

EXECUTIVE SUMMARY

Overview:

Today's recruiting environment is characterized by three qualities:

1. A slowing economy and a large number of layoffs that have increased the volume of resumes.
2. A slowing economy that has also reduced the number of people in an organization who are focused on recruiting.
3. A rise in hiring managers who are less tolerant of candidates who do not possess the exact characteristics they desire.

In an expanding economy with huge hiring demands, candidate volume is more important than quality. Most recruiters play a numbers game and present many candidates to get one hire. However, in a contracting economy, the opposite is true. Presenting many candidates becomes costly and underlines the inefficiencies of the recruiting team. Quality becomes the key requirement, along with the desire for lower costs. Therefore it is more important than before to find ways to reduce the volume of potential candidates and raise the quality of those candidates at a lower cost.

Screening and assessment tools are designed to do just this, and we believe that their time has come.

We have experienced an entirely new phenomenon over the past few years – a steep and growing increase in the number of people who seek jobs by using Internet-based tools. These tools include web sites, job boards and search engines. This has caused most organizations to adopt web-based technologies to manage their employment process. The first stages have involved developing recruiting web sites and in providing recruiters search and track-

ing tools. It seems clear that screening and assessment tools are the next phase in implementing more complete web-enabled processing of candidates.

Our survey was designed to provide a broad picture of the state of screening and assessment. It was conducted across all types and sizes of organizations and provides a unique look into what is happening, and into what recruiters are thinking, about this topic today.

The survey's findings tell the story of a corporate function that is in flux and of an industry that is struggling to move from paper to the Internet. It shows how few organizations are using the power that potentially exists in their corporate web sites to make their own jobs less frustrating and to raise the level of quality and service they can provide. It also exposes some beliefs about interviewing and our own American insecurity with testing.

The final section points out how these tools may evolve and how they be used in the next few years.

Because of the number of issues raised during the survey, we have expanded the scope of this report to include an in-depth discussion of various types of screening and assessment processes, as well as a comprehensive analysis of legal defensibility.

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Methodology:

To support the definitions and trends outlined in this report, we conducted a survey of companies' candidate screening and assessment practices.

The data referenced throughout this report is based upon the responses of 127 human resources and related professionals (managers, directors, and vice-presidents) representing a broad stroke of businesses ranging from the very small to Fortune 500. These companies represent a wide variety of industries from every region of the United States and internationally inclusive of Canada, Australia, and Asia.

Survey participants responded to our e-mail based survey, conducted between August 9th and September 4th, 2001. (For more information about the survey, go to the Methodology section. For more information about the demographics of our survey respondents, refer to the Respondent Profile section.)

6 Key Findings and Their Implications:

From our survey results, we deemed these 6 findings to be distinctive and deserving of some specific commentary. Things are rapidly changing in the screening and assessment world and the sheer volume of applicants is forcing organizations of all types and sizes to take some action.

Finding #1: 32% of respondents indicated their companies are using web-based tools to screen candidates...

Finding #2: 94% of survey respondents consider legal defensibility an important issue regarding the acceptance of online or web-based screening tools...

Finding #3: “Hiring managers” and “previously created criteria” are the two most often used resources for determining the criteria for use in the screening process...

Finding #4: Most survey respondents (41%) indicated they were only “somewhat” confident that their organization’s screening process is *not* screening out qualified, desirable candidates...

Finding #5: 67% of respondents are satisfied with the quality of the typical interview given by their organization...

Finding #6: 60% of respondents consider it important to the achievement of their organization’s staffing goals to formally measure employee performance evaluations against the candidate assessment process...