



human

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tenth edition

resource management

Chapter 6

Part 2 Recruitment and Placement

Employee Testing and Selection

After studying this chapter, you should be able to:



- 1. Explain what is meant by reliability and validity.*
- 2. Explain how you would go about validating a test.*
- 3. Cite and illustrate our testing guidelines.*
- 4. Give examples of some of the ethical and legal considerations in testing.*
- 5. List eight tests you could use for employee selection, and how you would use them.*
- 6. Explain the key points to remember in conducting background investigations.*

Why Careful Selection is Important

- *The importance of selecting the right employees*
 - Organizational performance always depends in part on subordinates having the right skills and attributes.
 - Recruiting and hiring employees is costly.
 - The legal implications of incompetent hiring
 - EEO laws and court decisions related to nondiscriminatory selection procedures
 - The liability of negligent hiring of workers with questionable backgrounds

Avoiding Negligent Hiring Claims

- *Carefully scrutinize information supplied by the applicant on his or her employment application.*
- *Get the applicant's written authorization for reference checks, and carefully check references.*
- *Save all records and information you obtain about the applicant.*
- *Reject applicants who make false statements of material facts or who have conviction records for offenses directly related and important to the job in question.*
- *Balance the applicant's privacy rights with others' "need to know," especially when you discover damaging information.*
- *Take immediate disciplinary action if problems arise.*

Basic Testing Concepts

➤ *Reliability*

- The consistency of scores obtained by the same person when retested with the identical or equivalent tests.
- Are the test results stable over time?

➤ *Test validity*

- The accuracy with which a test, interview, and so on measures what it purports to measure or fulfills the function it was designed to fill.
- Does the test actually measure what we need for it to measure?

Sample Picture Card from Thematic Apperception Test



**How do you interpret
this picture?**

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Figure 6–1

6–6

Types of Validity

➤ *Criterion validity*

- A type of validity based on showing that scores on the test (predictors) are related to job performance (criterion).
 - Are test scores in this class related to students' knowledge of human resource management?

➤ *Content validity*

- A test that is content valid is one that contains a fair sample of the tasks and skills actually needed for the job in question.
 - Do the test questions in this course relate to human resource management topics?
 - Is taking an HR course the same as doing HR?

Examples of Web Sites Offering Information on Tests or Testing Programs

- *www.hr-guide.com/data/G371.htm*
 - Provides general information and sources for all types of employment tests.
- *<http://buros.unl.edu/buros/jsp/search.jsp>*
 - Provides technical information on all types of employment and nonemployment tests.
- *www.ets.org/testcoll/index.html*
 - Provides information on over 20,000 tests.
- *www.kaplan.com/*
 - Information from Kaplan test preparation on how various admissions tests work.
- *www.assessments.biz/default.asp?source=GW-emptest*
 - One of many firms offering employment tests.

