3

■ Screening/Testing

In Chapters 1 and 2 we looked at the steps in the hiring process and at some of the mechanics. In this section we will evaluate a variety of tools helpful in hiring and evaluating current employees. First we will review employee tests (also called assessment instruments).

What can tests do for us? They do quite a bit. They can:

• Be a cost-effective means to reduce future losses from employee turnover, workplace accidents, theft, property damage, absenteeism and lost productivity.

• Classify new hires.

• Help ensure that the right people are matched to the right positions.

• Identify learning deficiencies or the need for remedial training.

• Screen out unqualified candidates before interviews and background investigations, thereby saving employers time and money.

• Verify a person's ability to do well in a job.

Many tests are available to use as hiring tools and for employees whom we might want to promote, transfer, train,

etc. Table 3-1 summarizes the general test categories.

There are several important things employers should consider if planning to use tests:

• Will the test measure key responsibilities of the job in terms of ability, knowledge and skill?

• Will our test measure or predict job performance?

• Is a protected class adversely impacted?

• If there is adverse impact, can a business necessity for use of the test be shown? We discuss adverse impact and business necessity on page 3-3.

• Will we test every candidate the same way?

• Will we test in an equitable and fair manner?

No single test or group of tests can determine who is the best candidate for a position. This goes for pre-employment as well as for existing employees. Tests should be only one of the considerations for hiring. Interviews, background checking and other

considerations should also be used to make selections.

Owners and managers should seek the advice of a professional to set up a testing program. And they should be familiar with what each test measures and how each test relates to the job. Trade associations may be of assistance in finding the proper kind of testing.

For more in-depth information on test validation and related matters contact:

The American Psychological Association, 750 First St. NE, Washington, D.C. 20002; telephone (202) 336-5500; www.apa.org

The Association of Personnel Test Publishers, 1201 Pennsylvania Ave. NW, Ste. 300, Washington, D.C. 20005; telephone (866) 240-7909; www.testpublishers.org

The Society for Industrial and Organizational Psychology, P.O. Box 87, Bowling Green, Ohio 43402; telephone (419) 353-0032; www.siop.org

IN TESTING, WHAT IS LEGAL AND WHAT ISN'T?

This question is important for all employers in dealing with people. State and federal laws control how

TEST TYPES AND USES

Table 3-1

ASSESSMENT CATEGORIES	INDICATES / MEASURES
1. Ability, clerical, dexterity, mechanical	Skills already learned
2. Assessment centers	Job content interview, exercise and test with multi-assessors
3. Honesty	"Yes"-"No" to practice or propensity
4. Industrial skills	Skills already learned
5. Knowledge	Insight/knowledge already learned
6. Management skills	Profiled skills; use assessment center
7. Mechanical aptitude	Mechanical ability to learn, acquire skill
8. Mental ability/general aptitude	Spatial orientation, comprehension, retention, general/conceptual reasoning; ability to learn, acquire skill
9. Psychological/personality	Emotional stability, extroversion, agreeableness, openness/experience, conscientiousness
10. Work sample	Sampling of job tasks
11. Graphology	Handwriting analysis (questionable effectiveness)
12. Psychics	Intellectual and emotional suitability (questionable effectiveness)

and/or to what extent we may use tests for screening purposes. In Chapter 1 we cited the relevant laws affecting the employment relationship. Many of these apply to the use of screening and testing methods. Laws and regulations change and are updated on a regular basis. For the most up-to-date information owners and managers should refer to primary sources of information. Primary resource Internet sites with additional information and helpful links include:

http://www.dol.gov/esa/programs/whd/state/state.htm

http://www.law.cornell.edu/topics/Table_Labor.htm

http://www.dol.gov/elaws/

Chapter 5 summarizes federal laws. The State Resources Appendix provides state-by-state contact information and resources for state requirements, postings and general state-specific human resource management information.

As always, competent professional advice should be sought for appropriate interpretation and application.

It is legal and helpful to use pre-employment as well as current employee tests. It *is not legal* to discriminate against any protected class with use of a test.

