

# Recruitment

Calvin Cassar

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# Session Outline

- Ice Breaker
- The Cost of Recruitment
- Evaluating Selection Methods
  - Reliability
  - Validity
  - Fairness
- Selection Methods
  - Interviewing
  - Psychometric Testing





# Ice Breaker

?	T	T	F	F
S	S	E	N	T
E	T	T	F	F
S	S	E	N	T

what comes in place  
of "?" mark.

The answer is not an  
'E'.



# The Cost of Recruitment

# The Cost of Recruitment

- **A Definition**

- *“Recruitment is the process of finding and hiring the best qualified person (from within or outside an organisation) for a job opening in a timely and cost effective manner.”*

*- from Dictionary.com*



# The Cost of Recruitment

- Mike Millmore in Strategic Human Resource Management has defined recruitment as “the most significant and value adding process managed by Human Resources professionals” and as “the one with greatest potential for impact on the bottom line”.
- Managing the recruitment process requires technical competence (in much the same way as software development or social media marketing); skills are required in metrics, communication and negotiation.
- What are the costs involved in a recruitment exercise?



# The Cost of Recruitment

- What are the costs involved in a recruitment exercise?
- Direct Costs
  - Advertising
  - Salary costs in recruitment
  - Training costs
  - (Costs – recruitment agency)
- Indirect Costs
  - Lost productivity
  - Time taken to achieve expert productivity levels
  - Drops in morale due to unfilled roles



# The Cost of Recruitment

- What are the costs involved in a recruitment exercise?
- It is estimated that the cost of recruitment/staff turnover stands at over Eur10,000 due to direct and indirect costs, for a standard revenue generating role (Allison Reilly).
- This was found to be valid even for the Maltese environment.



# The Cost of Recruitment

- Taking as an example a Machine Operator Role in a factory and assuming that the role remained vacant for 3 weeks the following costs would be incurred:

Source – Direct Costs	Cost (Eur)
Advert Sunday Times 18cms x 3 columns	480
Salary cost for HR Clerk (based on Misco salary information) for 4 hours at Eur7.21/hr	28.84
Salary cost for HR Manager (based on Misco salary information) for 8 hours at Eur16.83/hr	134.64
Salary cost for Operations Manager for interviews (based on Misco salary information for 4 hours at Eur14.42/hr	57.69
Training Costs – 16 hours for the Training Manager at Eur14.42/hr	230.72
Training Costs – 16 hours for the Machine Operator at Eur4.62/hr	73.92
<b>Total Direct Costs</b>	<b>1,005.81</b>

# The Cost of Recruitment

Source – Indirect Costs	Cost (Eur)
Role vacant for 3 weeks (120 hours assuming output value of Eur30 per hour)	4,800
Time taken to achieve 100% efficiency in new role; assuming 50% return in first three weeks	2,400
Time taken to achieve 100% efficiency in new role; assuming 75% return in the subsequent three weeks	1,200
Drops in morale for unfilled roles	Not quantified
<b>Total Indirect Costs</b>	<b>8,400</b>

Summary of Costs	Cost (Eur)
Total Direct Costs	1,005.81
Total Indirect Costs	8,400
<b>Overall Total</b>	<b>9,405.81</b>

# The Cost of Recruitment

- The cost of unfilled managerial roles is harder to quantify although possibly at even higher levels.
- It is important for HR Practitioners but even for persons in operations to realise the value associated with the recruitment process.
- While considering the impact of lack of timeliness, it is also important to realise that a process run incorrectly leads one to run the risk of incurring the cost a second time.
- As a result, HR Practitioners should be advocates for the value of investing in sound recruitment practices.



