As much as **80%** of employee turnover is due to **BAD HIRING DECISIONS**

70% and 90% =
the failure rate of

MERGERS 70%

and

ACQUISITIONS. 90%
THE NEED FOR PEOPLE DATA

People-related issues can tear at the fabric of a company, eating away at even the most solid foundation built on the best products or services. On the talent acquisition front, making a bad hire can cost you through potential earnings, replacement costs, ineffectiveness, or worse, as a drain on morale. From a management perspective, a dearth of leaders or ineffective leadership can result in stagnant growth, bungled initiatives, and even corporate collapse. Attrition, team dysfunction, failed acquisitions or strategic initiatives, and lack of productivity are all directly attributable to lack of leadership, mismanagement of people, and/or not putting the right people in the right roles.

ASSESSMENTS TO THE RESCUE

Assessments are effective tools for understanding the people who make up your workforce. Behavior, personality, cognitive, skills, integrity, job knowledge and a variety of other assessments are used to uncover different aspects of a person’s makeup. Integrity tests assess a person’s honesty, dependability, trustworthiness, reliability and prosocial behavior. Cognitive tests measure someone’s ability to solve problems, think on their feet, reason and other mental capabilities required to excel in specific jobs.

THE POWER OF UNDERSTANDING BEHAVIOR

While each kind of assessment has useful applications depending on your objective, behavioral assessments are particularly revealing, powerful and relevant to solving some of your most strategic and consequential people-related issues. Having a solid grasp—built on actual data, not observation—of how each employee can be expected to behave in a given role or work situation, and how to interface with and motivate them will allow you to anticipate, manage and resolve people-related issues long before problems crop up. The use of behavioral assessments in the workplace also allows you to have an open and objective conversation with your peers and direct reports that might otherwise be difficult to broach.

Behavior assessments make the difference between gut-feel-based hiring and employee development and management, and having concrete information to guide the critical decisions about employees, potential employees and your company. They give you highly accurate data about what motivates employees and potential employees, their needs from a position and workplace environment, and how you can expect them to behave in their roles, on teams, as leaders, and during times of change.

HR’S ROLE IN ASSESSING BEHAVIOR

Everyone in an organization benefits from using the data derived from behavior assessments.

- **Business owners and executives** concerned with corporate performance
- **HR and hiring managers** measured on the quality of talent they attract
- **Project managers and team leaders** responsible for assembling and retaining high-performing teams
- **Industrial and organizational (I/O) psychologists** responsible for the scientific study of the workplace
- **Employees** seeking an organization or role that allows them to grow and thrive

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**36%** of companies reported bad hires caused negative effects on employee morale.

— Harris Interactive Research

**94%** of best-in-class organizations leverage behavior assessments, compared to just **65%** of all others.

— Aberdeen Group
Human Resources, in particular, has a significant and evolving role to play in maximizing the value of assessments. Traditionally, HR has been responsible for the “softer” side of a professional environment—happy employees, a harmonious workplace, effective teams—but with data in hand, that’s beginning to shift. Management needs a partner who truly gets the company, product and culture, and has a means to understand the workforce. Behavior assessments can allow HR professionals to serve as the resident experts on employee behavior analysis by truly understanding what makes employees tick, and to develop strategies for maximizing human capital.

You can use behavior assessment data to ensure high levels of employee job satisfaction and performance in many ways, including:

- Hiring decisions
- Employee motivation
- Job feedback
- Managing conflict
- Team building
- Performance management
- Coaching
- Structural changes
- Employee retention
- Succession planning
- Employee engagement
- Establishing culture

The C-suite is ultimately responsible for the financial health of the company and demonstrating ROI is standard operating procedure. The following are ways in which HR leaders can educate management teams on the value of behavior assessments:

- **Compile data** on the costs of making a bad hire, including training, replacement, productivity and potential earnings losses.

- **Launch a behavior assessment pilot** with a small group of employees, determine parameters for measuring progress and track success over a defined period of time. Use the evidence to garner executive-level support for company-wide use.

- **Use a cultural shift, acquisition/merger, or a change** in leadership as an opportunity to build a case for how the data will make the transition smoother and more successful.

- **Evaluate and report on group dynamics**, including how teams are structured, productivity, conflicts, and team vs. team performance, to highlight areas for improvement.

Ultimately, scientifically validated, hard data is tough to ignore and the increase in revenue, morale, productivity and retention will speak for itself.
CHOOSING AN ASSESSMENT

Data-driven methodologies help you evaluate candidates, organize teams and develop employees, and give you unprecedented confidence and accuracy in the selection and development of the individuals you depend on to make your company successful. However, assessments come in many different forms, and not every assessment is right for every environment and circumstance. Below are the 10 key criteria to consider when selecting an assessment solution.

