



Saving Time, Effort and Money by Using Technology in the Hiring Process – Not Just for Large Companies Anymore

Most companies believe that the process of recruiting, screening and hiring employees is a necessary evil of running a business. These activities are costly and detract from the focus of actually conducting business, while not always being effective at identifying good candidates.

This paper will discuss the various issues that companies deal with during the hiring process, as well as provide a description of some case studies that show how employers have effectively addressed these matters.

Common Hiring Process Problems and Challenges

The pain that employers experience in hiring employees varies depending on the company. However, the following issues are very common, with most businesses being concerned with at least two of them.

- Walk-in job applicants interrupt the business process.
- Too much time is spent talking to applicants that are unqualified for the job.
- Turnover is a significant problem that costs our company a lot of money and productivity.
- It takes too long to evaluate and place candidates on the job.
- Candidates don't like having to visit our business multiple times to get a job.
- A large number of résumés contain information that is untrue.
- It's really challenging to find employees that are able to provide high quality customer service.
- We lose candidates to other employers because our hiring process takes too long.
- Employee theft and counterproductivity are significant concerns for our organization.
- We worry about the inconsistency of our hiring procedures across our locations.
- We have very few minority group members apply for employment.
- We don't have enough job applicants, so we can't be very selective as to who we hire.

Technologies That Address These Problems and Challenges

In recent years, most large corporations have adopted various forms of technology to help address the issues. Without a doubt, the most common approach to technology is to have candidates apply for positions via the Internet. Upon implementing such technology employers typically find that their business processes are enhanced because they are wasting less time on recruiting, evaluating and hiring people. Additionally, the use of these technologies can help ensure consistency across locations and significantly increase the number and quality of job applicants who the employer spends time interviewing.

An additional form of technology commonly adopted by companies is pre-employment testing. In fact, according to a 2008 article in the *Wall Street Journal*, "These days, more than 80% of midsize and large companies use personality and ability assessments..." Research and experience with these tests shows that companies can significantly impact factors such as turnover, service and various forms of workforce counterproductivity.

Case Study – Example #1

A company with nine locations used a traditional hiring process where they typically conducted about ten walk-on interviews per month at each location.

Addressing the Problem

This company implemented an Internet recruiting system that screened applicants on the basis of minimum qualifications and a pre-employment test to assess service and likelihood of turnover.

Results

- An average of 56 applications were received for each site on a monthly basis via the Internet.
- Questions regarding minimum qualifications reduced each site's pool of applicants to an average of 48 candidates.
- Testing further reduced the number of qualified applicants to an average of 39.



Case Study

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Impact

- Time to hire significantly accelerated.
- Hiring costs significantly reduced.
- Much less time spent interviewing unqualified applicants.
- Large pool of pre-qualified available for hiring.
- Turnover reduced and service ratings increased.

Positive Feedback from Applicants

- No résumé or cover letter.
- No transportation to work site to initially apply.
- No time off of work to apply.
- Apply anytime.

Case Study – Example #2

A company with over 1,000 sites was overwhelmed by the number of unqualified job applicants – managers and administrative staff complained that it significantly detracted from their other work duties. Also, the company's applicant pool was not racially diverse.

Addressing the Problem

The company moved from accepting on-site job applications with courtesy interviews to having job applicants apply for positions online. The online application contained various questions about minimum qualifications.

Results

- Over the course of one year, the company accepted 133,925 applications.
- Simply based on the minimum qualification questions the company screened 34% of applicants.
- Nineteen percent of applicants had inadequate educational or work experience.
- Nine percent could not work weekends.
- Three percent had been convicted of a job related crime.
- Two percent had recently used illegal drugs.
- There were substantially more Hispanics and African Americans in the applicant pool than previously.

Impact

- Managers and administrative staff were much more productive.
- Much less time spent interviewing applicants due to uncompetitive applicants being screened.
- Fewer hits on criminal background checks.
- Fewer positive drug tests.
- Cost of hiring an applicant substantially decreased.

Case Study – Example #3

A small company with two locations used an application and short interview to initially screen job applicants. The company felt it was wasting a lot of time and money interviewing non-competitive applicants.

Addressing the Problem

The employer moved to a job application along with a customer service assessment administered via the Internet.

Results

Old Process	New Process
20 applicants per month	80 applicants per month
Cost \$17/applicant (\$340/month)	Cost \$1/applicant (\$80/month)
Opportunity costs (\$15 x 10 hours=\$150)	Opportunity costs \$0
40% of applicants rejected	60% of applicants rejected

Impact

- Old process cost \$5,882 per year, while new process cost \$960 per year leading to a return on investment of over 600%.
- New process reduced turnover and increased customer service ratings.
- Cost of hiring an applicant was significantly reduced.
- Employees welcomed the process because they no longer spent time interviewing unqualified applicants.



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Conclusion

While the vast majority of big employers utilize one or more forms of technology to facilitate their hiring practices, these technologies are equally important to small and medium sized employers. Wonderlic offers turnkey solutions that offer these employers the same benefits experience by larger employers with enterprise-wide systems.

For more information on our technologies or the benefits experienced by other Wonderlic clients, please contact your Wonderlic representative.