# Evaluating Selection Methods



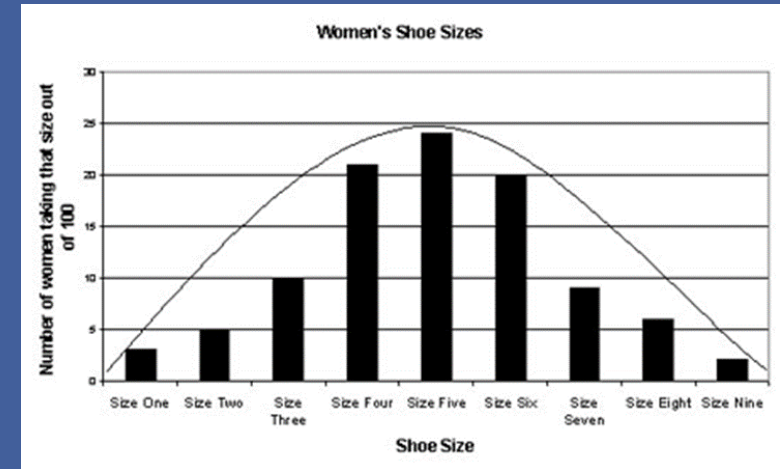
# Evaluating Selection Methods

- In order to better understand the background behind selection methods, two statistical notions, Distribution and Correlation, will be covered.
- These concepts are key to understanding the content in the future sessions and in answering successfully the assessment question.



# Evaluating Selection Methods

- In social sciences, the normal distribution can be found for characteristics such as height, length, strength as well as shoe size.
- More importantly for the occupational context, it is also present in intelligence (as measured by IQ), personality and ability, including job performance.



# Evaluating Selection Methods

- Correlation relates to instances in which values on one variable change systematically with changes on another.
- Correlations can be positive or negative and are measured from 0.0 to +1.0 and from 0.0 to -1.0.
- Absence of a correlation between two scores would see a value of 0.





# Evaluating Selection Methods

- Selection Methods in Recruitment need to be assessed on:
  - Reliability
  - Validity
  - Fairness



# Evaluating Selection Methods

- Reliability
- Reliability relates to the extent to which a score or measure is free of measurement error.
- Another word for reliability is consistency; the opposite of reliability is random error.
- According to test theory:

*Observed score = True Score + Measurement Error*



# Evaluating Selection Methods

- Reliability
- Good selection methods ought to have strong reliability scores, ideally with correlations in the 0.6 – 0.8 range.
- An inconsistent tool cannot be used within the selection context.
- There are different types of reliability.



# Evaluating Selection Methods

- Test-Retest Reliability
- Known as temporal stability
- Relates to how much scores of a test are similar following different administrations.
- As an example, if interviews are held on different days with the same candidate, the expectation would be to arrive at similar results in both.



# Evaluating Selection Methods

- Internal Reliability
- Items in a selection procedure should be correlated (but not identical as otherwise the use of one item would suffice).
- The level of correspondence is measured through correlations for internal consistency (Cronbach's alpha).
- As an example, questions in the interview measuring the same competency should lead to similar outcomes for responses from the same candidate.



# Evaluating Selection Methods

- Inter-rater reliability
- Is very relevant within the selection context as it is common practice for different assessors to be involved in the process.
- This is a measure of how much different raters agree on measurements on seeing similar behaviours.
- Training can allow trainers to arrive at similar outcomes when assessing the same candidates.



# Evaluating Selection Methods

- Validity
- Validity relates to the extent to which a test measures what it claims to measure.
- High scores on the validity index allows one to have confidence when making predictions.
- As in the case of reliability, there are different types of validity.



# Evaluating Selection Methods

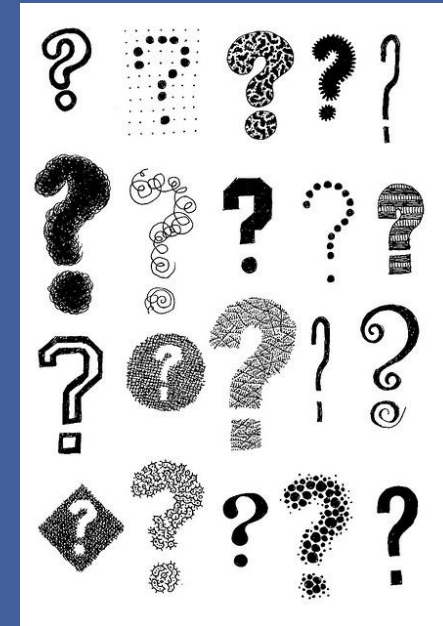
- Face Validity
- Relates to the extent to which a test 'feels right'.
- For example, assuming there is a perfect correlation between the burger one orders at McDonalds and performance at CEO level, it would still feel incorrect to base a selection decision on this criterion.
- Face validity is being seen as an increasingly important aspect in the selection process due to the impact on employer branding.