Figure 6–2

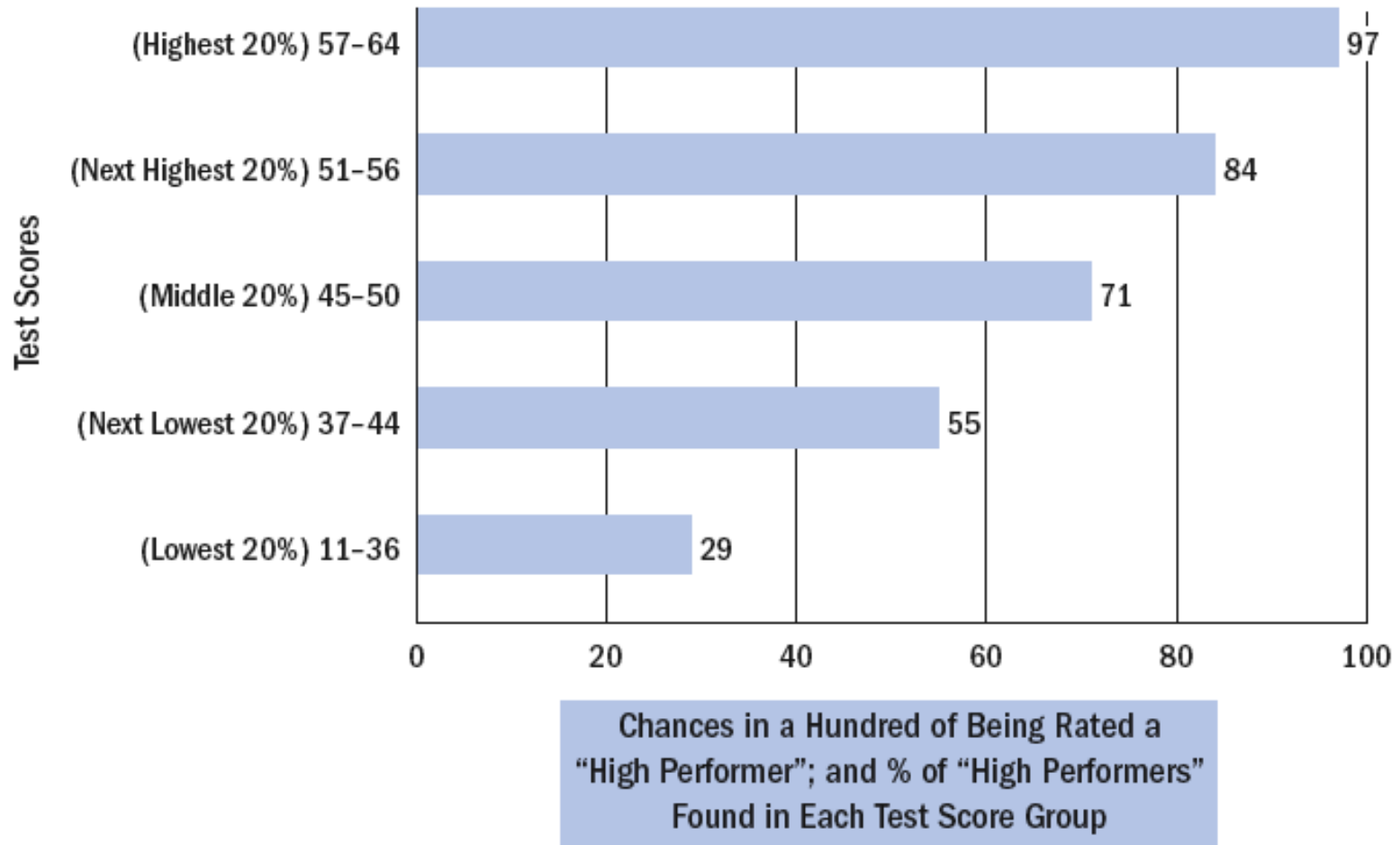
How to Validate a Test

- *Step 1: Analyze the job*
 - Predictors: job specification (KSAOs)
 - Criterion: quantitative and qualitative measures of job success
- *Step 2: Choose the tests*
 - Test battery or single test?
- *Step 3: Administer the test*
 - Concurrent validation
 - Current employees' scores with current performance
 - Predictive validation
 - Later-measured performance with prior scores

How to Validate a Test (cont'd)

- *Step 4: Relate Test Scores and Criteria*
 - Correlation analysis
 - Actual scores on the test with actual performance
- *Step 5: Cross-Validate and Revalidate*
 - Repeat Step 3 and Step 4 with a different sample of employees.

Expectancy Chart



Note: This expectancy chart shows the relation between scores made on the Minnesota Paper Form Board and rated success of junior draftspersons. Example: Those who score between 37 and 44 have a 55% chance of being rated above average and those scoring between 57 and 64 have a 97% chance.

