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PAPER

THE USE OF OBJECTIVE CANDIDATE EVALUATION METHODS

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The quality of hiring decisions is directly related to the quality of information used to support these decisions. While the logic behind this is irrefutable, many organizations fail to consider the quality of the information they gather from candidates. This leads us to the question: what is the most effective way to gather information that will best inform hiring decisions?

A wide range of research has given us the answer--hiring processes that incorporate objective candidate evaluation methods achieve higher levels of candidate job-fit. The value of candidate job-fit can be measured in on-the-job performance. Candidates with a higher degree of job-fit achieve measurably higher levels of productivity. Differences in productivity levels have substantial economic value, and the return on investment of a selection process using more, as opposed to less, objective methods can thus be documented.

An objective evaluation method is defined as an information discovery technique that provides descriptive information, in numeric form, about a candidate, which is consistent, reliable and free from the influence of the evaluator. Various objective evaluation methods exist, including aptitude, ability or achievement tests, scorable biodata and work style profiles, as well as simulations and virtual job tryouts.

The purpose of using objective candidate job-fit measures is to get more reliable, impartial information than can be obtained through the subjective process of interviewing. In fact, in some cases, objective measures produce entirely different information than that acquired during an interview. While the interview is the most widely used candidate evaluation method, it is only a modest predictor of job performance; therefore, interviews should serve as only one of several components of a candidate evaluation process. Properly incorporating the use of objective candidate evaluation methods holds the potential to improve the overall quality of hiring decisions and contribute to improved levels of employee productivity and performance.

This paper presents the results of an in-depth survey investigating the extent to which organizations use various objective candidate evaluation methods in their hiring processes. The survey was a Survey of the Week conducted by the SHRM Workforce Staffing and Development Special Expertise Panel on the SHRM Web site in March of 2005. Participants responded to a series of questions about their company's current and planned use of objective candidate evaluation methods. From a random sample of 2,229 invitations sent, 282 responses were received, resulting in a 13% response rate. The 282 survey participants represented both small and large companies from most industry sectors. As such, the findings from this survey provide a representative view of what companies are doing in the area of objective candidate evaluation. This white paper focuses on survey results that tie specifically to company use of objective candidate evaluation methods. The complete survey results can be obtained online in the SHRM Weekly Survey section at www.shrm.org/surveys.

Overall Observations

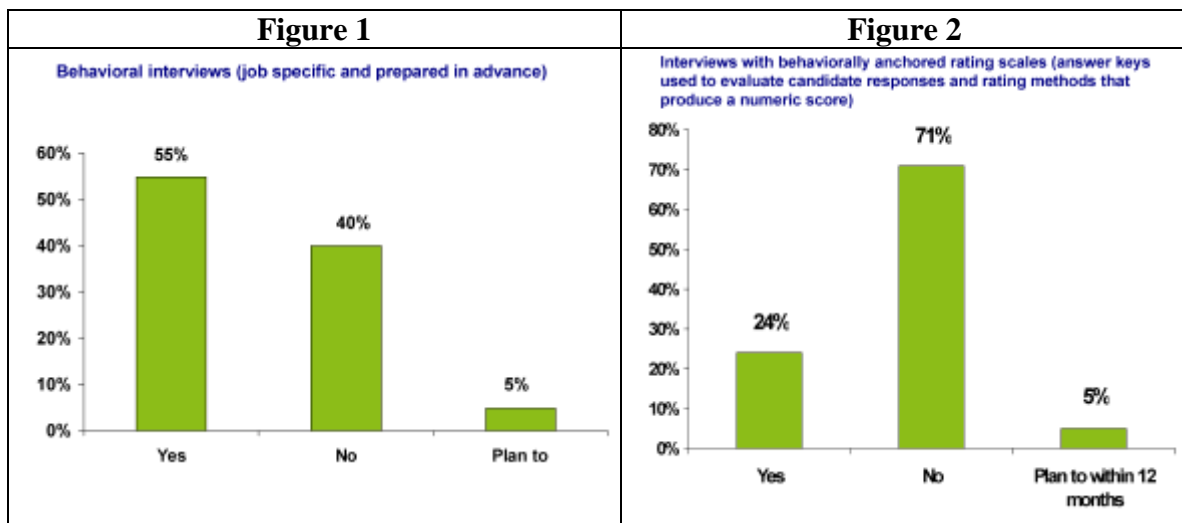
The following observations were made from an analysis and review of the survey results.

