



## EXECUTIVE BRIEF

# Closing the labor gap

How behavioral science can solve the hourly worker challenge

### **Don't just fill the role—Fill it right**

The pandemic drove home the point that a business's most important asset is its people—and it taught us that hourly workers are essential workers. Across the world, the people serving customers in restaurants, packing orders in warehouses, or stocking store shelves became the backbones of local economies. In 2020, we came to depend on hourly workers like never before.

At the same time, hourly workers have come to expect the companies they work for to invest in them as much as they have invested in the companies. In a recent survey conducted by Infor® of over 10,000 candidates for hourly roles, 53% named dissatisfaction with growth and development opportunities as their primary reason for leaving their previous job. To put that in perspective, the second-most common response—dissatisfaction with pay—was selected by only 23% of respondents.

Because of this, the competition to hire and retain good hourly talent has intensified and many managers simply lack the time to do more than fill a role. To future-proof talent management, organizations need to take a more holistic approach and move from a rigid, linear process to a flexible, agile one.

To fulfill the mission of hiring a productive workforce that stays on the job longer and produces more, assessment technology has become a mission-critical component for organizations to identify, develop, and retain a highly productive workforce.

To address these and other challenges associated with recruiting and retaining skilled personnel, recruiters are looking more closely at identifying specific traits that their company desires depending on the specific needs of their business, culture, and mission. Addressing the gap between skills and behaviors gives organizations a scientific approach to reducing turnover and increasing employee performance by ensuring the right candidates are hired and retained. A new approach to hiring qualified employees, based on behavioral science, is needed. Talent Science offers just such an approach.

## How Talent Science works

First, Custom Performance Profiles are built using large samples drawn from incumbent employees. A profile reflects the behavioral makeup of the best-suited person for the job weighing behavioral characteristics based on how predictive they are to the success in a given role. In this regard, no two profiles are identical and will possess unique key behaviors depending on cultural, environmental, and strategic variances across companies and sites.

Next, job candidates or current employees are evaluated based on their responses to a comprehensive online assessment measuring 26 behavioral characteristics. The assessment process is quick, requiring an average of less than 20 minutes to complete. The assessment compares each person's behaviors to the custom profile corresponding to the position of each open-job position defined by the HR and recruitment manager. A report is then generated, visually describing how and where the person aligns and differs from the requirements of the profile. This information can be leveraged across the entire employee lifecycle, from interviewing and selection to development and career path planning.

The following steps have been shown to lead to workforce improvement. For companies in need of high-volume jobs, this means a team who is aligned, engaged, and equipped to meet the demands placed.

## Start with the end in mind

When describing the ideal hourly worker whether in the retail, hospitality, restaurant, or health industries, where hourly workers are in need, several adjectives come to mind: Courteous, dependable, hard-working. However, idealist concepts can be misleading for a number of reasons: They might mean different things to different people, important factors could be left out, and it is hard to identify whether the effort has been successful. Instead, effective talent management efforts begin by clearly defining the outcomes.

Effective outcomes share three important properties: they are specific, measurable, and aligned.

- **Specific.** A specific outcome is stated in a way that will be understood similarly by everyone. For example, improved performance could be interpreted differently by different people, while improved customer satisfaction scores deliver a much clearer message about what is expected.

- **Measurable.** Outcomes should also be measurable so the effectiveness of the change effort can be determined. For example, worker morale is difficult to define, much less measure. However, turnover rates are likely tied to morale and are much easier to measure.
- **Aligned.** Finally, outcomes should be aligned. That is, if multiple outcomes are identified, they should not conflict with one another. For example, wanting workers to process customers as quickly as possible and desiring higher customer satisfaction scores are both important considerations but could be seen as pulling priorities in two different directions.

After determining the desired outcomes, specific worker behaviors that contribute to driving these outcomes should be defined. Consider what the high-performing workers are doing every day that sets them apart from the rest. Also, what are the lower performers doing or not doing that makes it evident they are missing the mark?

