



HIRING ASSESSMENTS: THE WHAT, WHY, AND WHEN

This eBook is designed to educate you on all aspects of hiring assessments – what they are, when to use them, how they are developed, and common objections we hear from HR leaders.



corvitus™



WHAT'S COVERED?

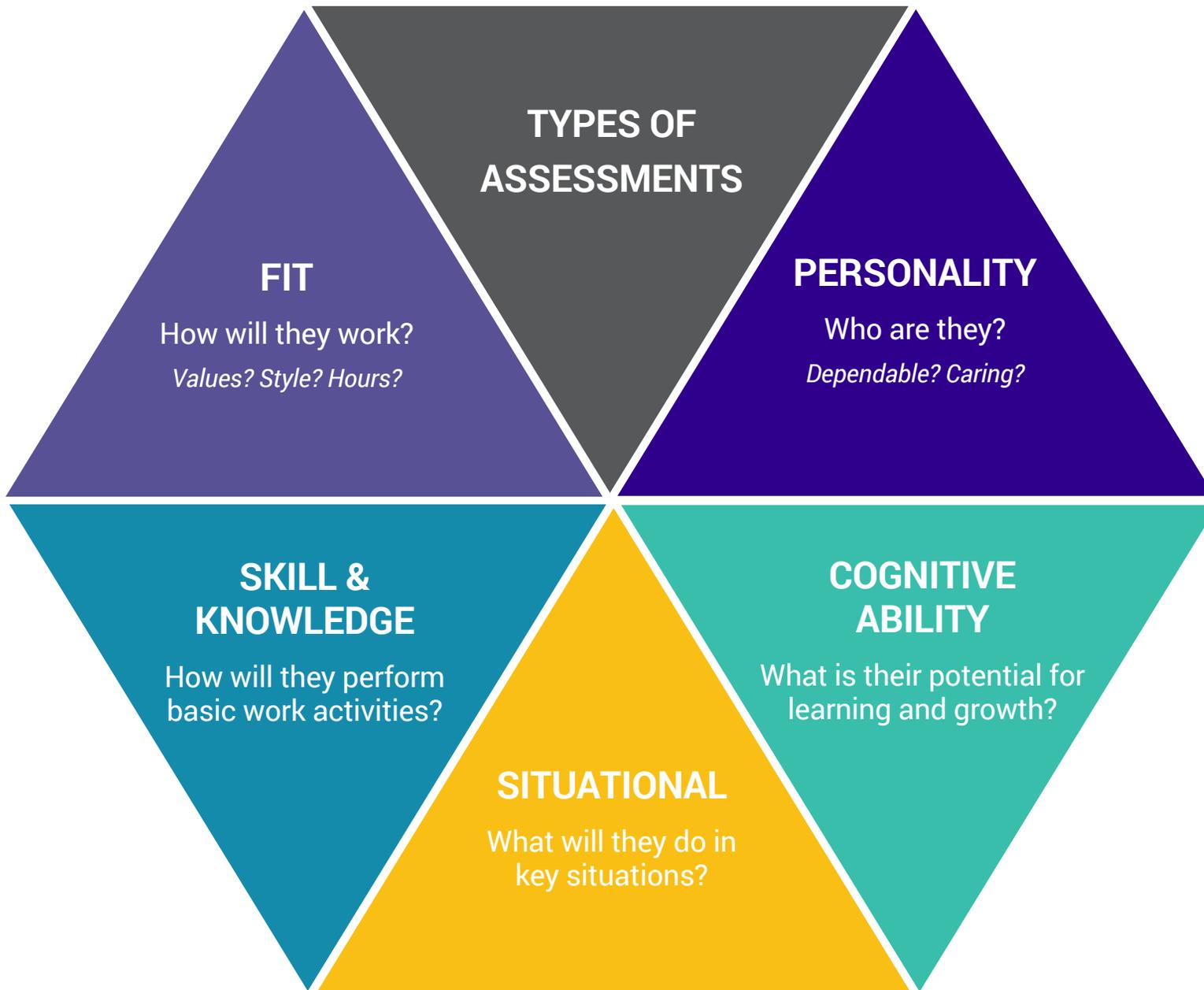
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WHAT ARE HIRING ASSESSMENTS

Hiring assessments measure applicant capabilities and screen for qualities and traits that are linked to greater job performance. Assessments can be made up of several different tests that measure unique qualities such as intelligence, work styles, values, abilities, and personality traits. In this way, assessments can be customized to measure any job's requirements. For assessments to select people who will be successful, they must be validated, or based on data and evidence showing the relationship between the assessment, job performance, and business outcomes such as increased revenue and reduced turnover.

By using a combination of different types of assessments, you can gain a more complete picture of the applicant and more precisely measure the qualities needed for job performance, fit with your culture, and retention.





PERSONALITY ASSESSMENTS

The unique differences in how we think, feel, and behave are driven by our personality. Analytics linking these patterns to key performance indicators within and across industries give us a deep understanding of how personality drives performance. Hiring assessments often measure the Big Five personality traits (Conscientiousness, Extraversion, Agreeableness, Openness, and Emotional Stability) because they account for much of the difference between success and failure on the job. Importantly, how these traits are measured will depend on the type of job and your organization's needs. Each of the Big 5 traits is described on the next page.