1. Companies are ignoring or choosing not to take advantage of proven resources and methods that would add value to their recruiting process.
2. Companies appear to be satisfied with their current candidate evaluation methods.
3. The largest planned initiatives for the coming year are adding skill and aptitude testing to the candidate evaluation process.
4. The power of scorable questionnaires such as biodata is grossly underutilized for evaluating candidates.
5. Larger companies (i.e., those hiring 500 or more employees per year) tend to have more objective evaluation methods in place.
6. Regardless of company size, there appears to be little initiative to add objective methods to the candidate evaluation process.

Interviewing

As shown in Figure 1, 40% of companies reported not using written behavioral interview questions, indicating that these organizations were using unstructured interviews in their candidate evaluation process. This is concerning because unstructured interviews have little validity in the prediction of candidate job performance. In fact, published research on the validity of unstructured interviews suggests that making hiring decisions based on school class rank, itself a weak predictor at best, may be more accurate than using an unstructured interview to identify the best candidate. In addition, with only 5% of companies reporting a plan to change this practice, the less effective method of interviewing by the “seat of your pants” will continue to allow more subjective and potentially biased information to influence the hiring decision (Figure 2).

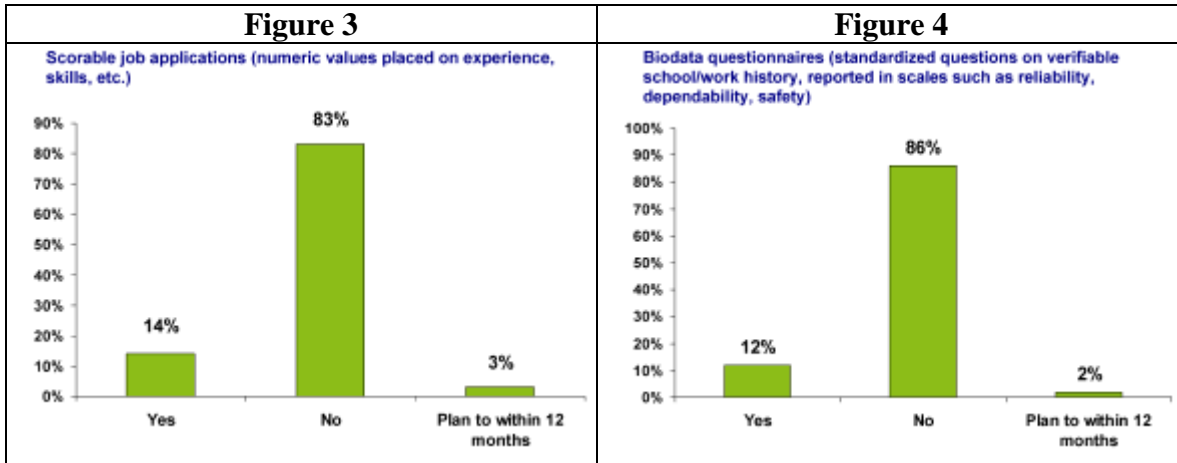
Behaviorally anchored rating scales provide a structure for evaluating candidate responses to interview questions. While 55% of companies reported they had written interview questions, only 24% had committed the resources to create an objective method to evaluate candidate responses to these questions. These data are also shown in Figures 2 and 3. Thus, while the interview may be prepared in advance, the interpretation and rating of the candidate responses remain subjective.



