

PreVisor Clients are Best-in-Class among Pre-Hire Assessment Users

In March 2009, Aberdeen Group published the *Assessments in Talent Management* report; the study collected data from more than 500 distinct organizations. Findings showed that nine in 10 organizations currently using assessments screen candidates (for skills, fit, personality, etc.) in the pre-hire / pre-interview stage. PreVisor had a substantial representation among respondents with 32 organizations using its pre-hire assessment solutions. Like most of their peers, all of PreVisor's clients in the sample use its products in selecting applicants to interview or making the final hiring decision.

Analysis and Findings

The current economic environment has significantly impacted the business setting in a variety of ways. The economic pressures of the current downturn have forced massive layoffs which has expanded the unemployed labor pool vastly over the past year. This, in turn, has caused companies to place a heightened importance on pre-hire accuracy.

Pressures

The top pressure for both PreVisor users and non-users is the increasingly competitive business landscape. However, the second most important pressure for PreVisor clients is the increasing number of active candidates in the talent market which force an increased need to screen candidates for fit, skills, qualifications, etc. PreVisor users are substantially less challenged by the limited availability of required skills in the marketplace (Figure 1). The lack of skills available in the market increase the number of candidates needed to be screened in order to find compatible talent.

Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

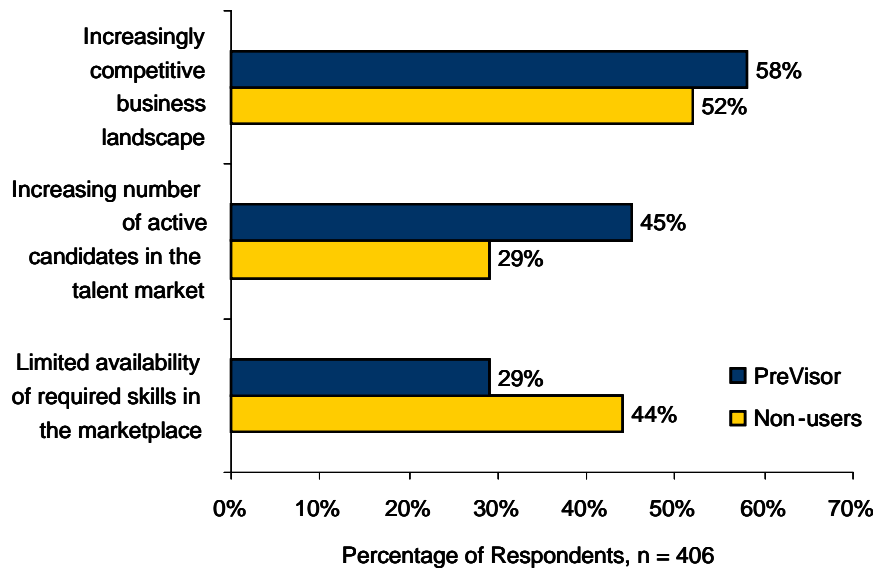
The Sample Defined

Aberdeen Group surveyed 523 end users with 406 currently using or planning to use assessments within the next year.

Definitions

Non-users: Companies using assessment tools to identify, select, place, and / or promote talent that are not using PreVisor.

Figure 1: Top Pressures Driving Use of Assessments



Source: Aberdeen Group, March 2009

About PreVisor

PreVisor provides off-the-shelf and customized pre-employment assessments and employee selection solutions. Its solutions include skill-based assessments, behavioral assessments and critical thinking assessments. Its products can be integrated in most recruitment platforms. Moreover, its assessment tools take into consideration the candidates' time commitment and are flexible enough to fit most recruitment processes. In addition to assessments, PreVisor offers interviewing tools and talent consulting.