BIG 5 PERSONALITY TRAITS

Big 5 Trait	Behavior and Performance	Job-Specific Findings
<p>Conscientiousness</p> <p><i>Drive for quality and results.</i></p>	<ul style="list-style-type: none"> • Strong self-control • Actively plan, organize, and carefully carry out tasks • More likely to be dependable and have a longer tenure 	<ul style="list-style-type: none"> • All positions • Strongest predictor of performance of all personality traits
<p>Extraversion</p> <p><i>Tendency to seek the company of others.</i></p>	<ul style="list-style-type: none"> • Greater energy • Prefers work that involves social interaction 	<ul style="list-style-type: none"> • Service and sales roles • May be less important for positions that primarily involve “knowledge work” or completing tasks independently for most of the time
<p>Agreeableness</p> <p><i>Eagerness to be caring and cooperative.</i></p>	<ul style="list-style-type: none"> • More likely to help others • Ease in building relationships • Optimism 	<ul style="list-style-type: none"> • Leadership • Management • Customer Service / Customer-Facing Positions
<p>Openness</p> <p><i>Enjoys creativity and new experiences.</i></p>	<ul style="list-style-type: none"> • More willing to consider new ideas and ways of doing things • Innovation and creativity • Serving customers and stakeholders 	<ul style="list-style-type: none"> • Jobs involving creating and innovating • Jobs requiring a willingness to listen to others and diverse perspectives
<p>Emotional Stability</p> <p><i>Tendency to remain calm and in control of one's emotions, even in challenging situations.</i></p>	<ul style="list-style-type: none"> • Greater adherence to safety procedures • Higher impulse control • More likely to remain calm in challenging situations 	<ul style="list-style-type: none"> • Critical for jobs where poor performance or loss of impulse control could harm others • Important for leadership to provide greater stability



BUT WAIT — THERE'S MORE!

Personality does not end with the Big 5. Our understanding of what drives human behavior and performance is constantly evolving and there are unique traits outside of the Big 5 that can increase your ability to quickly and accurately assess an applicant's likelihood of success. Positive Mindset and Sense of Purpose are just a few of these unique traits and are described on the next page.

MORE PERSONALITY TRAITS

Positive Mindset. Optimism, or a confidence that success can be achieved through effort and initiative, is linked to business outcomes like sales and retention. Ultimately, people are less likely to put forth effort if they believe a successful outcome is not possible. Having a positive mindset is especially predictive in situations with uncertain outcomes – like healthcare or sales.

Sense of Purpose and Desire for Achievement. We know people differ in the rewards and outcomes they desire from work. Some people are focused mostly on the pay and benefits derived from employment. Our research has shown, however, that a desire to make a meaningful difference predicts performance across industries. Sense of Purpose and Desire for Achievement particularly influences performance for jobs that require significant sacrifice and investment by employees early in their tenure. In the service sector this could include flight attendants, cruise line crew members, or servers in restaurant concepts with complex menus and steps of service. These jobs require significant training and investment by new employees with little financial benefit early on. These traits also predict performance for management and professional and corporate positions. A few sample assessment items are shown below.

010	I view problems I encounter at work as “personal challenges” I can overcome.					
	Strongly Disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly Agree
011	I view my job as primarily a stepping stone to other jobs.					
	Strongly Disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly Agree



In sum, an assessment provider should be able to provide assessments to test for core personality traits like the Big 5, but also important factors related to key performance outcomes in your business and industry. Your unique goals, organizational culture, and the demands of each job and position will determine which traits to assess and how to best measure them.

FIT ASSESSMENTS

Your applicant's values, work styles, and preferences influence their behavior. Understanding what's important to an applicant, and how this aligns with your culture and expectations, enables you to only spend time with applicants who will likely be excited and engaged by your organization and what you have to offer. Fit assessments can measure values and beliefs as well as preferences for schedule, dress while at work, and leadership styles. Below is an item for an assessment that measures an applicant's unique emotional profile – and can help you determine if there is alignment with your culture and demands of the job.

In the example below, each item consists of two words that describe emotions and feelings (e.g., Alert, Enthusiastic). The applicant is asked to compare two different emotions and indicate which they have felt more during the last month.

001	Cheerful					Strong	
		Significantly more	Moderately more	Somewhat more	Somewhat more	Moderately more	Significantly more
002	Delighted					Inspired	
		Significantly more	Moderately more	Somewhat more	Somewhat more	Moderately more	Significantly more



COGNITIVE ABILITY ASSESSMENTS

Cognitive ability is a person's mental horsepower, or ability to process and retain information quickly, and directly relates to learning and handling challenges on the job faster and with greater ease. Across all positions, jobs, and industries, cognitive ability is the strongest and most accurate predictor of performance.

Although cognitive ability is a great predictor of performance on the job, it also has historically drawn particular attention due to the nature of the type of assessment. These challenges include: higher applicant abandonment rates, risk of discrimination against protected classes like gender and race, and reduced applicant engagement with your organization because of an overly difficult or unpleasant assessment. Traditional cognitive ability assessments have suffered from this, "great predictor, poor assessment experience" situation for years.

COGNITIVE ABILITY ASSESSMENTS

We have found, however, that it is still possible to measure cognitive ability that mitigates these historical concerns, by ultimately creating an engaging assessment that feels relevant to the job, thereby eliminating any increase in applicant abandonment or negative reactions to the content. One key way in which we have done this is by using a format that feels less like an SAT/ACT type of test and more like real-world games or situations you are likely to come across. We also don't use time-limits, as they can be very stressful and ultimately introduce additional problems like avoiding issues with ADA accommodations in testing.

