PERSONNEL SELECTION

ABSTRACT

Personnel selection is an important problem, yet often difficult task. Therefore, it is crucial for decision makers to mark personnel comparison before deciding to select essential criteria. It is also complicated because there is usually more than one dimension for measuring the impact of each criterion and especially when there is more than one decision maker. In this paper, researchers have used 5 expert’s opinion in Telecommunication sector- Iran. A decision maker usually compares some criteria for personnel selection but they are not enough and often not main. The criteria being considered always vary from one decision maker to another. Some may only consider the knowledge and past experience, whilst some may focus on their strategic thinking and team work. Intelligent decision makers might wisely try to include main criteria in order to select the best one. This paper has applied seven criteria that they are qualitative and positive for selecting the best one with using the opinion of experts by one of the group decision making model, it is called ELECTRE method. For solving a drawback of this method, the researchers find a way to overcome this problem. AHP method finally solved this problem. At the end, the mixed method is used in a case study.

Key words: Personnel selection, Elimination Et Choice Translating Reality (ELECTRE), Analytic Hierarchy Process (AHP),
1. Introduction

Personnel selection is the process of choosing individuals who match the qualifications required to perform a defined job in the best way. It determines the input quality of personnel and plays a decisive role in human resource management. Increasing competition in global markets urges organizations to put more emphasis on personnel selection process. Important issues such as changes in organizations, work, society, regulations, and marketing have an influence on personnel selection and recruiting. Organizations differ with respect to the procedures and budgets for recruiting, selecting, and orienting people (Karsak, 2001). Some firms make a strategic decision to choose the best candidate by utilizing rigorous and costly selection procedures, while others decide to fill positions quickly and inexpensively based only on the information stated on the application forms. Nonetheless, the growing importance attached to personnel selection process has paved the way for analytical decision making approaches (Dursun, 2010).

Organizations today are making abundant changes internally to cope with a highly turbulent external environment. Frequent reorganizing, downsizing, rightsizing, hierarchical flattening, teaming, and outsourcing shape the selection process; which is influenced by the fact that many people are experiencing major difficulties in their attempts to adapt to the uncertainties of career life (Brousseau et al., 1996). In general, human resource practices and climate have considerable impact on how the shock of downsizing ultimately translates to organizational performance (Trevor and Nyberg, 2008).

Many studies have reported a positive association between various human resources practices and objective and perceptual measures of selecting human resources, some authors have expressed concern that results may be biased because of methodological problems (Kulik et al., 2007; Huy et al., 2007). Traditional methods for selection of human resources are mostly based on statistical analyses of test scores that are treated as accurate reflections of reality. Modern approaches, however, recognize that selection is a complex process that involves a significant amount of vagueness and subjectivity (Kulik et al., 2007; Panagiotis, 2009).

In general, personnel selection, depending on the firm’s specific targets, the availability of means and the individual preferences of the decision makers (DMs), is a highly complex problem. The multi-criteria nature of the problem makes Multi-Criteria Decision Making (MCDM) methods and cope with this, given that they consider many criteria at the same time, with various weights and thresholds, having the potential to reflect at a very satisfactory degree the vague – most of the times – preferences of the DMs.

In this paper, ELECTRE method is suggested to solve personnel selection problem using multi-criteria decision-making process. The rest of the paper is organized as follows: In the next section, the main MCDM methods are summarized while some relevant studies on the personnel selection problem are presented. In Section 3, the principle of the ELECTRE is demonstrated in brief. Section 4 briefly presents an empirical application of the proposed approach for the personnel selection of a senior IT officer. Finally, future steps and research challenges are discussed (Kelemeni, 2010).

Literature review on Personnel selection and MCDM

In most of the situations where a decision must be taken, it is rare for the DM to have in mind a single clear criterion (Figueira, Greco, & Ehrgott, 2005). Such situations, where a single-criterion approach falls short, refer to as MCDM problems. Many terminologies have been proposed for the categorization of MCDM problems. The dominant terms are the one of Multi-Criteria Decision Analysis (MCDA) or Multi-Attribute Decision Making (MADM), for problems in which the DM must choose from a finite number of explicitly available alternatives characterized by a set of multiple attributes (or criteria) and the one of Multi-Objective Mathematical Programming (MOMP) or Multi-Objective Decision Making (MODM) that deal with decision problems characterized by multiple and conflicting objective functions that are to be optimized over a feasible set of decisions. Here, the alternatives are not explicitly known a priori (Figueira et al., 2005). In what follows, the main categories of MCDM are presented Kelemenis, 2010).
One class of approaches that deal with subjectivity includes techniques based on the well-known analytic hierarchy process (AHP) which reduces complex decisions to a series of pair wise comparisons and synthesizes the results. AHP and its extensions have been utilized extensively in the selection of human resources. Typical applications include the ones presented by Lai (1995), Iwamura and Lin (1998), and Labib et al. (1998). Albayrak and Erensal (2004) used AHP, which determines the global priority weights for different management alternatives, to improve human resource performance outcomes. A detailed review of various applications of AHP in different settings is provided by Vaidya and Kumar (2006). Panagiotis (2009), and Lai (1995) describes the employee selection process as a multi-objective decision-making problem. Iwamura and Lin (1998) explain that the employee selection process requires the accomplishment and aggregation of different factors. Labib, Williams, and O’Connor (1998) suggest an employee selection process that uses the AHP and has four stages.

