

How Best In Class Use Assessments in 2009 (Part 1 of 2 series)

Despite the current recession, rising unemployment and an expanded labour pool, Best in Class organizations are using more assessments for both pre-hire and post-hire activities.

A recent study published by Aberdeen Group found that Best in Class (“Best”) organizations are consistently use assessments for a wider range of HR functions than average or underperforming companies. In summary:

- 91% use pre-hire assessments for candidate screening
- 82% use assessments to determine job fit or competency gaps
- 76% use assessments to evaluate leadership potential
- 62% use assessments to build employee development plans.

The study was based on 400 organizations world-wide surveyed in the first quarter of 2009 and addresses a range of subjects relating to the use of assessments. Best organizations were distinguished from average or laggard organizations based on:

- actual employee performance
- measured workforce productivity; and
- measured quality of hire

Some of the key findings about the use of assessments by Best organizations will be of interest to all companies:

1. The principle reasons why Best organizations are relying more on the use of assessments for screening and selection in today’s labour market:
 - Although rising unemployment and uncertainty in the general labour force has expanded the labour pool, finding applicants with the right set of knowledge, skills, attributes and behaviours has actually become more difficult. The increasing number of applicants for available positions, coupled with reduced budgets for staffing, supports the use of assessments to identify and respond quickly and effectively to the best applicants.
 - The increasingly competitive business landscape is putting pressure on companies to seek candidates with development potential, particularly in an environment where companies are finding there is a limited availability of skills and talented people in the available labour pool.
2. While nine out of ten Best organizations use assessments to screen for fit at the pre-hire and pre-interview stages, these organizations are also becoming more aggressive in the use of assessments for post-hire talent management activities and in particular the following:

- Employee development using assessments to identify job fit gaps and creating specific development programs aimed at bridging that gap.
- Succession planning with the support of behavioural assessments to determine leadership potential and promotion readiness. Assessments help managers to insure that objective promotion decisions are made.
- Measuring engagement through surveys, gauging employee satisfaction and engagement. Ensuring employees are satisfied in their career programs is critical for retention.

“The message is clear: while assessments are central to filter through the increased flux of applicants to find the most qualified and or best candidates, they will also be critical to help organizations develop, retain and promote the talent they cannot afford to loose

3. Best organizations measure the effectiveness of their assessment initiatives. The top return on investment indicators used by Best organizations to determine the effectiveness of their assessment initiatives are:

- Employee performance
- Quality of hire
- Retention/Turnovers
- Employee productivity
- Recruiting costs /Cost per hire

And the top metrics used to quantify the quality of new hires based on satisfaction and productivity are:

- Hiring manager satisfaction
- Time to productivity
- Ratings on performance review
- Voluntary turnover
- Involuntary turnover

In today’s environment, quality is about maximizing the return on investment of time, effort and resources through smooth transition and results from newly hired or newly promoted individuals.

If you want to learn more about the “Best and Most Effective Practices in the use of Assessments”, contact your authorized Prevue Distributor. Your Prevue Distributor will help you to design and implement an assessment program that will make your company a “Best in Class organization” with a “Best in Class Assessment system”.

This is the first in a two part series of articles prompted by the publication of the Aberdeen Group study. A copy of the study can be obtained by email request to www.support@prevueassessments.com.

Written by Ken Danderfer, April 23, 2009

