

Are you screening *IN* the right applicants?



How much time are you spending interviewing applicants that end up being a waste of your time? They had all the qualifications, but at some point in the interviewing process it became obvious they weren't what you were looking for. Or maybe you never picked up on their poor attitudes and hired them only to find out three months later what a mistake you made. Hiring the right employee for your company needs to be about helping the great applicants reveal themselves. Counterintuitively, you cannot rely on a person's interviewing skills to do the heavy lifting here. Many good people aren't good at interviewing. The Nielson Group reveals how the use of an opinion survey coupled with traditional applicant screening strategies can lead to significant positive impact on the profitability and growth of companies.

Better hires mean faster growth and a quicker path to sustained profitability. In studying the statistical data from 7,914 pre-employment surveys administered for small and medium-sized employers by The Nielson Group, the findings strongly suggest that companies need a reliable and valid assessment to help them screen in the most desirable applicants.

Study Approach

Applicants for hourly, administrative and skilled trades positions were screened for minimum requirements based on their resume or job application. Those that met the minimum

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requirements were then asked to complete an opinion survey that measures a person's attitudes around work, supervision, customer service, safety/risk avoidance, drug use and theft.

Study Results

Of the 7,914 qualified applicants, only 63% were recommended by the survey. This is after hiring managers had already qualified the person. Based on these findings, most companies using traditional hiring methods are likely experiencing up to a 37% failure rate among their hires. The saying "we hire for skill and fire for attitude" is alive and well and comes at a very high cost to employers.

Hiring managers are very aware of the pain and drain on their time when an employee fails. Some of the tangible costs of employee failure can be measured. But most hiring managers do not consider the "lost opportunity cost" that occurs when the wrong person is hired. Unless your candidate pool is extremely limited to single applicants, a pre-employment assessment allows the candidate pool to be ranked from high potential to low potential. The alternative to not using a pre-employment assessment places the hiring manager at significant high risk of selecting the wrong candidate from the pool. This means you overlooked the "right" or "best" candidate. And the odds of the best candidate being available six months later when you realize your mistake are pretty low.

To be clear, the traditional steps of screening for minimum qualifications and conducting a phone and/or face-to-face interview are necessary components of the hiring process. However, without the right tools to complement those components, a risk arises that the better applicants are being arbitrarily screened out.

Every manager should have the confidence that they are screening in the right applicants. By using assessment tools that accurately measure work-related attitudes against highly valid benchmarks, the hiring manager will see a much greater percentage of potentially good applicants making it through the hiring process. This not only increases the odds of hiring the best candidate, it saves a hiring manager significant time.

The pre-employment opinion survey used in this study reveals attitudes of those applicants who are low risk for drug use and work-place theft. It also screens in applicants that have above average attitudes towards supervision, work and customer service. Employees with these qualities are more productive and less problematic in the long run.

Ultimately, good hires add significant value. Using the right pre-employment assessment reveals the most desirable applicants and lowers overall operating costs, nurtures a healthy company culture and increases workforce productivity.

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Using a Pre-Employment Survey: Data and Impact

Qualified Applicants Before Survey:	7,914
Recommended	62.80%
Not Recommended	37.20%

Validity Index: ¹	7,914
Low Risk	71.83%
Marginal Risk	20.70%
High Risk	07.47%

Workplace Drug Use Attitudes:	7,914
Low Risk	65.00%
Marginal Risk	27.24%
High Risk	07.76%

IMPACT: Substance abusers have 300% higher medical costs than non-abusers. They are 2 1/2 times more likely to be absent eight or more days a year and are 1/3 less productive.²

Workplace Theft Attitudes:	7,914
Low Risk	58.67%
Marginal Risk	28.82%
High Risk	12.51%

IMPACT: A typical organization loses 5% of its annual revenue to employee fraud³ and nearly one-third of all employees commit some degree of employee theft.⁴

Supervisory Attitudes:	7,914
Above Average	24.29%
Average	65.29%
Below Average	10.42%

Work Attitudes:	7,914
Above Average	17.97%
Average	66.05%
Below Average	15.98%

IMPACT: Unplanned absences like casual sick days are the leader in per-day productivity loss: 21%. The replacement workers used to cover those unplanned absences are only seventy-one percent as efficient.⁵

¹ Measures respondent's authenticity/honesty within responses

² Working Partners', National Conference Proceedings Report: sponsored by U.S. Dept. of Labor, the SBA, and the Office of National Drug Control Policy.