The other contemporary methods in the employee evaluation and selection are artificial intelligence techniques that are the fuzzy sets and neural networks. In contrast to conventional sets where a given value v is either included or not included in a set A, in fuzzy set theory each value is associated with a certain grade of membership in set A. This grade is expressed by a membership function that reflects the degree to which it can be argued that value v is included in A. Examples of such approaches can be found in Laing and Wang (1992), Yaakob and Kawata (1999), Lovrich (2000), and Wang et al., (2006). Lazarevic (2001) introduces a two-level fuzzy model for minimizing subjective judgment in the process of identifying the right person for a position. And Royes et al. (2003) propose a combination of fuzzy sets and multicriteria tools for employee selection. In a similar approach, Golec and Kahya (2007) propose a hierarchical structure and use a fuzzy model that has two levels: evaluation and selection. The first level employs a heuristic algorithm which evaluates candidates according to measure indicators whereas the second level selects the candidate using a fuzzy rule-based approach (Panagiotis, 2009).

Some studies focused on proposed expert systems (ESs) or decision support systems to assist personnel selection. Roberts (1988) studied the capability of ES and pointed out that it has the potential to assist with tasks for selecting new employees, matching people with jobs, training new and old employees, and so on. Later, a working ES named EXPER (Suh, Byun, & An, 1993) was developed to assist managers in making job placement decisions, where employees were evaluated with respect to test scores, performance ratings, aptitude scores, and so on, and then were matched with specific jobs within an organization. Hooper et al, (1998) developed and tested a rule-based ES, BOARDEX, to perform the Yes/No vote to screen officer personnel records in the first phase of board procedure. Experiment on a mock officer personnel records showed that BOARDEX was successful at selecting the records. Drigas et al. (2004) present an expert system using Neuro-Fuzzy techniques that investigate a corporate database of unemployed and enterprises profile data for evaluation of the unemployed at certain job position. This study uses a Sugeno type Neuro Fuzzy inferences system for matching an unemployed with a job position. Chien and Chen (2008) proposed a data mining framework based on decision tree and association rules to generate the useful rules for personnel selection. The useful rules were extracted from the relationships between personnel profile data and their work behaviors. Finally, 30 meaningful rules were chosen to develop the recruitment strategies.

2. Methodology

Second separate phases are designed in order to address the research methodology, the stages are:
Phase 1: The first phase of this paper is designed in order to select and consider suitable criteria and personnel in one of a sector of Telecommunication’s Company respectively. The way of data collection that is applied for this phase is questionnaire. By using Comparison Matrix with one part of collected data that have been prepared by experts, the weights of criteria will be computed. After computing weights of criteria, specifying of Consistency will be executed too. If the Consistency is less than 0.1, then we use ELECTRE method for pre-ranking personnel. This phase is especially important because it provides the knowledge platform and pre-selecting personnel for next phase.
Phase 2: The applied methodology for this phase is based on output of previous phase and the method used is AHP. In this phase, after identifying the level of personnel, we apply AHP method when at least one of personnel’s grades was placed in the same with another. In this way, specifying of Consistency will be executed too. In both of phases, if Consistency of data is less than 0.1, revision of pairwise comparison must be done. At the end of this phase, all of personnel which had been considered will be sorted in different level.

![Figure 1. Framework](image_url)

After specifying relative criteria and also considering five people as alternatives, computing the weights of criteria were started by using comparison matrix. Data was gathered from five expert’s point of view in one of sector in Telecommunication Company. Following steps will be shown the way of solving an
application problem in ELECTRE method and finally with AHP method it will rank the result of ELECTRE that some personnel were in the same level.

Steps of ELECTRE method:
Step 1: Calculate the normalized decision matrix.
\[
N_{ij} = \frac{R_{ij}}{\sum_{j=1}^{n} R_{ij}} ; \quad i=1, 2 \ldots m ; \quad j=1, 2 \ldots n.
\]

Step 2: Calculate the weighted normalized decision matrix.
\[
V_{ij} = N_{ij}X_{ij}.
\]

Step 3: Determine the concordance and discordance set.
\[
S_{kl} = \{j | N_{kj} \geq N_{lj} \} ; \quad (k, l = 1, 2, 3 \ldots m, k \neq l)
\]

When this condition is true then we put “1” in its place otherwise we put “0”.

