Separating the Best From the Rest

The Strongest Employment Assessments Have Three Key Components

It seems like quite an understatement to say the ever-evolving talent landscape has kept employers on their toes over recent months. Forces such as the tight labor market, shifting employee attitudes, new work arrangements, and economic uncertainty have caused human resources leaders and recruiters to revisit and reimagine their strategies and processes. Often, they are under intense pressure to boost hiring and focus on keeping their best performers. According to a WTW survey, for instance, two thirds of organizations have increased their recruiting activity this year.[1]

To bring as many new hires on board as possible, it may be tempting to accelerate or simplify the hiring and selection process. Yet best-in-class employers understand the critical role that a methodical and consistent approach plays in ensuring longer-term performance and retention. They rely on pre-employment assessments as an integral resource to provide valuable, objective information on each candidate. New research from the Society for Human Resource Management finds 56 percent of companies use these tools to evaluate job applicants' knowledge, skills, and abilities.[2] In addition to skills assessments, there are many other types that relate to candidates' personality, cultural fit, teamwork orientation, and much more.

However, when it comes to choosing which assessments to incorporate, it is important to remember that they are not all created equal. These tools only do their job — and contribute to a positive impression in the eyes of the candidate — if they are created professionally and properly.

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The strongest hiring assessments share the following three core qualities:

1. THEY ARE INDUSTRY- AND ROLE-SPECIFIC.

The issues a particular industry navigates — as well as the types of positions its companies must create and fill to be successful — tend to be unique. For instance, sectors such as insurance and financial services are becoming more nuanced and complex every day. These employers must deal with a specific set of circumstances, such as regulatory and compliance requirements, product development and distribution processes, actuarial considerations, and consumer behavior and expectations. For an assessment to be effective in this or any other realm, it is necessary for its creators to understand the industry and reflect its realities in the tool itself.

The same is true for the employment role and responsibilities for which an assessment is designed. The best tools are intentionally built and validated for a certain type of employee within an organization. They zero in on success factors, fundamental tasks, and relevant indicators for that specific job. Consider, for example, the different competencies and skillsets needed for a financial services sales representative versus an information technology professional based in the home office.

2. THEY ARE TIME-TESTED AND PERFORMANCE-DRIVEN.

The most reliable assessments clearly demonstrate these two qualities. First, they have a long track record of being effective over time and can provide evidence of ongoing validation research. In a continuous improvement cycle, they also will use this information to refine their assessment design, content, and feedback as needed.

Second, the best assessments reflect a focus on actual performance, meaning they include measures that impact how a candidate actually will execute relevant tasks and behaviors. The creator's ongoing validation process should also include research that shares proof points linking assessment results to later on-the-job performance.

3. THEIR REPORTS ARE EASY TO READ, UNDERSTAND, AND USE.

This component may seem a bit more obvious than the others, but it must be explicitly stated nonetheless. The world's most effective, most extensively validated assessment still will not be of much value to anyone if its output is confusing. As a LinkedIn article reinforces, "Assessment data has to be useful and actionable to be meaningful."[3]

It is imperative to provide recruiters and hiring managers — who tend to already be overwhelmed with competing demands and information — a feedback report that is concise, visually simple, and action-oriented. It should clearly indicate an overall result for each candidate, provide practical insight on the dimensions it measures, and suggest next steps or follow-up tasks. For people who prefer visuals over words, it should feature an easy-to-interpret graphic representation of the results as well. In addition, reputable assessment developers will provide resources (such as user guides, video tutorials, and ongoing training support) to ensure their clients are fully equipped to maximize the value of the reports they are given.

While there are certainly more elements that comprise an assessment strategy and end-to-end hiring process, those discussed here represent a great place to start. When evaluating any potential resource or partner firm, leading organizations know to do their research and ask the hard questions about how tools are developed. Just as with choosing the right job candidates, they must ensure their assessments are the best fit for their industry, their organization, and their specific objectives for the role.

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] "Infographic: Employers Rethink Work and Rewards to Address Labor, Inflation Worries," WTW, August 11, 2022. https://www.wtwco.com/en-US/Insights/2022/08/infographic-employers-rethink-work-and-rewards-to-address-labor-inflation-worries

[2] "New SHRM Research Makes the Case for Skills-Based Hiring," Society for Human Resource Management press release, August 15, 2022. https://www.shrm.org/about-shrm/press-room/press-releases/pages/new-shrm-research-makes-the-case-for-skills-based-hiring.aspx

[3] Jay Hawreluk, "The Best Hiring Assessments Have These 3 Things," LinkedIn article, June 1, 2022. https://www.linkedin.com/pulse/best-hiring-assessments-have-3-things-jay-hawreluk/?trackingId=16RgUvSbRgaqyZPJP1MWCw%3D%3D

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