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STEVEN HUNT

# HIRING SUCCESS

THE ART AND SCIENCE OF STAFFING ASSESSMENT  
AND EMPLOYEE SELECTION

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CO-PUBLISHED WITH THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT





# About This Book

## Why is this topic important?

Staffing assessments such as online personality measures, background checks, and ability tests are used to evaluate millions of job candidates each year. Despite their widespread use, few people fully understand how assessments actually work and their benefits and limitations. This book provides an in-depth, non-technical discussion of staffing assessments, including why they work, the value they provide for improving the accuracy and efficiency of employee selection decisions, strengths and limitations of different assessments, and how to effectively incorporate assessments into a company's hiring process. It is a valuable guide for anyone who wants to understand and possibly use these powerful but potentially risky tools.

## What can you achieve with this book?

The book provides a thorough but easy to understand explanation of what staffing assessments are, different kinds of assessments, how they work, and how to use them. It discusses how to evaluate assessments based on their accuracy, fairness, and business value. Readers will gain a basic understanding of staffing assessment science, along with operational guidelines on how to use assessments to guide hiring decisions.

## How is this book organized?

The book begins with an explanation of what assessments are and how they work. It then describes different kinds of assessments, their strengths and limitations, and how to choose the best assessments for different hiring situations. Common criticisms of assessments are discussed, followed by a discussion of "best practices" for integrating assessments into a company's hiring process. Every chapter includes case study examples that illustrate key concepts related to designing and using assessments. A glossary is also provided describing common assessment-related terms.



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Pfeiffer™

# Hiring Success

**THE ART AND SCIENCE OF  
STAFFING ASSESSMENT AND  
EMPLOYEE SELECTION**

Steven T. Hunt, Ph.D., SPHR

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## CONTENTS

List of Sidebars, Tables, and Figures	xi
Author's Foreword	xiii
Acknowledgments	xv
<b>ONE Introduction</b>	1
What Information Is the Book Based On?	7
Assessments: The Difference Between Success and Failure	14
<b>TWO What Staffing Assessments Measure, Why They Work, and When to Use Them</b>	19
What Do Assessments Measure?	20
Why Do Assessments Work?	25
When Is It Useful to Use Staffing Assessments?	27
Concluding Remarks: Why Assessments Work	36
<b>THREE Different Types of Staffing Assessments</b>	39
Categorizing Assessments Based on How They Collect Candidate Information	40
Physical Exams	41
Investigations	51
Interviews	52
Resume Screens	55
Self-Report Measures	56
Knowledge, Skill, and Ability Tests	65
Situational Measures	69

Behavioral Versus Direct Assessments	72
Concluding Remarks: Different Types of Assessments	75
<b>FOUR Evaluating the Effectiveness of Staffing Assessments</b>	79
How Assessments Work	80
Assessment Validity: How to Determine How Well an Assessment Is Working	86
Concluding Remarks: Choosing What Assessments to Use	109
<b>FIVE Defining Job Performance and Its Relationship to Assessments</b>	119
Step 1. Identify Key Performance Outcomes	121
Step 2. Use Job Analysis to Define and Describe Critical Employee Behaviors	124
Step 3. Choose an Effective Assessment	128
Step 4. Appropriately Collecting and Interpreting Assessment Data	136
Concluding Remarks: Linking Assessment Processes to Job Performance	138
<b>SIX Common Criticisms of Staffing Assessments</b>	141
Criticism 1: Staffing Assessments are Not Very Accurate	142
Criticism 2: Staffing Assessments can Be Faked by Applicants	146
Criticism 3: Staffing Assessments Are Not Worth the Cost Required to Use Them	150
Criticism 4: Staffing Assessments Pose a Legal Risk	152
Criticism 5: Staffing Assessments Are an Unfair Way to Evaluate People	157
Criticism 6: Staffing Assessments Are Offensive to Candidates	160
Criticism 7: Staffing Assessments Add Too Much Time to the Hiring Process	167
Concluding Remarks: Should Companies Use Staffing Assessments?	170
<b>SEVEN Choosing Among Different Assessment Methods</b>	175
Method 1. No Standardized Assessment: Start at the Bottom and Work Up	183
Method 2. Self-Report Pre-Screening Questionnaires: The Value of Structure	184
Method 3. Applicant Investigations: Avoiding Catastrophic Hiring Mistakes	184

