

FINDING YOUR NEXT "MICHAEL JORDAN": HOW NEW TECHNOLOGY-DRIVEN ASSESSMENT PROCESSES WILL IMPROVE TALENT ACQUISITION

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ABSTRACT

Human capital is the most valuable asset of any organization. To remain competitive in today's business world, however, more and more organizations realize the need to embed customer service excellence, culture fit, and work style across all job functions and levels within the organization. As a result, Human Resources (HR) is charged with hiring the *right* people with the *right* skills and attitude to fulfill that mission. HR faces internal challenges as well, since they are required to be more strategic, provide more value rather than function solely as a cost center, and spend less time on managing processes. From all perspectives, the conventional hiring processes that HR depends on to meet staffing objectives are ill suited for the task. This paper will: explain the practices that drive conventional screening models and what makes these processes ineffective and inefficient in targeting candidates with the necessary skills and behaviors to help an organization succeed; explore workplace and workforce trends that require, even demand, a more efficient screening model—a predicted labor shortage, among other factors, will make finding qualified candidates even more challenging; and introduce a new model that integrates assessments in an automated screening process and, as a result, helps HR effectively and efficiently yield consistently higher-quality candidates with the demonstrated skills, behaviors, and work style that are required to succeed while moving employer involvement further back in the process..

INTRODUCTION

When weighing the efficacy of this model, organizations should consider benefits derived from reductions in staffing-related headcount, administrative overhead, and the overall cycle-time of the hiring and screening process. In addition, moving assessments upfront improves the candidate experience, increases the overall candidate pool with no incremental employer intervention in the screening and review stages, and improves the quality of hire...which ultimately makes the objective of embedding customer service across the organization a reality. Changing times and evolving needs require a new recruiting and screening model. And, as this paper will illustrate, at the core of this new model rests the principle that it's about "recruiting people, not paper."

Scenario: A Short Trip to the Immediate Future

Susan Armstrong responded to an ad for an open call center position. She is among several hundred candidates who have applied. Susan is immediately directed to a Web page where she is whisked through a brief interactive prescreen process. She is then moved to an assessment phase that uses integrated Web and phone capabilities to simulate and replicate the procedures associated with the call center position. Actual data entry screens are replicated on Susan's browser window whereupon a call comes in—Susan is prompted to respond to the simulated call and enter data in the appropriate places. The system gauges Susan's ability to handle both the customer and the data entry process...in effect, evaluating her skills, behaviors, and exemplary qualifications.

Without any employer intervention or requiring traditional, multi-phased candidate screening and assessment processes, the employer has efficiently assessed Susan's responsiveness, data entry skills, temperament, and propensity to perform the job well; all in a single engagement. To many, this may sound far-fetched...an enticing scenario available at some point in the distant future. Not so! The technology exists. It is currently being used to help employers across all industries efficiently and effectively find the most qualified candidates—across all job levels and titles—with assessments that are seamlessly embedded upfront in the screening process.

Why "Screening In" Is Better Than "Screening Out"

The employment landscape is changing. A shrinking labor pool will make it increasingly difficult for employers to attract, hire, and retain top talent. To remain competitive, more and more companies realize the need to embed customer service excellence, culture fit, and work style across all job functions and levels within the organization. Ultimately, this requires hiring the *right* people with the *right* skills and attitude.

Conventional screening processes are typically ineffective because they simply weed out unqualified candidates who do not meet basic criteria, such as education or experience, usually based on information obtained from resumes. However, an untold number of these seemingly unqualified candidates may possess the skills, behaviors, and culture fit to succeed in the job and, equally important, within the organization. That's where assessments fit in. Integrating assessments as part of the process allows organizations to focus on "screening in" candidates who possess the "right stuff," as demonstrated by their ability to master a job simulation, for example. At the core of this model rests the principle that it's about "recruiting people, not paper."