Testing candidates before offering them a job can help us be objective in our selection process. But we must abide by some guidelines:

- *All candidates for the same position must take the same test.*

- *The test must be given under the same conditions.*

- *The test must accurately measure skills essential to job performance.*

A basic consideration for selecting tests or developing tests is that they be job-related or "valid." This is a statistical term but it is critical for good testing instruments.

We need a brief understanding of what validity means. Basically, a test is valid when it measures what it is meant to measure. For example, if we want to test or measure whether a person can give change for a sale at checkout, we might have him or her actually do a mock sale, collect the money and give back the correct change. This would be a valid test because it measures what we are testing for in the person.

An invalid test to measure the same skill (to count change) might be if we merely had the person take rolls of change, break them and place the coins in the proper cash drawer bins. Here the person deals with the change and separates it, yet s/he does not count out change as required.

There are several types of validity.

A test can be valid when it measures knowledge or skills that are directly job-related. This is called *content validity*. Here a test may be an actual job performance such as counting out change.

A test can be valid when it gives scores or results that statistically can be related to, or are predictive of, successful job performance. This is called *criterion-related* validity. As an example, a candidate who is shown to be effective in mathematics (e.g. by school grades or math tests) may be successful as the store accountant. We can determine this validity two ways:

- *"Concurrent validation" or where current workers are tested and the test scores are related to their actual job performance.*

- *"Predictive validation" where applicants' test scores are not used in making hiring decisions, but later are compared with actual job performance to determine whether the test accurately predicts performance.*

A test can be valid when there is a strong relationship between a characteristic or personal trait and job performance. This is *construct validity.* An example here would be: if the person is shown to have strong leadership skills, s/he may be a good store manager.

A test's validity affects its legality. Following are pertinent considerations for testing from the legal and regulatory perspective. As we discuss this information, you can see the value in getting professional advice on selection and use of tests.

The federal government issued non-binding "Uniform Guidelines on Employee Selection Procedures" in 1978. It is an attempt to impose a single set of employment standards on all employers covered by either Title VII or Executive Order 11246. The guidelines, which apply to any paper-and-pencil or performance measure used as the basis for an employment decision, detail the government's interpretation of validation standards.

Among other things, these guidelines require employers to maintain detailed records for the purpose of determining whether a selection procedure either is or is not discriminatory. Again, reference to the following legal and regulatory resources can be helpful:

http://www.dol.gov/esa/programs/whd/state/state.htm

http://www.law.cornell.edu/topics/Table_Labor.htm

http://www.dol.gov/elaws/

Chapter 5 summarizes federal laws. The State Resources Appendix provides state-by-state contact information and resources for state requirements, postings and general state-specific human resource management information.

As always, competent professional advice should be sought for appropriate interpretation and application.

"Adverse impact" is a consideration for test use. This concept declares that employer policies or practices that have a "disproportionate adverse impact" on the employment opportunities of any race, sex or ethnic group are not permitted under Title VII or Executive Order 11246, unless they can be justified by "business necessity."

Employers can avoid applying this guideline if their selection procedures have no adverse impact on minorities or women, as determined by what is called the "4/5ths" or "80%" rule. To determine whether a selection procedure violates this rule, selection rates for different groups are compared. If the rate for a protected group (defined by race, ethnic origin, sex, etc.) is less than 4/5ths (or 80%) of that for the group with the highest selection rate, the procedure is considered discriminatory and therefore illegal.

Federal equal employment opportunity regulations require employers to prove the validity of any employee selection tests which have a "disproportionate adverse impact" on the hiring of any members of protected groups. Local offices of the U.S. Employment Service can help employers design tests which are directly related to job requirements. To make our job easier and effective, these professionals can also provide trade and work samples that have been validated with large groups of workers.

If the test screens out a person who has a disability or a class of such individuals on the basis of disability, its use must be job-related and consistent with business necessity. A test most likely will be an accurate predictor of the job performance of a person with a disability when it most directly or closely measures actual skills and ability required to do a job. Recall our example above about counting change for content validity.

Employers are well served to seek assistance if there are questions in this particular area. Contact: EEOC Office of Communications and Legislative Affairs, 1801 L St., NW, Washington, D.C. 20507; or telephone (800) 669-4000 (voice) or (800) 800-3302.

