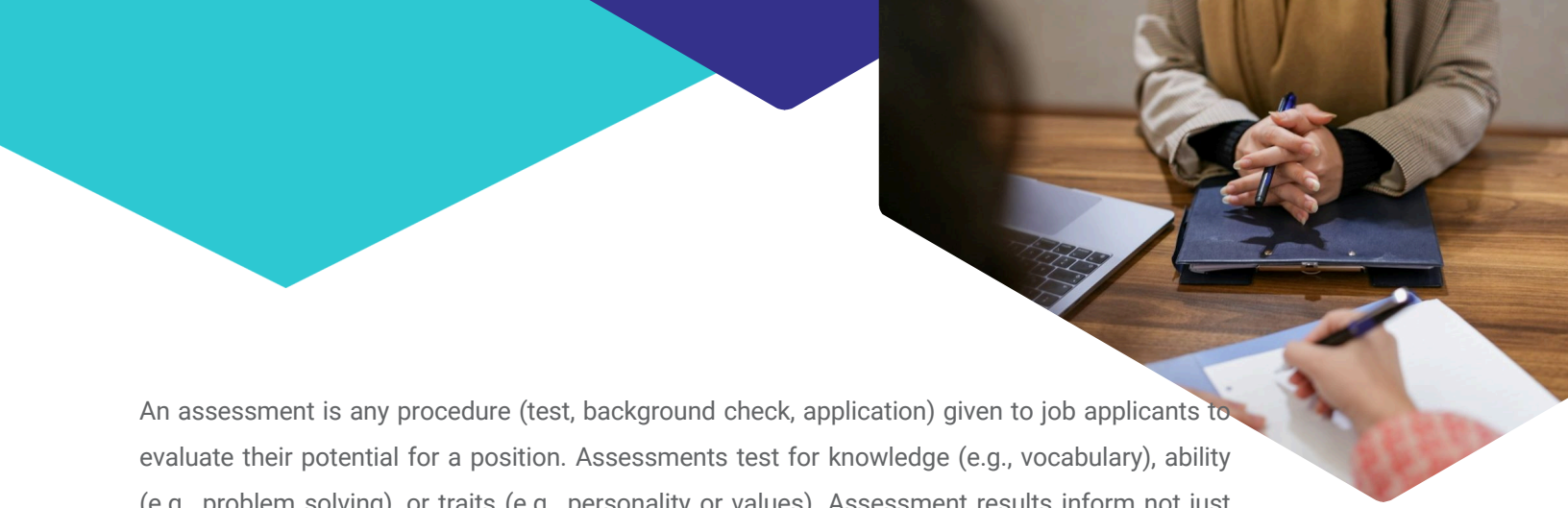


Hiring Assessments: A Brief Guide

Corvitus Team



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An assessment is any procedure (test, background check, application) given to job applicants to evaluate their potential for a position. Assessments test for knowledge (e.g., vocabulary), ability (e.g., problem solving), or traits (e.g., personality or values). Assessment results inform not just hiring decisions but the nature of how we evaluate candidates, direct the selection process, and support new employees. A useful hiring assessment equips the hiring manager with job-relevant information and in doing so, reduces the likelihood of making a poor decision and increases the likelihood of hiring a high potential employee. What follows is a high-level overview of how assessments can improve the efficiency of your hiring process, while also improving your accuracy in selecting people who will perform, live your culture, and stay.

The “What” of Evidence-Based Assessments

The term selection is used in the field of Industrial-Organizational (I-O) Psychology referring to the process of identifying qualified job candidates while eliminating unqualified candidates. The primary goal is to distinguish between candidates who will be successful if hired, or promoted, from those who would likely fail – doing so in a way that’s fair, accurate, efficient, and supports the organization’s strategy, culture, and results. This means, to be effective, we must know the traits and qualities that lead to thriving and delivering expected results on the job.

These factors, also known as KSAs (knowledge, skills, and abilities), are attributes related to success on the job. KSAs (and sometimes KSAOs – if there’s another characteristic that does not fall under the three previous categories) form a solid foundation for hiring to the standards needed for performing the job. Practitioners in I-O psychology use scientific (i.e., evidence-based) practices to build hiring processes that are evidence-based in differentiating applicants based on their job-related traits.

The “Why” of Evidence-Based Assessments

The costs and damage caused by a poor hire are significant – and difficult to fully calculate. It’s impossible to know how much one struggling employee will negatively affect the rest of your team. While most of us have experienced the challenge of working with a poor hire, the U.S. Department of Labor has clocked the average direct cost as coming in at 30% of the employee’s first-year expected earnings, with poor performance in leadership and higher skilled roles coming in markedly higher.



That statistic doesn't count the indirect costs we can't measure. How does a struggling employee affect day-to-day operations? Everyone's enjoyment of work each day and ability to go above-and-beyond? And if there are enough poor performers, the likelihood others will look for other employment opportunities?

Poor hires can quickly destroy the bonds your organization has with stakeholders – whether customers or employees. Assessments that are precisely focused on the qualities needed for success mitigate this risk by a huge magnitude. As they usually come earlier in the hiring or promotion process, they employer you and your hiring team with consistent and accurate information on core KSAOs early.

