

THE SCIENCE OF SELECTION

A 360° VIEW



360HR

For more than 17 years, we've delivered Human Resourcing (HR) and recruitment results for leading national and international organisations. During this time HR and recruitment techniques have changed radically, with technology advances and social changes bringing about new recruitment tactics and best practices.

We've summarised our most recent research and on-the-job experience into this handy knowledge guide. You'll find practical ways to improve your recruitment outcomes and sidestep common HR pitfalls.

OUR COMPANY

We specialise in practical, customised HR solutions for small businesses through to large enterprises, across all industries. Recruiting the best talent, managing performance and providing expert advice based on our depth of experience.

Enjoy!

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Creating a Diverse Workforce: How to Avoid Unconscious Bias

For decades, studies have shown that a diverse workforce measurably improves decision-making, problem-solving, creativity, innovation, and flexibility.¹

However, multiple studies have also shown that people from ethnic minority backgrounds are less likely to be interviewed or offered jobs than equally-qualified applicants from non-minority backgrounds.²

The issue that keeps tripping us up and sabotaging sound workplace decision-making is unconscious bias.

In this chapter, we'll examine why unconscious bias prevents the best people for the job from getting hired, and what you can do to prevent it from derailing your recruitment process.

What are unconscious biases?

Put simply, unconscious biases are our inadvertent preferences for particular types of people.

Social psychologists argue we all have social filters through which we make assessments and judgements about the people around us. Our first impressions of other people are coloured by our personal experiences, representations of different groups in the media, and our socialisation as we grow up.

Using visual and language cues, we unconsciously categorise people according to their gender, age, height, body size, ethnicity, social background, job roles, religious identity or political affiliation. Unconsciously, the brain uses these associations based on social categories to develop biases.

For instance, if we've grown up always seeing electricians and managers as men, and primary-school teachers and receptionists as women, these associations become wired in our brains.

These associations then mark-off people as either different from us, or similar to us, and lead to unconscious judgements about them.

How unconscious biases trip-up workplace decision-making

One very common unconscious bias is affinity bias, and it impacts directly on workplace decisions.

Studies have shown that we treat people with whom we have an affinity very differently to people where we don't see the same likeness.

If we share an unconscious affinity with a staff member, we're more likely to give them important tasks, and to judge their performance more favourably. Studies have also shown that affinity bias leads us to

recruit people who look similar to us or who have similar sounding names.

Affinity bias can lead to positive micro-behaviours. For example, in a staff meeting you're more likely to support the ideas of people with whom you have an unconscious affinity. You're also more likely to seek out their company, for example, by inviting them for a coffee.

However, if you share little unconscious affinity with a staff member, watch out. Studies have shown that we're more likely to question their past performance, and that these conversations tend to be less friendly, even hostile. Negative micro-behaviours include cutting people off in meetings, and checking your phone while chatting to someone.

The effects of unconscious bias

The effects of unconscious bias are particularly harmful to Millennials who value broad participation and how successfully their workplace supports their active involvement. The detrimental effects of unconscious bias in the workplace can reduce the performance and productivity of younger staff more greatly compared to their older and more established colleagues.

Unconscious bias can derail effective recruitment, performance reviews and create exclusive – rather than inclusive – work cultures. All of which will hamper and restrain workplace productivity and performance.

How to sidestep unconscious bias

It is possible to reduce the effect of these unconscious judgements in your workplace. For example:

- Be aware of negative and positive micro-behaviours and use conscious thinking to promote inclusivity and fairness when you see them arise.
- Be scrupulous eradicating unconscious bias from position descriptions, advertisements and

in written or verbal responses to job applicants.

- Include diversity in your selection process, whether it's who sits on a selection panel, who asks the questions during an interview, or who reviews short-listed candidates.
- Use a range of selection methods in your recruitment process rather than relying solely on the subjective interview process (see Chapter 4, How to Use Multiple Assessment Methods).
- Monitor what your Millennial staff think and feel, and how they act and behave when they're invited to participate at work.

Governance and risk management

It's not uncommon for senior managers to ignore discussions about fairness and unconscious bias. As Robert H. Frank, a Cornell economist and the author of *Success and Luck* puts it, "those in power think this world is basically fair and just, they won't even recognise—much less worry about—systemic unfairness."

