

Executive Briefing



The Executive's Guide to Employee Assessments

Org Commit
People who power your bottom line.

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Employee assessments – 10,000 foot overview



The top ten challenges facing CEOs:

1. Excellence in execution
2. Consistent execution of strategy
3. Speed, flexibility, adaptability to change
4. Global economic performance
5. Risk management
6. Sustained and steady top-line growth
7. Customer loyalty/retention
8. Improving productivity
9. Business confidence
10. Profit growth

Source: Conference Board

In many organizations, personnel costs are among the largest budget line items, and given the top challenges facing CEO's, organizations need their leaders, managers, and people aligned and working together at the highest levels of performance.

Employee assessments can give organizations and managers consistent, in-depth, and objective information about their people. **This includes the employee's:**

- Fit with organizational culture, job, manager, and team
- Knowledge, skills, job performance, and developmental needs
- Preferred learning and communication style
- Integrity, reliability and work ethic, and attitude towards substance abuse
- Response to conflict, stress, and frustration, and likelihood of aggression

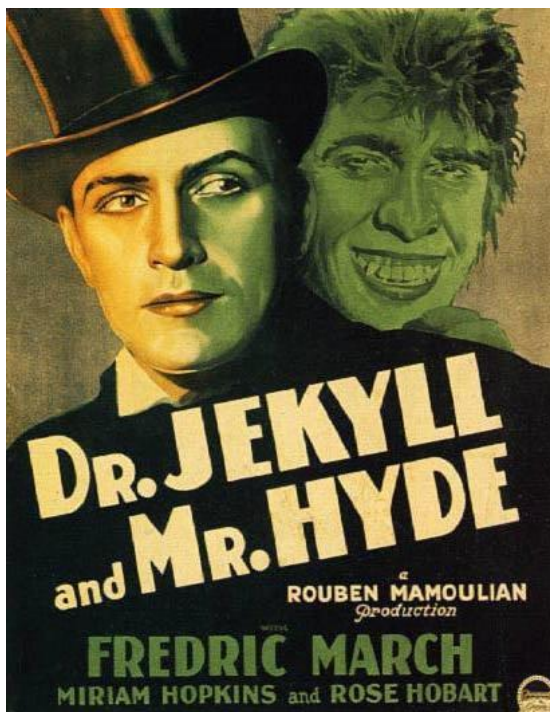
Information uncovered from assessments helps leaders and managers rely less on gut instinct and make smarter people decisions. **The specific benefits include:**

- Selecting people most likely to succeed in a job
- Accelerating time for people to become fully productive in a new role
- Improving alignment and communication between managers and employees
- Reducing workforce conflict and improving employee satisfaction
- Maximizing each employee's contribution to the organization
- Reducing employee absenteeism and turnover
- Reducing frequency and cost of theft
- Increasing sales performance and customer loyalty
- Enabling strategic workforce management and succession planning
- Increasing overall workforce capability, productivity, and agility

Although an HR department may manage the day-to-day administration of an assessment program, these initiatives thrive in the organization when sponsored by senior leaders who are committed to building and retaining a high performing workforce.

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Why do organizations really need assessments?



“My main job was developing talent. I was a gardener providing water and other nourishment to our top 750 people. Of course, I had to pull out some weeds, too.”
Jack Welch

Assessments immediately reveal much more consistent, in-depth, and objective information about employees than most managers could uncover on their own.

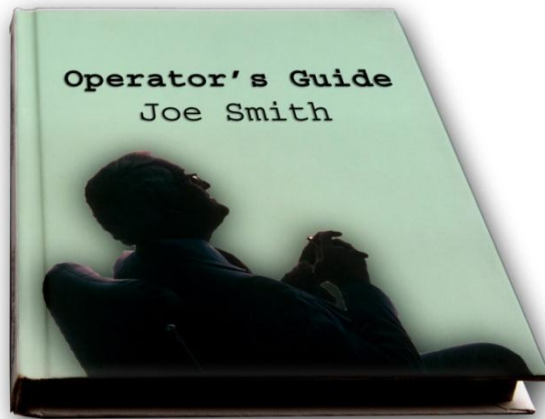
Many factors inhibit organizations and managers from acquiring enough information and the right information about their employees to make the best possible decisions for both the organization and the individual. **There are three reasons for this:**

