The Case for Using Pre-Hire Assessments

(and seven tips for maximizing your investment)

By Julie Chance

As many as 57% of companies use pre-hire assessments, according to research done by The Aberdeen Group. And that number continues to increase each year. Chances are, if you are not already using pre-hire assessments, you have at least contemplated doing so, and with good reason.

Best-in-Class Companies (defined by The Aberdeen Group as the top 20% of industry performers based on selected KPIs) **are 45% more likely than All Others (71% vs. 49%) to use pre-hire assessments.** Top performing companies who use assessments in any phase of the employee lifecycle were also:

- Two times more likely to have employees who exceed performance expectations (79% vs. 38%);
- 65% more likely to have a strong leadership bench (79% vs. 48%); and
- 35% more likely to have more engaged employees (85% vs. 63%).

It's not just enterprise organizations that are turning to pre-hire assessments to improve interviewing, selection, onboarding and ongoing talent development. The Aberdeen Group found that **small and medium sized businesses** (defined as those organizations with 1,000 or fewer employees) **were 43% more likely than enterprise organizations to utilize assessments more consistently throughout the talent lifecycle.**

Not only are assessments a valuable tool in the pre-hire process. The most successful organizations are also using assessments to identify and develop high-potential employees, make promotion decisions, and create coaching and development plans.

However, pre-hire assessments are not a silver bullet that will magically give human resource professionals or hiring managers the single right answer. And all assessments (even some of the most popular ones like DISC and Myers Briggs Type Indicator-MBTI®) are not appropriate for use in making selection decisions.

Whether you are currently using assessments as part of your pre-hire process or considering the use of such a tool, **here are seven tips for maximizing your investment.**

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Tip 1: Use an Assessment with research-based Validity and Reliability

There are legal considerations when using assessments in the hiring process. One requirement is that the assessments used be supported by research that confirms the instrument as both valid and reliable. Validity assesses the extent to which an assessment measures what it claims to measure. Reliability is a measure of how accurately the instrument will get the same or similar results when taken repeatedly.

If your bathroom scale shows you weigh 120 pounds which is the same weight that several other scales – including the well calibrated scale in your doctor's office – says you weigh when you stepped on them today, then your scale is considered to have high validity. If you step on your scale five times over a 10 minute period of time and it shows you weigh 120 pounds each time it is considered to have high reliability.

One of the biggest mistakes I see businesses make when using pre-hire assessments is to use a low cost or even free "assessment" they get online or from a book. Not only is it unlikely that these instruments meet the Equal Employment Opportunity Commission (EEOC) guidelines for validity and reliability, they are also not providing accurate information on which to make hiring decisions. The assessment could screen someone in who is not a good fit or screen someone out who is a good fit – just the opposite of what you are trying to accomplish.

Tip 2: Use an Assessment that is Relevant to Hiring

Even if an instrument is valid and reliable it must also be relevant. In other words, **it must measure those characteristics that are proven predictors of an individual's potential ability to perform in a given job.** Both Everything DiSC® and MBTI® are backed by extensive research supporting the assessments' reliability and validity. However, these instruments have not been shown, through rigorous research, to be correlated with the predictors of success in specific jobs or roles.

There is no research, for example, supporting that one DISC style makes the best leader, or accountant or sales person. There are successful individuals with each DISC styles in all of these roles. The same is true for Jungian Type Indicators such as MBTI. Using an instrument without research-based relevancy does not provide objective data for improved decision making.

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Tip 3: Avoid Relying Too Heavily on Assessment Results

Hiring mistakes are costly not just in terms of dollars but also in terms of staff morale. A poor hiring decision is a huge burden to the hiring manager. A poor hire generally takes a disproportionate amount of the manager's time and creates a significant amount of stress. In smaller businesses, a poor hire can be especially costly and disruptive. Compounding the issue is the fact that many hiring managers have little experience or training in effective interviewing and hiring practices.

