

GLOBAL
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Human Resource Management

SEVENTEENTH EDITION

Gary Dessler



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Seventeenth Edition

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What did matter were things like whether the applicant had demonstrated success in prior jobs, had shown an ability to succeed with vague instructions, and had “no typos, errors, or grammatical mistakes on résumés.”

As another example, department store chain Bon-Ton Stores Inc. had high turnover among its cosmetics sales associates. Bon-Ton chose 450 current cosmetics associates who filled out anonymous surveys aimed at identifying employee traits. By using talent analytics to analyze these and other data, the company identified cosmetics associates’ traits that correlated with performance and tenure. Bon-Ton had assumed that the best associates were friendly and enthusiastic about cosmetics. However, the best were actually problem solvers. They take information about what the customer wants and needs, and solve the problem.⁶⁵ Talent analysis thereby helped Bon-Ton formulate better selection criteria.

machine learning

Software that can improve its own performance and learn on its own.

MACHINE LEARNING Machine learning basically refers to software that can improve its own performance and learn on its own. For example, newsfeeds are often designed to identify the types of articles you prefer, and to feed you more of those articles: The software is “learning” without human intervention.⁶⁶

Machine learning software “learns” to associate (1) inputs (like loan applications) with (2) outcomes (like who defaults on loans). A bank might use machine learning to review the data in its thousands of loan applications (the input) to determine the characteristics of the people who are most likely to repay their loans (the response). Then, going forward, it could use what the software learned, to scrutinize future loan applicants who do not meet those characteristics. One study used machine learning to identify how candidates’ prior experiences predicted future performance. Here, subjects who had a history of moving on to better jobs performed better.⁶⁷

Machine learning doesn’t just rely on tests. Instead, it can discover how things like word use (does the person often say “tired”?), or comments in social media postings, or video interview facial gestures, were related to employee performance in particular companies in the past, and so how they may do so in the future.⁶⁸ For example, HireVue’s software analyzes its clients’ past video employment interviews for signs like facial expressions and voice modulation to determine which predict an applicant’s suitability for jobs. It can then analyze each new candidate’s interview for signs that predict performance.⁶⁹ Pymetrics designed machine learning tools that predicted job performance for Unilever. Candidates work through a series of puzzles. The puzzles aim to evaluate dozens of cognitive traits such as memory and appetite for risk. One puzzle is a probability game. Candidates must wager virtual money on how many times they think they can hit the spacebar in a certain number of seconds.⁷⁰

ALGORITHMS Many such tools use *algorithms*. These programs quickly crunch through thousands of “if–then” branches (sequentially checking experience, traits, word usage, facial gestures, and so on) to find the best matching candidates for the job. They do this based on what the systems previously learned about what traits historically correlated with high performance on that particular job.⁷¹ One caveat is that algorithms can be subject to bias, for instance, if existing successful employees are the products of a biased selection process.

Finally, these tools are building blocks for artificial intelligence systems. **Artificial intelligence** basically means using technology (particularly computers) to carry out tasks in a way that we would consider “human” or “smart.”⁷²

artificial intelligence

Using technology (particularly computers) to carry out tasks in a way that we would consider “human” or “smart.”

LEGAL CONCERNS Some question whether AI-powered tools that do things like analyze applicants’ facial expressions may violate federal privacy law.⁷³ Concerned about a lack of transparency surrounding how the systems arrive at their hiring recommendations, states are restricting them. For example, in Illinois, employers must give candidates an explanation of how the AI system works, and get their consent before using it.⁷⁴

LEARNING OBJECTIVE 6-4

Explain how to use two work simulations for selection.

work samples

Actual job tasks used in testing applicants' performance.

work sampling technique

A testing method based on measuring performance on actual basic job tasks.

Work Samples and Simulations

With **work samples**, you present examinees with situations representative of the job for which they're applying, and then evaluate their responses.⁷⁵ Experts consider these (and *simulations*, like the assessment centers we also discuss in this section) to be tests. But they differ from most tests because they directly measure job performance.

Using Work Sampling for Employee Selection

The **work sampling technique** tries to predict job performance by requiring job candidates to perform one or more samples of the job's tasks. For example, work samples for a cashier may include counting money.⁷⁶

Work sampling has advantages. It measures actual job tasks, so it's harder to fake answers. The work sample's content—the actual tasks the person must perform—is not as likely to be unfair to minorities (as might a personnel test that possibly emphasizes middle-class concepts and values).⁷⁷ Work sampling also doesn't delve into the applicant's personality, so there's little chance of applicants viewing it as an invasion of privacy. Designed properly, work samples also exhibit better validity than do other tests designed to predict performance.

