

## 15.4: Effective Selection and Placement Strategies

### Learning Objectives

1. Identify why a good job description benefits both the employer and the applicant.
2. Learn how company culture can be used in selecting new employees.
3. Know the advantages and disadvantages of personnel testing.
4. Recognize some of the considerations in international staffing and placement.

### Job-Description Best Practices

Selecting the right employees and placing them in the right positions within the company is a key human resources management (HRM) function and is vital to a company's success. Companies should devote as much care and attention to this "soft" issue as they do to financial planning, because errors will have a financial impact and adverse effects on a company's strategy.

Let's use a hypothetical example of Walt, a manager in a midsize company who considers himself fortunate that the organizational chart allows him to have a full-time administrative assistant (AA) who reports to him. In the two years Walt has been in his job, however, five people have held this AA job. The most recent AA, who resigned after four weeks, told Walt that she hadn't known what the job would involve. "I don't do numbers; I'm not an accountant," she said. "If you want someone to add up figures and do calculations all day, you should say so in the job description. Besides, I didn't realize how long and stressful my commute would be—the traffic between here and my house is murder!"

Taken aback, Walt contacted the company's HRM department to clarify the job description for the AA position. What he learned was that the description made available to applicants was, indeed, inadequate in a number of ways, which resulted in frequent turnover that was draining Walt's company of resources that could be used for much more constructive purposes.

An accurate and complete job description is a powerful strategic human resources management (SHRM) tool that costs little to produce and can save a bundle in reduced turnover. While the realistic description may discourage some applicants (e.g., those who lack an affinity for calculations might not bother to apply for Walt's AA position), those who follow through with the application process are much more likely to be satisfied with the job once hired. In addition to summarizing what the worker will actually be doing all day, here are some other suggestions for writing an effective job description: Mason Carpenter, Talya Bauer, and Berrin Erdogan, *Principles of Management* (Nyack, NY: [Unnamed Publisher](#), 2009), accessed January 5, 2011, [www.gone.2012books.lardbucket.org/printed-book/127834](http://www.gone.2012books.lardbucket.org/printed-book/127834).

- List the job requirements in bullet form, so that job seekers can scan the posting quickly.
- Use common industry terms, which speak to knowledgeable job seekers.
- Avoid organization-specific terms and acronyms, which would confuse job seekers.
- Use meaningful job titles (not the internal job codes of the organization).
- Use key words taken from the list of common search terms (to maximize the chance that a job posting appears on a job seeker's search).
- Include information about the organization, such as a short summary and links to more detailed information.
- Highlight special intangibles and unusual benefits of the job and workplace (e.g., flextime or travel).
- Specify the job's location (and nearest large city) and provide links to local community pages (to entice job seekers with quality-of-life information).

### Tailoring Recruitment to Match Company Culture

Managers who hire well don't just hire for skills or academic background; they ask about the potential employee's philosophy on life or how the candidate likes to spend free time. These questions help the manager assess whether the cultural fit is right. A company in which all work is done in teams needs team players, not just "A" students. Ask questions such as "Do you have a personal mission statement? If not, what would it be if you wrote one today?" to identify a potential hire's preferences. Jeffrey Pfeffer, *The Human Equation: Building Profits by Putting People First* (Boston: Harvard Business School Press, 1998).

At Google, for example, job candidates are asked questions such as "If you could change the world using Google's resources, what would you build?" Chuck Slater, "The Faces and Voices of Google," *Fast Company*, March 2008, 37–45. Google wants employees who will think and act on a grand scale—employees who will take on the challenges of their jobs, whatever their jobs may be. Take Josef DeSimone, Google's executive chef. DeSimone, who's worked everywhere from family-style restaurants to Michelin-caliber

ones, was amazed to learn that Google had seventeen cafes for its employees. “Nobody changes the menu daily on this scale,” he says. “It’s unheard of.” When he was hired, DeSimone realized, “Wow, you hire a guy who’s an expert in food and let him run with it! You don’t get in his way or micromanage?” Chuck Slater, “Josef DeSimone—Executive Chef,” *Fast Company*, February 2008, 46–48. Google applies this approach to all positions; they let employees run with the challenge.

Traditionally, companies have built a competitive advantage by focusing on what they have—structural advantages such as economies of scale, a well-established brand, or dominance in certain market segments. Companies such as Southwest Airlines, by contrast, see its people as their advantage: “Our fares can be matched; our airplanes and routes can be copied. But we pride ourselves on our customer service,” said Sherry Phelps, director of corporate employment. That’s why Southwest looks for candidates who generate enthusiasm; they lean toward extroverted personalities. Southwest hires for attitude. Flight attendants have been known to sing the safety instructions, and pilots tell jokes over the public address system.