We will also apply for discordance set as followed:
\[
D_{kl} = \{j | N_{kj} < N_{lj} \} ; \quad (k, l = 1, 2, 3 \ldots m, k \neq l)
\]

It is obvious that \( S_{kl} \) and \( D_{kl} \) are opposite then places of “0” belong to \( D_{kl} \).

Step 4: Calculate the concordance matrix.
\[
I_{kl} = \sum_{j \in S_{kl}} W_{j} ; \quad \sum_{j=1}^{m} W_{j} = 1
\]

In this matrix (I) is \( \{k, 1 = 1, 2, 3 \ldots m, k \neq 1\} \), so each element of matrix includes sum of element(s) W, that they depend to \( S_{kl} \).

Therefore, each elements of \( S_{kl} \) will be between: \( 0 \leq I_{kl} \leq 1 \).

Step 5: Calculate the discordance matrix.

During computing matrix of NI, it is necessary that \( \{k, 1 = 1, 2, 3 \ldots m, k \neq 1\} \), so each elements of matrix will be computed as follow:
\[
NI_{kl} = \frac{\sum_{j \in D_{kl}} W_{j}}{\sum_{j=1}^{m} W_{j} - \sum_{j \in S_{kl}} W_{j}} ; \quad \text{(m is dimension of matrix)}.
\]

Step 6: Determine the concordance dominance matrix.

Dimension of matrix F and matrix I (in step 4) are the same but for finding matrix F, it is needed to compute threshold amount (1) as follow:
\[
L_{kl} = \sum_{j=1}^{m} I_{kl} / m(m-1) ; \quad \text{(m is dimension of matrix)}.
\]

Matrix F can be calculated by using matrix I if each corresponding elements of matrix I, are divided to 1 (Threshold amount of this step).
\[
f_{kl} = 1 \quad \text{if} \quad L_{kl} \geq I, \quad f_{kl} = 0 \quad \text{if} \quad L_{kl} < I.
\]

The above inequalities mean that if each element of matrix I, is greater than or equal to 1, then “1” would be set in matrix F (corresponding element).

Step 7: Determine the discordance dominance matrix.

So we calculate matrix of G.
\[
N_{kl} = \sum_{k=1}^{m} \sum_{l=1}^{m} NI_{kl} / m(m-1) ; \quad \text{(m is dimension of matrix)}.
\]
Matrix G can be calculated by using matrix NI, if each corresponding elements of matrix NI, are divided to $\mathbf{NI}$ (Threshold amount of this step).

$$g_{ki} = 1 \quad \text{if} \quad NI_{ki} \leq NI_j \quad g_{ki} = 0 \quad \text{if} \quad NI_{ki} > NI_j$$

Also the above inequalities mean that if each element of matrix NI, is less than or equal to $\mathbf{NI}$, then “1” would be set in matrix G (corresponding element).

Step 8: Determine the aggregate dominance matrix.
We also compute matrix H. “P is means personnel”

$$h_{ki} = f_{ki} \cdot g_{ki}$$

So matrix H is performed by multiplying corresponding elements of F and G.

Step 9: Eliminate the less favorable alternative and rank them.
Finally, we must scan the columns of matrix H, each column that has the least amount of number “1” should be chosen as the best one.

**Numeric example**

By using seven criteria, one sector of Telecommunication Company must choose one of the five people which have passed the exam. Here are criteria that have been mentioned above:

- C1: ability to work in different business units
- C2: past experience
- C3: team player
- C4: fluency in a foreign language
- C5: strategic thinking
- C6: oral communication skills
- C7: computer skills

Computing the weights of criteria has been computed by using comparison matrix. Meanwhile, Data was gathered from five expert’s point of view in one of sector in Telecommunication Company.

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>C1</th>
<th>C2</th>
<th>C3</th>
<th>C4</th>
<th>C5</th>
<th>C6</th>
<th>C7</th>
<th>weights</th>
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<td>C1</td>
<td>1.00</td>
<td>2.00</td>
<td>2.00</td>
<td>4.00</td>
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<td>2.00</td>
<td>3.00</td>
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<td>1.00</td>
<td>2.00</td>
<td>3.00</td>
<td>4.00</td>
<td>3.00</td>
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</tr>
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<td>2.00</td>
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<td>0.075</td>
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<td>3.00</td>
<td>0.50</td>
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<td>0.33</td>
<td>0.50</td>
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<td>2.00</td>
<td>3.00</td>
<td>1.00</td>
<td>0.175</td>
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<tr>
<td>C7</td>
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<td>0.33</td>
<td>2.00</td>
<td>2.00</td>
<td>0.50</td>
<td>2.00</td>
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<td>0.082</td>
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W= {0.264, 0.234, 0.075, 0.117, 0.053, 0.175, 0.082}  
Steps of ELECTRE method:  
Step 1: Calculate the normalized decision matrix.

$$N_{ij} = \frac{R_{ij}}{\sum_{k=1}^{5} R_{ik}} \quad ; \quad i=1, 2 \ldots 5 \quad ; \quad j=1, 2 \ldots 7,$$
Step 2: Calculate the weighted normalized decision matrix.

\[ V_{ij} = N_{ij} \times W_{ij} \]

We assumed that “W” is a diagonal matrix (nX which values of its main diameter are W= \{0.264, 0.234, 0.075, 0.117, 0.053, 0.175, 0.082\} and the rest values are zero.

