

Automated Hiring Systems: Is the Substance the Same?

Presentation to the IPMA-HR Assessment Council Annual Conference

U.S. Merit Systems Protection Board

June 22, 2004



Overview

- Who we are
- Background
- Preliminary findings
- Preliminary recommendations



About MSPB

- A Federal agency
- Successor to the Civil Service Commission
- One of several agencies with a role in Federal human capital management



The Role of MSPB

- Protect a merit system of employment
- Adjudicate Federal employee appeals
 - Termination and removal
 - Reduction in force
 - Retirement
- Conduct studies on Federal merit systems and report to Congress and the President



Background

- About the study
- A typical Federal hiring process
- Results
- Keys to Success
- Recommendations

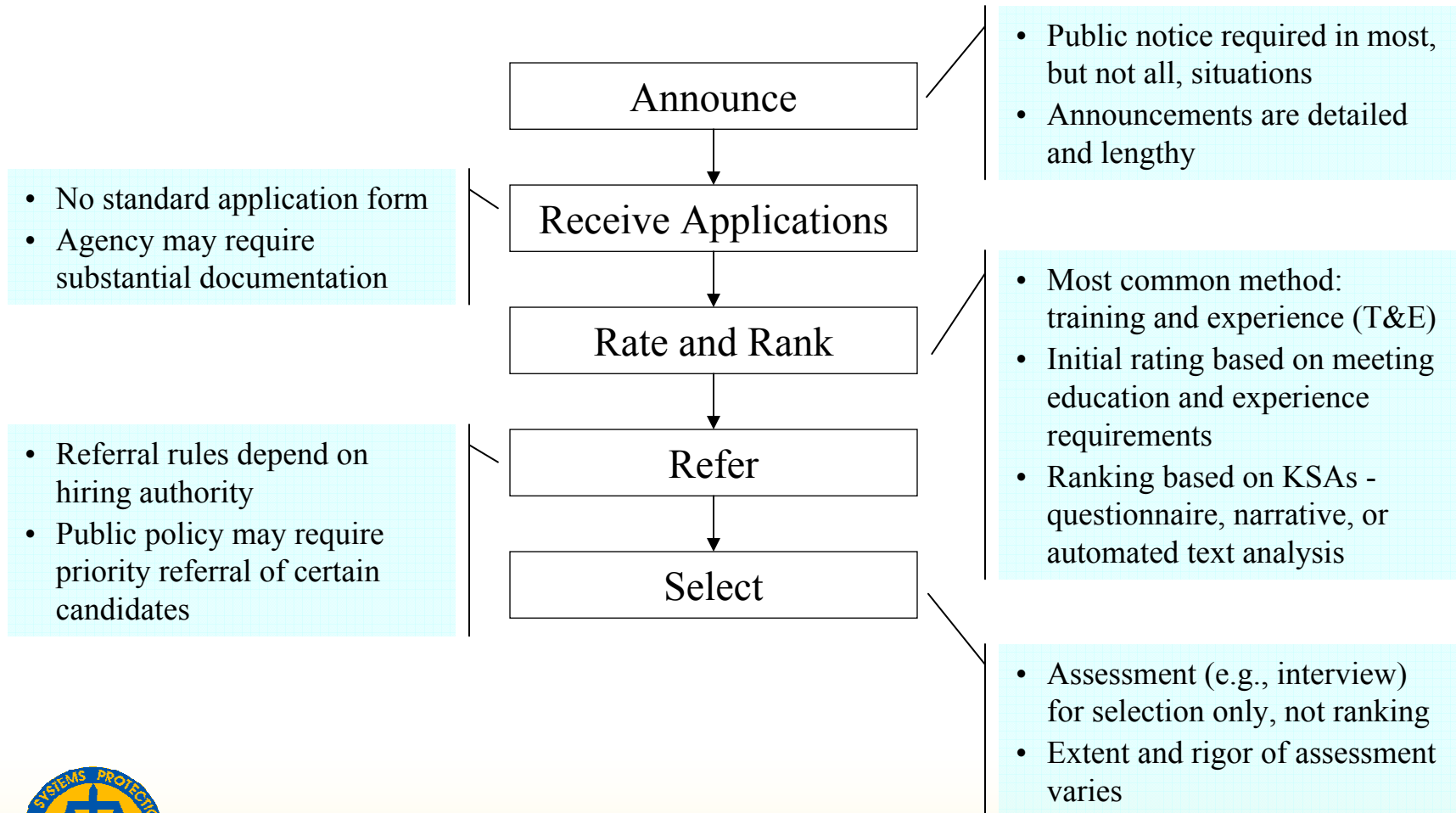


About the Study

- Literature review
- Field work
 - System demonstrations
 - Interviews with agencies and HR staff
- Review of relevant policies and practices
- Preliminary results presented - report in final review



A Typical Federal Hiring Process



The Technology

- Two models:
 - Application-based
 - Question-based
- Both centered on training and experience
- Both usable – but very different