Method 4. Structured Interviews: Maximizing Time Spent with Candidates	185
Method 5. Broad Self-Report and Situational Judgment Measures: Asking Candidates for Greater Levels of Self-Description	186
Method 6. Broad Knowledge and Skills Tests: Testing Basic Job Requirements	189
Method 7. Broad Ability Tests: Getting a General Sense of Candidates’ Ability to Learn and Solve Problems	190
Method 8. Integrating Broad Self-Report Measures, Knowledge and Skills Tests, and Ability Tests: Predicting Maximal and Typical Performance	193
Method 9. Localized Scoring: Accurately Interpreting Candidate Responses	194
Method 10. Context-Specific Self-Report Measures: Asking Candidates to Describe Themselves in Greater Detail	199
Method 11. Context-Specific Knowledge, Skills, and Ability Tests: Seeing What a Candidate Can Actually Do	201
Method 12. Integrating Context-Specific Self-Report Measures and Know- ledge, Skills, and Ability Tests: Predicting Highly Specific Types of Maximal and Typical Performance	202
Method 13. Advanced, Non-Linear Scoring: “Turbo-Charging” Assessment Results	202
Concluding Remarks: Determining What Assessment Methods to Use	206
<b>EIGHT Incorporating Staffing Assessments into     the Hiring Process</b>	209
Principles of Staffing Assessment Process Design	209
Designing Staffing Processes for Entry-Level Jobs	215
Sample Staffing Assessment Process for Professional Jobs	227
Concluding Remarks: Using Assessments	235
<b>NINE Conclusion</b>	237
Glossary of Common Assessment Terms	243
Index	271
About the Author	281
Pfeiffer Publications Guide	283



## LIST OF SIDEBARS, TABLES, AND FIGURES

### SIDEBARS

A Disastrous Hire	1
How Assessments Can Be the Difference Between Staffing Success and Failure	8
The Genetic Components of Job Performance	22
The Financial Value of Assessments	34
Pre-Screening Questionnaires and Do-It-Yourself Assessments	58
A Crash Course in Psychometrics	83
Face Validity Versus Criteria Validity: The Case of the Raven	88
Describing Assessment Accuracy	94
Figuring Out What Assessments Really Measure: The Role of Construct Validity in Assessment Design	97
Estimating Validity: An Illustrative Case Study	99
Measuring Performance Is Harder Than You Might Think	111
No One Is Good at Everything	122
Staffing Jobs No One Wants	123
Job Analysis and Competency Modeling	125
The Emotional Intelligence Fad	129
Baseball and Staffing Assessment	138
Why Assessments Are More Accurate Than People	144
The Cult of Personality and the Realities of Staffing	157
A Brief History of Staffing Assessments	158

How to Take a Staffing Assessment: A Message to Candidates	164
Assessment Length and Assessment Accuracy	168
The Operational Impact of Assessments	180
When to Use Drug Screens	185
The Benefits of Being Smart, Reliable, and Confident	188
Demographic Group Differences in Assessment Scores	191
Profiling and the Dangers of Cloning High-Performing Employees	198
Non-Linear Job Performance: More Is Not Always Better	203
Creating an Integrated Electronic Entry-Level Job Application	219
Entry-Level Staffing Assessment: The Candidate's Perspective	224
Professional Staffing Assessment: The Candidate's Perspective	232
The Opportunity to Succeed	239

