

Introduction

This is the year of the pre-employment assessment *just be careful which one you choose*

When someone says the phrase “pre-employment assessments”, you’re likely to think of lengthy, irrelevant, and unbeneficial tests that some companies force candidates to take. Assessments have a pretty bad reputation.

for how you will perform in a future context. As the HR world has become infatuated with artificial intelligence technology, the assessment industry has been quietly disrupting the hiring process to make it more predictive, inclusive, and objective.

Although popular, MBTI and DISC have been widely recognized by organizational psychologists as lacking evidence for predictive validity

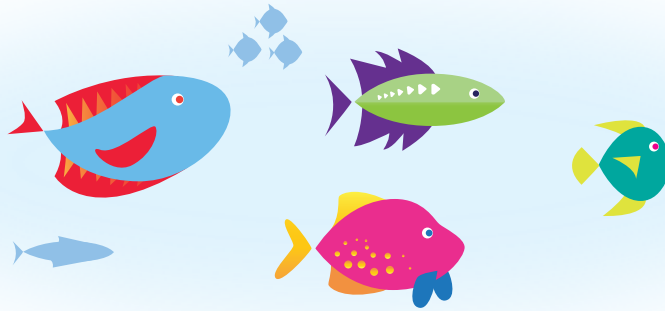
Yet, when it comes to talent acquisition, Talent Tech Labs says that this is the year of assessments. Effective psychometric assessments aren’t the same tests your high school guidance counselor gave you to find out your future career, or your typical Myers Briggs (MBTI) and DISC-type tests that are lengthy and fit you in a rigid group that has very little predictive value

Assessments that are valid and scientifically-backed, customizable, legal, designed for the top of the hiring funnel, and have an excellent user experience for both job seekers and hiring managers alike are invaluable to your talent acquisition process and the overall success of your company.

These are just a few reasons why you need to use assessments when hiring.

Part One

THE 5 REASONS YOU NEED TO USE PRE-EMPLOYMENT ASSESSMENTS WHEN HIRING



1. Build Diverse & Innovative Teams

Hiring for diversity isn't about meeting a quota or giving your company some reputational value by looking like a stock photo from a "diversity in the workplace" blog. Hiring for diversity is about building a strong company for the future.

tion. Within 0.2 seconds of picking up a resume, hiring managers make conclusions about the candidate based on their name. Within 10 seconds of dialogue with the job seeker, the employer decides the outcome of the interview.

ETHNICALLY DIVERSE COMPANIES ARE 35% MORE FINANCIALLY SUCCESSFUL

The Harvard Business Review found that diverse teams see higher levels of innovation, ability to tap into new markets, and increased data-driven decision making. A McKinsey study found that companies in the top quartile for gender diversity are 15% more likely to financially outperform companies in the bottom quartile, and companies in the top quartile for ethnic diversity are 35% more likely to financially outperform companies in the bottom quartile.

Diverse and inclusive companies perform better in the short, medium, and long-term, but typical hiring processes are full of conscious and unconscious biases that can limit diversity of thought in your organiza-

A lot of the time, these actions are unconscious and go unnoticed—but they are stopping you from finding the best talent. Stopping unconscious biases involves changing your hiring process to one that uses objective tools at the top of the funnel, which narrows candidates down before any resume- or interview-based biases can take place.

With an objective hiring tool at the top of the funnel, the hiring process can proceed with the certainty that you're seeing the candidates with the best fit and applicable skills, empowering your recruiters to focus on what they do best: hiring the right candidate for the role.



2. Hire Your Next Star Player

Did you know that, no matter what industry or job type, best performers are roughly 4X more productive than average performers?

**TOP PERFORMERS ARE
4X
MORE PRODUCTIVE**

Let's be honest--not every hire you make is going to be your next Tim from sales who spends his weekends golfing with prospects and his evenings whiteboarding innovative sales strategies. The thing is, despite a degree in computer science, Tim was a poor performer in his previous position as a software developer because of his lack of focus and attention to detail. Hiring the right fit isn't about finding someone who does everything, but whose cognitive and personality traits match the position. Even though "sales" isn't mentioned on Tim's resume, he excels because of his high social intelligence and deductive reasoning skills.