Assessments have historically been used sparingly, if at all, due to their high cost, awkward integration, and difficulty of interpreting results. They have been administered as a final step in the hiring process after other processes (i.e., prescreens, telephone interviews, and face-to-face interviews) have been used to narrow the list of qualified candidates down

to a handful. In the days when organizations were abundantly staffed by well-trained, experienced, and motivated employees, assessments were seldom used since they were thought to be of little relative value. After all, if the new hire didn't work out, there was always someone else standing right outside the door ready to take his/her place. However, there are a number of trends in the marketplace today that, taken together, are prompting a re-examination of the place and importance of assessments.

Prevailing Screening Processes: Old and Outdated vs. New and Unimproved

Traditional candidate screening is a multi-phased linear process that usually spans several sessions to cover a review of the candidate's application or resume, a prescreen, an interview, and perhaps a skills assessment. While each stage is interrelated, they are typically conducted independently. The process proceeds in awkward fits and starts, is time-consuming, resource-intensive, inefficient, and cumbersome. From the employer's perspective, the process often requires intervention at the early steps (i.e. prescreen) to determine which candidates should proceed to the next phase. Condensing all steps of the screening process into one seamless process—including assessments—enables organizations to efficiently, expeditiously, and cost-effectively recruit and retain a high-performance workforce. Likewise, the candidate's experience with conventional automated systems is unsatisfactory. While automated technology has streamlined the job search, the evaluation process still requires several on-site visits by candidates to complete each step (prescreen, interview, and assessment) separately. The process can be very time-consuming, stressful, and inefficient. As such, otherwise qualified applicants often drop out of the process from frustration. In addition, the non-interactive nature of conventional screening processes and an over-reliance on resumes provides job candidates with little or no opportunity to demonstrate their skills.

Why Retool the Process? Let Us Count the Ways

In the United States, the resume or application blank have traditionally been the starting point of the employment process, which typically follows some variation of this model:



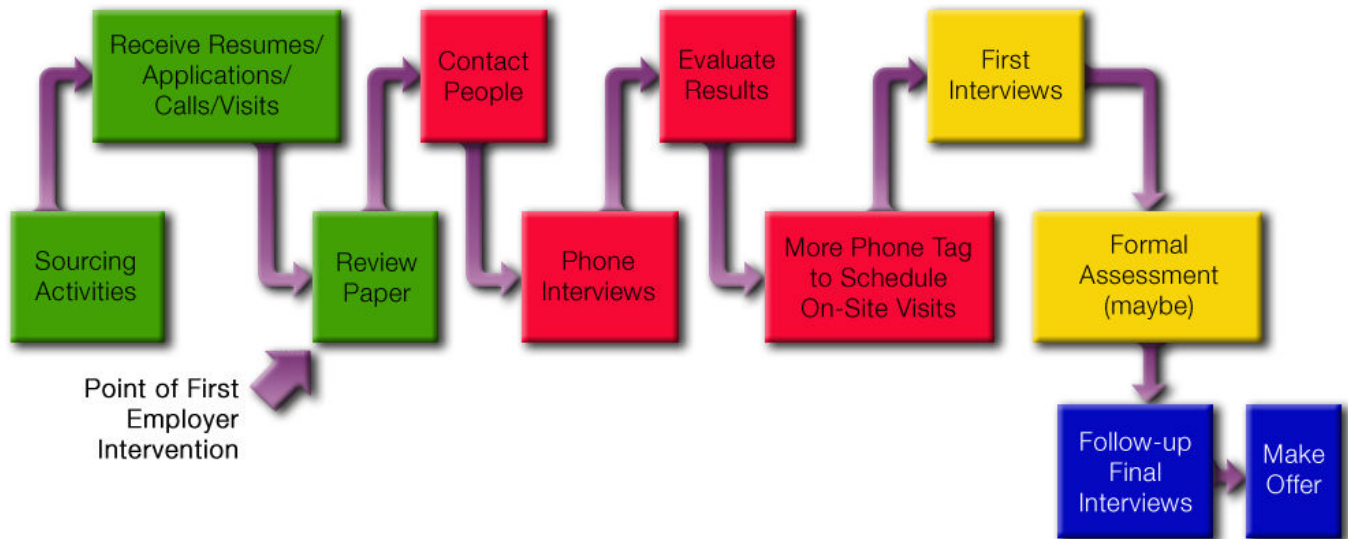


Figure 1. Typical talent acquisition process in U.S. organizations.

