

Resumes, Referrals, and Interviews AREN'T ENOUGH:

Why This Is the Year to Embrace
Pre-Employment Testing

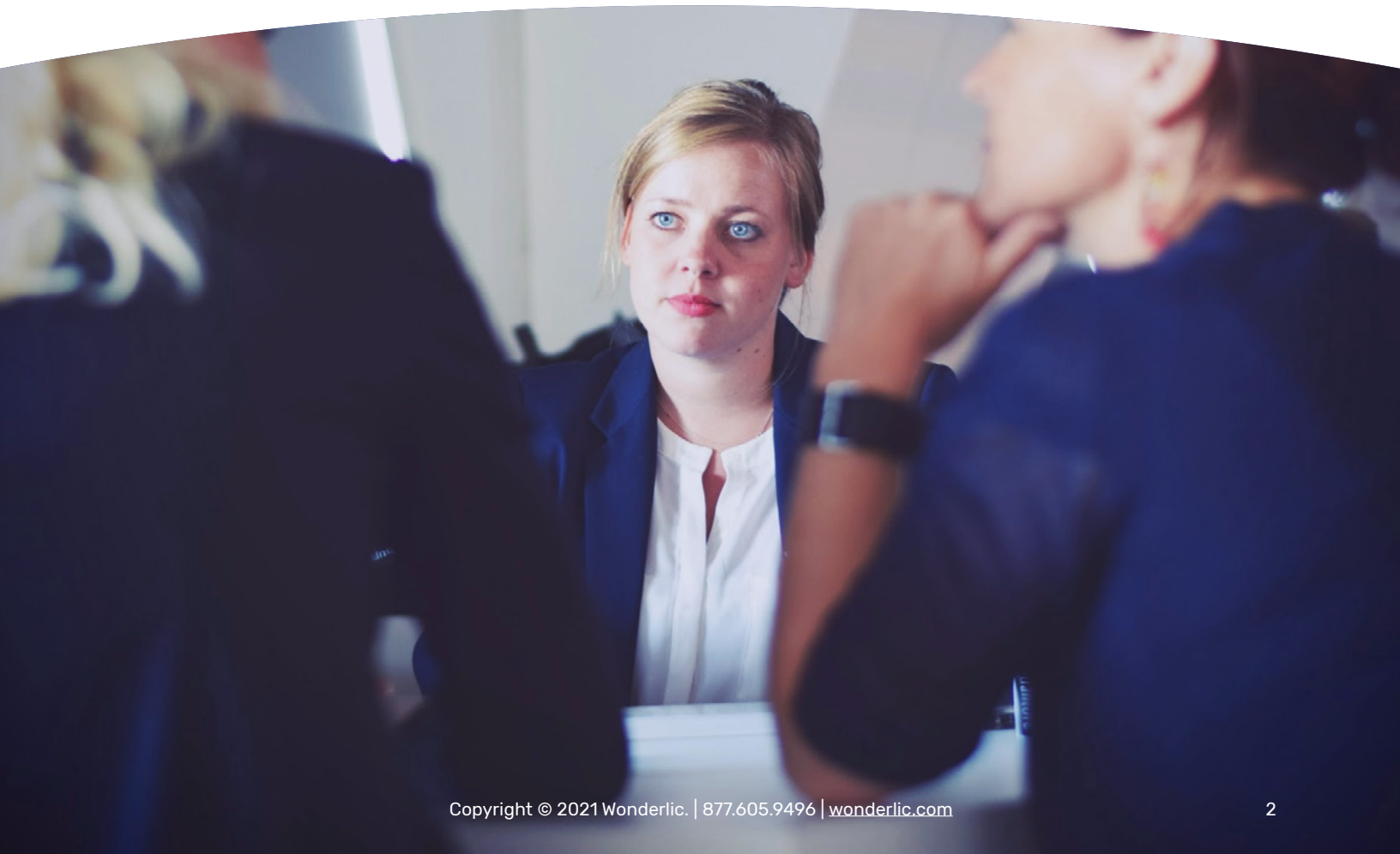


For years now, HR leaders who once broke into a cold sweat at the mere mention of “Big Data” have embraced analytics to streamline processes, reduce costs and turnover, and bulk up their company’s bottom line.

