

Technical Affairs

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Validity of Recommendations and References

Perhaps the most commonly used assessment tools in personnel selection are reference checks, references, and letters of recommendation. In fact, a recent survey by the Society for Human Resource Management (SHRM) found that 96% of organizations in the United States check references (Burke, 2005). Before discussing the research on references and recommendations, it might be a good idea to distinguish among the terms: reference check, reference, and letter of recommendation.

Reference Checks

A *reference check* is the process of confirming the accuracy of information provided by an applicant. With a reference check, the goal is not to predict future behavior; instead, the goal is to ensure that the information on which decisions are made is accurate. Reference checks are important because approximately 25% of resumes and applications contain inaccurate information (Aamodt, 2003). In a survey of employers in the United Kingdom, 25% of employers said that they withdrew job offers in the past year after discovering that applicants had lied on their application and another 23% of employers said they fired current employees after discovering resume fraud (Reade, 2005). Perhaps an even more disturbing finding comes from a study done by a reference-checking firm that found 12.6% of applicants had undisclosed criminal backgrounds (Mayer, 2002).

Though reference checks are the most common method for detecting fraud in resumes and applications, other methods are used as well. For example,

- For jobs involving law enforcement, national security, or pharmaceuticals, it is common to use polygraph examinations to confirm the accuracy of application information.
- Some public agencies include “bogus” experience items on applications. For example, if an applicant indicates that he/she has experience using a machine or computer language that, in fact, does not exist, it is assumed that the applicant must be lying on other parts of the application and the applicant is no longer considered for hire.
- I am aware of at least one public agency that requires applicants to allow access to their social security records, which list every employer that has contributed to social security for the applicant. This technique allows the employer to determine if applicants have listed all of their jobs on their resumes.

References and Letters of Recommendation

A *reference* is an expression of an opinion, either orally or through a written checklist, regarding an applicant’s ability, previous performance, work habits, character, or potential for future success. A *letter of recommendation* is a written document expressing an opinion regarding an applicant’s ability, previous performance, work habits, character, or potential for future success. An important distinction between a reference and a letter of recommendation is that the content and format of a letter of recommendation are determined by the letter writer, not by the organization. With references and letters of recommendation, the goal is to predict future performance through the use of opinions about previous performance.

Validity of References and Recommendations

Even though references and recommendations are commonly used to screen and select employees, they have not been successful in predicting future employee success. In fact, a meta-analysis found that the average uncorrected validity coefficient for references/letters of recommendation and performance is only .18, with a corrected validity of .29 (Aamodt & Williams, 2005). This low validity is largely due to three main problems with references and letters of recommendation: leniency, knowledge of the applicant, and low reliability.

Leniency. Research is clear that most letters of recommendation are positive; less than 1% of references rate applicants as below average or poor (Aamodt & Williams, 2005). Because we have all worked with terrible employees at some point in our lives, it would at first seem surprising that references typically are so positive. But keep in mind that applicants choose their own references. Even people such as the BTK serial killer or terrorist Osama bin Laden would be able to find three people who could provide them with favorable references.

A major cause of this leniency stems from the *fear of legal ramifications*. A person providing references can be sued for defamation of character (slander if the reference was oral, libel if it was written) if the content of the reference is both untrue and made with malicious intent. This fear keeps many organizations from providing references at all. However, people providing references are granted what is called a *conditional privilege*, which means that they have the right to express their opinion provided they believe what they say is true and have reasonable grounds

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for this belief (Zink & Gutman, 2005). Furthermore, many states have passed laws strengthening this conditional privilege. One way to avoid losing a defamation suit is to provide only behavioral information in a reference. That is, rather than saying, "This employee is a jerk," you might say, "He was warned three times about yelling at other employees, and four employees requested that they not have to work with him." A good way to reduce the possibility of a lawsuit is to have the applicant sign waivers that waive claims against people providing references to the prospective organization and waive future claims against the organization so that the organization can provide references about the employee if he/she leaves the organization. Waivers are used by 72% of organizations (Burke, 2005).

In recent years, several companies have emerged that make their living by contacting companies to see what they will say about former employees. These firms are hired by applicants who are concerned that their former employer might be providing a negative reference. These "reference detectives" contact the former employer under the guise of being a company considering hiring the former employee. The reference information is then passed on to the client who has the option of filing a defamation suit if he or she doesn't like what is being said (Cadrain, 2004).

Because an employer can be guilty of *negligent hiring* for not contacting references, a former employer also can be guilty of negligent reference if it does not provide relevant information to an organization that requests it. For example, if the Atlanta Police Department fires John Smith for excessive violence and fails to divulge that fact to another police department that is considering hiring Smith, the Atlanta Police Department may be found liable if Smith engages in excessive use of force at his new job.

A number of years ago, on the basis of several letters of recommendation, our department hired a part-time instructor. Two weeks after he started the job, we discovered that he had to return to his home in another state to face charges of stealing drugs from his former employer, a psychology department at another university. We were upset because neither of the references from his former job mentioned the charges. After a rather heated conversation with one of the references, we learned that the applicant was the son of the department chairman and that faculty were afraid to say anything that would anger their boss.

These last examples show why providing references and letters of recommendations can be so difficult. On the one hand, a reference provider can be sued for slander or libel if he/she says something bad about an applicant that cannot be proven. On the other hand, an organization can be held liable if it does not provide information about a potentially dangerous applicant. Because of these competing responsibilities, many organizations will only confirm employment dates and salary information unless a former employee has been convicted of a criminal offense that resulted in the termination of the employee.