# Evaluating Selection Methods

- Content-Related Validity
- Refers to the extent to which a selection method covers all aspects of the relevant subject matter.
- For example, a maths test presenting questions only on fractions might not cover the whole syllabus.
- In interviewing, asking questions only about sales might not be sufficient if the company is on the lookout for a sales manager.



# Evaluating Selection Methods

- Criterion-Related Validity
- It refers to the extent to which test measures are correlated with performance measures.
- This is a very important measure in the selection context.
- In this case correlations of over 0.20 would be of importance and value. This value is of significance due to challenges in measuring criterion-related validity and because of the restriction of range problem.



# Evaluating Selection Methods

- The relationship between reliability and validity
- A test can be reliable but not valid.
- A test cannot be valid but not reliable.
- Reliability is a necessary, but not sufficient, condition for validity.



# Evaluating Selection Methods

- Fairness
- Fairness relates to both a sociological construct but also a statistical one.
- With regards to fairness, one can differentiate between direct discrimination and adverse impact.



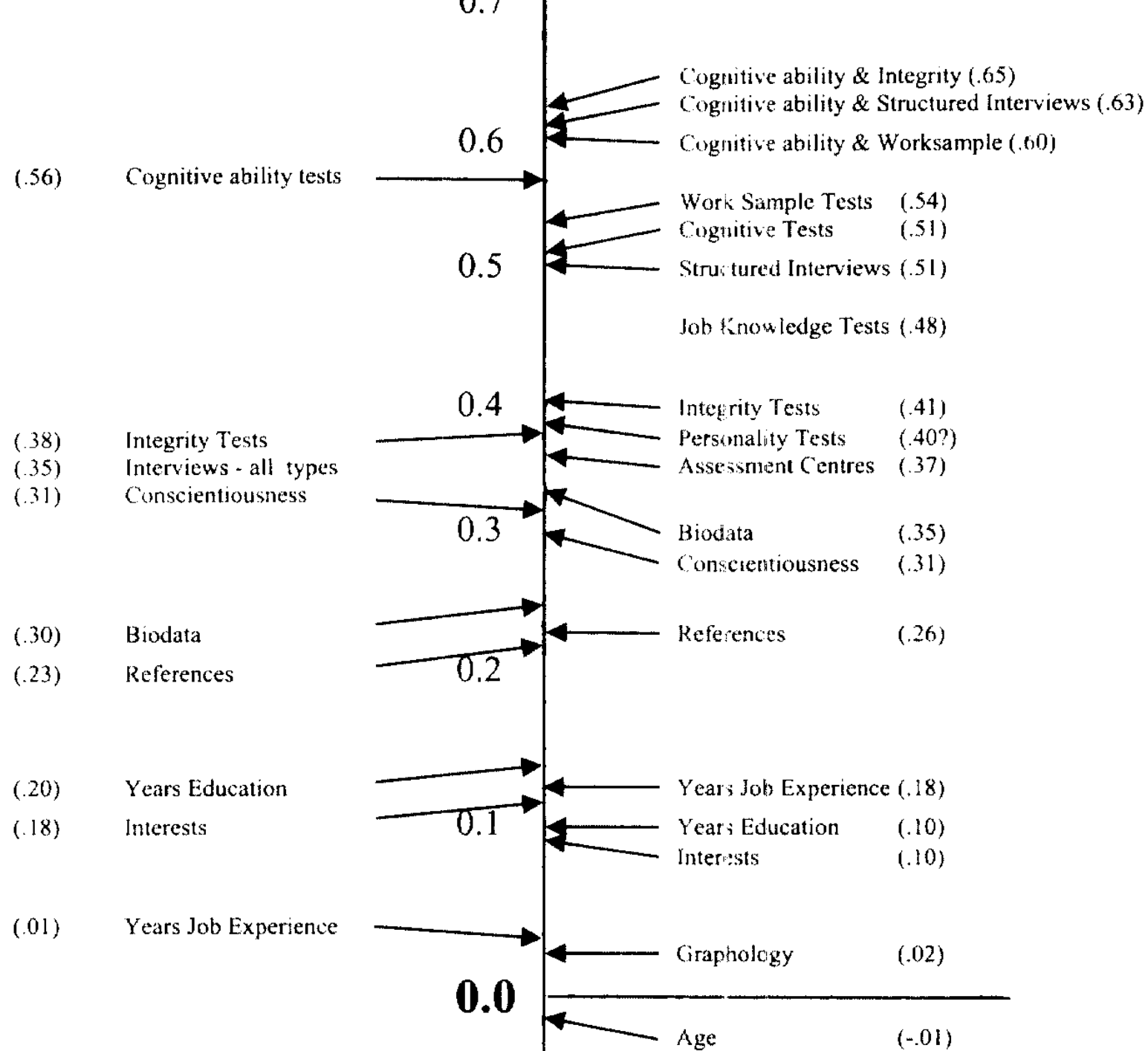
# Evaluating Selection Methods

- Direct Discrimination
- Direct discrimination occurs when members in a group are overtly treated differently because of membership to a particular group.
- For example, a question asking where Onditsovo is located could prove easy for Russians, but not for other groups.



# Evaluating Selection Methods

- Adverse Impact
- Adverse impact results when a selection method systematically rejects substantially higher proportions of minority than nonminority candidates.
- Adverse impact is significantly harder to identify when in operation.
- This would result when distributions for the groups (minority and nonminority) are different and unrelated to job performance.



# Selection Methods





# Selection Methods - Interviews

- Interviews remain one of the most widespread selection methods within the occupational context (used as the sole selection method in more than 80% of recently surveyed workplaces).
- Interviews hold good face validity.
- Interviews (structured) present a strong relationship with job performance (criterion related validity) with correlations of 0.51.
- Unstructured interviews are less effective at predicting job performance – correlation of 0.35.
- Interviews have been studied extensively as selection methods.



