

NEW OPPORTUNITIES FOR HR MANAGERS IN A MODERN E-BUSINESS ENVIRONMENT

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Abstract

This paper addresses the pitfalls of traditional and classical hiring methods, as well as the overall state of the global workforce and employee satisfaction. Through the use of new technology and updated hiring process, HR managers can ensure that job candidates are correctly matched with their ideal job and improve the state of the global workforce and employee satisfaction.

Keywords

Hr, management, application, technology.

JEL Classification

M10, M12, M20, M21, M50, M51

Introduction

In recent years, the current state of the job market has been a prominent issue in many concerns. Not only are things in the job market changing, but they are evolving as well. With many global economies waning and major companies downsizing, many workers have been left either unemployed, searching for a new job or re-evaluating their professional lives.

According to Deloitte's Shift Index survey, 80% of employees are unhappy with their jobs. (Shontell, 2010) While some people may make the decision to go out on their own and pursue their passions, others settle for the stability of a regular paycheck in lieu of entrepreneurship. Many people have come to expect that being unhappy with their job is normal, therefore, if they are laid off, they will simply search for a new job. Even with the drop in the economy, the job market is still struggling to stay healthy. However, with the advancements in technology, many companies and job seekers are taking a new approach to job hunting.

When it comes to job hunting, the Internet has created a wonderland of resume writing consultants, job search coaches, website job listing databases and more. In effect, the way that people search for jobs has evolved. Now, HR managers have more access than ever before to multitudes of job applicants. Many HR managers have begun using automated

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software, which automatically scans the millions of incoming resumes in order to find a particular set of predefined qualifications. Therefore, more than three quarters of the total number of resumes received are actually scanned and discarded by automated software, leaving the hiring manager free to interview the highest-rated applicants. Unfortunately, even though the job market has evolved with the changes in technology, the hiring process has not.

The Importance of Change in HR Management

The problem of being able to match the right people with the appropriate job position has been around as long as anyone can remember. Yet, while the job industry and market have evolved to reflect the changing times, the classical approach to interviewing and hiring employees has not. As a result, billions of employees have been inappropriately matched with their work position. This creates a global workforce that is actively disengaged on a worldwide scale.

According to a massive report published by Gallup in 2013 which studied 142 countries and their workforces, only 1 in every 8 workers are engaged with their jobs. (Crabtree, 2013) In other words, out of all employees worldwide, only about 13% have a mindset that is committed to their position and will most likely be making positive contributions in their field. This means that a staggering 63% of the worldwide workforce is “not engaged,” and are very unlikely to invest much effort into organizational goals. Another 24% in Gallup’s report has been classified as “actively disengaged” and are perceived as the most unproductive and unhappy employees, who are most likely to spread discontent throughout the workplace. When analyzing the data presented in Gallup’s report, it can be seen that North America, New Zealand and Australia have the highest levels of worker engagement.

The quality of one’s workplace reverberates throughout the quality of their lives. With such high numbers of unsatisfied workers, one must begin to wonder at the cause. How could so many people be such a poor fit for the roles they were assigned? The answer is simple: the classical approach to hiring has not changed throughout the years. The classical method of watching how one works, talking to him and making a decision based on your own experience, stereotypes and clichés has created a worldwide workforce that is majorly made up of people who are poorly fit for their positions.

Besides the classical methods of hiring, another aspect that is believed to be contributing to poor workforce suitability is the concept of ‘who-you-know’. This concept, which is also known as ‘wasta’, is very common in the Middle East and North African regions and allows individuals to gain employment and advantage in the workplace as a result of personal relationships, which could potentially undermine the overall workplace engagement. Not only does this concept create a poor fit for roles among improperly hired employees, but it also increases the spread of negative perceptions among otherwise engaged colleagues. Even though the Middle East and North African regions are used to provide an example of this concept, it can be found throughout the world in nearly every region.

While there are numerous aspects to conducting a search to find the perfect candidate for a job position, there are just as many flaws. Many HR managers fail to define the competencies that are required for the jobs. Which, without a clear definition of the

performance factors that are required for a job, it is nearly impossible to determine the right person to fit the job. Many HR managers also fail to cast a wide enough net when searching for job applicants. The traditional forms of newspaper ads and word of mouth are outdated, with the ready availability of the Internet and millions of potential applicants, many businesses are not taking advantage of the potential return on investment offered here.

Aside from the challenge of searching for job candidates, there is also the challenge of interviewing them to find the one who is the best fit for the job position. Unfortunately, this aspect also utilizes outdated methods for evaluating potential job candidates. While the HR manager's primary goal is to assess the candidate's abilities, skills and knowledge as they relate to successfully fulfilling the performance factors for the position, interview questions are not based on the competencies required for the position. Most interview questions also do not account for the behavioral aspect of being able to successfully fulfill a job position. Past behavior can be a good indication of future behavior, however, most interview questions do not reflect this. Another issue with interviewing is that they are not multi-rated, or conducted by more than one person, they are more or less like a one-on-one 'chit chat'. With the entire process of interviewing needing reform, applicants are receiving differential treatment based on the interviewer's personal experience and biases.

