

Hiring

Resumes Are Messing Up Hiring

by Terence Tse, Mark Esposito, and Olaf Groth

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While we are surrounded by a wave of new disruptive technologies and apps, HR still hasn't improved how it evaluates the prospective workforce. Traditional hiring processes that revolve around CVs are no longer sufficient – they don't pinpoint the right qualities demanded of leaders today, and their dated criteria obscures many talented individuals from even hitting the radar.

There is nothing inherently wrong with resumes – they highlight applicants' past achievements and experience. But while CVs are good at showcasing formal skills, they're not very useful for identifying values and behavior. Resumes generally don't distinguish between *skills* (knowing how to do something) and *competencies* (doing it really well and with great reliability and ease).

Sam Mead, co-founder of London-based start-up, Saberr, which specializes in workforce science, reiterates this problem with CVs – and by extension, the now ubiquitous application systems. They only show the eligibility but not the suitability of a candidate. And while resumes can match an applicant's skills to the role, they are poor at predicting how well the applicants will interact with the company's culture and future colleagues.

CVs have led recruiters to focus too much on grades, university reputations, and prior work experience. The problem with these hiring criteria is that they're biased toward applicants from more wealthy backgrounds. These families usually have better connections and networks, can provide better education opportunities, and can afford to pay reputable universities' tuition fees. In addition, children who have grown up in the upper echelons of society are also much more used to the social norms that guide successful "acceptable" behavior.

This process is no longer reliable; it has turned income inequality into career opportunity inequality, and recruiters are losing opportunities to tap a wider talent pool. As much as they claim to be interested in taking in talent from a broad spectrum of backgrounds, the practice of using resumes to select candidates can exclude those who can't afford education or taking unpaid internships. Very often, they end up in lower-paid jobs with limited future prospects. So the better jobs tend to stay in the hands of those from wealthier backgrounds. A recent study in the UK, for instance, shows that 3 out of 4 judges, 2 out of 3 doctors, 3 out of 4 finance directors, and 1 out of 2 chief executives come from fairly well-off families.

What can be done about this?

Companies truly interested in hiring people from diverse backgrounds must abandon the conventional practice of filtering by résumé. Recruiters must seek proof of competencies to find the most promising candidates, those capable of becoming sense-able leaders with skills needed to succeed in a rapid-moving, interdependent world.

New tools and hiring processes can help recruiters find more diverse talent pools and reach candidates who may have previously been excluded from consideration. If hiring companies pay less attention to skill- and history-focused résumés and focus instead on the socio-emotional, cognitive, and behavioral traits of applicants, those from

economically underprivileged backgrounds would have much broader job prospects. This garners higher professional effectiveness and also distributes and diversifies the social strata of labor.

And more companies can use smart data to improve the recruiting process. Some are already paving the way, with examples ranging from large multinationals like Coca-Cola, which uses data-driven strategies to increase innovation in its Atlanta HQ, to start-ups like Seedcamp, which uses psychographics (the study of personality, interests, etc.) to identify teams with the greatest chance for success, to tech companies like Kestral in Australia, which identifies the strongest performers through team optimization processes.

Successful placement also greatly depends on “fittingness,” so recruiters need to take other off-resume elements into account. Saberr pays attention to applicants’ core values and specific behavioral traits, in order to create a metric mapper – the main element of their data-driven HR Strategy. Using algorithms to process fundamental values and behavioral compatibility, as well as diversity, the company predicts how strong the interpersonal relationship between the applicants and the potential employer can become. The company does this by administering a survey for applicants and the employer, which maximizes the potential match, and by looking at soft skills and moving away from more conventional credentials or past experiences. The algorithm allows the company to “project” how the new hires will fit into the environment.

Large technology corporations like IBM are also helping build “social businesses” to determine fittingness (which IBM defines as the “ability to create more effective work experiences through social collaboration and digital experience”) by harnessing the power of social media and an individual’s web presences. And companies like Quid in San Francisco are using semantic analysis to analyze and visually depict where the most attention, creative energy, and financial resources are being spent online. While private equity investors and advertising firms are the primary users of this tool, it

has huge potential for the recruiting profession, because it could allow staffing executives to see where candidates are devoting their professional energies.

While many privacy questions still have to be sorted out, the likes of Saberr, IBM, and Quid point to the future of human resource acquisition and development, through their use of smart technologies that help predict prospective employees' behavior and their integration into the work community – something resumes can't always do. These game-changers are helping organizations embrace talent wherever it surges, transforming the way companies recruit and source the workforce.

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