Current Recruitment and Selection Practices:  
A National Survey of Fortune 1000 Firms

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This study reports the findings of survey data on recruitment and pre-employment selection methods in use by human resources departments in major companies in the USA. In addition, data on use of online pre-employment tests, currently and in the near term future, were also collected. The analysis is based on responses from 151 firms. The findings indicate that the majority of companies rely on traditional recruitment and personnel selection techniques over the use of online assessment instruments. Personality testing is popular in about 20% of the firms and one-fifth of the respondents plan to implement online testing in the future. Furthermore, screening for honesty-integrity (28.5%) and violence potential (22%) was found to be somewhat popular. It would be helpful if future research could pinpoint the reservations that companies have about online pre-employment tests.

Psychological tests and assessment instruments that tap prospective employees' personality, interpersonal style, and response to stress situations have received increased attention from both human resource professionals and researchers in I/O psychology over the past 20 years (e.g., Gatewood & Feild, 1998; Ryan & Sackett, 1987). Indeed, the nexus between personality factors and personnel selection and placement has spawned major investigatory efforts, conceptual reformulations, and pragmatic applications in both research and practice (Hogan, 2001; Landy et al., 1997). Moreover, to enhance the chances for successful recruitment and long-term benefits for employers, a plethora of research studies has investigated and endorsed the utility of the 'person-fit' paradigm (Anderson et al., 2004; Chan, 2005; Hollenbeck et al., 2002).

However, there has been recent concern and thoughtful discussion on the potential threat of unscientific claims about personnel selection methods that include personality testing on the Internet and the use of

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online testing for selection purposes specifically (see Anderson et al., 2004, for a discussion). At the same time, and largely based on the public's acceptance of the Internet and related technological applications, both public and private companies, including governmental agencies, are re-thinking traditional personnel selection processes and recruiting methods (e.g., Mooney, 2002). Yet several feature articles in human resource publications, while touting the benefits of online testing of job applicants, caution that online selection firms are not regulated. Moreover, most person job-fit tests have not been standardized, lack norms, and developers have not presented predictive validity data on their selection measures (Barbian, 2001; Bates, 2002). Undoubtedly, these concerns about personnel testing on the World Wide Web have attracted the attention of rigorous research efforts by scholars worldwide and the findings are receiving coverage in peer-reviewed journals (e.g., Bartram, 2004; Ployhart, Weekley, Holtz, & Kemp, 2003). However, in the contemporary business environment, companies are faced with a critical challenge to recruit and retain qualified employees (Langan, 2000).

Thus, it appears that companies now have at their disposal a conceptually sound framework (person job-fit) and a cost-effective, speedy, and convenient system (online testing) to meet their personnel selection needs in a highly competitive environment. However, recent reviews of the literature report that employers continue to rely on traditional (i.e., general IQ, integrity, structured interviews, work-samples, references, official transcripts) methods for personnel selection (see Schmidt & Hunter, 1998; Wilk & Cappelli, 2003). To obtain a clearer perspective on these issues, the current study was designed to obtain empirical data from major companies in the U.S.A. on the extent of their use of traditional selection techniques and use (if any) of online personality testing for selection and hiring purposes. Since companies tend to be guarded on sharing information about practices and policy regarding personnel selection, our intent was to keep queries short and direct. Accordingly, our results, by design, are conceptually limited and the findings should be considered exploratory in nature.

METHOD

In this study, 750 companies were randomly selected from national business directories and mailed a survey form in 2003 on recruitment techniques and personnel selection assessment. Since prior research endeavors have cautioned that large corporations are reluctant to share what they might consider proprietary data, we attempted to obtain the name of each human resource director. This was accomplished by referring to company sources such as 'Disclosure' or by phoning the
company directly. Thus, the envelope and survey form were addressed to a specific person. In addition, it was hoped that this procedure would increase the response rate. In fact, most surveys of Fortune 500 companies have reported very low response rates, i.e., 5-10%, in the past (e.g., Keller & Piotrowski, 1987). Secondly, to increase respondent compliance, the survey form, questions, and response format were kept very brief. This involved answering yes or no or providing a short written response (a copy of the survey form is presented in Appendix A). Each company's Human Resource office was requested to indicate what specific recruitment and personnel selection methods were used in hiring new employees. A separate question addressed whether or not the company used online pre-employment tests as part of its selection approach. The final two survey questions assessed whether companies included Honesty-Integrity and/or Violence-Potential as part of their selection process. Of the target sample, 151 companies returned the questionnaire, for a response rate of 20%. Respondents represented the following industries: Health care (n=19), Pharmaceuticals (n=20), Banking (n=25), Transportation (n=26), Temporary services (n=18), Hotels/resorts (n=17), Retail (n=11), E-commerce (n=3), others (n=12).

