

**MANAGEMENT
OBJECTIVE**[Return to Table of Contents](#)

Ensure that recruitment and selection processes effectively match applicant skills and interests with entity staffing needs, job requirements, assignments, and tasks in a manner which complies with both entity goals and objectives and applicable legislation.

BACKGROUND

The purpose of the recruitment and selection process is to hire sufficient and capable staff to assist the entity in achieving its desired objectives. Generally, the better the applicant's knowledge, skills, and abilities fit the nature and scope of the job, the higher will be individual and organizational productivity.

DEFINITIONS

Adverse impact is "a substantially different rate of selection in hiring, promotion or other employment decision which works to the disadvantage of members of a race, sex or ethnic group" (29 CFR § 1607).

Adverse impact occurs when a selection rate for a protected group is less than 80 percent of the selection rate of the group with the highest selection rate.

Example. An organization receives job applications for 40 posted job vacancies. The pool of equally-qualified applicants consists of 40 members of Group A, 30 of Group B, and 30 of Group C. The organization selects 20 from Group A, 12 from Group B, and 8 from Group C to fill the job vacancies. Group A has the highest selection rate among the three groups at 50 percent or 20/40. The selection rate of Group B is 40 percent or 12/30, which is 80 percent of Group A's selection rate. Therefore, by definition, Group B has not been adversely impacted by the selection process. However, Group C with a selection rate of 27 percent, or 8/30, has experienced adverse impact since its selection rate is less than 80 percent of Group A ($0.27 / 0.50 = 54\% < 80\%$).

Tests are any and all measurements of applicant capacity to perform job-related duties. Thus, tests include all selection procedures used to make employment decisions, including interviews, written tests, and evaluation of an applicant's training and experience. All selection tests should be reliable and valid.

- **Reliable tests** yield the same measurement and assessment outcome when repeated in the absence of significant changes.
- **Valid tests** appropriately measure only the intended trait, characteristic, or capacity.

OVERVIEW OF THE PROCESS

The basic phases of a recruitment and selection process are:

- **Plan staff requirements.**
- **Recruit applicants via job postings and other means.**
- **Screen applicants.**
- **Interview candidates.**
- **Test candidates.**
- **Verify application information.**
- **Extend the job offer.**
- **Review, assess, and report on the process.**

PROCEDURES

Suggested procedures, organized according to the elements of a finding, are listed below. They should be expanded or tailored to fit the specific entity being reviewed.

**Review Criteria:
General criteria**

General criteria applicable to the recruitment and selection process are as follows:

Processes should be designed and implemented to allow the hiring entity to obtain the greatest amount of relevant information to identify the applicant whose knowledge, skills, and abilities are best suited for the job without creating legal risk.

Human resources staff and any personnel involved in recruitment or selection should be trained in applicable employment law.

Numerous federal and state statutes regulate selection practices to ensure equal employment opportunities. Thus, the entity must determine that the methods and procedures used to secure human resources comply with applicable laws and regulations. Key federal legislation affecting employers is briefly described in the following table:

Year	Legislation	Provisions
1964	Title VII of the Civil Rights Act	Prohibits discrimination on the basis of race, color, sex, religion or national origin.
1965	Executive Order 11246	Requires <u>federal contractors</u> to maintain affirmative action plans.
1967	Age Discrimination in Employment Act	Prohibits discrimination in employment based on age. As a result of 1986 amendment, it protects anyone age 40 and over.
1972	Equal Employment Opportunity Act	Extended federal prohibition against discrimination to state and local governments.

1973	Vocational Rehabilitation Act	Requires <u>federal contractors</u> to take affirmative action to employ and advance qualified workers with disabilities.
Year	Legislation	Provisions
1974	Vietnam Era Veterans' Readjustment Assistance Act	Grants certain reemployment rights to veterans returning to civilian labor markets. Employers may not discriminate against military personnel, including reservists, in hiring, retention in employment, and promotion.
1978	Pregnancy Discrimination Act	Amended Civil Rights Act of 1964 to define discrimination on the basis of sex. Included discrimination based on pregnancy, childbirth, or related medical condition.
1986	Immigration Reform and Control Act	Discourages illegal immigration by denying U.S. job opportunities to unauthorized aliens. Amended in 1990.
1988	Employee Polygraph Protection Act	Prohibits most employers from forcing prospective employees to submit to polygraph tests as a condition of hire or employment.
1990	Americans with Disabilities Act	Requires <u>all</u> employers with 25 or more employees (drops to 15 in 1994) to ensure equal employment opportunities for persons with disabilities.
1991	Civil Rights Act	Strengthens provisions of the 1964 Act. Heavier burden of proof placed on employers in discrimination cases. Allows victims of intentional discrimination to win compensatory and punitive damages. Authorizes jury trials.