# Selection Methods - Interviews

- Interviews (like all selection methods) are based on the rationale that information obtained in the questioning session can be used to make predictions on work performance.
- In interviews one can obtain information through observation of nonverbals as well as through information obtained through questioning.



# Selection Methods - Interviews

- Nonverbal information can be obtained through:
- Posture
- Clothing, grooming and general appearance
- Review of micro-expressions
- Tardiness or punctuality
- Hesitations
- When verbal information contradicts nonverbal information, the latter should be given more weight.



# Selection Methods - Interviews

- Questioning can be used to gather information in interviews.
- Questions can be used to:
  - Build rapport
  - Gather information
  - Probe
  - Challenge
- Different questioning strategies should be used at different points of the interview



# Selection Methods - Interviews

- Interviews present the interviewer and interviewee with an open-ended pathway and the possibility to follow different directions.
- Questions will offer direction whether conscious about this or not.
- Given that questions influence the answers, they will also impact the inferences made in the interview.
- The influence of questions on answers has been well documented in the clinical and legal frameworks.



# Selection Methods - Interviews

- The Clinical Framework
- Psychoanalysts tried to avoid direction by NOT offering any form of direction
- Patients would speak and interpretations offered at the very end.
- Questions on the validity of the information obtained were still raised over the years.



# Selection Methods - Interviews

- The Legal Framework
- Lawyers 'object' to leading questions
- At the same time even seemingly non-leading questions lead to answers in set pathways.
- Questions can influence memory and recall in interrogations.
- Loftus and Palmer (1974) showed how questions can interview immediate answers as well as later recall.



# Selection Methods - Interviews

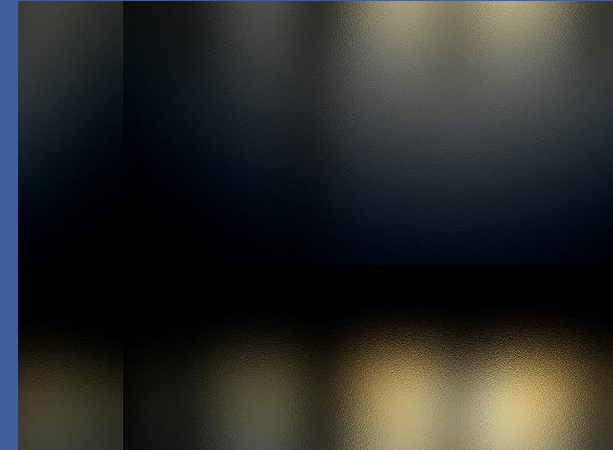
- It has been consistently documented that structured interviews are more valid than unstructured interviews in predicting job performance.
- Structured interviewing tends to be less prone to biases and errors, such as:
  - Similarity to self
  - Halo effects
  - Horn effects





# Selection Methods - Interviews

- Why Structured Interviews?
  - Lack of structure creates uncertainty.
  - Structured interviewing leads to consistency in ratings.
  - The process is more reliable, valid and fair.
  - It helps satisfy expectations of the candidates, management and other stakeholders.
- 
- However, scores in academic studies may over represent the strength of structured interviewing.