And yet—when it comes to the uniquely complicated task of finding the best-fit candidate for a job—many recruiting teams and hiring managers are still reluctant to make objective data a core pillar of the process. Instead, they still rely primarily on the same three screening criteria employers have used for hundreds of years: resumes, referrals, and interviews.

Why is this a problem?

Let us count the ways.



The problem with resumes

Resumes are like social media posts: they embellish the qualities that make us seem amazing and add a soft-focus filter to (or totally edit out) the rest.

To make it past resume screening software, job seekers plant keywords and massage employment dates...or worse. [According to a recent study](#), 78% of candidates polled admitted they had or would consider misrepresenting themselves on their application. In another study, more than a third of job seekers [admit their resume contains at least one significant job-related lie](#). On top of that, studies also show that the algorithms that power resume screening tools [have a disparate impact on minorities](#).

Meanwhile, for all the effort people put into fine-tuning their resumes for maximum effect, the average amount of time a recruiter spends with a resume [is a mere 7.4 seconds](#)—just long enough to determine whether someone is a no or a maybe, but little more.

Not only is the information in resumes often suspect and automated screening tools biased against minorities, resumes have also been proven to invite unconscious name bias. According to a landmark study by Bertrand and Mullainathan, resumes with Black-sounding names experience a 50% callback gap compared to resumes with White-sounding names. For this reason, many companies have begun intentionally stripping identifying information from resumes.



The problem with referrals

Supporting and encouraging referrals is an industry best practice: it sends the message that your company values its employees' input. And when the person making the referral is weighing the right factors, those referrals can work out wonderfully.

But vouching for people isn't a perfect science. Too often, employees recommend others because of the social pressure to do so, to return a favor, or simply because they like them personally—not because they have the inside scoop on whether the person is a great fit for the job. And previous performance is no guarantee of future results, especially if the new job is significantly different in scope or focus. (This is one of the limitations of resumes as well.)

Also, because most people gravitate towards—and therefore recommend—like-minded peers and friends, referrals can create a problematically homogenous workplace. Case in point: women and people of color are less likely to be hired through referral programming. Not only is this a problem on the equity front, it's also bad for business: as a famous study by the McKinsey Global Institute concluded, gender diverse teams are 15% more productive and ethnically diverse teams are 35% more productive than non-diverse teams.



The problem with interviews

Of the three methods of vetting candidates, interviews allow hiring teams the chance to dive deepest. But as we all know, the interview process can be highly subjective.

[All kinds of biases](#) can skew the perspective of individual interviewers and hiring teams who often struggle to come to a consensus as a group. Highly competent candidates can get passed over because they seem awkward. Less competent candidates skilled at what psychologists call “impression management” might make the cut only to underperform in the trenches. When compared with their competition, candidates can easily be over- or underestimated for all kinds of reasons. [Using structured interviews](#) can reduce the impact of bias, but even the most conscientious companies can’t avoid the problem altogether.



So what's to be done?

We're not suggesting that talent acquisition teams should toss resumes, referrals, and interviews out the window. Certainly, all three provide a layer of helpful information.

However, all three fail in one critical way: they're unable to unearth the underlying traits of a candidate that can help predict how they'll perform *in the job they're now applying for*.

They don't provide objective data about what a candidate is capable of, they don't tell you what kind of work a candidate is innately drawn to and energized by, and they don't tell you how a candidate will likely behave on the job.

Luckily, the best pre-employment assessments do. But as we'll explain, not all assessments are created equal—which is why, even if you're already checking the assessment box, you should take a fresh look at your approach.



Pre-Employment Assessments:

What's on the Market
and What's Most Predictive
of Job Success?

Pre-employment assessments run the gamut.

Here's a high-level breakdown of the main types and how predictive of job success they are.

Cognitive ability tests



Cognitive ability tests—sometimes called aptitude or general mental ability tests—assess a candidate's ability to learn, adapt, solve problems, and process complex ideas. Usually, these tests feature challenges related to simple math, logic, language comprehension, memory, and spatial reasoning.

Importantly, cognitive ability testing is recognized as the best single predictor of future job performance. It accounts for up to 42% of the variation in job performance, as compared to reference checks which only account for approximately 7% or job experience which accounts for less than 2%. Given this context, reference checks and job experience are less useful to employers when trying to differentiate between applicants likely to be high or low performers.

