



THE JOB SEEKER'S CHALLENGE: The Impact of Online Applications & Assessments

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In 2015, a Wall Street Journal article reported a “sea change” in hiring practices with 57 percent of large U.S. employers using pre-hire assessments, up from 26 percent in 2001.¹ This confirmed what we had learned during our research on factors driving a declining youth employment rate. Online job applications involving pre-hire assessments were developed to help meet the human resource needs of companies. Originally used in hiring for higher level white collar positions, the applications have become prolific in entry level hiring by medium to large-size firms, especially those with multiple locations. In a labor market with an ample supply of potential workers, these pre-hire assessments helped firms manage large application volumes and make hiring decisions based on a seemingly more objective tool than an in-person interview. However, there are several ways these applications pose challenges to certain groups of job seekers. The workforce development field has developed some approaches that can help job seekers succeed through the pre-hire assessment process. As the labor market tightens and employers have more difficulty finding workers, it will be important to observe how the use of these assessments changes.

BACKGROUND

Beginning in 2006, the Federal government required government contractors to implement online tracking systems for hiring to help ensure adherence to non-discrimination laws. Research had found that subjective bias was unavoidable in traditional in-person interview-based hiring and that this bias often led to poor matches for a job.² To mitigate this, organizational psychologists, researchers and private firms began using data on hiring to help screen for traits found to be the most important for a given position and eliminate potentially poor fits. Online applications incorporating pre-hire assessments are now more prevalent than ever, particularly in hiring for entry-level positions. This field of study is sometimes called the “workforce science” or “workforce analytics” field. When we conducted our research on youth employment in 2012, *Signaling Success*, we found that formal testing of applicants had become common practice among firms that have multiple locations.³ The employment assessment market overall is estimated to be worth at least \$2 billion, and is growing an estimated 15-20 percent annually.⁴ It is increasingly rare to find a medium or large size employer that does not use online assessments in their hiring process. In addition, 77 percent of employers who use assessments before hiring now also use them post-hire to guide talent development and performance goals.⁵ A huge market has grown around these assessments and the costs are becoming increasingly affordable for even the smallest companies – some cost between \$5 - \$20 per applicant.

These assessments measure traits including perseverance, conscientiousness, honesty/integrity, and attitudes toward theft. In some cases, the assessments are tailored for specific positions, for instance the assessment may be different for customer service positions than stock room or manager level positions. Employers have found that hiring based on the outcomes of these assessments leads to greater retention and reduced turnover, particularly at the entry level. One employer interviewed for our *Signaling Success* study found, “The difference between the average cashier and the highest productivity cashier at a grocery store may not be very large, but the difference between the average cashier and a poor cashier can be quite costly...” The Society for Human Resource Management has estimated that a bad hire can cost a firm as

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much as five times a new hire’s annual salary.⁶ For large firms, pre-hire assessments reduce the time needed to sift through large numbers of applications, saving valuable human resource staff and local manager time.

These assessments also help firms alleviate the risk of violating equal opportunity laws. In some cases, hiring managers may never see the actual test an applicant took, and instead receive a simplified result in which applicants have been sorted into three tiers coded by categories like a traffic light – green, yellow, and red – to be prioritized accordingly as strong, moderate or weak fits for a given position. In some instances, hiring managers will never see applicants who fall below green or yellow.



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CHALLENGES WITH ONLINE APPLICATIONS & ASSESSMENTS

In our research with young job seekers we have found that these applications pose a roadblock for people trying to enter the labor market at key junctures.

Here are some reasons why:

- » Many applications require a post-secondary literacy level to read and complete, even when the job doesn't require such a high level of competency.
- » In some cases, test questions may be normed against populations that may be very different from the job seekers, such as college students or working adults.⁷ Some companies may adjust the testing scales to increase or decrease the candidate pool depending on their hiring needs.
- » Most online applications and assessments take at least an hour and a half to complete, and can require several more hours of research and preparation beforehand to be successful. Some sections may even be timed, so that the speed with which they are completed matters.