All of this adds up to another one of the biggest misuses of pre-hire assessments that I see – relying too heavily on the results of the assessment. **According to EEOC guidelines, the assessment should account for only one-third of the hiring decision.**

Pre-hiring assessments should be viewed as a tool providing additional, more objective data to support the decision making process – not as providing *the* answer to which candidate to hire. The best pre-hire assessments provide human resource professionals and hiring managers with guides to use in the interviewing process. They identify areas that may need to be explored in more depth during face-to-face interviews and provide questions for exploring these topics.

Tip 4: Train Hiring Mangers in the Appropriate Use of Pre-Hire Assessments

As noted above, hiring managers often have little or no experience in interviewing and hiring practices. Therefore they may tend to rely too heavily on assessment results in making hiring decisions. **Hiring managers may also see the use of an assessment as taking away their control in making hiring decisions.** Neither perception will lead to optimal benefits of using pre-hire assessments.

It is critical that hiring managers be given training in how to fully use pre-hire assessments as a tool in making hiring decisions, as well as the legal considerations of using these tools.

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Tip 5: Match the Assessment Used with the Phase of the Recruitment Process

In the initial phases of the recruitment process the goal is to screen out candidates who do not meet basic skill or knowledge requirements for a specific job. Later in the process the goal is to select in those candidates from the initial pool who have the greatest potential to be successful. It is important to use an assessment that is matched to the goal you are trying to achieve. Cost may also be a factor in determining where in the process to utilize pre-hire assessments.

An important legal consideration to remember is that **if you use a pre-hire assessment with one candidate at a given level of the process you need to give it to all candidates at that level.** This means if you use an assessment as a screening tool between receipt of resume and initial interview you should use it with all candidates prior to the initial interview. On the other hand, you may decide to use an assessment after an initial round of interviews, having only those candidates selected to come back for a final round take it. That is acceptable as well, as long as the assessment is given to all final candidates.

Tip 6: Leverage the Investment in Pre-Hire Assessments

While the benefits of pre-hire assessments are extensive and well-documented, effectively using assessments in the hiring and selection process requires an investment. **The companies who get the most from the investment are those who leverage their investment to the onboarding, coaching and team development process.**

When researching pre-hire assessments ask what additional reports are available for ongoing use and at what cost. To get the most from your investment pick an assessment that includes coaching reports, as well as reports that help managers, employees and teams better understand each other and value the diverse strengths that each person brings to the team.

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Tip 7: Use Assessments as Part of the Promotion and Succession Planning Process

While many companies use assessments in the initial hiring and selection process, far fewer use assessments to identify high-potential candidates and make promotion decisions. Best-in-Class companies don't stop at the hiring process. Based on research done by the Aberdeen Group, **50% of Best-in-Class companies used assessments for succession planning compared to 23% of All Other companies.** In addition, 48% of Best-in-Class companies use assessments for making promotion decisions compared to 27% of All Other companies.

Considering a Pre-Hire Assessment for Your Organization?

When we were researching pre-hire assessment tools to add to our suite of assessment offerings we ultimately decided on **PXT Select™** because:

- **The PXT Select™** assessment's validity and reliability is supported by a wealth of reliable research. You can check out the PXT Select Research Report here.

- **PXT Select™** has a large library of performance models that have been shown to be correlated to success factors for dozens of jobs making it highly relevant to the hiring process. PXT Select also offers the ability to customize performance models based on the requirements of a specific job or to create new models from scratch based on an assessment of successful individuals currently in a role.

- **The PXT Select™** assessment generates a customized set of interview questions based on candidate responses which allows the interviewer to probe more deeply into key performance areas and assists hiring managers who may have limited experience with interviewing to ask more effective questions.

- **PXT Select™** includes nine reports all for the price of one assessment. In addition to comprehensive selection reports there are reports for use in onboarding, coaching, and team development.

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Explore What PXT Select™ has to offer

If you are open to exploring how PXT Select can support your organization in making smarter hiring decisions more easily, use the link below to schedule a time to talk.

http://action-strategies.com/BookJulie

Or simply give me a call at 972-701-9311 or shoot me an email at jchance@action-strategies.com.

Need More Information Before We Have a Conversation?

Visit our website at http://action-strategies.com/pxt-select-hiring

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