
Mitigate the Impact of the Great Resignation With Better Hiring Decisions; Here's How

In a competitive market, some employers wonder if they need talent assessments, concerned they deter candidates from applying or slow hiring. Our research finds the opposite: Assessments often speed up hiring and reduce turnover. We explain why that is and how to effectively use this tool in today's hiring environment.

Many workers are looking for new opportunities as they emerge from two years of uncertainty, while at the same time, companies are scrambling to hire talent to fuel growth. This means attracting and retaining talent has become a top challenge facing organizations worldwide.

One way to develop a more effective hiring strategy is through starting or enhancing your talent assessment programs. Some employers are debating whether assessments are needed in a tight labor market, questioning whether they slow down precious time to bring candidates in and make an offer. In our experience and through data analysis, we find that the opposite is true. In the aggregate, using assessments effectively will result in faster hiring decisions and selecting candidates that are a better fit for the role — therefore more likely to stay with the organization.

In this article, we dispel four common myths we hear around using assessments in a tight labor market and provide tips on using assessments more effectively in the pre-hire process.

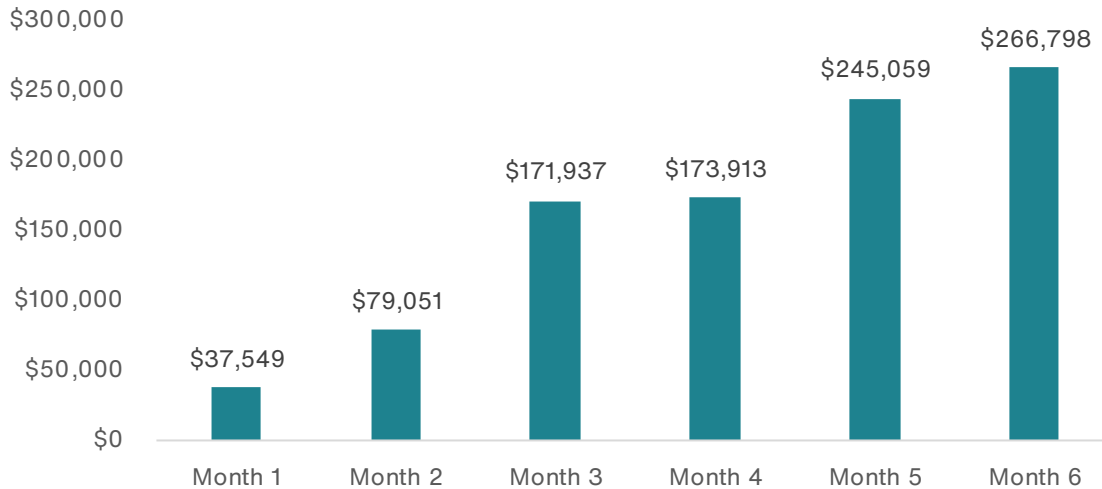
Myth #1: Using assessments for job candidates will turn people off of the application process.

In a tight labor market, candidates are suddenly presented with a multitude of options for employment, often resulting in higher turnover. An effective talent assessment process is proven to reduce attrition by better matching the right candidates to the right employer and job. Assessments also provide candidates with a more complete preview of the job and build a psychological contract with an employer.

Let's explore this concept through a recent example. We introduced an assessment process for a client recently who had a large number of applicants for hourly worker roles. The role had high attrition of over 35 percent within the first 90 days on the job. The assessment we introduced included a job simulation to help differentiate candidates that would be skilled and committed to this environment. As a result, candidates that were hired came in with a better idea of the role, more foundational skills, and were more motivated to be successful after the induction training program.

The results were clear: The client saw a significant improvement in attrition and cost savings. With new-hire training estimated to cost \$15,000 per participant, the reduction in attrition resulted in a significant cost efficiency for the business as shown in Figure 1.

Figure 1 – Case Study: Projected Cumulative Savings Six Months Following New Hire Based on Improved Attrition



Note: Client example based on 1,000 new hires per year and \$15,000 cost of turnover per person

Myth #2: Assessments limit diversity in the talent pipeline.

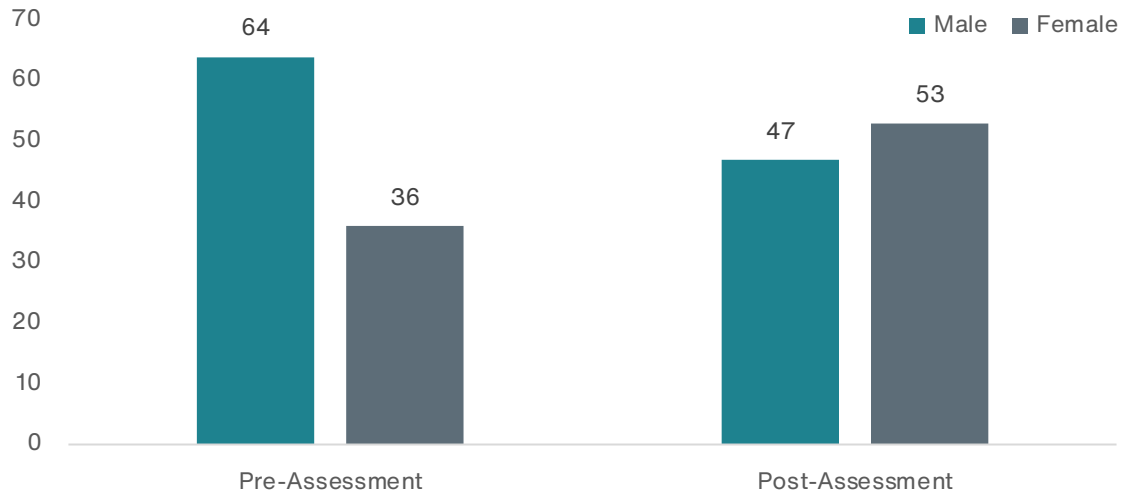
The challenge for HR leaders today is attracting talent in a competitive landscape, as well as ensuring an equitable process that helps improve the visibility of roles and employment opportunities for diverse pools of talent.