# Selection Methods - Interviews

- Characteristics of structured interviews:
  - The same questions are asked to participants
  - Questions are presented in the same order
  - Question responses tend to be coded according to the presenting requirements
  - Interviewers are trained to be consistent in their scoring.

# Selection Methods - Interviews

- An example:
- Position – Sales Manager
- Obtain information on position (job analysis) – speak to managers, job holders, analyse critical incidents, job descriptions, persons doing the job.
- Identify what is needed (attitudes, skills and knowledge) – example, assertive personality, ability to take decisions, knowledge of technical products
- Generate questions
- Generate ratings for questions before the interview
- Validate the information

# Selection Methods - Interviews

- Question: A client makes a request that will be hard to meet but could be highly profitable. What would you do?
- 1 (Very poor) Decline the project and inform the client about this.
- 2 (Poor) Be honest with the client, suggesting that you would rather pass in this instance but could tackle such projects in the future.
- 3 (Satisfactory) Take on the project and then see what could be done.
- 4 (Good) Suggest that you will discuss with management. Make an urgent request for staff relocation to be able to meet the deadlines.
- 5 (Very good) Suggest that you will discuss the issue with management. Design a proposal evaluating the project and make recommendations.

# Selection Methods - Interviews

- There are different methods for structuring questions in an interview.
- Two highly researched question types are behavioural interviewing and situational interviewing.
- Both methods hold good validity and reliability indices.



# Selection Methods - Interviews

- Behavioural interviewing is also referred to as patterned behaviour description interview
- Behavioural interviewing questions focus on situations that have happened in the past that have relevance to the future demands of the job role.
- Based on the assumption – ‘Min jitwieled tond ma jmutx kwadru’.



# Selection Methods - Interviews

- An example of a behavioural interviewing question:
- "Describe a time when you were faced with completing an important, but boring task. How did you deal with this situation?"
- The candidate is encouraged to make reference to a real situation in which she/he was involved
- The candidate's answer would then be recorded and examined for negative and positive behavioural indicators of the competencies being assessed by that question.



# Selection Methods - Interviews

- Strengths of Behavioural Interviewing
  - Effective at predicting future performance
  - Behaviour is a key element to results in the job (as opposed to knowledge or skills).
  - Structured method
- Weaknesses of Behavioural Interviewing
  - Less effective with fresh graduates or persons without prior experience in the presenting role.
  - Does not give a fair chance to persons who have not had opportunity to put to use their skills in past jobs.





# Selection Methods - Interviews

- Situational interviewing is a method wherein theoretical or hypothetical situations are given by the interviewer to assess the applicant's behaviour in such a situation.
- Situational interviewing has been found to be closely correlated with intelligence or general ability.



# Selection Methods - Interviews

- An example of a situational interviewing question:
- “You are working as a service advisor in a car servicing company. A client comes over and says that he is hearing a noise in his car. What would you do/ask to gather more information for the workshop?”
- The candidate generally would not have actually experienced the situation but would need to put herself in the situation to solve the problem.



# Selection Methods - Interviews

- Strengths of Situational Interviewing
  - Effective at predicting future performance
  - Structured method
  - Gives an equal chance to experienced and inexperienced persons
- Weaknesses of Situational Interviewing
  - Gives little consideration to a person's past history
  - Close link to general intelligence both a strength and a weakness.

