Hiring Technologies:
Research and Policy Recommendations

Upturn
Toward Justice in Technology

Natasha Duarte
Urmila Janardan
Aaron Rieke

November 30, 2021

Agenda:

1. Introduction and Overview
2. Large Hourly Employers Research
3. Policy Recommendations

Why do employers use hiring technologies?

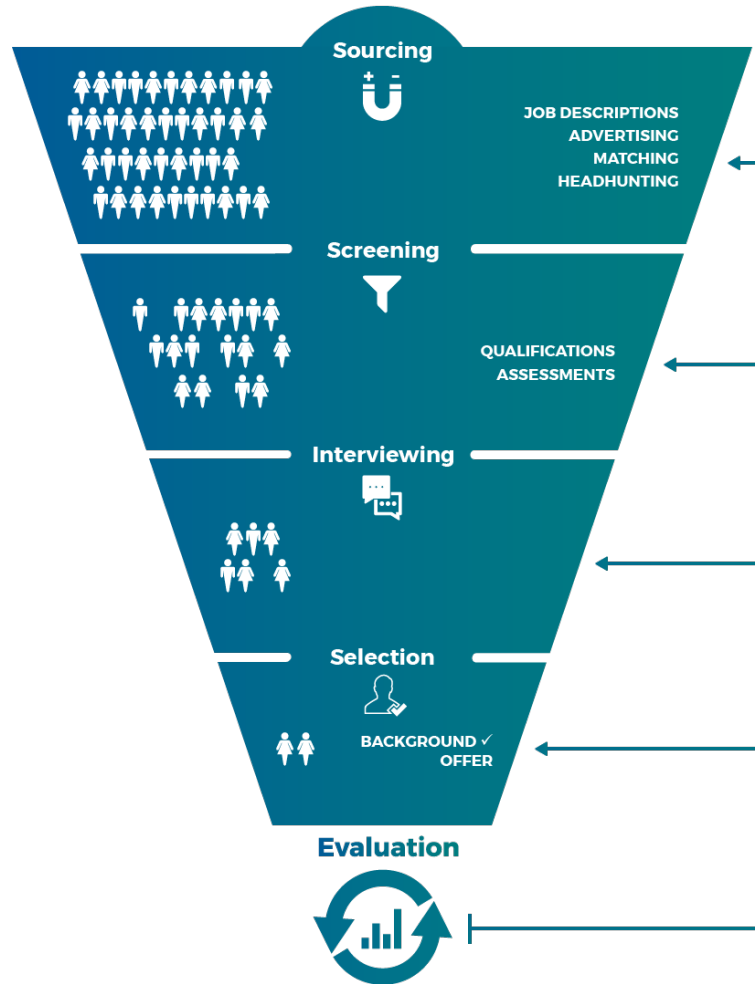Time -to -hire: speed up the process

Cost -per -hire: stretch recruiting budgets
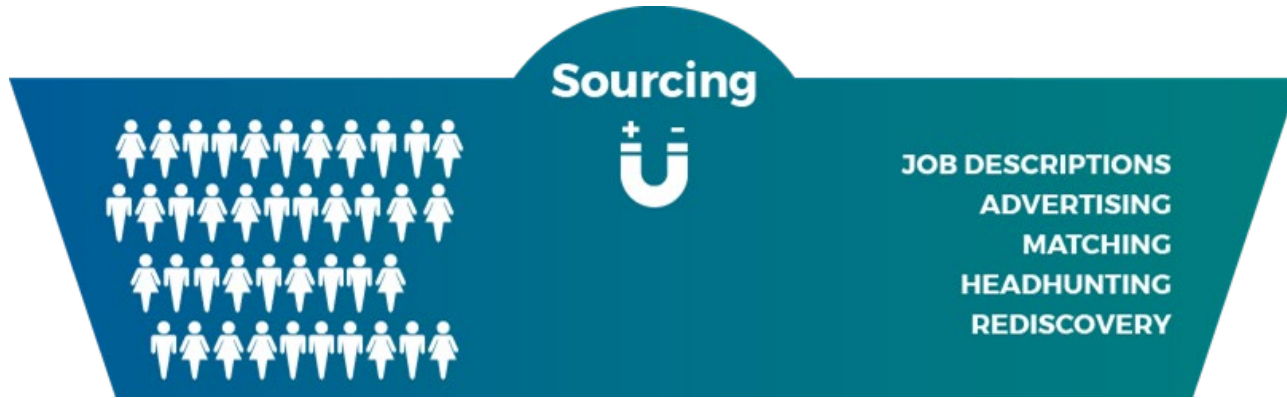
Tenure: hire people who stay