Figure 6-3

Testing Program Guidelines

1. *Use tests as supplements.*
2. *Validate the tests.*
3. *Monitor your testing/selection program*
4. *Keep accurate records.*
5. *Use a certified psychologist.*
6. *Manage test conditions.*
7. *Revalidate periodically.*

Equal Employment Opportunity (EEO)

Aspects of Testing

- *A organization must be able to prove:*
 - That its tests are related to success or failure on the job (validity)
 - That its tests don't unfairly discriminate against minority or nonminority subgroups (disparate impact).
- *EEO guidelines and laws apply to all selection devices, including interviews, applications, and references.*

Equal Employment Opportunity (EEO)

Aspects of Testing (cont'd)

- *Testing alternatives if a selection device has disparate impact:*
 - Institute a different, valid selection procedure that does not have an adverse impact.
 - Show that the test is valid—in other words, that it is a valid predictor of performance on the job.
 - Monitor the selection test to see if it has disparate impact.

Sample Test

CHECK YES OR NO	YES	NO
1. You like a lot of excitement in your life.		
2. An employee who takes it easy at work is cheating on the employer.		
3. You are a cautious person.		
4. In the past three years you have found yourself in a shouting match at school or work.		
5. You like to drive fast just for fun.		

Analysis: According to John Kamp, an industrial psychologist, applicants who answered no, yes, yes, no, no to questions 1, 2, 3, 4, and 5 are statistically likely to be absent less often, to have fewer on-the-job injuries, and, if the job involves driving, to have fewer on-the-job driving accidents. Actual scores on the test are based on answers to 130 questions.

Figure 6–4

Source: Courtesy of NYT Permissions.

Test Takers' Individual Rights and Test Security

- *Under the American Psychological Association's standard for educational and psychological tests, test takers have the right:*
 - To privacy and information.
 - To the confidentiality of test results.
 - To informed consent regarding use of these results.
 - To expect that only people qualified to interpret the scores will have access to them.
 - To expect the test is fair to all.

Using Tests at Work

➤ *Major types of tests used by employers*

- Basic skills tests (45%)
- Drug tests (47%)
- Psychological tests (33%)

➤ *Use of testing*

- Less overall testing now but more testing is used as specific job skills and work demands increase.
 - Screen out bad or dishonest employees
 - Reduce turnover by personality profiling

➤ *Source of tests*

- Test publishers

Computer-Interactive Testing

➤ *Types of tests*

- Specialized work sample tests
- Numerical ability tests
- Reading comprehension tests
- Clerical comparing and checking tests

➤ *Online tests*

- Telephone prescreening
- Offline computer tests
- Virtual “inbox” tests
- Online problem solving tests

Types of Tests

➤ *Tests of cognitive abilities*

— Intelligence Tests

- Tests of general intellectual abilities that measure a range of abilities, including memory, vocabulary, verbal fluency, and numerical ability.

— Aptitude tests

- Tests that measure specific mental abilities, such as inductive and deductive reasoning, verbal comprehension, memory, and numerical ability.

Types of Tests (cont'd)

