



IBM's Acquisition of Kenexa: A Sign of the Times for 3 Trends in HR Technology



by **Dr. Charles Handler**

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By now we've all heard the news about IBM's acquisition of Kenexa and have likely read a few of the many opinions about the meaning and implications of this blockbuster deal. In some sense this deal represents a logical pinnacle of a trend that has been going on for the past five or so years. While some have referred to this trend as *the "death" of talent management*, I prefer to look at it as the birth of a new era for humans and the organizations they call home.

No matter how you feel about it, this deal is about data and the ability to apply it to HR and organizational performance. The combined IBM/Kenexa organization will blend IBM's capabilities with data with Kenexa's ability to harvest data across HR functions using a mature set of tools such as ATS, surveys, and assessments, while helping IBM gain additional competency in the measurement of human traits that are important for defining, evaluating, and managing performance within the workplace.

The ability to provide sound measurement of the human elements that are required for effective job and organizational performance is a critical supplement to the type of raw empirical data IBM is used to working with. As we move forward, the real value in HR systems will not be in simply ballistic (unguided) data crunching, but rather in blending it with rationally guided measurement captured and managed within HR software and systems.

It will likely take a few years before we the consumer see any direct impact of this deal. In the here and now, it has meaning because it shows that pre-employment assessment has finally hit the big time and is poised to become the visible face of three major trends that are shaping the future of how people relate to work and vice versa.

Assessment becoming a part of enterprise level solutions that leverage big data.

All of the major deals between enterprise and HR software companies that have occurred in the last couple of years are geared toward the creation of solutions that blend big data and software to help organizations optimize processes involving humans across the enterprise. Testing and assessment will be just one of the ingredients that are folded into these overall solutions.

Assessment plays an essential role because it provides a methodology that supplies sound measurement and understanding of human traits. This information provides a solid foundation for software-driven analytics and has no real equal when it comes to this role. I don't believe that big data and artificial intelligence will be able to replace sound psychologically based measurement methods anytime soon. However, blending this type of data with all the other streams of data available for capture (both within and outside of HR systems) will provide raw material for new levels of insight and analysis well beyond what either could provide on its own.

"Directing traffic." This is the term I use for a whole class of tools that are currently under development in secret skunkworks around the globe. In the next 12 to 24 months we can expect to see a bumper crop of new companies seeking to help organizations find and engage talent in the new ways. These tools will fulfill the core function of a job board, (i.e., helping people find jobs and vice versa), but will do so a whole new set

of intelligence that moves well past the keyword searching and crude parsing and matching that we seen up to this point.

These tools blend advanced matching technology and artificial intelligence with quality psychometric measurement to create systems that will work above the hiring funnel to help route people to jobs for which they are best suited. This intelligent matching process will help organizations fill their hiring funnels with individuals based on data that is not easily understood from just a resume or keyword. This adds both efficiency and effectiveness to what is currently a very broken part of the hiring process and one that is responsible for a good deal of the waste currently associated with it.

I've seen a wide variety of such tools that are currently in the works, and while there is a good deal of variety in how they go about executing the basic task of matching people with jobs, all of these systems use solid psychometric data as one part of their matching process. Beyond the quality of the data used to make matches, factors that will help define success in this space included the ability to collect post-hire data to help optimize decision making, and integration with social networks.

Gamification. Gamification is as an undeniable trend that is changing the way that people interact with technology across all walks of life. The user experience is beginning to drive consumer behavior and is pushing all industries to new frontiers. The next generation entering the workforce will begin to expect an easy-to-access, pleasant, and entertaining user experience in everything they do.

Jobs will be no exception. Gamification is penetrating the world of recruitment and hiring in the form of brand gaming and other interactive brand exercises. Games have not yet entered into the formalized world of pre-employment assessment or performance management (beyond their use in as training tools). I expect that within the next five years we will see an increasing gamification of assessments that goes beyond current simulation technologies. There are a variety of technical challenges that must be overcome here, and I expect the earliest examples to be simple. Each passing day moves us further away from the use of radio buttons found within a rigid process to collect user data from job seekers and employees.

Here are my thoughts about how these three trends will work together to create the future for how companies find, engage, hire, and develop their employees.

The rise of “embedded assessments”:

A common element of these three trends is that they embed measurement as one of many components that together create a whole that is bigger than just a data collection tool. The movement is toward the actual assessment process becoming seamlessly integrated into a bigger user experience that is more focused on the achievement of specific goals (i.e., finding a job, career networking). But don't expect the traditional funnel-bound testing paradigm to completely disappear; rather, expect the wrapper to begin to look different.

Complimentary components

What excites me most about these trends is that they are entirely complementary to one another. It begins with the way that companies identify and engage potential applicants, using engaging top of the funnel systems to remove a good bit of the noise from the sourcing process. Once applicants opt in, more traditional data can be collected within the formal hiring process proper using the basic substance of an employment test couched within a more appealing user experience. Once a person is hired, the data they have provided during the hiring process will become part of feedback loops that help determine the impact of decisions and allow companies to better manage individuals and the enterprise. Finally, data captured will be aggregated to provide benchmarks for external comparison and analysis.

Power to the people

The balance of power in the job search realm is starting to shift. Traditionally, finding a job is a thankless black hole of a process that leaves the individual job seeker feeling devalued and powerless. The larger trend of social connectivity and sharing of information has begun to create a force for change in this area. Many of the ideas in gestation at the current time seek to make job searching a consumer-driven activity in which firms that provide broken process and black holes are called out in a way that impacts their ability to engage talent. We will see an increase in the treatment of job seekers as consumers and this will be driven by pressure created by the collective mass of job seekers who have been empowered and engaged with new sets of tools.

Don't forget that the core of all of the complementary new directions I have discussed are a blend of solid psychological trait-based measurement with exciting new technologies. This is exactly the path being blazed by well-respected names such as IBM. IBM's throwing its hat in the ring lends credence to the importance of data-based, intelligent HR technology systems for transforming all organizational functions, especially talent acquisition.



About the author

[Dr. Charles Handler](#) is the president and founder of Rocket-Hire.com. Throughout his career he has specialized in developing effective, legally defensible employee selection systems. He has taken what he learned developing recruiting and selection solutions for a wide variety of organizations and combined it with his love of technology to help clients develop new models for employee selection. His philosophy focuses on combining sound science with innovation and practicality to create online hiring strategies that provide ROI and demonstrate the value of human capital. Charles has a Master's and Ph.D. in Industrial Psychology.