This conclusion has been repeatedly confirmed over the past 100 years, most definitively in [a 1998 study](#) by renowned I-O psychologists Schmidt and Hunter and [a 2016 follow-up paper](#) by Schmidt, Oh & Shaffer.

Cognitive ability testing is available from a variety of companies, but for over 80 years, Wonderlic has led the industry in the predictive measurement of cognitive ability. Cognitive ability assessment is the foundation of the WonScore pre-employment test.



Personality tests

Personality tests provide insight into qualities like a candidate's interpersonal preferences, general temperament, and reliability. Unlike a cognitive ability test, there are no right or wrong answers, only insights into a person's relatively stable behavioral traits.

One of the most trusted personality test frameworks is The Five Factor Model. This model measures a person's Agreeableness, Conscientiousness, Extroversion, Openness to Experience, and Emotional Stability—the dimensions of personality that I-O research has deemed most relevant.

Combining data from a work personality test with cognitive ability data has been proven to add what's called incremental validity—a statistically meaningful layer of predictive insight.

Warning: Many well-known personality tests are intended for employee development, not candidate selection. (As the website for the popular Myers-Briggs Type Indicator assessment tool specifically states, “It is not ethical to use the MBTI instrument for hiring or for deciding job assignments.”)

Emotional intelligence tests

Emotional intelligence (EI) is a concept popularized in the 1990s that describes a person's awareness and understanding of emotions and ability to productively use that information. Specifically, EI focuses on five main categories—self-awareness, self-regulation, motivation, empathy, and social skills. Employers turn to EI tests to give them insights into a person's ability to collaborate with, lead, and influence others.

The problem with EI tests? Though they've been branded as something shiny and new, they're essentially measuring the same elements as most cognitive and personality tests. Also, importantly, while they might prove useful for employee development, used on their own, they're not predictive when it comes to employee selection.





Integrity tests

Integrity tests are meant to assess a job applicant's tendency to be honest and dependable in the workplace.

There are two types of integrity tests: overt and covert. Overt integrity tests make no attempt to disguise the purpose of the test and often ask applicants about their history (or lack thereof) of wrongdoing. Covert tests are less transparent and measure some of the same factors as standard personality tests, particularly conscientiousness, emotional stability, and agreeableness.

Like other measures of personality traits, covert and overt integrity tests can potentially add incremental validity to a selection process when combined with cognitive ability data. However, they've been proven to negatively impact candidate experience and are not as robust as full measures of Five-Factor personality assessments.



Skills tests

Just as their name suggests, skills tests measure whether someone can perform a specific task. Some focus on basic, general skills like verbal, math, and communication skills; some focus on more specific skills like typing and computer abilities; others take the form of highly complex job simulations.

Whereas cognitive ability and personality tests are designed to reflect core traits and help predict short-term and long-term job performance, skills tests are generally designed only to reflect the acquired knowledge a candidate brings to the table right now. Considering that the current half-life of a learned skill is estimated to be only five years*, compared with an estimated 12-15 years in the 1970s, a candidate's existing skill set is becoming increasingly less important than their ability to take on new skills.

*This means that five years from now, an employee's current skill set will be worth about half as much as it is today.



Multi-measure tests

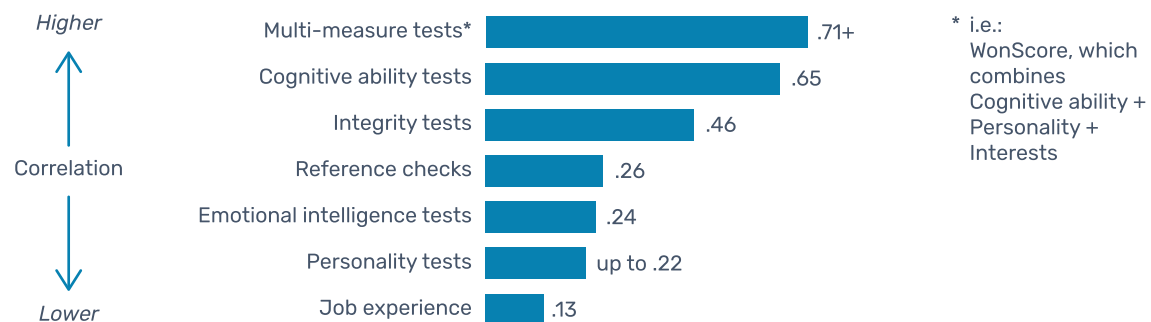
Multi-measure tests integrate a variety of pre-employment assessments into a single test. According to a recent Harvard Business Review article on selection practices, multi-measure tests are even more predictive than cognitive ability tests on their own. This is because cognitive ability accounts for the most variation in performance and any additional distinct predictors add validity above and beyond its use alone. (See graphic below.)