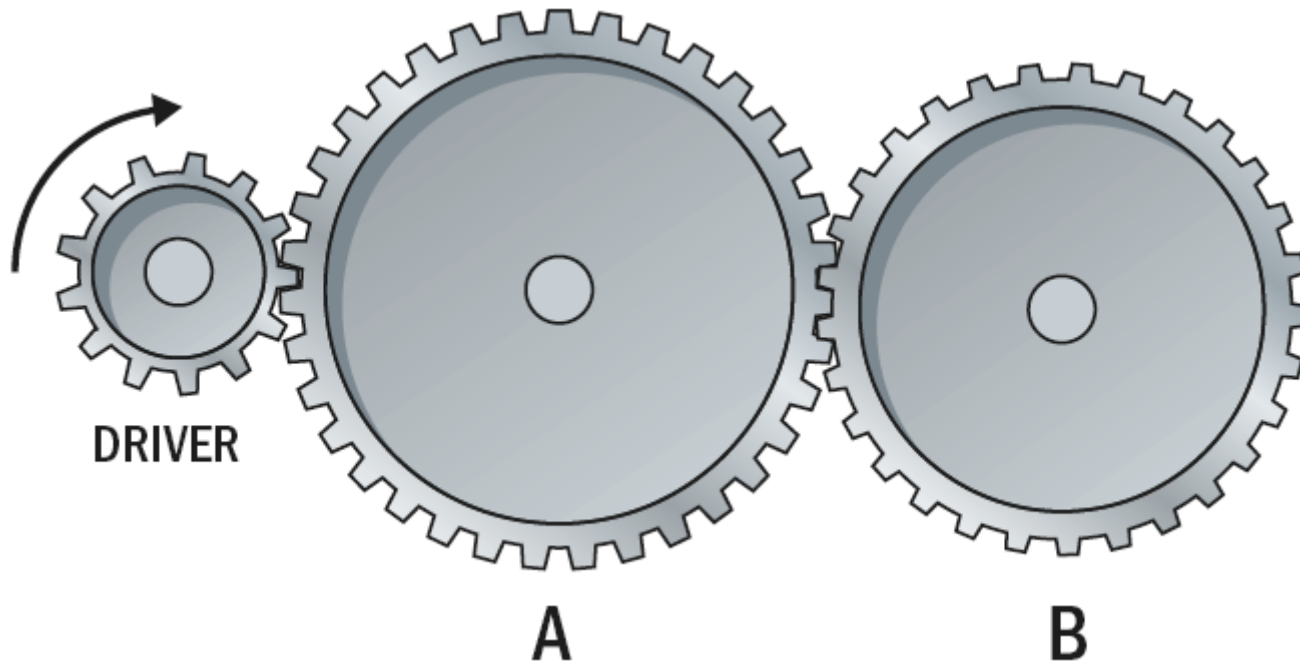
➤ *Tests of motor abilities*

- Tests that measure motor abilities, such as finger dexterity, manual dexterity, and reaction time.

➤ *Tests of physical abilities*

- Tests that measure static strength, dynamic strength, body coordination, and stamina.

Problem from the Test of Mechanical Comprehension



Which gear will turn the same way as the driver?

Source: Reproduced by permission. Copyright 1967, 1969 by The Psychological Corporation, New York, NY. All rights reserved. Author's note: 1969 is the latest copyright on this test, which is still the main one used for this purpose.

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Figure 6–5

Measuring Personality and Interests

➤ *Personality tests*

- Tests that use projective techniques and trait inventories to measure basic aspects of an applicant's personality, such as introversion, stability, and motivation.
- Disadvantage
 - Personality tests—particularly the projective type—are the most difficult tests to evaluate and use.
- Advantage
 - Tests have been used successfully to predict dysfunctional job behaviors and identify successful candidates for overseas assignments.

The “Big Five”aaa

➤ *Extraversion*

- The tendency to be sociable, assertive, active, and to experience positive effects, such as energy and zeal.

➤ *Emotional stability/neuroticism*

- The tendency to exhibit poor emotional adjustment and experience negative effects, such as anxiety, insecurity, and hostility.

➤ *Openness to experience*

- The disposition to be imaginative, nonconforming, unconventional, and autonomous.

➤ *Agreeableness*

- The tendency to be trusting, compliant, caring, and gentle.

➤ *Conscientiousness*

- Is comprised of two related facets: achievement and dependability.

Other Tests

➤ *Interest inventories*

- Personal development and selection devices that compare the person's current interests with those of others now in various occupations so as to determine the preferred occupation for the individual.

➤ *Achievement tests*

- Test that measure what a person has already learned—"job knowledge" in areas like accounting, marketing, or personnel.

Other Tests (cont'd)

➤ *Web-Based (Online) testing*

- Eliminates costly and inefficient paper-and-pencil testing processes.
- Allows for role-playing by applicants.
- Use of computer-based scoring eliminates rater bias.
- Provides immediate scoring and feedback of results to applicants.
- Can be readily customized for specific jobs.

Work Samples

➤ *Work samples*

- Actual job tasks are used in testing applicants' performance.