Under the Americans with Disabilities Act (ADA), employers may:

- *Make pre-employment inquiries about an applicant's ability to perform specific job-related functions. Recall that we identified good and bad questions to use. (Chapter 2, Table 2-3)*

- *Test to determine illegal use of drugs because it is not considered a medical examination under the law.*

- *Require, without justification, a post-job offer medical examination or inquiry to determine that an*

individual currently has the physical or mental qualifications needed to perform a job. Note that our sample application addresses tests and examinations after a conditional job offer is made.

Polygraph or lie detector testing often comes up if items are missing or cash drawers are short. But their use is restricted by the Employee Polygraph Protection Act (EPPA) of 1988. Under the act employers may not:

- *Ask or require employees or job applicants to take a polygraph test.*

- *Accept, ask about, request or use results of a polygraph test of an employee or prospective employee.*

- *Discharge, discipline or discriminate against an employee or prospective employee based upon polygraph results or refusal to take a polygraph test.*

- *Discharge, discipline or discriminate against an employee or prospective employee based upon his/her filing a complaint pertaining to use of a polygraph or for testifying in proceedings or exercising his/her rights pertaining to polygraphs.*

There are situations where a polygraph may be used. Employers must exercise extreme caution here and definitely seek professional advice under the following circumstances if polygraphs are to be used:

- *When employers are conducting an ongoing investigation associated with economic loss or injury to the business. This has tight definitions of an on-going investigation.*

- *When the employer is a security service provider, e.g. Brinks, Pinkerton, Wells Fargo, etc. (including pre-employment situations).*

- *When the employer is authorized by the Drug Enforcement Administration (DEA) to manufacture controlled substances (including pre-employment situations).*

HOW MUCH WEIGHT SHOULD TESTING BE GIVEN IN HIRING AND SELECTION DECISIONS?

With many tests available it may be easy to rely heavily upon the results alone. However, as already noted, the test should be only one part of a multi-part process.

Owners and managers can put more weight on an assessment which has a direct and concrete relationship between the position and the test. Normally, the more specific the test, the more effective it is at measuring a skill or factor.

A math test, which has problems to determine if a person can calculate total board feet or convert metric measures to troy measures, can be very effective. On the other hand, a test which attempts to measure the many factors which go into customer service skills is more broad and less effective.

We would not rely upon the customer service test as much as the math test because it is not as focused. Yet we understand customer service is important. Customer service skills can be further determined from the interview and questions about past experience. This is a clear example of why various considerations and methods need to be used when selecting candidates.

Employers need to be cautious not to use test result scores to "split hairs" or resolve initial decisions between candidates. The reason is that tests are not precise enough. Very high scores or low scores should be considered in light of the other tools used in the hiring and selection decision process.

We would be correct to be concerned if an experienced, well-qualified candidate scored very low on a job-related test. We would be prudent to investigate if the test answers, for example, were recorded incorrectly. We cannot emphasize enough to use multiple tools and resources to make selection and hiring decisions.

HOW TO EVALUATE SELECTION AND TEST RESULTS

Hiring new employees and selecting employees for promotion is highly subjective. Yet, as owners and managers we have the responsibility to be as fair and objective as possible.

In earlier sections we were encouraged to keep a record of how we made our hiring decisions or what our decisions were along the way to hiring and selecting new employees. This information is useful should an issue arise about the way we selected.

An effective way to bring objectivity to these subjective decisions is to use a simple comparison table to evaluate candidates for a job, promotion or even a layoff should it occur. Table 3-2 helps us objectively evaluate information we have collected and compare it among the people we are considering. Use such a chart for all persons considered as part of your decision making.

Let's discuss a sample case where we are deciding between two candidates to hire. Using Table 3-2 as a guideline, do the following for each candidate.