As an example, for entry-level positions we offer simpler measures of cognitive ability that can gauge an applicant's ability to follow directions, and make basic inferences and calculations.

007 You're making cookies for a party. 1 of every 20 cookies falls apart. If you make 40 cookies how many will fall apart?

5
1
3
2

COGNITIVE ABILITY ASSESSMENTS

For managerial, professional, or corporate positions, below is an example of our unique question format for cognitive ability measurement. Applicants read a work-related memo and are later asked to respond to questions and indicate how they might respond.

EXERCISE FIVE

You have received an important email. Please read carefully and answer the questions that follow.

TO: All Employees

FROM: Elaine Lahiri, CEO

SUBJECT: Market research analysis and next steps

Greetings!

Market research and analysis clearly shows the need to drastically reprioritize and update our advertising agenda. Eighteen to 35 year olds are a pivotal share of our market. Our advertising efforts need to align with the preferences and trends of this critical demographic. Specifically, we need to target online media and social networks to achieve dominance in our industry.

Eighty percent of this target market uses the internet for six or more hours per week. By shifting funds from other media sources, such as radio and print advertisements, to online advertising on sites and platforms with targeted advertising possibilities, we can achieve prolific sales growth.

I am commissioning a cross-functional committee led by our VP of Marketing to develop a strategic action plan to further our advertising efforts with online media.

Best Regards,

Elaine Lahiri, CEO

SKILL & KNOWLEDGE ASSESSMENTS

Skill and knowledge assessments gauge an applicant's potential to complete the tasks and activities required for job performance. While skills and knowledge can be taught and developed over time, assessments will identify candidates with greater skill proficiency who can meet performance expectations sooner. This can reduce training costs and turnover as these applicants are a better match for the demands of the job. There are an almost infinite number of skills to assess across jobs. Common examples include assessing Microsoft Office skills for administrative positions, medical knowledge and charting skills for nursing, and food preparation skills and knowledge for culinary positions.

Taking culinary and back-of-house positions as an example, below are sample test items for a kitchen skills and knowledge test. In the sample, applicants answer questions about the three thermometers to understand their knowledge of food preparation.

A.



B.



C.



SITUATIONAL ASSESSMENTS

Situational assessments can allow us to measure personality, fit, and ability by presenting applicants with situations commonly encountered on the job and asking how they would handle them. These assessments have high face validity (i.e., they overtly appear to measure traits that are important to the job), gauge patterns in behaviors, and measure strategies an applicant might use to manage job demands.

Situation 1

You have a long line of customers that need attention. It's essential you satisfy the customers' needs as quickly as possible while doing your job well. One customer is angry about a delay in service. She has made negative statements about your company and is almost shouting. You should show understanding, concern and friendliness.

How likely is it you would use each of the actions below to address the situation?

001

I would think about a time I was in a similar situation to help me effectively express concern and friendliness.

Very Unlikely

Unlikely

Somewhat
Unlikely

Somewhat Likely

Likely

Very Likely

002

I would "put on a mask" to cover my true emotions and "act" concerned and friendly.

Very Unlikely

Unlikely

Somewhat
Unlikely

Somewhat Likely

Likely

Very Likely



WHY USE HIRING ASSESSMENTS?

In general, the benefits of adding hiring assessments to your selection process are similar across tools. However, the specific performance outcomes and business results will vary based on the assessment provider's actual assessments. Let's first review the general benefits.

- **Save Time** - Assessments can identify applicants with the potential to perform; screening out applicants who are unlikely to be successful which allows your hiring managers to focus on higher qualified applicants.
- **Reduce Turnover** - Not only do new hires possess the qualities linked to performance, but their values and personality fit your culture. By hiring people who are likely to be motivated and thrive, you can reduce turnover and improve stability in your teams.
- **Ensure Consistency** - Hiring responsibilities are most often distributed across numerous people, and multiple locations or units. Hiring assessments ensure standards are maintained throughout your operations.
- **Improve Efficiency** - When assessments are administered through an online Applicant Tracking System or Talent Management System, it streamlines your hiring process and leverages the power of technology to automatically identify applicants with a high potential for success. Your team can quickly communicate with a large number of applicants with ease while also tracking the effectiveness of your recruitment efforts.
- **Increase Hiring Managers' Confidence** - Assessments provide you with a rich source of information to use in conjunction with information from interviews and resume reviews. By using multiple sources and methods of evaluating an applicant, managers can more confidently make hiring decisions – from determining who to interview, to making the final hiring decision.



WHAT ARE THE PERFORMANCE OUTCOMES AND BUSINESS RESULTS ASSOCIATED WITH ASSESSMENTS?

Managers/Leaders who pass Corvitus assessments are higher performers

- **13X** better at motivating and inspiring others
- **12X** greater leadership ability
- **11X** more likely to consistently get results
- **10X** greater skill at building and using teams
- Achieve **20%** greater sales growth
- Earn **11%** greater customer ratings

Individual Contributors/Hourly Employees who pass Corvitus Assessments are higher performers

- **12X** more likely to be a team player
- **12X** greater positive mindset
- **11X** greater professionalism
- **10X** greater attention to detail and accuracy
- **7X** more likely to be resilient in difficult times



WHEN TO ADMINISTER ASSESSMENTS

While assessments can be given to applicants anytime during the hiring process, they can have the biggest impact on the accuracy of your hiring decisions and the efficiency of your hiring process when given earlier in the hiring process (we frequently recommend directly after the application).