A structured assessment process allows organizations to make objective decisions that, in turn, ensures all demographics to have a fair chance. Our research finds that the number of diverse job candidates increases when an employer has the following:

- fair and mobile-optimized assessment tools
- an unbiased screening process to examine the results of the assessment
- minimizes subjective decision-making

A better mobile experience for online assessments can also improve the diversity of the applicant pool. Aon’s research has shown that African American candidates are approximately 30% more likely to use mobile devices to complete assessments than white candidates, and women are approximately 17% more likely than men to use a mobile device.

As an example of how this works, we recently worked with a client that sought to revamp their selection process to hire more diverse candidates who can think outside the box and adapt to changes and future requirements. The new assessment process focused more on broad behavioral capabilities rather than simply academic performance. A phone interview was replaced with a digital interview that included AI-assisted scoring. The client experienced a nearly 50 percent increase in hiring female candidates compared to the previous year. This resulted in a 50/50 female and male worker ratio at the firm.

Figure 2 – Case Study: Number of Male and Female Candidates Hired Before and After Using Assessments**Myth #3: We just need to fill the role – and at this point anyone is better than no one.**

Years of research show that a well-developed and properly implemented assessment system allows the organization to identify those candidates who are more likely to be successful in the role. Success can be measured by metrics such as job performance, sales, customer service and safety.

In a recent analysis, we worked with an organization whose early career talent that scored higher on the pre-hire assessment were 76 percent more likely to be rated as high performers and 60 percent more likely to be rated as high potential by their supervisors. That's because they possessed more of the attributes the assessment identified as being a good fit for the role – such as motivation, curiosity, teamwork, resilience and ability to solve problems.

In another client project with a large transportation organization, predictive modeling showed that, if employees who scored poorly on the assessment had been selected, they would have gotten 50 percent more injuries and 77 percent more safety incidents. The organization was able to avoid critical safety issues by using an assessment and selecting candidates who were fit for the role.

Myth #4: Job candidates don't like taking assessments and will be less willing to in a competitive hiring market.

A common push back against the use of assessments is that candidates don't like to take to them because they are time consuming, or they don't see value in the process. Candidates may start an assessment process and are turned off after they have had a look at the first few screens. This is typically for one of two reasons. One scenario is the candidate was speculatively applying for a job and it's too much effort to take a preliminary assessment screen. In this case, it's a good thing to have them drop out! Alternatively, the assessment experience is clunky, and they decided to not invest the effort (not such a good thing).

There are a few must-haves to ensure that the assessment process is engaging:

- **The assessment offers a seamless workflow, especially in high-volume settings.** Ideally, there's an integration with the Applicant Tracking System where the candidate passes from their application to assessment. This increases candidate completion rates since it requires fewer clicks and reduces the need to wait for an email invitation to complete an online assessment.

- **The assessment offers a realistic preview of the job.** Completion rates for these types of assessments are typically much higher and accompanied by positive candidate reactions.
- **Assessments are efficient and don't feel like a waste of a candidate's time.** We revamped one client's assessment from 60 minutes to 20 minutes by focusing on the components that truly differentiated performance. Evaluate what elements can be combined and made more efficient.

Next Steps

Using appropriate assessments at the right step of the selection funnel can speed up the process and create efficiencies for all parties. Online assessments are a quick and low resource way to identify those who are least likely to perform successfully in the role – saving time and energy on the more labor-intensive steps later in the selection process.

Keep these tips in mind whether you are adopting or refining your assessment process:

1. Ensure your assessment process is optimized. There are stark differences between a process that is less than an optimal and one that is mobile enabled, integrated with the rest of the application process and mirrors the job experience.
2. Manage the cut-off scores. If you really struggling to have candidates come through the assessments, consider relaxing the cut-off the scores. This means you can still screen out the very lowest performers and get some utility from assessments.
3. Move the assessments to lower in the process. For certain roles (senior levels, high-skill, hard-to-fill roles), using assessment later in the process can help ensure you have pre-qualified candidates.
4. Link assessments to other aspects of your talent strategy. Assessment data provides powerful insights into skills, long-term potential and fit into different teams. Aggregate views can give employers insights into collective areas of strength and opportunity and help reach diverse talent.

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