



Assessing Assessments: Value and Impact

Research Summary



Brandon Hall Group Research Team
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Demographics - 2018 Assessment Practices Study

301 Total Responses

 **42** Countries

- **72%** US/Canada
- **20%** EMEA
- **7%** APAC
- **1%** Carribean/South America

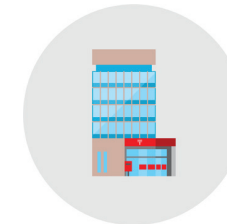
 **22** Industries

Top 5: Technology/Software,
Consulting/Business,
Healthcare, Education, Retail

Small, Mid-Size, and
Large Organizations



43%
Less than 500
employees



19%
500-4,999
employees



38%
5,000+
employees

Key Findings

Results

- Organizations using pre-hire assessments are more likely to see year-over-year improvement in quality of hire (44% vs. 32%) and employee retention (32% vs. 23%) than their cohorts.
- Organizations using post-hire assessments are more likely to see year-over-year improvement in employee engagement (50% vs. 40%), customer satisfaction (51% vs. 40%) and customer retention (45% vs. 35%) than their cohorts.



Overview

How organizations make talent decisions impacts organizational performance and culture. As a result, the majority of organizations use assessments to make those talent decisions. This research shows the impact of assessments on organizations' key performance indicators and provides benchmarks to guide decisions on the selection and administration of assessments.

Metrics

- The most-important metrics for pre-hire assessment users are: improved quality of hire (68%), improved new hire retention rate (48%), and improved time-to-proficiency (37%).
- The most-important metrics for post-hire assessment users are: Improved organizational performance (54%), increased employee engagement (52%), employee goal attainment (48%), and reduction in employee turnover (41%).



• Impact of Assessment

“The benefits of using pre-hire assessments are to make better hiring decisions, to inform the interview (knowing where to probe further), and to accelerate the new hire into the organization. Assessments help new hires integrate into the organization and deliver on results.”

- *Manager at Financial Services Company*

Why Assess?

- **Why do organizations use pre-hire assessments?**

To improve quality of hire, to identify skills and competencies, and to determine the fit for the organizational culture.

Current Usage of Assessments by Size of Organization*

- *Pre-Hire*

Overall



Mid-Size



Small



Enterprise



Source: Brandon Hall Group Assessment Practices Survey (n=283)

***Small:** 1 to 499 employees, **Mid-Size:** 500 to 4,999 employees, **Enterprise:** 5,000+ employees

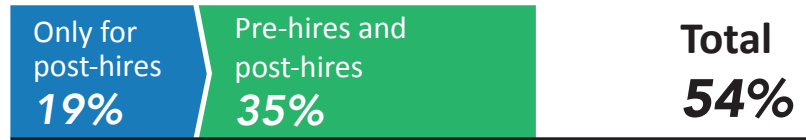
Why Assess? (cont.)

- **Why do organizations use post-hire assessments?**

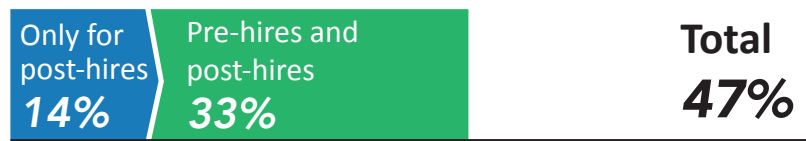
To prioritize learning and development; to improve employee engagement; to understand work style/personality; and to improve team performance.

- **Post-Hire**

Overall



Small



Mid-Size



Enterprise



“Corporate leadership needs to set the tone and expectation that the assessment process should be taken seriously by taking the time to get involved and follow-through with the right feedback discussions. Operational support is important for assessment implementation.”

- Lisa Meier, Director of Talent and OD, Pace Industries

- **Budgeting**

On average, organizations now allocate about 7.3% of their talent-management budget for assessments, with 26% of them expecting to increase their budgets. Most of the budget is allocated for pre-hire assessments (54%), with the rest (46%) for post-hire assessments.