However, equal opportunity and anti-discrimination are the law. Therefore, minimising unconscious bias and supporting fairness are risk management and governance issues – plus addressing these issues helps ensure the best people possible walk through the door each morning. Your recruitment and workplace practices vividly reflect the values of your organisation. Minimising unconscious bias and supporting inclusivity says much more about an organisation's commitment to fairness than an organisation's mission statement.

¹<https://hbr.org/2016/07/we-just-cant-handle-diversity>

²<https://www.newscientist.com/article/2122323-hiring-tool-uses-behavioural-science-to-stop-recruitment-bias/>

Hiring Great Communicators: How to Recruit for Emotional Intelligence

In many workplaces, first-class honours degrees from a top university seem like manna from heaven for hiring managers. You can never be too smart.

However, high grades, technical skills, certifications and strong test scores say nothing about a candidate’s emotional intelligence.

Staff with emotional intelligence understand how their feelings and moods impact on others. They deal with pressure, build teams and work towards group goals more successfully.

It’s hard to overstate how important emotional intelligence has become. Partly because we now network and collaborate with each other so tightly at work. Effective communication is the number-one skill that’s in demand, followed closely by teamwork, adaptability and influencing people.

Of course, workplaces still need smart and experienced people. But in today’s fast-paced world, you also need team members with strong people skills – it’s these skills that create work environments where everyone can be at their best – and that’s real manna from heaven for hiring managers.

How to assess emotional intelligence

People skills, emotional intelligence, EI or EQ – these various names imply this is a tricky skill to pin down. Nevertheless, it is possible to accurately assess people skills using a range of assessment techniques that will give you the clearest picture of your candidates’ emotional intelligence and capabilities.

Importantly, you need to understand what type of emotional intelligence you’re assessing. These competencies will vary depending on the particular role and seniority.

Emotional Intelligence Domains & Competencies			
Self Awareness	Self Management	Social Awareness	Relationship Management
Emotional self-awareness	Emotional self-control	Empathy	Influence
	Adaptability		Coach and mentor
	Achievement orientation	Organisational awareness	Conflict management
	Positive outlook		Teamwork
			Inspirational leadership

SOURCE MORE THAN SOUND, LLC, 2017

Once you're clear about which competencies you're looking for, here are the basic dos and don'ts.

Don't:

Use personality tests in isolation to assess people skills.

- A personality test will sketch a candidate's character; it won't assess or rank specific people skills such as empathy, inspirational leadership, flexibility, positive outlook or self-awareness.

Do:

Use a range of assessment methods to assess emotional intelligence, including:

Talk at-length to referees. Combine open and probing questions to pinpoint your candidate's level of competency in a particular area. Aim to marry specific examples and details against particular EI competencies. A letter of reference will be of little help – you must talk to referees to assess EI.

Use a recognised feedback tool such as DISC psychometric assessments. This tool evaluates an individual's emotions, motivators and behaviours and can pinpoint how candidates tend to interact with colleagues by pinpointing their level of social skills, empathy, motivation, self-regulation and self-awareness.

Interview for emotional intelligence. The trick here is not to ask how candidates feel about particular EI competencies – you'll only get an idealised portrait of who the candidate thinks they ought to be rather than an accurate reflection on their emotional intelligence or behaviour. But you can sidestep this barrier by using behavioural event interviewing.¹

Using behavioural event interviewing to assess emotional intelligence

A candidate's problem-solving abilities are a reliable indicator of your candidate's performance on the job (see Chapter 3, How to Conduct Incisive Interviews). However, typical job interviews can easily run off the rails when you ask candidates to describe how they've solved a problem at work. This issue stems from the fact that it's relatively easy for candidates to exaggerate their role in solving a particular problem.

To sidestep this issue, indicate to a candidate that you wish to discuss a situation at work in detail and that you need the candidate to choose a difficult challenge at work, that they had to solve, where they were the protagonist and where the outcome was successful – i.e. it led to job satisfaction.

The trick is to use open and probing questions to make the candidate go back over the details of a particular work challenge until you pinpoint their level of ability in specific EI competencies.

Next, use the same process but inquire about an unsuccessful situation, where your candidate learned a valuable lesson. You need your candidate to leave your interview on a positive note, so it pays to then ask about a third workplace challenge – one that was a success.