RESULTS AND DISCUSSION

While most of the companies use traditional recruitment and selection methods (e.g., resume, reference checks), only 9.3% rely on online pre-employment screening tests (see Table I). However, 9 out of 10 firms favor online job boards and company websites. Another 21.9% of the companies are considering future use of online pre-employment screening as part of their selection process. Furthermore, 28.5% of the companies either screen or plan to screen for Honesty-Integrity while 21.9% of the companies either assess or plan to assess for Violence-Potential. Interestingly, only 20% of the respondents include personality tests as part of the selection process, despite the attention to "Personality" factors in the human resource literature (Hough & Oswald, 2000; Roberts & Hogan, 2001; Thumin, 2002). Apparently, the use of online testing by major companies, both private and public, is presently in a state of metamorphosis. As the current findings indicate, about two-thirds of U.S. firms do not have plans to incorporate online pre-employment assessment in the near future. Yet, the business literature has seen a high level of interest and actual implementation of Internet-based hiring practices (e.g., Mooney, 2002). Perhaps, some firms rely on Internet-based approaches for pre-screening purposes or as a vehicle to narrow down a short list of final candidates. However, the legal pitfalls (e.g., such as transparency, confidentiality, psychometric credibility, inappropriate queries) of online hiring approaches may be the major...
factor deterring companies from using data from online tests. Moreover, Human Resource decision-makers might have concerns about the legitimacy of clinical personality tests or personally invasive queries (see Camara & Merenda, 2000; Vodanovich & Piotrowski, 2000; Wallace & Vodanovich, 2004). In this regard, Naglieri et al. (2004) address a number of delicate issues, such as proper identification of an applicant, in addition to ethical and legal concerns that warrant consideration before implementing online testing.

### TABLE ONE  Rank Order of Major Recruitment and Selection Techniques Utilized (N=151)

<table>
<thead>
<tr>
<th>Technique</th>
<th>N</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resume</td>
<td>148</td>
<td>98</td>
</tr>
<tr>
<td>Application blanks</td>
<td>146</td>
<td>97</td>
</tr>
<tr>
<td>Reference checks</td>
<td>146</td>
<td>97</td>
</tr>
<tr>
<td>Newspaper/Magazines ads</td>
<td>145</td>
<td>96</td>
</tr>
<tr>
<td>Company websites</td>
<td>134</td>
<td>89</td>
</tr>
<tr>
<td>Online job board</td>
<td>133</td>
<td>88</td>
</tr>
<tr>
<td>Skills testing</td>
<td>76</td>
<td>50</td>
</tr>
<tr>
<td>Biodata</td>
<td>38</td>
<td>25</td>
</tr>
<tr>
<td>Personality testing</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>Background checks</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Online pre-employment tests</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Jobs fairs</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>Referral from current employees</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Jobs service centers</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Drug testing</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

At the same time, the popularity of personality tests in personnel selection cannot be ignored (Piotrowski & Keller, 1992; Thumin, 2002). In fact, Cascio (1995) argues that well developed measures of personality characteristics can account for additional variance in prediction of behavior on the job; however, the key issue for Cascio is whether alternative technology aids such as computer-based tests and interactive video provide equivalent psychometric properties when compared to traditional 'in-person' evaluation. The jury is still out on this important issue in the field of personnel selection.

Based on the restrictive and limited nature of the data on which the current results are based, our findings should be considered exploratory and in need of further, more in-depth investigation. Future research in this area should focus on a) the psychometric credibility of specific
online assessment instruments, b) the drawbacks and limitations of online approaches in human resources, c) applicants’ attitudes and perceptions of online selection methods (see Ehrhart & Ziegert, 2005; Ryan & Ployhart, 2000), d) graduate-level education on selection practices (see Vodanovich & Piotrowski, 1999), and e) cross-national outcome studies on the use of the Internet for personnel selection purposes with a focus on the impact on human resource practices (e.g., Taylor, Keelty, & McDonnell, 2002).

REFERENCES


biodata, and situational judgment tests comparable? Personnel Psychology, 56, 733-752.
APPENDIX A

Survey Form

Directions: Circle Yes or No

1. Please indicate whether your company uses the following personnel selection methods:
   - Newspaper/Magazine: Yes  No
   - Company Website: Yes  No
   - Online Job Boards: Yes  No
   - Other: ____________________________

2. To assist in hiring, what type(s) of data do you usually obtain on job applicants?
   - Biodata: Yes  No
   - Skills Testing: Yes  No
   - Resume: Yes  No
   - Personality Testing: Yes  No
   - Application Form: Yes  No
   - Reference Checks: Yes  No
   - Other: ____________________________

3. Do you use online pre-employment tests in your hiring process?
   - Yes  No
     > If YES, list the name of the test and its most prominent strength and weakness:

     | Name of Online Test | Strength | Weakness |
     |---------------------|----------|----------|
     | 1.                  |          |          |
     | 2.                  |          |          |
     | 3.                  |          |          |

     > If NO, are you considering using online pre-employment testing in the future?
     - Yes  No
Are job applicants assessed for "Honesty-Integrity"?
(Circle Only One) Yes No Plan To

Are job applicants assessed for "Violence-Potential"?
(Circle Only One) Yes No Plan To