26. The validity might be greater if candidates' references were more candid.

Rather than asking general questions about the candidate, asking references for relevant information about the indicators of success that you have established for the job can generate more useful information, as can asking questions about the types of situations and work environments in which the candidate would excel. Sometimes more detailed questions can get a better response from reluctant references. One expert suggests setting up scenarios so the supervisor can better understand the context of your question, such as:¹⁹⁶

- I'm wondering what kind of environment would be the best fit for Kim. Do you recommend a more structured environment, with clear guidelines and close supervision, or would she excel in a more self-directed culture?
- Some people constantly reinvent their jobs and willingly assume responsibilities beyond their job description. Other people are only interested in performing their job duties and little else. Can you tell me where Manuel fits on that continuum?
- We often struggle to find the ideal balance between quality and production. If John leaned in one direction more than the other, would you say it was toward quality or quantity?

One trend in reference checks is the use of online software to collect standardized information from candidates' references. This process avoids phone calls, speeds up the reference check process, and increases references' response rate. For example, after being sent an e-mail request from SkillSurvey.com to serve as a reference for a particular candidate, the reference clicks on a link and answers a variety of questions on the candidate using a numeric rating scale. The surveys can be customized for different jobs, and essay boxes can also be included to collect

additional information about the candidate. Candidates must sign a legal waiver releasing their references and companies from any and all claims resulting from the disclosure of the information provided in the reference. All responses are electronically aggregated into a summary report and references are told that they will be responding as individuals, not as representatives of any company, to improve rating accuracy. Because numeric ratings are given, reports comparing each candidate to the group can be easily generated.

The laws related to doing reference checks differ by state. Some states, including Wisconsin, broadly protect employers giving factual information as part of reference checks. Because other states are less employer-friendly, it is wise to become familiar with your local and state laws.

Although many companies use reference checks as a contingent assessment method, it can be helpful to contact a person's references earlier in the assessment process. Reference checks can generate valuable information about a candidate's previous work responsibilities and performance, help rank candidates, and assist in making your final decision. It is a good idea to check at least three references for each candidate, with one of those three being a direct supervisor. It is also important to know that it is not uncommon for applicants to include false or misleading references on their résumés.¹⁹⁷ One survey found that 29 percent of employers had found fake references on job applications.¹⁹⁸ Companies even exist that will provide false employment references for a fee.

A growing trend related to reference checks is recruiters' use of social networking sites like Facebook or MySpace to screen job candidates. Recruiters look for anything from unprofessional screen names, discriminatory remarks, communication skills, and qualifications.¹⁹⁹ It is important to remember that information posted on these sites can often be found years later, highlighting the importance of using your profile to consistently communicate a professional image to professional employers. Another trend to be aware of is the presence of Web-based services that offer fake work histories and references to job seekers.²⁰⁰

When thinking about how to list as a reference on your own résumé, focus on people you regularly worked closely with who would be likely to speak highly of your performance rather than an acquaintance with an impressive title. If called by a recruiter, you want a reference to be able to provide positive and specific information about your job performance and what you are like as a coworker. It is also very helpful to ask anyone you would like to list as a reference for permission to do so, explain why you chose them, and help them know what you'd like them to say on your behalf.²⁰¹

SOCIAL MEDIA CHECKS Some recruiters use their social network to research candidates' social media sites, including Facebook. Some recruiters have even asked candidates for their passwords so that they can log in to candidates' Facebook accounts. This information is often not job related as it is posted with recruiters in mind, however, and risks learning about protected characteristics including race, genetic history, or religion. Some states, including Illinois, California, and Maryland, have established laws prohibiting employers to require a prospective employee to provide their user name, password, or other information needed to access social media sites including Facebook and Twitter.²⁰² Facebook's privacy policies also prohibit the forced sharing of this information.²⁰³