Finally, the problem continues to be compounded as people continue to use the classical methods of recruiting, as well as their personal relationships to determine suitability of prospects for a job. In and of itself, this may not be the entire root of the problem, however, when every other aspect of the global workforce has progressed and changed throughout the years it is a good sign that HR recruiting methods are not keeping up with the changing times.

The Growing Use of Screening Tests in Hiring Practices

While some businesses and companies do opt to spend the extra funds for various forms of screening for their job applicants, most feel that this is an unnecessary expense. The costs of testing job applicants can range anywhere from \$10 to \$5,000 for a single applicant, and there are no government regulations regarding who designs them or how they are administered. There are several primary forms of testing that are employed at the company's discretion based on what aspects they feel are most important for employee evaluation.

One popular form of job candidate screening is performance assessment testing. Performance assessment tests reflect actual tasks that an employee will have to complete if they are chosen for hire. The focus of performance testing is to answer the question of "How would you solve this problem?" These tests are given and judged by the hiring manager. This is thought to be one of the more effective job applicant screening methods for finding the individual who is best suited to fill the job opening.

Another popular form of candidate screening includes the use of personality testing. One of the most popular personality tests used for pre-job screening is the Myers-Briggs Type Indicator (MBTI). The MBTI is based on the Big Five Personality Traits that were originally proposed in the typological theories put forth by Carl Jung. The MBTI has been found to be relatively effective in that traditional measures of job performance can be

correlated with the trait of conscientiousness. Nontraditional aspects of job performance can also be relatively correlated with other personality factors, such as effectiveness and leadership. The Minnesota Multiphasic Personality Inventory (MMPI) has also seen a great deal of use as an effective measure of potential job performance. Originally created by J.C. McKinley, MD and Starke Hathaway, PhD, this test has been considered as one of the highest standards in personality testing. However, this highly validated psychopathology test can also be used to reveal mental health disorders. In the United States, where it is illegal to discriminate against an applicant based on knowledge of a medical or mental condition, the MMPI could be considered by the Equal Employment Opportunity Commission as an employer having knowledge of a condition which acts as a basis for an employer's decision of whether or not to hire them. It should be noted, however, that the MMPI may be used when making selections for candidates who will be required to carry a weapon during the performance of their job duties, such as firefighters, police officers or other emergency and security personnel.

For jobs that have particular intellectual demands, many companies opt for cognitive ability testing. Cognitive ability testing assesses one's general intelligence, which has a high correlation with overall job performance. It has been shown that those with higher cognitive abilities generally do better in the performance of their job duties.

When hiring for a specialty position, companies may choose to use job-knowledge tests. These tests are most useful when applicants are required to have technical or specialized knowledge before-hand. Many times this type of knowledge can only be acquired through extensive training and/or experience. Fields that are most likely to employ such a test include: financial management, law, computer programming, and so on.

Situational judgment tests are one of the most commonly used screening methods for potential employees. They have been designed to predict employment success by offering potential candidates multiple-choice questions that represent realistic hypothetical scenarios. In these scenarios, candidates are asked what they would do in a relevant job-related situation, and scores are based on the level of effectiveness of the answers. These tests can measure how suitable a job applicant is for position by determining their capabilities in service orientation, achievement and problem solving. Situational judgment tests can help screen applicants by testing their capabilities to perform job-related duties and respond to job-related situations.

Although pre-employment has begun to gain some popularity, there are still many who are skeptical and view it as a waste of funds. The main problem that can be found throughout all of the forms of applicant screening is the fact that any given screening method is only marginally effective. Not only must the company decide what screening method is most suitable for the needs of their business, but also which method will yield the most effective results. Another aspect to consider, which many employers and applicants find deterring, is how complicated and time consuming that many tests have become. If, after all this, an organization still opts for using employee pre-screening assessment tests, then they still have the task of collecting the results and analyzing them. The entire process of administering these pre-employment tests is both time-consuming and expensive. After which, one must also consider the question of whether or not anyone besides HR specialists will be able to comprehend and effectively judge the implications of a potential job candidate's personality and capabilities.

New Opportunities for the Implementation of Technological E-Solutions

With the many advancements that have been gained, in both technology and psychology, there is now an era which poses the perfect opportunity to update the entire process of hiring and evaluating potential employees. Not only can employers around the world accept applications online, but they can also administer the most effective psychological candidate testing via technology.