Many automated screening solutions are simply a funnel for resumes and allow only for basic searching for job titles or other key words. Being resume-dependant means the search can be no more accurate than the content of the resume. This process, commonly known as “screening out,” does little more than identify unqualified candidates.

There are a number of reasons why this process needs to be revisited and retooled. The following statistics are from the Human Resource Institute:

There is a shrinking supply of workers. In the United States, the long-term labor shortage continues to be a threat—an estimated shortage of 10 million people by 2010 and 40 million by 2015. In addition, 43 percent of the civilian labor force will be eligible to retire in the next decade. Finding a qualified employee will require a deeper level of vetting and evaluation—a resume is an inherently limited “information delivery vehicle.”

The pace of technological change keeps accelerating. As late as the 1940s, the product cycle (idea, invention, innovation, imitation) stretched 30 or 40 years. Today, it seldom lasts 30 to 40 weeks. A full 80 percent of the scientists, engineers, and doctors who ever lived are alive today—and are exchanging ideas in real time on the Internet. All the technical knowledge we work with today will represent only 1 percent of the knowledge that will be available in 2050. Employers can no longer afford lengthy selection processes to hire the talent they need.

There is a skill shortage. The half-life of an engineer’s knowledge today is only five years. In

electronics, fully half of what a student learns as a freshman is obsolete by his/her senior year. Our new “raw materials,” i.e., emerging new workers, lack employment readiness. For example, even colleges often find themselves having to offer more remedial courses to incoming students.

Rapid changes in the job market and work-related technologies will necessitate increased training for virtually every worker. Training is expensive; does it make sense to focus on hiring people to do for you what they’re already doing, with little regard for how well they might fit in or how long they’ll stay with you organization? In the next 10 years, close to 10 million jobs will open up for professionals, executives, and technicians in the highly-skilled service industries.

There is a knowledge shortage. Individuals between the ages of 35 to 54 are classified as being the prime base of the workforce. In the United States alone, 10,000 people turn 55 each day. By 2015, there will be a 15 percent decline in the prime category for those ages 35 to 54 while demand will increase 25 percent.

There is a time shortage. Everyone is pressed for time. We place a premium on anything that will save us time, and that includes seeking, or filling, a new job. The greatest challenge to recruiting “passive” candidates, for instance, is finding those who are “active” enough to have gone to the trouble of developing a current resume. Generally, that’s not really a passive candidate, but rather an active candidate who is uncertain of what job/career change (s)he wants to make. A true passive candidate is one who would consider a change, but has not gone to the trouble of constructing or



updating a resume. Without automated prescreening and assessment, these passive candidates have no other way of applying...so they don't. Now, with prescreening and assessment tools readily available online and by telephone, candidates without resumes have new and engaging ways to apply.

As Dr. John Sullivan, Professor of Management at San Francisco University's College of Business and a recognized expert on recruiting strategy, points out, requiring a resume as a precondition to applying is all but a guarantee of *not* finding the best candidate. It's tantamount to trying to hire Michael Jordan by requiring a resume as the first step in the process. This is simply not realistic and, ultimately, is a highly effective method for limiting your exposure to top talent. A faster, engaging processing system will draw candidates to it—even if it's automated—rather than drive them from it. The work of staffing specialists has centered on a process of screening out applicants by focusing on what they can't do or what skills they don't possess in order to get the pile of resumes down to a manageable number for manual processing. Even the work of industrial psychologists has been concerned with reducing false positives ("passing" someone who subsequently fails in the job) with little regard for false negatives (rejecting someone who would otherwise have been a success on the job). This approach depends on an abundant labor supply. With the emerging shortages, organizations can no longer afford to focus on weeding out. The need exists to concentrate on screening in and identifying candidates who will thrive in the culture, possess the required behaviors, and then training them for jobs within the organizations. All of these steps can be accomplished with no incremental employer intervention. Southwest Airlines said it well a number of years ago when they proclaimed "We hire for attitude, train for skill." No one can deny the success they've enjoyed as a result.