GRAPHOLOGY Some employers use handwriting analysis in staffing decisions. **Graphology** includes any practice that involves determining personality traits or abilities from a person's handwriting. We do not recommend graphology as an assessment method because it has been found to have little or no validity.²⁰⁴ Applicants tend not to like the use of graphology²⁰⁵ and find it invasive if they're not being told their handwriting is being used to assess them.²⁰⁶ Courts also tend not to like graphology²⁰⁷ because it can result in people with physical and emotional handicaps being discriminated against, violating the ADA.²⁰⁸ A good rule of thumb is that if an individual who has an ADA-defined disability cannot take a test, then it should not be used unless it can be adapted for use by those individuals. Handwriting analysis clearly falls into the group of tests that cannot be adapted to be administered to individuals who fall within one or more ADA-defined disabilities.

GRAPHOLOGY

any practice that involves determining personality traits or abilities from a person's handwriting

Contingent Assessment Methods

MEDICAL AND DRUG TESTS Because of the potential to violate applicants' privacy and the importance of legal compliance, medical tests, including drug tests, should be used with great care. Medical exams are usually used to identify a job candidate's potential health risks and must

assess only job-related factors consistent with a business necessity.²⁰⁹ The ADA regulates the use of medical exams to prevent employers from screening out individuals with disabilities for reasons unrelated to job performance. Nonetheless, the medical information for all employees hired in the same job category should be assessed, regardless of whether or not the employee has a disability.²¹⁰ A survey investigating new hire medical testing found that 60 percent of the U.S. firms surveyed required medical exams for at least some jobs.²¹¹ The most common medical test used is drug testing, and the most frequently given reason for drug testing is to establish an applicant's ability to perform the job tasks he or she would be assigned.²¹²

Genetic testing is a type of testing that can identify people genetically susceptible to certain diseases that could result from exposure to toxic substances in the workplace, such as chemicals or radiation. Although some companies have experimented with genetic screening, with the passage of the Genetic Information Nondiscrimination Act of 2008 (GINA), it is now illegal to deny U.S. citizens jobs simply because they have an inherited illness, or a genetic predisposition to a particular disease.²¹³

Any medical information obtained should be kept confidential and stored separately from other applicant and employee files.²¹⁴ Medical tests can be administered only after all other application components have been cleared and a job offer has been extended. Only by making the job offer contingent upon passing the drug or other medical test is it possible for an applicant to tell whether he or she was rejected on the basis of a disability and not because of insufficient skills or experience.

The timing of a medical test is also critical. The courts have made it clear that an applicant's medical information should be the last information collected after making a contingent job offer. Some companies find themselves in legal trouble just for failing to follow the required legal sequence. One company had not completed the background checks on some of its applicants before asking them to take medical and blood tests. When some of these individuals were found to be HIV-positive but had not revealed it prior to the medical exam, the company rescinded the offers made to them, citing that the applicants had not been forthright about their condition. Three candidates sued the company, and the court determined that it did not matter whether the candidates had been forthright about their health condition. The court concluded that administering the medical tests before the background check was complete made it difficult for the applicants to determine whether they had been denied employment because of issues with their background checks or with their physical exam.²¹⁵

Drug tests are an assessment method that has generated great debate. Opponents of drug testing often cite privacy concerns, the fact that drug tests sometimes are wrong, and numerous studies questioning the cost-effectiveness of drug tests. On the other hand, the cost of drug and alcohol abuse costs employers billions of dollars every year. Some of the costs of employee drug and alcohol abuse are obvious (e.g., increased absences, accidents, and errors). Less obvious costs, including low employee morale, increased health care costs, increased workers' compensation claims, and higher turnover, can be equally harmful.²¹⁶

Drug testing is not required under the Drug-Free Workplace Act of 1988. Although many state and local governments have statutes that limit or prohibit workplace testing unless required by state or federal regulations for certain jobs, most private employers have the right to test for a wide variety of illegal substances. Familiarizing yourself with all relevant state and federal regulations that apply to your organization is essential before designing a drug testing program.²¹⁷ Some collective bargaining agreements also affect firms' drug testing policies.