With this interview technique, you can elicit details from the candidate about how they dealt with stress, other people and challenges. You also uncover information about their emotional state and the impact of their actions on other people.

Ensure you make it plain that it's OK for candidates to discuss the same scenario several times, encourage them to use different viewpoints if necessary. The goal is to see their EI in action, and it's the what, where, when, why and how of a specific scenario that will give you an EI assessment.

¹<http://www.recruitingbrief.com/emotional-intelligence/?open-article-id=7965086&article-title=how-to-hire-emotionally-intelligent-candidates&blog-domain=preemploymentassessments.com&blog-title=the-hire-talent>

Hiring True Performers: How to Conduct Better Interviews

Many managers still use interview questions that are way past their use-by date.

Common interview questions and their expected answers are plastered all over the internet. Today, candidates frequently use this information to rehearse interview answers that are largely fake but sound impressive. By using stock interview questions, you risk recruiting candidates who interview well but then fail to perform on the job.

So let's look at which interview questions to strike off your list, and which ones lead to answers that are difficult or impossible to fake.

Interview questions to avoid

Here's the rule of thumb: if an interview question leads to an answer that your candidates can easily fake, strike it out.

In practice, this means removing questions such as:

- Where would you like to be in five years?
- What are your greatest strengths and weaknesses?
- Why are you the best candidate?
- Etc.

Behavioural interview questions have also lost their gloss. These questions challenge candidates to show how they've solved problems in the past. Typically, these questions take the form of, "Tell me about a time when you...". However, solving a problem in one workplace culture does not mean these solutions will work in your workplace culture. Also, with technology and work practices changing very quickly, yesterday's solutions may be irrelevant or inept today. Furthermore, it's easy with these historical questions for candidates to exaggerate their role in a particular solution. You end up with a distorted view of your candidates' capabilities. For assessing candidate performance, research has shown that behavioural interviewing is only marginally better than tossing a coin.¹

Nevertheless, if you can be reasonably confident a candidate isn't exaggerating their role solving a problem, you can use behavioural event interviewing to assess a candidate's emotional intelligence (see Chapter 2, How to Recruit for Emotional Intelligence).

Embrace job content questions

If you were recruiting for an orchestra, you'd ask to hear an audition. Similarly, you can use a "job content" method for your interview questions and challenge candidates to walk-through how they'd solve current problems in your organisation.

How to assess problem-solving

The ability to solve current problems is frequently the most reliable indicator of your candidate's performance on the job. So pinpoint existing or very recent problems in your organisation that relate to the role you're interviewing for, and challenge candidates to solve them. For example:

- Challenge candidates to describe how they'll pinpoint the challenges and opportunities in their particular role, and how they'll prioritise and address them during their first weeks on the job.
- Summarise a real problem that candidates could face on their first day and challenge them to outline how they'll solve that problem. Before interviewing, make a note of the key steps to solve that problem.
- Give your candidate an outline of an older process that your organisation has improved. Challenge the candidate to pinpoint problems arising from this older process. Before interviewing, make a note of this older process' flaws.

How to assess flexibility and innovativeness

If a particular role requires a candidate to adapt, learn or innovate, you may need to:

Assess their ability to learn; you can ask, "How do you maintain your skills and keep up-to-date with changes in our industry?"

Assess their agility; you can ask, "Walk-through how you'd respond to a sudden change in customer expectations."

Assess their ability to innovate; you can ask,

"Step through what you'd do to help your team respond to technology changes."

It's not easy to get your interview questions right. Plus it's important to balance what you learn with sound interview questions, with what you learn via other assessment methods (see Chapter 4, How to Use Multiple Assessment Methods). However, to find high-performing candidates, it's essential to understand how to conduct an incisive interview.

1<https://www.linkedin.com/pulse/esteemed-harvard-professor-blasts-current-hiring-practices-lou-adler/>

2<https://hbr.org/2016/02/7-rules-for-job-interview-questions-that-result-in-great-hires>

Predicting Job Performance: How to Use Multiple Assessment Methods

Over the years a lot of research has been done into which selection practices best predict job performance.

However, it would seem that many HR professionals are holding onto outdated misconceptions about the best ways to assess and rank candidates.

