



# Don't Overlook Recruiting Tools

By Igor Kotlyar and Kim Ades

*Assessment technology can help match the best applicant to the right job.*

**C**hest heaving, legs shaking and shirt soaked with perspiration, a trainee pilot staggers out of the cockpit after a terrifying engine flameout. Yet she has a lopsided grin on her face, because she knows she brought the plane down in a perfect runway landing. She's not only proud, but also thankful that this was only a simulation, not a real emergency.

The airline's assessment team is also pleased that this young pilot "landed" the simulator well; the victory moved her a big step forward in the company's hiring process.

Flight simulators, which provide a harrowingly realistic experience of flight, have become a central part of the assessment and training program for airline pilots. They provide a dramatic way to test and develop employees' abilities in an artificial, safe environment that simulates actions that would be too expensive and dangerous to stage in real life.

Other industries also are finding ways to use the power of technology to simulate workplace situations and maximize the strategic value of their workforce.

## On Target

Many companies have overlooked how the growing box of e-tools can help them select the right employees in the first place.

Hiring and training the wrong employee can be a costly nightmare. The company may suffer years of poor performance from the poorly chosen employee, the person may quit or the company may have to fire the employee. The importance of hiring the right person is even more important in the case of managerial and professional employees, where the difference in performance between a low-ranked and a high-ranked worker can be equivalent to an annual salary.

Effective hiring is an increasingly

urgent task. Shell-shocked companies trying to rise above tough economic times must make every new hire count. In a down economy, there is often a large number of applicants for each opening; therefore, employers need an efficient way to narrow down the list of candi-

dates and select the best person.

However, companies are starting to realize that the time-honored tool for selection, the traditional interview, has three major weaknesses: It is time consuming, it is often an inaccurate predictor of performance, and, because of its subjectivity, it leaves the company open to charges of hiring discrimination.

That makes employers more interested in how technology can help make employee selection more efficient and accurate.

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## Beyond the Screen

Screening candidates electronically has come a long way from simple keyword searches in which computers winnow out resumes, looking for terms that match the hiring criteria. Selection efficiency has evolved into more advanced resume-scanning, with documents automatically evaluated in terms of typos, spelling errors, and job hopping. Some of the latest developments in this area allow employers to flag resumes that appear to misrepresent the truth, present misleading information or are in other ways suspicious. This can be a good filter for weeding out 10 to 20 percent of candidates.

Such electronic screening mechanisms are ideal for companies experiencing high turnover rates and looking to narrow down large pools of applicants. For example, Blockbuster Inc., The Home Depot Inc. and Target Corp. rely on this technology to quickly and efficiently screen applicants.

For an added degree of accuracy, an online resume screening technology can be supplemented with a personality profile, and a test of general mental ability.

A well-designed personality profile can properly measure and match the right personality dimensions to the requirements of the job. For example, research shows that two important predictors for success of salespeople are extraversion and conscientiousness. The ability to test for these characteristics can mean a substantial increase in selection effectiveness. (See "Personality Counts" in the February 2002 issue of HR Magazine.)

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Testing general mental ability can be useful for predicting an applicant's learning ability and trainability. It can also be a valuable indicator for how well individuals without experience will perform.

Companies using computer-based screening technologies can dramatically increase the numbers of people they can assess, while also reducing processing costs. Some companies have discovered another benefit as well: Recruiting technologies have helped decrease employee turnover by 10 to 30 percent, largely because better-qualified candidates were hired in the first place.

## Finding the best

In today's economy, finding applicants is not difficult. Instead, their challenge is to distinguish between many promising candidates and find that special fit between person and job that will a company an edge over the competition.

Picking top performers is particularly difficult in soft skills that are vital for sales, management and customer service. Without seeing the applicant in action, it is hard to gauge his or her effectiveness.

An extensive study of selection methods published by F.L. Schmidt and J.E. Hunter in the Psychological Bulletin in 1998 concluded that conducting a word sample test is one of the most effective screening tools. Consequently, some of the most promising technologies are being developed in this area.

These tests involve placing the candidates in situations like those they would face on the job to see how the individuals react. Recruiters then compare their

responses to those of top performers.

Recruiters can also do this through situational interviews, but many companies have found them cumbersome to administer and score.

Video-based tests provide a degree of standardization that is not available in interviews and a level of intensity not available in paper tests. These assessments present an applicant with a number of short video scenarios depicting a challenging job-related situation. At a critical point in each situation, the scenario ends and the applicant must choose from among several alternative courses of action.

AlignMark Inc., based in Maitland, Fla., has created several assessments tools to measure skills needed for jobs ranging from business-to-business sales to supervisory positions. It has also collected large amounts of data to examine the predictive validity of these tools. The results show that video-based assessments have a high degree of effectiveness at identifying candidates with the right set of skills. AlignMark's findings are consistent with those of several academic studies that have tested and approved this technology for jobs as diverse as customer service workers, dietary assistants and nursing assistants, and have recommended its use.

Well-designed video-based tests can do more than help employers identify the best candidates; they can also simultaneously function as powerful developmental tools. Many of these assessments can provide insight about an applicant's strengths and weaknesses and offer prescriptions for development.

This technology:

- Is less expensive and easier to administer. Many candidates can be assessed at once, and the assessor does not need to be present. The information is automatically analyzed and stored in a

database, and managers can easily compare candidates' results.

- Is preferred by candidates. Applicants perceive these tests to be fairer than other types of pre-employment tests.
- Offers a realistic preview. Exposure to real work situations gives prospective employees a more accurate idea of what to expect, which may speed up their orientation.

### Reality Check

A more recent innovation is a computer-based simulation that follow well-considered logic trees, in which the candidate's response to a given situation influences the development of the scenario, just as in real life. The result is a story line that can be just as compelling and involving as the best flight simulators.

An example is a program for assessing the suitability of individuals for a career in real estate sales. An applicant is required to play the role of an agent and must interact with a number of virtual clients by choosing one of four behavioral options. The virtual clients respond naturally to the agent's actions: They become frustrated, confused, demanding, and indecisive. In one case, the hus-

band really likes the property but the wife feels that she "could never live in this house." The agent must delicately navigate through such situations.

Upward Motion Inc. and York University, both of Toronto, are conducting a study of the effectiveness of this assessment tool. So far, some 200 active Realtors have completed the assessment, and the preliminary results indicate that this tool can accurately distinguish between groups of low performers, average performers, and high performers. The correlation between the scores generated by the simulation and the actual commissions earned by the agents is substantially higher than can be obtained from many other types of assessment tools now in use.

Of course, computer-based simulations have their limitations. One is that they require reasonably fast computers to process video, and, if the tests are centrally administered, an Internet connection. However, with the increasing power of affordable computers, this limitation is quickly disappearing.

This area of HR management is changing rapidly. HR managers need to keep themselves informed of progress in these tools, or risk having their com-

panies miss out on a strategic edge that can put them well ahead in the race for top talent.

What further improvements can we expect? We can envision a future in which prospective employees can go to a company's Web site, get a virtual tour of the company through an interactive session and experience what it is like to work there. Companies would be able to use data from these sessions to learn about prospective employees' abilities and suitability, and candidates would be able to determine if the company would be a good choice for them.

The result can be a much more effective and happy workforce, as companies are better able to find the right employees, and individuals are better able to find the work that suits their interests and abilities.

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