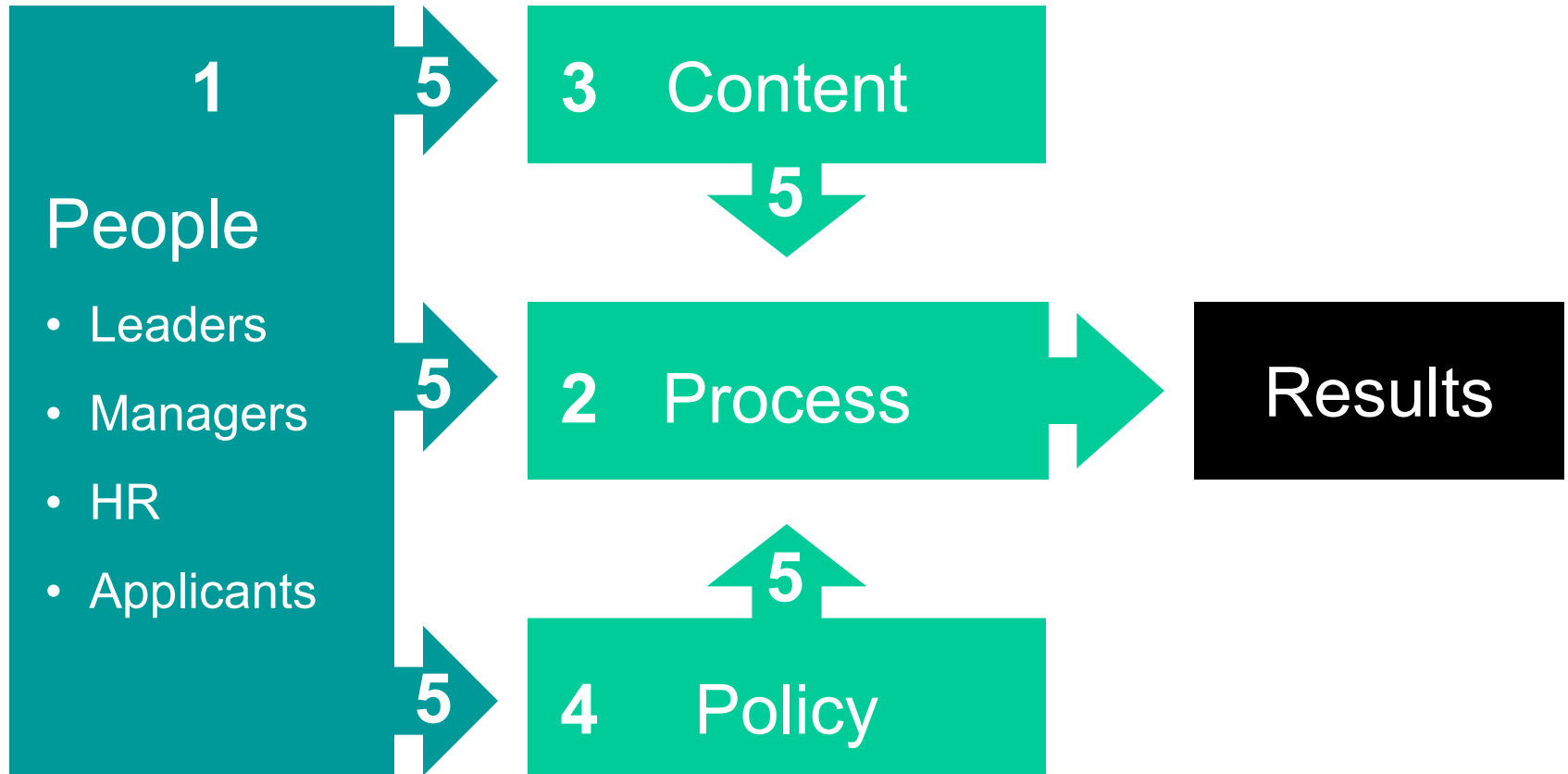


Results

- The potential is clear:
 - Less burdensome application process
 - Improved timeliness
 - Effective assessment
 - Good referrals



Keys to Success



Key #1: People

- Leaders must:
 - Recognize the importance of hiring
 - Distinguish recruitment from assessment
 - Have realistic expectations
 - Be willing to invest



“Cheaper” ≠ “Better”

“Employees are such a bargain, and hiring costs are such a small percentage of an employee’s value, that fretting over the cost of a hire is like agonizing over whether the gumball machine will give you seven or eight gumballs for a nickel. Who cares?”

Measuring the cost of each of your hires is one way to spend time. It takes a lot of it. Don’t do it. It’s a waste.

