



HOW EMPLOYERS ARE BALANCING HIRING AUTOMATION, FAIRNESS, AND DEI PRIORITIES

Mind the Gap

The “war for talent” is a never-ending battle pitting employers against one another to attract and retain the best talent. Credited to Steven Hankin of McKinsey & Company almost 25 years ago, the talent siege rages on, despite the global pandemic. While the talent war seems to be on a continuous loop, how employers compete for talent and the technology available to help them do it has seen significant change, none more so than in 2020 when the pandemic forced much of the world to hunker down. For many employers, this meant no job fairs, no in-person interviews, and none of the typical touch points that have been long-standing hiring traditions, like coffees, lunches, and office tours.

Throughout this report, you’ll find research references, many of which point back to our new [Lighthouse Research & Advisory 2021 Talent Acquisition Priorities](#) study which pulls data from 850+ employers across all sizes and industries about their decisions, issues, and priorities for the 2021/2022 period.

Trial by Fire

Although video interviews were gaining popularity leading up to the pandemic, many talent acquisition professionals had to pivot to virtual hiring almost overnight - a trial by fire that exposed significant recruiting technology gaps. This shift required Herculean efforts and sophisticated tools to make the transition to virtual, and it raised many questions about how to make hiring work, including how to address diversity, equity, and inclusion (DE&I), in the new reality.

Chambers, E.G. & Foulon, Mark & Handfield-Jones, Helen & Hankin, Steven & Michaels, Edward. (1998). The War for Talent. The McKinsey Quarterly. 3. 44-57.



Talent acquisition professionals had to pivot to virtual hiring almost overnight.

Assessments as a Virtual Hiring Tool

3

According to our 2021 Talent Acquisition Priorities study, the top technology concern for TA leaders was **filling their talent pipeline with qualified candidates to pursue, with the ability to accurately screen candidates they couldn't see** also appearing in the top three. When asked which elements of virtual recruiting they'd adopted due to pandemic restrictions, their actions were in keeping with their technology concerns. As expected, nearly all respondents adopted video interviews (the number one answer) while a third of employers implemented assessments and screening tools.

Using resumés and interviews alone to gauge whether someone can do the job or not has serious flaws, pandemic or not. It turns out humans just aren't that good at hiring. According to research, not only are we prone to bias, but also the way we interview and many of the methods companies use to rank

candidates are highly unreliable. In fact, the predictive success rate of unstructured interviews is only around 20%!

To address this issue, organizations have increasingly turned to artificial intelligence (AI) and other predictive, data-driven approaches to make better hires. Based on valid and reliable scientific methods, assessments are a valuable tool for screening candidates for the right set of skills, values, motivations, personality attributes, and more. For recruiters feeling apprehensive about not being able to see candidates before they're hired, the data available through pre-hire assessments is especially valuable. Rather than relying on prior work history and subjective interviewer opinions, assessments offer a rich source of information that cannot be assessed accurately in interviews but is crucial to successful job performance and team alignment.

Dattner, Ben. "A scorecard for making better hiring decisions." *Harvard Business Review*, 4 Feb 2016, <https://hbr.org/2016/02/a-scorecard-for-making-better-hiring-decisions>.

Case in Point: Intrideo

4

Intrideo, a leading-edge technology firm that provides a staffing solution to clients in the service industry (restaurants, hotels, and grocery), needed a more effective screening tool for their applicant tracking system. In an industry that predominantly hires entry-level positions with historically high turnover, finding candidates with the right job fit and team fit is a more accurate predictor of success than prior work experience. They needed to find an assessment that would measure the right things and blend well with their high-volume hiring approach.

The firm landed on a virtual, visual assessment that uses color theory psychology research to identify a person's core motivators, values, and cultural fit and helps answer questions like, "Can they work virtually? Can they deal with uncertainty and stress? Will they have empathy?" In one minute or less, without having to answer any questions, candidates complete the assessment by selecting

their preferred color patterns from an array. Not only does it identify candidates with the right job and cultural fit, but it's super simple and quick for the job applicants.

After only nine months of use, not only did the company see a significant reduction in employee turnover, but they also reported an increase in sales. According to Intrideo's Chief Operating Officer, turnover in the restaurant industry can be as high as 150%. After adopting the virtual assessment, they saw a reduction in turnover of more than 80%. Additionally, in an industry where sales growth above 1.7% is considered exceptional, Intrideo reported that some of their clients were experiencing an incredible 3% sales increase. The COO attributes this jump to better hiring outcomes, cultural fit, and lower turnover as a result of using the assessment data.