Quality of hire: hire people who deliver results

Diversity: hire more diverse workers

THE HIRING FUNNEL

Sourcing

JOB DESCRIPTIONS
ADVERTISING
MATCHING
HEADHUNTING

Screening

QUALIFICATIONS
ASSESSMENTS

Interviewing

Selection

BACKGROUND ✓
OFFER

Evaluation

5

Sourcing: encouraging applicants to apply, or express interest, in an employer's job opportunities.

Sourcing / Advertising

Sourcing / Matching

Screening: filtering out applicants and prioritizing those remaining
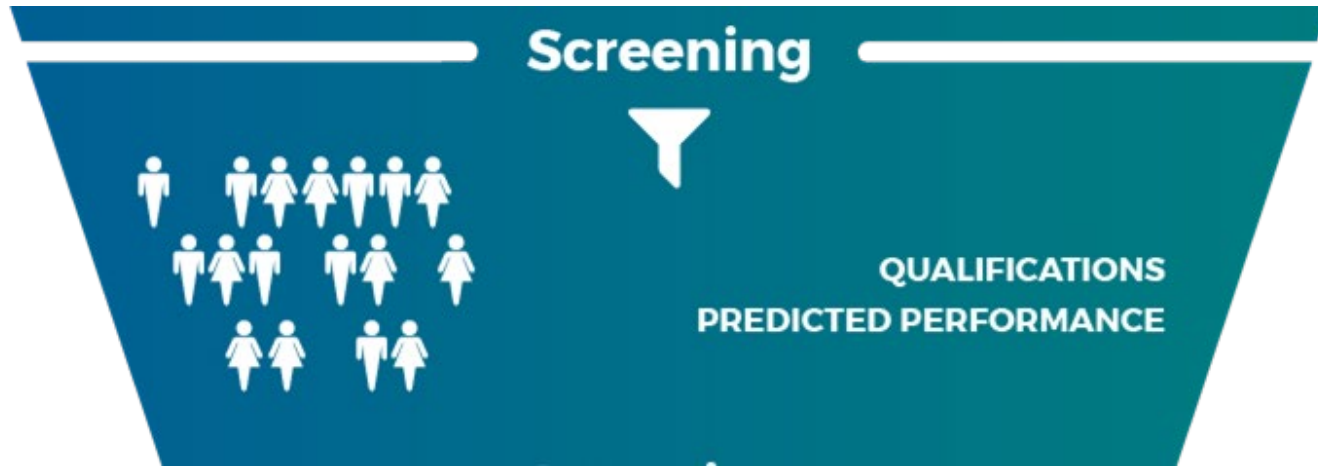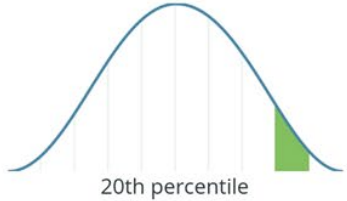
Screening / Qualifications