Instead, every HR and recruiting pro should spend time measuring what a top employee is worth. Compare that to what an average employee is worth, then sprint to your CFO’s office with the numbers.”



Source: Todd Raphael, "Cost per hire: don't even bother," Workforce, June 2002

Key #1: People

- Leaders, managers, and HR must:
 - Agree on priorities
 - Understand their roles
 - Be expected to fulfill those roles
 - Be able to fulfill those roles



“Faster” ≠ “Better”

“Recruiting and hiring the most qualified individuals takes time, but is critical to the [Securities and Exchange] Commission’s success.

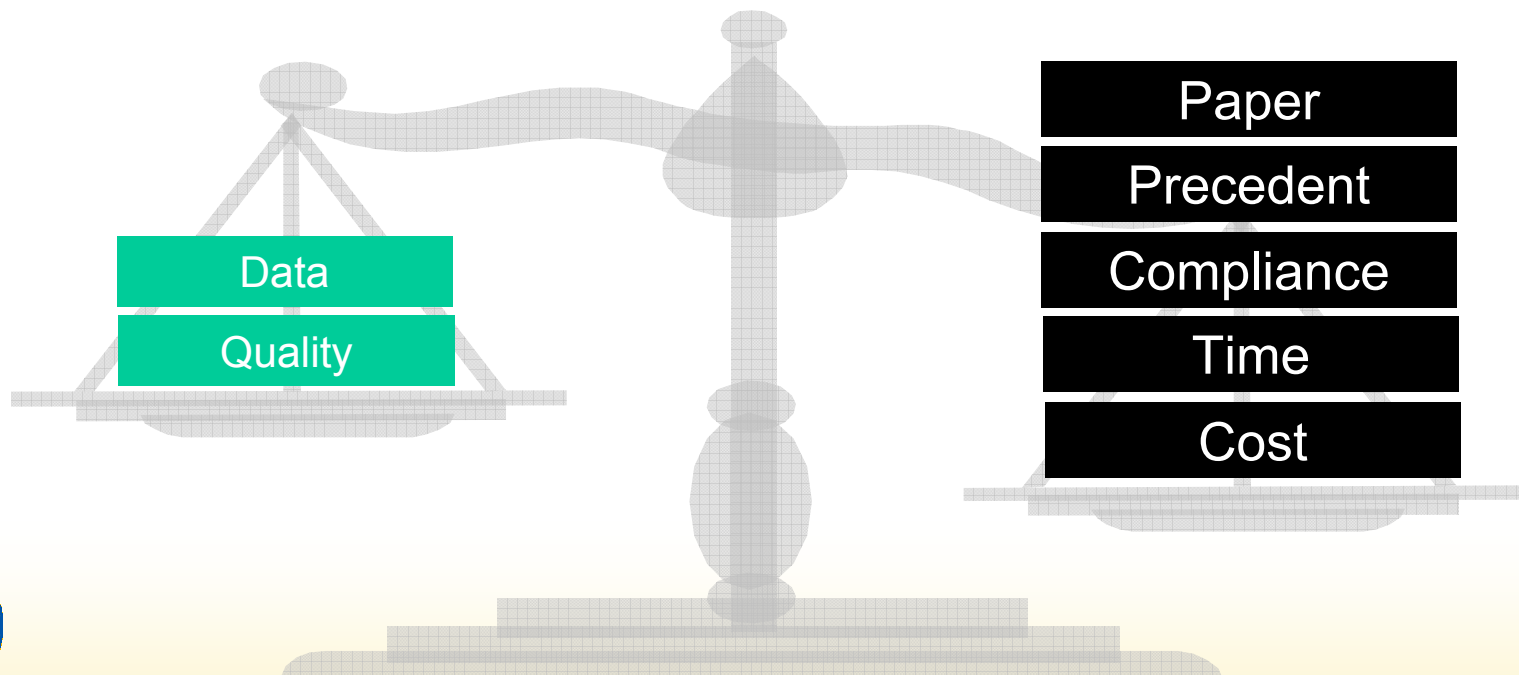
We have refused to hire employees simply to fill chairs, but rather are focused on hiring the best and most appropriate people to fill these important positions, and are keenly focused on where each staff person can do the most good.”