An organization should have a clear drug testing policy in place before conducting drug tests. The policy should address issues such as who will be tested, the consequences of a positive test, what substances will be tested for, when the testing will be conducted, cutoff levels, safeguards, and confirmation procedures. Candidates should be informed of the policy and its details. The Department of Labor has online tools and information to help employers develop sound drug testing policies and effective, balanced drug-free workplace programs that go beyond drug testing.²¹⁸

BACKGROUND CHECK

an employee screening method that assesses factors such as a person's personal and credit information, degrees held, character, lifestyle, criminal history, and general reputation

BACKGROUND CHECKS A background check assesses factors such as a person's personal and credit information, character, lifestyle, criminal history, and general reputation. Unless a business is involved in national defense or security, background checks must be relevant to the nature of the job and job requirements. Employers must tell people when they apply for a job that

background checks will be conducted, and the applicants must first give their written consent.²¹⁹ Staffing professionals need to fully document all background checking efforts and any contact they have had with candidates' former employers, supervisors, and references.

Preemployment background checks for misdemeanor and felony convictions or other offenses are routine in many industries, including the financial services, health care, childcare, and eldercare industries. In the United States, criminal records are archived at the county level. Consequently, to do a background check, you must search the criminal records in each county where the job candidate has lived. Because this is burdensome, many companies prefer to out-source background checks to qualified firms. Because crimes committed posthire could contribute to a negligent retention charge, at least one such background-checking firm, Verified Person, sends its clients automated biweekly updates that alert them to any new misdemeanor or felony convictions committed by their employees.²²⁰

Because criminal history checks can lead to adverse impact based on race and national origin, the EEOC has issued guidance in their use.²²¹ A conviction usually serves as sufficient evidence that the candidate engaged in the criminal conduct. An arrest does not establish that criminal conduct occurred; excluding a candidate based on an arrest, in itself, is not job related or consistent with business necessity. However, the conduct underlying the arrest may influence an employment decision if the conduct makes the candidate unfit for the position. It is critical that criminal history information be treated consistently for all applicants and employees to avoid disparate treatment liability, and that specific offenses be identified that may demonstrate unfitness for each job.

Organizations are also using online searches to learn about job candidates. Using a search engine like Google to find information about a candidate can uncover additional information about them. Job candidates have even been denied job offers due to unprofessional content placed on social networking sites, such as Facebook and MySpace.²²² Because so much Internet content is archived, employers can access information about a candidate that goes back many years. Legislation has been introduced in many states to prevent employers from forcing candidates to provide passwords to personal accounts including LinkedIn.²²³

A consumer report (credit check) contains information about an individual's personal and credit information that can give you insight, or clues, about a person's character.²²⁴ If the reports comply with the Fair Credit Reporting Act (FCRA), employers can use them when hiring new employees and when evaluating employees for promotion, reassignment, and retention. The FCRA protects the privacy of consumer report information and guarantees that the information supplied by consumer reporting agencies is as accurate as possible. A job applicant must give written consent before a background check of his or her credit can be conducted. Even if a candidate has had poor credit in the past, employers cannot use this information in their hiring decisions if it is more than seven years old unless it applies to the hiring of high-profile job candidates who earn \$75,000 or more.²²⁵ Any credit data from consumer credit reports must be destroyed after they have fulfilled the "business purpose."²²⁶ The FTC's Web site (www.ftc.gov) provides more information on the requirements of the Fair and Accurate Credit Transactions Act. State requirements generally supersede federal requirements and can be even stricter.

