

Hiring

3 Emerging Alternatives to Traditional Hiring Methods

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When evaluating talent for recruitment or development, you have just two key questions to answer: What should you assess? And how?

The *what* question is in part context-dependent. (For example, the skills and knowledge required to be a good neurosurgeon are quite different from those needed to be a good lawyer, banker, or software engineer.) Yet you'll also be looking for certain universal characteristics associated with effective employees, regardless of their

job or role. First, you'll keep an eye out for the best learners and problem solvers — those who have good judgment and are *most able* to get the job done. Second, you'll want to know which people are *most willing* to work hard. And third, you'll try to identify the ones who are the *most rewarding* to deal with, the most likable and pleasant in their interactions with others.

These three dimensions of employability and career success have strong links with broad psychological traits. The first relates to IQ, curiosity, and decision-making styles; the second to motivation and ambition; the third to emotional intelligence and social skills. Employees who are smarter, nicer, and more hardworking than their peers will always be in demand.

As for the *how* question, there has been much innovation in talent identification over the past five years, mostly as a result of the digital revolution and the ubiquity of smartphones. Although many developments are still works in progress, three approaches in particular deserve consideration because of their potential to quantify individuals' talent and predict their future job performance:

Behavioral analytics. Some organizations assess talent by monitoring and measuring day-to-day activity. Large call centers are pioneers in this area — for years, they've tracked the number of calls and breaks employees take and the customer ratings for each call. Today, such methods are applied in a variety of environments. For instance, some companies use e-mail traffic to predict revenues that sales reps will bring in. Tracking daily behavior generates enormous quantities of data — more than a human being could possibly interpret — so organizations use algorithms to create individual, team, or organizational diagnostics. This approach has the greatest potential for identifying talent internally, since companies are legally entitled to collect employee data for performance assessment. But certain organizations, such as PepsiCo and Starwood Hotels and Resorts, are also analyzing employee data to create profiles of their most successful people — this gives them valuable benchmarks for outsiders.

Web scraping. Algorithms are also used to translate people's web and social media activity into a quantitative estimate of job potential or fit. Recent research indicates that this method of assessment, "web scraping," can help employers estimate IQ and personality with around 50% of the accuracy of scientifically valid tests. Candidates' digital footprints include information that they have deliberately collected and curated — such as LinkedIn endorsements and recommendations — but also comments, photos, and videos posted by colleagues, clients, friends, and family. (Unsurprisingly, there are now several businesses, such as reputation.com, that help people monitor and clean up their online reputations.) Clearly, web scraping has ethical and legal implications, particularly when firms request applicants' social media passwords as part of the vetting process. (Enough companies have done this that at least 23 U.S. states have introduced or considered legislation to ban the practice.) But it may be feasible to gather electronic intelligence on people without trampling on privacy rights, by creating apps or algorithms that enable users to own their data and voluntarily share it with employers and recruiters. Alternatively, organizations should limit themselves to collecting information that's freely available online.

Gamification. In the context of recruitment, gamification means creating IQ and personality tests that are fun to take — or at least more enjoyable than traditional assessment tools, which can be long and boring. Participants solve puzzles or complete challenges to earn points and badges. The goal of enhancing user experience like this is to increase response rates. By offering free, entertaining tests online — and providing instant developmental feedback — companies can attract many thousands of engaged test takers. Reckitt Benckiser, IKEA, and Deloitte are a few of the global firms that have relied on gamified assessments to evaluate potential candidates, particularly Millennials. Developers still have some work to do in order to bridge the gap between "fun" and "accuracy" — and gamified tests are usually more expensive to create and administer than the typical questionnaire. Even so, employers are keenly interested in them

because they can help identify more people with high potential by reaching beyond the applicant pool, effectively marketing the organization as a workplace that's fun.

How do these newer approaches to assessing talent compare with the more traditional ways, such as interviews, resumes, psychometric tests, work samples, and reference checks? It's still hard to say, especially in the absence of independent scientific studies confirming accuracy. (In contrast, traditional assessment tests have been scrutinized by thousands of scientists over the past century — see my recent HBR article on how employers are using them to vet talent, and what candidates can do to set themselves up for success.)

The needed evidence will come from studies that put the same candidates through all assessment methods and measure how well each method predicts future performance at the individual, team, and organizational levels. Talent recruiters and managers will also want to consider factors such as costs, ethics, and user experience. For instance, behavioral analytics may be more accurate than intuitive managerial decisions, but the daily monitoring is also expensive to implement (though it should save businesses money over time). If your goal is not just to predict future behaviors but also to evaluate candidates' competence, likeability, and work ethic, traditional methods are still more informative than the innovative alternatives — at least for now.

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