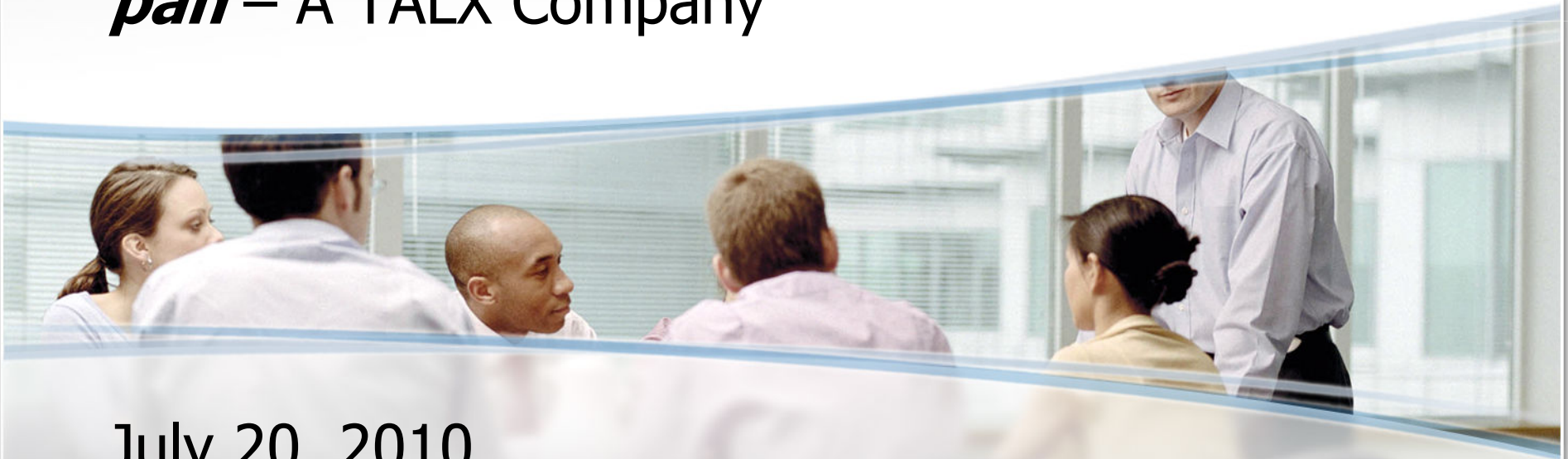




# State your case: Establishing and communicating the value of assessments

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*pan* – A TALX Company



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# Agenda

- Implementing assessments with an eye on ROI
- Positioning assessments as a strategic priority
- Communicating the value of assessments
- Case studies
- Question & Answer

# ***Implementing Assessments with an Eye on ROI***



## **Follow a Scientific Approach**

Hedge your bets by:

- Conducting a thorough job analysis
- Creating a competency model
- Utilizing proven/well-developed assessments
- Conducting local validation
  - Concurrent
  - Predictive
  - Synthetic/Validity Generalization



# Planning

- Outline the goals you want to achieve
- Consider your assessment strategy life cycle
- Establish specific action plans and timelines
  - Create contingency plans in case of setbacks and challenges!