**Turnover reduced by
80% after implementing
new assessments**

Assessments in all Shapes and Sizes

While the Intrideo example cites a visual assessment using color patterns, other assessments run the gamut from image-based instruments that take less than two minutes to more lengthy personality type, work style preferences, and job knowledge/skills questionnaires. There are countless position-specific and industry-specific measurements on the market. Most are available to take online; many are now mobile-friendly. The key is finding the right tool for your situation, considering your industry, the type of jobs to be filled, and the potential candidates' preferences.

- Are they generally tech savvy?
- Do they prefer to use home computers or mobile phones when applying for jobs?
- What methods will get and keep their attention during the application process?

Perhaps most importantly, the assessment should be scientifically valid, meaning it measures what it claims to measure, and reliable, meaning results are consistent across time and groups. Also, be sure the assessment mitigates bias and complies with applicable laws or run the risk of being sued for discrimination.

Over half of TA leaders are using assessments to evaluate candidates objectively

DE&I, AI, and Assessments

As employers utilize technology to broaden and diversify the applicant pipeline and reduce interviewer subjectivity, the scrutiny from those who claim the technology favors some groups of people and penalizes others is also on the rise. Although AI and machine learning have taken some hits in the media (i.e., Amazon's ill-fated candidate scoring engine that discriminated against women), in fact, when developed with a diverse team and trained on unbiased, comprehensive data, AI can actually mitigate or eliminate biases.

When we asked TA leaders in our research study how they strive to balance automation and fair/unbiased hiring, over half of the TA leaders reported using tools like assessments to evaluate candidates objectively. In Intrideo's case, this meant adopting a tool that, without asking any direct questions, assesses candidates fairly and equitably, is unbiased in terms of facial expressions, age, gender, culture, and ethnicity, and promotes workforce diversity.

Maurer, Roy. "2021 recruiting trends shaped by the pandemic." SHRM, 1 Feb 2021, <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/2021-recruiting-trends-shaped-by-covid-19.aspx>.

Seeing the Whole Person

Diversity, equity, and inclusion (DE&I) continues to be a top focus area for talent leaders. In the new world of virtual hiring, rooting out sources of bias translates to relying less on resumés and interviews and more on objective measures like assessments. It means that even if we can't meet candidates in person, we can still see the whole person.

6



KEY TAKEAWAYS

1

STAY COMPETITIVE

Hiring will continue to retain virtual elements going forward, and employers must be ready to hire quickly in order to be competitive in the current environment.

2

REMAIN UNBIASED

DE&I is a critical focus area for today's talent leaders. Assessments give them a mechanism to weave in unbiased hiring without slowing the hiring process or creating a burden for applicants.

3

IMPROVE PERFORMANCE

In general, companies using assessment tools to screen hires see better outcomes afterward. This includes everything from improved quality of hire to longer tenure, better performance, and more.



About dotin

dotin Inc. is a Talent Lifecycle Management AI Platform that helps enterprises in Sourcing, Screening, Upskilling, Enhancing Diversity and Engaging Talent in Real Time without asking any questions.



About Us

Lighthouse Research & Advisory is a modern analyst firm dedicated to setting the standard for excellence in talent, learning, and HR. By providing compelling research and actionable insights for business leaders, our team's mission is to navigate the rapidly changing field of human capital management to support today's talent and learning functions. From establishing frameworks and defining competitive practices to illuminating the ROI of the employee experience, our goal is to chart a new course for talent. Ben Eubanks is the Chief Research Officer at Lighthouse, providing insights for today's talent leaders and vendor partners.

Prior to joining Lighthouse, Ben worked as a research analyst for Brandon Hall Group, focusing on learning, talent acquisition, and talent management. During his tenure, he published more than 100 pieces of research and provided advisory services to executives from some of the largest and most respected organizations in the world. He also has hands-on experience working as an HR executive, leading both strategic and tactical talent practices. Ben is the host of *We're Only Human*, a podcast focused on the intersection of people, technology, and the workplace. In addition, he runs upstartHR.com, a website serving HR leaders that has reached more than 1,000,000 readers since its inception.