In a market where companies cannot afford to make mistakes with new hires, it's important that organisations take a close look at how to optimise their selection procedures in order to guarantee maximum efficiency when hiring new staff.

The cost of making the wrong hire has never been greater than in today's economic climate. As the war for talent changes to a hunt for talent, and applicant numbers rise sharply, recruitment decisions are harder to make than ever. Effective selection methods are therefore critical in helping organisations limit the risk of their hiring decision or of making the wrong investment and to give them more confidence that they are making the right hiring choice.

Very often selecting new staff is a pragmatic process. Candidates are invited to apply for a position, using one of a number of attraction methods and are then interviewed by the relevant stakeholders in order to come to a conclusion. Some organisations will supplement this process with some kind of formal testing programme, or even with a full-blown assessment centre, most often used for the hire of senior roles.

Obviously this works out fine in most cases, although it is rare that organisations make the extra effort to check the efficiency of their procedures in a formal way. It is therefore conceivable that employee turnover and staff efficiency could actually be lowered if a better selection procedure was adopted, and a better thought-out process was used throughout the hiring process.

At Hudson, we provide organisations with guidelines to assist them in analysing their recruitment processes, and help them to establish improvements that will ultimately yield the benefits described above. We also provide a complimentary psychometric testing tool – the Business Attitude Questionnaire (BAQ) – as a standard part of the recruitment process, in order to help them make the right selection decisions based on personality and cultural fit. The BAQ provides an in-depth analysis of a candidates’ personality and is used to provide the interviewer with information that can be explored during the interviews. The same information is also made available to candidates, which not only helps them to assess their own strengths and weakness, but also helps them prepare for the interview process.
HOW TO GET THE BEST OUT OF YOUR SELECTION PROCESS

THE ORGANISATION’S BEST INTEREST.

It stands to reason that organisations primarily look after their own interests, when looking at their selection process. For them, a lot is at stake and an effective hiring process can, to a large extent, influence the performance of the organisation.

It’s not just about having the right person in the right position, but also maintaining or increasing performance, improving retention and raising job satisfaction.

In order to reach these objectives, hiring managers are faced with a pool of candidates who offer a variety of different characteristics and competencies. They then must decide which tools they intend to include in their selection process in order to come to the best possible evaluation of the different candidates.

From this perspective, they will need to consider the reliability of the instruments they select, in order to guarantee a robust outcome of their evaluation process. Care must also be paid to the predictive validity of the selection tools used in order to guarantee an optimal prediction of success for new hires.

**Reliability**

- **Resources**
  - Candidates: IQ, Personality, Motivation, Experience, Competencies
  - Procedure: CV, Interview, Tests, Assessment, References, Graphology

**Predictive Validity**

- **Objectives**
  - Performance: Retention, Job Satisfaction
  - The right person in the right place
ROOM FOR IMPROVEMENT

Research conducted by the Hudson R&D Centre among 254 companies of a range of sizes illustrates the use made of different types of selection tools, as well as the perceived impression of the predictive value of each of these tools. When compared with the actual predictive value as reported in the evidence literature, it seems that the use and expected predictive value of the biographical interview method are largely overestimated, while there is clearly room for greater use of reasoning ability tests, personality questionnaires and simulation exercises.

This does not necessarily mean that face to face interviews should be banned from the selection process; instead there is clear evidence that interviews can be greatly improved by better structuring them and by supporting them with additional instruments (like personality questionnaires).

Overall, however, hiring managers should take some time to question how their selection procedures are built and what steps they could undertake to improve the process in order to better realise their objective of hiring the best candidates for their organisation.

Very often cost considerations will play a major role in this. Depending on the potential cost implications of a wrong hire for a particular role in the organisation, it will be important to look for selection procedures guaranteeing an optimal outcome in terms of the overall validity of the procedure. The graph presented might help hiring managers in their selection of the most appropriate instruments.
How to get the best out of your selection process

The level of reliability indicates the extent to which the instruments provide a result that reflects reality. Unstructured interviews generally lead to very low levels of reliability, structured interviews, supported by other instruments like a personality questionnaire lead to better reliability levels, while reasoning ability tests most of the time provide the highest levels of reliability. (Kline, Paul, Handbook of Psychological Testing, 2nd Edition, London, Routledge, 2000)

The predictive validity indicates the extent to which the instruments used in the procedure effectively predict success of candidates later on in their career. The higher the predictive validity the likelier the candidate will be efficient and satisfied in his job. (Kline, Paul, Handbook of Psychological Testing, 2nd Edition, London, Routledge, 2000)

CANDIDATE EXPERIENCE

Most people will understand that organisations want to get the most out of their selection procedures and will be prepared to invest in their processes in order to improve performance. However less attention is paid by organisations to the candidate experience when they apply for a job. This step is a more recent phenomenon in the efforts undertaken to improve selection procedures.