A resume isn't going to identify those soft skills that are so integral to predicting job performance. After all, **only 11% of failed hires are due to technical skills** gained from education and experience; the other **89% are due to lack of soft skills** in areas such as difficulty accepting feedback, inability to manage emotions, and lack of motivation. Popular assessments have been pretty bad at identifying these soft skills as well.

You are applying for your dream job, complete with benefits and an excellent starting salary. Which one do you choose?

You hand in work:

- Late, with mistakes
- Late, with no mistakes
- On time, with mistakes
- On time, with no mistakes

Many popular assessments have a “one-size-fits all” assessment that is specific to job titles, such as an assessment for sales, an assessment for software developers, etc. However, an assessment that accurately measures both position and culture fit specific to your organization is one that relies on these priorities being defined by hiring managers internally. Bias is muted through a “double blind” methodology,

when neither the employer nor the applicant know what the other is prioritizing.

This generates an authentic match between employer needs and applicant behaviors. The result? A score that accurately predicts the candidate’s suitability in the role before you even talk to them, allowing you to narrow down candidates based on what really matters.



3. Make Objective, Data-Driven Decisions

Even when recruiters prepare for interviews and are trained to spot their own biases, they can still creep into the process—and it’s hurting your company. Employers decide the outcome of an interview within 10 seconds of dialogue with the candidate, which is certainly not enough time to make an objective assessment of the job seeker’s fit. The hiring manager then spends the rest of the interview partaking in confirmation bias—selectively perceiving information that confirms these initial assumptions.

The solution is an assessment that uses objective methodologies to pair the employer’s specific needs with the right candidates for the role—which ensures that all applicants get the same treatment.

An effective assessment tool adopts the structured interview method and makes it a scalable, inclusive hiring solution. How? A scientifically valid assessment relies on

a “double blind” methodology. This means that neither the employer nor the candidate know how to “game” the system to select the answer the other is specifically looking for. The most valid scientific practice to achieve these double blind results is the employment of a “forced choice” methodology, in which the candidate must select their priorities in a list of equally weighted options. This method stops applicants from “beating” the test by selecting the “best” answer.

The most useful type of assessment in predicting employee success does not rely on a candidate’s learned or acquired knowledge, with questions based on math or advanced reading comprehension; rather, a valid assessment includes problem solving questions designed to measure applicants’ “fluid” abilities, such as pattern recognition and deductive reasoning.



4. Reduce Resume Fatigue

Traditionally, assessments have been used as a last step in the hiring process. After job seekers have been narrowed down from a wide pool of tens, hundreds, maybe even thousands of resumes and then lengthy interviews, the final pool of candidates are handed an assessment as the last stage before signing a contract.

before the resume is even scanned.

This provides your organization with the ability to process more candidates, and then narrow the pool based on a match between employer needs and job seeker behavior—a far more predictive qualifier than a 6 second scan of a resume. Additionally, for fast-growing organizations, a

EDUCATION AND EXPERIENCE ARE WEAK PREDICTORS OF PERFORMANCE

The new age of assessments turns this funnel on its head. Why? When it comes to correlation data, education and experience have very weak relationships with predicting job performance. In behavioral science, correlations are measured using coefficients (r). These coefficients range from -1.0 to $+1.0$, and anything above $r=0.40$ demonstrates a strong relationship between sets of data. If a scientifically valid assessment has a strong $r=0.41$ correlation with predicting job performance, and experience and education only offer an extremely weak correlation of $r=0.18$ and $r=0.10$ respectively, then assessments offer an effective method of narrowing down candidates

cloud-based software assessment tool offers a scalable solution that manages large influxes of incoming applications, providing a central database of applicants' data.

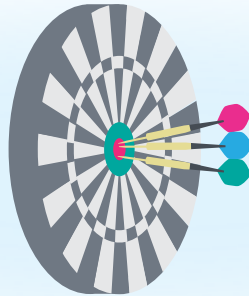
In turn, hiring managers can remove focus from the menial tasks of weeding through stacks of resumes and interviewing mediocre applicants, and instead prioritize opportunities to interact with the strongest candidates further down the hiring funnel.