- » The format can be challenging with lots of text and repetitive questions where consistency in answers is important. In one case, a section focusing on consistency had nearly 70 questions to answer – and that was just one part of the assessment! One employer estimates that the abandon rate on their online application and assessment is between 20-30%.
- » In most cases, applicants are not made aware of how they scored on an assessment. This makes it difficult to know how to improve in the future.

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Job seekers don't understand how the assessment results can hurt their prospects for an interview. Without preparation, young people in particular may not realize they are being tested, or take the assessment seriously. As seen in the examples below, questions may seem intrusive. It can be hard to understand what an employer expects or how an honest answer may be interpreted.

Sample Questions:

I would prefer a job in which:

- The work is interesting
- I am helping people

The statement that best describes me:

- I am pleased with my life
- I've got problems in my life like most other people
- Sometimes I think I won't be able to cope

People who work with job applicants have found that at least 4-6 hours of instructional support can be necessary to prepare job applicants for these assessments. Kathleen Brant from Boston Career Link has found applicants struggle across a range of issues.

“ We notice that young people in particular are so used to texting that they treat the application or their resume like a message to a friend and make a lot of errors with grammar and capitalization. Numerous hiring managers indicated these careless mistakes can kick applicants out of the process, even if their answers are on point.”

Given this challenge, there are supportive strategies that help applicants succeed.

STRATEGIES TO PREPARE JOB SEEKERS

COACHING APPLICANTS TO COMMUNICATE THEIR STRENGTHS

These assessments require a level of self-awareness and understanding of personality testing that young people, in particular, may lack. For instance, through our work to help young people overcome barriers to employment and gain the skills and behaviors employers are seeking, we have found that there are exercises that can help applicants learn the best words to describe their strengths and best qualities, and that offer practice communicating those strengths to an employer audience.⁸

- » Some career centers and other workforce organizations work one-on-one with job seekers to find positions that match the skills they have developed in other jobs and tailor a resume to reflect those connections.
- » One employer has advised candidates that they should never rate themselves average, below average or at the top of the scale. Applicants should rate themselves “above average” or “very good.”
- » Applicants that apply to multiple positions with the same employer, regardless of how well they fit the position requirements, may get kicked out of the application system as a “serial” applicant, reinforcing the need to be thoughtful about which job an applicant would fit best.

UNDERSTANDING WHAT EMPLOYERS WANT

Without much previous work experience, many job applicants lack clarity about what employers are looking for. Job seekers can be coached about approaches that can help them better prepare their resumes and shape their responses to questions based on the company’s values and the specific requirements of the position.

- » Researching a company’s website is a good way to learn more about their mission and values, and to learn what key words and themes may show up in an assessment. One employer suggests taking screenshots from the company website “About Us” section or printing the page out to refer to during the assessment.
- » Many companies tailor the pre-hire assessment to match the specific duties associated with a particular job. Context matters— it is important to know the difference between how to approach decision making in a customer service position compared to a management position.
- » Applicant tracking systems (ATS) used in online applications have the ability to electronically scan uploaded resumes for key words associated with the position requirements. If the formatting of the resume includes intricate headers and footers, or unusual formats, the ATS may kick the resume out, even if the applicant is well-qualified for the job. Simple resumes and cover letters, tailored to fit a particular position, work best.
- » Some workforce organizations hold online application job fairs and workshops on how to prepare for an online job application. In some cases, companies will attend job fairs and offer their own presentations that give insight into the company’s assessments, including what types of skills, abilities or behaviors they are looking for in certain positions.

IMPLEMENTING STRATEGIES FOR PRE-HIRE ASSESSMENT

As with many types of tests, employing a strategy can help lead to greater success. There are a number of strategies that can be shared with applicants to help them succeed.