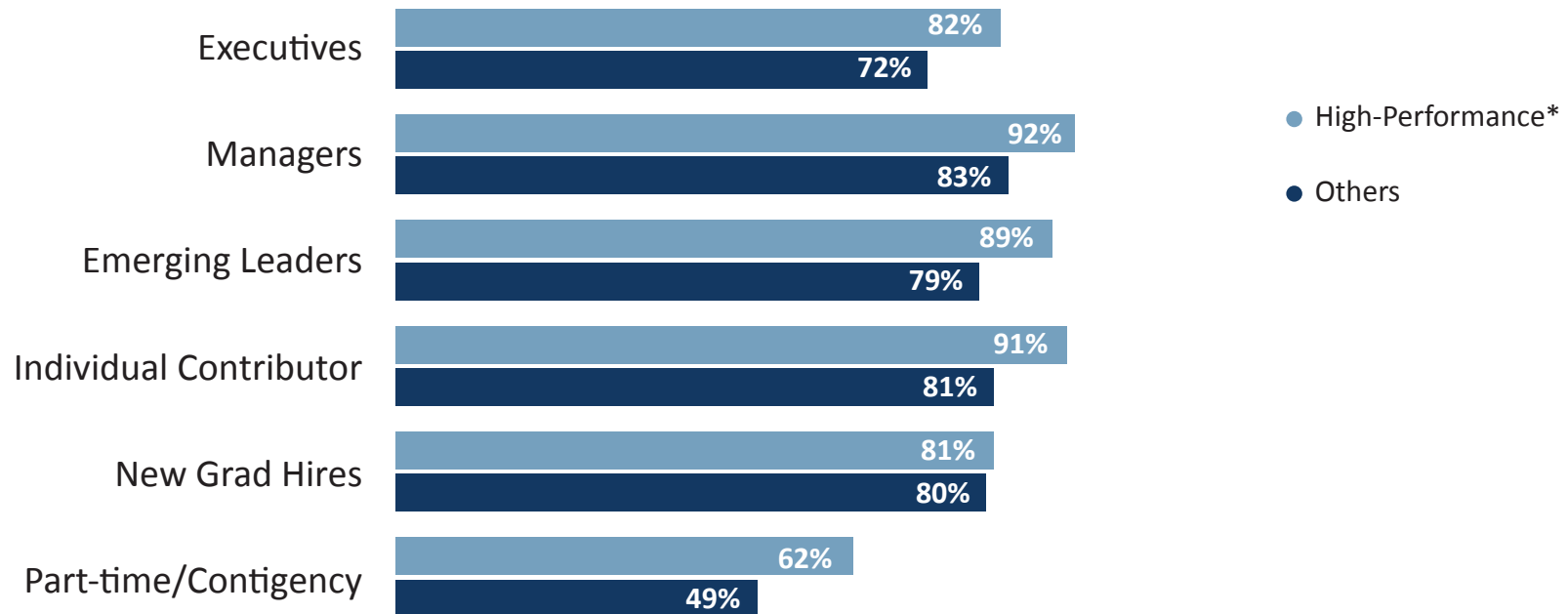
Source: Brandon Hall Group Assessment Practices Survey (n=283)

*Small: 1 to 499 employees, Mid-Size: 500 to 4,999 employees, Enterprise: 5,000+ employees

Who to Assess?

The majority of organizations, especially high-performance organizations, administer pre- and/or post-hire assessments at all employee levels except for part-time/contingency workers. While critical to administer assessments at the higher levels because of their influence on organizational performance and direct reports, it is also important to ensure part-time and contingency workers have the skills, judgment and personalities to perform their job and be aligned with organizational values and goals.

