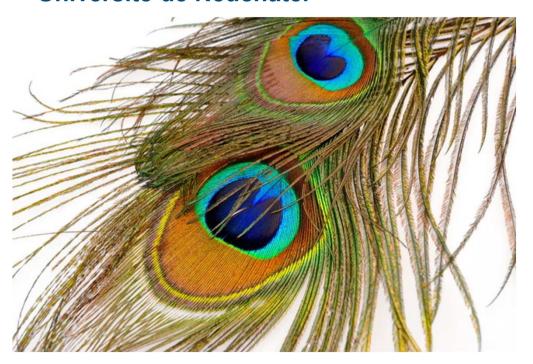
## Recruitment and selection as a signaling game



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### **TODAY'S TALK**

- 1. Dilemmas of cooperation
- 2. Rhetoric and images of conflict in recruitment and selection
- 3. How to cooperate with divergent interests: Honest signals
- 4. Breaking out of the dilemma of cooperation



## 1. Dilemmas of cooperation

Is the hiring relation cooperative or competitive?

- Ideally: A cooperative relation
- **In reality**: Partly misaligned interests
  - Recruiter: Wants to know if applicant is qualified (and dependable, flexible, ...)
  - Applicant: Wants to get hired





## **Dilemmas of cooperation**

All social relations with misaligned interests have a common structure Dilemma of cooperation (micro-economics, game theory, evolutionary biology)

- → Cooperation = attain better outcomes together than alone
- → Cooperation = risk of exploitation by partner

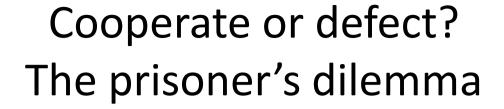


















	Cooperate (remain silent)	Defect (confess)
Cooperate (remain silent)	(6 months ; 6 months)	(10 years ; freedom)
Defect (confess)	(freedom ; 10 years)	(5 years ; 5 years)

- Cooperative intentions can fall victim to mistrust of one's partner
- What is the situation on the job market?



### 2. Rhetoric and images of conflict in recruitment and selection

# What recruiters say about the job interview

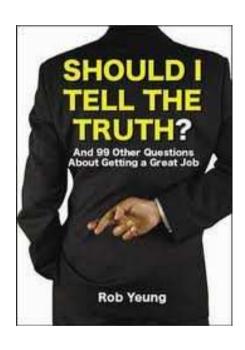
We try to thwart the traps of the unemployment agencies because these people are trained to do interviews

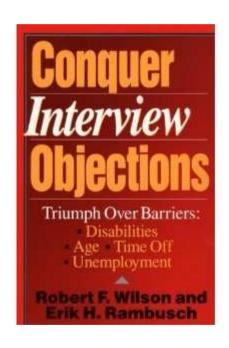
People prepare for interviews and they know what to answer to such and such question they know in principle what kind of trap they shouldn't fall into