Comparing information across several sources allows you to more accurately understand how an applicant will perform on the job. Assessment results provide an early screen to highlight applicants with a higher probability of success on the job, and flag those where their personality and abilities may not present a good fit for the job.

The next page discusses the pros and cons of administering assessments at different stages of your hiring process.

WHEN TO ADMINISTER ASSESSMENTS

Hiring Process Step	Pros	Cons
Automatically after the employment application	<ul style="list-style-type: none"> • Saves time by screening out candidates who are unlikely to be successful, leaving your hiring managers with higher quality candidates to interview • Improves efficiency because hiring managers do not have to manually invite candidates to the assessment • Ensures consistency and that you are treating all candidates the same - evaluating them on the same information • Demonstrates candidate engagement and investment in your brand 	<ul style="list-style-type: none"> • May cause some candidates to abandon the hiring process if they do not have the time to commit to the process, although a save and return option is available • Some candidates prefer to meet with a member of your company before completing an assessment
After a phone screen or in-person interview	<ul style="list-style-type: none"> • Allows you to have a personal touch with each candidate • Candidates are more likely to complete the assessment after meeting someone from your organization • Assessment results can be compared to performance during the phone screen 	<ul style="list-style-type: none"> • Increases resource requirements as resume reviews and phone screens require significant time from hiring managers • Decreases accuracy and increases risk – without careful training, initial screening techniques are more susceptible to bias and legal risk
Last step - required before extending a job offer	<ul style="list-style-type: none"> • Depending on your assessment cost structure, this approach could save money, as you are only testing a select few candidates • Candidates are more likely to complete the assessment because they are so far into the hiring process 	<ul style="list-style-type: none"> • Important information about a candidate's personality and abilities are not uncovered until the final steps of the hiring process • Poor candidate reactions – candidates may believe rejection by an assessment late in the hiring process is unfair • Decreases accuracy and increases risk – without careful training, initial screening techniques are more susceptible to bias and legal risk • Hiring Managers are less likely to appropriately weigh the assessment results after investing so much time with a candidate



WHAT ARE SOME OF THE COMMON APPROACHES TO DEVELOPING ASSESSMENTS – AND WHICH IS BEST?

Every company faces the same challenge: How to find and hire employees who perform well, fit the company's values and culture, and stay. We call them "quality hires." Other than guess work, the two most popular ways of identifying a quality hire are profile and performance-based selection. Let's review the process for each and the pros and cons.

Profile-Based Assessment Development

Performance-Based Assessment Development

Profile-based selection, often referred to as a hiring or employment profile, describes what a composite of current high performing employees “looks like” in terms of knowledge, experience, or other personal characteristics. The details of a hiring profile are in terms of specific type(s) of work history, educational experience(s), knowledge, overt skills and characteristics, as well as other work-related factors common to current high performing employees. In addition, hiring profiles often incorporate one or more personality, cognitive ability, or other “flavor of the month” tests. This profile is then used as a benchmark for comparing the profile of a job applicant to the profile of the composite high performing employee. If the applicant matches the profile, he or she is eligible for hire.

PROS

- Crayon-simple
- Economical
- Faster to complete than the performance-based approach
- Makes sense to most managers and employees

CONS

- High performers must be designated prior to the development of a profile. This places considerable weight on manager ability to accurately identify and assess performance. In fact, we consistently find managers are not able to accurately identify performers beyond the five to ten percent of employees at either extreme.
- Can be counter-productive to a company that is trying to increase employee diversity or move to an even higher level of performance.
- Employees chosen as “high performers” may in fact be just average or poor performers due to the restricted make-up of a company’s workforce.
- A company will, at best, hire employees like it already has – as profiles are not suited for inclusion of future-oriented performance requirements.
- May exclude applicants who would actually be successful if hired, but do not conform to the current profile.

Performance-based selection is often referred to as criterion-based selection or performance-based testing. It is similar to profiling in that the aim is to identify the characteristics of successful employees that can then be applied to job applicants, but is different in one major respect: While profile-based selection focuses on the characteristics of the job incumbent, performance based selection focuses on actual job behaviors and success (e.g., how effective performance, fit, and retention are defined) without regard to the personal characteristics of current job incumbents.

PROS

- The process starts with the identification of what a quality hire does, rather than what he or she looks like. At this step, job incumbents are not included in the process. Rather, groups of job experts, results from job analysis, and the needs of the company are mined for the actual definition of performance, fit and retention.
- The process uses a performance-based selection test (a research-based tool) to identify the knowledge, skills, abilities and other characteristics (KSAOs) that are important for success in a particular job.
- Only performance predictors that are representative of real, important, and measurable criteria of job success are identified.
- The measures of performance are created independent of job incumbents, so they can include aspects of performance that are currently important as well as aspects that will be important to the company in the future.

CONS

- More complex and time consuming than profile-based selection
- Requires more explanation to gain buy-in from managers



RELIABILITY AND VALIDITY

For your assessment to identify the best people for your organization, the results must be both reliable and valid.