Defining Excellence and Hiring to a Gold Standard

Forward-thinking organizations, such as Southwest Airlines, understand the need to combine skills with "culture fit" and define a standard of excellence for their hires. Most important, they need a system that will enable them to hire to that standard. A model that integrates a behavioral assessment tool in the process accomplishes that goal. Employers can use embedded behavioral assessment tools to identify and define the qualities a successful employee should possess and use that information to construct preformatted interviews that screen and rank

candidates based on their responses. In short, having an assessment component provides employers with a superior way to set standards for excellence, instead of conventional minimal acceptability, and optimize the quality of hires.

Time shortages can also be attributed to broadening access to the Internet and the ease of sending resumes via e-mail. As a result, the number of unqualified responses to advertising and other sourcing activities has increased tremendously, adding greatly to the workload of candidate evaluation. The nature of work has become more complex today (fewer manual labor jobs, more knowledge workers), less reliant on job skills, and more reliant on intelligence, relationship skills, corporate fit, behaviors, and interpersonal skills—all capabilities that are impossible to glean from a resume; credentials only hint at competencies.

Today, resumes are recognized primarily as marketing documents and are therefore no longer suitable for real candidate evaluation. Yet, many still cling to the practice of reviewing or key word searching all submitted resumes, knowing full well the limitations and, all the while, wishing for a better way. These trends clearly point to the need for a new selection model that is better able to efficiently and effectively evaluate applicants and identify those who have the greatest probability of succeeding in the job and within the broader company culture.

A New Model for a New Workforce

The staffing model described earlier involves considerable human labor and decision-making. Even if somewhat automated, human intervention is required at each stage, primarily to determine whether the candidate is sufficiently qualified to pass to the next phase. The process is brought to a full stop at the end of each phase as qualifications are weighed and decisions are made. In addition to lengthening the hiring process, candidates might opt-out due to frustration or simply take another offer in the interim. Technology now exists that automates the interaction between candidate/applicant and employer/recruiter, conducts (delivers) the interaction over the Web and/or telephone, and makes many of the more routine decisions that interrupt the conventional workflow. Such technology, coupled with the changing importance of assessments, creates a model that can be illustrated as follows:



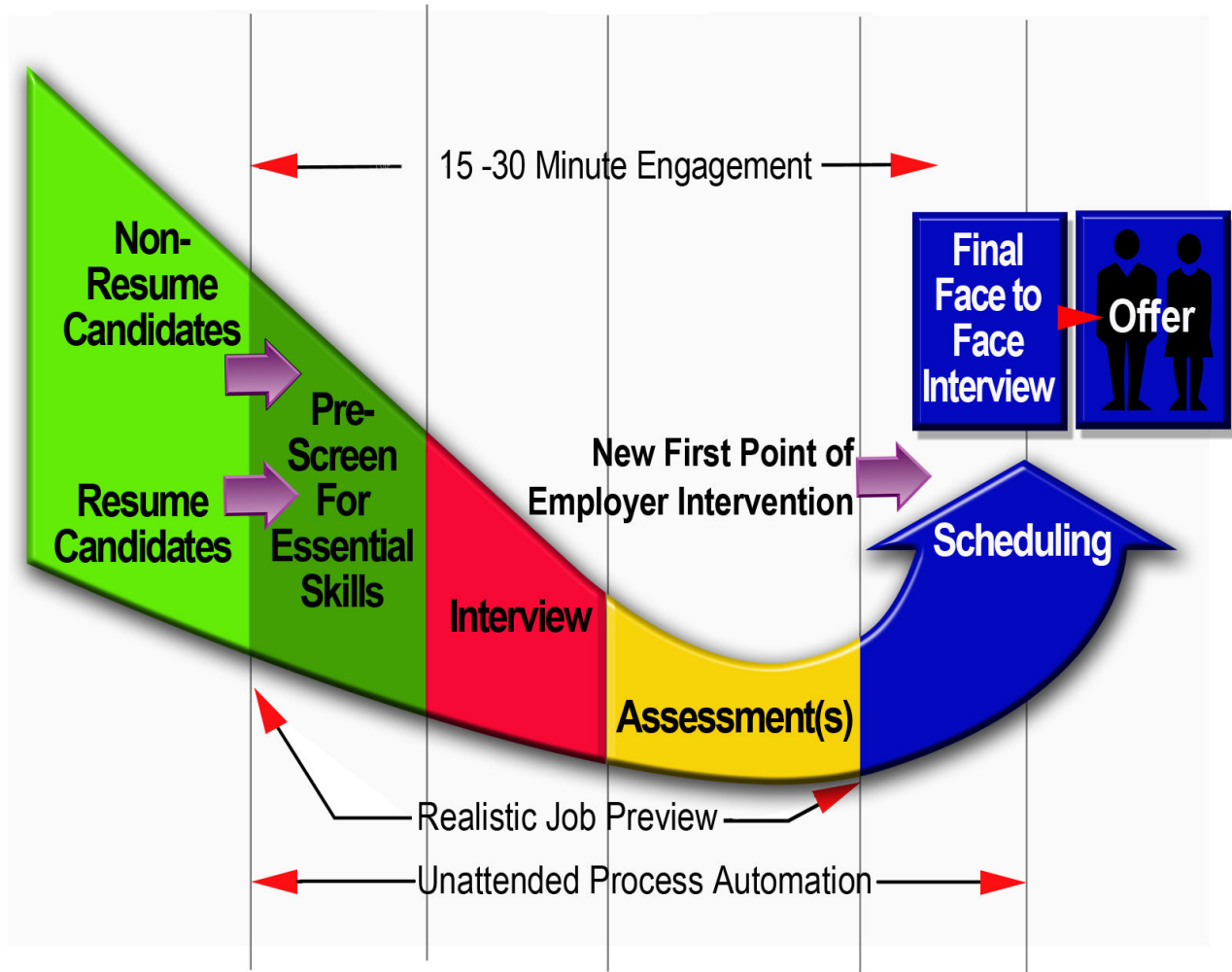


Figure 2. Revised talent acquisition process for organizations.

It is now possible to put the assessment ahead of any employer interaction, limiting the administration as well as the cost of an otherwise labor and time-intensive process. Conventionally, employer effort is heavily invested in all the steps leading to the administration of an assessment. With so many candidates applying, a high percentage of whom lack sufficient or relevant skills, the cost of human effort to reduce the number of assessments administered far outweighs the cost of the limited number of assessments themselves. HR departments can now look to automation and embedded intelligence to save administrative expense while enhancing their ability to consistently deliver high performing new hires with less turnover. Couched in a realistic job preview, the prescreen, interview, assessment, and scheduling activities can all be accomplished in a single, smooth, uninter-rupted engagement, while giving the applicant the option of disengaging and later reengaging at the point (s)he left off. The decision to disqualify the candidate can

still occur at any point in the process. All applicants initially respond to a set of standardized core questions to screen for basic requirements. The flow of questioning can then change according to the way the applicant answers the questions; highly sophisticated branching provides an engaging and efficient experience for every candidate. As a result, each applicant also receives a unique interview experience customized on the fly to best suit his/her individual skill set, interests, behaviors, and background.

Reports that job seekers are becoming disenchanted with the job board experience attests to the fact that no matter how easy it is to submit resumes, the process of guessing what response should be put on paper and often receiving no response, is a hollow and unsatisfying experience. A recent survey showed that a full 70 percent of candidates were dissatisfied with the effectiveness of job boards—one of the most prevalent applicant recruiting



technologies used today (*Electronic Recruiting News*). On the contrary, the integrated Internet and telephone screening and assessment process described here is an interactive and engaging experience that yields immediate feedback—both to the candidate and the employer. As quoted by one applicant after the experience, “It felt and sounded just like a real interview.” Synchronizing the Web and phone also gives rise to a plethora of job simulations, i.e., putting computer code up on the desktop and then simultaneously engaging the applicant by automated phone to ask how it might be rewritten for greater efficiency. In another scenario, the employer can have a customer service simulation where several screens of information are available to the applicant on the desktop. The candidate is then charged with negotiating the screens while responding to a variety of service calls. Comparing this assessment and simulation technology to voice mail or auto attendants is like comparing an RV to a covered wagon.