In one example, a large retailer who uses Talent Science in the hiring process for hourly sales roles was facing a crisis of attrition. Sales associates were leaving the organization faster than they could be replaced, and customer service and revenues were suffering as a result. The company turned to Talent Science for help identifying sales associate candidates who would not only be strong performers but would also be more likely to stay. In analyzing the behavioral preferences of associates who had established a record of staying with the company in the past, Talent Science found that those associates shared a pattern of preferences related to teamwork, optimism, and customer service. Talent Science then created a profile to identify sales associate candidates that shared a similar pattern of preferences. In a study conducted after the profile had been put into use, hires who showed a closer alignment turned over at an 18% lower rate than those who were not as closely aligned. This was associated with the prevention of over 9,000 terminations in a 17-month period.

By clearly establishing the outcome of interest and specific behaviors workers must display to generate that outcome, the organization ensures their talent management initiative is focused on the right things and is ultimately successful.

## The value of measurement

In the context of selection, objective data is a critical part of the decision-making process. Subjective selection techniques—those that rely on human judgment as the primary data point—introduce bias from those making decisions.

Biases in decision-making are a well-established limitation of human judgment. Some of the most common biases in the hiring process include the “similar-to-me” effect, in which decision-makers view candidates with similar traits to themselves—be they demographic, personality, or experiential factors—as more suitable for the job at hand. Another common hiring bias is the halo effect, in which interviewers or hiring managers develop an overall favorable impression of a candidate based on only a few pieces of information. Bias in hiring does not mean that a decision-maker is prejudiced, but it can result in candidates with a high likelihood of success being passed over.

Rigorously designed and validated behavioral assessments are an effective tool for narrowing down the candidate pool, improving the interview process, removing bias from the hiring process, and promoting a deeper understanding of the candidate. The value of behavioral assessment goes well beyond getting to know your candidates. Decades of research demonstrate that properly designed and implemented assessments predict likelihood of success on the job. In fact, assessments that combine both behavioral characteristics and cognitive ability—such as the Talent Science assessment—are more predictive of job performance than other commonly used indicators, such as previous work experience or specific skill sets and aptitudes.

Talent Science objectively and statistically links the critical outcomes and behaviors to characteristics of workers within a given organization to develop a model of “best fit” that is unique to each company—a Custom Performance Profile. Creating these profiles specific to each department creates an understanding of a person’s fit to both the position and the overall organization, which have been demonstrated to lead to improved job performance and employee retention.

## Identifying talent

Understanding candidates and their likelihood of fitting is important to making the right hires. Objective, data-driven assessments can help companies efficiently sort through numerous candidates to find those that show the highest potential of being good performers that are more likely to stay in the job.

With 86% of jobseekers having a smartphone, it is important to facilitate online applications while avoiding the cumbersome data-entry processes in a mobile environment. Rethinking how mobile can move your applicant through the hiring process with the power of conversation and text will help attract applicants.

Skills and qualifications are still critical to review, even for jobs with a lower skill set requirement. Interviews are also an essential piece of the process that allow decision-makers to dig in deeper to the candidate’s potential. With an assessment system like Talent Science, decision-makers can actually target interview questions around the behavioral gaps identified through the tool. The Talent Science tool provides interview questions and guidance to help interviewers understand what the gaps are, why they may matter on the job, and what to ask the candidates to determine if it’s a gap that can be overcome.

After hire, keeping employees engaged allows for continued performance and retention. It is essential they remain engaged at work to minimize their mistakes, maximize efficiency, and improve decision making. One effective way to maximize engagement is to help employees understand the various career opportunities available.

After discussing development, interests, and career goals with their employees, leaders can use those conversations to help talent see a long-term career within their organization. Using a tool like Talent Science allows for a common language around career opportunities.

For example, if an associate wants a promotion to supervisor, their leader can leverage Talent Science assessment data to understand if that associate might be a good fit for the role and to identify where there may also be gaps. Then, those gaps can be leveraged into efficient development conversations to help the associate gain the learning and growth needed for the next step in their career with the company.

But mobility within an organization doesn't always need to involve promotions from one level to the next. Often, employees can benefit in both their engagement and career growth from lateral moves. For example, perhaps a particularly outgoing and responsible back-of-house worker in a restaurant is interested in a public-facing front-of-house role. Talent Science can help identify which role she is most likely to enjoy and be successful in.

In addition to keeping engagement high, companies can benefit from a strong and clear succession plan for leadership roles. Organizations frequently make the mistake of promoting employees into leadership roles based on their performance in their current jobs. However, performance as a sales associate, for example, is quite different than what it takes to be a good district or regional manager.