Source: Bureau of Business Practices

Further, in 1970, the Equal Employment Opportunity Commission established Uniform Guidelines for Employee Selection Procedures to assist employers in complying with federal law prohibiting discriminatory employment practices. These guidelines require selection procedures to be reviewed to determine if they are valid. One test of validity is whether the selection process has an adverse impact on certain groups.

An entity's recruitment and selection process is also subject to State of Texas legislation. The Texas Commission on Human Rights Act was enacted to execute Title VII of the Civil Rights Act of 1964 and to secure freedom from employment discrimination for persons within the State, including persons with disabilities (Article 5221k, V.A.C.S.).

Agencies and institutions are further required to employ minorities and females in each job category in relation to their availability in the statewide civilian labor force. The following percentages represent the available labor force in Texas as reported by the Texas Commission on Human Rights:

Job Category	Black	Hispanic	Female
Officials/Administration	5%	8%	26%
Professional	7%	7%	44%
Technical	13%	14%	41%
Protective Services	13%	18%	15%
Para-Professionals	25%	30%	55%
Administrative Support	16%	17%	84%
Skilled Craft	11%	20%	8%
Service/Maintenance	19%	32%	27%

Source: General Appropriations Act, Article V, Section 99, as of 5-22-93.

Entities must also consider the availability of minorities in each local area in each job category to determine the goals in each local area where the entity hires employees. Entities are further required to report to the Texas Commission on Human Rights the number of Blacks, Hispanics, and female hirings and total hirings made during the year. This report must be made within 60 days of the last day of each fiscal year (General Appropriations Act, Article V, Section 99).

All entities in the executive and judicial branches are required to post all employment openings for which outside applicants will be considered with the Texas Employment

Commission (TEC) (Article 5221g-2, V.A.C.S.). Posting with TEC is not required when an entity is only considering internal applicants.

Specific criteria

The criteria related to the basic phases of the recruitment and selection process are as follows:

Plan staff requirements

A formal system should exist for identifying, planning for, and meeting staffing needs.

Staffing goals should be linked with entity mission, strategies, goals, and objectives as articulated in entity strategic, operational, financial, and human resources plans.

Recruitment and selection processes should be supported by written policies and procedures.

The entity should have written Equal Employment Opportunity and Affirmative Action plans.

Jobs should be analyzed to determine duties to be performed and the knowledge, skills, and abilities needed by applicants.

Written job descriptions should be prepared and available for each type of position.

Recruit applicants via job postings and other means

The entity should perform internal and external postings as stipulated by applicable laws, regulations, policies, and procedures.

The entity should make every reasonable effort to inform potential applicants of the existence and specific nature of vacant positions through job postings, referrals, employment agencies, print and electronic media, job fairs, and appropriate educational/professional entities.

Recruitment sources should be determined based on how well they attract persons with appropriate knowledge, skills, and abilities and reach a culturally diverse population.

Recruitment sources should be monitored and periodically evaluated to ensure their efficiency, effectiveness, and economy.

Application forms should be valid, job-appropriate, and consistent with nondiscriminatory employment laws and practices.

Documentation of recruiting and application processes should be available, accurate, and complete.

Screen applicants

Screening criteria for each position should be available, clear, and uniformly applied to each applicant for a given position.

Interview candidates

Interviewers should be trained in appropriate interviewing techniques.

Interviewers should ensure that applicants are aware of job requirements.

Interview questions should specifically relate both to the job and to the applicant's ability to perform the essential functions of the position.

Results of interviews should be documented and available, where appropriate.

Test candidates

Tests should comprise a reasonable and appropriate combination of: (1) minimum qualification requirements; (2) evaluation of training and experience; (3) written tests, including unscored application forms; (4) performance tests, such as typing tests; (5) oral examinations, such as interviews; and (6) background investigations, such as reference checks (Nigro, pp. 229-238).

Instruments used to test candidates should provide valid, reliable, and meaningful measurement of the actually intended applicant trait, characteristic, or capacity (Arvey, p. 32).