Administration of Assessments by Level Among Pre-Hire and Post-Hire Assessment Users



Source: Brandon Hall Group Assessment Practices Survey (n=High-Performance 66, Other 112)

*High-performance organizations are those that have seen improvement in most of their key performance indicators over the past 12 months.

What to Assess?

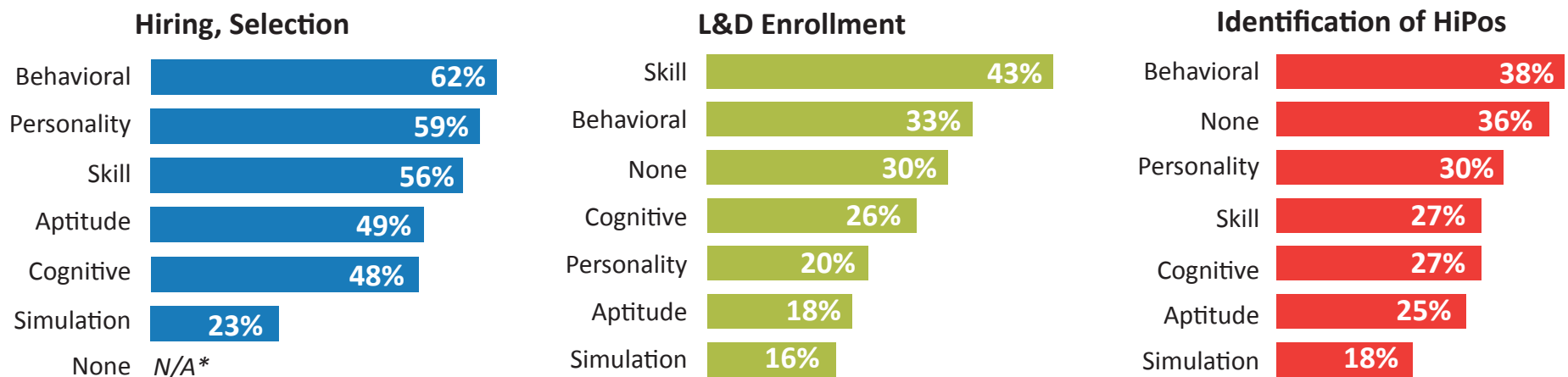
- Behavioral, Personality and Skill Assessments Predominate**

The most widely-used assessments are behavioral, personality, skill, aptitude and cognitive assessments. These are used mostly for hiring, L&D enrollment, identification of HiPos and evaluation of leadership candidates.

Brief definition of each type and what they assess:

- Behavioral:** Likelihood an individual's actions will align with job success.
- Personality:** Individuals' preferences and traits that influence how they interact.
- Skill:** Technical ability to perform needed job tasks.
- Aptitude:** Ability or suitability to learn job functions.
- Cognitive:** Thought processes related to job needs.
- Simulation:** Capabilities with an interactive, virtual job situation. The simulation may have physical aspects to it, such as using machinery, robotics etc.

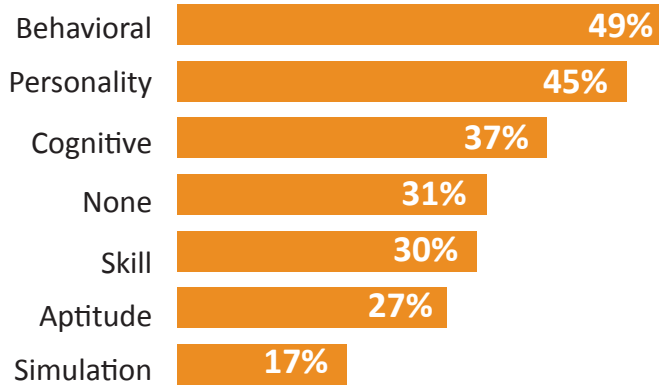
Types of Assessment Used by Talent Management Goal Among Current Users of Pre and/or Post Hire Assessments