The basic procedure is to select a sample of several tasks crucial to performing the job, and then to test applicants on them.⁷⁸ An observer monitors performance on each task, and indicates on a checklist how well the applicant performs. For example, in creating a work sampling test for maintenance mechanics, experts first listed all crucial job tasks (like “install pulleys and belts”). Four crucial tasks were installing pulleys and belts, disassembling and installing a gearbox, installing and aligning a motor, and pressing a bushing into a sprocket. Since mechanics could perform each task in a slightly different way, the experts gave different weights to different approaches.

Figure 6-6 shows one of the steps required for the task *installing pulleys and belts*—“checks key before installing . . .” Here the examinee might choose to check the key against (1) the shaft, (2) the pulley, or (3) neither. The applicant performs the task, and the observer checks off the score for the approach used.

Situational Judgment Tests

Situational judgment tests are personnel tests “designed to assess an applicant's judgment regarding a situation encountered in the workplace.”⁷⁹ For example:

You are a sales associate at Best Buy in Miami, Florida. The store sells electronics, including smart phones. Competition comes from other neighborhood retailers, and from online firms. Many customers who come to your store check the product with you, and then buy it on Amazon. As a sales associate, you are responsible for providing exceptional customer service, demonstrating product knowledge, and maximizing sales. You get a weekly salary, with no sales incentive. How would you respond to this situation?

Situation:

A customer comes to you with a printout for a Samsung Galaxy phone from Amazon.com, and proceeds to ask detailed questions about battery life and how to work the phone, while mentioning that “Amazon's price is \$50 less than

FIGURE 6-6 Example of a Work Sampling Question

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

Checks key before installing against:

—shaft	score 3
—pulley	score 2
—neither	score 1

yours.” You have been with this customer for almost 30 minutes, and there are other customers waiting. You would:

1. Tell the customer to go buy the phone on Amazon.
2. Tell the customer to wait 20 minutes while you take care of another customer.
3. Tell the customer that the local Sprint Mobility dealer has the phone for even less than Amazon.
4. Explain the advantages of similar phones you have that may better fulfill the buyer’s requirements.
5. Ask your supervisor to come over and try to sell the customer on buying the Galaxy from you. (Perhaps the best choice, followed by 4 and 3.)

Management Assessment Centers

A **management assessment center** is a 2- to 3-day simulation in which 10 to 12 candidates perform realistic management tasks (like making presentations) under the observation of experts who appraise each candidate’s leadership potential. For example, The Cheesecake Factory created its Professional Assessment and Development Center to help select promotable managers. Candidates undergo 2 days of exercises, simulations, and classroom learning to see if they have the skills for key management positions.⁸⁰

Typical simulated tasks include

- **The in-basket.** The candidate gets reports, memos, notes of incoming phone calls, e-mails, and other materials collected in the actual or computerized in-basket of the simulated job the candidate is about to start. The candidate must take appropriate action on each item. Trained evaluators review the candidate’s efforts.
- **Leaderless group discussion.** Trainers give a leaderless group a discussion question, and tell members to arrive at a group decision. They then evaluate each group member’s interpersonal skills, acceptance by the group, leadership ability, and individual influence.
- **Management games.** Participants solve realistic problems as members of simulated companies competing in a marketplace.
- **Individual oral presentations.** Here trainers evaluate each participant’s communication skills and persuasiveness.
- **Testing.** These may include tests of personality, mental ability, interests, and achievements.
- **The interview.** Most require an interview with a trainer to assess interests, past performance, and motivation.