➤ *Work sampling technique*

- A testing method based on measuring an applicant's performance on actual basic job tasks.

Example of a Work Sampling Question

Checks key before installing against:

—shaft score 3

—pulley score 3

—neither score 1

Note: This is one step in installing pulleys and belts.

Figure 6–6

Work Simulations

- *Management assessment center*
 - A simulation in which management candidates are asked to perform realistic tasks in hypothetical situations and are scored on their performance.
- *Typical simulated exercises include:*
 - *The in-basket*
 - *Leaderless group discussion*
 - *Management games*
 - *Individual presentations*
 - *Objective tests*
 - *The interview*

Work Simulations (cont'd)

➤ *Video-Based situational testing*

- A situational test comprised of several video scenarios, each followed by a multiple choice question that requires the candidate to choose from among several courses of action.
- While the evidence is mixed, the results suggest that video-based situational tests can be useful for selecting employees.

Work Simulations (cont'd)

- *The miniature job training and evaluation approach*
 - Candidates are trained to perform a sample of the job's tasks, and then are evaluated on their performance.
 - The approach assumes that a person who demonstrates that he or she can learn and perform the sample of tasks will be able to learn and perform the job itself.

Background Investigations and Reference Checks

- *Extent of investigations and checks*
 - Reference checks (87%)
 - Background employment checks (69%)
 - Criminal records (61%)
 - Driving records (56%)
 - Credit checks (35%)
- *Reasons for investigations and checks*
 - To verify factual information provided by applicants.
 - To uncover damaging information.

Reference Checking Form

(Verify that the applicant has provided permission before conducting reference checks)

Candidate Name:

Reference Name:

Company Name:

Dates of Employment:

(From: and To:)

Position(s) Held:

Salary History:

Reason for Leaving:

Explain the reason for your call and verify the above information with the supervisor (including the reason for leaving)

- 1. Please describe the type of work for which the candidate was responsible.**
- 2. How would you describe the applicant's relationships with coworkers, subordinates (if applicable), and with superiors?**
- 3. Did the candidate have a positive or negative work attitude? Please elaborate**
- 4. How would you describe the quantity and quality of output generated by the former employee?**
- 5. What were his/her strengths on the job?**
- 6. What were his/her weaknesses on the job?**
- 7. What is your overall assessment of the candidate?**
- 8. Would you recommend him/her for this position? Why or why not?**
- 9. Would this individual be eligible for rehire? Why or why not?**

Other comments?

Background Investigations and Reference Checks (cont'd)

➤ *Sources of information for background checks:*

- Former employers
- Current supervisors
- Commercial credit rating companies
- Written references

Background Investigations and Reference Checks (cont'd)

➤ *Legal limitations on background checks*

- Privacy Act of 1974
- Fair Credit Reporting Act of 1970
- Family Education Rights and Privacy Act of 1974 (and Buckley Amendment of 1974)
- Freedom of Information Act of 1966
- 1990 Americans with Disabilities Act (ADA)

Background Investigations and Reference Checks (cont'd)

➤ *Reference providers' concerns*

- Fear of legal reprisal for defamation
- Not wanting to damage the applicant's chances
- Helping to get rid an incompetent employees

Making Background Checks More Useful

- *Include on the application form a statement for applicants to sign explicitly authorizing a background check.*
- *Use telephone references if possible.*
- *Be persistent in obtaining information.*
- *Ask open-ended questions to elicit more information from references.*
- *Use references provided by the candidate as a source for other references.*

Using Preemployment Information Services

- *Concerns about checking applicant histories*
 - Various equal employment laws discourage or prohibit the use of such information in employee screening.
 - Courts view making employment decisions based on someone's arrest record as unfairly discriminatory.
 - The EEOC says a poor credit history should not by itself preclude someone from getting a job.