1. **How will the data be used?**
   Each type of assessment addresses specific aspects of an individual. Behavioral assessments reveal data about people in their work environments, and personality assessments ascertain people’s personality types. Decide which type of information would be most valuable to your organization.

2. **Is the data reliable?**
   Are people’s scores consistent and repeatable over time? Does the assessment effectively predict important workplace behaviors that drive metrics such as sales, customer satisfaction and turnover?

3. **What is the pricing model?**
   There are many different pricing models out there: they can be subscription-based, pay-per-user, or pay-per-assessment. Determine what you’ll be using the assessment for and the number of employees who will be using it to help you choose which pricing model is best for you. Some providers may provide assessment results that can be analyzed as an employee develops. This may require you to deploy several assessments over an employee’s career, which may make pay-per models less attractive.

4. **How long does it take to complete?**
   Assessments vary in length from 5 to 60 minutes (and sometimes more) to complete. Consider your employees’ and potential employees’ time when evaluating different options. Data accuracy and reliability does not necessarily correspond to the length of the test, so understanding the output of the test results and how you plan to use them is critical.

5. **How is the data gathered?**
   Tests can be either free choice or forced choice. Free choice means that the test takers select only what they feel applies to them, while forced choice gives a set number of answers and the testers are required to pick one. Evaluate which format gives you the most useful and relevant data.

6. **How are the assessment results presented?**
   Results of assessments can either be written in the form of a report or a more visual graphic, where data is presented in a quick snapshot that can be interpreted immediately. Some assessments have a combination of the two. Decide whether access to the underlying assessment data helps you apply insights more broadly in your organization and how your reviewers will best process assessment information. Some written-form outputs can be incredibly time consuming if you manage more than a handful of people.

7. **What level of support is required?**
   Tests can be administered by someone certified within your organization or by the test company. Determine if the ability to administer and interpret test results within your company is a better fit for you or if it makes more sense to work with an outside firm. Also confirm that there’s ongoing support from the test vendor and that the company understands your business challenges. Using assessments in your organization is not enough—introducing the use of assessments as part of a broader effort to affect change, provide clarity and remove unnecessary obstacles between you and your objectives, and increase employee engagement, will ensure high impact on performance.
Is the assessment global?
If you have a global workforce, it's important to be able to administer the test in an employee's native language and have analyst support within your area. Verify that the assessments and results are available in all relevant languages.

Can the data be used with groups and teams?
In addition to providing data about individual employees, some assessments can also give insights into group dynamics, which can be used to address group conflicts and evaluate performance vis-à-vis other groups. If group analysis is important, make sure the data is available for that use. Some tools allow you to compare two behavioral patterns, or even entire teams, to get a better understanding of what makes a top-performer in your organization.

Is the assessment EEOC compliant?
Standards organizations, such as the Equal Employment Opportunity Commission (EEOC), provide compliance guidelines for different aspects of assessments. Ensure that the solution you choose is free of bias with respect to the respondent’s age, gender or ethnic group.

THE PI BEHAVIORAL ASSESSMENT™
The PI Behavioral Assessment, part of the Predictive Index system, solves many of the most pressing and people-related issues that plague almost all companies. The assessment is:

- **Quick.** Untimed, easy-to-administer, and typically takes less than 10 minutes to complete, yet delivers a trove of useful and relevant data.
- **Bias-free.** Certified by the EEOC as free of bias with respect to the respondent’s age, gender or ethnic group.
- **Free choice.** Leveraging stimulus-response, test takers select only what they feel applies to them, as opposed to being required to pick an answer from a list of choices. What they select, don’t select, how much or how little they select reveals as much, if not more, relevant data than tests with hundreds of questions.
- **Work-related.** Built on science and stimulus-response, measuring specific motivations and drives related to workplace behavior in particular.
- **Multi-dimensional.** Relevant for not only hiring, but also employee development, management, retention and growth. The results help companies figure out who has the capacity to grow, adapt, etc. from their natural styles.
- **Administered and interpreted by pros.** Managers are trained on the use and application of the PI through a series of instructor-led workshops tailored to the needs of each PI user in your organization. Select individuals in your organization will also attend the Predictive Index Performance Management Workshop™ to make them practitioners qualified to deliver assessments and assist in the interpretation of the data and how it is used.

Find out why more than 8,000 clients across 142 countries use The Predictive Index to truly understand what drives workplace behaviors. Our behavior and skills assessments, people analytics software, and instructor-led management workshops are based on our proprietary Predictive Index system, which is validated with strong roots in behavioral science and has a 60-year proven track record.

Business challenges big and small are no match for our unique approach to client education and knowledge transfer, which ensures swift adoption, immediate ROI, and high impact on performance metrics. Each year, 2.5 million assessments are administered and over 7,000 professionals are trained in our workshops.

Visit [www.predictiveindex.com](http://www.predictiveindex.com) to learn more or contact us today!