For more information, visit www.previsor.com

The Focus: Improving Hiring Decisions

In the current market, there has been a spike in the pool of overall talent for many sectors in a given discipline. Despite the influx of available candidates, the need to ensure proper fit when executing the hiring process is still a concern in order to avoid unnecessary turnover in the current environment. Best-in-Class organizations recognize the impact of assessments on business metrics. One hundred percent (100%) of PreVisor's clients sampled for this study use assessments to screen for fit, skills, etc. in the pre-hire / pre-interview stage. Fifty-five percent (55%) of PreVisor's clients cited too much first-year turnover among new hires as a top challenge they aim to mitigate via assessments compared to only 31% of non-users. Consistency of employee competence was referenced by 65% of PreVisor's users as an internal challenge that is addressed via the use of employee assessments, while only 41% of non-users referred to this as a major business concern. As Table I shows, PreVisor customers have experienced better year-over-year improvement in key recruitment metrics. This also reinforces their focus on quality of hire.

“Talent management assessments are critical to the success of my company in order to save valuable time and money finding qualified candidates, as well as improve employee retention.”

~ David Ivester, Manager, Talent Acquisition, Time Warner Cable

Table I: Year-over-Year Improvement in Recruitment Metrics

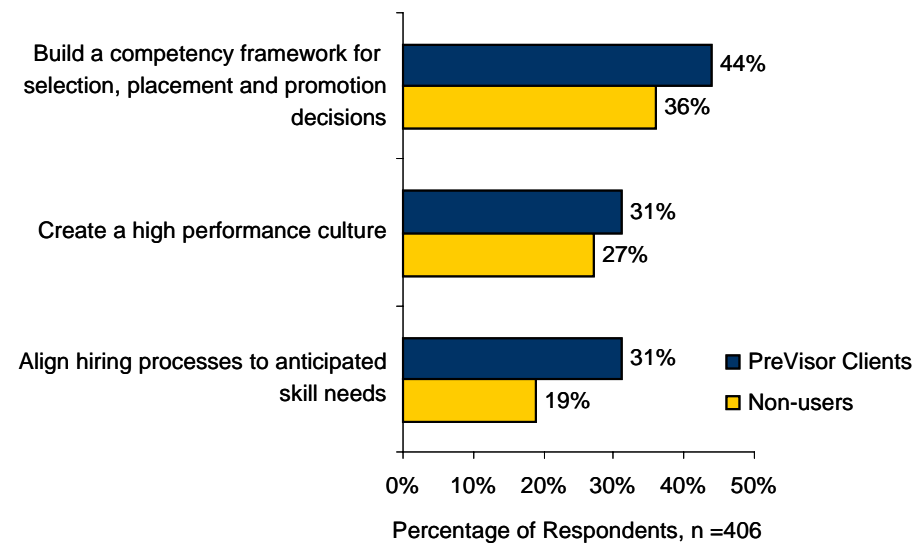
Average Improvement in KPIs	PreVisor Users	Non-users
Recruiting costs / Cost per hire	21%	11%
Hiring manager satisfaction with new hires	19%	18%
Overall workforce retention / turnover (do not discern between voluntary and involuntary turnover)	15%	11%

Source: Aberdeen Group, March 2009

Differentiators

To improve critical post-hire metrics such as retention and employee productivity, both of which impact hiring manager satisfaction, organizations that are using PreVisor assessments are focusing on the pre-hire phase of the hiring process. The top three strategic actions these companies pursue to tackle recruiting challenges are: building a competency framework (defining the necessary skills for each job role to determine if / where gaps exist); creating a high performance culture (focusing on objectives and results); and aligning the hiring process to anticipated skills needs (adopting a proactive recruiting strategy by building a candidate pipeline) (Figure 2).

Figure 2: Top Strategic Actions



Source: Aberdeen Group, March 2009

What these strategies represent is a strong focus among PreVisor's clients to tighten recruitment efforts on candidates that exhibit the skills and competencies most common among their most successful employees. Successfully implementing these strategic actions require instituting a number of processes and internal capabilities along with adopting tools that ensure assessments yield the results PreVisor users anticipated when they decided to invest in them. The strategic actions highlight the importance of the pre-hire assessment of talent and its impact to the company's overall success post-hire. Creating a competency framework around selection, placement, and promotion decisions directly ties career growth and career path with the skills assessed in the pre-hire stage. The creation of a high performance culture is a direct result of accurately assessing the skills of the talent pool and placing that talent in roles in which it can excel. Finally, using assessments to align the hiring process to anticipated skill needs is an integral step to ensure that all candidates are evaluated regardless of whether they are prospects for an existing vacancy.

