



SCREENING FOR QUALITY ON THE WEB

By Michelle Martinez

Many employers are moving beyond the traditional resume by using web-based tools to screen and assess job candidates' ability and aptitude and to boost candidate quality and productivity.

You do things carefully so you don't make mistakes. You can easily fix a problem and cheerfully move on. Do these statements describe your job applicants?

This is the kind of information hiring managers want to know about candidates, yet rarely ask—unless the candidate is given the opportunity to respond via an online assessment.

These statements can be found on one of the many employment questionnaires created by Beaverton, Ore.-based Unicru, an application service provider that screens candidates for a wide variety of positions in retail, sales, customer service, management and other job functions.

"Clients who use assessments never stop using them," says Steven Hunt, Unicru's chief scientist, because such screening tools allow you to practically clone the very best employees. Better retention, improved sales, service and productivity are the advantages associated with web-based screening tools.

When candidates apply at any location of The Fresh Market gourmet grocer, they are first asked to complete one of Unicru's online employment questionnaires. Candidates spend less than 30 minutes answering the questions, says Bill Bailey, the Market's vice president of human resources, based in Greensboro, N.C. Within five minutes of the candidate completing the questionnaire, the hiring manager receives via e-mail a neatly organized three-page report consisting of the individual's biographical data, job history, references, possible Work Opportunity Tax Credit (WOTC) eligibility (up to \$2,400 tax credit for hiring people who meet certain qualifications), answers to the questionnaire, an analysis of the answers and a page of follow-up face-to-face interview questions—if the candidate passes the screening.

"Once the manager reviews this content," says Bailey, "the interview can be wrapped up on the spot. Managers love this tool because it allows them to be efficient in hiring and allows them to feel confident about the people selected because they have a way in which to select the best performers."

Bailey says the cost justification for using Unicru's screening tool is basically a no-brainer. Turnover has decreased since rolling out this web-based tool in September 2002. The company has also realized significant savings from WOTC tax credits that were captured automatically by the assessment tool (This tax credit expired Dec. 31, 2003).

There are numerous examples of how automating the hiring process for hourly positions contributes directly to the bottom line in the form of increased profits, decreased staffing costs and reduced operating costs, says Charles Handler, president and founder of Rocket-Hire.com, a New Orleans-based consulting firm that specializes in employee selection systems. Unicru's Hunt and Rocket-Hire's Handler provide the following case examples. Using web-based assessment tools for hourly positions:

- Radio Shack realized an increase in revenue of about \$10 per hour per employee. Annually, this translates to a revenue increase of more than \$12,000 per part-time hourly employee.
- One call-center company qualified for \$800,000 worth of additional tax credits over a three-year period. The WOTC credit alone—automatically calculated by the system—more than paid for the cost of the entire assessment system.
- Sherwin-Williams reduced the number of employment interviews conducted each year by more than 5,000.
- Kroger grocery stores saw a 25 percent reduction in turnover. Twenty-five percent less time is spent reviewing candidates.
- A transit company reduced health- and safety-related compensation claims among bus drivers by 84 percent.
- A casualty insurance company found that the passing rate for the three-week new-employee-training course increased dramatically. As a result, training costs were reduced by several hundred thousand dollars annually.

Driving Candidates To the Web Site

Though The Fresh Market's potential hires complete the employment questionnaire at a store location using a telephone with a keyboard or web kiosk, many employers direct candidates to the corporate web site to apply for jobs and to answer a series of first-level screening questions; the task can be done from anywhere at any time. That's how American Express has set up the hiring process for many jobs, such as customer service, travel associate and financial representative positions.

"Technology has streamlined the hiring process, an activity that historically was very paper-intensive," says Jana Fallon, manager, online assessment. "Candidates apply for many jobs through the corporate web site. They complete an online application that uses a resume builder and they answer some basic nonnegotiable-type questions. A recruiter will review the candidate's information to see if certain qualifications are met. If they are, the recruiter will 'invite' the person to take an online assessment," explains Fallon.