Knowledge of the Applicant. A second problem with references and recommendations is that the person providing the reference often does not know the applicant well, has not observed all aspects of an applicant's behavior, or both. Professors are often asked to provide recommendations for students whom they know only from one or two classes. Such recommendations are not likely to be as accurate and complete as those provided by professors who have had students in several classes and perhaps worked with them outside the classroom setting.

Even in a work setting in which a supervisor provides the recommendation, he/she often does not see all aspects of an employee's behavior. Employees often act very differently around their supervisors than they would around coworkers and customers. Furthermore, those behaviors that a reference provider actually recalls represent only a fraction of the behaviors actually occurring in the presence of the person writing the recommendation.

Reliability. The third problem with references and letters of recommendation involves the lack of agreement between two people who provide references for the same person. Research reveals that reference reliability is only .22 (Aamodt & Williams, 2005); a figure that is substantially lower than the reliability of .50 found between performance ratings made by two supervisors for the same employee (Conway & Huffcutt, 1997). The problem with reference reliability is so severe that there is more agreement between recommendations written *by the same person* for two different applicants than between two people writing recommendations *for the same person* (Aamodt & Williams, 2005). Thus, letters of recommendation may say more about the person writing the letter than about the person for whom it is being written!

This low level of reliability probably results from the point cited earlier that a reference provider has not observed all aspects of an applicant's behavior. Thus, a reference provided by a professor who has observed an applicant in a classroom may not agree with a reference provided by a supervisor who has observed the same applicant in a work setting.

Potential for Adverse Impact

As shown in the table below, references and letters of recommendation appear to be one of the few employee selection methods in which there are minimal sex and race differences (Aamodt & Williams, 2005). Though there is not much research on the topic, the existing research indicates that men and women write similar types of letters and provide similar references. Furthermore, male and female applicants as well as minority and nonminority applicants are described similarly in recommendation letters and receive reference ratings of similar favorability. Thus, references and recommendation letters are not likely to result in high levels of adverse impact.

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Selection technique	d score			Meta-analysis
	White-Black	White-Hispanic	Male-Female	
Cognitive ability	1.10	.72		Roth et al (2001)
GPA	.78			Roth & Bobko (2000)
Work sample	.52			Roth, Huffcutt, & Bobko (2003)
Job sample/job knowledge	.48	.47		Roth, Huffcutt, & Bobko (2003)
Situational judgment tests	.38	.38	-.10	Nguyen, McDaniel, & Whetzel (2005)
Biodata	.33			Bobko, Roth, & Potosky (1999)
Structured interview	.23			Huffcutt & Roth (1998)
Personality	.09			Schmitt, Clause, & Pulakos (1996)
References	.08		-.01	Aamodt & Williams (2005)
Integrity tests	.07	-.05		Ones & Viswesvaran (1998)

Conclusion

What do we know about reference checks, references, and letters of recommendation? The bad news is that references and letters of recommendation suffer from leniency, have low reliability, and generally have low criterion validity. The good news is that they probably won't result in adverse impact. Regarding reference checks, due to resume fraud and potential liability in the form of negligent hiring, conducting reference checks is probably a good idea.

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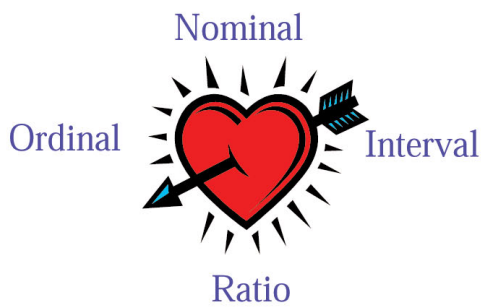
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HR Humor

Because Valentine's Day falls about the time of the February ACN issue, I thought I would include four "assessment-related" Valentine's cards that you can send to your loved one (see next pages). I think you will see that my wife Bobbie is a very understanding person. If you would like the file for these cards, send me an email (maamodt@radford.edu) and I will send them to you. The cards are in a PowerPoint file and are easy to print. My Christmas cards are even worse!

Card 1 Cover

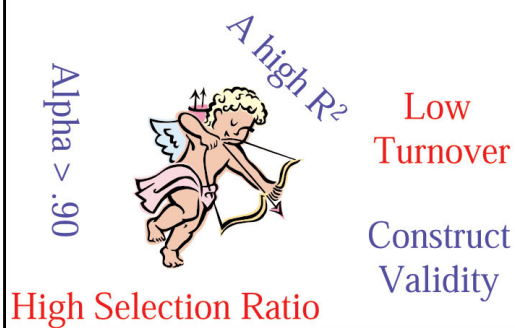


Card 1 Inside

There is no scale big enough to measure how much I love you!



Card 2 Cover




Card 2 Inside

There are many things I want in life, but you are the only one I dream of




Card 3 Cover




On Valentine's day
I intend to be like a
bad job

Card 3 Inside



I'll make
you
turnover!

Card 4 Cover



*A little three-factor
message for the
woman I love*

Card 4 Inside

	I	II	III
Gleeful	<u>.68</u>	.03	.07
Cheerful	<u>.53</u>	.02	.14
Delighted	<u>.70</u>	.11	.09
Actress Karen	.21	<u>.89</u>	.21
Manager Bobby	.13	<u>.66</u>	.16
Actor Scott	.07	<u>.62</u>	.02
Sunday	.19	.21	<u>.53</u>
Monday	.00	.13	<u>.49</u>
Friday	.01	.11	<u>.60</u>

We can rotate the matrix later