Amendments to the FCRA that went into effect September 30, 1997, significantly increase the legal obligations of employers who use credit checks. Congress expanded employers' responsibilities because it was concerned that inaccurate or incomplete consumer reports could cause applicants to be denied jobs or employees to be denied promotions unjustly. The amendments ensure (1) that individuals are aware that consumer reports may be used for employment purposes and agree to such use, and (2) that an individual be notified promptly if information in the person's consumer report results in a negative employment decision.²²⁷ To be covered by the FCRA, a report must be prepared by a consumer reporting agency (CRA) that assembles such reports for other businesses. For sensitive positions, employers often order investigative consumer reports that include interviews with an applicant's or employee's friends, neighbors, and associates. All these types of reports are consumer reports if they are obtained from a CRA.

If negative information is found, the employer must give the job applicant an "adverse action notice" that includes the screening company's name and contact information and explains that the applicant can dispute the information for either accuracy or completeness. Applicants must also be given a fair amount of time to contest the findings.²²⁸ Job seekers can check the

accuracy of and correct errors in their background reports and credit histories by researching them themselves. MyBackgroundCheck.com and MyJobHistory.com both allow individuals to perform background checks on themselves and provide their potential employers with certificates that verify their degrees, and their credit, employment, and criminal history.

Improperly documenting information gathered as part of a background check can expose an employer to potential lawsuits. A case in point: When Interim Healthcare of Fort Wayne, Indiana, was accused of negligently hiring and retaining a home nursing aid, it could not show evidence of having conducted a proper background check on its employee.²²⁹ Fully documenting its background-checking efforts may have absolved Interim Healthcare of the accusations.²³⁰

It should be noted that an employer does not have to prove that allegations of misconduct leading to an adverse employment decision are true as long as it conducts a proper investigation and acts in good faith on the information that it obtains. Thus, an employer can greatly reduce its potential liability for negligent hiring just by conducting a reasonable background check. Even if an employer is not able to actually obtain any information about a candidate from a previous place of work, going through the investigative process and documenting it well will go a long way toward reducing the firm's liability.²³¹

USING MULTIPLE METHODS

As we explained in the last chapter, most organizations use multiple tools to assess candidates—perhaps a résumé screen, an interview, personality or skills assessments, reference and background checks, and some form of simulation. Renda Broadcasting in Pittsburgh, Pennsylvania, regularly hires advertising sales representatives to work in the firm's 25 radio stations. In addition to a three- or four-stage structured interviewing process, candidates make a final presentation to the sales manager and general manager of the station to assess their communication skills before a job offer contingent on background checks and drug screens is made.²³²

Obviously, few assessment methods are appropriate for all purposes. For example, job knowledge tests and assessment centers probably wouldn't be appropriate for low-level jobs or jobs for which extensive training will be provided to candidates after they are hired. Similarly, personality tests will differ in terms of their usefulness for different jobs. Also, as we have indicated, firms should consider how applicants will react to the assessment methods used—applicants who have positive perceptions about a company's selection processes and view them as fair are more likely to view the company favorably, accept its offers, and recommend the employer to others.²³³

Like Southwest Airlines, Nucor Steel uses written tests and in-depth interviews to evaluate job candidates. It also relies on the expertise of industrial psychologists, who frequently visit the company's plants to screen applicants and evaluate employees. Nucor's highly entrepreneurial, extremely performance-oriented, tough culture means that smart minds are more important than big muscles. Because this environment is not for everybody, Nucor works extra hard to find the right people.²³⁴

Can you imagine receiving a job offer after only a 15-minute interview? What would you think of a company that did this? Obviously, more extensive assessment procedures reflect a concerted effort on the part of the company to match candidates with the right jobs. Thus, more rigorous assessment procedures tend to impress good candidates, rather than turn them off. The methods of combining the scores from multiple assessments are discussed in Chapter 11.

