

Greyden Press
Thought Leadership Series

What's Next in
**Human
Resources**

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First Printing: 2015

ISBN 978-1-57074-175-3

Printed and Published by
Greyden Press, LLC
2251 Arbor Boulevard
Dayton, OH 45439

Hiring Under the Microscope: Improving the Science of Selection

Whitney Martin, MS

Over the last two decades, the chatter in Human Resources circles has concerned “becoming more strategic” and “getting a seat at the table.” However, a golden opportunity has been missed, as a linchpin function of HR—one with a profound impact on the bottom line—has been largely ignored. In 2002 Rynes, Colbert, and Brown (Rynes, Colbert and Brown, 149-174) conducted research to determine whether the beliefs of HR professionals were consistent with established research findings on the effectiveness of various HR practices. As it turns out, the area of greatest disconnect was in staffing (particularly related to hiring assessments), where fewer than 50% of respondents were familiar with prevailing research findings.

As we roll into 2015, the HR chatter has turned to metrics, analytics, and big data. Yet again, though, personnel selection is late to show up to the party. A 2014 Aberdeen study (Lombardi, 2014) found that only 14% of organizations have data to show the business impact of their assessment strategy. With payroll and benefits representing one of the largest line items on virtually every company’s operating statement, effective selection is one of the top areas where HR can have a significant impact on the bottom line. It’s time for organizations to put hiring under the microscope.

Virtually everyone has acknowledged the fact that getting the right people in the right jobs is critical to business success. But how to get the “right” people continues to elude many: I have talked with organizations that have tried to incorporate everything from horoscopes to a deck of playing cards (yes, I’m serious) into their selection process, all in a vain attempt at systematically identifying which candidates have the best chance of becoming strong employees. I believe the following steps will help HR improve the science of selection.

*1. **Clarity.** HR needs to think more strategically about the desired outcomes of their selection systems.*

“We want to hire better people” is not a clear enough goal. What is it you are actually trying to impact—turnover, retention, sales volume, customer satisfaction, morale, productivity, theft, absenteeism, safety incidents, drug use in the workplace, etc.? There are different assessment instruments designed specifically to address these, and countless other, issues or goals. Once your objective is clear, you can determine what constructs you can measure that will be predictive of that outcome.

*2. **Validity.** Predictive validity should be a driving factor (if not THE driving factor) in creating selection systems.*

Extensive research has been done on the predictive validity—the overall ability to predict job performance—of different hiring methods and measures. The table below (Schmidt, 2013) reports the relative validity of some of the most commonly used selection practices based on a meta-analysis of a century’s

worth of workplace productivity data.

Graphology (Handwriting Analysis)	.02
Personality Tests	.22
Emotional Intelligence	.24
Reference Checks	.26
Integrity Tests	.46
Cognitive Ability Tests	.65
Multi-Measure Tests (i.e., Cognitive Ability + Personality + Interests)	.75+

This means that if your hiring process relies primarily on interviews, reference checks, and even personality tests, you are electing to use a process that is significantly less effective than it could be. There is only one question that matters when deciding to incorporate a selection method: is the information gleaned from this tool predictive of future job performance? If the answer is no, there is no point in using it, regardless of how cheap, easy, or popular it is.

3. *Scrutiny.* *HR needs to get savvier when selecting tools.*

Most HR people don't choose their profession because they love numbers, so it's understandable that sifting through a highly technical validation document may be daunting; however, it's also necessary. A tool must meet certain criteria as it relates to reliability, validity, adverse impact, and a number of other factors. Test publishers should be able to provide ample data showing how rigorous they were in developing their instrument. If necessary, HR can seek help in critically

scrutinizing this information (consultants and academics are two potential resources).

4. Metrics. *Selection-system outcomes should be tied to organizational metrics.*

HR should be able to demonstrate that the use of a particular tool has had a direct impact on some organizational outcome of interest. In other words, as test scores go up, turnover goes down, or as test scores go up, sales volume increases. Many times this can be achieved through either a concurrent or predictive validation study.

As an example, one of my clients ranks their 100 sales people from most effective to least effective based on objective performance metrics. The company leadership decided that, more than anything, their goal was to avoid “hiring the bad ones.” We were able to create a benchmark (incorporating mental ability, behavioral characteristics, and occupational interests) that was a clear differentiator between top and bottom performers. Using this tool, they would have correctly identified five out of eight of their top performers, but perhaps more importantly, they would have conclusively avoided hiring nine out of ten of their bottom performers. This is an example of a concurrent validation study that demonstrates how assessment results are directly tied to sales success.

5. Vision. *Always keep one eye on the horizon.*

The only constant is change (so the saying goes), and that is, of course, true for assessments as well. As technology changes, so

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will assessments. Sophisticated simulation-based assessments are likely to become more prevalent. Mobile-friendly assessment platforms will be critical. As applicant demographics continue to change, gamification may become more important. Ask your assessment vendor what's next: what are they working on, and what do they see on the horizon?

Organizations that choose to rely on less predictive selection methods are unnecessarily creating a competitive disadvantage for themselves. HR practitioners have an opportunity to increase their indispensability to the organization by creating scientific, evidence-based selection systems that are demonstrably linked to bottom-line outcomes of interest to the C-suite. An HR leader who can effectively do that will be happy to be placed under the microscope!

References

1. Sara L. Rynes, Amy E. Colbert, and Kenneth G. Brown, “HR Professionals’ Beliefs about Effective Human Resource Practices: Correspondence between Research and Practice,” *Human Resource Management* 41, no. 2 (2002): 149–74.
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- What are the key trends and issues facing Human Resource Professionals and business leaders in the coming years?
- What are the factors that will require a realignment of business strategy and approach?
- What should business leaders have on their radar in order to better anticipate the future?

Seventeen HR professionals and business leaders have addressed these critical questions in Greyden Press's Thought Leadership Series, *What's Next in Human Resources*. In seventeen chapters, each written by a thought-leader in the profession, these questions are explored and practical advice is given to business leaders who want to be ahead of the curve and anticipate what's next in this dynamic and evolving profession. The topics are as varied as the profession itself, covering everything from empowered learning to generational issues to workplace addictions.

CHAPTERS

Twenty-first Century Training, Revolution or Evolution • Optimizing Employee Retirement Outcomes by Understanding Five Nearly Unchangeable Behaviors • Workforce Strategic Planning: Delivering on the Promise of Partnership • How We Made the Top Employer's List: Downsizing While Remaining an Employer of Choice • Performance Management: How Human Resources Needs to Change the Mindset • Mind the Gap • Dream Job . . . or Human Resources Nightmare? • The Case for Coaching • Hiring under the Microscope: Improving the Science of Selection • Human Resources' Role in Building a High-Performing Workplace • The Role of Accountability in Employee Engagement • The Millennial Mindset: Technology & the Evolution of Entitlement • Popular Culture: A Learning Tool for Professional Development • Alcoholism, Addiction, and Human Resources: Moving 12 Steps Forward • Workplace Scientists • Optimize Profits, Innovation, and Brand Loyalty—It Starts with Engagement! • Human Resources: Exploring the E-World



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