- Rate the application based on the considerations in Chapter 2 under How To Read A Resume. Note if the application was satisfactory or not and note if you accept or reject the person on the basis of the application in the Decision column. In Table 3-2a, we decided the application was satisfactorily filled out so we

Table 3-2 (A)

SAMPLE SELECTION DECISION TOOL (CANDIDATE #1)

CONSIDERATIONS	CIRCLE NUMBER FOR EACH SATISFACTORY ITEM	DECISION
Application	■ Satisfactory ☐ Unsatisfactory	■ Accept ☐ Reject
Prerequisites	① ② ③ 4 5	☐ Accept ■ Reject
Primary Functions	① ② 3 ④ 5	☐ Accept ■ Reject
References	① ② 3	■ Accept ☐ Reject
Test used	① ② 3 ④ ⑤ 6 7 8 ⑨ ⑩	☐ Accept ■ Reject
Results	Conclusion: No hire	2 accept	3 reject

Table 3-2 (B)

SAMPLE SELECTION DECISION TOOL (CANDIDATE #2)

CONSIDERATIONS	CIRCLE NUMBER FOR EACH SATISFACTORY ITEM	DECISION
Application	■ Satisfactory ☐ Unsatisfactory	■ Accept ☐ Reject
Prerequisites	① ② ③ 4 5	■ Accept ☐ Reject
Primary Functions	① ② ③ ④ 5	■ Accept ☐ Reject
References	① ② ③	■ Accept ☐ Reject
Test used	① ② 3 ④ ⑤ 6 ⑦ ⑧ ⑨ ⑩	■ Accept ☐ Reject
Results	Conclusion: Hire	5 accept	0 reject

marked "satisfactory" and on this one factor our decision is to accept the candidate.

- Using the employment application and your interview, confirm the candidate has the prerequisites you required for the job. (We covered these in Table 1-1 in Chapter 1). Circle the numbers of all prerequisites considered acceptable. Note if you accept or reject the person on this basis. In Table 3-2a, we noted that the candidate fulfills prerequisites # 1, 2 and 3, but we require all five prerequisites. So here we noted our decision to reject the candidate on this one consideration.

- Based upon the interview and/or other sources, circle the number of each primary function which the person can fulfill. Note your acceptance or rejection in the Decision column. On this consideration, our decision was to reject the candidate because the candidate can perform only three of the five functions.

- Using the reference information gathered (details in More Hiring Considerations on page 3-6), note the number of each which was satisfactory. Note if your decision is to accept or reject. Two of three references for this consideration are good, therefore we decided to accept the candidate on this specific consideration.

- If we used a test with 10 factors, for example, circle all the factor numbers which were satisfactory for the person. Note if these yield a decision to accept or reject. For the test results consideration, the applicant was satisfactory on only six of 10 factors so we decided to reject. We rejected candidate #1 in Table 3-2 (A) because three of five decisions we made were rejections. So we would not hire candidate #1.

- Review Table 3-2 for each candidate and choose the candidate who has the most numbers and acceptances noted. In our simplified example, our decision would be to select candidate #2 (Table 3-2 B). Clearly this process is not completely objective; however, it adds an amount of objectivity and clarity to aid our decisions. Where there are ties in the results, close review of the information must be made. Additionally, we might use several raters.

We are reminded again to give careful consideration to all legal and regulatory requirements in our selection process.

SAMPLE PREFERRED EMPLOYEE PROFILE

Table 3-3

FUNCTIONAL QUALITIES

Reseller	Able to and continues to demonstrate and prove the value of company services, capability and value to clients and contacts
Knowledgeable	Accomplished in area of responsibility, certified where applicable and able to resolve 85% and more of functional issues
Problem-solver	Clarifies problems, sources solutions, initiates actions, documents actions and shares solutions with others
Relationship builder	Able to identify and coordinate the complimentary characteristics of individuals, groups, departments and resources to build synergy for maximum achievement of goals and potential

PERSONAL QUALITIES

Flexible	Open to and able to take alternate courses of action and adjust for changes
Decisive	Able to make objective decisions and come to a decision promptly
Empathetic	Able to sense another's point of view, to assist others and build win-win relationships
Responsive	Takes prompt, decisive and positive action to resolve issues and complete job
Team player	Works well with people in leadership as well as participative roles
Enthusiastic	Sparked by opportunity, cheerful and able to recognize the positive aspects of situations
Knowledgeable	Has functional know-how, builds on experience and background, uses "street-smarts"
Positive attitude	Takes a can-do approach, moves forward rather than dwelling on past, seeks opportunities
Presentation skills	Able to speak in front of groups of any size, level or make-up
Professional in appearance and demeanor	Leads by example, takes pride in self, dresses appropriately, handles self well with others at any level, leads by example

WHAT IS AND WHAT IS NOT EFFECTIVE

To be effective in selection of new and existing employees we must be fair, consistent and non-discriminatory. We must comply with all legal and regulatory requirements. We should be as objective as possible. As owners and managers we should strive to use as many as possible of the most effective resources and tools available to assist us in our decisions. In our example in Table 3-2, we used five considerations or input sources: the application, our identified prerequisites, the primary functions we noted, references that we checked, and the test that we used.