REDUCING ADVERSE IMPACT

Some of the most useful assessment methods for predicting job performance often result in adverse impact. (As we explained, cognitive ability tests are one such method.) U.S. courts have ruled that it is not permissible to adjust members of a protected group's scores to reduce the assessment method's adverse impact. For example, **race norming**, or adjusting scores on a standardized test by using separate curves for different racial groups, is illegal. Race norming could award a minority applicant for a job with a test percentile score of 48 the same score on a test as a white applicant scoring in the 75th percentile. The Civil Rights Act of 1991 prohibits score adjustments, the use of different score requirements for different groups of test takers, or

RACE NORMING

adjusting scores on a standardized test by using separate curves for different racial groups

alteration of employment-related test results based on the demographics of the test takers. That said, there are some strategies you can use to try to reduce adverse impact (although not all of them will necessarily be successful):

- Target applicants to increase the numbers of qualified minority applicants who apply with your firm.
- Expand the definition of what constitutes a good job performance to include other performance characteristics, such as people's commitment and reliability, in addition to their task performance.
- Combine predictors to reduce adverse impact, although this does not always work. Suppose, for example, a cognitive ability test predicts on-the-job performance but discriminates against women. In this case, using the test in conjunction with another valid assessment method that either does not have any adverse impact based on sex or that discriminates against men can reduce or eliminate the adverse impact of the cognitive ability test when the two predictors are used together.²³⁵
- Use well-developed simulations rather than cognitive ability tests.
- Use assessment methods with less adverse impact early in the selection process and those with greater adverse impact later in the process, if only a few applicants will be ultimately hired (the selection ratio will be low).
- Use **banding**—that is, assign the same score to applicants who score in the same range on an assessment. For example, candidates that score in the 93 to 100 percent range would be placed in the “A” band; those that score in the 85 to 95 percent range would be placed in the “B” band, and so forth. You could then use only the banded score to compare applicants—this technique can reduce an assessment's adverse impact but will also reduce the validity of the test.

BANDING

assigning the same score to applicants who score in a range on the assessment

ASSESSMENT PLANS

Companies use many different methods to assess job candidates. How should a firm choose which to use? An **assessment plan** describes which assessment method(s) will be used to assess each of the important characteristics on which applicants will be evaluated, in what sequence the assessments will take place, and what weight each assessment will receive in determining an overall score for that characteristic based on the importance of each characteristic to a person's job performance. The characteristics that candidates will be trained to develop after being hired won't be assessed nor listed in the plan. However, any existing qualifications required to qualify for the training program should be assessed. Table 9-10

ASSESSMENT PLAN

describes which assessment method(s) will be used to assess each of the important characteristics on which applicants will be evaluated, in what sequence the assessments will take place, and what weight each assessment will receive in determining an overall score for that characteristic based on the importance of each characteristic to job performance

TABLE 9-10 An Example of an Assessment Plan for an Accountant

Assessment Method and Its Sequence in the Assessment Process

Characteristic	Importance of Characteristic to Job Performance (1 = most important)	Select (S) Train (T)	Résumé	Phone Screen	Accounting and Budgeting Test	Recruiter Interview	Simulation	Hiring Manager Interview
Customer focus	1	S	1 (.15)	2 (.15)		3 (.20)	4 (.25)	5 (.25)
Accounting skills	1	S	1 (.15)	2 (.15)	3 (.40)		4 (.30)	
Budgeting skills	1	S	1 (.20)	2 (.20)	3 (.25)		4 (.35)	
Time management skills	2	S				1 (.30)	2 (.40)	3 (.30)
Delegating skills	2	S		1 (.20)		2 (.40)	3 (.40)	
Ability to use company's accounting software	3	T						
Attention to detail	3	S		1 (.25)		2 (.25)	3 (.50)	

shows an example of an assessment plan for an accountant. The weights for each assessment method are based on the job analysis ratings of the relative importance and relative time spent on each dimension.

