

Educating and Inspiring the World at Work

JANUARY 2018

WORKSPAN



SMART SOURCING

Using AI to Attract Talent

BY RON SELEWACH, HRMC

Artificial intelligence has become so powerful and sophisticated that it often summons dystopian visions of a labor force crowded out by machines that work 24/7, don't take breaks, want a promotion or demand a competitive benefits package. However, according to a 2016 Accenture report, AI "really means combining technology with people to get a job done — either in a more efficient way or a more productive way."

Traditional hiring processes are deeply flawed because they start with a single focus on the résumé. My experience indicates that at any given time, only about 30% of the nation's workers have an up-to-date résumé, which starts the process on the wrong foot. But AI can bring recruitment in line with today's most pressing organizational goals, such as making all business-related processes more efficient and improving both results and hires.

THE LIMITATIONS OF THE CONVENTIONAL SCREENING PROCESSES

"If you're not getting exceptional hires, it may be because your traditional interview process ... dwell(s) on the past (résumés) ... a superior alternative is to ask them to solve real problems ... (and) allow a top candidate to show off their capabilities, ideas and innovation." – John Sullivan, Ph.D., professor, San Francisco State University

Conventional screening processes typically are ineffective because they simply weed out unqualified candidates who do not meet basic criteria, such as education or experience, and usually are based on information obtained from résumés. However, upon questioning, 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, which is why early-stage assessments

SMART SOURCING

are so valuable. They save time by cutting through layers of often misleading or nonpertinent data in ascertaining a candidate's true fit. However, a fully automated interview platform that actively and reliably solicits, interprets and acts on data during the actual candidate engagement could be a game changer for the entire system.

With an AI-based system, there are no barriers to entry. Candidates can access the system from anywhere and begin the intake immediately, which is a major advantage for candidates who don't have an up-to-date résumé. Anyone entering the system can demonstrate his or her skills in real time. Potential employers can see what people can do now, not what they've done in the past.

HOW AI STREAMLINES THE CANDIDATE EXPERIENCE

AI enables organizations to integrate all phases of the candidate engagement — a realistic job preview, prescreen, interview, assessment and scheduling activities — in a single, smooth, uninterrupted engagement. Too often, these processes are disjointed and proceed in erratic stops and restarts, which causes many candidates to drop off before completing the intake. AI gives candidates more control over the process; for example, they can take a break and come back exactly where they left off, which increases the number of completed engagements.

All applicants initially respond to a set of job-specific core questions to screen for basic requirements. But the difference is that the flow of questioning can change according to the way the applicant answers the questions. Each applicant receives a unique interview experience customized on the fly to best suit his or her individual skill set, interests, behaviors and background, as well as specific closure — no black hole to denigrate your employer brand. AI also enables the hiring organization to disqualify the candidate at any point in the process, diplomatically ending the session.

Synchronizing the Internet and phone also gives rise to job simulations on the spot, such as putting computer code up on the desktop and asking the applicant how it might be rewritten for greater efficiency, or a customer-service simulation where a candidate can negotiate several screens while responding to a variety of service calls. These assessments guide the screening process by gleaning applicant personality and other information. The result for the employer is a complete,

AI enables organizations to integrate all phases of the candidate engagement ... in a single, smooth, uninterrupted engagement.

360-degree applicant snapshot that provides a solid indicator of potential performance and success within the organization.


Let's say 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 an administrator. Candidate B would likely be screened out as an unqualified applicant because he doesn't directly meet the job requirement. But if Candidate B could proceed to a simulated assessment, the employer would discover that he or she has excellent negotiation, listening and people skills, honed from hands-on and managerial experience.

In addition, the process can use third-party behavioral assessments that can predict job performance, job satisfaction, commitment, turnover, career satisfaction and career success. These embedded behavioral assessment tools address attitudes, competencies and skills, revealing both whether a candidate can do the job and what his or her culture fit might be like.

THE BENEFIT OF USING AI

According to Josh Bersin of Deloitte, losing an employee can cost a company one and a half to two times the position's annual salary. These costs include hiring, onboarding, training, ramp up time to peak productivity, the loss of engagement from others due to high turnover, higher business error rates and general culture impacts. A hiring solution that integrates screening and assessment and is driven by automation delivers significant, quantifiable returns.

Reduces administrative overhead. While applicant tracking systems that are used to house, track and retrieve résumés play an important role, résumés are outdated when compared with a fluid candidate



evaluation process that provides just-in-time, position-to-candidate matching. This system is more convenient and accurate for both sides. Plus, pushing employer intervention to a later stage in the workflow frees up time and resources that can be spent on more strategic HR functions.

Presents the employer with an entirely new pool of candidates — the 70% of the workforce who do not have current résumés. Many employers have yet to take advantage of this large pool of candidates because they depend on résumés to start the vetting, leading to fewer candidates applying and employers struggling to find suitable candidates. Since a significant portion of people do not have up-to-date résumés, they are automatically removed from the process at the beginning.

Reduces time to hire. Reducing a process that normally spans six to eight weeks to a 15- to 45-minute experience has obvious advantages. But less obvious are the advantages of quickly processing ideal candidates and getting them hired off the market before competing employers even receive a résumé. Offering a progressive, more convenient way to apply can also enhance an employer's reputation in the labor market.

Increases cost-effectiveness. The cost of interviewing, evaluating and processing candidates with smart technology is much lower than manual processing. These are hard cost savings, but so too is the ROI of a higher-performing workforce.

Improves quality of hire. AI enables you to continuously capture and analyze candidate responses, with each one being a data point that promotes a self-improving process where evaluations gain in their predictive ability. "Algorithmic" hiring combined with advanced analytics enable organizations to refine their models, which directly leads to an improved quality of hire.

Improves employee retention. Simply put, new hires who have the necessary attributes, find the work motivating and fit the culture stay longer. Continuous analysis of interview responses compared to subsequent performance on the job leads to consistently selecting better matched applicants, who consequently stay longer.

Establishes gold standard of excellence. The tools used in this model not only help identify and define the qualities of a successful employee, but employers can use that information to construct preformatted interviews that screen and rank candidates based on their responses. Company officials can then pursue the top-rated applicants and more quickly hire them.

Assesses broad competencies and specific job-related skills. The model's interactive web and/or telephone assessment capabilities allow employers to ask informed, job-specific questions and sample work (i.e., computer programming, accounting principles, machining techniques) that will identify those applicants who can demonstrate the practical application of their skills, knowledge and experience.

THE NEW HR ROLE

By using automated, smart workflows, organizations can standardize hiring practices, identify better candidates, present a company's branding message to candidates, let candidates demonstrate skills that would help them achieve top performance and rank candidates on both skills and culture fit.

Smart automation gives businesses the ability to offer every candidate the opportunity to interview and discover those talents that might not be evident on their résumé, if they have one at all. It also gives every candidate, not just good résumé writers, an opportunity to put his or her best foot forward. It eliminates subjectivity, makes the initial candidate assessment phase more systematic and allows for both speed and precision (key for high-volume hiring) while lessening the risk of discrimination. Using smart automation helps managers find time for other tasks as well as cut costs brought on by bad hires.

Smart automation does not replace or diminish the primacy of human decision making. It arms HR and hiring managers with, as Daniel Kahneman described in his book, "Thinking, Fast and Slow," "a disciplined collection of objective information and disciplined scores of separate traits," and it gives them the time, luxury and freedom to intervene in the process — at the final face-to-face interview — when their expertise is most needed and most valued. **ws**

Ron Selewach is CEO of HRMC, an independent HR department. Contact him at rselewach@hrmc.com.