A well-constructed assessment also improves the candidate experience. Many popular assessments are long, impersonal, generic, and provide nothing for the appli-

can't expect a landing page that says, "We'll be in touch." A Gallup poll found that, out of a sample of job seekers, more than 70% had experienced at least one frustrating aspect of the job application process.

What many organizations do not consider, however, is that many job seekers are also their customers, and a bad application

experience can quickly drive down brand loyalty. To improve candidate experience, in exchange for the time taken to complete the assessment, an effective assessment tool provides candidates with something along the lines of a personalized profile that outlines their talents and suggested questions to ask in an interview.



5. Be More Certain With Your Hires

Hiring is not a small investment. According to a study by the Society for Human Resource Management, a bad hire could cost an organization up to 5X their annual salary—and that's just the financial consequence. 39% of CFOs surveyed in one study claimed that bad hires had productivity costs, and 95% of financial executives said that a bad hire had affected the morale of the team.

Assessments that measure both cognitive and personality traits are 13% more predictive of job performance scores than the education or experience section on a resume. This is due to the fact that fluid intelligence traits like problem solving, deductive reasoning, and pattern recognition are more indicative of how an individual will behave and react in a new context and environment than past experience.

COGNITIVE ABILITY & PERSONALITY ARE 13% MORE PREDICTIVE OF JOB PERFORMANCE

The ability to predict an employee's success before onboarding and educational costs would be invaluable to any organization. Of course, there is no methodology that predicts a surefire perfect fit—but psychometric assessments are the closest solution to certainty in hiring.

Assessments also provide a more holistic picture of a person. This in-depth information can be used to make data-driven decisions about the hire, rather than depending on surface-level information like years in the industry or the prestigiousness of the school they attended.

Part Two

THE ESSENTIAL CHECKLIST WHEN CHOOSING A PRE-EMPLOYMENT ASSESSMENT

You understand that a pre-employment assessment would transform the hiring process at your company for the better, getting the best people in the door and keeping them there. So how do you choose the best assessment tool for your company? We've provided you an essential checklist with everything you need to know about choosing a valid and effective assessment tool, so that you can approach vendors with confidence and clarity.

Is the Assessment Valid?

Ultimately, this is the most important question to be asking when you're shopping for a pre-employment assessment. Validity measures how accurately an assessment can predict job performance. So if you are not adopting an assessment for its validity, you're just throwing a bunch of questions at your candidates with no promise of accurate results.

When you're shopping for a pre-employment assessment, you should ask the vendor these questions:

- Do you have scientific evidence to demonstrate that your assessment is related to performance on the job?**
- Has the validity of your assessment been demonstrated with multiple groups of people, across different types of jobs?**

When the assessment provider is answering your questions, keep this in mind: prediction of employee success is typically demonstrated by a positive correlation between scores on the assessment and a criterion such as job performance. When asking a vendor to provide evidence of the validity of their assessment, remember that a well-constructed pre-employment assessment typically has a correlation of 0.2 to 0.5 with job performance.

Does the Assessment Measure Both Cognitive and Personality Traits?

The goal of any pre-employment assessment should be to measure as many job-related characteristics as possible. Not only does an assessment with this objective give you a well-rounded picture of the

candidate before they enter the job, but it also leads to the highest possible relationship between assessment scores and job performance—and therefore, high predictive validity.

General mental ability, according to experts, is the trait that is most highly and consistently related to job performance. General mental ability is most commonly measured through a problem solving assessment. Problem solving assessments that do not rely on the applicant's past acquired knowledge, such as the Raven's Progressive Matrices, can accurately measure the candidate's ability to solve new and abstract problems. This type of assessment is also less likely to discriminate against the applicant based on their educational or experiential background compared to a test that relies on math or advanced reading questions.

In addition to general mental ability, **social intelligence** is a predictor of employee success. Social intelligence is particularly important in roles that require a lot of social interaction, such as customer-facing positions.