Additionally, multi-measure tests support DE&I efforts by mitigating some of the between-group differences related to cognitive ability measures alone.

The most effective hiring selection practices

Based on validity coefficients ranging from 0 to 1. The higher the number, the higher the correlation between test scores and predicted job performance.



Source: Based on data shared by Frank L Schmidt in Nov 6, 2013 address to PTCMW as an update to: Schmidt, F.L & Hunter, J.E (1998).

HBR.org

Wonderlic's WonScore assessment was built with this finding in mind. By combining cognitive ability, motivation, and personality data into a single score, WonScore provides employers with a highly predictive, 360-degree view of a candidate, allowing them to make better, data-driven, hiring decisions.

The Less Obvious Benefits of Pre-Employment Assessments

We've already covered how pre-employment assessments provide insight into candidates that resumes, referrals, and interviews simply can't, making it easier for companies to make informed hiring decisions. But their benefits extend beyond that. They include:

A faster time-to-fill rate

At an average 42 days from posting to offer, the hiring process is ripe for streamlining. Adding an additional layer of objective screening data beyond what an ATS provides helps recruiters screen out the bad fits who might look good on a resume and set up interviews with the best candidates more quickly. Also, when the pool has been winnowed down to a few top contenders, pre-employment assessment results can be used as a screen-in tool that helps the hiring team agree on who to make an offer to.

A more legally-defensible hiring process

Using assessment tools that make use of job-specific scoring profiles helps ensure that organizations follow uniform guidelines and create a process that's fair and legally-defensible. Of the more than 100,000 complaints the EEOC receives every year, only around 500 are related to properly used assessments in the hiring process.



“WonScore helps most with those candidates that are ‘on the fence’ and your decision could go either way.”

– Administrator in Construction (2020)

At Wonderlic, our research scientists create job profiles by analyzing both data from the US Department of Labor's O*NET database and the applicant data across thousands of job profiles in our own database.

Our customers are then able to find the profile that best matches any opening by simply uploading their job descriptions and conducting a search through our **AI-powered Job Directory**.

A better candidate experience

A 2015 study by Hausknecht, Day & Thomas found that candidates like taking cognitive and personality assessments because they give employers a more accurate sense of what they can do. Similarly, a 2016 study by Speer, King & Grossenbacher states that candidates view longer assessments as more fair than shorter equivalents because they feel they're being given a chance to showcase their abilities.

Also, because companies who use assessments are able to screen out bad matches more quickly and confidently, they're able to respond to candidates with either a rejection note or an interview request more quickly, which candidates appreciate.

According to a [2020 report](#) that surveyed 250 job seekers, 50% of respondents had declined a job offer due to a poor candidate experience.

A more personalized onboarding process

With the insights assessments provide, hiring managers and HR teams can tailor onboarding processes to appeal to a candidate's personality, motivators, and learning potential. For example, the results of an assessment could indicate that one candidate will likely learn complex tasks with little instruction, while another would appreciate more oversight and structure. (Wonderlic provides a tool called [New Hire Success Tips](#) to help our customers do just that.)

[Gallup](#) found that 88% of employees don't believe their organization does a great job of onboarding. And research by [Glassdoor](#) found that organizations with strong onboarding process improve new hire retention by 82%.

Lower turnover

Understanding whether a candidate can do the job, how they'll behave on the job, and whether they're naturally predisposed to the job reduces the chances of hiring someone who crashes, burns—and churns.

Considering that the U.S. Department of Labor estimates that the cost of a bad hire can reach up to 30% of the employee's first-year earnings, boosting your company's retention rate by even a fraction can save real money.