- 1. Employees have a tendency to embellish their qualifications.** According to the Society of Human Resource Management (SHRM), 53% of resumes they reviewed contained false information. And others who don't embellish their resumes may lie during a job interview. The workplace is full of people vying either to get hired or to get promoted to the next level. In a game of relatively high-stakes, many people will ignore the risks of lying in order to compete for a position.
- 2. Managers have a tendency to “filter and scrub” employee performance reviews.** In our litigious culture, few former employers will provide a negative reference about a job candidate. Even performance reviews are filtered through an employee's immediate supervisor, who, though well intentioned, may be less than fully objective. We've known supervisors who felt threatened by rising stars, and who downplayed their subordinates' talents, accomplishments and potential. And we've seen those who, fearing they'd lose a good employee to a promotion, quietly sabotaged their own people's upward mobility.
- 3. People are just plain difficult to read.** Employee behavior is often compared to an iceberg—about 90% of our behaviors are explained by factors that, on the surface, cannot be easily observed or understood in a meaningful context. Without advanced training in psychology, many of these behaviors are difficult—if not impossible—to detect, and the manager is at a disadvantage.

Valid assessments can uncover truthful information about the employee in a very cost and time effective manner.

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Good information enables better management of your workforce



What if your employees came with an instruction manual?

Think about the cost of your organization's last few hires. Aside from salary and benefits, there's the cost of advertising for the job, the investment in training, and the price of getting a new worker up to speed. An organization wouldn't spend \$40,000, \$50,000, or more on a piece of equipment without a careful understanding of what the equipment can do, a rigorous selection process, proper training, documentation, guarantees, and warranties. Before you purchase equipment, you want to know how it works and whether it's right for you. Before you operate that equipment, you'll probably want to look at a user's manual.

Yet, every day we see businesses hire and deploy employees with little or no thought to helping managers understand how these employees work and whether they are a good fit. Organizations don't seem to appreciate that employee assessments can serve as a valuable "user's manual" for managers to get the most from their people. For this reason, we believe anyone who manages people or runs a business should know about the value of employee assessments.

If your organization is like most, your most valuable assets are your people. You invest a lot in them, and they give a lot back. They're the company's public face, the lifeblood. Of course, you need to know them... but that is easier said than done.

We encourage you to contact us today so that we can show you firsthand the valuable information that our assessments reveal and how your managers can apply our talent management solutions to help maximize workforce productivity.

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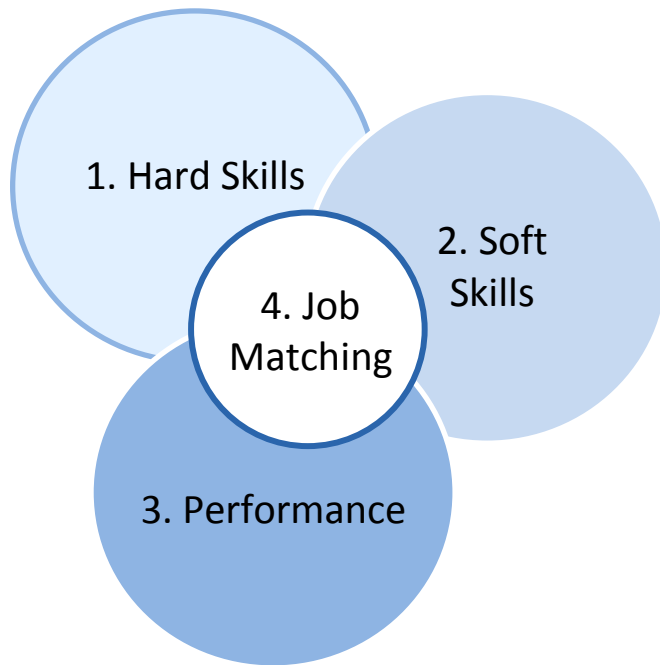
In a time of turbulence and change, it is more true than ever that knowledge is power.

John Fitzgerald Kennedy

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Common types of employee assessments



Different types of assessments serve many different purposes

1. Hard skill assessments

- These typically test an individual's knowledge of technical and administrative procedures. For example, a hard skills assessment might look at how well someone can use MS Word, or how well she understands HIPAA rules or COBRA regulations.
- Hard skills are relatively easy to observe, quantify, and measure. And it's generally easy to train people in hard skills; very little "unlearning" is required because hard skills don't typically involve behaviors that have been developed over many years.

2. Soft skill assessments

- Soft skill assessments measure how people learn and think. These typically evaluate behavior, personality, attitude, preferences, personal integrity, communication style, leadership and/or management aptitude and style.
- Soft skills are more difficult to observe, quantify, and measure than hard skills. Our personalities form early as a result of our upbringing and environment. Our behaviors are often deeply ingrained, making soft skills much more difficult to learn as well as to "unlearn."
- For this reason, organizations will often make selection decisions based on people's soft skills –and then provide the necessary hard-skills training.