As previously discussed, the process of “screening in” candidates is preferable to processes that are premised on screening them out. Assessments guide the “screening in” process by gleaning applicant personality and other relevant applicant data (including an interactive process that is natural and inviting as well as the types of questions that can prompt insights into personality). The result for the employer is a complete, 360-degree whole-person applicant snapshot—one that assimilates an applicant’s experience, skill set, and behavioral characteristics, and provides a solid indicator of potential performance and success within the organization. For example, a position for a regional sales representative is open. Candidate A holds a marketing degree and lists several sales positions in his employment history. Candidate B holds an English degree and has spent his career in education, first as a teacher and later as an administrator. Candidate B will likely be screened out as an unqualified applicant because he doesn’t meet any overt requirements for the job. However, if Candidate B were allowed to proceed to a simulated assessment, the employer would discover that he has excellent negotiation, listening, and people skills, which he honed from hands-on and managerial experience. Candidate A, on the other hand, does not rate nearly as high for these skills despite his impressive resume. In effect, conventional processes can lead to hiring decisions that are based on job experience rather than skills assessment.

In addition, the process can also integrate behavioral assessments that have been shown to be predictive of job performance, job satisfaction,

commitment, turnover, career satisfaction, and career success across a wide variety of positions, organizations, industries, and countries. Such embedded behavioral assessment tools address attitudes, competencies, and skills, revealing both whether a candidate can do the job and how well that person will perform within a particular environment (i.e., culture fit).

Enriching the Candidate Experience: Or, “I’m Amazed At How Different This Process Is From All the Others”

We all have come to appreciate the convenience and accuracy of automated services we use everyday, from ATMs to booking flights online. Indeed, many vest a great deal of trust and satisfaction in such systems. For example, since implementing an automated voice response system in 2001, Amtrak has reported customer satisfaction rates in the 80 to 85 percent range. In addition, the automated system has increased customer satisfaction by 53 percent over its previous touch-tone system. The point is that we will gladly trade human interaction for convenience and efficiency, once we get used to this new—and in many ways, improved—mode of transaction. The same applies to automating the evaluation process and making the assessment phase the first point of candidate contact. When properly formulated and conducted, applicant interest *increases* in a company using automated prescreening and evaluation. Applicants appreciate the convenience and the opportunity to respond to questions directly related to their ability to perform the job (as compared to guessing what they should include on a resume), and they welcome the immediate feedback (as compared to sending their resume into the big black hole known as cyberspace). Applicants are also impressed with an organization’s use of this emerging technology.

In fact, a recent study tracking candidate perceptions to automated interactions found that when implemented correctly, candidate perceptions of the process and company actually improve. For example:

- 89.9 percent of applicants think the automated evaluation process is *fair*.
- 84.6 percent of applicants think the automated interview (where they answer questions about background and experience) was *relevant* to the job they applied for.
- 86.7 percent think the Workstyle inventory (where they answer questions about likes



and behaviors) was *relevant* to the job applied for.

- Finally, and perhaps most telling, 76.1 percent said they were *more interested* in working at the client company now than before the process began.

The Ultimate Assessment: Validating ROI

Top management is expecting a greater contribution from HR. Today's HR organization is required to be more strategic and tie in to an organization's bottom line. HR costs have grown an average of 6 percent a year in the last five years and are currently calculated at \$2,436 per full time employee (Hewitt Associates). In addition, HR is now spending nearly half of its time (43 percent) on administration and service (Hewitt Associates). The screening and assessment model outlined in this paper delivers significant, quantifiable returns:

Reduces administrative overhead. While applicant tracking systems (ATSs) that are used to house, track, and retrieve resumes play an important role, consider the relative value of maintaining resumes (most of which are either outdated or off-the-market by the time an opening occurs) compared with a fluid candidate evaluation process that provides "just in time" position-to-candidate matching—it's faster, more convenient for all parties, and more accurate. Moreover, deferring employer intervention to a later stage frees up valuable time and resources that can now be spent on more strategic HR functions.