Including a personality test rounds out your insight on the candidate while bolstering the predictive validity of the assessment. The "Big 5" personality structure is a framework validated by countless research studies. Conscientiousness is one of the Big 5 personality traits in particular that has been found to be related to performance in a wide range of jobs. That said, other Big 5 traits such as openness to experience and extraversion are related to performance in some roles, depending on the job requirements.

In sum, assessing a combination of cognitive abilities and personality traits is a scalable way to assess characteristics that are highly predictive of job performance.

#1 predictor of job performance

GENERAL MENTAL ABILITY

A person's ability to understand complicated ideas, solve problems, and learn from experience.

Important for roles with a lot of social interaction

SOCIAL INTELLIGENCE

The ability to understand social cues, anticipate the effect of actions on others' thoughts and feelings, and behave effectively in social situations.

The most well-validated personality taxonomy for candidate selection

"BIG 5" PERSONALITY TRAITS

Comprised of OCEAN - openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism.

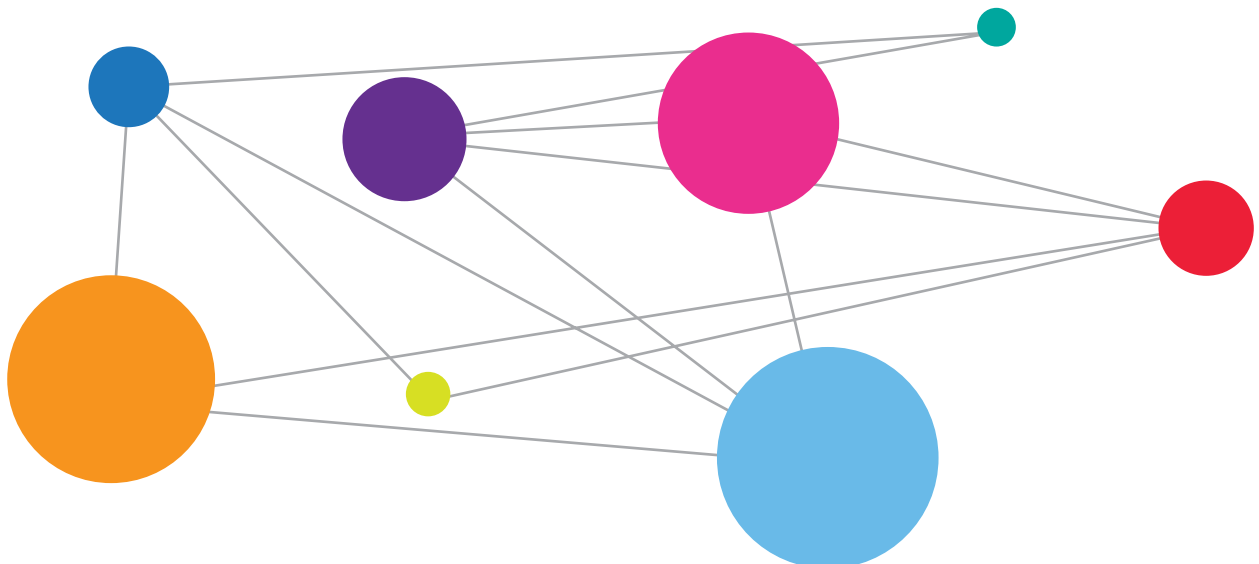
Does the Assessment Allow For Custom Evaluation Criteria?

The first step when using a pre-employment assessment is to take stock of what the job entails. This will give you a foundation for what you should be assessing, rather than assessing candidates in areas that seem job-related but are actually dispensable. The most rigorous way of doing this is to perform a job analysis. A job analysis uses judgments from job experts to define the characteristics of a person who will be successful in the role.

Think of the role of a software developer. A candidate who has high problem solving ability and attention to detail will likely excel in this role because they are critical requirements for the job. On top of that we can add in cultural considerations, as there may be some job-related criteria that are unique to your organization. A software developer who has low stress tolerance

may falter if your company is in a time of significant change and uncertainty, because that characteristic is important for surviving in a dynamic environment. Yet in a stable organization, stress tolerance would be less important for the role. A job analysis allows you to capture and eventually assess for the characteristics that you need for a specific role, in your organization.