This leads us to another reason for a standardized and evidence-based process: legal defensibility. By having clear and compelling evidence that each step of the hiring process is linked to performance, you are strengthening your ability to quickly resolve any legal claim of discrimination, as well as building a process that candidates are more likely to view as job-related, fair, and one that gave them the opportunity to perform.

Importance of Assessments for Successful Hiring and Promotion

The primary purpose of an assessment is to provide objective information to identify candidates with the potential for success, and then support their success in the role. These are candidates who will perform, live your culture, and stay. Unfortunately, most hiring managers are typically no better than the flip of a coin when it comes to judging whether a candidate will succeed. This is why hiring assessments are crucial. By providing rich evidence-based information about how candidates will perform on the job, as well as how to support them, assessments allow you to confidently narrow your focus to only those candidates who are most likely to succeed if hired. Assessments While using your own perceptions and 'gut' instinct is valuable, it is more efficient and accurate to save that for after the assessment results to support your final decision.

Assessments are also essential to employee development. In working with a new hire, you may have noticed only after working with the person for several weeks or months that his/her values and mindsets contributed to difficulty on the job. Hiring assessments can help you guide a new employee's growth in the critical first few months on the job, thereby reducing not only your frustration, but the often expected reduced productivity and aptly termed learning curve with a new hire. In addition, information from the assessment can reduce the churn, or early turnover, that's so costly with hiring.

Further, assessments designed specifically for development allow you to understand and identify the needs and opportunities of your new high potential employees and build a talent pipeline. These assessments can be given to employees at any time to identify gaps in performance where improvements can be made, as well as gaps between employees' mindsets and skills and what is required by your culture and the job. Assessments can be tailored for their use: internal promotion, or external hiring. Leveraging information obtained from development assessments allows you to target growth and development opportunities to fill in those gaps and plan for the future of your organization. Development assessments are also ideal for sharing with new hires, often internal or entering leadership or higher skill roles, communicating your investment in their growth.

Validity Drives ROI

While incorporating assessments is a critical step toward consistently making good evidence-based hiring decisions, there's no value added by assessments that do not accurately identify qualified candidates. The proof that an assessment predicts performance is called **validity** and involves demonstrating that the assessment measures what it's supposed to measure. When an assessment is valid, its scores predict job performance. In other words, scores on the assessment significantly relate to (are predictive of) performance dimensions that are critical for success in the job. While hiring managers can hire people who will meet expectations, all research and experience shows that the addition of an assessment can allow them to accurately evaluate multiple criteria.



When is a test good enough?



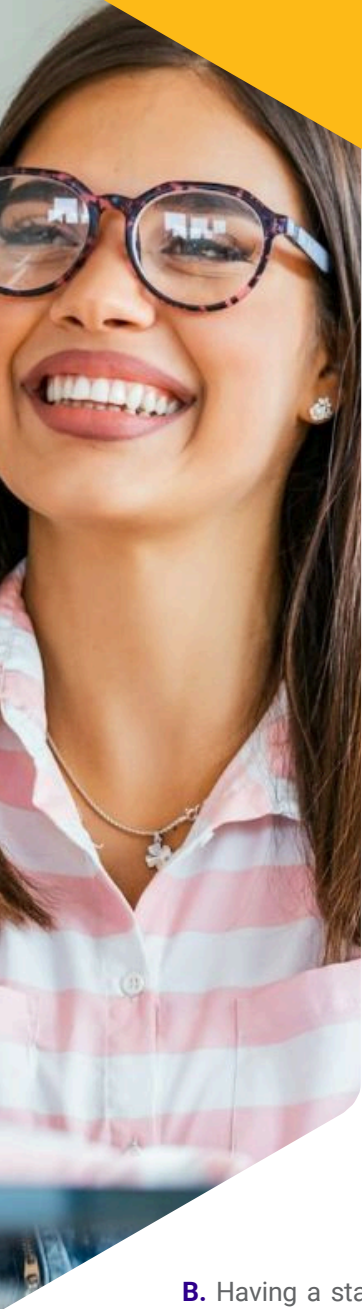
Using a valid assessment is an essential element of ensuring that your company does the best job possible of hiring good employees. However, there is the question of “how good is good enough” that has to be answered. It’s great to have a valid assessment, but that’s not much help if almost everyone passes the assessment.

How do you know where to draw the line in terms of which candidates to move forward in the hiring process? This is the question that a cut score (sometimes called a benchmark) answers.

Cut scores, or benchmarks, differentiate candidates based on their potential. Cut scores determine the assessment result that the hiring manager sees. Where the number is set determines if a candidate is flagged as having strong potential, as proficient in a particular area, or in need of development in key competencies. The next question is one of how to set the score.