As research on human psychology and behavior become more advanced, it is becoming more and more possible to provide accurate and efficient results that are comprehensible in pre-employment testing. By implementing the use of advanced technology techniques, it also becomes possible to ensure that pre-employment screenings are administered effortlessly, accurately and in a cost-efficient manner that is unbiased by personal opinions and experiences. The best aspect of this is that tests can be administered in such a way that they make the applicant feel comfortable, relaxed, and unpressured by time constraints, which in turn will help to assess and reveal the candidate's personality and aptitude.

HR managers can now implement the use of cutting-edge screening tools which measure abilities, attitude and personality traits of applicants. One such tool that was designed specifically for the purposes of matching jobseekers with their ideal employer is known as ABCMatching. ABCMatching provides a short and easy test that can be taken in person, online or via mobile app to provide comprehensive results that allow HR managers to make decisions and determine which job applicants are best suited to fulfill the needs of the company. This test supersedes traditional testing in that it is a combination of 5 leading personality tests used worldwide, instead of being a test which focuses only on any one aspect.

Companies using ABCMatching can easily use the Internet to conduct a thorough and wide search for job applicants. Many hiring sites allow employers to automatically set the criteria required for the job, then they automatically filter to job applicants according to these criteria. After suitable candidates have met the basic job criteria, employers can direct applicants to the ABCMatching test (online, offline, or via mobile app - <https://itunes.apple.com/us/app/your-test/id568831182?mt=8>) where they have decided a set of criteria which the ideal candidate should meet. The criteria set by employer can include certain traits, psychological type, ability to work in certain conditions, and much more. Due to the versatile nature of the test, candidates are relaxed and do not feel the pressure of traditional tests, which could affect their results. Once candidates complete the ABCMatching test, employers can easily see whether or not they should consider them for employment. Once candidates have passed the basic job filters as well as the ABCMatching test, employers have a small pool of prequalified candidates to review.

For the final step, employers can implement an interviewing process, which focuses on assessing whether or not a candidate has the capabilities and traits required to successfully fulfill the job. Such an interviewing process would require that a minimum of 2 managers conduct an interview for one applicant. The interview would consist of a predetermined set of questions which have been designed to assess the candidate's capabilities as they relate to the job for which they are applying. Interviewers would assign a rating to the candidate's

responses, and meet with each other and other management personnel afterwards in order to discuss the candidate's responses and evaluation.

From different studies we have chosen those instruments, which measure abilities, attitude, personality traits were chosen. Some instruments are well-known but expensive and do not fully explain individual predispositions, like Luscher tests (Luscher, 1969). Some instruments are not well known, such as Psycho-Geometrics (Dellinger, 1989, 1996) tests. Such studies were combined with researches from Jung (Azis, 1990) and Freud (1900, pp. 374-375), and have tested the new product on different people from different ages and social status. The results are quite amazing.

In the last year (2013-2014) more than 1000 users took ABCMatching test. Authors figured out that there are many options of how test validity could be measured in such cases. First of all, the classic approach was used – to interview users. For those who passed online versions authors asked for feedback via email or review, for those who took paper based test, authors interviewed users right after results were submitted to them. The table below represents results obtained.

Table no. 1: Results of ABCMatching testing

Testing Type	Amount of people passed test	How many of users were interviewed	Test Validity
Your Test mobile app	650	200	~ 85%
Abcmatching.com	145	70	~ 73%
Paper based test	320	300	~ 84%
TOTAL	1115	570	~ 81%

Another way to understand whether users find such test relevant is to use modern techniques which are available thanks to internet technologies. For internet site, in addition to sending emails with simple questionnaire, ABCMatching authors traced how many users recommended this internet site to their friends through clicking 'like' on relevant Facebook page, which was created additionally (more than 500 'likes'). For mobile application it was traced how many users bought 'to pass a test 5 more times' option, because mobile app test has limits of 5 times (10 times within 3 months when this option was available). Analyzing this data we have to keep in mind, that there have not been any 'optimization' or 'advertising' models to increase popularity of this clearly 'organic' product. Next studies will discover other opportunities for this methodology, but by this testing model mostly used for HR purposes.

Conclusions

By updating the hiring process to reflect the most efficient evaluation methods and implementing the use of cutting-edge technology, HR managers can help improve the global workforce in terms of ensuring that employers are matched with the most beneficial candidates for their company. By matching the most ideal candidates with the appropriate job positions, HR managers can help improve the engagement and satisfaction of the

workforce overall. In this article the author analyzes the current state of employment and job satisfaction, then supports the importance of change in HR Management and finalizes his research by reviewing new opportunities for the implementation of technological e-solutions worldwide. One of such unique tools that was designed specifically for the purposes of matching is described here. This test, ABCMatching provides a test that can be taken in person, online or via mobile. Necessary analysis of the worldwide usage of this test is also provided in this article.

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