In addition, there are often niche roles that require incumbents to have very specific attributes. Doing a job analysis is particularly important for these roles because of their specific requirements. This also allows you to ensure that the pre-employment assessment you're using captures all the unique requirements of that role from the beginning - ideally, at the screening stage, before you whittle your candidate pool down to a shortlist.



Is The Assessment Legal To Use?

In the United States, Canada, and European Union, it is against the law to discriminate against a job applicant based on their race, religion, sex, age, and ability.

Pre-employment assessments can assess candidates on characteristics that are unrelated to their race, religion, sex, etc. For example, a measurement of someone's personality is less likely to lead to adverse impact for that reason. There are also certain problem solving assessments, such as

Raven's Progressive Matrices, that have less adverse impact compared to cognitive ability tests that assess previously-acquired knowledge.

Even if a test does lead to adverse impact, it is still compliant with EEOC guidelines (in the United States) if you have demonstrated the "business necessity" and "job relatedness" of the test. "Business necessity" and "job relatedness" are demonstrated with the results of a properly conducted job analysis.

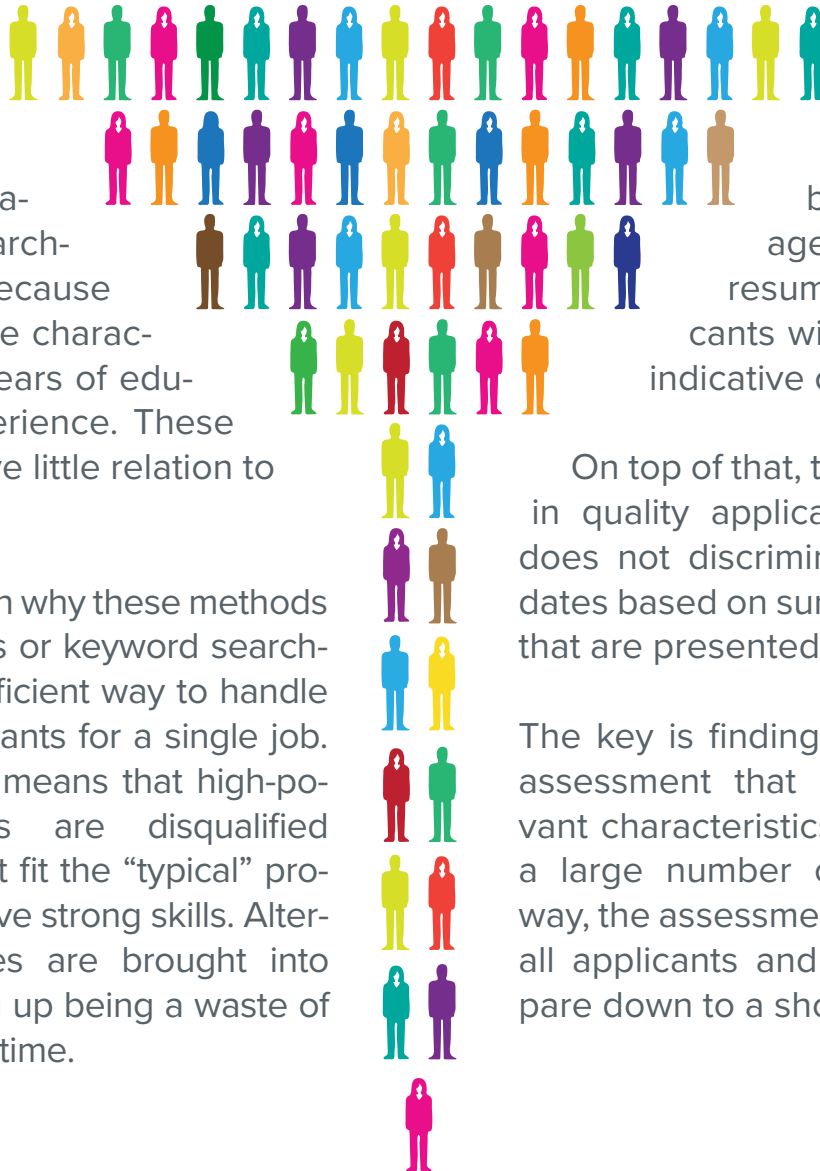


The U.S. EEOC (Equal Employment Opportunity Commission) is a federal agency that administers and enforces civil rights laws against workplace discrimination.