RELIABILITY

Reliability is how consistently a test measures a characteristic. Since assessments are designed to measure relatively stable traits such as intelligence, ability to problem solve, and enthusiasm for helping others, if applicants were to take a test repeatedly (which we don't recommend!) they should receive similar scores. Applicants should also respond similarly across items on the test that are designed to measure the same traits. For example, when measuring Sense of Purpose, applicants respond similarly to the items, "I find my work rewarding," and "I enjoy talking to others about my work." This is called internal consistency.



VALIDITY

Once we determine a specific test or assessment's results are reliable, we can then examine its validity. Validity is the degree to which the results of an assessment predict actual performance on the job.

The results of a test are valid if:

1. They accurately predict expected performance and business outcomes.

Example: An assessment of teamwork is related to a supervisor's ratings of team performance

2. The test comprehensively measures the intended trait, and does not measure other traits it was not intended to measure.

Example: If a test that measures teamwork only measures a willingness to help others, it is missing other key areas related to teamwork – such as accountability and influence.

3. The test is related to other traits, measured by established assessments, as expected.

Example: Applicants who score high on the teamwork assessment also score higher on the agreeableness and conscientiousness assessments – two traits we know are related to being a team player .



VALIDITY — WHO'S RESPONSIBLE?

Legally, according to the Uniform Guidelines on Employee Selection Procedures (binding employment regulations put forth by the U.S. Department of Labor), it is the responsibility of the employer to ensure that all hiring tools are valid. That is, the employer must be ready to show any selection measure, such as an interview or hiring assessment, is related to job performance. This means that ultimately the employer is responsible for establishing that the test is valid.

There is, however, an ethical side to this question. At Corvitus, we feel an ethical obligation to our Customers to ensure that the hiring tools provided are valid according to legal and professional guidelines. Our position is not based upon the letter of the law or even business practicality. We believe that protecting our Customers is the right thing to do.

What does this mean?

Hiring assessments are sometimes advertised as covering a wide range of job positions. Often times, generalized validity results are presented as evidence for the effectiveness of such hiring instruments. This means the evidence supporting your use of a hiring assessment could include a variety of job groups, occupations, companies, and positions. It may not reflect the unique demands of your job, the specific competencies required, or how your culture impacts job performance.

Off-the-shelf assessments (which we call ready-to-implement) may provide less legal protection when challenged if there is not specific validity evidence linking the results to performance. When using an off-the-shelf assessment, carefully evaluate evidence of validity and reliability. Is there research to support using the assessment for your positions and job demands?



Both **reliability** and **validity** are essential for accurate hiring assessments. To help understand how the two are different, think about a measuring tape. You can use this tool to measure a person's height. This is a reliable measure for height: if used correctly the results will be nearly the same across measurements. However, if you were to (and yes, it's silly) use a tape measure to assess intelligence, it would still be a reliable measure – but not a valid one. Unfortunately, assessments that are useful for one set of jobs or contexts are applied to different positions and organizations when the qualities that are needed for success in that context are different.



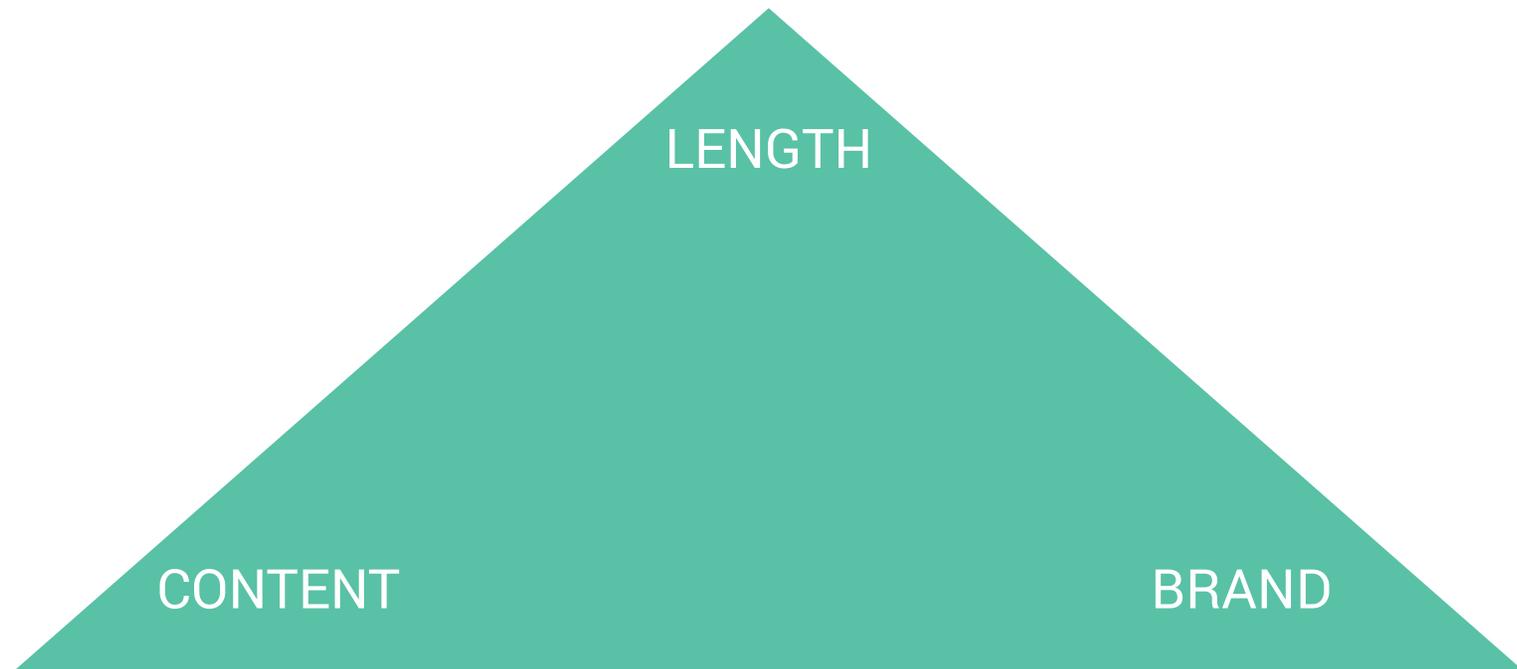
ASSESSMENTS AND THE APPLICANT EXPERIENCE