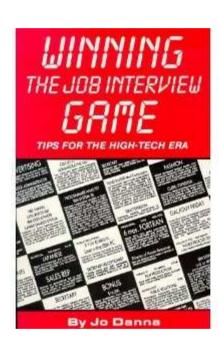
What does the CV hide

# Conflict rhetoric in advice for applicants



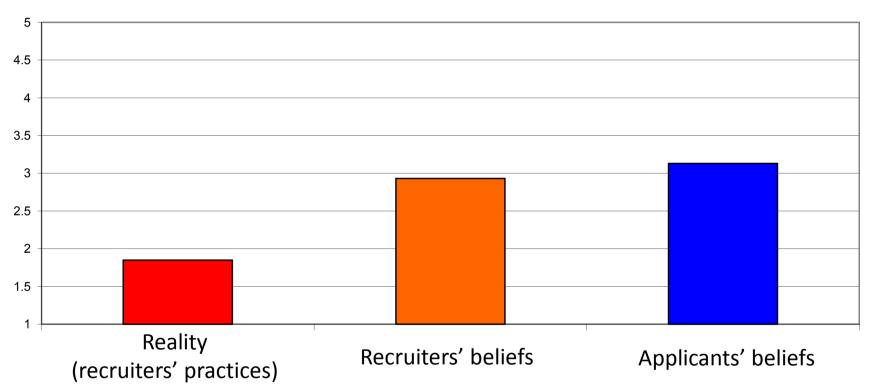






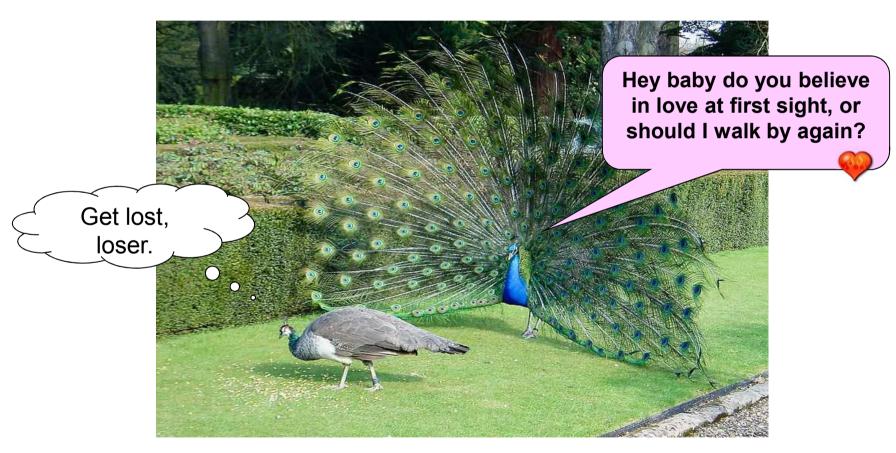


# How frequent are trick questions? Beliefs vs. reality





# 3. How to cooperate with divergent interests: Honest signals



Spence (1973); Zahavi & Zahavi (1997)

# Misaligned interests in the peacock and peahen

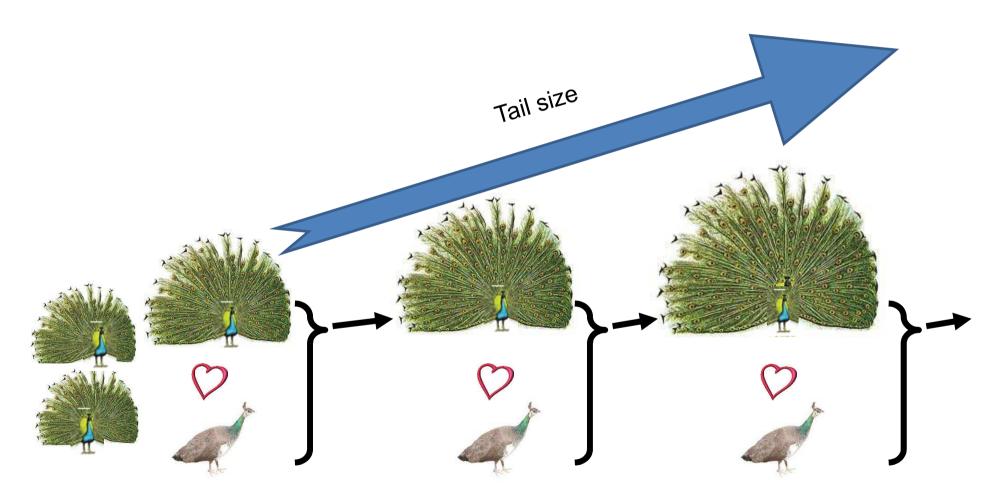


Dilemma of cooperation: Mate to reproduce and transmit genes

Invests few resources in reproduction Invests many resources in reproduction (lays eggs, protects and feeds chicks) Interested in mating with as many females as possible Interested in mating with high-quality male Female must be choosy How to choose the best partner?



# Emergence of a difficult-tofake signal of fitness



# Difficult-to-fake signals



- Honest signal, costly signal, reliable signal, handicap signal
- Observable attribute that correlates with an (unobservable) fitness or quality
- Requires investment of resources (effort, money, time)
  - Difficult to fake by would-be cheaters

Zahavi, A., & Zahavi, A. (1999). The handicap principle: A missing piece of Darwin's puzzle. Oxford, UK: Oxford University Press.