Southwest Airlines makes clear right from the start the kind of people it wants to hire. For example, one recruitment ad depicted Southwest cofounder Herb Kelleher dressed as Elvis and read “Work in a Place Where Elvis Has Been Spotted...The qualifications? It helps to be outgoing. Maybe even a bit off-center. And be prepared to stay awhile. After all, we have the lowest employee turnover rate in the industry.” People may scoff or question why Southwest indulges in such showy activities or wonder how an airline can treat its jobs so lightly. Phelps answers, “We do take our work seriously. It’s ourselves that we don’t.” People who don’t have a humane, can-do attitude are fired. Southwest has a probationary period during which it determines the compatibility of new hires with the culture. People may be excellent performers, but if they don’t match the culture, they’re let go. As Kelleher once said, “People will write me and complain, ‘Hey, I got terminated or put on probation for purely subjective reasons.’ And I’ll say, ‘Right! Those are the important reasons.’” Anne Bruce, “Southwest: Back to the FUNdamentals,” *HR Focus* 74, no. 3 (March 1997): 11; Kevin Freiberg and Jackie Freiberg, *Nuts! Southwest Airlines’ Crazy Recipe for Business and Personal Success* (Austin, TX: Bard, 2003); Roger Hallowell, “Southwest Airlines: A Case Study Linking Employee Needs Satisfaction and Organizational Capabilities to Competitive Advantage,” *Human Resource Management* 35, no. 4 (Winter 1996): 513–29; James L. Heskett and Roger Hallowell, “Southwest Airlines: 1993 (A),” Harvard Business School Case 694-023, 1993; “Southwest Airlines’ Herb Kelleher: Unorthodoxy at Work,” *Management Review*, January 1995, 2–9; Polly LaBarre, “Lighten Up! Blurring the Line Between Fun and Work Not Only Humanizes Organizations but Strengthens the Bottom Line,” *Industry Week* 245, no. 3 (February 5, 1996): 53–67; Kenneth Labich, “Is Herb Kelleher America’s Best CEO?,” *Fortune*, May 2, 1994, 44–45; Donald J. McNerney, “Employee Motivation: Creating a Motivated Workforce,” *HR Focus* 73, no. 8 (August 1996): 1; Richard Tomkins, “HR: The Seriously Funny Airline,” *Financial Times*, November 11, 1996, 14.

In many states, employees are covered under what is known as the **at-will employment doctrine**. The at-will employment doctrine defines an employment relationship in which either party can break the relationship with no liability, provided there was no express contract for a definite term governing the employment relationship and that the employer doesn’t belong to a collective bargaining unit (i.e., a union). Mark A. Rothstein, Andria S. Knapp, and Lance Liebman, *Cases and Materials on Employment Law* (New York: Foundation Press, 1987), 738. However, there are legal restrictions on how purely subjective the reasons for firing can be. For instance, if the organization has written hiring and firing procedures and doesn’t follow them in selective cases, then those cases might give rise to claims of wrongful termination. Similarly, in situations where termination is clearly systematic—for example, based on age, race, religion, and so on—wrongful termination can be claimed.

## Organized Labor and International Business

Many labor markets around the world have organized labor and labor unions, just as the United States does. Historically, most labor relations departments were decentralized, operating on the individual subsidiary level. With the rise of globalization, however, labor unions are seeing new threats, such as multinational enterprises (MNEs) threatening to move production to another country if the local union is demanding too much.

Because the actions of labor unions can constrain a firm’s ability to pursue an effective global strategy, the firm’s SHRM function must develop policies and practices that maintain harmony and reduce potential conflict between labor and management. Similarly, MNEs evaluate the labor climate when considering entering a new international location. MNEs typically look for labor markets that do not have a history of strife. MNEs may also try to negotiate better terms with a local union in exchange for locating a new facility in the country. To counter this, organized labor has attempted to organize globally, but this has proven to be difficult due to legal and cultural differences among countries. James Heskett, “What’s the Future of Globally Organized Labor?,” *HBS Working Knowledge* (blog), October 3, 2005, accessed January 31, 2011, <http://hbswk.hbs.edu/item/5029.html>.

## Tools and Methods: Interviewing and Testing

To make good selection and placement decisions, a company needs information about the job candidate. Testing and interviewing are two time-tested methods used to get that information.

