



Virtual Job Tryout: Exciting Recruiting Technology in HR

A cool and innovative new technology in HR and the area of recruiting is created by a company called SHAKER. Joseph Murphy, vice president and co-founder of SHAKER gives WSR readers an opportunity to learn more about its recruiting solution in this recent interview.

WSR: So maybe you could tell us a little bit about your background and SHAKER and how your company created the Virtual Job Tryout®.

Joe Murphy: Absolutely. SHAKER is coming up on its 13-year anniversary. We were founded by a group of industrial psychologists and me, a 30-year-plus veteran of business and HR.

So, how did we get into the Virtual Job Tryout? At the time we founded SHAKER, assessment providers were facing the migration of assessments to the Web. And at that time, as you may know, the initial practice was pure Web 1.0 – merely moving a bubble sheet from a Scantron form to radio buttons on the Web. We knew that that was grossly underutilizing the delivery medium the Web had to offer. So we explored ways of integrating the multimedia experience available through Web delivery. We looked at the speed of data collection that could be accomplished through instant remote and wide distribution. We looked at the mass customization and digital brand presence taking shape as each company developed its own website. It was pretty exciting digital frontier.

The Virtual Job Tryout emerged as we combined the power of highly branded realistic job preview, and simulated work activities along with more traditional assessment methods. This created a distinctive candidate experience that engaged and educated the applicants, delivered a multi-method assessment that mirrored the complexity of the job, all wrapped inside a highly scripted company career message.

The name was actually coined after we had our first few clients. We were asked to make a presentation about our work at a professional conference of industrial psychologists. It is widely known that job tryout is a strong predic-

tor of success. However, it is expensive and lengthy. As we described what the candidate experience and what the company learns, the name Virtual Job Tryout emerged. We are able to achieve similar levels of accuracy predicting on-the-job success at a fraction of the cost, and in minutes instead of weeks. It took off, people “got it,” and so we went on to get a registered trademark for Virtual Job Tryout.

Today, we have some pretty sophisticated proprietary technology as a result of tremendous collaboration with incredible clients. The engagements typically went something like: “That is really fascinating! Can you do this?” We work with market leaders with unique jobs that demand differentiated talent capabilities. Working together we have pushed the envelope of Web-based assessment. A few years back one seasoned executive suggested we were delivering Web 3.0 experiences in the Web 2.0 era.

We embed four to seven different types of assessment experiences. Through engagements we have created a wide range of simulated work activities: multi-tasking, inventory checking, cash handling, delegation and prioritization, rule-based problem solving, and more. In addition, more traditional evaluation tools such as situational judgment, work history, and work style questionnaires are included. The result is a whole-person, job-fit evaluation.

Over the years we have continued to innovate in the interactive space. We have proprietary exercises (in the Virtual Job Tryout) that involve open text brainstorming and idea generation and note taking. As an example, one of our clients is an insurance company. They hire phone-based claims adjusters. We can evaluate the quality of notes they (candidates) take while listening to a simulated call. We assess how well they can actually summarize key content from an insured’s call regarding information about the claim that they’re processing. This complex exercise evaluates listening, typing, detail orientation, and summarizing accuracy in one multi-tasking experience.

WSR: Okay, that sounds impressive. Can you tell us more? If you can, tell us how you are able to assess text? I know there’s a lot of text analytics going on, and that sounds a bit like what you have (at SHAKER Consulting).

Murphy: Text analytics is just one element. Our approach also allows us to do things that traditional PC and/or paper-based assessment is not able to do. In a traditional assessment you might just give somebody a finite period of time to complete a task. We look at speed, accuracy, and we can evaluate navigation, time on page, etc.

The analogy that I use is the math teacher who would always ask you to “show your work” when solving problems. We are interested in the answer, but we can also look at how the candidate got to the answer. We explore the relationship with how an individual navigates the online exercises, and in some cases, we’re able to use their navigation patterns as part of our scoring routine. This is a form of big data analysis. The amount of data we collect from one

individual during the completion of a Virtual Job Tryout is pretty remarkable. After we collect data from thousands or tens of thousands of candidates we are able to refine scoring algorithms and increase the accuracy of our predictive modeling. Recruiters identify best-fit candidates accurately and quickly.

WSR: What have you been using the Virtual Job Tryout for? Is it something for high volume positions, high complexity positions, or something else? We understand you have a good sized client base.