Checking Background Information

- *Step 1—Disclosure and authorization.*
 - Inform the employee/applicant that a report will be requested and obtain written authorization.
- *Step 2—Certification.*
 - The employer must certify to the reporting agency that the employer will comply with the federal and state legal requirements.
- *Step 3—Providing copies of reports.*
 - The employer must provide copies of the report to the applicant or employee if adverse action is contemplated.

Checking Background Information (cont'd)

- *Step 4—Notice after adverse action.*
 - After the employer provides the employee or applicant with copies of the investigative reports and a “reasonable period” has elapsed, the employer may take an adverse action.

Collecting Background Information

1. *Check all applicable state laws.*
2. *Review the impact of federal equal employment laws.*
3. *Remember the Federal Fair Credit Reporting Act.*
4. *Do not obtain information that you're not going to use.*
5. *Remember that using arrest information will be highly suspect.*
6. *Avoid blanket policies (such as "we hire no one with a record of workers' compensation claims").*
7. *Use information that is specific and job related.*
8. *Keep information confidential and up to date.*
9. *Never authorize an unreasonable investigation.*

Source: Adapted from Jeffrey M. Hahn, "Pre-Employment Services: Employers Beware?" *Employee Relations Law Journal* 17, no. 1 (Summer 1991), pp. 45–69; and Shari Caudron, "Who are you really hiring?", *Workforce*, November 2002, pp. 28–32.

Collecting Background Information (cont'd)

10. *Make sure you always get at least two forms of identification from the applicant.*
11. *Always require applicants to fill out a job application.*
12. *Compare the application to the résumé*
13. *Particularly for executive candidates, include background checks of such things as involvement in lawsuits, and of articles about the candidate in local or national newspapers.*
14. *Separate the tasks of (1) hiring and (2) doing the background check.*

Source: Adapted from Jeffrey M. Hahn, "Pre-Employment Services: Employers Beware?" *Employee Relations Law Journal* 17, no. 1 (Summer 1991), pp. 45–69; and Shari Caudron, "Who are you really hiring?", *Workforce*, November 2002, pp. 28–32.

Figure 6–8 (cont'd)

The Polygraph and Honesty Testing

- *The polygraph (or lie detector)*
 - A device that measures physiological changes,
 - The assumption is that such changes reflect changes in emotional state that accompany lying.
- *Employee Polygraph Protection Act of 1988.*
 - Prohibits employers (in most all cases) from conducting polygraph examinations of all job applicants and most employees.
 - Also prohibited are other mechanical or electrical devices including psychological stress evaluators and voice stress analyzers.

Permitted Users of the Polygraph

- *Employers with contracts involving:*
 - National defense or security
 - Nuclear-power (Department of Energy)
 - Access to highly classified information
 - Counterintelligence (the FBI or Department of Justice)
- *Other exceptions*
 - Hiring of private security personnel
 - Hiring persons with access to drugs
 - Conducting ongoing investigations involving economic loss or injury to an employer's business.

