
 **After studying this chapter, you should be able to:**

1. *Explain what is meant by reliability and validity*
2. *Explain how you validate a test*
3. *Explain testing guidelines*
4. *Discuss some of the ethical and legal issues in testing*
5. *List some tests used for employee selection, and explain how to use them*
6. *Explain the key points in conducting background checks*

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 **Employee Testing and Selection**

- *Selection Process*
- *Testing Techniques*
- *Reference Checks*
- *Ethical and Legal Issues in Testing*
- *Type of Tests and Work Samples*

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Importance of Careful Selection

- **Performance**
 - Your own performance depends on your subordinates. Employees with the right skills and attitudes will do a good job for you and the company.
- **Cost**
 - It is costly and time-consuming to recruit employees. The cost of hiring a manager will be higher as it includes search fees, interview time, reference check, and other expenses.
- **Legal Obligations**
 - There are legal implications if the company is negligent in the hiring process.



Importance of Careful Selection

- **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.



Importance of Careful Selection

- **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?
- Check reliability:
 - Retest Estimate
 - Internal Comparison Estimate

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Basic Testing Concepts

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?
- 2 types of validity:
 - Criterion validity
 - Content validity

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6-8



Types of Validity

➤ Criterion validity

- A type of validity based on showing that scores on the test (predictors) are related to job performance (criterion)
 - i.e. Those who do well on the text will also do well on the job.
 - Are test scores in this class related to students' knowledge of human resource management?

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6-9



Types of Validity

➤ *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?
- Need to identify the tasks that are related to performance, then select a sample of those tasks to be tested.



How to Validate a Test

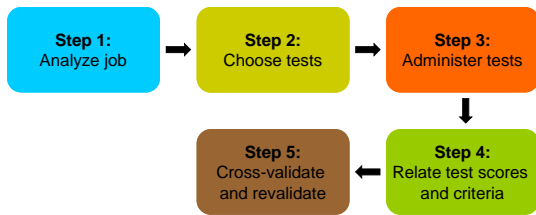


Figure 6.4
The Validation Process



How to Validate a Test

- *Step 1: Analyze the job*
 - Predictors: job specification
 - Criterion: quantitative and qualitative measures of job success
- *Step 2: Choose the tests*
 - Test battery or single test?

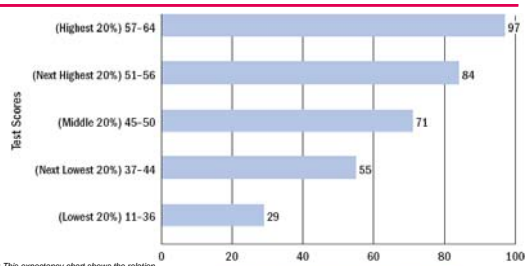


How to Validate a Test

- **Step 3: Administer the test**
 - Concurrent validation
 - Current employees' scores with current performance
 - Predictive validation
 - Later-measured performance with prior scores
- **Step 4: Relate test scores and criteria**
 - Correlation analysis
 - Actual scores on the test with actual performance, develop an expectancy chart



Expectancy Chart



Note: This expectancy chart shows the relation between scores made on the Minnesota Paper Form Board and rated success of junior golfers. 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.

Chances in a Hundred of Being Rated a "High Performer"; and % of "High Performers" Found in Each Test Score Group



How to Validate a Test

- **Step 5: Cross-Validate and Revalidate**
 - Repeat Step 3 and Step 4 with a different sample of employees.



Testing Program Guidelines

1. *Use tests as supplements.*
 - Don't make tests your only tool.
2. *Validate the tests.*
 - It is best to validate them in your own organization.
3. *Monitor your testing/selection program.*
 - Why are you using this test? What does it mean?
4. *Keep accurate records.*
 - Record in detail why you rejected each applicant.



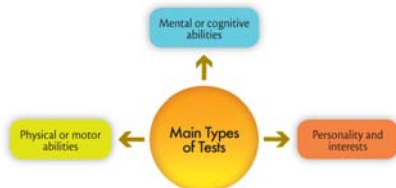
Testing Program Guidelines

5. *Use a certified psychologist.*
 - Developing, validating, and using selection standards (including tests) generally require a qualified psychologist.
6. *Manage test conditions.*
 - Make sure all applicants take the test under the same conditions.
 - Train supervisors regarding test results confidentiality.
7. *Revalidate periodically.*
 - Employers' needs and applicants' aptitudes change over time. Testing programs should be revalidated periodically.