Murphy: We say it delivers impact on three value streams. Three areas where a company can calculate a return-on-investment:

1. Administrative efficiency - less time and effort to advance candidates to the hiring decision;
2. Staffing waste and rework – reduced 90-day turnover and lower costs for training and assimilation; and,
3. Performance variation – faster time to proficiency and higher levels of productivity.

Job families that we address sometimes favor one or more of those impact areas differently. So we categorize jobs as high volume or high impact.

As an example, let's consider a situation where you're hiring hundreds or thousands into the same job, have a high applicant to hire ratio and a distributed recruiting model. You know there is a great deal of efficiency added by allowing every recruiter or hiring manager involved in candidate flow and evaluation to get the best-fit candidate sooner.

Our clients (via Virtual Job Tryout) oftentimes see a significant reduction in the number of phone screens that they conduct and a significant reduction in the number of face-to-face interviews. Clients often get a 30-50 percent reduction in the interview to hire ratio. Their interview-to-offer ratio goes up.

For example, one of our clients is a high volume call center. They hire about 1,000 people a year. The year before we implemented, they started with about 14,000 candidates. That is 13,000 applicants that had to be rejected via some form of evaluation. The year after we implemented, they conducted 2,000 fewer phone screens on roughly the same applicant count. Another of their gains was that they conducted 800 fewer face-to-face interviews to make the same number of hires.

One-way candidate flow is managed and is encouraging drop off. We use language and realistic job preview that empowers the candidate to take an active role as a decision maker. *"This job isn't for everybody, and as you go through this (Virtual Job Tryout), you may discover things about the job that are not of interest to you, and if that's the case, stop the process, withdraw, self-select out."*

In this particular case, about 24 percent of the candidates self-selected out. They did not complete the virtual job tryout. The client viewed that is extremely valuable, in that it took noise – uninterested or casual job seekers out of the system. It eliminated the need to evaluate and disposition thousands of applicants. Within that population, there

certainly were people who could have been very good candidates, but they expressed a level of non-interest. From this change, the client's interview to hire ratio dropped by about 20 percent.

Think of fewer interviews with applicants where the recruiter or hiring manager, is thinking, "Why am I on the phone with you?" or "Why did I invite you in here?" Obviously and quickly deciding the candidate was not a good fit."

WSR: Have you done any correlation work or predictive work with any clients to show anything to reduce turnover, better job fit, or engagement?

Murphy: The second category where clients can realize significant ROI is what we call staffing waste and rework. In typical entry level positions, there can be early new hire turnover in a 60 to 90-day window. This can be caused from individuals who either are unable to learn the job, or have poor corporate citizenship behaviors regarding promptness, tardiness, unexcused absences, and things of that nature. They either quit the job or they are involuntarily separated. That is an expense separation. All the sourcing, recruiting, onboarding and training goes down the drain – in other words, staffing waste and then staffing rework.

We ask clients to document what we call a cost-to-proficiency. Cost-per-hire is an interesting thing, but you're not buying somebody at the front door, you're actually paying for proficiency, production, performance. Metric-oriented clients can calculate the investment in time and dollars to proficiency. In other words what did you invest in the recruiting cycle, onboarding, training and performance to get somebody to a level of production that's acceptable.

If somebody quits or gets fired in the first 60-90 days, not only have you lost that investment, but now you have to repeat it. So to get somebody to day 60, for example, if you terminated somebody at day 59, you have two recruiting cycles, two onboarding cycles, and two payroll cycles through day 59.

Among our clients it's common to achieve a 30-50 percent reduction in 90-day turnover in entry level positions. One of our clients came back to us and said in the first year post-implementation, they saved US\$1.7 million in their teller population by what amounted to close to a 50 percent reduction in 90-day new hire turnover in the teller population.

WSR: Okay, that's impressive!

Murphy: And the third category is performance variation. Any time there's a job that has performance metrics; we do analysis on performance variation and show the impact.

Think about this: You hired your best performer, and your worst performer using the same decision criteria. So until you change your decision criteria, you still allow that much variation. What we do is work with clients to look closely at the impact of low-end variation. Nobody is concerned with how many high performers you let in. But, what's the impact of that bottom 20-30 percent of performers?

For example, in an outside sales group, the average territory of one of our clients was US\$1 million. But the

top 10-20 percent had territory sales of US\$1.5 million while the bottom 20 percent only had territory volume of US\$300,000 (on average). What that tells us is with every hiring decision, there's US\$1.2 million of territory (revenue) potential at play. With more objective candidate evaluation data they can make hiring decisions from a candidate pool similar to the top 80 percent. Eliminating poor-fit candidates increases the probability of a hiring candidate capable of producing in the US\$1 million-plus category.