Fast Facts

The top four reasons why organizations chose PreVisor's assessment solutions:

- ✓ Price - 45%
- ✓ Ability to customize to meet specific needs - 42%
- ✓ Ability to integrate assessment tests and data with other HR or talent management software, such as applicant tracking or learning management systems - 42%
- ✓ Usability for candidate or employee - 27%

Process and Organizational Capabilities

Consistency in evaluating talent during the pre- and post-hire process is essential to maintaining an unbiased baseline. Ninety-four percent (94%) of PreVisor's clients use assessments in order to have the ability to consistently assess candidates for targeted positions and incorporate scores in hiring decisions compared to only 65% of non-users. Assessment tools in the pre-hire process create data for hiring managers to consistently evaluate all candidates simultaneously with no arbitrary bias.

Ninety-one percent (91%) of PreVisor clients have achieved support and buy-in from organizational managers and supervisors regarding the use of assessments in talent management - compared to 68% of non-users. Support and buy-in is also important from senior level management, 88% of PreVisor's clients receive support from senior level management as opposed to 77% from non-users. Management level buy-in provides further evidence of their commitment to achieve a performance culture and a commitment to their employees that they are investing in the people they are most confident will compliment the organization's culture and add incremental value to all.

Knowledge Management and Competency Management

In order to maintain and track success with regard to assessment tools in the pre-hiring process an emphasis must be placed on information storage and definition. PreVisor clients have three key capabilities (definition, understanding, and integration of assessments) in place in order to guarantee data is stored, used, and distributed effectively.

Seventy-eight percent (78%) of PreVisor clients define workforce core competencies required for each job and career path as compared to 69% of non-users. The definition of the desired capabilities for a job role is an integral factor for a company's ability to successfully monitor and track skills gaps within the organization. PreVisor users utilize assessments to align skills needs in the pre-hire process to create better predictive capabilities for future success. PreVisor clients slightly outperform non-users in: success profiles of top performers have been identified; understanding of what recruiting sources yield the highest quality hires; and assessments are integrated into talent management software applications.

Performance Management

The creation of metrics around the tracking of the assessment tools implemented is important, however it is integral that the performance of these tools is reviewed and continually improved upon when appropriate. Seventy-four percent (74%) of PreVisor's clients clearly define metrics against which the impact of assessments is measured in contrast to 56% of non-users. In regard to evaluation, 72% of PreVisor clients conduct regular reviews of the impact of the assessments on key business metrics. This attention to the need for customary review is in contrast to 44% of non-users surveyed who regularly review the impact of their assessments. Prior

Fast Facts

- √ Ninety-one percent (91%) of PreVisor clients have achieved support and buy-in from organizational managers and supervisors regarding the use of assessments in talent management - compared to 68% of non-users
- √ 60% of PreVisor's assessment clients have identified business pain points which assessments are aimed to address compared to only 40% of non-users

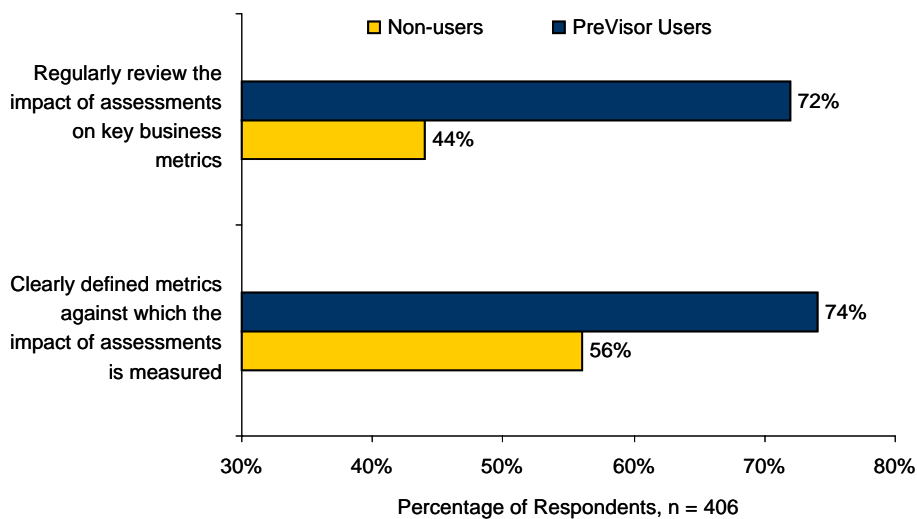
Fast Facts

Key Metrics for PreVisor users

- √ Quality of hire
- √ Employee performance
- √ Employee productivity
- √ Hiring manager satisfaction with new hires
- √ Overall workforce retention / turnover