Screening / Assessments
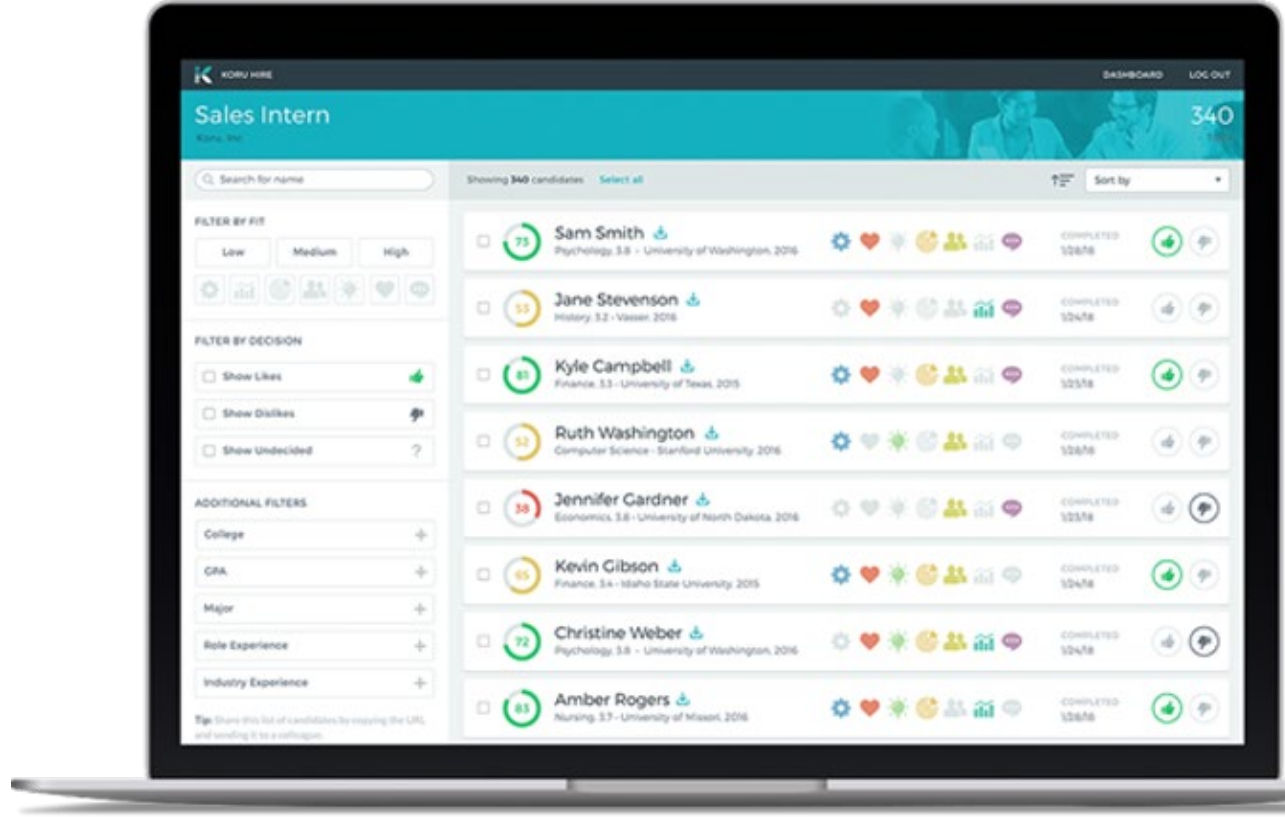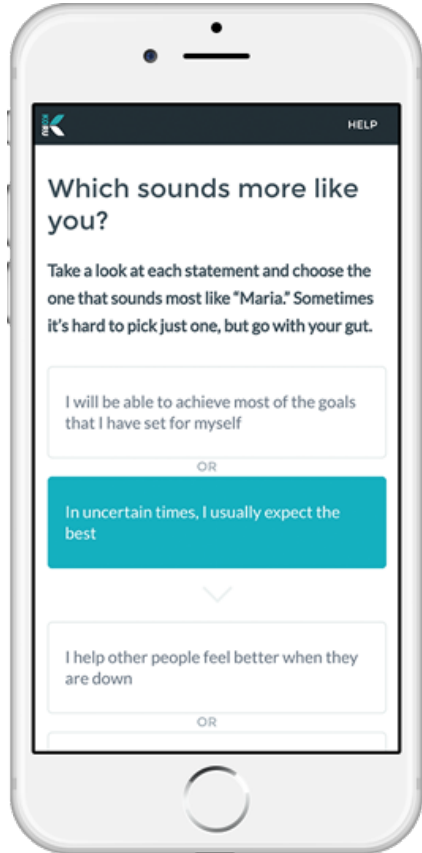
Interview: direct interactions with candidates to learn more about them
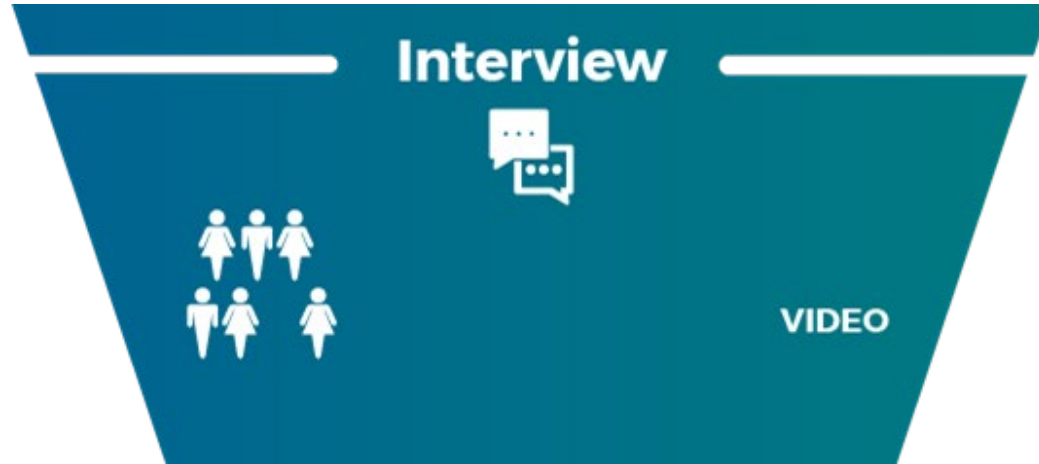