Paper-and-Pencil Honesty Tests

➤ *Paper-and-pencil honesty tests*

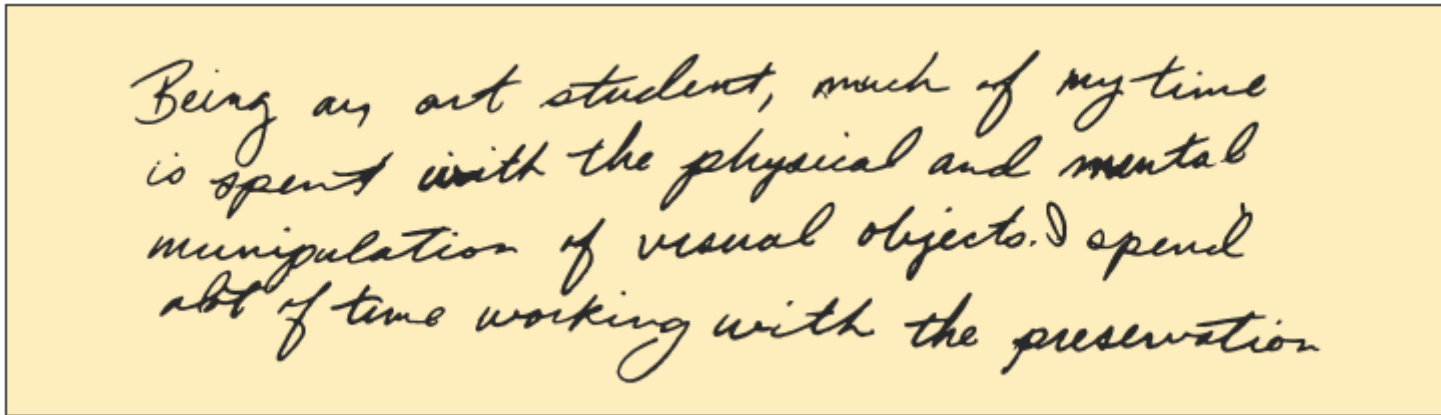
- Psychological tests designed to predict job applicants' proneness to dishonesty and other forms of counterproductivity.
- Measure attitudes regarding things like tolerance of others who steal, acceptance of rationalizations for theft, and admission of theft-related activities.

Antitheft Screening Procedure

- *Ask blunt questions.*
- *Listen, rather than talk.*
- *Do a credit check.*
- *Check all employment and personal references.*
- *Use paper-and-pencil honesty tests and psychological tests.*
- *Test for drugs.*
- *Establish a search-and-seizure policy and conduct searches.*

Graphology

- *Graphology (handwriting analysis)*
 - Assumes that handwriting reflects basic personality traits.
 - Graphology's validity is highly suspect.

A photograph of a handwritten note on a yellowed, rectangular piece of paper. The handwriting is in a cursive, slanted script. The text reads: "Being an art student, much of my time is spent with the physical and mental manipulation of visual objects. I spend a lot of time working with the preservation".

Being an art student, much of my time
is spent with the physical and mental
manipulation of visual objects. I spend
a lot of time working with the preservation

Handwriting Exhibit Used by Graphologist

Source: Reproduced with permission from Kathryn Sackhein, *Handwriting Analysis and the Employee Selection Process* (New York: Quorum Books, 1990), p. 45.

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Figure 6–8

Physical Examination

- *Reasons for preemployment medical examinations:*
 - To verify that the applicant meets the physical requirements of the position
 - To discover any medical limitations you should take into account in placing the applicant.
 - To establish a record and baseline of the applicant's health for future insurance or compensation claims.
 - To reduce absenteeism and accidents
 - To detect communicable diseases that may be unknown to the applicant.

Substance Abuse Screening

➤ *Types of screening:*

- Before formal hiring
- After a work accident
- Presence of obvious behavioral symptoms
- Random or periodic basis
- Transfer or promotion to new position