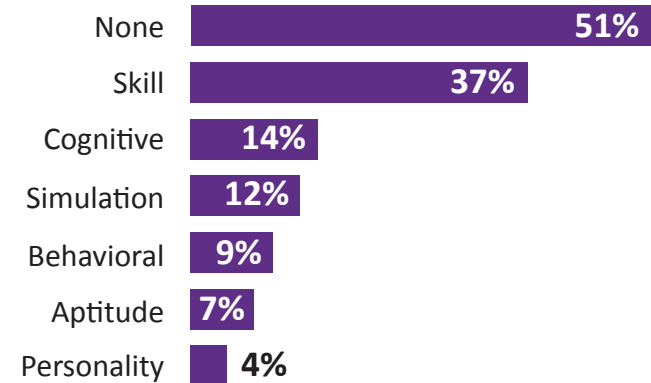
Source: Brandon Hall Group Assessment Practices Survey (n=134 to 159)

*Only among users of pre-hire assessments.

Evaluation of Leadership Candidates



Certification Test



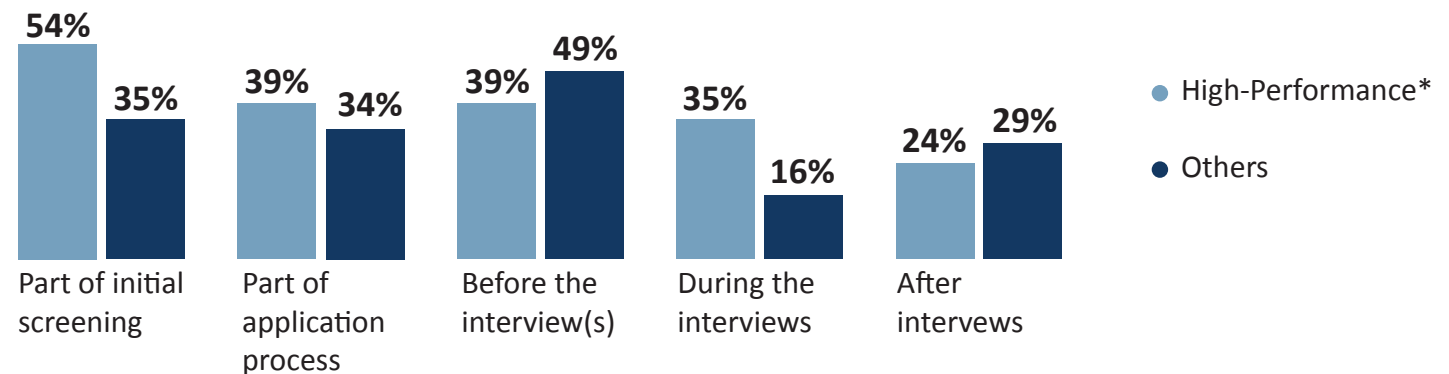
Source: Brandon Hall Group Assessment Practices Survey (n=134 to 159)

When to Assess?

- The Sooner the Better for Pre-Hire Assessments**

Especially for pre-hire assessments, the sooner a quality candidate can be identified, the less time will be spent interviewing candidates who do not fulfill job qualifications and organizational needs. High-performance organizations are much more likely to assess their candidates during the initial screening, rather than later in the hiring process.

When to Administer Pre-Hire Assessments (Among Respondents Administering Pre-Hire Assessments)



Source: Brandon Hall Group Assessment Practices Survey (n=HiPo 46; Other 79)

*High-performance organizations are those that have seen improvement in most of their key performance indicators over the past 12 months.

When to Assess? (cont.)