## **TABLES**

3.1. Types of Staffing Assessment Tools	42
4.1. Summary of Validation Evidence	104
5.1. Sample Competency Library	126
7.1. Assessment Methods for Incrementally Improving the Accuracy and Efficiency of Hiring Decisions	178
8.1. Example of an Entry-Level Staffing Process	217
8.2. Example of a Professional Staffing Process	229

## **FIGURES**

1.1. Staffing Process Without Internet Staffing Technology or Assessments	15
1.2. Staffing Process with Internet Staffing Technology But Without Assessments	15
1.3. Staffing Process with Internet Staffing Technology and Assessments	16
2.1. What Assessments Measure	20
2.2. The Value of Assessments Under Different Conditions	32
3.1. Direct Versus Behavioral Assessments	73
4.1. How Assessments Predict Job Performance	81
4.2. Example of Type of Questions Used in Raven Progressive Matrices Test	89
7.1. Impact of Assessments on Workforce Performance Over Time	181
7.2. Non-Linear Relationships Between Personality and Sales performance	205

## AUTHOR'S FOREWORD

**M**uch of my career has been devoted to helping companies improve hiring decisions. Over the years I have participated in a lot of conversations about why one form of hiring method is better or worse than another. Most of these discussions emphasize the return on investment (ROI) or “bottom line” financial impact of different assessment methods used to screen candidates and hire employees. While relevant to business decisions, these financial discussions often fail to address people’s fundamental questions about staffing assessments and employee selection.

The choice to give or deny someone a job is not a trivial decision. Concerns about whether to use staffing assessments frequently go much deeper than “How will it make my company money?” Many people want more information than a bunch of numbers on an ROI spreadsheet before they will be comfortable changing the methods they use to evaluate other people. They want to understand how staffing assessments work and why they are better than other methods used to screen and select job candidates. This book addresses fundamental questions about advantages and limitations of various staffing assessment methods. It explains why these tools, although imperfect, are arguably the most accurate and fair way to make hiring decisions that deny or provide people with career opportunities. It is written with the hope that, if people better understand the strengths and limitations of staffing assessments, they will be able to more effectively use these powerful tools.

This book attempts to strike a balance between the accurate yet complex discussions of assessments found in scientific research journals and the more engaging but somewhat simplistic discussions of assessments found in many practitioner journals and assessment vendor white papers. It is written for the person who wants to understand what staffing assessments are, why and how they work, and how to use them for maximum advantage, but who is also not an assessment expert and does not necessarily wish to become one. The contents of this book reflect countless conversations I have had with clients, colleagues, friends, and family members who fit this description. Without those conversations and the interest and support of the people who participated in them, this book would never have been written. It is to those people to whom this book is dedicated.

Steven Hunt

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# Introduction

*“People are not your most important asset. The right people are.”*

Jim Collins, *Good to Great*<sup>1</sup>

## A DISASTROUS HIRE

---

On August 29 of 2005, Hurricane Katrina struck land a few miles east of New Orleans. The hurricane and the ensuing floods caused over \$70 billion in damage, led to the loss of over 1,500 lives, and permanently changed the social and economic structure of the city of New Orleans. People from both U.S. political parties, the press, and the general public stated that much of the havoc created by Hurricane Katrina could have been prevented had the U.S. Federal Emergency Management Association (FEMA) acted more effectively to deal with the storm. Many of these people attributed FEMA's poor reaction directly to flawed leadership by the director of FEMA, Michael Brown.

Criticism of FEMA's disaster response began almost immediately after the hurricane struck. Michael Brown was soon under attack for both the quality of his leadership decisions and his personal behaviors during the critical time following the hurricane's landfall. On September 12, two weeks after Katrina's landfall, Michael Brown resigned his post as FEMA director. Over the subsequent months he was harshly criticized by

members of the U.S. government, the media, and the general public as being personally responsible for failing to prevent much of the devastation wrought by the hurricane. On February 10, 2006, Brown testified to a government panel that “he views himself as a scapegoat ‘abandoned’ by the . . . administration” that hired him into the job.<sup>2</sup>

We will never know for certain how much of the damage caused by Hurricane Katrina could have been reduced had Michael Brown been a more effective leader of FEMA. But based on press reports, many people believe that the original decision to hire Michael Brown as FEMA director turned out to be a mistake. The administration that hired him almost certainly wished it had hired someone else, given the political fallout that resulted from the disaster. Even Michael Brown himself, were he able to relive the choice, might choose to turn down the position. He is now likely to be remembered in history primarily for what he failed to accomplish as FEMA director, regardless of what he may achieve in other areas of his life.