We are ineffective when we rely upon misinformation, no information and/or only one information source. We are ineffective for our company, the people involved and ourselves if we are discriminatory and fail to comply with regulations and sound management principles.

MORE HIRING CONSIDERATIONS

Completing our examples for Table 3-2 we referred to background and reference information. Our reference-checking sample in Chapter 2 is helpful for information gathering. But there are some considerations for collecting such information.

Legal and regulatory guidelines apply to information release. Generally a formal policy to give truthful information, and in restrictive states information believed to be truthful, enables owners and managers as well as prior employers to give effective references.

There is often reluctance for prior employers to give information on

employees. This is because of the number of lawsuits brought for defamation and invasion of privacy.

When giving truthful information, the reference giver:

- *Must be able to prove the information is accurate.*

- *Should have documentation of the information.*

- *Should limit the information to only those who have a need to know.*

- *Should use direct and non-inflammatory language.*

- *Should base opinions only upon truthful information.*

- *Should give facts, not conclusions; e.g. "the employee was terminated for failing a drug test," not "the employee was terminated for drug usage."*

Various state, federal and local statutes, as well as court decisions, do accept giving only name, employment dates and job title. This is factual and objective information which is documented in the employee file.

Selected states have passed statutes granting employers immunity from civil liability. Employers should verify appropriate action for gathering and giving reference information in their states. The sample application shown in Chapter 1 includes reference to information being gathered. Owners and managers should refer to:

http://www.dol.gov/esa/programs/whd/state/state.htm

http://www.law.cornell.edu/topics/Table_Labor.htm

http://www.dol.gov/elaws/

Chapter 5 summarizes federal laws. The State Resources Appendix provides state-by-state contact information and resources for state requirements, postings and general state-specific human resource management information.

As always, competent professional advice should be sought for appropriate interpretation and application.

If there is a problem with an employee, most states provide for action to be taken against an employer who makes a hire and should have known to conduct a reasonable pre-employment investigation of the person.

Liability based upon negligent hiring may be imposed as a result of employee actions outside the scope of employment and even after an employee is discharged. Employers are prudent to conduct background checking.

Written authorization for release of information should always be provided (see Chapter 2).

In Chapter 2, Table 2-4, we noted some of the characteristics employers look for in job candidates. In managing the business, including recruiting, employers may be well served to clarify a profile of an ideal employee. This complies with legal and regulatory requirements.

The profile can be an aid to recruiting, helpful in clarifying the working culture of the company, valuable in demonstrating the values of the company and in other useful areas. Such a profile need not be formal and may include functional and personal qualities as outlined in Table 3-3.

Used properly— and legally— pre-employment testing and screening can lead to informed hiring decisions and help evaluate current employees for performance reviews and for promotion potential.

Testing is another useful tool in the hiring and evaluation process.

Information on legally compliant and valid pre-employment testing is available from Bay State Psychological Associates Inc., 225 Friend St., Boston, MA 02114, (800) 438-2772 or www.eri.com. Here owners and managers can find tools to evaluate the likelihood of reliable and productive behavior on the job.

For tools to evaluate specific job skills, owners and managers may wish to investigate Kenexa as a resource. Information can be found at The Wolf Building, 340 N 12th Street, Suite 309, Philadelphia, PA 19107, (800) 935-6694 or www.kenexa.com.■

A HELPFUL TIP TO KEEP INTERVIEWS FOCUSED

Ask candidates to "Speak to my EARs," that is, "Tell me about the **E**nvironment you encountered, the **A**ctions you took and the **R**esults of what you did.