

Why Companies Use Assessments

WHY COMPANIES USE ASSESSMENTS

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II. What information do Assessments provide to companies?

- G. Core Behavioral Traits
Who they are
- H. Behavioral Tendencies (Actions)
How they will act
- I. Team Performance
- J. Team Compatibility

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I. Assessments are NOT tests

- A. Tests are Pass/Fail
- B. You cannot fail who you are
- C. Assessments provide information for making better decisions

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II. What information do Assessments provide to companies?

- K. Perceptions of Management Skills
- L. Perceptions of Leadership Competencies
- M. To establish Job Standards

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II. What information do Assessments provide to companies?

- A. Integrity
- B. Attitudes toward Drug Use
- C. Attitudes toward Work Ethic
- D. Attitudes toward Reliability
- E. Learning Ability
- F. Occupational Interests

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III. The Department of Labor says...

"The appropriate use of professionally developed assessment tools enables organizations to make more effective employment-related decisions than the use of observation or random decision making."

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Why Companies Use Assessments

IV. When assessments should be used

- A. Assessments should be an integral part of every business – from pre-hire through retirement**
- B. The goal is to address people challenges before they impact business operations – being proactive, not reactive**
- C. When hiring, simply put the right person in the right job**

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V. Who should use assessments

- A. Everyone with “people” responsibilities**
- B. Everyone who needs to know their own and their people’s:**
 - 1. Capabilities**
 - 2. Capacity**
 - 3. Style**
 - 4. Behavior**
 - 5. Compatibility**
 - 6. Perception of Management**

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IV. When assessments should be used

- D. For the current workforce**
 - 1. Determine whether all employees are well placed**
 - 2. Gain insight on all employees to better:**
 - a. Coach**
 - b. Manage**
 - c. Motivate**

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VI. Why companies use assessments

- A. They want to hire the right person for the right job**
 - 1. 95 of 100 applicants will “exaggerate” to get a job during an interview**
 - 2. More than half of all job candidates misrepresent their qualifications in their résumés**

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IV. When assessments should be used

- D. For the current workforce**
 - 3. To develop an ongoing improvement program for:**
 - a. All employees**
 - b. Management**
 - c. Leadership**
 - d. Building an ongoing and positive succession plan**

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VI. Why companies use assessments

- A. They want to hire the right person for the right job**
 - 3. Most hiring decisions are made in haste – during the first five minutes of an interview**
 - 4. Two out of three new hires will disappoint you in the first year**

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Why Companies Use Assessments

VI. Why companies use assessments

B. They want to hire dependable people

1. Employee theft is a growing problem and contributes to many business failures
2. Drug use affects employee performance

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VI. Why companies use assessments

C. They want to increase productivity

2. Teams and departments function better when their leaders have information about team members' strengths

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VI. Why companies use assessments

B. They want to hire dependable people

3. Attitudes toward work and work ethic affect productivity
4. Absenteeism and tardiness increase the costs of doing business

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VI. Why companies use assessments

C. They want to increase productivity

3. Factors that negatively affect productivity – such as stress, tension, and conflict – are significantly reduced when assessments are used

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VI. Why companies use assessments

C. They want to increase productivity

1. People are most productive when their work matches their thinking style, occupational interests, and behavioral traits

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VI. Why companies use assessments

D. They want to reduce the rate of employee turnover

1. Two of three employees would rather work someplace else
2. Turnover costs thousands of dollars for every departing employee
3. 80% of employee turnover is avoidable

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Why Companies Use Assessments

VI. Why companies use assessments

E. They want to eliminate the costs of avoidable legal actions

1. One of three businesses will be sued this year over an employment issue
2. Employers can be held liable for their employees' behavior on and off the job

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VI. Why companies use assessments

F. They want more effective use of their human capital

3. Assessments help to reduce a company's "people problems"
4. Assessments help companies achieve better employee cooperation

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VI. Why companies use assessments

E. They want to eliminate the costs of avoidable legal actions

3. Subjective hiring can lead to charges of illegal discrimination by rejected job candidates

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VI. Why companies use assessments

F. They want more effective use of their human capital

5. Assessments help managers become more effective because 60% of their time is spent fixing "people problems," leaving only 40% of their time for working to reach the company's goals

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VI. Why companies use assessments

F. They want more effective use of their human capital

1. Assessments give information that managers can use to coach, motivate, and manage people more effectively
2. Assessments help companies find untapped talent within their organizations

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VI. Why companies use assessments

G. They want to achieve the efficiencies that result from "Job Hiring"

1. Addressing behavioral traits yields a 38% assurance of Job Fit
2. Adding a thinking abilities assessment results in a 54% Job Fit

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Why Companies Use Assessments

VI. Why companies use assessments

G. They want to achieve the efficiencies that result from "Job Hiring"

3. Adding an occupational interests assessment increases Job Fit to 66%
4. But when you add a Job Match Pattern, you get outstanding employees 75% of the time

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VII. In Summary

- Most companies spend between 50% and 60% of their income on people costs
- "Chances are good that up to 66% of your company's hiring decisions will prove to be mistakes in the first 12 months." – Peter Drucker

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VI. Why companies use assessments

H. They want to improve their decisions

1. Better decisions result from having more complete information about employees and job candidates
2. Good decisions are reached faster, saving time and money

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IX. How companies benefit

- A. They profit from greater employee longevity
- B. They profit by lowering people costs
- C. They profit from higher per-employee productivity
- D. They profit from higher per-person sales
- E. They profit from increased quality

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VI. Why companies use assessments

H. They want to improve their decisions

3. Assessments are important tools in promoting and succession planning decisions
4. Training programs become more effective when tailored to the specific needs and characteristics of an individual

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IX. How companies benefit

- F. They profit from better customer service
- G. They profit by lowering manager frustration
- H. They profit from having more time for leadership
- I. They profit from having happy employees – People are happiest and most productive when they are fully engaged and winning!

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