Interview / Video
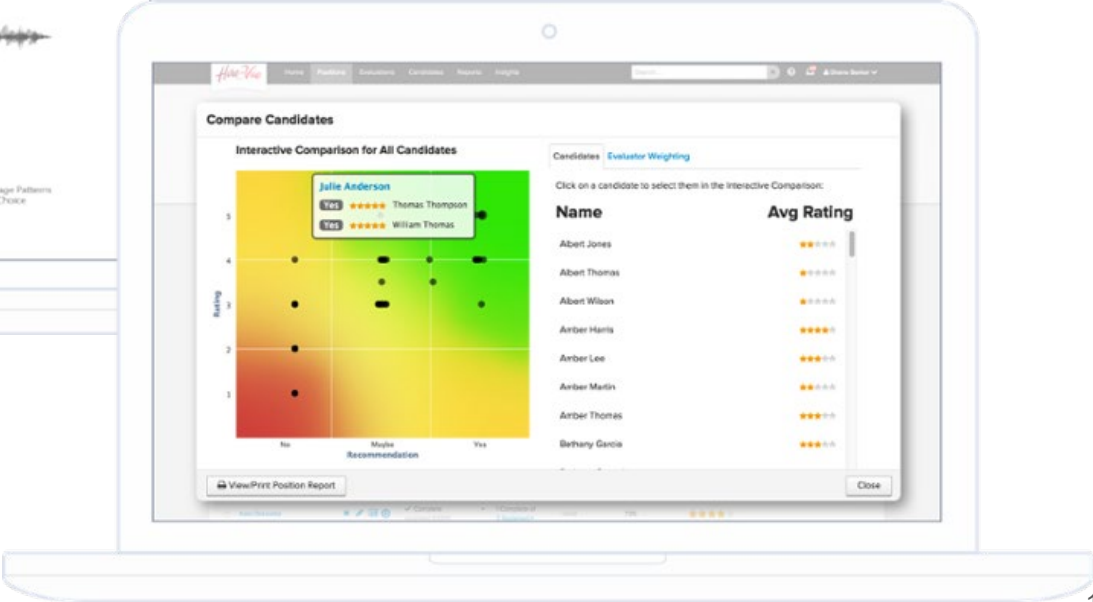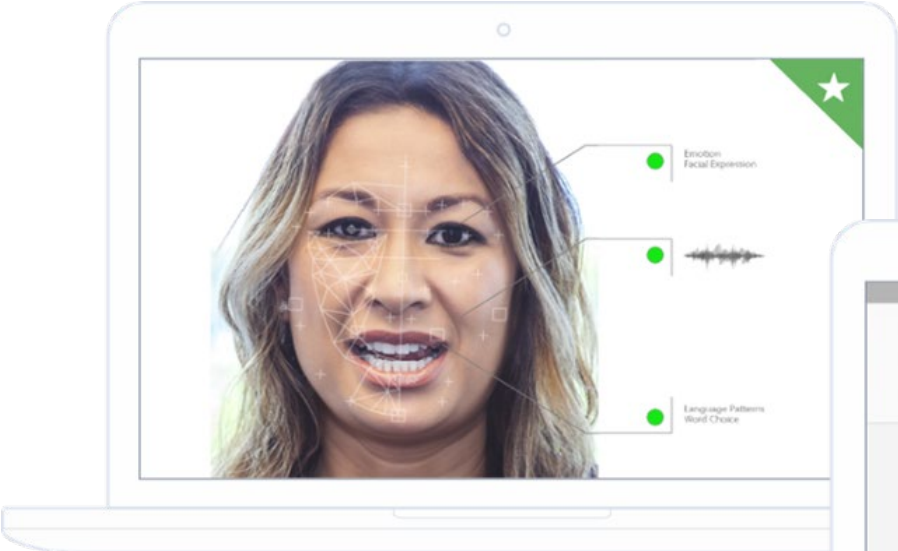
Selection: final offer of employment hiring informed by background checks, negotiation