3. Job performance assessments

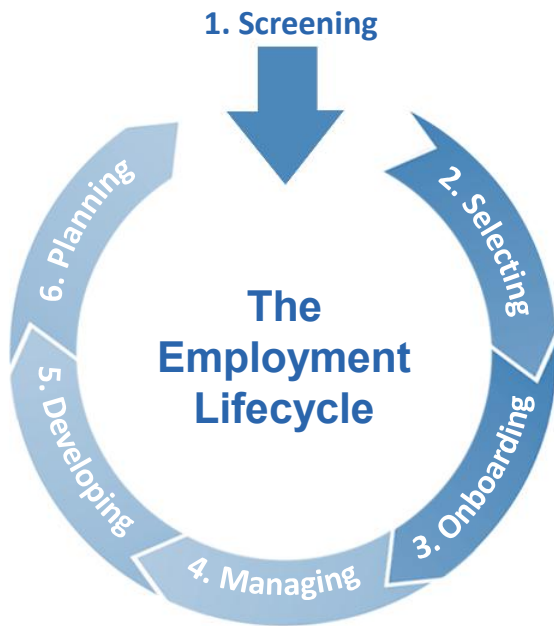
- These typically come in three types: 180 degree, involving feedback from oneself and one's direct reports; 360 degree, involving feedback from supervisors and peers, as well as direct reports and oneself; and customer loyalty assessments in which one's customers provide feedback .

4. Job-matching assessments

- These typically measure a person's potential for success in a particular job. The individual's cognitive abilities, interests, motivations, and behavioral traits are quantitatively assessed, scored and compared against the organization's top performers. In this process, professionals use a consistent language to discuss and evaluate talent across the entire organization.

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Common applications of employee assessments



Assessments enhance productivity throughout the employment lifecycle

1. *Screening*

- Good pre-hire assessments will quickly screen out applicants who lack the fundamental qualifications and behaviors the employer is seeking.
- Some skills assessments fall into this category, as do assessments that provide insight into an applicant's work ethic, reliability, integrity, propensity for substance abuse, and attitudes toward theft—including property, data and time.
- Pre-hire assessments should be cost-effective, easy to administer and provide immediate results.

2. *Selecting*

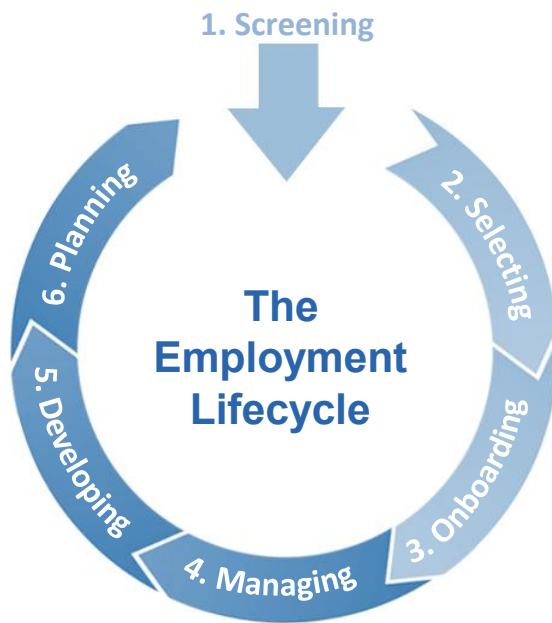
- Assessments are commonly used to better evaluate prospective employees, or current employees who are being considered for promotion or redeployment.
- Selection assessments often support other related activities such as resume reviews and interviews. For example, the assessment can highlight areas into which a manager should probe during the interview, thus setting up the manager to ultimately make a better hiring decision.
- Selection assessments can also help organizations identify “high-potential” candidates and place them on specialized career tracks. It is essential that selection assessments be valid—that is, they need to measure what they claim to measure.

3. *Onboarding & Ramping Up*

- When an employer has more insight into the capabilities and behaviors of the candidates selected, the organization can better prepare the employee and manager to work together.
- For example, the employee might respond better to certain communication and management styles, or she might have particular strengths or weaknesses that the manager must be prepared to proactively address. When a manager has this information, he can usually “ramp up” the employee to be more productive faster, and to navigate the critical early stages of employment in which an employee builds confidence and sustains her enthusiasm for her job and her employer.

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Common applications of employee assessments



Assessments enhance productivity throughout the employment lifecycle

4. *Managing*

- The most successful managers can adapt their style in order to unlock the full potential of each of their employees. Employee assessments help the manager understand both his own core behaviors and capabilities, as well as those of his employees. This heightened level of awareness is extremely valuable for motivating the employee and navigating situations that involve conflict, stress, or frustration.
- Assessments can also be used to select, motivate, and manage teams by proactively identifying weaknesses and building on the complementary strengths of team members.