Step 3: Determine the concordance and discordance set.

\[ S'_{kl} = \{j | N_{kj} \geq N_{lj} \} \quad (k, l = 1, 2, 3, 4, 5; k \neq l) \]

When this condition is true then we put “1” in its place.

And also we will apply for discordance set as followed:

\[ D_{kl} = \{j | N_{kj} < N_{lj} \} \quad (k, l = 1, 2, 3, 4, 5; k \neq l) \]

Step 4: Calculate the concordance matrix.

\[
\begin{array}{cccccc}
& C1 & C2 & C3 & C4 & C5 \\
P1 & 0.388514 & 0.670478 & 0.316228 & 0.262613 & 0.225018 & 0.280056 & 0.180334 \\
P2 & 0.388514 & 0.383131 & 0.632456 & 0.525226 & 0.450035 & 0.420084 & 0.631169 \\
P3 & 0.6799 & 0.574696 & 0.421637 & 0.262613 & 0.562544 & 0.70014 & 0.270501 \\
P4 & 0.291386 & 0.191565 & 0.527046 & 0.393919 & 0.337526 & 0.280056 & 0.450835 \\
P5 & 0.388514 & 0.191565 & 0.210819 & 0.656532 & 0.562544 & 0.420084 & 0.541002 \\
\end{array}
\]

Step 5: Calculate the discordance matrix.

\[ Ns_{kl} = \frac{\max_{j \in S_{kl}} |V_{kj} - V_{lj}|}{\max_{j \in S_{kl}} |V_{kj} - V_{lj}|} \]
So we calculate matrix of I.

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<td>0.660303</td>
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Step 6: Determine the concordance dominance matrix.
So we calculate matrix of I.

\[ I = \sum_{k=1}^{m} \sum_{l=1}^{m} I_{k,l}/m(m - 1) \quad (m=5, \text{ is dimension of matrix}), \]

\[ f_{kl} = 1 \rightarrow L_{kl} \geq I, \quad f_{kl} = 0 \rightarrow L_{kl} < I. \]

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Step 7: Determine the discordance dominance matrix.
So we calculate matrix of G.

\[ G = \sum_{k=1}^{m} \sum_{l=1}^{m} G_{k,l}/m(m - 1), \quad y_{kl} = 1 \rightarrow N_{kl} \leq N, \quad y_{kl} = 0 \rightarrow N_{kl} > N. \]

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Step 8: Determine the aggregate dominance matrix.
We also compute matrix of H. “P is means personnel”

\[ h_{kl} = f_{kl} \cdot g_{kl} \]

<table>
<thead>
<tr>
<th></th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
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Step 9: Eliminate the less favorable alternative and rank them.
Finally in ELECTRE method, the best personnel will be P3 and P2 (in equal value) and they were followed by P5, P1 and P4. By using AHP, we solve this problem and determined that P3 will be preferred to P2. Therefore, the result is: P3 >> P2 >> P5 >> P1 >> P4.

3. Conclusions

In this study, we presented a MCDM methodology for selecting employees to cover organizational positions. The method was applied using data from a real case in the Telecommunication sector of Iran. To increase the efficiency and ease-of-use of the proposed model, simple software such as MS Excel can be used. Evaluation of the candidates on the basis of the criteria only will be sufficient for the future applications of the model and implementation of this evaluation via simple software will speed up the process. The limitation of this article is that ELECTRE ignores the fuzziness of executives’ judgment during the decision-making process. Besides, some criteria could have a qualitative structure or have an uncertain structure which cannot be measured precisely. In such cases, fuzzy numbers can be used to obtain the evaluation matrix and the proposed model can be enlarged by using fuzzy numbers. For the future research, the authors suggest the other multi criteria approaches such as ELECTRE III and fuzzy outranking methods to be used and to be compared in justification of the personnel selection problem. Finally, ELECTRE may be employed to address several human resource issues other than the selection process. Typical applications include the evaluation of training and development programs, and the assessment of individual employees or work groups. The method may also be applied in other business problems, not directly related to human resources. Examples of such applications include project selection, and supplier selection in a supply chain.

REFERENCES