- During First Year of Employment is Critical for Post-Hire**

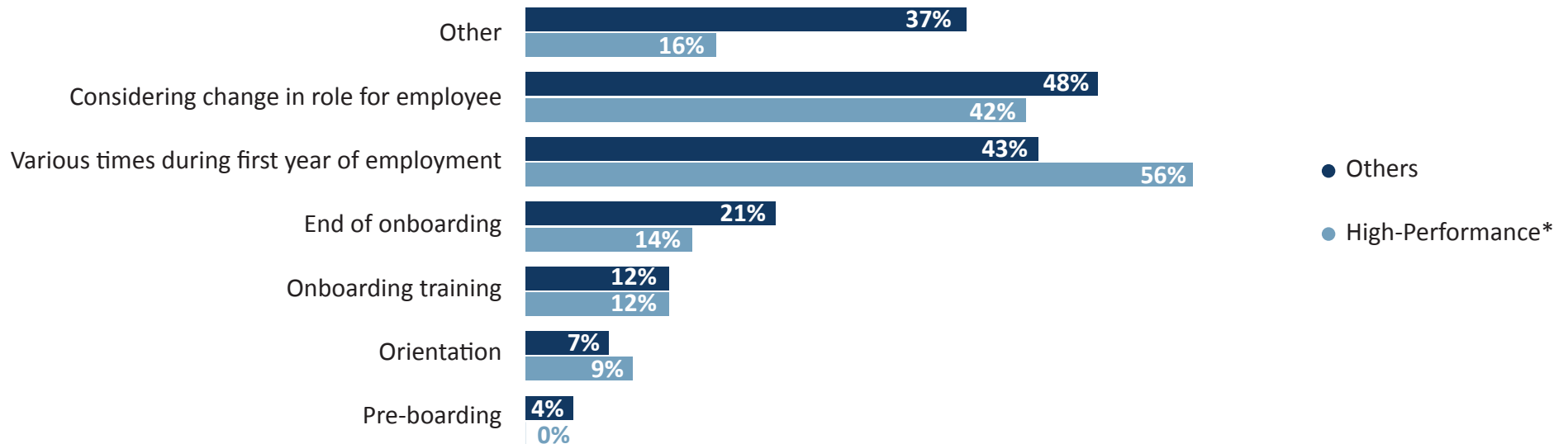
In terms of post-hire assessments, organizations primarily administer assessments at different times during the first year of employment and when they need to make talent decisions, such as a change in role for the employee. Examples of

other talent decisions regarding post-hire assessments include: enrolling the employee in an L&D program and providing a certification for a specific skill, role or other criteria.

In particular, the first year of employment is critical for new hires. According to the Brandon Hall Group 2017 Evolution of Onboarding Survey,

51 percent of employers experience most new hire attrition during the first six months of employment and the average voluntary new hire attrition rate is 10.2%. Assessments during onboarding are critical to assess skills, work style/personality and progress made during onboarding. It is no wonder organizations need to assess new hires at multiple points during the first year.

When to Administer Post-Hire Assessments (After Offer Letter Signed)
Among Organizations Administering Post-Hire Assessments

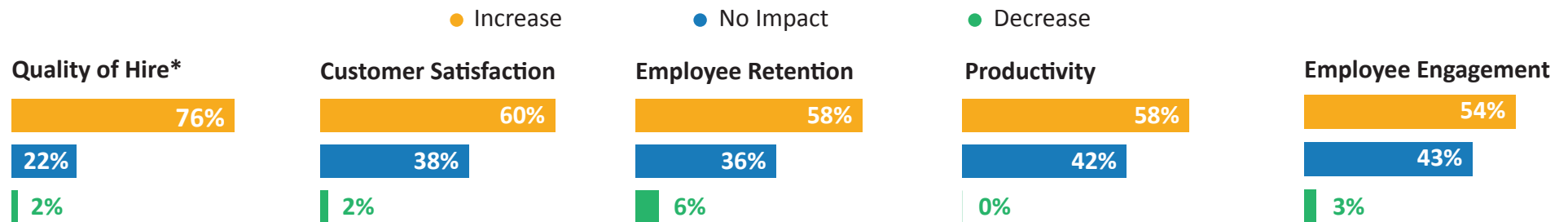


Source: Brandon Hall Group Assessment Practices Survey (n=HiPo 66; Other 112)

*High-performance organizations are those that have seen improvement in most of their key performance indicators over the past 12 months.