Tests should comply with applicable nondiscriminatory employment laws and practices.

Verify application information

Where possible and appropriate, the entity should verify applicant information, including but not limited to work and salary history, academic credentials, references, certification, and professional affiliations.

Extend the job offer

Applicants should be aware of job requirements prior to the job offer.

Entities should make job offers in writing where possible and appropriate.

Review, assess, and report on the process

Entities should have a formal recruitment and selection review process. Reports related to monitoring this process should be available for review.

Recruitment and selection plans should align with entity goals and objectives. Recruitment and selection processes and systems should periodically be reviewed to determine their ability to limit both legal risk and litigation.

Hiring reports should align with recruitment and selection plan documents.

Entities should assess the effectiveness of methods and tools for gathering data on applicants, candidates, and hirees.

The entity should maintain documentation on prior allegations of discrimination filed against the entity with the Equal Employment Opportunity Commission or the Texas Commission on Human Rights.

The effectiveness of the recruitment and selection system should be periodically assessed. Possible assessment tools include, but are not limited to:

Measure	Description
Applicants-to-Posting Ratio	The larger the applicant pool, the greater the chance for increasing the number of qualified candidates who represent a diversified labor force. Can be an indicator of the organization's image.
Applicant Screening Time-frames	Measures the length of time to complete applicant screening and how many first choice applicants accept an employment offer.
System Effectiveness Ratio	Measures the ability of the recruitment/selection process to place successful workers in jobs. The ratio of new hires with favorable interim performance appraisals as a percentage of total new hires and the ratio of supervisor satisfaction with new employees' performance can be used.
Employee Turnover Rate	Measures rate of attrition. Specific reasons for voluntary separations or involuntary terminations should be used.
Utility Criterion	Measures not only the accuracy of decisions made, but also considers opportunities lost because other viable methods were not selected.

Note: The basic utility criterion is that, all other things being equal, entities and individuals will behave in a way which maximizes utility. Thus, assessing utility means that the entity strives to determine how useful its recruitment and selection decisions are when measured against its mission, goals, and objectives.

Application of the utility criterion to recruitment and selection answers such questions as "Would we have been better off hiring a person with a graduate degree?" and "Did the additional costs of having a recruiting program at a particular university result in a better applicant pool?"

**Assess Condition:
Determine the
actual process
used**

Conduct interviews, observe operations, and identify and collect available documentation in order to gain an understanding of the entity's actual recruitment and selection process and controls. Included in the actual process are both official/unofficial and formal/informal processes and controls. An official process may exist even if it is not documented. Possible procedures include, but are not limited to:

- Determine how the entity identifies and plans to meet its staffing needs through recruitment and selection.
- Determine how recruitment and selection plans relate to strategic and other entity plans.
- Obtain and review Equal Employment Opportunity and Affirmative Action plans.
- Determine if recruitment and selection planning and processes are centralized (in the human resources department) or decentralized (managers involved) or some combination thereof.
- Determine how requests for new positions are made.
- Obtain and review any manuals, policies, and forms used for the recruitment and selection process.
- Determine how the actual recruitment and selection process is executed for each type of position.
- Determine what type of recruitment and selection information is contained in employee personnel files.
- Determine how and to what extent human resources staff and management are trained or otherwise informed about the legal, regulatory, and compliance issues applicable to recruitment, screening, interviewing, testing, selection, and hiring, including feedback documentation from training.
- Interview employees about the relevance, comprehensiveness, and rigor of their recruitment and selection.
- Obtain information on the process the entity uses to review and evaluate its recruitment and selection system and how it reports on this review.

In addition to gaining an understanding of the actual process, also try to find out:

- how the participants view their own process
- what they think is important, and why

This information may help identify causes and barriers.

Determine the strengths and weaknesses of the actual process

Using the tailored criteria, the understanding of the entity's process gained above, and the procedures in this section, analyze the actual process to determine if it:

- is designed to accomplish the management objective (this module, page 1)
- has controls that provide reasonable assurance that the process will work as intended
- is implemented and functioning as designed
- is actually achieving the desired management objective(s)

In executing these procedures, remember to identify and analyze both strengths and weaknesses.

Identify and review the steps in the actual process. Possible procedures include, but are not limited to:

- Determine if all major steps in the criteria are included in the actual process.
- Determine if all the steps in the process appear to add value. If there are steps that do not appear to add value, try to get additional information on why they are included in the process.
- Review the order of the steps in the process to determine if it promotes productivity.
- Review the level of technology used in the process to determine if it is up-to-date and appropriate to the task.