The first level of screening that American Express uses is considered nonscientific in nature. The questions asked gather basic background information, such as degrees obtained, willingness to relocate, and jobs held in the past.

"These questions are a normal part of the online application process and are an excellent start in moving away from a reliance on the resume in that they offer an efficient way to help screen out a portion of the responses received based on job criteria," Handler says.

American Express' second-level online screening is scientific, which means it's more complex and relies on data that comes from extensive research about job positions. Typically, all scientific screening tools require three steps: defining the job, collecting data from applicants and providing an index of comparison, says Handler.

Overcoming Potential Obstacles to Online Screening

Based on the practitioners and experts interviewed for this article and related written research, here are three points to seriously consider if (or when) you encounter obstacles to online screening implementation:

1. **Deal with skepticism head-on.** There's plenty of research to show the cost/benefit analysis of implementing some form of online screening. At its most basic level, online screening will weed out the bottom half of candidates that can flood the hiring system to allow recruiters to concentrate on the top half. If the feedback you receive when introducing the idea to senior management is: "Prove results to the bottom line," then do just that. Create a proposal and recommend a pilot screening launch using one job or job family.
2. **Don't skimp on the groundwork.** When it comes to determining which candidate will best fill a job opening, "the opportunity for information loss is staggering," says Chris Reed, Unicru's vice president of marketing. First, hiring managers might not truly know what the success factors for a job are. So, the hiring manager passes on perceived information—accurate or inaccurate or vague—to the recruiter, who then represents the opening on job boards, in classified advertising and on the corporate web site.

Focus on what makes each job tick. Take the time to define the job, understand the skills and attributes of high performers in the jobs, collect the right data, and make comparisons. As American Express' Fallon explains: "We take a very scientific approach and we do thorough research; we do a lot of work post-screening to validate our efforts."
3. **Don't assume that candidates will be turned off.** Not one of the sources interviewed for this article viewed this as a concern for employers because job seekers are savvy and understand what's necessary to land a good job. Screening actually can be a welcoming experience because candidates are not asked to "come in" multiple times for what they might consider a "waste of time."

American Express job candidates spend about 45 minutes answering a series of well-crafted questions that determine the individual's "fit" for the job. "When a person does well on the assessment, he or she is invited in for an in-person interview," says Fallon.

The online assessments were implemented at the end of 2000, says Fallon, after much upfront work that required validating the questions being asked, and researching the characteristics and competencies of existing high performers. "One of the key initiatives for going this route is to improve the quality of hires," explains Fallon. "We wanted a selection process that was top notch, and we needed to increase the efficiency of the hiring process."

Have the goals been achieved? Yes, says Fallon. "We are able to establish direct links and relationships with how well employees who have gone through this assessment process are performing. We definitely see some success factors."

Moving Away from Resumes

What makes online assessment so appealing is that more pertinent information, as it relates to the job opening, can be captured. Relying on resumes has become old-school for many employers looking to hire the best talent. In addition, relying on the traditional-style interview—without conducting some type of screening beforehand—has three major weaknesses: it's time consuming, it's often an inaccurate predictor of performance, and because the process is subjective, it potentially exposes employers to charges of hiring discrimination.

"Good hiring practices require comparing all applicants using the same information, and that this information is based only on characteristics that are important for success at the job in question," explains Handler. "The information found on resumes does not do a very good job of satisfying these criteria, nor does it allow for standardization of information across candidates."

"The resume is a terrible tool," Hunt adds, "but the reality is that recruiters look at them. If you want the best people to fill positions, we say look at the resumes and ask prescreening questions—do both.

"The recruiting process should be a conversation or discussion," he continues. "You talk about the job and the individuals talk about their qualifications; it's an information exchange that requires engagement and involvement. Your best candidates will have multiple offers."

The assessment technology enables or strengthens the discussion, he says. The exchange of information is not only for the recruiter to feel confident about selection decisions; it helps job seekers feel confident about job expectations and what they can bring to the table.