5. *Developing*

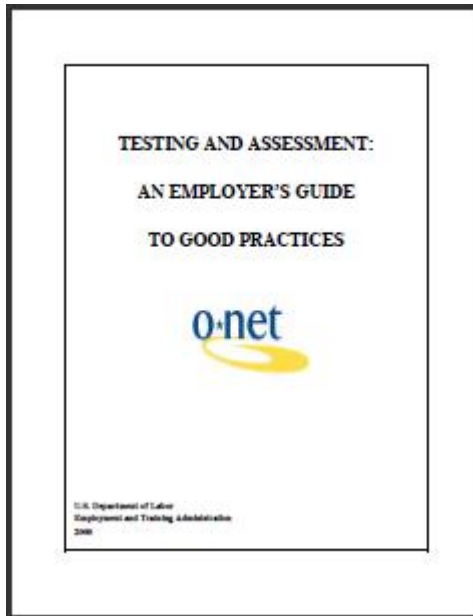
- Assessments can measure either hard or soft skills, and help drive both the efficiency and effectiveness of training investments.
- The assessments can gather input about an employee's performance from different sources, such as her manager, customers, and co-workers. This helps in identifying and prioritizing the skills and behaviors an employee needs to change to improve her effectiveness.
- Then, once the training investment has been made, assessments can be used to help drive accountability for behavior change by tracking ongoing development from either a baseline or benchmark.

6. *Planning*

- Assessments can play a very powerful role in strategic workforce and succession planning by giving an organization a common language and process for evaluating and discussing current and future talent needs.
- They can help identify high-potential employees and build sufficient "bench strength" to guard the organization against disruption from unplanned departures of key employees.
- Assessments can also help organizations successfully navigate mergers, acquisitions, divestitures, or reorganizations by helping them select the people who will best serve the needs of the future organization, and by helping them move forward in a manner that minimizes disruptions and maximizes success. Objectivity is especially valuable during times of upheaval and change.

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Selecting the right assessment



Do not rely too much on any one test to make decisions. Use the whole-person approach to assessment.

United States Department of Labor
<http://www.onetcenter.org/guides.html>

Some essential questions for selecting the right assessments

Considering the wide array of employee assessment available, how should you select what's best for your organization? Every business has its own unique needs and competencies; every team has its own chemistry. When reviewing the various assessments online, in a catalogue, or face-to-face with a vendor, ask the following questions:

1. What is the purpose of the specific assessment tool and how will it help us accomplish the objectives of our assessment program?
2. How does the assessment help us understand the whole-person to give us a more solid basis to make important career and employment-related decisions?
3. Is the assessment instrument unbiased and fair to all groups who will be assessed?
4. Is the assessment procedure and instrument adequately reliable for our use?
5. Is the assessment procedure and instrument valid for our specific purpose?
6. Is the assessment tool appropriate for our target population?
7. Is there understandable and comprehensive documentation available for the assessment instrument?
8. Is training and support provided for assessment administrators?
9. Is the data from the assessment instrument secure?
10. Is training and support available to ensure that scores are interpreted properly?
11. Is the outcome of the assessment simple enough to enable managers to interpret the results or is a certified professional required?

For a more in depth understanding of these questions and the principles of assessment, please download the US Department of Labor's publication "[Testing and Assessment: An Employer's Guide to Good Practices](#)".

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Assessments: Summary of benefits



Organizations can realize over a 10x ROI on employee assessments

Employee assessments help **reduce**

- Cost of theft
- Insurance premiums
- Training and development investments
- Conflict between managers and co-workers
- Absenteeism and involuntary turnover
- Risk of employee failure
- Poor customer experiences
- Hiring employees who “don’t fit” your culture
- Recruiting and on-boarding time and expenses
- Cost of a bad hire

Employee assessments help **improve**

- Employee engagement, utilization, productivity, and retention
- Management productivity and effectiveness
- Team chemistry, productivity, and success
- Customer satisfaction and loyalty
- Organizational climate and culture
- Strategic workforce and succession planning
- Communication between managers and employees
- Post-merger and acquisition integration
- Organizational alignment and efficiency

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An investment in knowledge
always pays the best interest.

Benjamin Franklin

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Who We Are – OrgCommit -

OrgCommit is a strategic partner of Profiles International, implementing Profiles solutions throughout North America.

Profiles International -

Profiles International helps organizations worldwide create high-performing workforces. Through our comprehensive employment assessments and innovative talent management solutions, our clients gain a competitive advantage by selecting the right people and managing them to their full potential.

Where We Are

Profiles serves 122 countries around the globe and has material in 32 languages.



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