➤ *Types of tests*

- Urinalysis
- Hair follicle testing

Substance Abuse in the Workplace

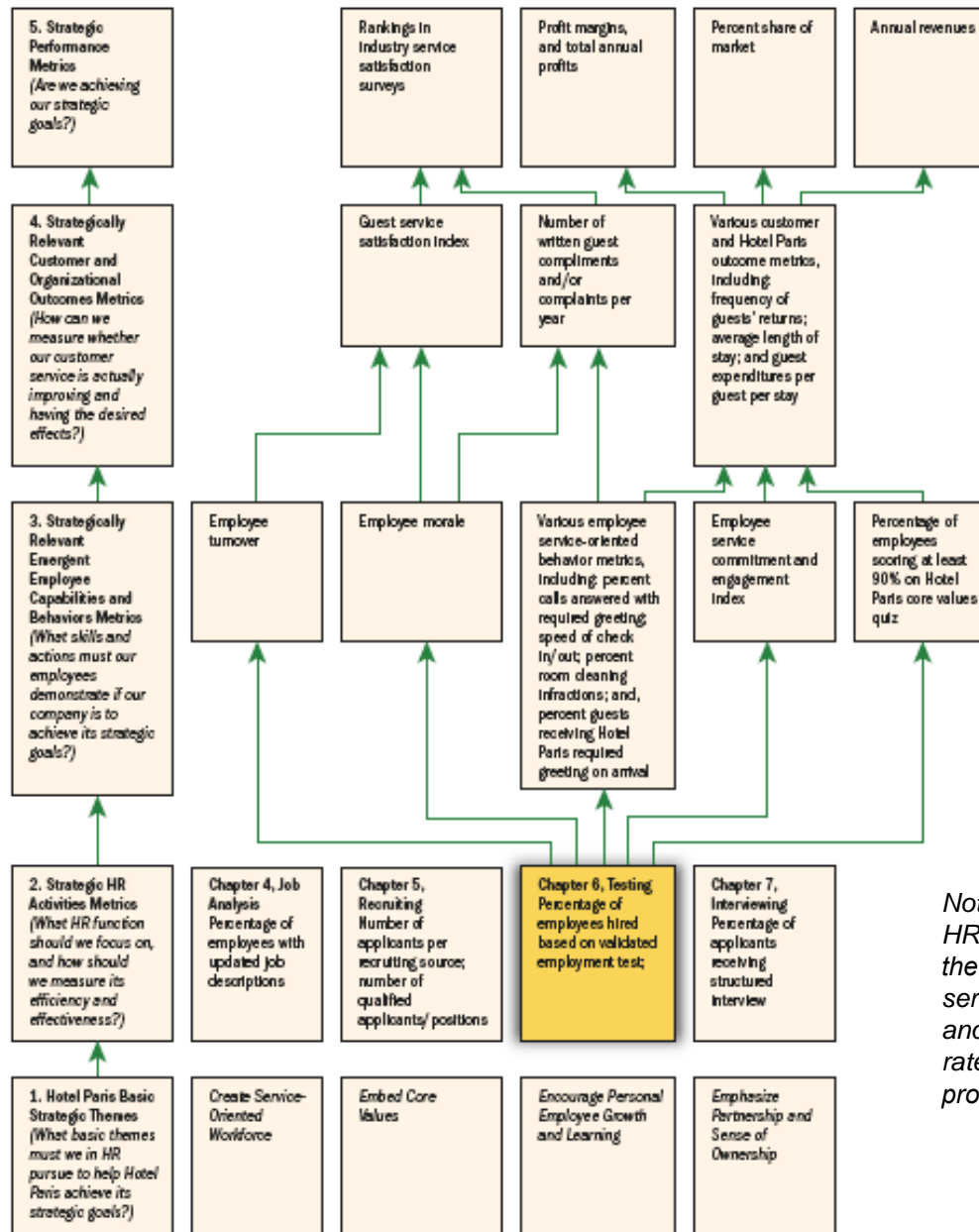
➤ *Issues*

- Impairment versus presence
- Recreational use versus habituation
- Intrusiveness of procedures
- Accuracy of tests
- Drug Free Workplace Act of 1988
- Americans with Disabilities Act

Complying with Immigration Law Post 9/11

1. *Hire only citizens and aliens lawfully authorized to work in the United States.*
2. *Advise all new job applicants of your policy.*
3. *Require all new employees to complete and sign the INS I-9 form to certify that they are eligible for employment.*
4. *Examine documentation presented by new employees, record information about the documents on the verification form, and sign the form.*
5. *Retain the form for three years or for one year past the employment of the individual, whichever is longer.*
6. *If requested, present the form for inspection by INS or Department of Labor officers.*

HR Scorecard for Hotel Paris International Corporation*



*Note: *(An abbreviated example showing selected HR practices and outcomes aimed at implementing the competitive strategy, "To use superior guest services to differentiate the Hotel Paris properties and thus increase the length of stays and the return rate of guests and thus boost revenues and profitability")*

Figure 6–9

Key Terms

negligent hiring

reliability

test validity

criterion validity

content validity

expectancy chart

interest inventory

work samples

work sampling technique

management assessment center