to investing in an assessment initiative, it is vital to identify the pain points that must be addressed. Then, corresponding metrics must be defined to ensure that the initiative is carried out successfully and the ROI is realized. If an organization implemented assessments to improve quality of hire, metrics such as impact to sales, retention and productivity, hiring manager satisfaction, recruitment costs, and time-to-productivity should be tracked. Finally, 66% of PreVisor clients clearly communicate assessment results to key stakeholders on a regular basis as opposed to only 55% of non-users.

Figure 3: Key Performance Management Capabilities



Source: Aberdeen Group, March 2009

Enablers

PreVisor clients are advanced in their use of assessment tools in the pre-hire process. These companies utilize assessments to gain a complete understanding of one's aptitude, skills, and organizational fit.

Table 2: PreVisor Enablers in Use

	PreVisor Users	Non-Users
Skill-based assessments	91%	69%
Behavioral assessments	88%	65%
Cognitive assessments	75%	42%
"Whole-person" (bundled) assessments	72%	38%

Source: Aberdeen Group, March 2009

It is worth noting that nearly three quarters of PreVisor's clients use "whole-person" approach assessments (i.e. a bundled test designed for a specific job) that combine behavioral / cognitive / skills assessments into a single test compared to just 38% of the Best-in-Class. The data shows that

organizations that utilize this approach are 60% more likely to achieve Best-in-Class - top 20% of aggregate performers. PreVisor clients are able to use the "whole-person" approach because all the test content is provided on a single platform enabling the bundling of the different test types into a single assessment. This likewise enables a simple deployment process and reports that are easier to use for selection, interview and development purposes.

Case in Point

Take, for example, the case of Time Warner Cable (TWC), a leading telecommunications company with corporate headquarters in New York City, New York and Human Resources headquarters in Charlotte, North Carolina. TWC currently employs approximately 48,000 people throughout the country.

In 2006, the organization realized that its pre-hire assessments did not quite address the main challenge that they were facing. TWC had to ensure that all hiring decisions that were made were fair, objective, and most importantly defensible. Hiring practices must be followed indiscriminately.

To do this, TWC implemented a pre-hire assessment tool in 2006 across business units for pre-interview but post phone-screen use. To support the implementation of the assessment tool, TWC has defined competencies for all job roles and defined metrics to evaluate the success of hires. Furthermore, TWC worked with the provider to train dedicated recruitment personnel to accurately interpret the data from the candidate assessments. In order to capture this data, TWC has also established a centralized repository. Although the data will not validate causation until the end of 2009, TWC is able to correlate retention and employee performance within the first year of employment to the results of the pre-hire evaluations. According to David Ivester, Manager of Talent Acquisition, "The top third of performers in the pre-hire evaluations were much more likely to achieve better scores on their first semi-annual and annual performance reviews than their counterparts."

In addition, since the implementation, TWC experienced a reduction in the number of revisits to job completion ratio. In order to maintain valid assessments of job fit, competencies for each job are evaluated and, if necessary, re-defined every two years. The current bundled solution assesses personality, cognitive, and hard skills respective to each role ("whole-person" approach assessments).

Ivester concluded, "We are able to customize the assessments to fit the competencies required for the three main job roles that we aim to fill. The provider allows us to emphasize technical skills for one type of role and personality for another. We are very pleased with the results." On average 16,000 candidates partake in the assessment process every year. The next step for Ivester and his team is to streamline the process by fully integrating the assessment tool into the corporate recruitment system.

