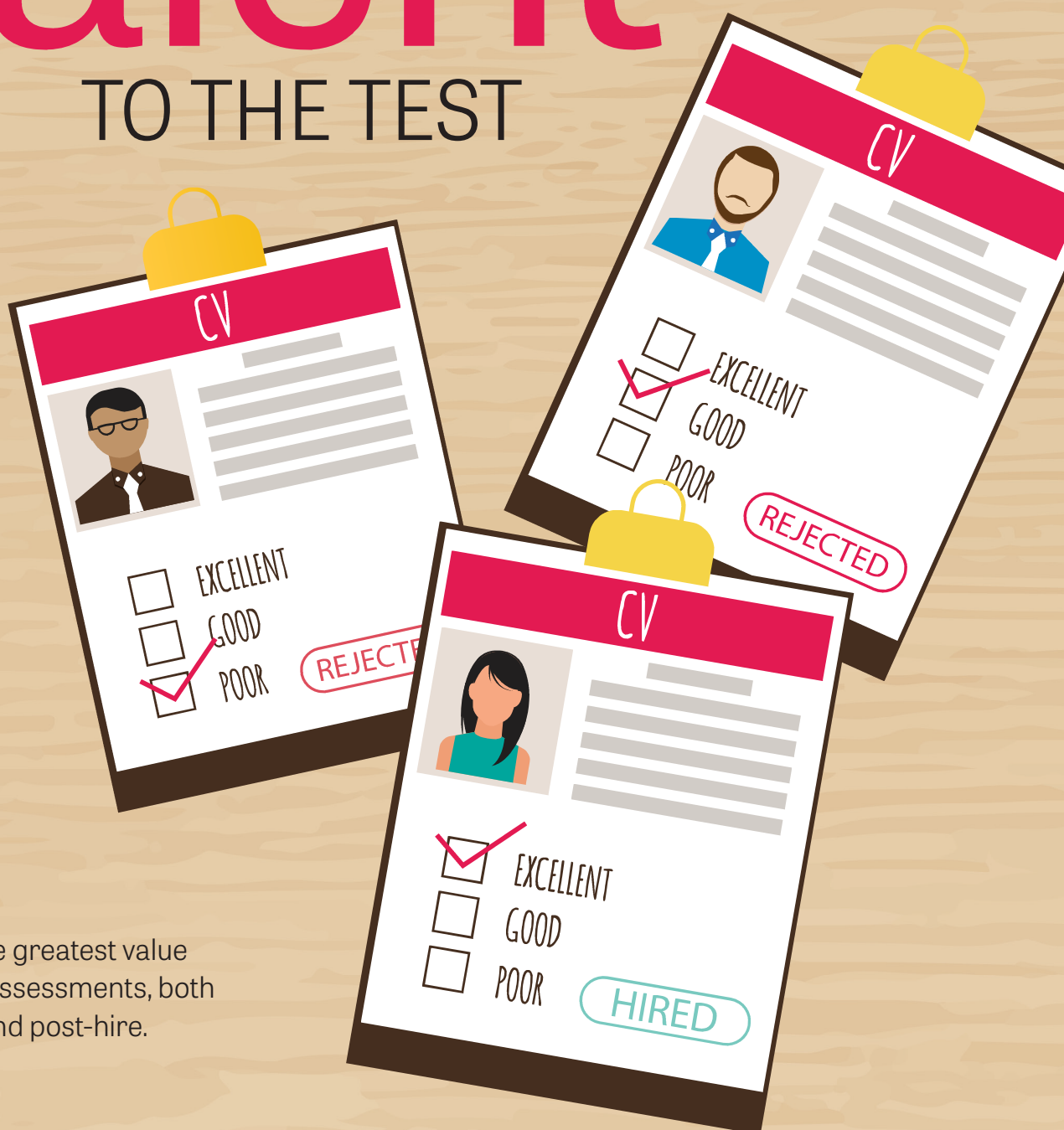


PUTTING Talent TO THE TEST



Get the greatest value
from assessments, both
pre- and post-hire.



BY WHITNEY MARTIN

It is intuitive to think that people strategies should be closely aligned and integrated between the HR and talent development functions, each leveraging the intellectual capital acquired by the other. Unfortunately, all too often, organizations witness HR and talent development operating in relative isolation, focused on their individual departmental objectives rather than their shared mission. Responsibility for the components of the typical employee life cycle—hiring, onboarding, training, coaching, developing, evaluating performance, and succession planning—are often divided down the middle between HR and talent development.