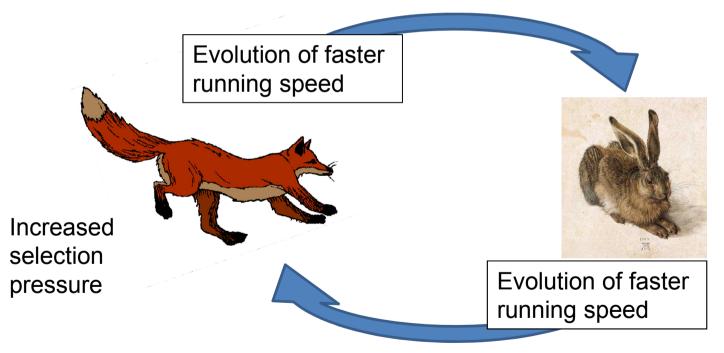


# Difficult-to-fake signals in personnel selection

- Cognitive aptitude tests: Measure intellectual capacity in difficult conditions (e.g., time limit)
- Assessment centers: Applicants must display evidence of key competencies in simulated work situations
- Reference checks: Independent verification of resumé data
- Behavioral interview questions: Applicants must explain in detail how they mastered a past situation

# Competition and arms races

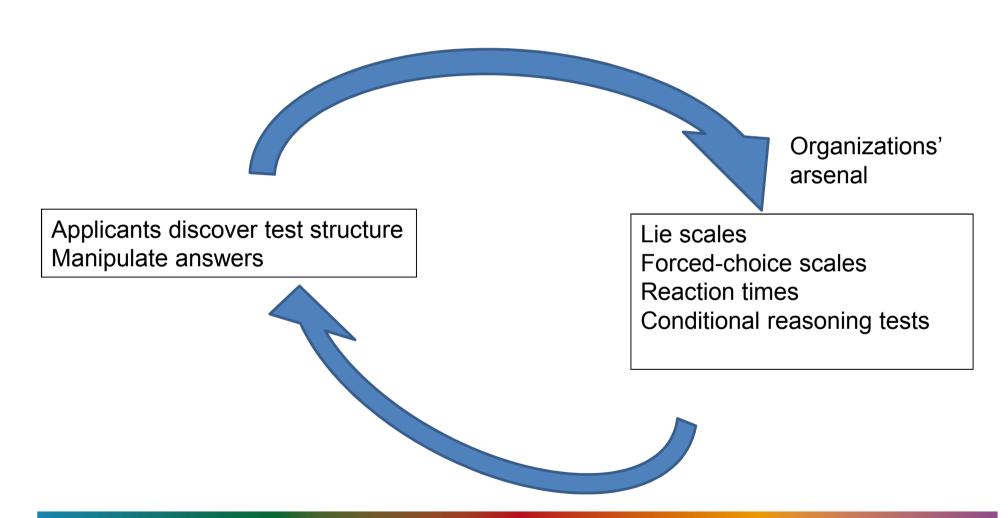


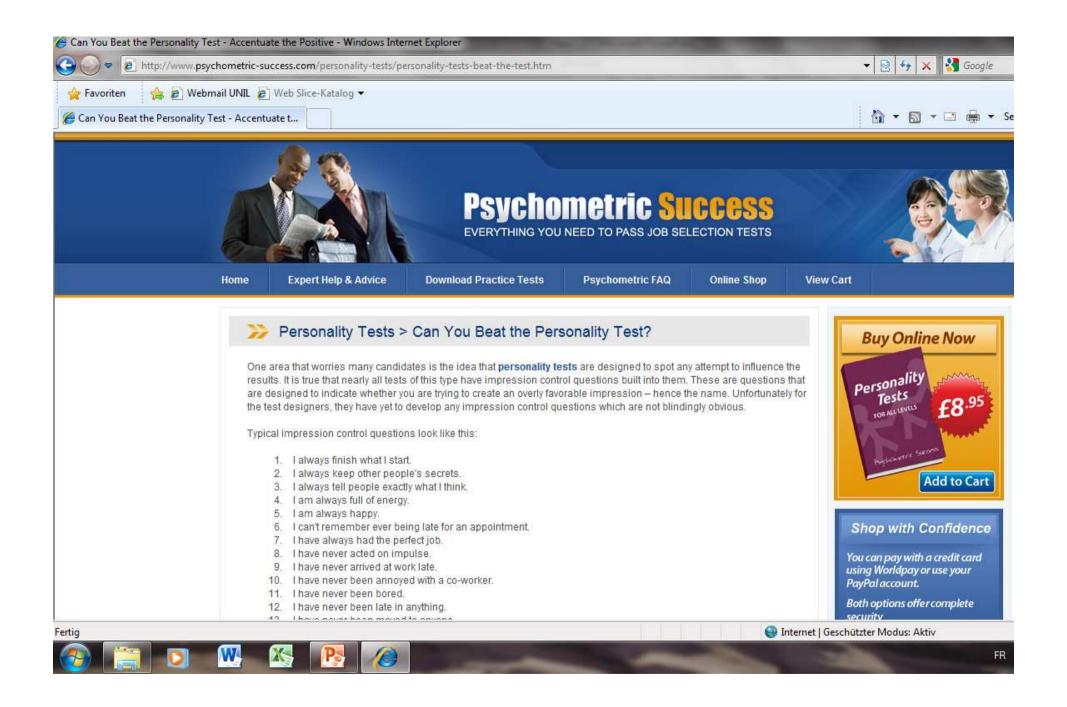


Increased selection pressure



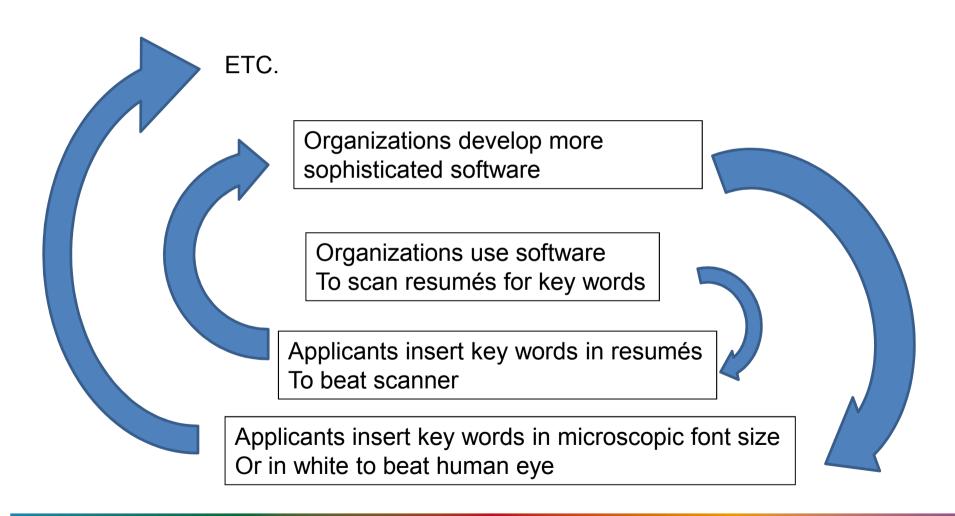
# Arms races in hiring: Faking on personality tests





# Arms races in hiring: Electronic resumés









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Step 1: Choose Your Plan. If you wish to use one of our already established companies, once you subscribe, you will be directed to our company directory with over 100 virtual firms listed to choose from and new companies are added every week!

Or you can choose to create your own company name! And we will create the website and virtual office for you!

#### Our Commitment



We will act as your very own human resource department and supervisor using one of ours/or your virtual company. Verifying your name, job title, job description, work dates and answer any questions with a positive





### 4. Breaking out of the dilemma of cooperation







	Cooperate (remain silent)	Defect (confess)
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- Best strategy in prisoner's dilemma: tit-for-tat
- Trust first, then reciprocate partner's behavior
- Possible to trust partner before imprisonment → no dilemma
- Job market equivalent: Reputation



# Reputation as a difficult-to-fake signal

- Acquiring a reputation is costly: public demonstration of consistent words and deeds over time