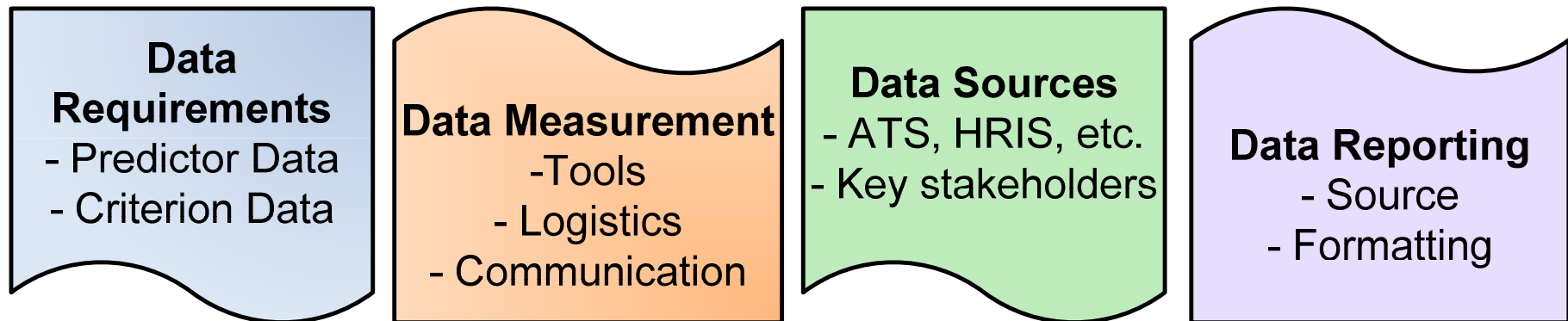
# Planning

- Identify everyone who will be involved in the process
  - What steps will you take to minimize resource utilization and disruption to the workplace?
  - How will you communicate the project to your participants?
  - Who will be your champion?



# Planning

- Identify your data needs



- Get the support you need to collect data

# ***Positioning Assessments as a Strategic Priority***





## Assessments as a Strategic Priority

- How do you approach influencing others to support assessments?

Cost

OR

Performance

*Focus on Performance!*



## Assessments as a Strategic Priority

Selection Process	Quality of Hire
Increase diversity	Decrease turnover
Increase efficiency	Decrease counterproductive behaviors
Reduce resource utilization	Improve performance
Reduce risk of adverse impact	Improve talent bench strength



# Assessments as a Strategic Priority

- Uses of assessments beyond selection

Evaluate candidates for  
multi-job fit profiles

Align training efforts

Facilitate succession  
planning

Facilitate employee  
onboarding

Enhance employee  
development efforts

Provide continuity during  
employee life cycle

# ***Communicating the Value of Assessments***



# Choose Your Audience

*The best audience is intelligent, well-educated, and a little drunk”  
Alben William Barkley*

- Involve decision makers from the start
- Involve anyone whose buy-in is critical
- Involve the person who holds the purse strings
- Who can provide you with information about these people??

***Find a champion!***



## Know Your Audience

- What pain points are they experiencing?
  - How will assessments address these pain points?
- What results will speak to them?
- What concepts and terminology will they understand?



## Present the Facts

- Demonstrate how assessments are or will achieve specific goals
  - Use appealing, easy-to-read formats
  - Discuss intended benefits and positive side effects
- Address the cost-to-benefit ratio
- Explain how you will ensure continued utility
  
- Don't get stuck in the weeds!