A detailed interview begins by asking the candidate to describe his work history and then getting as much background on his most recent position (or the position most similar to the open position). Ask about the candidate's responsibilities and major accomplishments. Then, ask in-depth questions about specific job situations. Called **situational interviews**, these types of interviews can focus on past experience or future situations. For example, experience-based questions draw on the employee's past performance. One such question may be "What is a major initiative you developed and the steps you took to get it adopted? Describe a problem you had with someone and how you handled it." In contrast, future-oriented situation interview questions ask candidates to describe how they would handle a future hypothetical situation. An example of this kind of question is "Suppose you came up with a faster way to do a task, but your team was reluctant to make the change. What would you do in that situation?"

In addition to what is asked, it's also important that interviewers understand what they should *not* ask, largely because certain questions lead to answers that may be used to discriminate. There are five particularly sensitive areas. First, the only times you can ask about age are when it is a requirement of a job duty or you need to determine whether a work permit is required. Second, it is rarely appropriate or legal to ask questions regarding race, color, national origin, or gender. Third, although candidates may volunteer religious or sexual orientation information in an interview, you still need to be careful not to discriminate. Ask questions that are relevant to work experience or qualifications. Fourth, firms cannot discriminate for health or disabilities; you may not ask about smoking habits, health-related issues, or disabilities in an interview. Finally, you may not ask questions about marital status, children, personal life, pregnancy, or arrest record. These kinds of questions could be tempting to ask if you're interviewing for a position requiring travel; however, you can only explain the travel requirements and confirm that these requirements are acceptable.

In addition to interviews, many employers use testing to select and place job applicants. Any tests given to candidates must be job related and follow guidelines set forth by the US Equal Employment Opportunity Commission to be legal. Mason Carpenter, Talya Bauer, and Berrin Erdogan, *Principles of Management* (Nyack, NY: [Unnamed Publisher](#), 2009), accessed January 5, 2011, [www.gone.2012books.lardbucket.org/printed-book/127834](http://www.gone.2012books.lardbucket.org/printed-book/127834). For the tests to be effective, they should be developed by reputable psychologists and administered by professionally qualified personnel who have had training in occupational testing in an industrial setting. The rationale behind testing is to give the employer more information before making the selection and placement decision—information vital to assessing how well a candidate is suited to a particular job. Most preemployment assessment tests measure thinking styles, behavioral traits, and occupational interests. The results are available almost immediately after a candidate completes the roughly hour-long questionnaire. Thinking-styles tests can tell the potential employer how fast someone can learn new things or how well she can verbally communicate. Behavioral-traits assessments measure energy level, assertiveness, sociability, manageability, and attitude. For example, a high sociability score would be a desirable trait for salespeople. Terri Mrosko, "The Personnel Puzzle: Preemployment Testing Can Help Your Bottom Line," *Inside Business* 8, no. 8 (August 2006): 60–73.

## International Staffing and Placement

In our increasingly global economy, managers need to decide between using expatriates or hiring locals when staffing international locations. An **expatriate**, or expat, is a person who is living in a country other than his or her home (native) country. Most expatriates only stay temporarily in the foreign country, planning to return to their home country. Some expatriates, however, never return to their country of citizenship. On the surface, this seems a simple choice between the firm-specific expertise of the expatriate and the cultural knowledge of the local hire. In reality, companies often fail to consider the high probability and high cost of expatriates failing to adapt and perform in their international assignments.

There are four predictors of a manager's ability to succeed as an expatriate:

1. **Self-orientation.** The expatriate has attributes that strengthen his or her self-esteem, self-confidence, and mental well-being. Mark Mendenhall and Gary Oddou, "The Dimensions of Expatriate Acculturation," *Academy of Management Review* 10 (1985): 39–47.
2. **Others orientation.** The expatriate has attributes that enhance his or her ability to interact effectively with host-country nationals (e.g., sociability and openness). Paula M. Caligiuri, "Selecting Expatriates for Personality Characteristics: A Moderating Effect of Personality on the Relationship between Host National Contact and Cross-cultural Adjustment," *Management International Review* 40, no. 1 (2000): 65, accessed January 29, 2011, [chrs.rutgers.edu/pub\\_documents/Paula\\_21.pdf](http://chrs.rutgers.edu/pub_documents/Paula_21.pdf).