Scorable Questionnaires

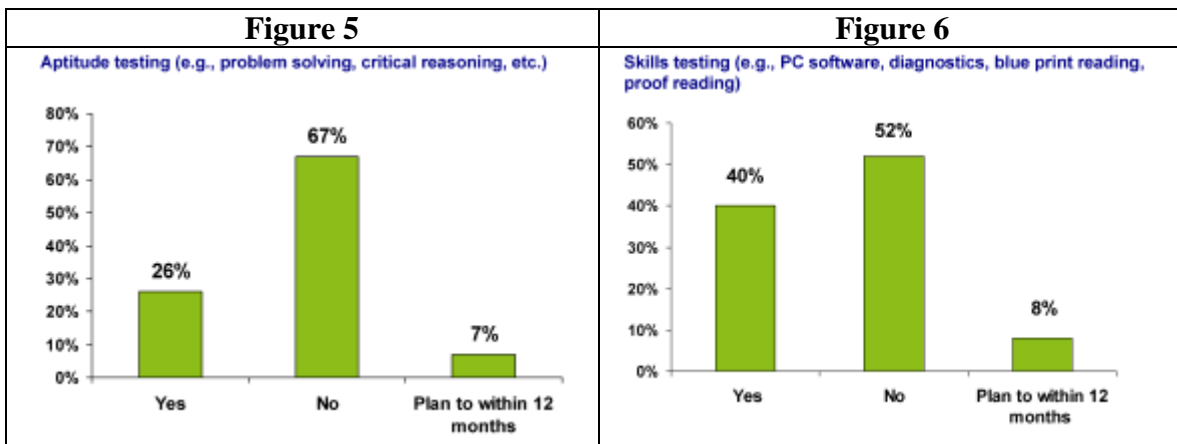
Biodata questionnaires and scorable job applications were used by less than 15% of companies. Instead, a common staffing practice was to review a resume or job application for key criteria and then place it into a “yes” or “no” pile. In doing so, the recruiter is applying some form of scoring at this point, placing value on data points in the resume. While many applicant tracking systems can aid recruiters by enabling them to search or sort candidates based on selected criteria, few can place a defined, objective value on one or a collection of experiences. In lieu of the subjective, inconsistent resume

review process, the power of the Internet can turn screening into a fair, consistent and reliable process. With the appropriate research, a questionnaire can be developed to improve the objectivity of candidate screening, yet less than 3% of companies planned to take advantage of adding these valuable and proven methodologies over the next 12 months. These data are illustrated in Figures 3 and 4.



Standardized Testing

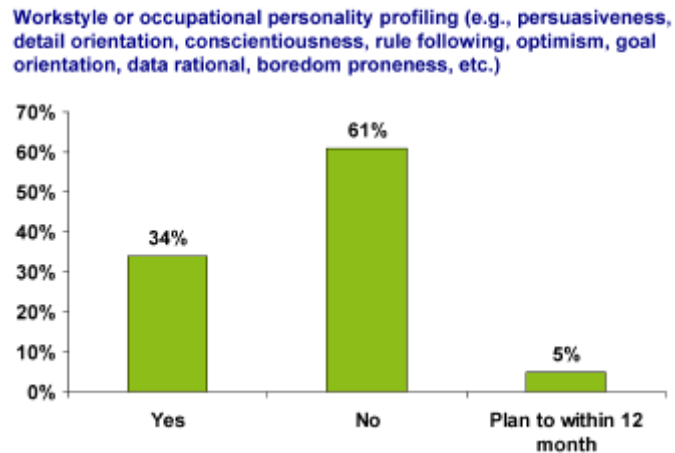
Of the objective evaluation methods, skill and aptitude testing were two of the most frequently used methods. A broad range of off-the-shelf resources for traditional testing are readily available, making it easy for companies to implement these practices. In fact, these two evaluation methods were targeted by the greatest number of surveyed companies as a new initiative planned over the next year. However, as fewer than 10% of those surveyed planned to incorporate skill and/or aptitude testing, this rate of implementation leaves a significant opportunity gap for companies to adopt more effective candidate evaluation methods. These data are depicted in Figures 5 and 6.



Work Style or Occupational Personality

With a utilization rate in the same range as aptitude and skills testing, profiling a candidate's preferred work style or occupational personality are also used in well below half of the companies surveyed. As illustrated in Figure 7, the results indicate this utilization rate will remain at that level due to the small number of companies planning to implement this type of candidate evaluation in the next 12 months.