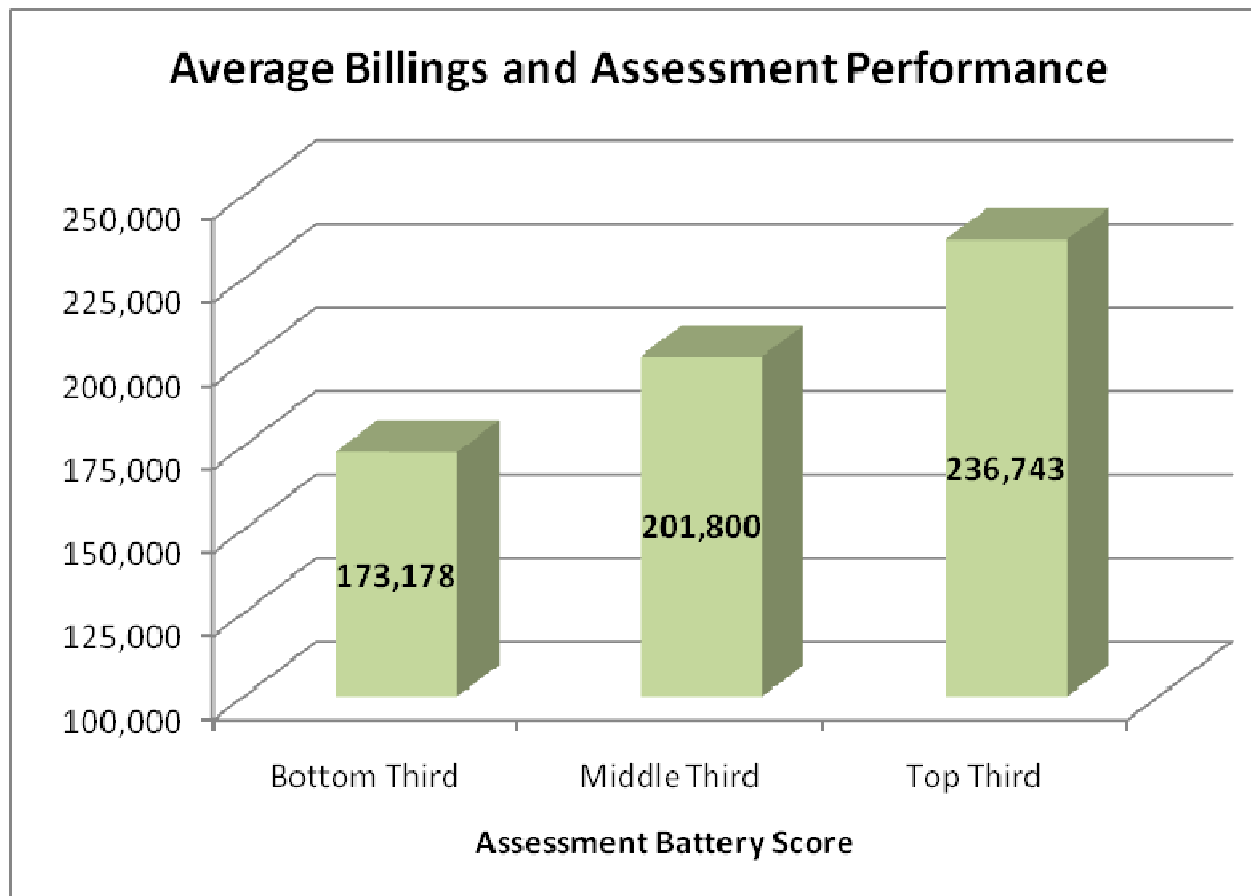
# *Case Studies*





# Objective Metrics

- Sales and revenue





# Objective Metrics

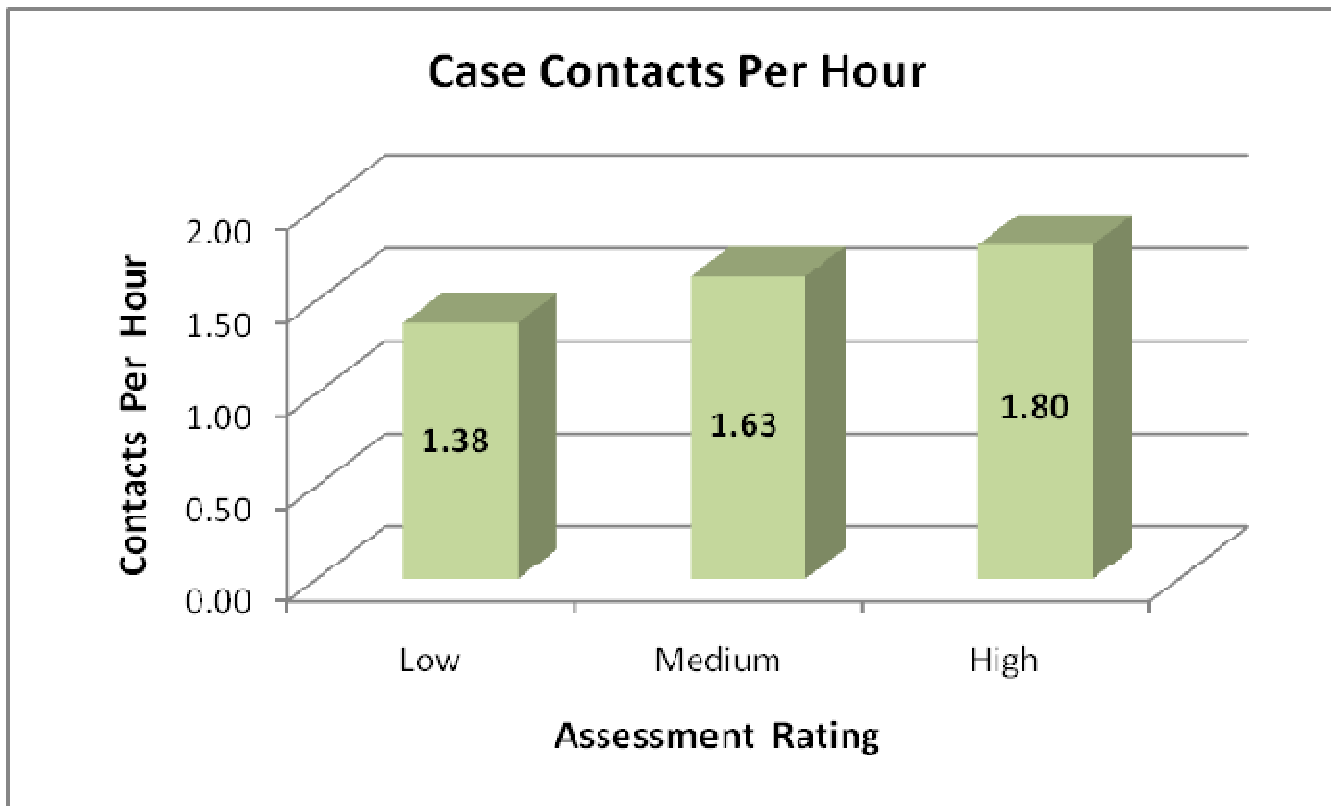