3. **Perceptual ability.** The expatriate has the ability to understand why people of other countries behave the way they do. Mark Mendenhall and Gary Oddou, “The Dimensions of Expatriate Acculturation,” *Academy of Management Review* 10 (1985): 39–47.
4. **Cultural toughness.** The expatriate has the ability to adjust to a particular posting given the culture of the assignment’s country. J. Stewart Black, Mark Mendenhall, and Gary Oddou, “Toward a Comprehensive Model of International Adjustment: An Integration of Multiple Theoretical Perspectives,” *Academy of Management Review* 16, no. 2 (1991): 291–317.

Individuals who are high on all four dimensions are generally better able to cope and thrive with an expat experience. Research also shows that a global mind-set (i.e., having cognitive complexity—the ability to differentiate, articulate, and integrate—and a cosmopolitan outlook) greatly increases the chances that a global manager will be successful in international assignments. Joana S. Story, “Testing the Impact of Global Mindset on Positive Organizational Outcomes: A Multi-Level Analysis” (PhD diss., University of Nebraska at Lincoln, April 2010), accessed January 29, 2011, <http://digitalcommons.unl.edu/aglediss/4>; Mansour Javidan, “Bringing the Global Mindset to Leadership,” *Harvard Business Review* (blog), May 19, 2010, accessed January 29, 2011, <http://blogs.hbr.org/imagining-the-future-of-leadership/2010/05/bringing-the-global-mindset-to.html>. Ironically, however, studies show that most firms select expatriate managers on the basis of technical expertise and do not factor in a global mind-set.

Firms that use expatriates to staff international operations must be aware of and prepare for the possibility of expatriate failure, which means that the expatriate returns to the home country before completing the international assignment. Researchers estimate the expatriate failure rate to be 40 percent to 55 percent. J. Stewart Black, H. B. Gregersen, Mark Mendenhall, and L. K. Stroh, *Globalizing People through International Assignments* (Reading, MA: Addison-Wesley, 1999). For example, cultural issues can easily create misunderstandings between expatriate managers and employees, suppliers, customers, and local government officials. Given the high cost of expatriate failure, international-assignment decisions are often made too lightly in many companies. There are several factors that contribute to expatriate failure in US-headquartered multinational firms:

- The expatriate’s spouse is unable to adapt to a foreign culture, or there are other family-related reasons.
- The expatriate is unable to adjust to the new culture or lacks personal or emotional maturity to function well in the new country.
- The expatriate is unable to handle the larger overseas responsibilities.

The challenge is to overcome the natural tendency to hire a well-known, corporate insider over an unknown local at the international site. Here are some indications to consider in determining whether an expatriate or a local hire would be best.

Managers may want to choose an expatriate when the following factors are true:

- Company-specific technology or knowledge is important.
- Confidentiality in the staff position is an issue.
- There is a need for speed (i.e., assigning an expatriate is usually faster than hiring a local).
- Work rules regarding local workers are restrictive.
- The corporate strategy is focused on global integration.

Managers may want to staff the position with a local hire when the following factors are true:

- The need to interact with local customers, suppliers, employees, or officials is paramount.
- The corporate strategy is focused on multidomestic or market-oriented operations.
- Cost is an issue (i.e., expatriates often bring high relocation/travel costs).
- Immigration rules regarding foreign workers are restrictive.
- There are large cultural distances between the host country and candidate expatriates. Rebecca E. Weems, “Ethnocentric Staffing and International Assignments: A Transaction Cost Theory Approach” (presentation, Academy of Management Conference, San Diego, CA, August 9–12, 1998).

## KEY TAKEAWAYS

- Effective selection and placement means finding and hiring the right employees for your organization and then putting them into the jobs for which they are best suited. Providing an accurate and complete job description is a key step in the selection process.
- An important determination is whether the candidate’s personality is a good fit for the company’s culture. Interviewing is a common selection method. Situational interviews ask candidates to describe how they handled specific situations in the past (experience-based situational interviews) and how they would handle hypothetical questions in the future (future-oriented situational interviews). Other selection tools include cognitive tests, personality inventories, and behavioral-traits assessments. Specific personalities may be best suited for positions that require sales, teamwork, or entrepreneurship, respectively.

- In our increasingly global economy, managers need to decide between using expatriates and hiring locals when staffing international locations.

## EXERCISES

(AACSB: Reflective Thinking, Analytical Skills)

1. What kind of information would you include in a job description?
2. Do you think it is important to hire employees who fit into the company culture? Why or why not?
3. List questions that you would ask in a future-oriented situational interview.
4. What requirements must personnel tests meet?
5. If you were hiring to fill a position overseas, how would you go about selecting the best candidate?

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