Most common incorrect answers by HR Managers about assessing Candidates

All of the statements below are false. However, the percentages show the number of HR managers who either thought a statement was true or didn't know whether it was true or false.

Percentage answering incorrectly or indication they were uncertain (the correct answer is false)	
84%	Companies that screen for values have better performance than those that screen for intelligence
82%	Conscientiousness is a better predictor of job performance than intelligence
69%	Integrity tests have high degrees of adverse impact
68%	Integrity tests are not very effective in practice because so many people lie on them
58%	Being very intelligent is actually a disadvantage for performing well on a low-skilled job
58%	Being intelligent is a disadvantage in low skilled jobs
51%	There are four basic personality dimension like in MBTI

SOURCE SARA RYNES, AMY COLBERT AND KENNETH BROWN

Frank L. Schmidt, Professor of Psychology at the University of Iowa, conducted an exhaustive review of 100 years of research findings examining which selection methods can predict job performance.

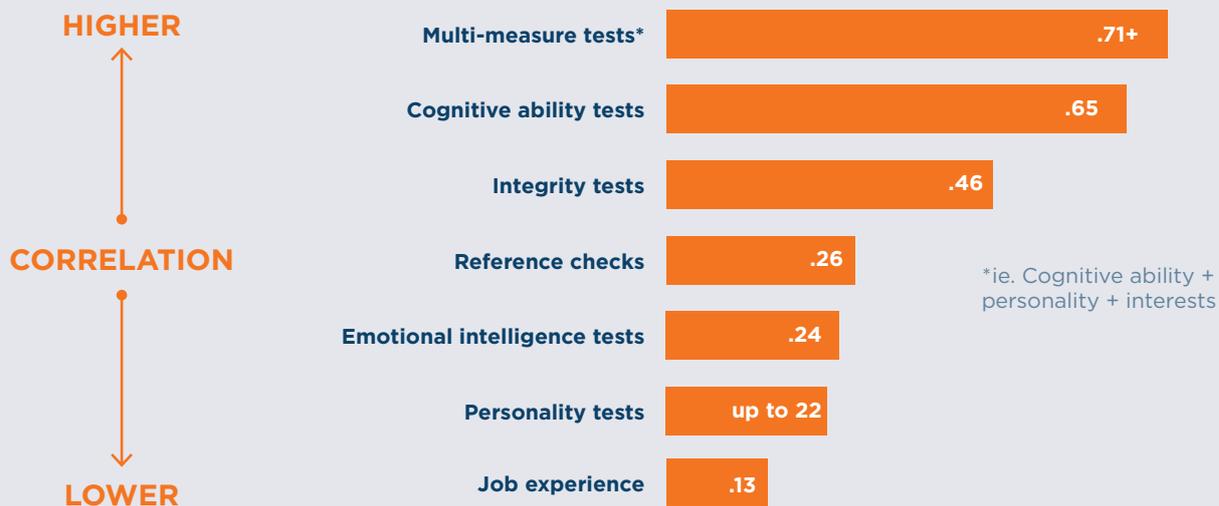
What's clear from his research is that to get the full the picture, we need to look at candidates from different angles.

Structured interviews and reference checks still provide an important view of a candidate - but add in assessments for competence, personality, work ethic and emotional intelligence, and your chance of selecting a high-performing candidate jumps.¹

Take a look at which hiring selection practices work best – they’re ranked from most effective down to least effective:

The Most effective hiring selection practices

And those that don't work so well, based on validity coefficients ranging from 0 to 1. The higher the number the higher the correlation between test scores and predicted job performance.



SOURCE BASED ON DATA SHARED BY FRANK L SCHMIDT IN NOV 6, 2013 ADDRESS TO PTCMX

Conclusion

Assessing candidates in multiple ways enables you to capture much more than a mere outline or glimpse of a candidate's suitability. Where possible, tests should also be multi-dimensional – cognitive, personality and work-ethic tests function more effectively together rather than alone.

Using a range of high-quality assessment methods provides a much clearer picture of a candidate's potential job performance.

¹ <https://hbr.org/2014/08/the-problem-with-using-personality-tests-for-hiring>

Improving Hiring decisions: How to Use Data Analysis and Algorithms

Data plays an increasingly important role in many business areas – so much so that many companies boast that they’re “data-driven” organisations.