The Talent Science system uses a single assessment with the same questions regardless of job and then uses Performance Profiles as scoring benchmarks unique to the job in question. This means that a person's assessment responses can be used to see how well they fit different profiles within the company. Because of this, Talent Science can help create a seamless way to understand the company's leadership bench and help plan how to fill roles as they become available.

## Developing talent

Talent mobility and succession planning lead to the important need for development. Once a company identifies the right talent for hire or internal mobility and growth, developing that talent is essential for success. Talent Science helps provide guidance in two key areas of development: behavioral onboarding and coaching.

Onboarding is a new hire's first exposure and training in their new place of employment. It is a critical time for leaders to get to know their new team members and provide them with all the essential resources and knowledge to have a strong start on the job. Using a behavioral assessment tool such as Talent Science can provide leaders with insights about the hire's key preferences and work style.

An effective onboarding experience sets the tone for the leader-employee relationship, helps prepare the employee for success, and is a meaningful transition from selection to future coaching and development.

After onboarding is complete, the leader and employee should identify gaps where the employee could benefit from more development. No hire is perfect, and the purpose of this type of coaching is to help arm the new hire with all the behaviors to do the job effectively. The Talent Science system proactively identifies gaps from the Performance Profile for each employee. Development content is generated to help guide employees and focus them on the most important gaps in their behavioral preferences. This proactive coaching can help keep employees engaged and continue to create a work environment of learning and growth.

In addition to proactive coaching, sometimes leaders need to coach employees for improvement purposes. Focusing on specific behaviors can make these challenging conversations more productive. What behaviors does the employee exhibit that are not ideal? What is the expectation that they are missing? How can they bridge the gap from those behaviors and the ideal? The Talent Science system can help leaders identify underlying factors of the problem behaviors and guide the conversations on how to improve them.

Finally, coaching is also a valuable tool in promotion and talent mobility considerations. Once an opportunity or a potential path is identified, the leader should help the employee prepare to move into that role. The Talent Science system will identify gaps and strengths between the employee and the new position and provide a new coaching guide to help the leader coach the employee to close those gaps.

Coaching is a critical piece of the employee lifecycle that helps keep employees engaged and performing at a high level. The Talent Science system can help guide and support coaching efforts based in good behavioral science. Developing and coaching employees can lead to desirable outcomes such as retention, improved performance, and improved customer satisfaction.

## Promoting inclusion and diversity

Workforce diversity can mean many things depending on who you ask, but whatever it is by definition, it is an important factor in human capital management in every organization. Diversity begins with hiring, so it is important to identify ways to overcome personal biases to build and sustain a diverse workforce. Research shows that an objective, data-based hiring solution such as Talent Science can impact diversity goals as set by the organization, both by what the system does, and what it doesn't do.

Maintaining a focus on systematically sustaining or increasing diversity while also achieving business objectives has traditionally been seen as tough to accomplish. However, with new methods and technology, systematic diversity is now a reality. By leveraging Talent Science and its objective approach to evaluating the candidate pool, organizations can increase the odds for high performance, while increasing the opportunity for workplace diversity, so they can remain competitive in a global, interconnected economy and reflect the society they serve.

A data-based hiring solution like Talent Science adds objectivity to the hiring process. The assessment has been demonstrated to be free of cultural bias through the analysis of millions of candidate responses. Hiring models are specifically designed to be predictive and fair regardless of age, race, or gender.

In practice, Talent Science exposes decision makers to candidates' merits before biases based on superficial factors can take hold. This means candidates are more likely to be evaluated based on how well they align with the job, thereby increasing the likelihood that candidates that might otherwise be overlooked will be considered.

Talent Science recently completed a cross-industry, multi-year study of diversity in the workforce to determine its effect on the ethnic diversity of positions using the system. Analyses showed after deploying Talent Science there was an average increase of 26.61% in minorities hired, across all industries.

By leveraging expert consulting, bias-free tools, and progressive technologies to objectively evaluate candidates, organizations can improve the representativeness of their workforce while also impacting other critical outcomes.

## Future-proof your talent with behavioral science

Lasting changes to the economy and labor market requires organizations to treat their hourly workforce in a way that is more nimble and employee-focused than ever before. This means adopting talent management practices that are rooted in objective data and can easily scale to the demands of the business. By considering the behaviors tied to the outcomes of interest and leveraging Talent Science to align the workforce with these behaviors, companies can create real change.

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