³ ACFE's Report to the Nations on Occupational Fraud and Abuse

⁴ Department of Justice

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Customer Service:	7,914
Above Average	28.37%
Average	46.56%
Below Average	25.07%
Workplace Safety Attitudes:	7,914
Low Risk	59.57%
Moderate Risk	25.52%
High Risk	14.91%

IMPACT: 2.9 million nonfatal occupational injuries occurred in 2010 and 1.2 million of those workplace injury incidents resulted in days away from work.⁶

Our Recommendation

Based on the data, a pre-employment assessment is a smart addition to any hiring protocol. A valid assessment, well-tested for reliability, significantly increases the likelihood of identifying the best candidate for the position, a boon for any potential employer. The Nielson Group ensures hiring managers and HR make the best hires, which in turn, increases growth even more. Our suite of assessments give clients proven tools to build a workforce that is dependable and high-performing for the long-term growth of their company.

The Nielson Group

The Nielson Group is an organizational development consulting firm providing talent selection and enterprise-wide development expertise that creates sustainable transformation for any organization.

Our philosophy is to apply talent and organizational diagnostics and leadership interaction in order to build engagement and alignment throughout an organization. We empower individuals and teams to achieve success and drive profits. The Nielson Group is a specialist in work-based, user-friendly assessments, providing objective data to accurately identify people's work behavior, cognitive potential and emotional intelligence. With over 15 years as a track record for success, we work with business leaders to transform the performance of their teams and individuals by enhancing hiring, retention, development and management.

The Nielson Group offers solutions in the following areas:

- Organizational Culture, Employee Engagement Diagnostics
- Board role clarity, strategic talent management processes
- Organizational Goal Alignment and Achievement
- Leadership Development, Executive Coaching

⁵ Mercer, The Total Financial Impact of Employee Absence

⁶ Bureau of Labor Statistics

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- High-Potential Development Coaching Programs
- Executive Candidate Assessment and Evaluation Service
- Talent Assessment, Development and Succession Planning
- Role Definition, Alignment and Talent Requirements
- Performance Management
- Talent Assessments for Hiring, Talent Acquisition, Internal Selection
- Team Communication and Collaboration Skills
- High Performing Team Development

HR Partner by The Nielson Group

HR Partner is a HR/talent management outsourcing service for small businesses with 10 to 150 employees that includes an HR business partner. An HR business partner is a highly experienced and knowledgeable HR professional who works with your organization's senior leaders and managers to develop and apply an HR agenda that effectively supports the overall aims of the organization and promotes alignment. The HR business partner plays a vital role within your growing organization that includes strategic work and ongoing support as operational needs arise. The HR Partner also serves as your HR subject matter expert, trainer and facilitator to all HR Partner shared services.

The Nielson Group has researched, sourced and bundled high-impact, leading-edge HR solutions that, until now, could only be afforded by companies with 500+ employees:

- Talent management strategies
- Applicant management: job posting, workflow streamlining, applicant tracking, reference checking, offer extending, onboarding
- HR compliance/risk management: HR Online Resource Center, Live HR Hotline

The result is HR Partner, a fee-based suite of HR tools and strategic HR support bundled specifically to serve the unique needs of small- to medium-sized businesses:

For those businesses without an HR professional on staff, HR Partner is a must-have solution. For those businesses with an HR professional on staff, HR Partner empowers that person to significantly increase the HR function's impact across the organization.

For more informatio visit us at www.nielsongroup.com or call 972.346.2892.