Which assessment methods are used and when is up to the company depending on its goals. Sometimes firms use cheaper assessment methods first and more expensive methods later when fewer candidates remain under consideration. To quickly reduce very large candidate pools to a more manageable size, it can make sense to use the lowest cost assessment methods first, or those assessing candidates' abilities to perform essential job functions. It can also be a good idea to use the most valid assessment methods first, or methods that encourage candidates to self-select—that is, prompt those people who would likely drop out of the hiring process later on to drop out earlier. Some companies require candidates to visit the careers sections of their Web sites for this very purpose.

The weights to be given each assessment score are in parentheses next to each number and total 100 percent across each row.

Referring to Table 9-10, the numbers under each assessment method indicate the order in which the various assessment methods will be used to assess each characteristic. Reading across the first row, consumer focus is one of the top three characteristics relevant to internal accountants' job performance, and it will be assessed rather than trained posthire. Consumer focus is first assessed via a résumé scan, then through a phone screen. A recruiter interview, simulation performance, and hiring manager interview then further assess each candidate's customer focus. In terms of combining each of the assessment scores into one rating for each characteristic, weights are given to each assessment score (shown in parentheses next to each number) that total 100 percent for each characteristic being assessed. In this case, customer focus assessed via the résumé and phone screen will each be weighted .15, via the recruiter interview .20, via the simulation .25, and via the manager interview .25. In determining an overall candidate score that can be used to compare candidates, each characteristic is weighted based on its importance to job performance (based on the relative importance and relative time spent information about each job duty collected during the job analysis). In this case, the characteristics rated 1 in importance might each be weighted .20, those rated 2 might each be weighted .15, and the one rated 3 might be weighted .10.

Flexibility may be required if an assessment plan is to be used globally. Legal, cultural, and structural differences across countries can prevent policies and practices from being standardized around the world. What is most important is to standardize what is assessed, but also to assess it flexibly based on local needs and requirements.²³⁶

Facebook's Hiring Process

In evaluating job applicants Facebook tries to understand a person's abilities as both a professional and as a colleague. To execute its innovation strategy, the company wants people who are curious, self-motivated, innovative, and who can understand complex ideas.²³⁷ Because teamwork is important, person-team fit is also evaluated.

After being screened by a recruiter to evaluate previous work experience, leadership roles, and what the applicant has built in the past, candidates are given a phone interview with a potential co-worker to assess job fit, skills, interests, and motivation. If that stage is passed, multiple interviews are conducted by the members of the candidate's potential work team during an on-site visit to the Facebook campus. The focus of these interviews is on evaluating both job skills and culture fit. Candidates do a lot of coding during their interviews. Technical skill challenges are presented, and candidates are asked to write code on a whiteboard.²³⁸ Facebook looks for people with strong technical skills who fit the group and put the user first. Because culture fit is so important, being referred by a Facebook employee also helps.²³⁹ Facebook ultimately lets each work group make a collective decision on who to hire.²⁴⁰

Facebook's internship program helps to evaluate talented students, and it also invites top talent to apply. Facebook also created a programming challenge that invites potential software engineering applicants to take a timed challenge. If their code passes the test, a recruiter contacts them. To deter code sharing, code that is too similar to that of another applicant disqualifies both applicants.²⁴¹

Summary

The primary goal of external candidate assessment is typically identifying the job candidates who fit the person specification for the job being filled, and to identify people who would likely be poor performers and screen them out. The assessment system should also evaluate candidates' fit with the organization, group, and supervisor and their ability to contribute to business strategy execution. This allows a firm to identify the job candidates best able to perform the open job and best able to help the company execute its business strategy and enhance its competitive advantage.

There are a variety of important goals organizations have when assessing external job candidates, including return on investment, shareholder reactions, establishing and reinforcing the firm's employer image, and complying with legal requirements by using valid assessment methods in a fair, consistent, and objective manner.