So how did Michael Brown end up in a job that he was clearly not well-equipped to perform? Michael Brown’s appointment to FEMA director in January 2003 went largely unnoticed by the media. Like many political appointments, the decision to hire Brown as FEMA director was assumed to be based mainly on personal relationships with the current administration. Brown had relatively little prior experience doing work related to disaster management.<sup>3</sup> There appears to be little evidence to suggest that the staffing process used to hire Michael Brown as FEMA director included any rigorous assessment of whether he actually possessed the skills and capabilities needed to lead a disaster relief organization. Although such rigorous staffing assessments are extensively used within many departments of the federal government, they have traditionally not been used for politically appointed hiring decisions such as this one.

One could argue that Michael Brown’s poor performance as FEMA director was not due to his shortcomings as a person, but to the shortcomings of the process used to select him into the job. Most people, including Michael Brown, probably lack the skills needed to manage a large organization like FEMA charged with responding to crisis situations similar to Hurricane Katrina. But the selection process used to hire FEMA directors in 2003 apparently did not use methods that rigorously

examined whether job candidates possessed the attributes needed to lead a large disaster relief organization. Rather than uncovering his limitations prior to hiring him as FEMA director, Michael Brown's deficiencies only became apparent after he was given the job.

It is probably impossible to determine the degree to which Michael Brown was responsible for the failure of FEMA to prevent more of the devastation caused by Hurricane Katrina. What certainly did fail was the selection process that hired Brown into a critical and highly challenging job that he was ill-suited to perform. This single bad selection decision derailed Brown's career, tarnished the reputation of the administration that hired him, and led to decisions that failed to protect people living in the path of Hurricane Katrina. Much of this might have been prevented had the hiring decision for FEMA director been based more on staffing assessment data designed to evaluate whether Michael Brown had the skills needed to perform the job, and less on the strength of his personal relationships.

The most important decision companies ever make about employees is the decision to hire them. All other decisions are a consequence of this initial choice. Hiring practices have a massive impact on an organization's financial performance.<sup>4</sup> But the impact of hiring decisions extends far beyond the profitability of organizations. Few things cause more stress than being placed into a job you are ill-suited to perform.<sup>5</sup> Bad staffing decisions disrupt the lives of mis-hired employees and the lives of their supervisors, co-workers, customers, and families. Hiring the wrong people also denies career opportunities to other candidates who should have been hired but were not. Hiring the wrong people not only hurts individuals, it undermines the growth and profitability of companies, and ultimately damages the entire economy.

Much of the trauma and financial loss caused by hiring mistakes could be avoided if companies used more accurate staffing assessments to guide selection decisions. Staffing assessments are methods and tools that systematically collect and analyze information from job candidates for the purpose of predicting their future job performance. Assessments include things such as structured interview guides, personality and ability measures, pre-screening and qualifications questionnaires, knowledge tests, background investigations, and work simulations. When properly

designed and used, assessments provide an efficient means to measure and evaluate aspects of a candidate's knowledge, skills, personality, experience, and motivation that influence whether he or she is likely to succeed in a particular job.

Extensive research indicates that appropriate use of well-designed assessments greatly improves the accuracy of hiring decisions. The evaluations made by assessments are far more accurate than judgments made by people relying on less structured techniques for evaluating job candidates.<sup>6</sup> Use of well-designed assessments leads to better staffing decisions, which leads to happier and more productive employees, more effective organizations, and ultimately a generally stronger economy and society.