- Sales and Revenue





# Objective Metrics

- Other quantitative data





## Objective Metrics

- Reduced Training Costs

High training failure rate due to language proficiency

Language Aptitude Assessment developed and validated

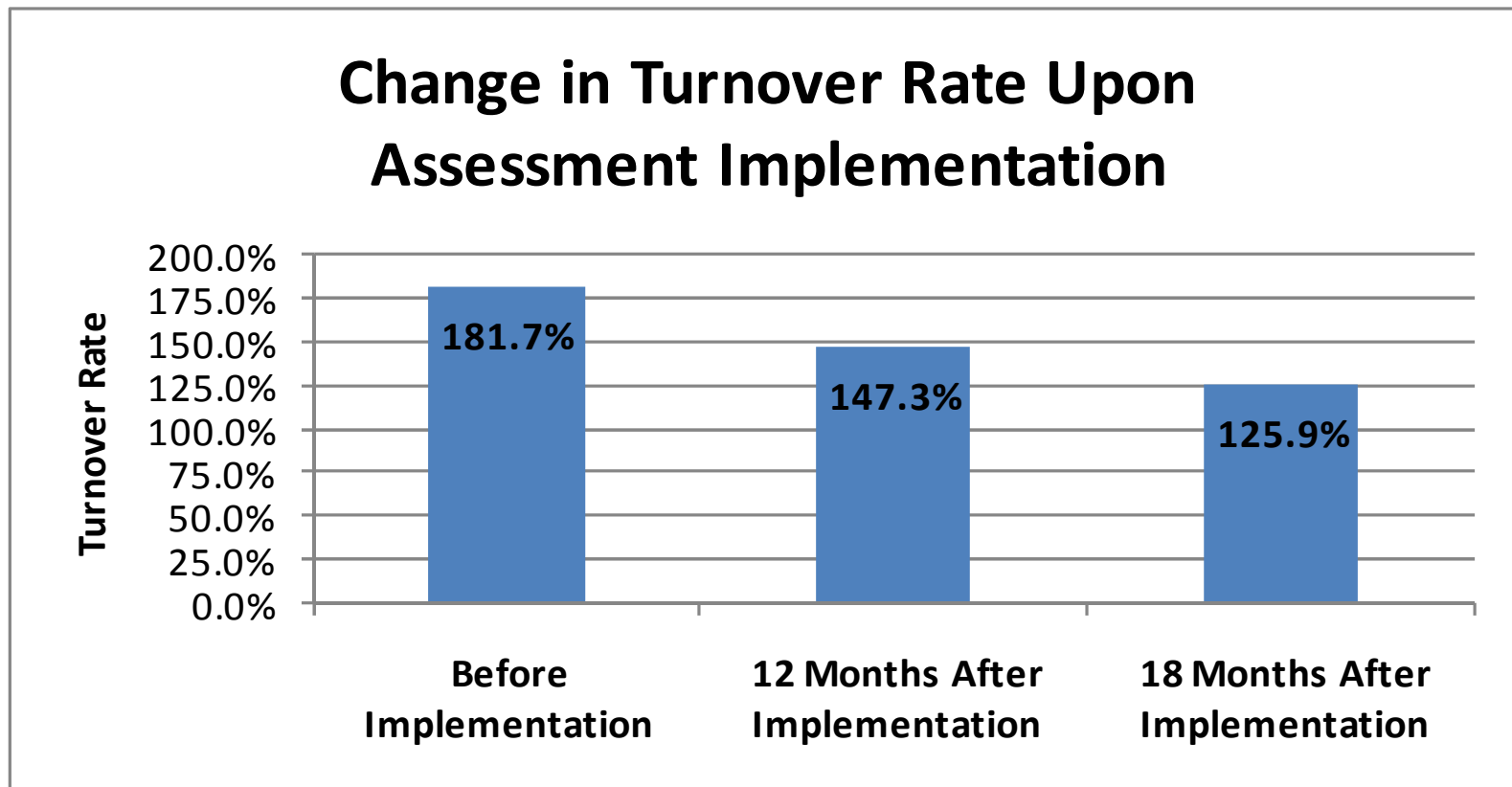
Pre- and Post-assessment implementation failure rates compared