The reality is that, for employees to thrive, a symbiotic relationship must exist between the HR and talent development departments. After all, both functions are tasked with the same goal: maximizing employee performance. HR can hire exceptional talent that withers on the vine if talent development is not nurturing and growing that talent. And, reciprocally, talent

development can provide exquisitely designed development programs that fail to achieve results if the right people are not “on the bus.”

So how can HR and talent development professionals leverage shared strategies for achieving their collective mission? As top leaders demand more evidence-based people decisions, leveraging the data gleaned from employee assessments is a powerful way to increase the value and effectiveness of both functions.

Hire the right people

Although this charge typically falls to those in the HR arena, talent development professionals certainly have a vested interest. After all, how many times is the talent development team tasked with “fixing,” via coaching or training, an employee who frankly isn’t cut out for the position he’s in? Foundational to hiring success is a systematic and scientific process that maximizes the odds of hiring the best people as often as possible. This is the value proposition of prehire assessments.

There is ample research demonstrating that the use of well-developed assessment tools greatly increases the odds of hiring top-performing employees over more subjective (yet heavily relied on) selection methods such as interviews and reference checks. However, there are several factors to consider to create a selection assessment system that packs a predictive punch.

Be clear about the goal. “We want to hire better people” is not a clear enough objective. Whether you are trying to remedy turnover, employee engagement, sales volume, customer/patient satisfaction, productivity, theft, absenteeism, safety incidents, scrap rates, product quality, or some other outcome, there are different assessment instruments scientifically designed to affect these, and countless other, organizational goals.

Many traditional HR and talent metrics—time to fill, time to productivity, retention, cost per hire, performance in a training class—can be positively affected by integrating an appropriate type of assessment instrument. However, it’s essential to know which are the most important metrics on which to move the needle.

For example, if inbound call on-hold times or order pick rates have a greater financial impact on the organization than employee retention, make sure you’re focused on the metrics that matter most. Once your objective is clear, you can determine what constructs you can measure that will be most predictive of these mission-critical outcomes.

Decide what to measure. Virtually any human characteristic can be measured with an assessment, including personality, skills, abilities, problem-solving capabilities, knowledge, intelligence, interests, values, and beliefs. However,

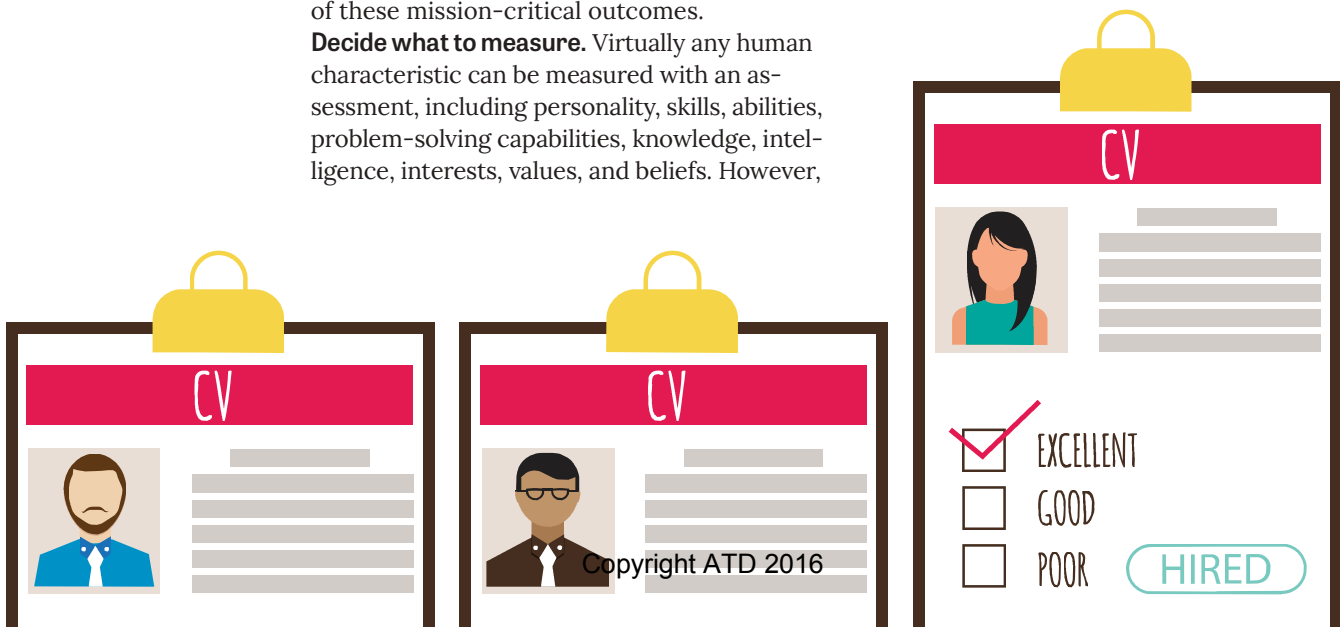
in most cases, companies don’t have the luxury, in terms of time or money, of assessing all these things (nor do they have candidates who would tolerate such a grueling endeavor). Therefore, it’s important to identify which measurable characteristics will be most predictive of the outcomes you’re trying to achieve.