Identify the controls over the process and determine if the controls are appropriate, placed at the right point(s) in the process, timely, and cost effective. Possible procedures include, but are not limited to:

- Draw a picture of the process, the controls, and the control objectives (see the graphic of the procurement process in the [Introduction](#) for an example). Determine if the control objectives are in alignment with the overall management objective(s).
- Identify and analyze the controls which ensure that recruitment and selection occur in a timely manner and meet the entity's staffing needs. (If the control is only at the end of the process, it won't be as effective in ensuring timely recruitment and selection.)
- Determine if there is a process for measuring the efficiency and effectiveness of the recruitment and selection process and, if so, how it works.
- Identify and analyze the process(es) in place for ensuring maintenance of standards, compliance with applicable laws and regulations, and limitation of potential legal risk. For example, determine if all staff involved in recruitment and selection are trained in applicable employment law and interviewing techniques.
- Determine if a process exists for reviewing application forms and tests to determine if they are valid and comply with nondiscriminatory employment laws and practices.
- Determine if employee turnover and other applicable measures of process quality are collected and analyzed and used to improve the process (see [table with measures](#) on page 7).

Review observations, interviews, documentation, and other evidence and design specific audit procedures as needed to determine if the process and/or the controls are functioning as designed. Depending upon the objectives of the project, these procedures may include both tests of controls and substantive tests. Possible procedures include, but are not limited to:

- Compare information collected about how, when, and by whom recruitment and selection information is communicated to applicants, candidates, and hires to procedures required by laws and regulations.
- Review documentation in personnel files related to the recruitment and selection process. Determine if variances exist between recruitment and selection plans, policies, and procedures and the documentation of the process in the files.
- Obtain and review files on allegations of discrimination and other alleged noncompliance with applicable laws and regulations. Determine how and how well the entity documents, monitors, and follows up on these allegations.

Analyze process reports over time for trends. Determine whether the information gained from the monitoring process is fed back AND is used to modify the system. Possible procedures include, but are not limited to:

- Review reports on the results of the recruitment and selection process. Determine if these reports are used to adjust staffing and training needs.
- Compare recruitment activities to actual results. Determine if these reports are used to adjust future plans. For example, if recruitment goals for a particular entity are not met, determine if future strategic and other entity plans and/or future staffing goals are adjusted.

Determine causes

Determine what circumstances, if any, caused the identified weaknesses and variances in the recruitment and selection process. Possible procedures include, but are not limited to:

- Determine if the participants in the recruitment and selection process understand its relationship to the entity's mission, goals, and values.
- Determine if the participants understand their role in the recruitment and selection process.
- If the process occurs at multiple locations, determine the nature and scope of the communication and coordination among them.
- Determine if the relationship between the recruitment and selection process and other entity processes is clear.
- Determine if the recruitment and selection process has adequate human, dollar, time, and asset resources.
- If there are negative trends in the monitoring reports, determine if the reports are communicated to and used by the appropriate parties.

Determine what internal or external constraints or barriers, if any, must be removed in order to successfully overcome these weaknesses. Possible procedures include, but are not limited to:

- Determine if any key employees are unwilling to change the process and why they are unwilling.
- Review the applicable entity, state, or federal laws or regulations to determine if any of them prevent the necessary changes from being made in the process.

Determine effect

Determine the effect of each of the identified weaknesses in terms of dollars, impact on services (either quantity or quality), impact on citizens, impact on the economy, etc. Possible procedures include, but are not limited to:

- Identify benchmarks for process in question and compare to actual performance. Quantify the difference, if possible.
- Estimate the cost before and after the proposed change and compare.
- Estimate the quantity and/or quality of services before and after the proposed change and compare.
- Identify the risks associated with not making the proposed change and quantify.

Develop recommendations

Use the tailored criteria, references in the resource section, the identified weaknesses, and the identified causes and barriers to develop specific recommendations to address the cause and correct the weaknesses. Possible procedures include, but are not limited to:

- Identify alternative solutions used by other entities.
- Identify solutions for removing barriers.
- Provide general guidelines as to the objectives each solution should meet. Then the entity can tailor the solution to its specific situation.
- Provide specific information, if available, on how each recommendation can be implemented.

RESOURCES

See the document titled "[Resources](#)" behind the last human resources module.