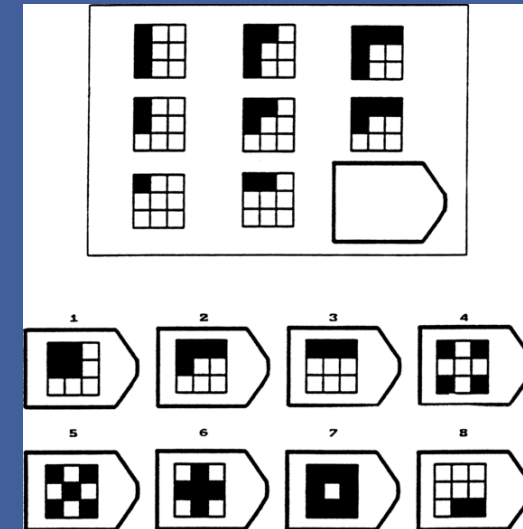
# Selection Methods – Psychometric Testing

- Ability Tests are tools used to measure an individual's cognitive functioning at a general level or in a specific area such as verbal reasoning, spatial awareness, mathematics.
- Ability tests have been found to be a good measure for predicting job performance. Correlations between ability tests and job performance have been found to be at 0.51.
- There are two main classes of tests:
  - Those that measure general ability (referred to as g)
  - Those that measure specific skills (referred to as s)



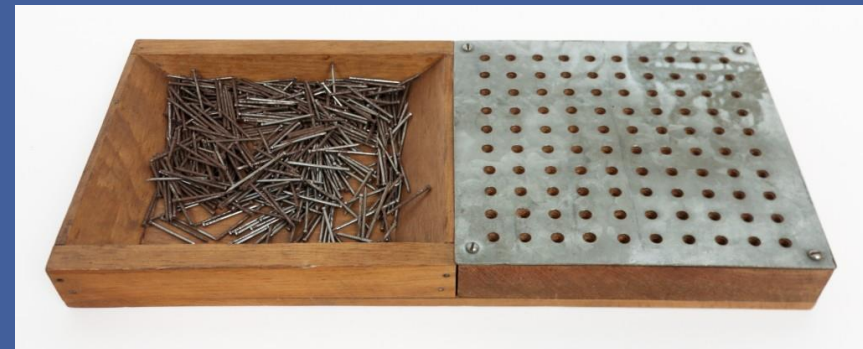
# Selection Methods – Psychometric Testing

- Examples of tests that measure g:
  - British Ability Scales
  - Wechsler Intelligence Scales
  - Raven's Progressive Matrices



# Selection Methods – Psychometric Testing

- Examples of tests that measure s:
- Interpersonal Skills Questionnaire
- Jamar Manual Dexterity Test
- Sales Aptitude Test



# Selection Methods – Psychometric Testing

- Advantages of Ability Tests
  - Good correlation with job performance
  - Objective measure, largely devoid of bias
  - Highly structured administration procedure
- Disadvantages of Ability Tests
  - Strong correlation with job interviews
  - Claims of cultural bias (largely avoided in Raven's Progressive Matrices)
  - No standardised tests for the Maltese population
  - Cost in training and administration

# Selection Methods – Psychometric Testing

- Personality tests are questionnaires or other standardised instruments designed to reveal aspects of an individual's character or psychological makeup.
- Personality tests have been developed from different theoretical rationales:
  - Projective tests – based on premises largely deriving from psychoanalytic theory and resting on the assumption that understanding on personality cannot be derived from direct questioning.
  - Self-Report tests – are generally standardised tests whereby scores of an individual are compared with scores obtained by a norm group. Largely based on assumptions drawn from the trait approach.



# Selection Methods – Psychometric Testing

- Projective Tests
- Examples include the Rorschach and TAT (Thematic Apperception Test).
- Tests are popular within the clinical set-up.
- While often criticised for not being structured, norms and standardisation procedures have been carried out, however tests require extensive training for effective use.



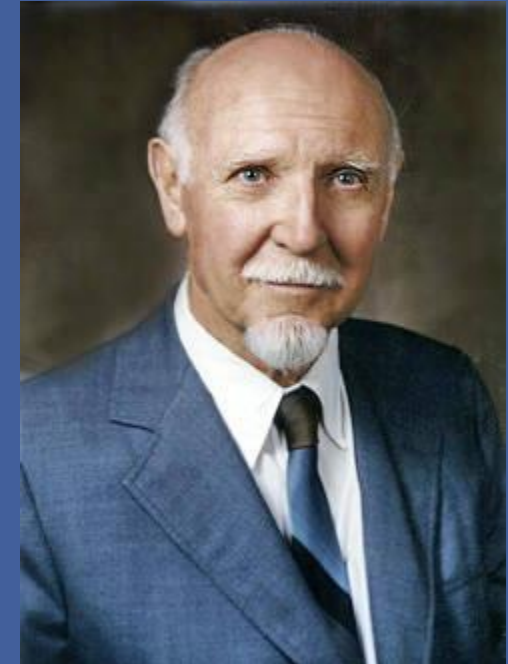
# Selection Methods – Psychometric Testing