Assessment Technology Solutions

Impact of Assessment Technology on Business Metrics since Implementation Among Current Users of Pre-Hire, Post-Hire Assessment Technology



Source: Brandon Hall Group Assessment Practices Survey (n=96, 64 for only pre-hire assessment technology users)

*Only among pre-hire technology users

Nearly six in ten (59%) of the organizations using assessments currently use an assessment technology solution. The impact of using assessment technology is significant. Most users have seen an increase in their key performance metrics since technology implementation, especially for quality of hire (76%) and customer satisfaction (60%).

Most organizations want their assessment provider to be proficient in analytics/metrics (58%), predictive accuracy (49%), assessment customization (44%), competency models (41%) and pricing flexibility in (40%).

Most-desired technology features: analytic dashboards (60%), a good candidate/user experience (47%), access to competency models (44%), a wide range of assessments available (41%) and the time needed to take the assessments (39%).



Opportunity

- **Pre- and Post-Hire Assessments are Used to Measure Suitability for Current Role but Less So for Identifying Future Leaders**

The overwhelming majority of assessments — pre- and post-hire — are used to evaluate quality, skills, culture and other elements relating to organization suitability fit and job performance. It seems natural and plausible for organizations to assess candidates and employees based on those factors.

But there are missed opportunities indicated by the low percentages of respondents for assessing leadership potential (27%) in new hires and identifying high-potentials (34%), career pathing (33%), reducing turnover (26%), improving readiness for internal mobility (21%) and identifying successors (20%) in post-hire assessments. Given high turnover and the challenge of finding skilled managers and organizational leaders faced by many businesses, more emphasis should be given to these test points.

Main Drivers for Use of Pre-Hire Assessments

To improve quality of hire	79%
To identify skills, competencies of hires	62%
To determine fit for culture	50%
To understand work style/personality	42%
To predict job performance	42%
To guide interview process	39%
To accelerate hiring decisions	35%
To assess future leadership potential	27%
To assess performance using simulations	23%

“We do assessments because it makes sense and it delivers value. We know that assessments deliver on increased self-awareness and help with performance.”

- *Manager at Financial Services Company*

Source: Brandon Hall Group Assessment Practices Survey (n=173)
Among current and prospective users of pre-hire assessments.

Main Drivers for Use of Post-Hire Assessments

Skill and knowledge development	54%	To identify high-potentials	34%
To improve employee engagement	44%	Career pathing	33%
To prioritize learning and development	42%	To guide onboarding	28%
To understand work style/personality	40%	To reduce turnover	26%
To improve team performance	40%	Visibility into organizational skills and competencies	22%
Performance management	38%	To predict job performance	21%
To identify critical skills	37%	To improve readiness for internal mobility	21%
To enhance culture	35%	Identify successors	20%

Source: Brandon Hall Group Assessment Practices Survey (n=156)
Among current and prospective users of pre-hire assessments.

Key Takeaways



- Regardless of organizational size, use of pre- and post-hire assessments ensure quality and fit of hire and sound, evidence-based talent-management decisions.
- Carefully consider how assessments are chosen and administered. The choice plays a significant role in the effectiveness of the decision-making.
- When selecting an assessment technology solution, consider the breadth of assessments available, user (employee, candidate) experience, analytics, predictive accuracy, competency models, customization and more.
- Consider the use of assessments to identify future leaders and managers.



“Make sure assessments are linked to corporate goals. Make sure competencies are aligned to the organization’s strategies and culture.”

-Lisa Meier, Director of Talent and OD, Pace Industries

Brandon Hall Group Research Methodology



About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and almost 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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- Program Design & Deployment
- Technology Selection, Management & Integration
- Organizational Structure
- Measurement & Analytics
- Change Management
- Budgeting & Forecasting

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