Selection / Offer

THE HIRING FUNNEL

Sourcing

JOB DESCRIPTIONS
ADVERTISING
MATCHING
HEADHUNTING

Screening

QUALIFICATIONS
ASSESSMENTS

Interviewing

Selection

BACKGROUND ✓
OFFER

Evaluation

Reflections

Hiring is rarely a single decision, but rather a series of smaller, sequential decisions.

Reflections

While new hiring tools rarely make affirmative hiring decisions, they often automate rejections.

Reflections

Predictive hiring tools can reflect institutional and systemic biases, and removing sensitive characteristics is not a solution.

Reflections

Nevertheless, vendors' claim that technology can reduce interpersonal bias should not be ignored.

Upturn
Toward Justice
in Technology

Essential Work:

Analyzing the Hiring Technologies of Large Hourly Employers
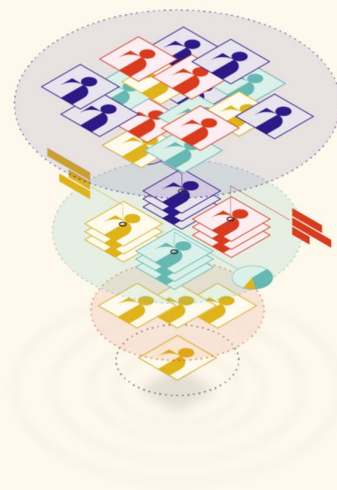
Aaron Rieke
Urmila Janardan
Mingwei Hsu
Natasha Duarte

https://www.upturn.org/reports/2021/essential-work/

Research methods

Methodology

- Identify large hourly employers (e.g Walmart, Amazon, CVS, Walgreens)
- Complete online applications and collect digital records
- Conduct interviews with employers and technology vendors.
- Analyze findings to better understand the modern hiring process.