- » Practicing taking personality quizzes and trying out online applications for employers that do not have local job openings helps orient people to the format of the applications.
- » Applicants can create “crib sheets” with information they can cut and paste from easily.
- » Some employers use multiple choice questions where the best strategy is an educated process of elimination: coach applicants to eliminate the responses they know are definitely wrong and then pick one of the other two options left.
- » Consistency in answering similar questions can matter, so ensuring applicants answer the same way can be important – though challenging if they don’t know this ahead of time. An applicant can take screenshots of how they answered a set of questions to refer back to and maintain consistency.
- » Applicants may not have the computer skills to attach a resume, use a flash drive etc. Making time to prepare people for these aspects of online applications is key.
- » Applicants with disabilities have the option to request a reasonable accommodation to avoid taking these assessments, but they need to disclose their disability to do so. In this situation, a skilled workforce intermediary should counsel an applicant about their rights and how best to protect them.
- » Some companies follow-up to an application with an email requesting additional information or a required assessment. Applicants need to check their spam folders and use appropriate e-mail addresses to ensure they don’t miss these opportunities.
- » In-person follow-up to introduce oneself to a local hiring manager, particularly in retail, can help an applicant distinguish themselves as serious and can move a moderate fit candidate up to the strong tier. In the cases where local hiring managers have some discretion on hiring, this in-person contact can give applicants an advantage.



ISSUES TO FOLLOW FOR THE FUTURE

As the use of pre-hire testing becomes increasingly prevalent in hiring and talent management and the emerging “workforce science” field continues to develop (the intersection of human resources and big data), workforce development professionals need to stay current with the types of hiring assessments companies are using in order to adequately prepare job seekers.

During the Great Recession, many companies had large applicant pools that needed to be narrowed. However, as the economy improves, we may see some employers adjust their use of assessments in order to fill needed positions. One career center has found that one employer is already removing personality assessments from their applications for entry-level jobs that are in high demand. Employers struggling to find workers may need to try to look at the failure trends in their applications to see if the populations they are seeking to recruit are being screened out.

Some large retailers are changing their recruiting systems to reach a new generation and are starting to include video options or applications meant to be completed from mobile devices.⁹ As application formats change, the strategies to help applicants succeed will also need to adapt.

Applications from qualified job seekers may never reach a manager’s attention. Workforce intermediaries that have trusted relationships with employers should build their awareness of the issue and work with them to find ways to overcome the barrier that an online pre-hire assessment poses.

The continued growth and reliance on online applications and pre-hire assessments by medium and large-size firms, particularly in entry-level hiring, means that this challenge is not going to go away soon. It is essential for job seekers to learn the strategies they need to succeed for their own future and to meet employer demand.

¹ Lauren Weber, “Today’s Personality Tests Raise the Bar for Job Seekers,” Wall Street Journal, April 14, 2015, accessed April 15, 2015, <http://www.wsj.com/articles/a-personality-test-could-stand-in-the-way-of-your-next-job-1429065001>.

² Hoffman, M., Kahn, L. and D. Li. “Discretion in Hiring,” National Bureau of Economic Research, NBER Working Paper No. 21709, summary accessed March 10, 2016 <http://www.nber.org/digest/apr16/w21709.html>.

³ Commonwealth Corporation and the Center for Labor Markets and Policy, Drexel University. Signaling Success: Boosting Teen Employment Prospects. April 2013. <http://www.commcorp.org/resources/detail.cfm?ID=988>

⁴ Handler, Charles A. Talent Assessment 2014-2015: Market Analysis, Vendor Classification and Market Opportunity. Rocket-Hire LLC. Accessed June 8, 2016 <http://www.slideshare.net/rockethire/rockethire-talent-assessment-market-overview-20142015>

⁵ Aberdeen and Associates, Assessments 2012, Predicting Productivity and Performance. Accessed March 18, 2016 https://www.cpp.com/pdfs/Aberdeen_Assess_2012_Productivity_Performance.pdf.

⁶ <http://www.talentmgt.com/articles/7693-how-to-use-pre-hire-assessments>

⁷ For example, the following assessment firm states that they use working adults as their norm group, which may pose a problem if the job seekers are first-time job seeking youth. http://www.hoganassessments.com/sites/default/files/assessments/pdf/HPI_Brochure.pdf

⁸ Commonwealth Corporation developed the Signal Success curriculum to help young people develop essential skills to be successful at work and in their future careers. The curriculum includes exercises to help teens and young adults navigate online applications and interviews. For more information: <http://signalsuccess.org/>

⁹ Some examples of job search engines with a mobile platform focus: Switch: <http://www.switchapp.com/>; Hirewire: <http://hirewire.com/>; Snagajob: <http://www.snagajob.com/>; and Spark Hire <https://www.sparkhire.com/>