Given the value of staffing assessments, it is reasonable to ask: "If these tools are so good, why isn't everyone using them?" "Why aren't more companies incorporating assessments into their staffing processes?" "Why don't candidates welcome and encourage the use of assessments as a means to ensure they end up in jobs in which they have the greatest chance of success?" The answers to these sorts of questions are varied and complex.

At a general level, there are perhaps two fundamental reasons why assessments are not more widely accepted and used:

- 1. Many staffing professionals, hiring managers, and candidates do not understand how assessment tools work and are unaware or skeptical of their value.**

The science that underlies the design of assessment tools is complicated. For example, a well-designed personality assessment that takes less than sixty minutes to complete can accurately predict how an employee will behave months and even years later.<sup>7</sup> Designing assessments with this sort of predictive power is not a simple task. It is unrealistic to expect people outside of the assessment profession to spend the time required to fully understand the intricacies of staffing assessment research. The technical issues that underlie the design of many assessments are not things that can be effectively explained in a ten-minute slide presentation. Because people do not fully comprehend how assessment tools work, they are reluctant to use something that they do not understand. It is also likely that many hiring managers do not realize how poor their current hiring decisions are, and how much better they would be if they used staffing assessments.

## **2. Not all assessment tools work well and some may not work at all.**

Assessments only work if they are well-built and appropriately used. Sadly, this is not always the case. The history of staffing contains many examples of assessments that seem like they might work, but that actually have little relationship to employee performance. For example, an entire graphology industry has been built based on the belief that people's future job behavior can be predicted by analyzing the style of their handwriting, even though empirical research has found no relationship between handwriting and job performance (except for jobs like calligrapher, for which writing is a core part of the job itself).<sup>8</sup> In addition, even the best assessments will fail to work if they are not used appropriately. Before using an assessment to evaluate candidates for a job, it is critical to ensure that the candidate attributes measured by the assessment truly influence performance in that job. Assessments must also be administered using clearly defined and standardized methods that support consistent collection of assessment data and appropriate interpretation of assessment results.

The presence of poor-quality or inappropriately used assessments hurts the entire field of staffing assessment. When someone has a bad experience with these assessments, their negative feelings tend to generalize to all assessments, not just to assessments that perhaps should never have been used in the first place.

The effects these two issues have on the use of assessments can probably never be completely eliminated. However, their impact may be reduced by providing staffing professionals, hiring managers, and job candidates with better explanations of what assessments are, how they work, and how to differentiate between good and bad assessments. This explanation must be straightforward and should not require learning a lot of technical terms and jargon. At the same time, it should not over-simplify the fundamental reasons why assessment tools work or gloss over issues that can undermine their effectiveness. The explanation should clarify the benefits and potential problems associated with different types of assessments, the value companies can realistically expect from these tools, and what resources must be invested to achieve these returns. Providing this sort of explanation is the objective of this book.

This book discusses how staffing assessments work, what is required to use them effectively, and the strengths, limitations, and value of different assessment methods. The book chapters are built around seven basic topics:

- 1. Chapter Two. What Staffing Assessments Measure, Why They Work, and When to Use Them.** This chapter discusses what assessments measure and why these things relate to job performance, and clarifies when staffing assessments should be used to guide hiring decisions. The chapter reviews some basic “truths” about people and work that make it possible for assessments to accurately predict employee behavior.
- 2. Chapter Three. Different Types of Staffing Assessments.** This chapter describes and categorizes different types of assessment tools available on the market. The chapter also reviews strengths and weaknesses of different assessment methods.
- 3. Chapter Four. Evaluating the Effectiveness of Staffing Assessments.** This chapter discusses validity and other concepts related to the effectiveness of assessment tools. The chapter begins with a fairly detailed description of how assessments actually predict job performance. It then reviews issues related to the two basic requirements that lie at the core of any effective assessment: (a) asking candidates the right questions and (b) effectively interpreting their answers.
- 4. Chapter Five. Defining Job Performance and Its Relationship to Assessments.** The purpose of assessments is to hire people who will demonstrate more effective job performance. But defining job performance can be a fairly complex undertaking. This chapter discusses the concept of job performance and its relationship to choosing and deploying assessments.
- 5. Chapter Six. Common Criticisms of Staffing Assessments.** This chapter discusses several philosophical, operational, and financial concerns often raised regarding the use of staffing assessments.
- 6. Chapter Seven. Choosing Among Different Assessment Methods.** This chapter discusses how to determine what types of assessments are likely to provide the most value to a company based on its hiring needs and staffing processes. Emphasis is placed on developing assessment strategies that effectively balance predictive accuracy with operational costs.

