

# 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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