

More Important Than Ever

The Valuable Role Assessments Play in the Hiring Process



Especially in the current environment, an organization's workforce — the talent committed to showing up and executing its mission every day — is a critical and differentiating asset. Even as companies move forward to embrace the future potential of digitization and automation, the human employees behind their initiatives are their heart and soul, driving strategy and performing the work that must be done. This reality, of course, makes it imperative for employers to find and keep the best people for their specific set of roles.

While this always has been a process companies must take seriously, today they face a talent landscape fraught with heightened challenges. Forces such as the tight labor market, inflation, and evolving worker preferences and attitudes may make it seem nearly impossible to even attract candidates. For instance, WTW research shows that while 66 percent of North American employers have increased their hiring activity since the start of 2022, the same proportion are having difficulty recruiting and retaining employees in professional positions.¹

To succeed amid these realities, leading-edge organizations understand they must leverage every resource at their disposal to shape their future workforces. They know long-term performance is driven not by welcoming any candidate who applies with open arms, but by taking an intentional approach to ensuring the *right* people are in place so they will stick around. That's why pre-employment assessments must be used as a key element in the hiring process — and here are four reasons they matter more now than ever before:

1. RESUMES AND INTERVIEWS JUST AREN'T ENOUGH.



While these steps in the process do provide some information, they give only a surface-level impression of a candidate — which can be exaggerated and/or left to subjective interpretation. According to iPrep, research shows that “78 percent of resumes are sprinkled with statements that make the candidates appear ideal for the job. Similarly, interviews that are not well-structured and standardized do not offer valuable insight regarding the candidate’s likelihood of success.”²

An article from *The HR Director* adds, “A well-written CV and a confident attitude in a face-to-face interview aren’t enough for recruiters to decide whether a candidate is the right person for the role.”³ While it is human nature for people to paint a certain picture of their qualifications to make the best possible first

impression — especially if applying for a job they really want — the employer’s responsibility is to supplement this information with more neutral sources.

It can be tempting to shorten the selection process or cut corners when today’s talent environment puts even more pressure on finding people quickly and getting new hires in the door. However, to ensure employees will be happy and find long-term success in the role, it is extremely important to take a more scientific approach and not rely solely on resumes and interviews.

The structure that assessment tools offer benefits all parties involved and provides more reassurance than “gut feelings.” Assessments that focus on candidates’ skills, abilities, aptitudes, preferred work styles, personality, cultural fit, characteristics (e.g., team orientation or leadership), and more are a way to integrate an objective and data-centered view. As an *EmployTest* article states, “Pre-employment assessments give you a clearer, more detailed picture of your future employee.”⁴

In addition, it is worth noting that a positive impression works both ways. Companies that have a professional, methodical selection process leveraging objective assessments will build a strong reputation among candidates themselves. They will establish themselves as a desirable employer with fair and consistent hiring procedures. According to iPrep, “Companies that invest in a structured hiring process have a higher likelihood of attracting top talent.”⁵

2. THEY SAVE TIME AND MONEY.



Assessments help employers avoid making the wrong hire, which comes down to real dollars and bottom-line impact. Since these tools typically help identify a person’s likely future job performance, “they ultimately save employers time during the selection process and increase overall retention.”⁶ Consider that, if a new hire is not the right fit for a role, down the road they will not perform well and is more likely to leave — which costs companies time and money to begin the process again.

EmployTest cites U.S. Department of Labor statistics showing the average cost of a bad hire can reach up to 30 percent of their first-year income. It also references *CareerBuilder* research finding the average cost of an inadequate hire is approximately \$15,000 — and “losing a good employee” costs even more, at approximately \$30,000.⁷

3. THEY HELP COMPANIES DO THE RIGHT THING — AND PROTECT THEM IN THE PROCESS.



As much as employers believe they always treat all candidates the same, it is possible for some biases to creep in. Objective pre-hire assessments actually offer an effective way for employers to overcome the unconscious bias that may actually still be present as they review candidates. These tools are a core component of an equitable and inclusive hiring process.

According to *The HR Director*, using an evidence-based recruiting process “increases legal defensibility ... as it provides employers with objective, scientifically validated predictors of success in a job.” Ultimately, “This gives companies a better chance of defending their hiring procedures if someone questions their ... legality.”⁸

4. HIRING CHOICES HAVE FAR-REACHING IMPACT.



New hires affect a wide range of stakeholders in the workplace, including their colleagues, managers, and potential clients or customers. If they are difficult to work with, don't fit with their teammates, or can't do the job well, performance will decline all around. Impacts that are not as tangible, but potentially more damaging, include harming morale and relationships with workers and business partners. As iPrep reinforces, for companies that do not hire the right people for the job, “success will suffer and turnover will drag down both morale and productivity.”⁹ Conversely, bringing the right people on board can foster lasting advantages, such as boosting employee engagement, satisfaction, and retention.

Looking to a recent Talent Board report cited by EmployTest, currently 37 percent of employers use cognitive tests in their hiring process, 34 percent use personality assessments, and 23 percent use situational judgment tests.¹⁰ These proportions are likely to increase as we move into a post-pandemic talent landscape, which includes a more flexible and candidate-centric work experience. Companies that seek to equip themselves with the most effective tools — and give themselves the best chance for long-term success — will rely on assessments as an integral part of their plans.

Hiring assessments from LIMRA and LOMA, including the [RightChoice System](#) and our [solutions for home office](#) roles, are scientifically valid resources that help leading organizations recruit and select individuals with the competencies needed for success. To learn more, please connect with us at talentsolutions@limraloma.com.

¹ “North America Employers Rethinking Work and Reward Programs to Address Labor Shortages, Inflation Worries, WTW Survey Finds,” WTW press release, August 3, 2022. <https://www.wtwco.com/en-US/News/2022/08/north-america-employers-rethinking-work-and-reward-programs-to-address-labor-shortages>

² “The Importance of Assessment Tests in Employment Selection,” iPrep. <https://www.iprep.online/the-importance-of-assessment-tests-in-employment-selection/>

³ “Why Personality Assessments Are More Important Than Ever,” *The HR Director*, January 19, 2021. <https://www.thehrdirector.com/business-news/recruitment/five-reasons-why-personality-assessments-could-lead-to-more-successful-hires-in-2021/>

⁴ “Why Employers Rely on Behavioral Assessments for Hiring,” EmployTest, June 15, 2022. <https://www.employtest.com/hrblog/behavioral-assessments-for-hiring>

⁵ “The Importance of Assessment Tests in Employment Selection,” iPrep. <https://www.iprep.online/the-importance-of-assessment-tests-in-employment-selection/>

⁶ Ibid.

⁷ “Why Employers Rely on Behavioral Assessments for Hiring,” EmployTest, June 15, 2022. <https://www.employtest.com/hrblog/behavioral-assessments-for-hiring>

⁸ “Why Personality Assessments Are More Important Than Ever,” *The HR Director*, January 19, 2021. <https://www.thehrdirector.com/business-news/recruitment/five-reasons-why-personality-assessments-could-lead-to-more-successful-hires-in-2021/>

⁹ “The Importance of Assessment Tests in Employment Selection,” iPrep. <https://www.iprep.online/the-importance-of-assessment-tests-in-employment-selection/>

¹⁰ “Why Employers Rely on Behavioral Assessments for Hiring,” EmployTest, June 15, 2022. <https://www.employtest.com/hrblog/behavioral-assessments-for-hiring>



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