Source: Testimony of William H. Donaldson, Chairman of the SEC,
before the United States House of Representatives, March 31, 2004.

Key #2: Process

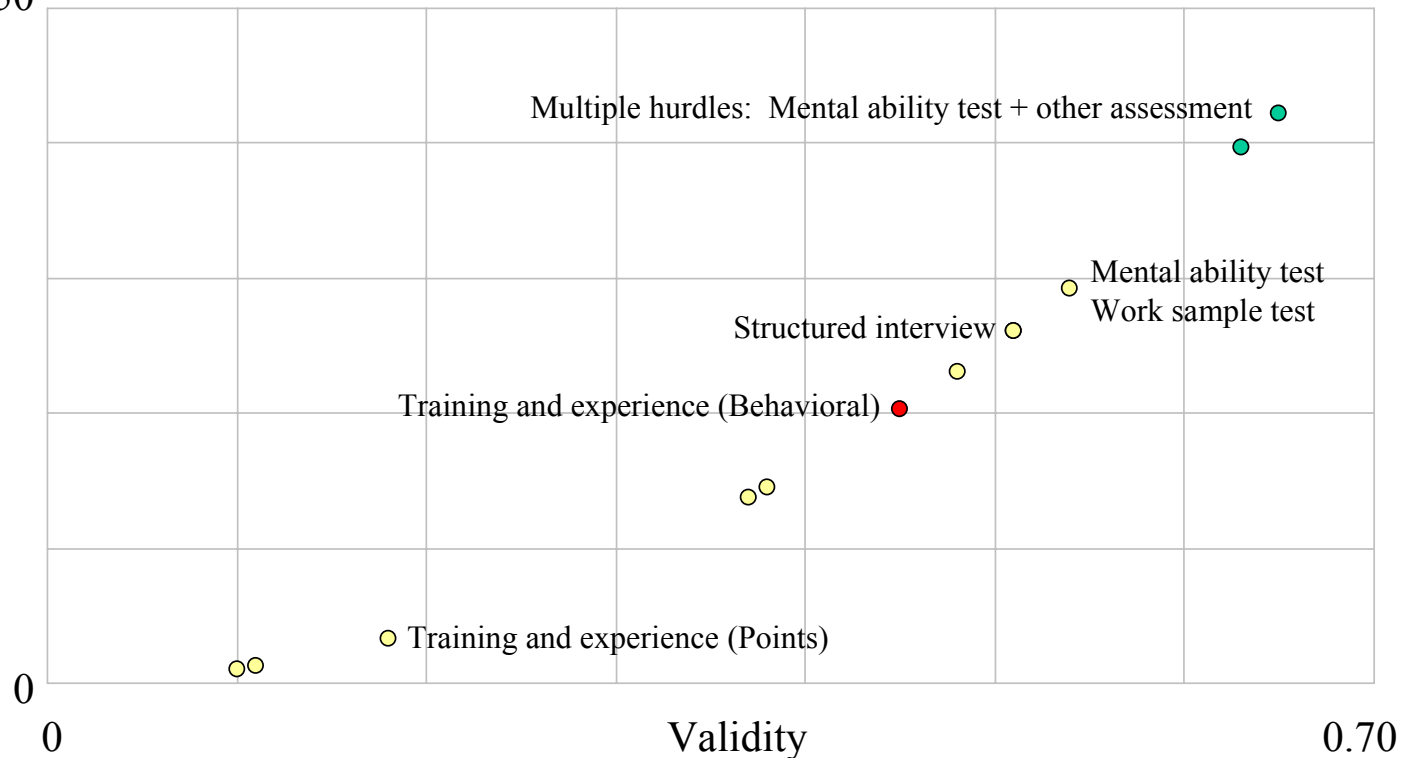
- Default: automate the existing process
- Question: What factors drove that process?