Supervisor recommendations usually play a big role in choosing center participants. Line managers usually act as assessors and arrive at their ratings through consensus.⁸¹ Assessment centers are expensive to develop, take longer than conventional tests, require managers acting as assessors, and often require psychologists. However, studies suggest they are worth it.⁸² For many years, studies suggested that cognitive ability tests did a better job of predicting job performance than did assessment centers. More recent studies found assessment centers were superior.⁸³

Situational Testing and Video-Based Situational Testing

Situational tests require examinees to respond to situations representative of the job. Work sampling and situational judgment tests (discussed earlier) and some assessment center tasks (such as in-baskets) are “situational,” as are miniature job training (described next) and the situational interviews we address in Chapter 7.⁸⁴

The **video-based simulation** presents the candidate with several online or computer video situations, each followed by one or more multiple-choice questions. For example, the scenario might depict an employee handling a situation on the job. At a critical moment, the scenario ends, and the video asks the candidate to choose from several courses of action. For example:

(A manager is upset about the condition of the department and takes it out on one of the department’s employees.)

management assessment center

A simulation in which management candidates are asked to perform realistic tasks in hypothetical situations and are scored on their performance. It usually also involves testing and the use of management games.

situational test

A test that requires examinees to respond to situations representative of the job.

video-based simulation

A situational test in which examinees respond to video simulations of realistic job situations.

MANAGER: Well, I'm glad you're here.

ASSOCIATE: Why?

MANAGER: I take a day off and come back to find the department in a mess. You should know better.

ASSOCIATE: But I didn't work late last night.

MANAGER: But there have been plenty of times before when you've left this department in a mess.

(*The scenario stops here.*)

If you were this associate, what would you do?

- a. Let the other associates responsible for the mess know that you took the heat.
- b. Straighten up the department, and try to reason with the manager later.
- c. Suggest to the manager that he talk to the other associates who made the mess.
- d. Take it up with the manager's boss.⁸⁵

The Miniature Job Training and Evaluation Approach

miniature job training and evaluation

Training candidates to perform several of the job's tasks, and then evaluating the candidates' performance prior to hire.

Miniature job training and evaluation involves training candidates to perform several of the job's tasks, and then evaluating their performance prior to hire. Like work sampling, *miniature job training and evaluation* tests applicants with actual samples of the job, so it is inherently content relevant and valid.

As an example, when Honda built an auto plant in Lincoln, Alabama, it had to hire thousands of new employees. Working with an Alabama industrial development training agency, Honda began running help wanted ads.

Honda and the agency first eliminated those applicants who lacked the education or experience, and then gave preference to applicants near the plant. About 340 applicants per 6-week session received special training at a new facility about 15 miles south of the plant. It included classroom instruction, watching videos of current Honda employees in action, and actually practicing particular jobs. Some candidates who watched the videos simply dropped out when they saw the work's pace and repetitiveness.

The training sessions served two purposes. First, job candidates learned the actual skills they'll need to do the Honda jobs. Second, the training sessions enabled special assessors from the Alabama state agency to scrutinize the trainees' performance and to rate them. They then invited those who graduated to apply for jobs at the plants. Honda teams, consisting of employees from HR and departmental representatives, did the final screening.⁸⁶

Employers such as Honda first train and then have applicants perform several of the job tasks, and then evaluate the candidates before hiring them.



Imaginechina Limited/Alamy Stock Photo

Realistic Job Previews

Sometimes, a dose of realism makes the best screening tool. For example, when Walmart began explicitly explaining and asking about work schedules and work preferences, turnover improved.⁸⁷ In general, applicants who receive realistic job previews are more likely to turn down job offers, but their employers are more likely to have less turnover and be more resilient.⁸⁸

The Strategic Context: Google's Hiring Process

As it turned out, Earnest had nothing to fear. Google's hiring process was rigorous but also informative and friendly, and he got the job.

It also turned out that Google had dropped the "brainteaser" questions. Its analysis showed that they didn't predict how candidates would actually do on the job.⁸⁹

It's easy to understand the nature of Google's selection process, if you step back and think of it in the context of Google's overall strategy and ways of doing things. Google's mission is to "organize the world's information and make it universally accessible and useful." To achieve that, Google seeks certain employee behaviors. These include excellence, intelligence, and involvement, as well as applying scientific rigor to decisions. Teamwork is central; as it says, "Googlers care deeply about their teams and the people who make them up."⁹⁰

Google's hiring process methods and policies follow from these behaviors. In keeping with its mission ("to . . . make [information] universally accessible and useful") it explains its hiring process on its website, and how to excel in it.⁹¹ Its hiring process often starts with an online assessment. It then includes short virtual chats with a recruiter and team member; completing a small job-related project; and then three to four in-depth structured interviews with the manager and peers from the prospective team (we'll address structured interviewing in Chapter 7).