A. While there are many ways to set a cut score, the best approach is based on performance-related evidence.

Cut scores can be set by giving the assessment to current employees and using their range of scores as a basis for setting cut scores for candidates. The successful use of a cut score depends on the appropriateness of the assessment for the job and how effectively the assessment is used in the hiring process. Cut scores can also be set based on similar jobs in terms of competencies required for success. For example, the same cut score could be used on an assessment for a busser and hostess position at a restaurant because the competencies required for success in those roles are similar. Having multiple cut scores allows you to differentiate between poor, average, and exceptional performers. A candidate who may have been a great performer but wasn’t hired (false negative) because s/he missed the cut-off by a point or two is frustrating. Equally frustrating is hiring a candidate who performed really well on the assessment but ends up being a poor performer (false positive). Depending on where you set the cut score can affect whether you end up hiring a bad employee or miss out on your next high potential. By using an assessment provider, such as Corvitus, that constantly seeks feedback and performance information on new hires, you can make sure benchmarks are set to maximize your odds of quality hires.



B. There are often multiple cut scores for one assessment.

Having multiple benchmarks allows you to differentiate between below-average, average, and exceptional performers. Candidates who may have been a great performer but weren't hired (false negative) because they missed the cut-off by a few points is frustrating. Equally frustrating is hiring a candidate who performed well on the assessment but falls short on performance (false positive). Depending on where you set the cut score can affect whether you end up hiring a new hire who struggles or miss out on your next high potential. By using an assessment provider, such as Corvitus, that constantly seeks feedback, data, and performance information on new hires, you can make sure benchmarks are set to maximize your odds of quality hires.

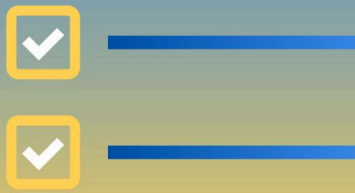
What's the ROI of Validated Assessments?

The use of assessments within a standardized hiring process is the primary way to avoid the pitfalls of hiring the wrong people and an anecdote to one of the most common mistakes – namely, rushing through the hiring process under the assumption that *any* body is better than nobody at all.

A. Rushing through the process of hiring someone can have dire consequences, including: (a) hiring someone who lacks the necessary skills, aptitudes, and motives, (b) hiring someone who doesn't fit your culture and will leave or be terminated, and (c) greater legal risk from a hiring process that's not grounded in your culture and job-requirements.

B. Having a standardized selection and hiring process in place not only increases the likelihood of hiring high-performing employees, but also improves the candidate experience as well. In addition to using pre-employment assessments to predict for performance, using a structured interview (another form of assessment) is a best practice. Structured interviews mean that the same questions are asked of all candidates, and that there are patterns of predetermined answers to help you determine the quality of the response provided by the candidate. Structured interviews allow for comparisons to be made across candidates and, along with other forms of assessment, are essential for a quality hiring process. Leveraging these tools can be the difference between a poor vs. quality hire.

C. As mentioned above, it's natural to use your experience and instinct when hiring a candidate. However, it's important to leverage your instinct with real data about the candidate and his/her likelihood of success. Some assessments, such as the ones created by Corvitus, provide detailed probing questions and descriptions of a candidate's strengths and opportunities that you can use to sharpen your insights.



So, to avoid these mistakes, incorporate assessments into your hiring process, as they can make the difference between a poor vs. exceptional hire. In the long run, assessments will help you hire someone who performs, fits your culture, and stays with your company.

Legal Implications of Assessments in Hiring

We have covered a lot of information up to this point—an overview of evidence-based hiring, the importance of assessments to identifying quality hires, why assessments need to be validated, cut scores, and common errors in hiring. To close out, we will briefly address some critical legal protections of evidencebased hiring with assessments. Specifically, helping you keep your company out of legal trouble.

- A.** Assessments set hiring standards and provide information consistently across all applicants. Holding all applicants to the same standards is essential for legal defensibility.
- B.** Evidence-based techniques, like assessments, make a clear job-related case to refute any claim of discrimination.
- C.** Further, assessments, when properly built, reduce adverse impact related to protected classes like gender and age. Further, assessment results provide detailed information on job-related traits for hiring managers. Clear and compelling information about a candidate’s performance is one of the most effective ways to eliminate unconscious bias.

In sum, hiring is an incredibly time-consuming process where managers are bombarded with more information than they are capable of processing. Taking an evidence-based approach, you can first determine what success on the job is, the traits and abilities required, and then select reliable and valid assessments to screen applicants.

Even in a competitive labor market, assessments give you a detailed and accurate view of how the candidate is likely to perform on the job – enabling you to see what remains unseen by reading a resume or during an interview.

When coupled with a thorough job analysis, established competency model, and well-designed training and onboarding process, assessments can create an experience that seamlessly develops candidates into members of a results driving and thriving team.

About Corvitus

Corvitus provides a range of innovative, science-based measurements and services that tie a company's culture and core values to talent processes. Corvitus solutions have enabled hundreds of companies to strengthen and scale their corporate cultures, and to identify, develop and retain those employees with the characteristics and capabilities essential for business success and customer satisfaction. For more information, visit www.corvitus.com or schedule a demo by using this link:

[Schedule time for us to connect.](#)