Is The Assessment Designed For Top-of-the-Funnel Use?

Methods that are typically used to screen candidates, such as resumes or application keyword searches, are flawed because they often measure characteristics such as years of education or job experience. These characteristics have little relation to job performance.

Yet there is a reason why these methods are used—resumes or keyword searches are the most efficient way to handle hundreds of applicants for a single job. Unfortunately, this means that high-potential candidates are disqualified because they don't fit the "typical" profile, even if they have strong skills. Alternatively, candidates are brought into interviews that end up being a waste of a hiring manager's time.



Using psychometric assessments at the top-of-funnel, before a hiring manager even looks at a resume, screens applicants with a method that is indicative of job performance.

On top of that, this method screens in quality applicants in a way that does not discriminate against candidates based on surface characteristics that are presented in a resume.

The key is finding a pre-employment assessment that measures job-relevant characteristics, yet is scalable to a large number of applicants. That way, the assessment can be applied to all applicants and use the results to pare down to a short list.

Does The Assessment Have A Great User Experience?

The user experience for the candidate, hiring manager, and talent leader is a final consideration when choosing an assessment.

Candidate Experience

Because of the increasing attention brought to the importance of a positive employer brand, applicant reactions to pre-employment assessments should be a concern to your company. After all, job seekers are customers, too. Researchers have found that applicants who had positive reactions to a pre-employment assessment were more likely to think highly of the organization, accept a job offer, and recommend the employer to others.

So how do you ensure a positive candidate experience when using pre-employment assessments? Candidates are more likely to feel positively about their experience if they believe what they were assessed for is job-relevant. This is why it is critical to use a pre-employment assessment that clearly measures job-relevant characteristics.

You can also improve the candidate experience by ensuring that the results of the assessment don't go into a "black box". By sharing at least part of the results of the assessment with the candidate, you make them feel like part of the process.

Hiring Manager Experience

Psychometric assessment tools have traditionally been very complicated, which is why many hiring managers tend to shy away from them. Hiring managers had often needed special training or a debrief with an HR professional or consultant to wade through the assessment results. This process takes a lot of time—time that is typically only spent for senior-level positions.

Many assessment tools have taken note of this problem and are adapting their model towards a better ease of use for the hiring manager. When deciding what pre-employment assessment to use, consider:

- Are the results self-explanatory?**
- Is the job analysis a complicated process, or an easy process?**
- Can results of the assessment be easily shared with others on the hiring committee?**

Talent, People, and Culture Leaders

Talent management leaders have large, audacious goals—grow a workforce capable of innovation, develop talented people who are capable of adapting to changes in the marketplace, ensure that people decisions align with a diversity and inclusion vision...the list goes on. Taking these goals down from the 3-thousand foot level to actionable steps can be challenging.

Psychometric assessments are a tangible method to reach these goals. Assessments can help select and identify individuals with the capability to innovate and be adaptive. The right assessments will also do so in a way that supports your diversity and inclusion strategy.

Conclusion

The roles of HR professionals and talent acquisition experts are changing. What used to be seen as an expensive but required department adjacent to a business has now become a strategic partner and subject matter expert in the field of people analytics. HR and talent professionals can be held accountable for financial performance indicators like any other department, and they are also the gatekeepers that get the right people in the door that will dictate the success of your company.

Assessments are no longer about fitting people into narrow categories based on invalid data, or turning away job seekers because of lengthy, irrelevant tests. Finding the right assessment partner equips talent acquisition professionals to be subject matter experts and industry leaders in candidate experience, diversity and inclusion, and matching hires to the right role with the help of detailed, objective data.

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