**7. Chapter Eight. Incorporating Staffing Assessments into the Hiring Process.**

This chapter reviews general principles and guidelines for integrating assessments into a company's staffing process. Examples of assessment-enabled staffing processes are provided for entry-level and professional jobs.

**8. Chapter Nine. Conclusion.** This brief chapter provides summary thoughts regarding the use of assessments within society as a whole.

**9. Glossary of Common Assessment Terms.** Definitions are provided for a variety of assessment-related terms used in the broader human resources market space surrounding assessments.

The goal of this book is to provide a basic understanding of concepts, advantages, and risks associated with different kinds of staffing assessment tools. The book is intended to give you enough knowledge to effectively evaluate and use assessments to guide hiring decisions. It is written to provide a thorough yet easily understood explanation of what staffing assessments are, why they work, their strengths and limitations, and how to use them.

This book does not provide technical information on how to actually build assessments. That would require detailed explanations of statistical methods and psychological theories that could easily fill several thousand pages of text. This book also does not seek to provide highly technical descriptions of different assessment methods. Interested readers can find this sort of more in-depth information in many of the references provided throughout the book.

## **WHAT INFORMATION IS THE BOOK BASED ON?**

Although this book is not written to be a scientific text, the material in the book is based directly on scientific research. Perhaps no other human resource practice has been subject to as much critical evaluation and empirical research as the use of assessments for employee selection.<sup>9</sup> Thousands of carefully designed studies dating back more than seventy-five years have been conducted to investigate the quality and effectiveness of different forms of assessment tools.<sup>10</sup> Countless practitioner case studies and papers have been written discussing the operational strengths and weaknesses of different assessment methods. The popular press also frequently publishes books critically examining the social utility of different kinds of staffing assessments in which authors argue that different kinds of assessments are either over-used or are not used enough.<sup>11</sup>

The information presented in this book is based on a review of this literature, combined with the author's personal experience designing and deploying assessments that have been used with several million applicants applying for thousands of jobs in hundreds of organizations. References are provided throughout the book so readers can look up some of these research sources firsthand. But these references are only a small fraction of all the articles and books that could be cited.\*

One of the challenges to writing this book was balancing the desire to provide a good understanding of what are often very complex topics against the concern of overwhelming the reader with too much information and technical discussion. Three techniques are employed to strike this balance. First, extensive use is made of short examples to illustrate concepts in more concrete terms. Second, concepts that are critical to assessment design such as validity and job analysis are revisited several times throughout the book. Rather than trying to exhaustively review an entire concept in one section, these concepts are discussed from the perspective of different issues associated with the operational design, evaluation, and deployment of assessments. Third, text excerpts called "sidebars" are used to share details and facts about assessment that are relevant but not necessarily critical to understanding how assessments work and how to use them. It is not necessary to read these sidebars to follow the flow of the book, but they do contain information providing greater insight into topics discussed in the book. With that in mind, you are invited to read the following sidebar describing some advantages staffing assessments provide for both hiring organizations and job seekers.