Choosing a Selection Method

What selection tool to use? The employer should consider several things before choosing a particular tool (or tools). These include the tool's reliability and validity; its practicality; applicant reactions; adverse impact (see the accompanying Diversity Counts box); cost; and the tool's *selection ratio* (does it screen out, as it should, a high percentage of applicants or admit virtually all?).⁹² Table 6-1 summarizes the validity, adverse impact, and cost of several tools.

TABLE 6-1 Evaluation of Selected Assessment Methods

Assessment Method	Validity	Adverse Impact	Costs (Develop/Administer)
Cognitive ability tests	High	High (against minorities)	Low/low
Job knowledge test	High	High (against minorities)	Low/low
Personality tests	Low to moderate	Low	Low/low
Integrity tests	Moderate to high	Low	Low/low
Structured interviews	High	Low	High/high
Situational judgment tests	Moderate	Moderate (against minorities)	High/low
Work samples	High	Low	High/high
Assessment centers	Moderate to high	Low to moderate, depending on exercise	High/high
Physical ability tests	Moderate to high	High (against females and older workers)	High/high

Source: Elaine D. Pulakos, "Selection Assessment Methods: A Guide to Implementing Formal Assessments to Build a High-Quality Workforce", SHRM Foundation's Effective Practice Guidelines, SHRM Foundation, 2005. Reprinted by permission from SHRM Foundation.

DIVERSITY COUNTS

How the U.S. Army Removes Bias from Its Officer Selection Process

In the U.S. Army, *Battalion Commander* is the first rung of executive positions. Each commander is responsible for about 500 soldiers.⁹³ Battalion commanders are also a main source of the officers the army eventually promotes to general.

For decades, the Army used the same process to select these commanders. Senior officers reviewed and scored each eligible lieutenant colonel's file. Each file contained the eligible officer's photo, prior assignments, and performance evaluations. It took each officer evaluating a file about 90 seconds to do so. Typically, about 500 of 1,900 candidates made the cut.

Today the U.S. Army uses a much more formal four-day evaluation process. The first three days focus on testing. Tests include a physical fitness test, essays, cognitive and psychological assessments, and a simulated assessment of candidates' leadership and problem-solving skills.

In the candidates' fourth day, special senior officer panels evaluate each candidate's communication skills during 30-minute interviews. The army then combines this panel's recommendation with a traditional review of each candidate's file, to arrive at a decision.

Because the panels play a big role in selection, the Army wants to minimize the chance of bias undermining panel members' objectivity. The steps it uses to reduce selection bias include the following:

Diverse panels. Each panel consists of five voting and three nonvoting members. The Army forms each panel with an eye toward diversity, for example in terms of gender, ethnicity, and specialty.

Antibias training. Selection is subject to bias. For example, there is a tendency to stereotype someone based on that person's membership in some group. Trainers show each panel member how to prevent such bias errors.

Familiarity. Before evaluating anyone, each panelist receives the names of all candidates. Panelists who know a candidate cannot evaluate that person.

Level playing field. Some candidates may have more experience being interviewed than do others. Therefore the Army trains all candidates in the interview process.

Double-blind interviews. Candidates' appearance and facial expressions can bias how the person's answers are interpreted. Therefore the panels conduct blind interviews: there is a curtain separating them from the candidate.

Monitor panels in real time. To ensure each panel is working properly, a general overseeing the process observes and holds frequent meetings with panels. ■

HR Tools for Line Managers and Small Businesses: Employee Testing and Selection

One irony of being a line manager in even the largest of companies is that, when it comes to screening employees, you're often on your own. Some large firms' HR departments may work with the hiring manager to design and administer the sorts of screening tools we discussed in this chapter. But in some of these firms, the HR departments do little more than some preliminary prescreening (for instance, arithmetic tests for clerical applicants); then they follow up with background checks and drug and physical exams.

What should you do if you are, say, a marketing manager, and want to screen some of your job applicants more formally? It is possible to devise your own test battery, but caution is required. Purchasing and then using packaged intelligence tests or psychological tests or even tests of marketing ability could be problematical. Doing so may violate company policy, raise validity questions, and expose your employer to EEO liability if problems arise.

One preferred approach is to devise and use screening tools, the face validity of which is obvious. The work sampling test we discussed is one example. It's not unreasonable, for instance, for the marketing manager to ask an advertising applicant to spend 30 minutes designing an ad, or to ask a marketing research applicant to outline a marketing research program for a hypothetical product.⁹⁴