Not Just Hourly Jobs Anymore

Growth in the use of assessments is inevitable as the success stories relating to candidate quality and return on investment abound. Currently, the highest volume of online assessments is for hourly positions, but the number of professional-level jobs using scientific screening will grow, according to Handler. He pinpoints five major trends that are shaping the future use of online assessments:

1. The Internet's ability to collect lots of data fast provides the push needed to develop future models of online assessment.
2. Successful online recruiting will rely on building ongoing relationships with candidates.
3. Data will allow the development of assessments that are precisely tailored to a given job.
4. Online recruiting and assessment initiatives will be entertaining and engaging for job seekers.
5. Data from the recruitment and assessment processes will become much more integrated.

Because professional-level jobs are more complex to assess, many employers introduce online screening in job categories that have become what Handler describes as "pain points." These "pain point" jobs usually are hard-to-fill positions that require specialized expertise and more obviously affect business profits. Starting with these types of positions is logical, Handler explains, because senior management understands the value proposition.

Simulations: The Next Level

Putting people in real-life situations, or simulations, to see how they perform has been limited to industries such as the airlines, military and law enforcement because the costs related to such exercises are typically expensive. However, Toronto-based Upward Motion has developed two simulation assessment tools—one for real estate agents, the other for sales positions—that small or large employers can afford. Per assessment, the cost is \$49.95 for either tool. Unlimited-use monthly rates range from \$180 for 100 agents or sales representatives or fewer; to \$1,000 for companies with 1,000 reps or fewer.

These products are the closest you can get to experiencing how candidates actually would perform on the job. For job seekers to take the assessment, it's as easy as logging on to the employer's web site. For example, the Real Estate Simulator re-creates the challenges real estate agents face on a daily basis. The assessment tool takes the job seeker through building rapport with house hunters; negotiating price; understanding client needs; and handling objections and personality clashes.

Within an hour of completing the simulation, the employer receives the job seeker's screening analysis. The report gives the candidate's strengths and weaknesses, provides general background information on the person and how he or she would fit in as an agent, and supplies an interview guide based on the results.

"The simulation records how an individual responds to typical job situations and compares those responses to top performers in the industry," says Kim Ades, president and founder of Upward Motion. With a background in training and development, Ades originally envisioned the simulation assessment as a tool to better select agents and curb turnover.

But what the real estate industry wanted was a tool that helped increase recruiting leads, Ades explains. "I've provided them with a product that will increase recruiting leads and gives hiring managers better questions to ask when conducting face-to-face interviews," she says, and adds: "The simulation also pinpoints where training is needed, which helps get the agent up to speed quicker."

Rick Hasse, general manager for New Orleans-based real estate firm Prudential Gardner, says the Real Estate Simulator increased hiring by 20 percent. Monthly, he gets about 100 new recruits by placing a newspaper ad that reads, "Test Drive a Career in Real Estate Today," which directs readers to the company web site, www.prudentialgardner.com, to take the assessment.

The average age of real estate agents is 54. The simulator is viewed as an opportunity to entice a younger segment of the workforce, says Ades. "The tool helps sell an employer to the younger generation," she continues. "It also sends the message that as an employer, you are leading edge, which is appealing to them."

Another advantage of simulations is the fact that they are multisensory. "It really engages the candidates for a whole hour and, from feedback, they find it very entertaining. The simulations also touch on the "me-centric" needs of the younger generation, Ades explains. "They are more educated multitaskers who want to learn about themselves. The assessments provide information that helps them understand themselves better."

Where To Start

Whatever route you choose to more consistently and systematically screen candidates, keep two things in mind: Truly understand the value of the tool and take the time to build the right foundation for using it, says Handler.

"You give people a great tool, but if they are not taking the time to use it correctly, you will not see the advantages," he says. Defining the parameters, figuring and reconfiguring—it's all part of moving to the next level—the place where science and technology merge to build a better workforce.

Michelle Martinez is editor of Employment Management Today.