Are hiring assessments in the best interest of job seekers? How important is the “applicant experience” we keep hearing about? Everyone from the Wall Street Journal, to talent management publications, to Forbes has an opinion on what you should be doing with your hiring process. Time magazine, one of the most significant print news publications in history, recently featured a cover story on hiring assessments. The authors suggested they are frequently vague, frustrating, and require too much time of applicants desperately in need of jobs - and we agree that there are many assessments that fit that description.

As the economy improves and the job market tightens, the applicant experience is an increasingly important part of the hiring process. For one thing, your hiring process is your future team members’ first exposure to your brand. Just as applicants try to impress you during an interview, your employment application and hiring assessments should impress applicants.

Assessment length, content, and how the assessment aligns with your consumer and employee brands are three cornerstones that influence applicant attraction and new hire attitudes and expectations.

THREE CORNERSTONES FOR A
POSITIVE
APPLICANT EXPERIENCE





THREE CORNERSTONES FOR A POSITIVE APPLICANT EXPERIENCE

#1 - ASSESSMENT LENGTH

The general acceptable range for an assessment is 15 to 45 minutes. The data shows that positions with higher levels of responsibility, experience, and education requirements can run closer to 45 minutes without frustrating applicants. By using assessments focused on performance factors that exclude irrelevant information, you can have a shorter assessment that engages applicants without compromising important information. It is also possible to split a larger assessment into two assessments to minimize time to complete.

While it's easy to fall into the shorter is better mindset for assessments, it's possible for a hiring assessment to be too short. Imagine you've found a job opening you love, but when you get to the assessment there are only six questions and it takes less than five minutes to complete. In this situation, the data shows that applicants feel frustrated that they didn't have the opportunity to fully show their strengths. Not to mention, it is highly unlikely you would be able to gather in-depth information about an applicant with such a short assessment.

THREE CORNERSTONES FOR A POSITIVE APPLICANT EXPERIENCE

#2 - ENGAGING CONTENT

When people think about hiring assessments they often remember general first person statements they were asked to endorse on a “Strongly Agree” to “Strongly Disagree” scale. These items could include, “I enjoy being around others,” or “I use a schedule to plan my day.” While these types of items are important to include, you should select assessments with a variety of response formats that measure performance drivers in different ways. For example, Corvitus offers several situational assessments that engage applicants in customer service, conflict, or management scenarios. We also have assessments that ask applicants to select from a list of tasks they are most likely to complete, or least likely to complete, in a day. Incorporating several methods of assessing behavior gives the applicant variety and strengthens their belief that the assessment is related to job performance.

#3 - EMPLOYMENT BRAND

Job applicants must manage a lot of uncertainty. Even with all the media channels and information about employers online, it’s impossible to fully understand what the job will be like. In the absence of a complete picture, applicants develop beliefs about your employment brand (e.g., you are professional, selective), or what you are like as a place to work, based on the assessment experience. By using assessments that clearly convey what you expect from new hires, you can build a stronger employment brand. We encourage our Customers to include a realistic job preview (RJP) to give applicants the opportunity to directly compare their preferences and personality to the demands of the job.

Building a hiring process that attracts applicants who will perform, fit, and stay for the right amount of time is challenging. You need a hiring process that gets you the information you need to make the right decisions, while also engaging applicants. Hiring assessments can enhance the applicant experience by providing job-relevant scenarios and content. By considering the three cornerstones of length, content, and brand, you can engineer a system that drives performance.

11 OBJECTIONS TO USING HIRING ASSESSMENTS

At Corvitus, we work closely with Customers to educate them on the tremendous advantages of using assessments to drive performance, fit, and retention. As a result, our Customers reap the benefits of an increase to their bottom line and potential for growth. Let's review some of the common objections - and our responses - we hear from business and HR leaders for why they don't use assessments.

1. It's an unneeded expense.
2. My company is too small - there is no need for them.
3. Candidates can fake the assessment.
4. I am a better judge than an assessment.
5. We open ourselves to legal risk.
6. Assessments allow companies to discriminate based on age, race, and other protected classes.
7. They don't work.
8. It takes too much time.
9. I need to hire for experience and skills, not personality.
10. References are better.
11. I've had many candidates that pass with flying colors, but fail at the job.

On the following pages, we will address these objections in detail.