Job analysis is one tool that enables you to think beyond roles, responsibilities, job descriptions, and job duties, and pinpoint what truly differentiates between someone who can merely do the job adequately and someone who blows expectations out of the water. Talent development staff can play a valuable role in conducting job analyses because they are often intimately familiar with critical roles as a result of designing custom training curriculum and being aware of where employees struggle to perform.

Use the most predictive screening methods.

Extensive research has been done on the predictive validity—the overall ability to predict job performance—of different hiring methods and measures. The table on page 47 displays the relative validity of some of the most commonly used selection methods based on a meta-analysis of workplace productivity data by Frank Schmidt that was updated in 2014.

This means that if your hiring process relies primarily on interviews, reference checks, and even personality tests, you are electing to use a process that is significantly less effective than it could be. The litmus test for any selection



method should be: “Is the information gleaned from this step in the process clearly predictive of future job performance?” If the answer is no, there is probably no point in using it.

Select good instruments. Many people who choose a career in HR or talent development don’t do so because of their love of statistics. So, it’s understandable that sifting through a highly technical validation document may be daunting; however, it’s also necessary.

An assessment instrument must meet certain criteria related to reliability, validity, job relevance, adverse impact, and several other factors to be legally defensible. Test publishers should be able to provide ample data showing how rigorous they were in developing their instruments. If necessary, seek assistance in critically scrutinizing this information (consultants, academics, or industrial/organizational psychologists are some potential resources).

If you suspect that your company’s selection system is not hitting on all of the above four cylinders, partner with your HR colleagues to determine if there are changes that can be made to increase the predictive power of the process.

Leverage prehire assessment data post-hire

While substantial value is gained from using assessments for selection, it is unfortunate when the benefit ends there. By this point, the organization has made an investment, in both the tool and the candidate, and should maximize that investment.

According to Bersin & Associates’s *Pre-hire Assessment Primer*, “The failure to value pre-hire data as part of post-hire talent management activities represents a wasted opportunity to realize a deeper level of predictive value from assessment tools.” Furthermore, a 2015 Aberdeen study on pre-hire assessments found that companies that correlate prehire assessments with ongoing employee performance results are 24 percent more likely to have a greater number of employees who exceed expectations.

Many prehire assessments lend themselves to a variety of post-hire applications, including:

Validity of Common Screening Methods

Graphology (Handwriting Analysis)	.02
Personality Tests	.22
Emotional Intelligence	.24
Reference Checks	.26
Integrity Tests	.46
Cognitive Ability Tests	.65
Multi-Measure Tests (i.e., Cognitive Ability + Personality + Interests)	.75+

- enabling managers to develop individually nuanced strategies for motivating, rewarding, and incentivizing each of their employees
- facilitating a proactive dialogue between new hires and their managers on potential challenge areas and possible solutions
- creating highly targeted employee development plans based on identified deficits in knowledge, skills, or behavioral tendencies
- tailoring the content or format of a training program or orientation class based on the personalities, learning styles, or existing knowledge base of the participants
- helping new employees assimilate with their team or department, and maximizing team effectiveness
- developing succession plans or career paths that consider future job fit and identify needed development to prepare employees for success in their next role.

Currently, less than a quarter of line managers think their talent development department is critical to achieving business goals, according to the 2015 Bersin by Deloitte article “The Daunting Challenges of Human Resources Today.” Being able to use assessment data to tailor employee development initiatives that are aligned with business goals can go a long way in demonstrating talent development’s value.

The ultimate goal of a well-developed pre-hire assessment system is predicting future job performance. This may mean using an

assessment that measures more stable, “hard-wired” characteristics that are not likely to change over time. It is important to understand the nature of what the tool is measuring to ensure appropriate use of this information post-hire.

THERE ARE SEVERAL FACTORS TO CONSIDER TO CREATE A SELECTION ASSESSMENT SYSTEM THAT PACKS A PREDICTIVE PUNCH.

Assessments at Work

I was working with a healthcare organization that was trying to better understand a particular “trouble position.” The HR team decided to conduct a job analysis. First, they ranked their 15 incumbents according to objective measures of job performance and determined that six were above-average performers while the remainder were average or below average. They then assessed all 15 incumbents using the Profile XT Assessment, which measures five cognitive abilities, nine behavioral traits, and six occupational interests.