**Training failure rate reduced by 75%**  
**Cost Savings = \$1.5 million/year**



# Objective Metrics

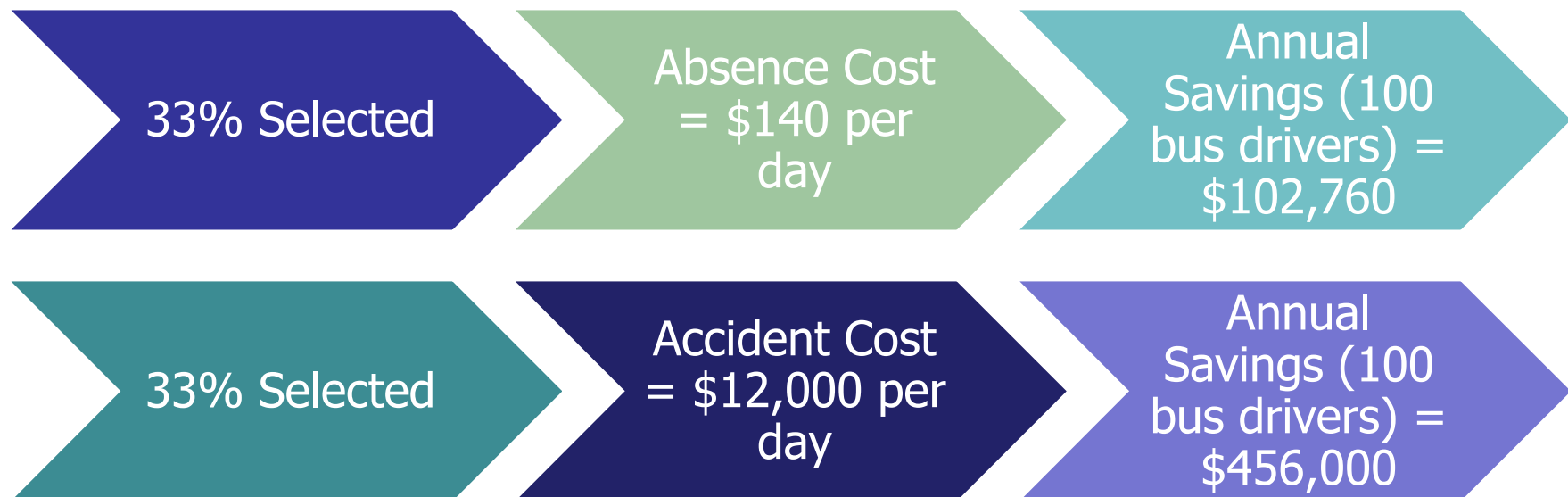
- Turnover





## Objective Metrics

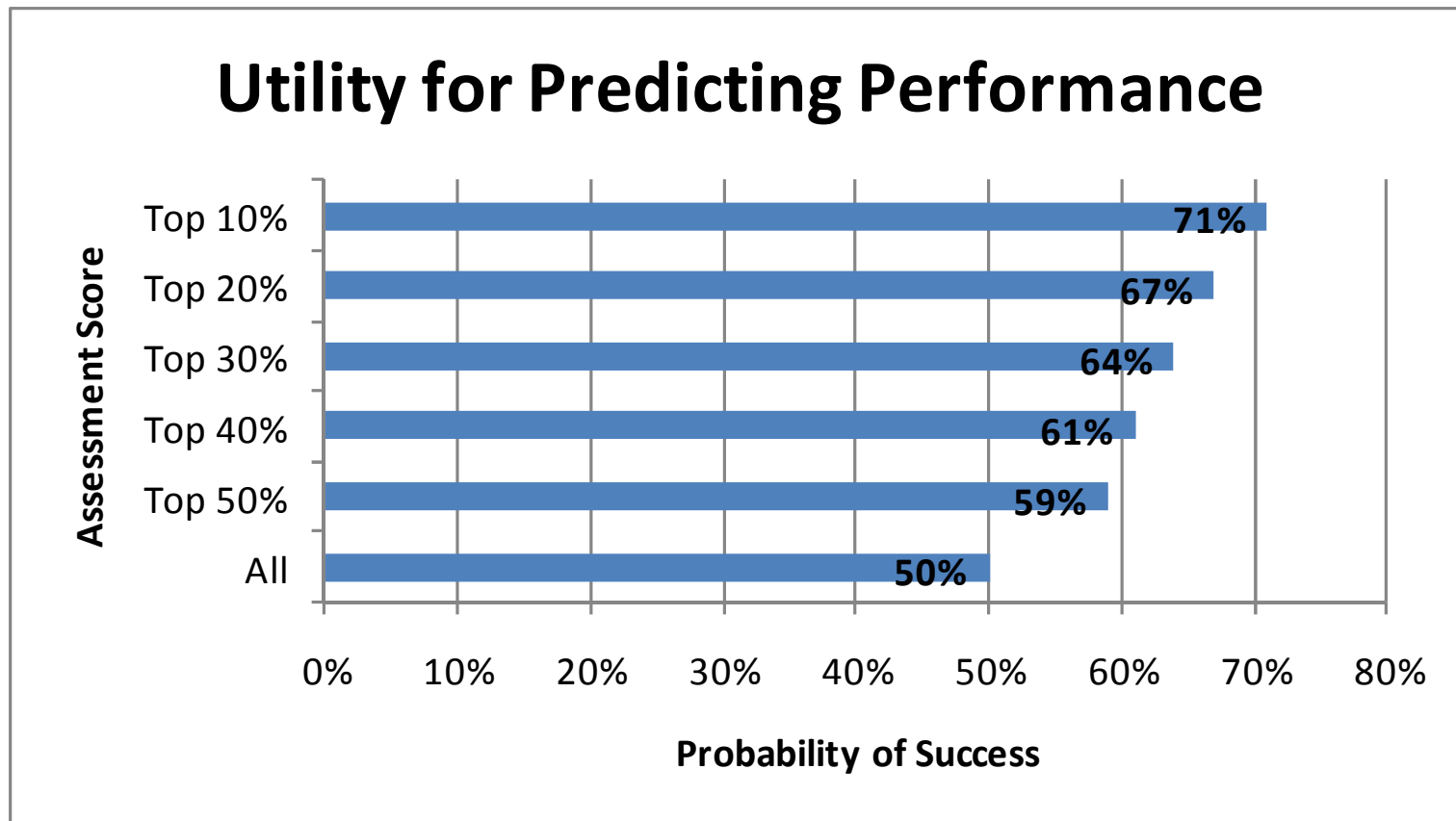
- Absenteeism and Accident Cost
  - Estimate cost based on interviews with SMEs and industry data
  - Extrapolate cost based on an assumed selection rate





