



Selection & Assessment

Evidence-based Hiring: Effective Selection Through Structured Interviews

CQ Dossier | Evidence-based Human Resource Mgmnt

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Executive summary

This CQ Dossier describes how organizations can utilize structured interviews to attract and retain talented personnel. In particular, the dossier focuses on general cognitive ability (IQ) and how HR professionals can utilize situational structured interviews to assess those competencies that are reflective of an applicant's IQ. The dossier describes the research supporting the use of cognitive ability as a predictor of job performance and describes how organizations can circumvent the problems of IQ testing through utilization of the structured interview.

One of the best ways to assess job candidates is through structured interviews

Selection and Recruitment is one of the most important areas for organizations for investment in talent management. There is a plethora of methods for assessing and evaluating job candidates yet one of the best ways to do this is through a structured interview. Research has shown that the best predictor of job performance is general cognitive ability or IQ (Schmidt & Hunter, 2004). Many organizations use biodata, tests and performance tasks to determine the general cognitive ability of job applicants. This dossier describes how organizations can utilize structured interviews to appraise the IQ of applicants.

IQ as a predictor of job performance

Most of the research on predictors of job performance show that cognitive ability is an effective predictor of job performance. As such, it makes sense for organizations to rely on cognitive testing as a tool for effective recruitment and selection. There are important aspects to all jobs but these aspects vary in importance based on job complexity. For demanding jobs, cognitive ability is a more important predictor of job performance (Schmidt & Hunter, 2004).

Cognitive ability impacts how quickly a person learns

Research has repeatedly established the linkage between the two concepts. Hunter (1986) performed a meta-analysis of existing research to examine the predictive effects of cognitive ability on job performance. Hunter found that cognitive ability was an effective predictor for success across a wide range of occupations. One of the benefits of testing for cognitive ability is it demonstrates how much and how quickly a person learns. This has implications for employee training and development because it suggests that new hires can quickly learn new information.

Evidence indicates that cognitive ability predicts job performance across countries

Cognitive ability also predicts the ability to show creativity on the job and so this can lead to a <u>culture of innovation</u> within an organization (Hunter, 1986). Based on the meta-analysis it also appears that cognitive ability provides more incremental variance after controlling for existing job knowledge. Cognitive ability goes beyond job knowledge acquisition as a predictor of job performance (Hunter, 1986). There is also evidence that cognitive ability predicts job performance across countries (Salgado et al., 2003). Salgado and his colleagues performed a meta-analysis on cognitive ability and job performance in European countries. They also found that cognitive ability was a valid predictor of job performance across a range of jobs in Europe. Most of the previous research had focused on organizations within the United States so this metanalysis confirmed that the linkage between cognitive ability and job performance is universal rather than a product of cultural practices.

Testing cognitive ability in the structured interview

Most of the discussion surrounding testing cognitive ability has focused on whether they are fair particularly with regard to race. Disparate impact with respect to race has been found for cognitive ability tests. The tests typically produce racial differences larger than other valid predictors of job performance such as structured interviews. HR scientists and professionals recommend the use of other assessment methods in combination with cognitive ability test to lower any potential adverse impact. The structured interview has been empirically validated and predicts job performance in a .55 to .70 range. The structured behavior interview is appealing to HR professionals because it is less costly and more time-efficient than other assessments such as a battery of tests. A structured behavior interview also avoids the issue of disparate impact. There are two types of interview–situational and behavioral.

The behavioral interview is the most common and the accepted best practice for the past 30 years; it includes questions about a person's experiences performing certain activities and explains about 25% of the variances in job performance. However, it doesn't always tap into the cognitive ability of the applicants and misses a substantial amount of what determines success within an organization.

The situational interview has received considerable attention as a selection method (Oostrom et al., 2016). The situational interview presents applicants with a series of situations that are linked to the knowledge, skills and abilities required for the position. Typically, applicants are asked what they would do in a work-related dilemma such as how to deal with a subordinate who is under-performing. As a structured interview, situational interviews have been found to demonstrated criterion validity ranging between 0.41 and 0.47, based on meta-analyses (e.g., Huffcutt; Huffcutt et al., 2001).

How to develop situational interview questions

Before deciding on situational interview questions, it is important for organizational to conduct a job analysis to ascertain the characteristics that should be assessed. Most importantly, an organization needs to consider whether this is a knowledge, skill, or ability (KSA) that is important for job performance. General cognitive ability can be assessed through deciding on those domains that are important for job success. It is also important to determine whether the interview is the best way to assess this important knowledge, skill or ability.

In developing relevant interview questions, situational questions can be determined based on the particular position (SIOP). HR Professionals should focus on generating hypothetical questions that show a strong connection to the KSA for the position. It is also important to generate questions that don't result in socially desirable responses. It is also important to generate a series of anchored scales in order to evaluate responses. Anchored scales allow for the interviewer to evaluate the candidate on the job relevant characteristics rather than a random set of criteria. In addition, standardization in rating scales provides documentation that all candidates were evaluated on the same basis.

The Society of Human Resource Management also provides guidelines for generating questions based on competencies (SHRM). <u>The competencies should reflect those</u> <u>knowledge, skills and characteristics that are the required for the specific positions</u> and include domains such as business acumen, communication, consultation, flexibility, leadership and stress management.

In order to attract and retain talented staff, it is important for organizations to develop structured interviews that focus on the key competencies required for a position. Organizations can assess important predictors of job performance such as general cognitive ability through structuring questions that focus on key competencies.

Key take-aways

- Cognitive ability is an effective predictor of job performance
- The structured interview predicts job performance in a .55 to .70 range.
- Cognitive ability tests have a disparate impact. Interviews avoid this bias.
- Situational Interview questions can assess general cognitive ability
- Applicants do fake personality tests but the damage is minimal

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