

Separating Truth From Fiction

A Look at Five Myths About Candidate Assessments



We only need to glance at headlines from any news source to be reminded that today's talent challenge is real and pervasive. For example, a recent study finds 71 percent of employers cite labor shortages as their top potential disruptor to business.¹ This year's *Fortune 500* CEO Survey shows these leaders believe a lack of available talent is the number-one organizational threat.² Another survey indicates that "staff turnover will continue to trouble employers" — with 41 percent of U.S. workers seeking a new job now or in the near future.³

In this volatile workforce environment, there is one critical component to attracting and selecting new talent that should not be neglected — and, in fact, should be taken even more seriously. Recruiting and hiring assessments are used to help companies find the job candidates who will succeed in available roles ranging from sales representatives to home office professionals. However, some employers are wary of using assessments within their hiring process. Why is this the case? They may dismiss or misunderstand the value of these tools due to a set of common myths about how they really work.

MYTH 1: ASSESSMENTS “SCARE AWAY” QUALIFIED CANDIDATES



Most candidates actually appreciate the opportunity to demonstrate their skills and competencies, as well as to understand how well they might fit with a potential new job. To ensure applicants do not view assessments as a reason for trepidation, employers must present their tools in a way that demonstrates their value to candidates and why they are important in the hiring decision. People expect to clearly understand the steps involved in the process, including why and how assessments are used. This sense of transparency is the differentiating factor between a candidate feeling informed and encouraged or frustrated and upset.

MYTH 2: ASSESSMENTS FOSTER A POOR CANDIDATE EXPERIENCE



Assessment tools themselves have no inherently negative content or qualities; in fact, the best ones — provided they have been developed properly — reflect professionalism and strong business principles. It is only when they are misused by a particular employer that they may contribute to a less-than-desirable impression. When assessments are integrated at the right point in the process and with a clear explanation of how they are used, they reflect transparency and fairness — which are key qualities in a positive candidate experience. They also can give individuals an opportunity to showcase the abilities and attributes they would bring to the role. According to Aptitude Research, companies that invest in assessments are 42 percent more likely to *improve* their candidate experience.⁴

MYTH 3: ASSESSMENTS MAKE THE HIRING PROCESS LONGER



The opposite is true because, when assessment tools are used appropriately, they can shorten everyone’s timeframe and improve efficiency. If they are added early in the hiring process, they can save employers time because they limit the number of candidates chosen to continue on to a manager interview. An article from jobs site Indeed notes, “Assessment tests save employers time when hiring, ensure they hire the most qualified employees, and minimize the time and money spent training new hires.”⁵ Also, they can help candidates by identifying only those who are most likely to succeed in the open position — meaning people will not spend a lot of time and energy preparing to interview for an opportunity their qualifications do not fit. Therefore, while it initially may seem that removing assessments from the process will benefit candidates by requiring less of their time, this decision can

lead to longer-term negative impacts. These include a disappointing candidate experience, disengagement, low performance, and high turnover.

MYTH 4: ASSESSMENTS SHOULD NOT BE USED DURING A TALENT SHORTAGE



Understandably, it may seem counterintuitive to “screen out” any applicants when today’s labor environment makes it difficult to attract hires in the first place. Yet assessments play a critical part in demonstrating an employer’s credibility, creating a positive impression for job seekers, and identifying unqualified candidates. They also can help companies maintain quality new hires, which is especially important when competition for talent is so intense. Also, many assessment tools provide valuable information — such as a person’s strengths and development areas — employers can leverage later on.

MYTH 5: ASSESSMENTS DO NOT WORK IN OUR INDUSTRY



In reality, the insurance and financial services industry is especially suited for integrating assessments into its recruiting and selection processes. Companies using an assessment that is specifically benchmarked within the industry will gain valuable and targeted insights on each candidate. For instance, these tools can tap both the cognitive and soft skills that underlie the critical thinking and agility needed to succeed in today’s industry roles. They also can help determine the probability of a candidate passing one of the specific industry licensing exams that might be required. What’s more, assessments with an industry focus can be measured and continuously validated for this context.

In summary, scientifically developed assessment tools are proven to be a valuable resource in choosing the right candidates and determining how to develop them once they are hired. Aptitude Research shows companies that invest in assessments are four times more likely to improve their quality of hire and three times more likely to improve retention.⁶ To use them effectively, employers must choose reliable partners — whose assessments are anchored in research, are continuously measured and validated, and are relevant to their industry. They also must take the time to understand how to properly position and interpret their chosen assessments for maximum positive impact.

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 empselect@loma.org.

¹ "71% of Employers: Labor and Skill Shortages Pose Greatest Potential Disruption to Business," Institute for Corporate Productivity news release, June 15, 2022. <https://www.i4cp.com/press-releases/71-of-employers-labor-and-skill-shortages-pose-greatest-potential-disruption-to-business>

² Sheryl Estrada, "The Leaders of Fortune 500 Companies View the Talent Shortage as the No. 1 Threat to Business," Fortune, May 27, 2022. <https://fortune.com/2022/05/27/leaders-fortune-500-companies-view-talent-shortage-as-threat-to-business/>

³ "4 in 10 U.S. Workers Considering a Job Change in the Second Half of 2022," Robert Half news release, June 15, 2022. <https://www.prnewswire.com/news-releases/4-in-10-us-workers-considering-a-job-change-in-the-second-half-of-2022-301568368.html>

⁴ As cited in Madeline Laurano, "The Future of Pre-Hire Assessments: Business Outcomes, Candidate Experience, and Predictive Analytics," *Modern Hire*, October 2019.

⁵ "7 Types of Assessment Tests for Jobs and What to Expect," Indeed.com, March 29, 2021. <https://www.indeed.com/career-advice/finding-a-job/assessment-tests-for-jobs>

⁶ Ibid.



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