- Leads to trust by others
- Exit from dilemma of cooperation





# Building a reputation for trustworthiness on the job market

- Clearly display values and culture
  - And demonstrate them in the hiring process
- Transparent communication on hiring process
- Communicate truthfully about job and organization (realistic job previews)
- Reputational guarantees
  - Certification
  - Reputation of intermediate actors or brokers



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### Personnel Selection as a Signaling Game

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Personnel selection involves exchanges of information between job market actors (applicants and organizations). These actors do not have an incentive to exchange accurate information about their ability and commitment to the employment relationship unless it is to their advantage. This state of affairs explains numerous phenomena in personnel selection (e.g., faking). Signaling theory describes a mechanism by which parties with partly conflicting interests (and thus an incentive for deception) can nevertheless exchange accurate information. We apply signaling theory to personnel selection, distinguishing between adaptive relationships between applicants and organizations, among applicants, and among organizations. In each case, repeated adaptations and counteradaptations between actors can lead to situations of equilibrium or escalation (arms races). We show that viewing personnel selection as a network of adaptive relationships among job market actors enables an understanding of both classic and underexplored micro- and macro-level selection phenomena and their dynamic interactions.

Keywords: personnel selection, signaling theory, adaptation, information exchange, faking



# THANK YOU FOR YOUR ATTENTION

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