The Validity of Selected Assessment Methods

Predictive Ability

0.50



Source: Schmidt, Frank L. and John E. Hunter, "The Validity and Utility of Selection Methods in Personnel Psychology: Practical and Theoretical Implications of 85 Years of Research Findings," Psychological Bulletin, vol. 125, No. 2, 1998.

Key #3: “Content”

- Good selections require good “content” –
 - Selection criteria
 - Assessment methods
 - Rating procedures
- “Translating” content is not easy
- Existing content may be deficient



Key #4: Policy

- Technology brings challenges:
 - Electronic application
 - More applications
 - Heavy reliance on self-rating
- Technology is not the answer
- “Business as usual” is not the answer

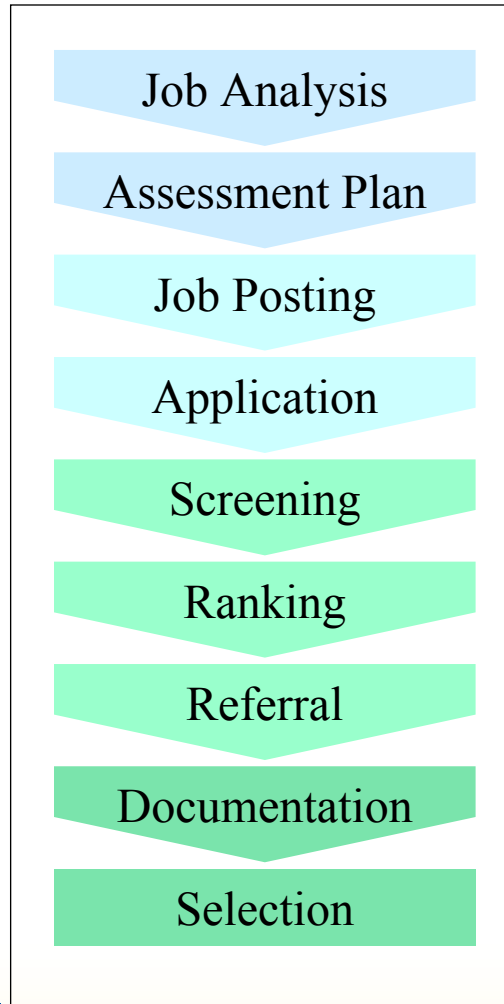


Key #5: Change Management

- Hiring is a complex business
- Introducing an automated system affects –
 - People
 - Processes
 - Policies
- “Planned” works better than “*ad hoc*”