## **HOW ASSESSMENTS CAN BE THE DIFFERENCE BETWEEN STAFFING SUCCESS AND FAILURE**

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Assessments help place people in jobs in which they will succeed. They also help prevent people from being put into jobs in which they are likely to fail. The following stories illustrate ways that assessments assist both

\*Readers who wish to find additional information about the design and use of assessments may also want to visit online sources such as the Society for Industrial and Organizational Psychology ([www.siop.org](http://www.siop.org)), the Society for Human Resource Management ([www.shrm.org](http://www.shrm.org)), the American Psychological Association ([www.apa.org](http://www.apa.org)), and the International Test Commission ([www.intestcom.org](http://www.intestcom.org)).

— Additional information about the use of assessments can also be found at sites such as Electronic Recruiting Exchange ([www.ere.net](http://www.ere.net)), Rocket-Hire ([www.rocket-hire.com](http://www.rocket-hire.com)), and Workforce Management ([www.workforce.com](http://www.workforce.com)).

businesses and individuals through improving the accuracy of hiring decisions. As illustrated in these semi-fictional stories, the use of assessments can often make the difference between staffing success and staffing failure.

### **A Story of Staffing Failure**

Ian Swanson was promoted in April to a senior project manager role in a retail company in Columbus, Ohio. As part of the promotion, Ian was asked to lead a multi-million-dollar project to improve the company's supply chain process. Ian realized that he would need an administrative assistant to handle the logistical details required to successfully coordinate this project. The administrative assistant would need to be adept at using Microsoft Project and Outlook, as these were the primary tools being used for project management, scheduling, and communication.

Ian contacted a recruiter in his company and described the administrative assistant position and its requirements. The recruiter posted the job on several online career sites. The posting included an e-mail address so applicants could send their resumes directly to Ian, but did not utilize any form of online assessment to filter candidates. The job posting was placed on the Internet on May 3. By May 10 Ian had received over one hundred e-mail messages from job applicants. Ian had to scroll through several applicant e-mails simply to find regular work messages from his co-workers. On May 16 Ian asked the recruiter to take down the posting to stop what had become an overwhelming flow of applicants.

Most of the applicant e-mails contained attachments with resumes, cover letters, work samples, and letters of reference. Reviewing the e-mails required opening each e-mail message and the attached documents. It took Ian about two minutes to review each applicant. Given that he had received over one hundred applications, Ian estimated it would take over three hours to simply sort through the applicants.

Ian was also having little luck finding applicants with the mix of administrative experience and knowledge of Microsoft Project and Outlook that he required. Many applications were from people with a project management background instead of administrative assistants. While these people had the technical knowledge needed for the job, they were likely to struggle with the fundamental administrative nature of the

position. It seemed unlikely that these people would be satisfied with the salary and long-term career opportunities offered by the job. Applicants who had an administrative background usually had relatively little technical skill with Project and Outlook beyond the most basic experience. When Ian conducted follow-up phone calls with a few applicants whose resumes said they were “highly skilled” with Microsoft Project, he discovered that their definition of highly skilled was more along the lines of what he would call a “passing familiarity.” Ian was also frustrated to find that many applicants were from cities hundreds of miles away from Columbus. This posed another problem since the position did not include any budget for relocation.

One e-mail message buried deep in Ian’s in-box was from an applicant who had the specific mix of administrative talent and software skills Ian was seeking. For the last three years Mary Jackson had served as administrative coordinator for a large information technology project in a manufacturing company in a suburb of Columbus. To fulfill her role on this project, Mary completed several courses covering advanced applications of Microsoft Project and Outlook. She then demonstrated her ability to use these tools through her work on the job. Mary was recognized in the company for her initiative, positive attitude, and strong organizational and technical skills. However, due to an economic downturn in the manufacturing sector, Mary’s job was eliminated in a downsizing.

Mary did not want to leave the Columbus area and was actively searching for local career opportunities on the Internet. She was excited when she saw Ian’s job posting and quickly submitted her resume. Unfortunately, Ian never opened Mary’s e-mail since it was number 112 in a list of almost 150 messages. Mary never heard any response to her application. She was surprised by this, given the clear match between the job posting and her skills. In talking with her professional colleagues, she commented that the lack of response to her application was because Ian’s company is “probably the kind of large, faceless bureaucracy that I wouldn’t want to work at anyway.”