Increases cost-effectiveness. The cost of assessments today is much lower partly because automation has been applied to the development and validation efforts, which were previously performed manually by highly educated industrial psychologists. Mechanisms for the administration of assessments make them more convenient for both employer and candidate, and faster to score. Automating assessments as part of an integrated process increases efficiencies—and lowers associated costs—further by reducing the need for dedicated professionals (i.e., industrial organizational psychologists) and eliminating the bottlenecks manual assessments tend to introduce.

Reduces time to hire. Reducing a process that normally spans 6 to 8 weeks to an unattended 15 to 30 minute experience has obvious advantages. Not so obvious are the advantages of quickly processing ideal candidates and getting them hired off the market before competing employers even receive a resume. Offering a progressive, more convenient

way to apply can also enhance an employer's reputation in the labor market.

Improves quality of hire. To compete successfully in today's business climate, organizations need to look beyond resumes and skill sets to identify the characteristics and behaviors that will indicate whether a candidate will succeed. The consistency of the quality of new hires yielded from a model with integrated assessments is far greater than a system based on an unstructured conventional process without assessments. This new process also lends itself to Six-Sigma principles, where organizations progressively refine their techniques, leading to better, repeatable, and more reliable results.

Improves employee retention. A key component of this model is an embedded behavioral assessment tool that address attitudes, competencies, and skills, revealing both whether a candidate can do the job *and* how well that person will perform within a particular environment or organizational culture.

Establishes gold standard of excellence. The behavioral assessment tools embedded in this model can help employers identify and define the qualities of a successful employee and use that information to construct preformatted interviews that screens and ranks candidates based on their responses. In short, the model provides employers with a system to set standards for excellence and optimize its quality of hires by producing repeatable results across the organization.

Assesses broad competencies and specific job-related skills. The model's interactive Web and telephone assessment capabilities allows employers to ask informed, job-specific questions (i.e., computer programming, accounting principles) that will identify those applicants who can *demonstrate* the practical application of their skills, knowledge, and experience. Typically, HR lacks the job-specific expertise to ask probing, relevant questions at the earliest stages of the screening process.

Final Assessment

Automating the process, if done correctly, can enrich the candidate experience and strengthen the employer's brand. Compare the ability to conduct a thorough evaluation for every interested candidate to a well-meaning HR department that feels overwhelmed and frustrated trying to provide even just the most highly qualified candidates with the time that they deserve. Automating the process, if done correctly, can put the employer in front of an entirely new pool of candidates—the other 80 percent of the workforce who do not have current



resumes. A majority of employers have neither the time nor resources to otherwise tap into this pool because they are requiring resumes as a prerequisite to applying. Up to now, there was no way to consider a candidate without a resume, so this huge pool was ignored and employers competed with one another for the remaining 20 percent of the market with resumes.

Automating the process, if done correctly, can significantly reduce staffing costs and time-to-fill while consistently delivering high performance employees who can help your company succeed.

About the Author

Ron Selewach is a graduate of Cornell University's School of Industrial and Labor Relations and has dedicated his professional career to the advancement of the Human Resource profession. After a concentrated career in corporate human resources, he founded Human Resource Management Center (HRMC) in 1984 as a full service consulting firm, offering outsourced HR solutions. Today, HRMC's fully Web-enabled and IVR solutions conduct applicant interviews, pre-qualifies and rank-orders candidates, and then measures the success of the assimilation of new hires. Through this automation, HRMC interviews, *without a resume as a pre-condition*, more than 18,000 applicants per week for positions ranging from production workers, CSRs, sales agents, IT professionals, engineers, and senior management. HRMC has been chosen as one of the Top 20 new services in the country by a respected Human Resources publication. Ron's community involvement includes active participation in Chambers of Commerce and Economic Development Organizations; Technology Education Advisory Councils; U. S. Senator's Small Business Advisory Committee; and as past Chairman of the local Workforce Development Board. For more information, visit the company's Web site at www.hrhc.com, or contact Ron Selewach at 1-800-749-4960, rselewach@hrhc.com. HRMC is headquartered in Tampa, Florida and is privately held.