Recommendations - General



Manage hiring as a critical business process

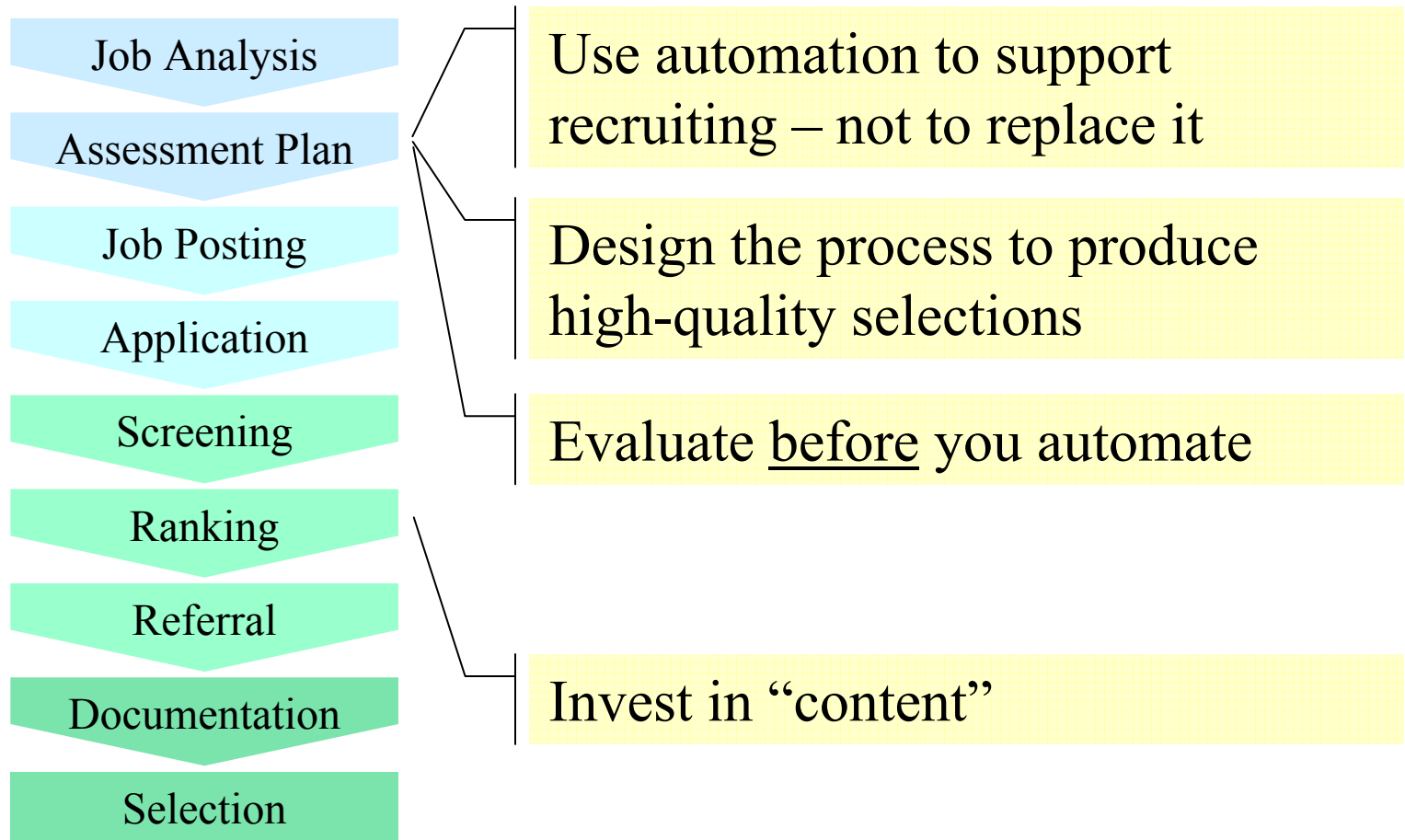
Manage introduction as an organizational change