- Trait Approach
- In 1936, psychologist Gordon Allport found that one English-language dictionary alone contained more than 4,000 words describing different personality traits.
- He categorized traits into three levels:
  - Cardinal traits – defining for the individual
  - Central traits – form the foundation of personality
  - Secondary traits – emerge in response to specific circumstances.



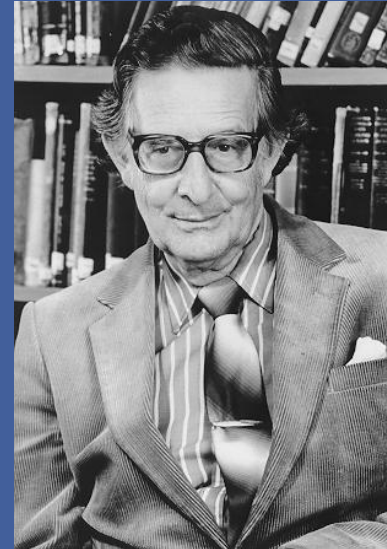
# Selection Methods – Psychometric Testing

- Trait Approach
- Trait theorist Raymond Cattell reduced the number of main personality traits from Allport's initial list of over 4,000 down to 171, mostly by eliminating uncommon traits and combining common characteristics.
- Next, Cattell rated a large sample of individuals for these 171 different traits.
- Then, using a statistical technique known as factor analysis, he identified closely related terms and eventually reduced his list to just 16 key personality traits, giving rise to the 16 PF test.



# Selection Methods – Psychometric Testing

- Trait Approach
- British psychologist Hans Eysenck developed a model of personality based upon just three universal traits (through factor analysis):
- Introversion / Extraversion
- Neuroticism/Emotional Stability
- Psychoticism



# Selection Methods – Psychometric Testing

- Trait Approach
- Some theorists to believe that Cattell focused on too many traits, while Eysenck focused on too few.
- Today, many researchers believe that they are five core personality traits.
- The most widespread tool base on this model is Costa and McCrae's NEO PI-R (Neuroticism, Extraversion, Openness, Personality Inventory, Revised).

**Extraversion:** This trait includes characteristics such as excitability, sociability, talkativeness, assertiveness and high amounts of emotional expressiveness.

**Agreeableness:** This personality dimension includes attributes such as trust, altruism, kindness, affection, and other prosocial behaviors.

**Conscientiousness:** Common features of this dimension include high levels of thoughtfulness, with good impulse control and goal-directed behaviors. Those high in conscientiousness tend to be organized and mindful of details.

**Neuroticism:** Individuals high in this trait tend to experience emotional instability, anxiety, moodiness, irritability, and sadness.

**Openness:** This trait features characteristics such as imagination and insight, and those high in this trait also tend to have a broad range of interests.

# Selection Methods – Psychometric Testing

- Trait Approach
- Ashton and Lee developed a similar personality inventory, the HEXACO, which adds the Honesty-Humility cluster to the equation.
- The test holds good reliability and validity indices and is free to download and use for research purposes.



# Selection Methods – Psychometric Testing

- The six HEXACO scales are:
  - Honesty-Humility
  - Emotionality
  - eXtraversion
  - Agreeableness
  - Conscientiousness
  - Openness to Experience



# Selection Methods – Psychometric Testing

- Review of Personality Tests:
- Personality tests, particularly the Conscientiousness Scale holds a good correlation with job performance (correlation believed to be in the 0.40 region).
- Adds relevant information to what is obtained in the selection interview.
- Different factors, relevant to different roles (ex. Extraversion is an important trait for sales related positions, but not for a librarian role).





# Selection Methods – Psychometric Testing

- Criticisms:
- Basing selection outcomes just on personality tests is questionable.
- Deceit in the selection process.
- Variability of traits according to the situation.
- No tests standardised on the Maltese population.

*thank you!*