Figure 7

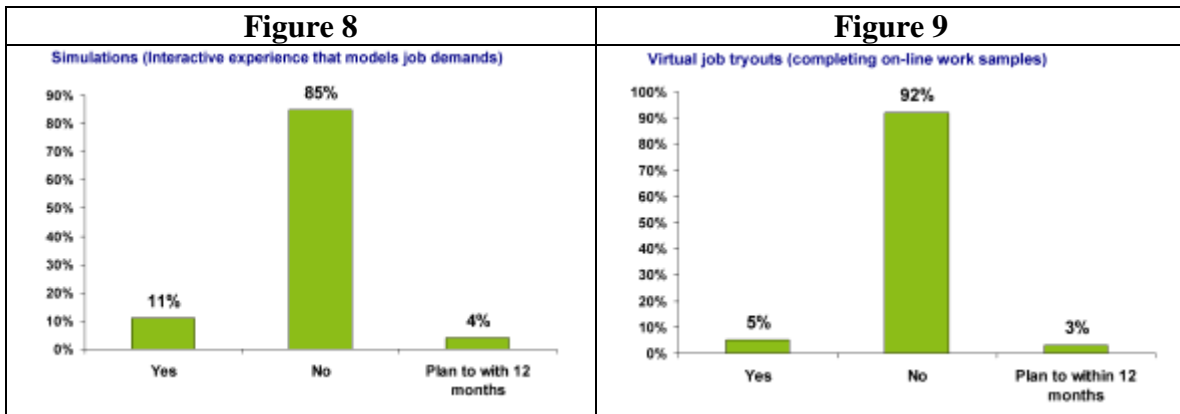


Simulation and Virtual Job Tryouts

The hiring practice often referred to as “temp to perm” (hiring someone through an agency first to see if the individual will work out) is a form of job tryout. Simulations and virtual job tryouts are emerging as high-tech approaches companies can use to more quickly and less expensively evaluate how well a candidate will perform on the job. These two methods place the candidate in structured exercises that, to some degree, replicate the tasks, problem-solving situations or operational settings they may encounter on the job. By administering these exercises on a computer, the results are more consistent and reliable. When these approaches are developed in accord with the Uniform Guidelines on Employee Selection Procedures, they can be refined into extremely powerful predictors of job performance. According to the survey, a relatively small percentage of companies were investing in this technology-based approach to candidate evaluation, as shown in Figures 8 and 9.

However, candidates are beginning to expect more from the recruiting process. The value of high-tech candidate evaluation methods is demonstrated not only in their ability to predict candidate job performance, but also in their ability to provide the candidate with an interactive, informative online experience. This type of experience is more in line with the multimedia, interactive nature of the learning and entertainment environment younger

candidates are experiencing. It is only fitting that candidates experience interactive elements in the recruiting process as well. Thus, it is fair to assume this format of candidate evaluation will see significant growth over the coming years.



A Final Point on Current Use of Objective Evaluation Methods

There is no shortage of resources for staffing professionals who seek to improve the objectivity of the candidate evaluation process. However, this area of practice requires a thoughtful and educated approach. One question practitioners have frequently asked is whether there is a legal risk associated with the use of objective candidate evaluation methods. The simple answer is that the risk is less than the legal risk of using unstructured interview questions. Both the interview and objective evaluation methods are treated the same under the Uniform Guidelines on Employee Selection Procedures. Methods used to evaluate a candidate and provide information to support hiring decisions are subject to the same level of scrutiny and legal review. Hiring decisions based upon interviews without defined questions, corresponding rating scales and notes are more susceptible to bias, inconsistencies and unfair outcomes. This means more legal risk for companies using a candidate evaluation process that is solely based upon subjective interview results. In contrast, objective evaluation methods provide a numeric outcome. An analysis of this data can demonstrate the job relevance of this methodology and document the fair and consistent treatment of candidates.

A generalized review of litigation stemming from the use of objective candidate evaluation methods points out two issues of concern. Both issues focus on the user and interpretation of results, not on the evaluation method itself. In short, litigation rarely challenges the evaluation method. More often, claims or suits are filed due to:

- Improper use of an assessment--a good evaluation tool being used in the wrong manner or for the wrong purpose, i.e., not relevant to the particular job in question.
- Improper interpretation of scoring--lack of evidence that a certain score is required in order for a candidate to effectively perform the job, i.e., arbitrary threshold or cut-off scores.

Both of these concerns can be properly addressed and minimized, if not eliminated completely, by adhering to the standards and best practices set forth in the Uniform Guidelines on Employee Selection Procedures and Principles for the Validation and Use of Personnel Selection Procedures.

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SHRM wishes to thank [Joseph P. Murphy](#) for contributing this paper. This paper is provided as general information and is not a substitute for legal or other professional advice. The interpretations, conclusions and recommendations in this paper are those of the author and do not necessarily represent those of SHRM.

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For more information on this subject, send an e-mail to the SHRM Information Center at infocen@shrm.org, please [click here](#) to ask the Information Center for help.

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