Companies can choose from many different assessment methods to assess job candidates. The choice should be based on which methods best assess the applicant characteristics or competencies identified as important during the job analysis as well as the ability of the assessment method to meet other important goals of the external assessment process. Because different methods are good at assessing different things, and differ in their cost, validity, applicant reactions, and adverse impact, it is often necessary to use more than one assessment method. Even though an assessment method results in adverse impact, if it does a good job predicting job success, it may be worthwhile to analyze the usefulness of various strategies to reduce its adverse impact so that it can continue to be used.

Takeaway Points

1. A firm's external assessment goals include person-job, person-group, and person-organization fit as well as validity, return on investment, stakeholder reactions, consistency with the firm's talent philosophy and HR strategy, and establishing and reinforcing the company's employer image.
2. A wide variety of assessment methods exist, including résumés, medical tests, cognitive ability tests, job knowledge tests, simulations, and interviews. Assessment methods differ in terms of their cost, validity, how applicants react to them, usability, speed, and adverse impact.
3. The adverse impact associated with an assessment method can sometimes be reduced by targeting applicants to increase the numbers of qualified minority applicants who apply and by expanding the definition of what constitutes good job performance to include other performance characteristics, such as people's commitment and reliability, in addition to their task performance. Also, using well-developed simulations rather than cognitive ability tests and using assessment methods with less adverse impact early in the selection process and those with greater adverse impact later in the process can also help as can banding applicants as they're assessed.
4. The assessment plan describes which assessment methods will be used to assess each of the characteristics upon which applicants will be evaluated, in what sequence the assessments will take place, and what weight each assessment will receive in determining a candidate's overall score. The importance of each characteristic to job performance is also identified, as is whether each characteristic will be evaluated or trained for after a candidate is hired.

Discussion Questions

1. When should employers reassess the assessment methods they use in hiring?
2. Discuss the advantages and disadvantages of both structured and unstructured interviews. Which would you prefer to use? Why?
3. Why go to all the trouble of sometimes costly and time-consuming assessments when there are no guarantees they will result in a successful hire?
4. What do you feel are the least effective external assessment methods? Why?
5. Do you think that it is appropriate for employers to research applicants' backgrounds? What about credit histories? Substantiate your answer.

Exercises

1. *Strategy Exercise:* There are many consulting firms that specialize in candidate assessment and selection.

Johnson & Johnson (J&J) is the world's most comprehensive and broadly based manufacturer of health care products. J&J pursues a business strategy of serving the consumer, pharmaceutical, and medical devices and diagnostics markets with a focus on research-based, technology-driven products.²⁴² The company's credo prioritizes its responsibilities to its customers, employees, the community, and its stockholders in that order. Go to

www.jnj.com and learn more about Johnson & Johnson's credo. Then answer the following questions.

- a. In what ways does J&J's focus on its credo and hiring people who fit its credo help the company perform well?
 - b. Use the Internet to identify at least five assessment tools that could help J&J identify applicants who fit its credo. Identify which ones you would recommend to J&J and describe why.
2. *Develop Your Skills Exercise:* This chapter's Develop Your Skills feature gave you some tips for writing an online résumé. Using

- this information, write your own résumé that could be posted online. Exchange résumés with two classmates and give each other feedback on how to improve each other's résumés.
3. *Develop Your Skills Exercise:* Watch the video on this book's companion Web site on how NOT to conduct an interview. Then identify at least five things the interviewer does wrong or should do differently, and explain why your suggestion is appropriate.
 4. *Develop Your Skills Exercise:* Develop a scoring key for each structured interview question below and create a formula to combine the scores into an overall structured interview score for a retail sales position at a high-end retailer focused on customer service.
 - a. A disgruntled customer is returning a damaged suit jacket he bought the previous week that he needed for an event that night. He is extremely upset. What do you do?
 - b. A person walks into your store and mentions that she has just moved into the area and that this is the first time she has visited your store. What would you do to make her a customer now and a loyal customer in the future?
 - c. You're working alone because two people called in sick. Suddenly, five customers walk into your department at once. What do you do?