Invest resources

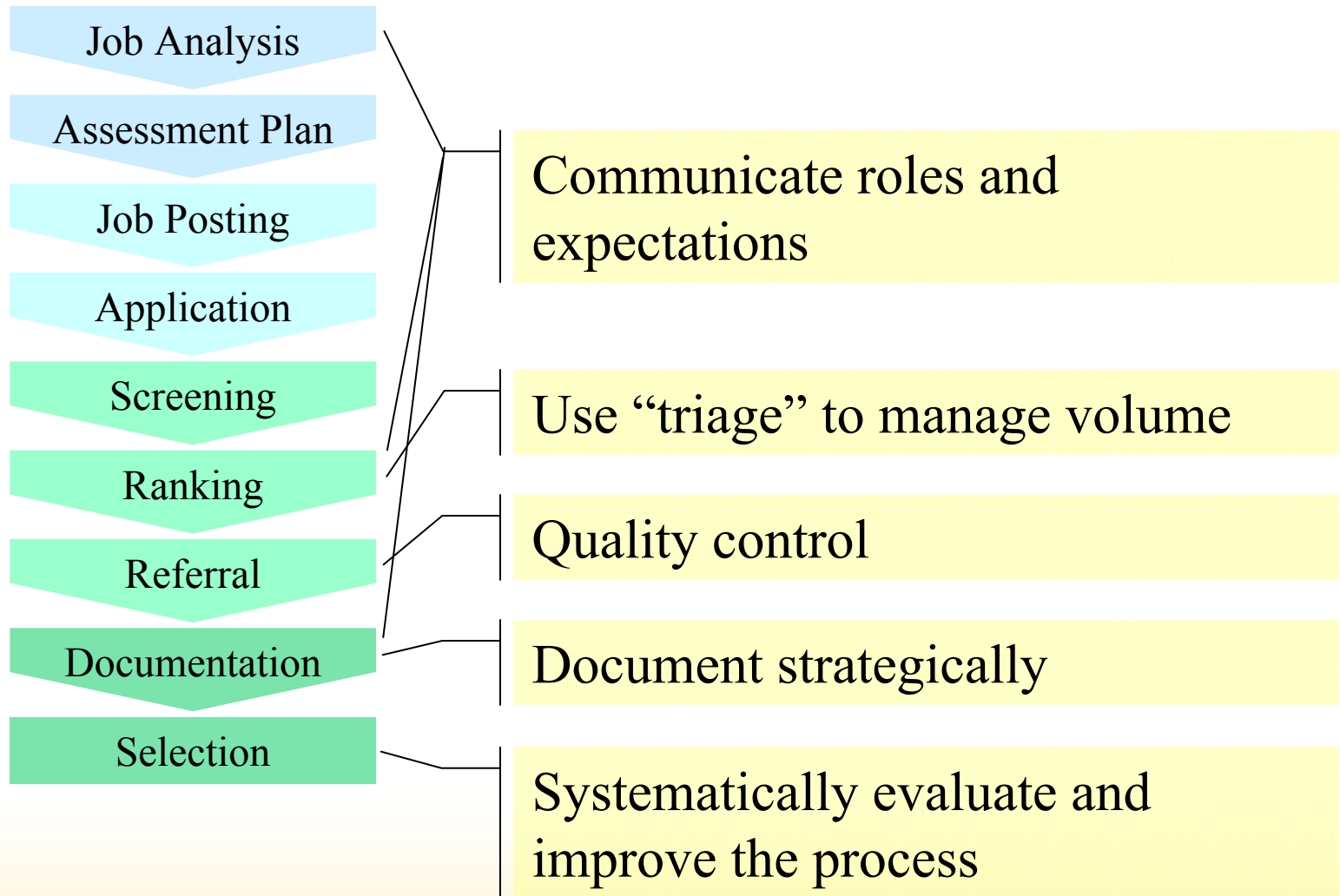
Ensure the competence of HR professionals



Recommendations - Design



Recommendations - Implementation



For More Information

Published Studies	<ul style="list-style-type: none">• The Federal Workforce for the 21st Century: Results of the Merit Principles Survey 2000 (Nov 2003)• Help Wanted: A Review of Federal Vacancy Announcements (Apr 2003)• The Federal Selection Interview: Unrealized Potential (Feb 2003)• Assessing Federal Job Seekers in a Delegated Examining Environment (Feb 2002)• The Federal Merit Promotion Program: Process vs. Outcome (Feb 2002)
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