Data-driven insights can enable companies to reduce bias, improve consistency, uncover hidden opportunities, and operate more efficiently. Businesses typically apply these data-driven insights in areas such as customer relationship management, supply chain optimisation, product development and digital marketing.

Increasingly, businesses also use data-driven insights and algorithms to improve hiring decisions.

To help you understand how algorithms in HR work, here’s a snapshot of the state of this technology.

Data analytics and algorithms can inform recruitment, advancement and remuneration decisions. Most of these decisions are prediction problems. You’re predicting which candidate will perform best in a job; or what remuneration will retain an employee’s services.

Statistical algorithms can solve prediction problems powerfully. Whether you’re pinpointing which customers are most likely to switch to another company, or which released prisoners will most likely skip bail, statistical algorithms help decision-makers overcome psychological biases and make more informed choices.

However, it’s important to note that to create a statistical algorithm you need a substantial amount of raw data to analyse. If you’re using your algorithm to make predictions about an individual’s workplace performance, you need more data than is typically available from an external candidate’s LinkedIn profile and CV. Also, algorithms need time and substantial data sets to prove they work effectively.

Which is why it’s mainly larger companies, looking to recruit internally, who use statistical algorithms for recruitment decisions.¹

Also, remember that laws such as Australia’s Privacy Act and the EU’s General Data Protection Regulation (GDPR) govern how personal data can be stored, transmitted and used. Plus there are limits on the kinds of data that employers can collect, and how staff must be informed when it’s collected.

Network analyses are a common HR application of company data. For example, when similarly-qualified internal candidates vie for the same internal promotion, network

analysis can support decision-making. These analyses generally require staff members' permission. Without delving into the written content, the network analysis examines email and meeting history, which reveals who these candidates have been in touch with over the last, say, six months. This kind of analysis allows companies to compare their candidates' connections within a company and which candidates keep company information flowing.²

Larger companies with strong technical capacity may create "people analytics" tools such as algorithms. However, algorithms and data analysis for HR come with important provisos about their application. For example:

Research shows managers may exhibit a behaviour called "algorithm aversion" – even when an algorithm has proved to work successfully, some managers still prefer to rely on their intuition.

It's not only managers who are sceptical of algorithms – applicants are too, and a majority say they don't want to apply for jobs where an algorithm makes the decision.

People trust algorithms more completely when they understand precisely how they work. Managers need training to use a new HR algorithm confidently.

Algorithms can also incorporate bias – they rely on historical data (such as CVs and performance reviews) that already incorporates bias.

Conclusion

It's imperative that individual managers own their hiring decisions and can explain why they've made a particular hiring decision. Therefore, it's best to view statistical algorithms as a way to complement a manager's decision-making, rather than replace the decision-maker. Using statistical algorithms in HR can help uncover hidden internal candidates, but it's best for the manager to retain and own the ultimate decision on who gets the job.

¹ <https://hbr.org/2016/10/how-to-hire-with-algorithms>

² <https://hbr.org/2018/02/case-study-should-an-algorithm-tell-you-who-to-promote>

CONCLUSION

To get to grips with recruitment changes and challenges, it's our abiding belief that you need to take a 360° view, both to assess candidates and to understand the latest recruitment and HR best practices.

By viewing your candidates, current staff and the HR landscape from multiple points of view you'll recognise how:

- **Recruitment changes and challenges are social**
As Chapter 1 shows, we've become much more in tune with how unconscious preferences often rear their head at work and sabotage recruitment results.
- **Recruitment changes and challenges are technological**
As Chapter 2 shows, thanks to digital technology, your staff network and collaborate much more closely. Which is why assessing your candidates' Emotional Intelligence is now so crucial.
- **Recruitment changes and challenges are behavioural**
As Chapter 3 shows, the internet has spawned a hidden arms race between candidates and recruiters over interview questions. It's crucial to know which questions to ask to sidestep fakery and inflated claims.
- **Recruitment changes and challenges are procedural**
As Chapter 4 shows, multiple assessment methods give you a clearer view of your candidates - and much stronger recruitment results.
- **Recruitment changes and challenges are statistical**
As Chapter 5 shows, data analysis now plays a role in supporting how managers make HR decisions.

To elevate your HR recruitment practices and outcomes, bring a 360° approach into the heart of your business.

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