Here is another example. One of our clients tracked the completion rate and time lapse on a rigorous set of self-study courses that were mandatory. The knowledge in the courses was critical for achieving superior levels of performance. Our analysis identified the underlying drivers of faster training completion rates. The Virtual Job Tryout scoring was adjusted to advance candidates who were better learners. As a result new hires with high Virtual Job Tryout scores are completing those mandatory or self-directed learning modules 40 percent faster than people that scored less well on the Virtual Job Tryout.

WSR: How do you do that though? Normally, do you get the client to send you some additional data? And do you match it up with your Virtual Job Tryout data? Or is it some other process?

Murphy: Validation analysis is a form of calibration and predictive modeling to document the relationship among Virtual Job Tryout responses and job performance data. Our team is comprised of an industrial psychologist. This profession has been using big data analysis methods and skills long before the term became vogue. We begin with experiment design and craft a data collection plan.

The initial data might have between 100 and 1,000 existing employees in that job to complete the virtual version of the job tryout and calibrate it. To document on-the-job performance, we collect data on the three Os of quality of hire:

1. Opinions;
2. Observed behaviors; and,
3. Objective Metrics.

The first "O" is opinion-based measures. We ask the supervisors of existing employees their opinion in a very structured way. Is this the best person who has ever worked for you? Would you rehire this individual?

The second "O" of quality hire is observed behaviors, using their (client) competency framework. We use a behaviorally-anchored rating scale. We ask the supervisor to rate individuals' performance on all the behaviors in their (the client's) existing competency framework.

The third "O" is objective metrics performance. If the job has objective metrics controllable by individual behaviors, we obtain that data as well.

An initial analysis looks at performance of an existing sample of workers with this level of detail.

Over time, we collect more data. As such, we can make adjustments to the scoring algorithm so that it aligns the decision-making with the evolving corporate strategy for that job. In effect, the system gets smarter over time.

WSR: So have you been able to document some of the efficiency savings and performance savings? You've mentioned one client that has saved over US\$1.7 million. Do you have any case studies from companies that you could name or explain?

Murphy: Well, that particular client is Key Bank. They're in about 20 states and have 1,000 retail branches. And, they actually won the Electronic Recruiting Exchange (ERE) most strategic use of technology award, a couple years ago. That's been written up and published. Not only by ERE, but it was also featured in SHRM's *HR Magazine*.

We have a boutique retailer with 7,000 U.S. stores. They have Virtual Job Tryout systems in place for their store managers and their district managers. And, the candidate results correlate to store profitability and employee retention. So, candidates who score better on the virtual job trial have a 22 percent higher level of retention of employees who stay on more than a year.

Our clients include nine of the Fortune 50. We earn their trust and retain their business through documenting impact.

In addition to the business impact, candidates find the Virtual Job Tryout to be a refreshing alternative to the traditional job application process. All of our clients conduct candidate experience surveys. More than 90 percent of candidates state they are in a better position to determine if the job is right for them as a result of the experience. And, more than 90 percent of candidates are willing to refer others to apply based upon the experience. This is similar to a net promoter score, where willingness to refer others is seen as an indicator of a favorable experience. It is really a triple win. Candidates love it. Recruiters become more effective. Companies get documented ROI.

WSR: Joe, thank you so much for your time and for all of the information you have shared with us today.



Joseph P. Murphy is co-founder and executive vice president of SHAKER, a pioneer in online candidate evaluation and developers of the Virtual Job Tryout®, a simulation for pre-employment testing. He has more than 30 years of experience in human resources. The emphasis of his current work is on enhancing the candidate experience and improving quality-of-hire through the use of high-fidelity simulations that present an engaging day-in-the-life, multi-method assessment. As a result, his clients are able to document performance gains and achieve a return on investment through better staffing methods and metrics. Murphy is a published author on evidence-based hiring and has spoken on issues of the quality-of-hire, candidate experience, staffing waste, staffing metrics, and assessments to notable gatherings and events such as HRPS Global Conference, SHRM National Conference, HR.com/VIEW, Kennedy Information, ERE Conference and Expo, SMA National Conference, HCI Webcasts, SHRM Metrics Forum webcasts, and numerous SHRM and SMA/EMA chapters. He can be reached at joe.murphy@shakercg.com.