Analyst Insight

Throughout the paper, the analysis centered on comparing PreVisor’s clients against other assessment-users that are not using PreVisor’s products. Summarizing our findings, PreVisor clients saw better results than other assessment users in 8 out of 9 of the key indicators that were measured in the study. For example, PreVisor clients saw nearly twice the reduction in recruiting costs (21% vs. 11%) when compared to non-users of PreVisor assessments. Nonetheless, when examining the performance data in key indicators with respect to organizations that are currently not using an assessment solution, the performance advantage becomes starkly more superior (Table 3).

Table 3: Using Pre-Visor Assessments vs. Using No Assessments

Average Year-over-Year Improvement in...	PreVisor Users	No Assessments in Place
Customer satisfaction	23%	2%
Recruiting costs / Cost per hire	21%	-1%
Hiring manager satisfaction with new hires	19%	2%
Overall workforce retention / turnover	15%	0%
Quality of hire	14%	2%

Source: Aberdeen Group, March 2009

From improving quality of hire to ultimately impacting the end-customer’s satisfaction with the services and products provided by the company, using PreVisor’s assessments in the recruitment process is clearly more advantageous than not using any assessments at all.

Summary and Recommendations

Aberdeen's research revealed that on average, all organizations that currently use assessments achieved improvements in quality of hire (17%), employee performance (18%), and productivity (14%) over the previous year. However, as illustrated in Table 1 of this Research Brief, clients of PreVisor have experienced higher performance improvements than their counterparts (those that currently use other than PreVisor's products) across metrics that are critical to the recruitment process such as improved retention and increased hiring manager satisfaction. The results demonstrate that these organizations are more likely than their counterparts to achieve Best-in-Class gains when it comes to utilizing pre-hire assessments. Nevertheless, there is still room to improve especially in following through with assessments in the post-hire:

- All PreVisor clients use assessments to make hiring decisions. However, 67% of them have candidate data visibility at a hiring manager level and 68% have the ability to share candidate data with other managers and supervisors, compared to 87% and 82% of Best-in-Class organizations, respectively. Merely setting interviews after a candidate "passes" the pre-hire assessments is not enough. Hiring managers must have access to the pre-screen assessment data to ensure that they ask the correct questions in the interview process. Even when candidates "fail" their pre-hire assessment, sharing that data with managers will give them a better idea of the availability of skills in the talent market. It will also give them visibility into reasons why candidates are not passing them. In this case, there might be some questions that need to be improved, updated or revised. As a result, the assessment itself will improve job requisitions as they can be crafted or updated to adapt to available skills in the market. This information also helps a manager or supervisor pair the new employee with a mentor that compliments their personality or interests. Lastly, as managers interact closely with employees, they must be equipped with the necessary knowledge that would help assign and carry out the most appropriate development plans.
- Despite the fact that 94% of PreVisor clients use assessments consistently to assess candidates for targeted positions and incorporate scores into the hiring decision, only 28% have a consistent process to assess new employees *within the first year on the job*. In the first year of employment, it is critical to assess employees at specific intervals to ensure that they are aligned with competency development plans. This, in turn, ensures that new hires are engaged and improves their time-to-productivity.

Going forward - beyond the first year - a standardized appraisal process ensures that all employees are evaluated objectively. This is critical for promotions and monitoring career progression. The key is to continuously make objective and educated decisions at any point in the talent lifecycle. In fact, July 2008 Aberdeen research for the [Talent Acquisition Strategies](#) report shows one of the key metrics for measuring quality of hire is results on first performance review. Hence, there is opportunity for PreVisor to enhance its value to the end user.

In short, even though the majority of PreVisor's current clients utilize its assessments in the recruitment process, there is an opportunity to fulfill business needs with the data collected pre-hire throughout the life of the employee, especially in prescribing more targeted learning and development efforts. Lastly, using post-hire assessments will allow them to make more informed succession and promotion decisions.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[Assessments in Talent Management: Strategies to Improve Pre- and Post-hire Performance](#); March 2009
[The 2009 HR Executive's Agenda](#); December 2008

[Succession Management: Addressing the Leadership Development Challenge](#); October 2008
[Talent Acquisition Strategies](#), July 2008

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