With these data, the HR team was able to create a “performance model” or benchmark for the position that was a clear differentiator. When comparing all incumbents’ scores against the benchmark (using 85 percent job match or above as the standard), they would have been able to correctly identify five out of six of their top performers and correctly screen out eight out of nine of their average or below-average performers. This concurrent validation study enabled them to measure the effort in differentiating between candidates who would likely become top performers for their organization and ones who would have been poor or mediocre performers.

For example, imagine Alex is being groomed for a supervisory position. Her assessment results show that she scores very low on assertiveness and decisiveness. Can the talent development team train her to be an assertive and decisive person? Probably not. However, there are two things that can be done to help Alex prepare for her new role:

- Increase self-awareness—Having a candid conversation with Alex about the aspects of the new role that may cause her to step out of her comfort zone will allow her to assume the role with eyes wide open.
- Develop adaptive strategies—Although Alex still may shudder at the idea of confrontation or making a snap decision, there are certainly learnable skills, techniques, and strategies that will enable her to be more comfortable, confident, and functional in situations requiring these behaviors.

On the other hand, many of the assessments commonly used in talent development applications—four-quadrant personality assessments, or communication or leadership style assessments, for example—are not ideal for use prehire. There are many tools available that lend themselves nicely to multiple applications, but it’s critical to make sure all parties understand the exact nature of the tool, what it’s measuring, and appropriate and inappropriate ways to internalize and apply the information provided.

Demonstrate your value

The HR and talent development functions often are seen as cost centers, constantly asked to justify their existence and expenditures. With payroll and benefits representing one of the largest line items on virtually every company’s operating statement, incorporating assessments and tying results to key organizational metrics can be a highly compelling way to demonstrate the value that both departments add to the bottom line.

The need to demonstrate fiscal impact is heightened further due to an increased focus on incorporating metrics, analytics, and big data into decision making. “We see CEOs and

others wanting better data and not just a head-count report, but how is talent driving business results?" says Scott Pollak, a principal at PwC Saratoga in the 2014 *Harvard Business Review* report *HR Joins the Analytics Revolution*.

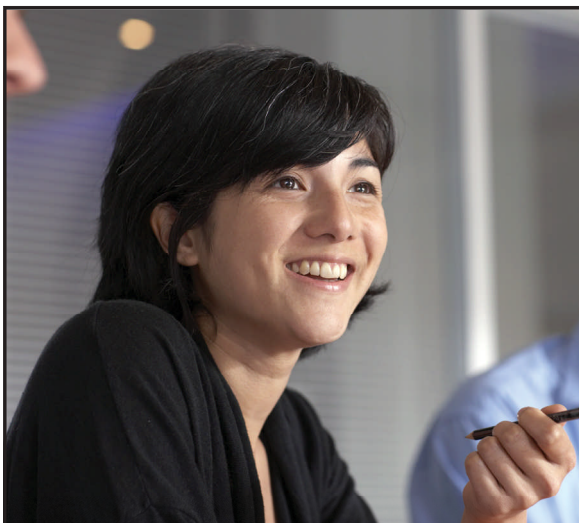
The same report states that 57 percent of companies intend to have integrated, multi-source analytics in place in the next two years to incorporate more scientific, evidence-based practices in the people functions of our businesses. Yet, according to a 2014 study by the Aberdeen Group, currently only 14 percent of businesses have data to show the business impact of their assessment strategy.

Which metrics matter most? Retention? Customer or patient satisfaction? Production or

sales volume? Both HR and talent development need to have a clear understanding of where the business, and the C-suite, are focused.

Once it is clear what outcomes have the biggest impact on the viability of the organization, HR and talent development can partner to ensure assessment data are being leveraged to the fullest, both pre- and post-hire, to achieve those objectives and show, in financial terms, the success of their efforts toward recruiting, retaining, and developing a high-performing workforce.

■ **Whitney Martin** is a measurement strategist with a passion for and expertise in the field of surveys and assessments; whitney@consultproactive.com.



Online M.S. in Training and Development program

Meeting the needs of adult learners!

- CPLP® certification is pre-approved for graduate credit.
- M.S. concentrations include e-learning, human resources, health, business, training and development, self-design
- Online M.B.A., M.S.M., B.S. also available.

QUESTIONS?

Contact Dr. Bonnie Covelli
815-740-5071
bcovelli@stfrancis.edu

stfrancis.edu/tdev



ST FRANCIS

**COLLEGE OF BUSINESS
& HEALTH ADMINISTRATION**

Joliet, Illinois 800-735-7500