Then view the structured interviews available on the book's companion Web site for Parvathi, Chris, and Julia. Use your structured interview scoring key to evaluate each candidate. Then combine each candidate's interview scores and choose one to whom to extend a job offer.
 5. *Inappropriate Interview Questions Exercise:* An interview question is not in itself illegal, but how the interviewer uses the answer can be. The goal of an interview is typically to obtain important

- information about the candidate while reinforcing the organization's employer brand and maintaining a positive employer image. It can be helpful to practice recognizing inappropriate interview questions and identifying ways to more appropriately get the information that you are looking for from the candidate. Working in a group of 2–3 students, read this list of interview questions and explain why each is inappropriate. Try to identify the type of information being requested that may be important for the position, and identify a way to obtain the same desired information in a more appropriate way.
6. *Opening Vignette Exercise:* To execute its innovation strategy, Facebook seeks technical talent with strong skills, previous accomplishments, and both curiosity and motivation. A good fit with the company's culture, good understanding of online social media, and the ability to work well with others are also important. This chapter's opening vignette provided some information about how the company currently assesses job candidates on these dimensions. Reread the opening vignette and its conclusion, and answer the following questions in a group of three to five students. Be prepared to share your answers with the class.
 - a. Do you think it's appropriate for Facebook to require candidates to write code on a whiteboard during its assessment process? Why or why not?
 - b. What are the advantages and disadvantages to Facebook of asking software engineering applicants to do so much coding during the initial assessment process?
 - c. Identify two other assessment methods you think Facebook could use to assess applicants' fit with the company's culture of innovation and smart risk taking.

Interview Question	Why Inappropriate	Information Requested and Why It Is Important	Better Question
1. What religion do you practice?			
2. What clubs or social groups do you belong to?			
3. How many kids do you have?			
4. Have you ever been arrested?			
5. How old are you?			
6. How much longer do you plan to work before retiring?			

CASE STUDY

WORLD WAR II SPY ASSESSMENT FOR THE OFFICE OF STRATEGIC SERVICES (OSS)

Thank you to Joe McCune of Rutgers University for allowing us to provide this exercise.

Role

It is 1940, and you are a selection specialist assigned to the Office of Strategic Services (OSS). Your assignment is to work as a team with three to four other classmates to develop

a selection system to “identify operatives who could successfully undertake hazardous intelligence-gathering missions behind enemy lines.” In other words, you are to select spies who will work in Japan, Italy, or Germany.

Challenges

1. You have been given limited job information, no job description, KSAOs, competencies, or performance criteria related to the position.

2. Since the advertisements for the job must be vague to maintain secrecy, they will attract undesirable candidates, including people who are chronically bored, pathologically adventuresome, neurotically attracted to danger, and so forth. Therefore, you will need to include a process to weed out such individuals.
3. You have no time to validate your assessment methods—they need to be implemented immediately.

Task

In the time allowed, identify the important characteristics (aptitudes, competencies, and so forth) a person needs to be a spy and develop three tests and simulations that will help you identify successful spies. The selection procedure will occur over a three-day period in a private facility (Station S in Virginia).

Assignment

1. Create a list of important characteristics discussed previously. Remember, in 1940, there were no computers, video phones, or satellites. Spies needed to do things like access locked buildings, identify possible informants, and persuade them to provide useful information about enemy actions.
2. Determine the *three* most important qualities that an applicant must possess.
3. Develop procedures to test for each of those characteristics during the three-day procedure at Station S.
4. Describe how you will evaluate the effectiveness of your selection system.

Semester-Long Active Learning Project

Finish the assignment for Chapter 8. Be sure to justify your recommendations and use concrete examples along with scoring keys to highlight the specific methods for selecting employees. Create a formal

assessment plan linking your assessment methods to the characteristics being assessed.

Case Study Assignment: Strategic Staffing at Chern's

See the appendix at the back of the book for this chapter's Case Study Assignment.

Endnotes

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