#1 - It's an unneeded expense.

A lot of arguments are made that you shouldn't think of assessments as an expense – it's an investment. While this is certainly true, we also understand that assessments are in fact an expense on a P&L statement, just as employee compensation is, and therefore you need to be able to justify that expense. When you utilize hiring assessments you can see increases in revenue (sales and productivity) and decreases in expenses (e.g., comps, turnover, and recruiting costs). And don't forget about the cost of a bad hire – lost sales, decreased productivity and employee morale, and the negative impact on your brand and culture. In a recent CareerBuilder survey 42% of companies reported that a bad hire cost them at least \$25,000 in the past year, and 25% reported a loss of at least \$50,000. When you really take a look at the tangible and intangible costs of a bad hire, using assessments is not an expense – it's an investment.

#2 - My company is too small - there is no need for them.

You could argue that small companies need assessments more than large ones because they typically don't have the resources or time to truly vet applicants or extra financial resources to cushion the blow of bad hires and turnover (not to mention the effects of those on the customer and employee experience, decreased sales, and customer satisfaction). Small companies must heavily rely on having quality products and exceptional service, because customers may be harder to get and retain, versus a larger company. If you are a small company trying to grow, your employees are your reputation. The quality of the employees you hire directly impacts the quality of your customer experience. You need every hire to count and to be the best for the position and your company. Using a hiring assessment will help you do that.

#3 - Applicants can fake the assessment.

We hear this one a lot and our first response is always: “If everyone could fake the right answers then you would never have anyone discontinue (fail) the assessment” – but we typically see a discontinue rate of 20 – 30%. The bottom line is that people vary quite a bit in how they perceive and react to the world and if they lack or are poor with a particular characteristic, it also makes them bad at faking it. They simply lack the ability to read the situation correctly.

Our second argument is a little more technical, but ultimately we are looking for patterns of responses. Multiple responses to different types of questions lets us hone in on how individuals are likely to think and behave on the job. Completely gaming the assessment is very difficult, especially when the candidate doesn't know what we care about measuring. Some companies put a priority on being fun, others on being a servant leader, while others might emphasize innovation or creativity. We not only disguise the questions to hide what we are measuring, the candidate also doesn't know what type of characteristics we actually want them to have. One way of doing this is to present applicants with a list of activities they are most likely to complete. All the choices may be attractive – but we are looking for the characteristics that best describe them or what they are most likely to do – in that situation, there is no way to know which response is “right.”

#4 - I am a better judge than an assessment.

How many times have you interviewed “the perfect applicant,” hired him or her, and then realized they were a completely different person? We hear this a lot: “The person I interviewed was not the person I hired.” Why is this? Relying on an interview, particularly an unstructured interview (where there are no standardized set of questions or method for rating), is most often no more effective at predicting performance than flipping a coin. Assessments can improve efficiency and effectiveness by allowing you to confidently eliminate applicants before the interview. While there will always be some degree of judgment and gut feel, make sure you are being objective after you have all of the data.

#5 - We open ourselves to legal risk.

Using an assessment can actually help you avoid legal risk because it discourages managers from using their personal biases to make a hiring decision. It also provides documentation to prove you have a structured, consistent hiring process. When you are not using a tool to hire, you cannot ensure your managers are being consistent.

#6 - Assessments allow companies to discriminate based on age, race, and other protected classes.

To the contrary. One of the reasons for using hiring assessment is to avoid discrimination based on protected classes, or any characteristic that isn't related to performing the job. In fact, the Equal Employment Opportunity Commission (EEOC) requires that assessment developers evaluate and monitor assessments to ensure that they do not select a disproportionate number of any one type of group (whether it be age, race, or any other protected class). If the assessment discriminates based on those characteristics, it is illegal to use it.

Hiring assessment actually reduce the chance for illegal discrimination by focusing only on those characteristics which are related to successful job performance. Unlike people, they don't suffer from biases or prejudice. The assessment doesn't know or care what age or race you are when calculating the results, and it doesn't provide the hiring manager with any information about those characteristics either. It serves as an unbiased source of information about the applicant's fit for the job that further informs the hiring manager's overall decision.

#7 - They don't work.

We will answer this one with two questions: “Why do you think it doesn't work?” and “Do you have evidence that it doesn't work?” Assessments are one piece of the puzzle – they provide more in-depth information than you'd have access to otherwise and should be used in conjunction with other information including structured interviews, applications, and reference checks. To ensure the assessments work, meaning they predict and measure what they should, make sure you are using validated assessments. This means the test has a proven relationship with job performance. This is often done by administering the assessment to current employees and collecting performance metrics. They can either be validated in the industry or a validation study can be conducted with your company to ensure the assessments are aligned with your culture and measure the competencies that are necessary to success in each particular role.

#8 - It takes too much time.

The short answer to this is “It doesn't have to.” Lately, there has been a lot of focus on hourly workers, specifically Millennials. The research shows that this group, in general, doesn't want to spend a lot of time applying for jobs. They expect that they can complete the process on their phone and that it will take less than 15 minutes. Although this is especially true of this generation, it doesn't stop there. More and more applicants, of all ages and position levels, are expecting the process to be easier and shorter. There are a few things we recommend to address this: 1) Shorten the employment application. Only ask what you need to up front. You will be able to collect more information further on in the process. 2) Utilize an assessment that is shorter to complete and taps into the most important job performance drivers, yet doesn't compromise the quality of information being gathered about the applicant, which is especially important for attracting and retaining Millennials and Generation Z that are just beginning to enter the workforce.