# Subjective Metrics

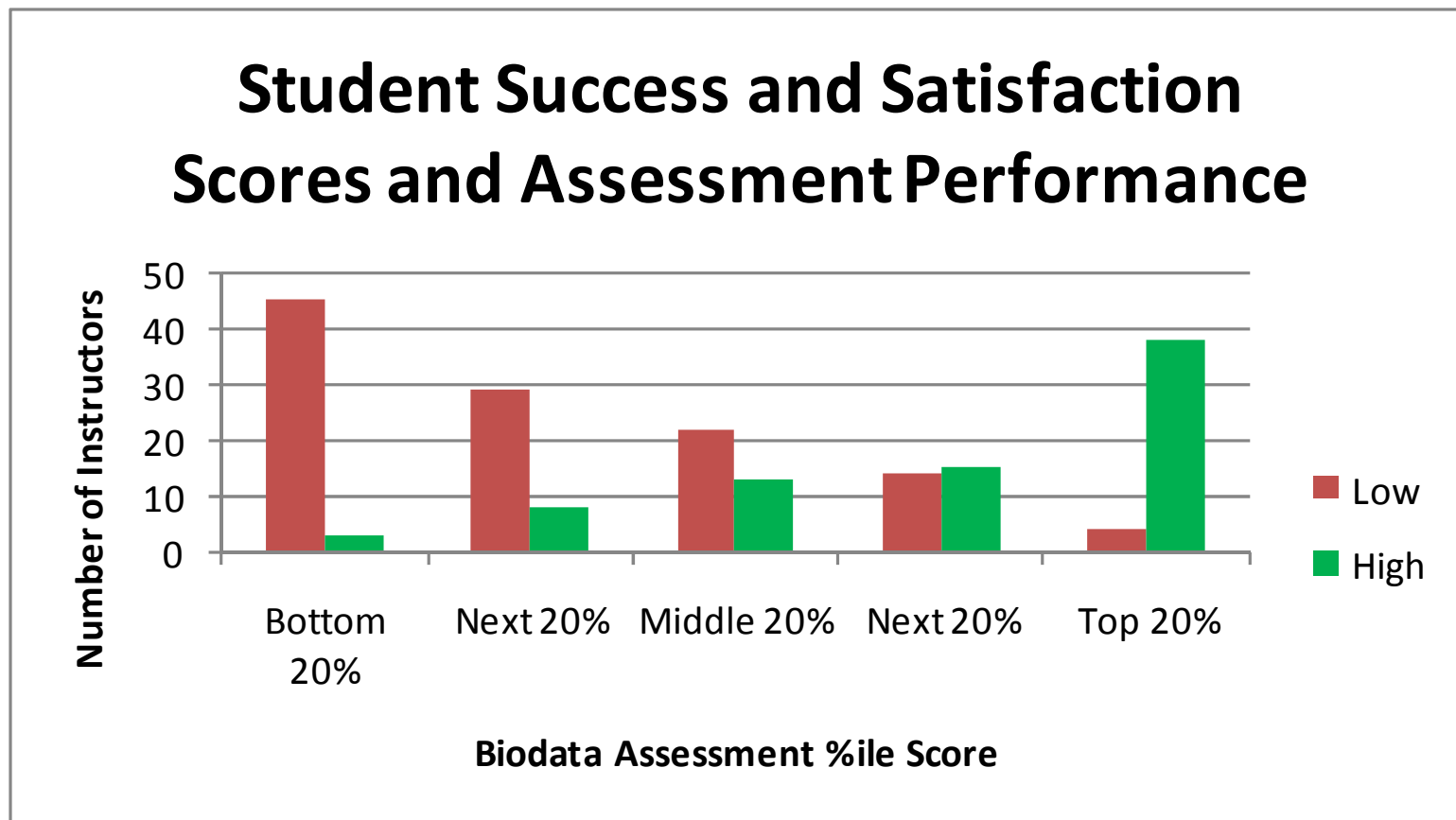
- Performance Potential





# Subjective Metrics

- Performance ratings







## **A few things to remember...**

- Research consistently shows that valid assessment tools (personality, cognitive, etc.) are statistically correlated with job performance
- ROI tends to increase as the job level and complexity increases
- Assessing applicants is a stressful, unpleasant experience for many managers
- Assessments can lead to significant ROI in both selection and development initiatives
- The cost of assessments is relatively low compared to other expenditures!



## References

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**Questions or Comments??**

**Thank You!!**