MEMORANDUM

To: Sal Minella, Sales Manager

CC: Human Resources Department

From: Meagan Frances Ayers, HR Specialist

Date: 2 December 2009

Re: Selection Devices for Hiring New Sales Representatives

**PURPOSE**

In the past, our company has used two tests, undergraduate GPA and scores on Sales Tests, given pre-employment to predict future sales performance of possible sales representative candidates. The human resources department has determined if the use of either test and/or both tests simultaneously is a significant predictor in determining sales performance by analyzing validity data and conducting a Regression Analysis with regards to sales representatives who are currently employed within our organization.

**FINDINGS**

To determine which tests are significant predictors, a Regression Analysis was conducted for each test currently used by the company alone as well as for the two tests used concurrently. The F-Value used to determine this was .05; this means that if the Significance of F is found to be less than .05, then the test is in fact significant and therefore a valid test in determining future sales performance and should continue to be utilized.

*UNDERGRADUATE GPA*

It has been concluded that an undergraduate GPA is in fact a significant predictor of future sales performance because the Significance of F was found to be .0016 which is well below the F-Value of .05 and therefore our company should definitely continue to use this as a test in determining future sales performance of candidates.

*SCORES OF SALES TEST*

Scores of Sales Tests are not a significant predictor of future sales performance because the Significance of F was found to be .2604, well above the F-Value of .05. Therefore, the company should cease the use of this test alone.

*BOTH TESTS USED CONCURRENTLY*

Using both tests combined has in fact been found to be a significant predictor of future sales performance because the Significance of F for both tests used simultaneously was found to be .0071 which is once again well below the F-Value of .05. Therefore, this combined test should continue to be used in determining future sales performance of candidates.

**RECOMMENDATIONS**

Please use undergraduate GPA and the combined test of undergraduate GPA with the scores on sales tests to predict future sales performance of sales representative candidates. However, do not use the scores of sales tests alone to predict future sales performance as it is not a significant predictor.