

This case study was quite involved, as I had to investigate the technology being written about myself in order to get a clear understanding of its advantages. The project required quite a bit of research and several interviews.

“John worked very hard on research and spending time understanding the products / services we provide . . . He approached the projects with intensity, working very hard to deliver what we were asking for. Sometimes our time constraints placed him in the situation of having to meet short deadlines, which he did.”

—R.A. Stover, Dir. of Sales / Major Accounts, HR Services, Inc.

Application by phone increases hiring of minorities, women at GE

Hiring a diverse workforce has become an issue of critical importance in today’s business atmosphere. Going beyond discrimination issues, companies are finding that having workers with a wide variety of backgrounds improves business by promoting the flow of fresh ideas and opening new markets.

If your company’s hiring strategy calls for ensuring a steady flow of job candidates from diverse backgrounds, you may want to consider adding a phone-based application and screening system to your stable of recruitment tools.

HRServices of Lima, Ohio, recently discovered that DialAPP, its automated job application system that uses Interactive Voice Response technology, may substantially increase the number of qualified minority and female workers that apply for a job. DialAPP is an automated hiring system that permits prospective employees to apply for a job, be pre-screened and schedule an interview with a single phone call. Candidates respond to digitally-recorded questions by using the phone’s touch keys or speaking into the phone. A computer records and analyzes each applicant’s responses and helps them schedule an interview if they meet the job’s minimum requirements.

In reviewing records for a high-volume client, HRServices found that approximately 67 percent of the client’s applicants using DialAPP were minority candidates and 77 percent were female. These figures are substantially higher than those for the web-based application system also used by the client. There was also no significant difference in the percentage of qualifying candidates between the two systems.

“The system we’re using (DialAPP) has allowed us to produce those applications in accordance with our affirmative action plan,” said Zachary Misko, program manager at Kelly HRfirst, a division of Kelly Services based in Brookfield, Wis.

Kelly HRfirst manages hiring and other human resources functions for several Fortune 500 companies. Those companies include GE’s Consumer Finance division, for which Kelly utilizes DialAPP and AppOne, which is HRServices’ web-based application system. According to Misko, the firm began using the automated application systems in July 2002 to pre-screen the thousands of job applications they receive each month for GE Consumer Finance.

HRServices President Robert Schulte said his firm wasn't looking for differences in minority or female application statistics when reviewing the Kelly-GE account, but the implication of the numbers could not be ignored.

"It just jumped out at me that this was significant," Schulte said. "I think the results are astounding and worth noting."

Analysis of the account revealed that while the DialAPP system increased the candidate pool by only 45 percent, it yielded 73 percent more minority applicants and 59 percent more female applicants than the online system would have yielded alone.

"It raises the question," Schulte said. "How many minority and female candidates are being missed by companies that use only a web-based system for their application and screening process?"

Phone-based system increases access

The Kelly-GE account, with its high volume of applicants, was the first opportunity HRServices had to look at demographic information in meaningful quantities for the DialAPP system, Schulte said.

Misko said Kelly decided to use the DialAPP system in addition to AppOne because some of its recruitment marketing was aimed at minority populations, particularly French and Spanish-speaking people, and those households are statistically less likely to have Internet access at home.

"We wanted to be sure all eligible applicants had an equal opportunity to apply," Misko said.

Figures from HRServices suggest that candidates who use the DialAPP phone-based application process are more likely to declare their race or gender than are candidates who use the web-based system. Eighty-six percent of GE DialAPP candidates declared their race, and 88 percent declared their gender. By comparison, only 73 percent of online applicants on the GE account declared their race, and only 76 percent declared their gender. This means adding a phone-based system, like DialAPP, to automated hiring processes could enhance a company's ability to track race and gender statistics, which is important to firms with government contracts and affirmative action plans.

Additionally, the data indicates that GE's pool of minority and female applicants would be severely reduced without DialAPP. While DialAPP candidates made up only about 30 percent of the total pool of applicants for the Kelly-GE account, they accounted for nearly half, or 42 percent, of minority candidates and approximately 37 percent of female candidates.

Of the people that declared their race, 67 percent of DialAPP candidates said they were of a non-white minority race. More than half of them were African-American, the largest

minority population that applied during the analyzed period. Fewer than half of online applicants who declared their race, or 49 percent, were non-white and only 35 percent were African-American. Meanwhile, females made up 77 percent of people who used the phone-based system and declared their gender, compared to 68 percent of online applicants who declared gender.

Schulte said that it makes sense that minority groups that statistically suffer economic disadvantages would also have less access to the Internet. So it's reasonable that they are more likely to use a phone-based application system, he said.

"The results are not surprising, but I wasn't expecting it," Schulte said.

Diversity essential to workforce

Although using DialAPP costs more per applicant than the online system, Misko said it ensures workforce diversity, which justifies the expense.

"When we have a diverse workforce, it promotes more cross-functional thinking," Misko said.

Without a diverse workforce, he said, a company can miss opportunities represented by people of different backgrounds. Different backgrounds result in different perspectives, he said.

A report by the Society for Human Resource Management, based on its 1998 Survey of Diversity Initiatives, said 84 percent of human resource professionals at Fortune 500 companies indicated that a diverse workforce is important to their companies' top executives. According to the organization, which provides support to human resource professionals, pursuing a diverse workforce impacts a company in five positive ways: it taps growing segments of the population, allows the company to enter new markets, attracts highly qualified candidates, increases creativity, and keeps the organization flexible and balanced.

The American workforce is growing in its number of women, minorities and immigrants, according to the Society report, and just as the workforce is becoming more diverse, so is the market. Minorities are the majority in six of the eight largest metropolitan areas, it stated, and the combined buying power of African-Americans, Hispanic-Americans, and Asian-Americans is more than \$750 billion. Women are the primary investors of more than half of U.S. homes, the report said.

"Without a doubt, those employees who mirror the customers you serve can literally and figuratively speak their language, which benefits your organization," the Society report states.

More candidates, lower costs

In addition to the impact DialAPP has on GE's pool of minority and female applicants, the system also accounts for a significant proportion of the company's overall application pool. While that proportion is growing smaller as people become more proficient with online technologies, Misko said the share of applicants that come through DialAPP is still extremely valuable.

"I don't foresee removing DialAPP in the near future," Misko said. "Even at 5 percent (of total applicants), that's a sizable chunk of change."

Because of the large number of job applicants seeking GE jobs, Misko said Kelly is already saving money just by automating its application and screening process. In September, Kelly's GE account received roughly 7,000 applications through HRServices' automated application and screening systems, Misko reported. Without the automated systems, he estimated, every initial interview would be 5 to 10 minutes longer, or a step would be added to the process. Either way, he said, it would mean more than 800 man hours a month added to Kelly's payroll.

"It's huge. We still have the human factor involved, but the automation is a huge savings in time and money," Misko said.

He said Kelley HRfirst plans to renew its contract with HRServices in 2005, including the DialAPP system, and take advantage of a licensing program that will save the firm money compared to the per-minute fee structure currently in place.

Since two-thirds of Kelly-GE applicants applied over the Internet when the DialAPP number and AppOne web address are advertised together, it's apparent that candidates prefer an online system, making them essential when automating hiring procedures. But evidence from the Kelly-GE case indicates that including a phone-based system in the process is crucial to ensuring equal access to all applicants, which ultimately enhances the quality of a company's workforce.