The previous war for talent and scarcity of good applicants on the market raised awareness of the concerns candidates have, the way they experience the selection process and its impact on their perception of the hiring organisation.

What organisations need to achieve through their hiring procedure is to increase the willingness of candidates to accept a potential job offer. Candidates should see the organisation as an attractive employer, and experience a fair selection process that helps them keep an open mind about the organisation as a future employer.

Here again, hiring managers are confronted with a heterogeneous pool of applicants, each with their own characteristics, demographic background and specific test experience. Hiring managers need to provide them all with a positive assessment and selection experience when they are confronted with a variety of selection tools, interviewers and assessors.

There is sufficient scientific evidence gathered to know that the way candidates experience their first steps in an organisation clearly influences their view on the organisation as a potential employer, and as a potential future provider of goods or services.

The fact that their candidate experience during the selection process shows correlations of .30 to .45 with variables such as procedure efficiency, organisational attractiveness, recommendation intentions, offer acceptance intentions and product purchase intentions, is a major finding that should invite all hiring managers to thoroughly think over the selection procedures they put in place and to try to work out methods that have an undeniable positive effect on the candidate experience.
How to get the best out of your selection process

An OBVIOUS SOLUTION

Global research\(^4\) clearly indicates that the attitude of candidates towards different types of selection tools is quite individual. Candidates keep a very open attitude towards every type of instrument, especially if the instrument is offered at face value, giving jobseekers the sense that they have an objective chance to show what they are capable of, and that the process is fair for every candidate.

We have inserted the data of these findings in the same graph representing the use of different types of instruments by organisations and the objective validity of the different instruments involved in the study.

It turns out that candidates, like organisations, have a tendency to overestimate the value and importance of the interview itself and reference checks. But they are quite open to personality questionnaires, reasoning ability tests and, even more so, simulation exercises. This clearly creates a situation in which organisations have the chance to develop solid and predictive selection procedures, based on instruments with high added-value, and all this without affecting the candidate experience.

How to get the best out of your selection process

A WORD OF CAUTION

This all appears very simple and easy to implement. Nevertheless it is important to make sure that the candidate experience is indeed a positive one. This means that the necessary attention is paid to finer details, such as how the candidate is welcomed to the organisation, to the ambiance during the selection process, and to the attitude of interviewers and assessors towards the applicants. One cannot expect applicants to react positively towards a situation that does not radiate the positive and open intention to find the most suitable person for the job.

It is also important to make sure that the selection tools used during the procedure have been chosen in a thoughtful and constructive way. Personality questionnaires should not be based on clinical concepts, but be tailored to the appropriate professional environment. Reasoning ability tests should be relevant to the job at hand and, as far as possible, directly recognisable as this for the candidates. Simulation exercises should ideally be situated within the context of the hiring organisation or at least present professional situations in which similar problems are incorporated.

It is also worthwhile considering a number of issues that might improve the candidate experience. The length of the selection procedure should be reasonable and take into account the potential impact of a wrong hire on the organisation – is there a plan if the chosen candidate turns out to be unsuitable? Methods should meet the requirements of a modern organisation and ideally be computer based. State of the art technology is often highly appreciated by applicants.

Finally it is worthwhile to structure the selection process in a cost-effective way, using the time of applicants and internal assessors in the best possible way. With the number of candidates progressively increasing it is worthwhile considering efficient on-line pre-selection methods, which allow organisations to sift out candidates that have little or no chance of being hired. But even then it is important to openly communicate with all applicants at this stage and use instruments that can be understood by the applicants as being fair, objective and job relevant.

CONCLUSION

There are many reasons for organisations to review their selection procedures, particularly in the context of the continually evolving labour market and new insights resulting from international research. Even if such an operation may seem cumbersome at first sight, if properly done, it will certainly prove to be more than worthwhile in light of the benefits that can potentially be achieved.

Note to editor: Hudson is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organizational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs more than 3,100 professionals serving clients and candidates in more than 20 countries. More information is available at www.hudson.com.