The ability to staff for potential

Upskilling, reskilling, talent development—whatever you want to call it, more and more companies are realizing that teaching existing old employees new tricks can be a better use of time and resources than searching for someone new. (This is an especially wise approach considering the five-year half-life of skills we mentioned when talking about the limitations of skill tests.)

Also, according to [a study conducted by HR Magazine](#), companies that invest \$1,500 or more per employee per year on training average 24% higher profit margins than companies with lower yearly training investments.

With pre-assessment testing, companies get a clearer sense of candidates' capacity for development and how to tailor training to the needs and capabilities of their new hires well after their onboarding period is over.

“[With Wonderlic's assessment tools], we've been able to identify underlying traits that are a good fit for our roles that perhaps we wouldn't have seen on a resume, or maybe not even have discovered during an interview.”

-Maureen Hascher, ActionLink VP of Talent



A closer look at WonScore by Wonderlic

Founded in 1937, Wonderlic is a pioneer in pre-employment testing; over the past 80 years, more than 200 million people have taken a Wonderlic test.

Six years ago, Wonderlic created [WonScore](#), a SaaS platform that combines insights from our cognitive ability, motivation, and personality tests into a single, easy-to-understand score that any HR team can easily interpret, no training required.

Because different jobs require different knowledge, skills, and abilities, the weight of cognitive ability assessment scores are relative to the motivation and personality assessments in WonScore, based on the specific requirements of the job.

For example, cognitive ability might matter more for a senior-level engineering role that requires world-class problem-solving skills than it would for an entry-level customer support role that demands drive and strong people skills. The flexibility of this scoring model enables HR departments to get tailored insights for any job profile with a single WonScore test.

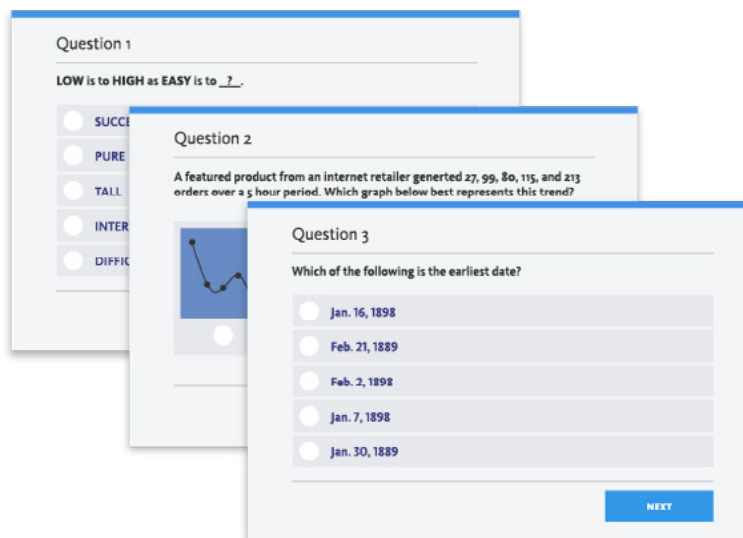


The three-part WonScore test takes between 35-45 minutes to complete. Here's how the test breaks down:

Cognitive ability assessment

Features questions related to:

- ✓ Math and verbal skills
- ✓ Basic logic
- ✓ Language comprehension
- ✓ Spatial reasoning
- ✓ Pattern identification
- ✓ Memory



Motivation assessment

Based on the RIASEC model, which measures how a candidate's results across these six characteristics match the ideal profile for a job:



Practical

Hands-on, physically demanding work



Investigative

Analytical, scientific, intellectual positions



Artistic

Imaginative, creative, expressive work



Supportive

Teaching, providing care, serving others



Enterprising

Persuasion, balancing a bottom line, revenue generation



Traditional

Structured, repeatable, predictable

Personality assessment

Based on the aforementioned Five Factor model, our assessment measures these five characteristics*, listed in order of their predictive power:



*We use different descriptors than the Five Factor Model, but we're measuring the same things.

Want to learn more about Wonderlic's approach to pre-employment assessments?

Schedule a demo [here](#).

Or give us a call at 877.605.9496.

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“We couldn’t be more pleased with how this has helped our process. We felt we had a really good success rate before, but it has gone to a whole higher level by adding this step.”

- Jeff McDonald, Director of HR, Sweetwater Sound