The online application, step by step

1. Background information and consent
2. Screening Questions
3. Work Experience and Other Qualifications
4. Demographic Information
5. Pre-Employment Tests
6. Interviews
7. Final Steps

Virtually all employers use an applicant tracking system (ATS) to manage this process.

The online application, step by step

Pre-employment tests

- **Simulations** ask candidates to perform tasks or work activities that mirror the tasks employees perform on the job
- **Situational Judgement Tests** are meant to identify how an applicant would respond to a work problem or critical situation related to the job
- **Personality Tests** try to measure applicants' motivations, preferences, interests, emotional makeup, and style of interacting with people and situations

A customer/member owes $10.51 and pays $50.00 in cash. The change due is $39.49.

Provide the amount owed using the smallest number of bills and coins possible.

1	1	1	4
$20	$10	$5	$1

1	2	0	4
$0.25	$0.10	$0.05	$0.01

If I had to list everything I felt grateful for, it would be a very long list.

Strongly disagree

Disagree

Neither agree nor disagree

Agree

Strongly agree

Most people can be trusted

a) Most like me

b) **Somewhat like me**

or

c) Somewhat like me

d) Most like me

It is smart to question people's intentions

I prefer a job where…

There are high performance expectations	**or**	I am highly compensated for my work
I am held accountable for store outcomes	**or**	I can have a stable, secure lifestyle
Outstanding service is provided to customers	**or**	I don't sacrifice my personal life to meet work goals
I am paid very highly	**or**	Patient and customer health are valued

Concerns

- Employers who screen out candidates based on their availability or pay preference are likely rejecting qualified candidates.

- Background checks, which can be illegitimate and discriminatory barriers to employment, are easier than ever for employers to adopt.

- Employers offered little to no feedback during the application process.

- Employers provided few upfront details about available accommodations for applicants with disabilities.

- Employers' personality tests did not clearly measure essential functions for the specified job and might discriminate against some applicants.

- The current U.S. legal framework does not sufficiently protect job applicants.

Recommendations

Regulators must be more proactive, and modernize standards for assessing discriminatory effects of hiring selection procedures.

- The EEOC relies too heavily on individuals to file charges of discrimination.

- Proactively use (and in some cases, strengthen) investigatory and enforcement po to study hiring technologies and initiate charges.

- Employers maintain detailed applicant data in their applicant tracking systems. Mo of that data—especially the impacts of assessments on protected groups—should be reported to regulators.

- Legislation/regulations should cover *all* forms of discrimination, including disability, which is often sidelined and requires more than quantitative audits to address.

Recommendations

Employers should only attempt to assess the "essential functions" for a given job, and discontinue use of personality tests in the hiring process.

- Many of the questions we answered lacked any apparent connection to the essent[ial] functions required to perform the jobs we applied to (i.e. counting change, lifting boxes). This is especially true of personality tests.

- EEOC guidance states that a "test will most likely be an accurate predictor of [] job performance...when it most directly measures actual skills and ability needed to do [the] job."

- Proactively consider alternatives, such as open hiring.

Recommendations

Employers should give applicants more information throughout the application process, including about the purpose of selection procedures, the reasons for automated rejections, and details about reasonable accommodations.

- Employers rarely inform applicants about the purpose of selection procedures, their performance on pre-employment tests, or reasons why their application was rejected, even though hiring technologies can make these kinds of feedback easier to offer.

- Applicants should be able to improve their skills, seek reasonable accommodations, and vindicate their legal rights. This can't happen unless employers offer far more information throughout the application process. State and federal policymakers should consider ways to ensure this happens.

https://cdt.org/insights/report-warning-bossware-may-be-hazardous-to-your-health/