#9 - I need to hire for experience and skills, not personality.

It is often said that you hire for experience and skills, but fire for personality. If you neglect to take into consideration an applicant's culture-fit or core personality traits as they relate to the job, then you will likely experience performance issues. Unfortunately, it's difficult to know what work experience will yield success on the job, or find enough applicants with experience that closely matches your unique standards for performance. Further, with entry level jobs, or high potential applicants switching to a new career, experience may not be available. Without that information, it makes it even more difficult to understand if someone is likely to be a strong performer. Hiring assessments are especially useful in this context because they provide insight into whether the person can do the job, even though they have never done it before.

Even when work experience is available, assessments can provide powerful information. It is entirely possible for a person with experience elsewhere to fail miserably at the same job when presented with your organization's culture or standards. Hiring assessments can be designed to fit your culture and standards, and don't assume performance elsewhere is the same as at your organization.

Interestingly, the "fit" part of the above statement is what pre-employment testing is primarily about. While they can inform the "what" of the job (how well a person can do the activities expected for the job), they are especially good at tapping into the "how" of the job (the way a person goes about doing the activity). For example, a tax preparer can do all the tasks required to process a customer (the "what"), but the person that has the right personality for it (the "how"), will do it with enthusiasm and care, and ultimately, will do it in a way that leaves the customer not just with an accurately completed tax return, but with a positive feeling about the experience.

#10 - References are better.

Of the hundreds of different hiring managers we have met over the years, only a minute amount would agree with this statement. In fact, we most often hear that references aren't useful or have very limited use. There are multiple reasons for this, but here are the top four:

1. Most organizations will only provide dates of employment, position held, and pay upon separation. When providing references, legal liability/risk falls on the organization providing the information, so many organizations only provide objective information that is required to verify employment. As a result, references don't usually provide much information.

2. It is difficult to trust the information. In the instances that a reference is willing to provide detail about an individual's employment, they rarely will provide negative information to avoid burning bridges or hurting someone that they used to know and is out of work. It is also frequently possible for poor performers to find someone they worked with previously that is willing to give a good review. Rarely will someone fail to be able to come up with at least one fairly good reference.

3. They are very time intensive. Calling references simply takes a lot of time. It means finding time during normal office hours to have the call, it typically means dealing with extended sessions of phone tag and scheduling, and the conversation itself takes more time than many other screening methods. This means it is highly unusual for an organization to use it as a sole screening device – they just don't have the resources to make the calls and even if they did, it is a waste of time/money to do them when cheaper and easier methods are available. Most organizations treat references as a final "check," rather than a way to screen, necessitating tools like hiring assessments to cull the list of applicants.

4. Not everyone has work experience: If an applicant doesn't have work experience, a reference isn't possible. As a result, any entry level position cannot heavily or solely rely on references to make hiring decisions, it just isn't practical.

As a result, hiring assessments can be very useful because they do not suffer from any of these negative attributes. They can be administered quickly, are very reliable, don't require work experience, and offer great insight into how well a person is likely to fit with the organization and position.

#11 - I've had many applicants that pass with flying colors, but fail at the job.

How many times have you interviewed an applicant, without the use of an assessment, who has not succeeded on the job? Or hired an applicant based on their experience on the resume, but then they demonstrate less than stellar performance at work? How many times did you want to completely throw out interviewing or resume reviews based on those “mistakes?” However, when an assessment is used and an applicant fails at the job, it's a quick and easy thing to blame something tangible (the test) rather than spend some time slowing down and analyzing your hiring and onboarding process. If you find yourself hiring people who are rock stars on the assessments, but fail to meet expectations on the job, you may want to ask yourself the following questions:

Am I measuring the things that are the most needed for success and the things I value?

Make sure the assessment measures the things that are most critical to and needed for success – not just the technical skills, but the right attitudes and work behaviors as well.

Do I fully understand what the assessment information is telling me, and what it's not?

Not understanding what an assessment is and how it works leads to skepticism that the results are not accurate and effective. Take time to understand the powerful information it can give you. Also, if a new hire fails because of lack of motivation, for example, don't blame a test that is measuring dependability.

Is this new hire getting the tools and support needed for success?

Bringing on a new hire and not setting them up for success by providing them with the formal or informal training, support, and feedback will ensure you are making it as easy as possible for them to fail.

Did I select for appropriate fit into the culture and work environment?

It's unrealistic to think that just because you give applicants an assessment it will make up for bringing them into an environment where they do not fit. They are almost guaranteed to fail.



FINAL THOUGHTS

As you can see, there is a lot to learn about hiring assessments – what they are, when to use them, and why you should include them in your hiring process. Whether you are currently using assessments, considering adding them to your selection process, or simply doing research, we hope this eBook provided you the information you need. Still have questions? [Contact us](#) - we'd love to chat!

ABOUT CORVIRTUS

Corvitus is a premier talent management company and a leading provider of hiring assessments, performance development tools, and engagement surveys designed for industries where the customer experience is critical for success. Corvitus has developed proven assessments to identify the right talent to achieve greater brand loyalty, revenue, and growth. To learn more, visit www.corvitus.com.