Ian ended up hiring applicant number 65 from the list of one hundred plus e-mail applications he received. This applicant had a strong administrative background but relatively weak technical skills. Ian was concerned about this and spent almost two hours having an in-depth discussion with

the applicant about the job and its demands. Ian did not follow any clear process in this interview, but sought to use his intuition to evaluate whether the applicant “felt right.” The applicant expressed enthusiasm about the position and assured Ian that he was highly motivated and could quickly master Microsoft Project and Outlook. He and Ian also found out that they knew many of the same people from a previous company. After the interview, Ian felt he knew the applicant pretty well and thought he had the right attitude to succeed in the position.

The applicant accepted Ian’s job offer. But despite two weeks of software training and considerable coaching by Ian, the new assistant was unable to master either Project or Outlook. He ended up quitting less than three months after being hired because the job was “too technical.” After this failure, Ian gave up on his efforts to find an administrative assistant and started to wonder whether he should start looking for another job himself.

### **A Story of Staffing Success**

Maggie Anderson is director of training for a firm in Denver that makes software to manage employee records data. Her role is to ensure that the company’s clients receive effective training on how to use the software. The people providing this training need a unique blend of knowledge about employee records management, strong technical savvy, and excellent presentation skills. In addition, they must be willing to travel extensively.

On September 22, Maggie put in a requisition to hire a new trainer. A recruiter in her company met with her on September 29 and took her through a structured job analysis process to define the experiences, capabilities, and interests candidates needed to succeed in the job. The recruiter used this information to configure a series of online assessments that would be automatically given to candidates who applied for the job. The recruiter also configured the company’s online staffing system to send Maggie an e-mail alerting her to any candidates who met or exceeded the minimum criteria she had outlined as critical for the job. The recruiter then used the system to post the job on a range of career sites and job boards that were likely to be frequented by potentially qualified applicants.

The job was posted on Friday, October 3. By October 10 over fifty people had applied to the job, none of whom had the unique requirements

Maggie was seeking. The company's online staffing system automatically reviewed the applicants' qualifications and generated an electronic response thanking them for their interest in the position. By doing this, the system protected Maggie from spending time reviewing and communicating with unqualified applicants.

At the same time that Maggie was looking for a new trainer, Roy Tarnehan was working in the employee records department of a large corporation in California. Although he was recognized in the company as a technical expert in the area of employee records management, he felt his career was going nowhere. He was bored. He liked the analytical aspects of his job and enjoyed working with the technology used to manage employee records, but wanted to spend more time interacting directly with people. Roy also wanted more variety in his life. He had been with the same company for over five years in the city where he grew up, and he was restless to see more of the country.

Roy arrived home late on Friday, October 10. His day at the office had been particularly frustrating, and on a whim he decided to surf the Internet for alternative job opportunities that might give him the chance to travel. He typed "employee records management, job opportunities, and travel" into an Internet search engine. The result was a list of links to a variety of sites, including one of the national job boards containing Maggie Anderson's job posting. Roy was intrigued by the job description contained in Maggie's job posting and decided to click on the button that said "apply now."

The application process took about twenty-five minutes. It required Roy to answer a series of multiple-choice questions about his experiences, interests, and career expectations. All the questions were easy to understand and struck Roy as being relevant to the kind of work he did. The last thing Roy was asked to do was upload an electronic copy of his resume. After completing the application, Roy clicked on the button "submit application," turned off his computer, and headed off for dinner.

When Maggie started work on Monday morning, October 13, she was pleased to see an e-mail in her in-box with the heading "potentially qualified applicant for your Trainer job posting." The e-mail informed Maggie that a candidate named Roy Tarnehan had applied for the Trainer job posting, and that he appeared to meet all the requirements for the