Types of Tests

- *3 main types:*
- Tests of mental abilities
 - Tests of physical abilities
 - Measuring personality and interests





Tests of Mental 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.

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Tests of Physical Abilities

➤ *Motor abilities*

- E.g., finger dexterity, manual dexterity, and reaction time.

➤ *Physical abilities*

- E.g., static strength, dynamic strength, body coordination, and stamina.

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Measuring Personality and Interests

➤ *Personality tests*

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

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6-21



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

➤ *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.



Other Tests

Advantages:

- Measures actual on-the-job tasks
- Harder for applicants to fake answers
- Work samples are related to the job
- Fair to all applicants
- Better validity than most other tests in predicting performance



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:

- In-basket
- Leaderless group discussion
- Management games
- Individual presentations
- Objective tests
- Interview

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Work Simulations

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.

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Other Selection Methods

Background Investigations and Reference Checks

Extent of investigations and checks

- Reference checks
- Background employment checks
- Criminal records
- Driving records
- Credit checks

Reasons for investigations and checks

- To verify factual information provided by applicants
- To uncover any damaging information

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Reference Checking Form (1)

(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:

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Figure 6-7
Source: Society for Human Resource Management, © 2004
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Reference Checking Form (2)

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?

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Figure 6-7
Source: Society for Human Resource Management, © 2004
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Reference Checking Form (3)

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?

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Figure 6-7
Source: Society for Human Resource Management, © 2004
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Other Selection Methods

Background Investigations and Reference Checks

Sources of information for background checks:

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



Other Selection Methods

Pre-employment Information Services:

– Medical Examination

- Verify applicant meets physical requirements of the position
- Discover any medical limitations
- Establish a record and baseline of applicant's health for future insurance or compensation claims
- Reduce absenteeism and accidents
- Detect communicable diseases unknown to applicant



Complying with Immigration Law

- *Related to employment of foreign workers*
- *Special work permits or employment passes needed*



Testing and Selection Practices: Hong Kong

- *Methods: range from simple application forms to sophisticated tests and assessment center*
- *Companies with HR departments – more thorough in selection*
- *Anti-discrimination laws prohibit discrimination in selection (gender, marital status, disability or family status)*

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Testing and Selection Practices: Japan

- *Mid-career applicants*
 - Assess on past experience, skill and professional knowledge
- *New graduates: selection more complicated*
 - Sit for company's exam (on common sense, languages, math, intelligence, etc.)
 - Attend several interviews

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Testing and Selection Practices: Malaysia

- *Methods: wide range*
 - Application form, interview, tests, health check etc
- *Low level positions*
 - Interview and test applicants' skill and ability
- *High level positions*
 - Series of tests to measure intelligence, aptitude, skills and personality

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Testing and Selection Practices: Singapore

- *Study of HR practices by Chew and Goh (1997)*
 - Most frequently used methods
 - Weighted application form
 - Reference check
 - Interview
 - Medical exam

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Testing and Selection Practices: Singapore

- *Reference checks were used to select:*
 - Managers (58% of companies surveyed)
 - Supervisors (46% of companies surveyed)
 - Rank and file (37% of companies surveyed)
- *For rank and file employees*
 - Work sample and job ability test more frequently used

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6-38



Testing and Selection Practices: South Korea

- *Selection process depends on the company, occupation, and position.*
- *Large companies and the government tend to recruit from top universities.*
- *Managerial positions*
 - Rigorous and competitive selection process
 - Reference check, exams, interview

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Testing and Selection Practices: Thailand

Comparing American, Japanese, and Thai Companies:

- US: attract Americanized applicants
- Japanese: attract applicants who prefer security
- Local (small): tend to use networking for informal hiring and selection
- Local (large): hiring professionals to project better image

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Testing and Selection Practices: Vietnam

Study by Kamoche (2001)

- Recruitment
 - Word of mouth, assessment of family background, merits of applicants
 - Recruitment agencies viewed with suspicion
- SOEs and MNCs – similar in selection
 - Rely on trusted contacts and existing employees
 - Emphasize long term relationship and interpersonal trust

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6-41
