2018 Pre-Employment Testing Benchmark Report

Key insights into the factors that drive better hiring decisions
### ABOUT THE REPORT

The hiring landscape is changing, and employers are finding new ways to attract, evaluate, and retain top talent.

We created this report to learn more about how companies hire, the challenges they face, and the priorities they have when evaluating candidates.

The results in this report are based on responses from companies that use pre-employment testing in the hiring process. Respondents include companies of all sizes across a wide breadth of industries.

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KEY INSIGHTS FROM THE REPORT

1. The demand for talent is still rising.
   In an already competitive labor market, companies expect their hiring volume to increase in the next year. This will continue to challenge employers to attract and retain talent.

2. HR spend is increasing even faster.
   Companies expect to increase their financial investment not just in hiring but in other key initiatives that are designed to promote retention. Some of the major priorities include strengthening employer branding efforts, cultivating a positive work environment, and fostering career development opportunities within the organization.

3. Employers use a wide variety of factors to make hiring decisions.
   Aside from pre-employment tests, the majority of companies use resumes, interviews, phone screens, background checks, and reference checks.

4. The biggest benefit of pre-employment tests is better quality of hire.
   97% of respondents agreed that this was a top benefit of testing.

5. The most commonly used tests are cognitive aptitude and personality tests.
   These also happen to be the most predictive of job success.

6. Pre-employment tests are versatile and flexible.
   Our respondents administer tests for just about every job level and at nearly every stage of the hiring process. Pre-employment assessments provide the flexibility for an organization to gain predictive insight into a candidate’s abilities in a way that best suits that particular organization.
HIRING PROFESSIONALS WEAR A LOT OF HATS.

Beyond just recruitment and selection, many hiring professionals are responsible for managing other HR activities post-hire, including onboarding, managing employee relations, and training and development. This means they aren’t just invested in filling open positions - they’re also invested in the long-term success of their hires within the company.

Roles and Responsibilities of Hiring Professionals:

- Recruitment and Selection: 92%
- Onboarding: 71%
- Managing Employee Relations: 64%
- Training and Development: 61%
- All of the Above!: 47%

The hiring process has a big impact on the organization as a whole. By driving to improve quality of hire early on in the hiring process, the other key HR functions (like onboarding, employee relations, and training/development) will improve at the same time.
THE BIGGEST AND MOST IMPORTANT PRIORITY FOR HIRING PROFESSIONALS IS TO FIND HIGH QUALITY JOB CANDIDATES.

Because hiring professionals have many roles, they also have many different priorities for their organization. Most agree, however, that finding high quality job candidates is the most important priority - 96% regarded this as extremely or very important.

Extremely Important Priorities:

- Finding high quality job candidates: 83%
- Cultivating a positive work environment: 68%
- Reducing employee turnover: 61%
- Creating a positive candidate experience: 60%
- Making the hiring process more efficient: 58%
- Maintaining a strong employer brand: 52%
- Getting enough applicants: 47%
- Optimizing employee training programs: 44%
- Fostering career development: 41%

Trends in Hiring

Companies’ priorities are starting to reflect the major trends in HR.

- 60% A majority of companies view candidate experience as “extremely important.”
- 52% Just over half of companies also consider their employer brand to be a top priority.
DESKTOP STILL DOMINATES.

Hiring professionals still turn to desktop when it comes to the amount of time spent on hiring activities - they spend 85% of their time on a desktop device.

**Mobile Trends**

From online shopping and gaming, to social media and the job search, people are spending more and more time on their mobile devices. But does this extend to the hiring process? Based on the survey results, hiring professionals still complete the vast majority of their hiring activities on a desktop or laptop.

This makes sense - hiring is a process that happens at work, where most professionals have access to a desktop. It will be interesting to see if time spent hiring on mobile devices increases over time, or if the hiring process will remain squarely within the domain of the desktop.
HIRING DEMAND IS STILL RISING, BUT HR BUDGETS ARE INCREASING EVEN FASTER.

2.3% The predicted increase in hiring volume from 2018 to 2019.

In an already tight labor market, employers expect to continue increasing their hiring volume in the next year. This could signal even more competition for hiring the best candidates - the number of open positions in the United States now exceeds the number of individuals who are unemployed, and companies are already struggling to fill open positions.

6.7% The predicted increase in HR budgets from 2018 to 2019.

With increased hiring demand on the horizon, HR professionals may have to get more creative in order to source and attract great candidates. This could explain the anticipated increase in HR budgets, which exceeds the expected increase in hiring volume, a possible sign that companies are setting aside more funds for HR priorities designed to attract top talent.
COMPANIES ARE SETTING ASIDE MORE FUNDS TO ATTRACT AND INVEST IN TOP TALENT.

In line with the expected increase in HR spending, the vast majority of companies either predicted that they would increase spending in these key areas or keep them the same. Only about 2% of respondents expected to reduce investment in these areas.

Percentage of companies planning to increase investments in:

- Maintaining a strong employer brand: 44%
- Fostering career development: 44%
- Finding high quality job candidates: 43%
- Cultivating a positive work environment: 42%
- Optimizing employee training programs: 42%
- Making the hiring process more efficient: 42%
- Reducing employee turnover: 41%
- Getting enough applicants: 35%
- Creating a positive candidate experience: 34%
COMPANIES ARE USING MULTIPLE FACTORS IN THE HIRING PROCESS IN ORDER TO MAKE MORE INFORMED, HOLISTIC HIRING DECISIONS.

Aside from pre-employment tests, the most commonly used hiring criteria amongst the survey respondents are resumes and in-person interviews, which have long been at the core of the traditional hiring process. But what other factors are companies incorporating into their hiring processes?

With hiring competition at its peak, companies are seeing the value of investing in a variety of hiring tactics to help make the hiring decision both more objective and predictive of job success.

Some of the factors companies use to evaluate candidates:

- **94%** Resumes
- **94%** In-Person Interviews
- **78%** Phone Screens
- **76%** Background Checks
- **67%** Reference Checks
- **40%** Drug Tests

Other hiring factors companies are using include: cover letters, work portfolios, social media profiles, work simulations, homework assignments, and group interviews.
HOW DOES PRE-EMPLOYMENT TESTING FIT INTO THE HIRING LANDSCAPE?

Companies are adopting unique strategies for getting the most out of pre-employment testing.

82% of companies use some form of pre-employment tests*

*Source: SHRM: Predictive Assessments Give Companies Insight into Candidates’ Potential
FAR AND AWAY, THE CLEAREST BENEFIT OF PRE-EMPLOYMENT TESTING IS BETTER QUALITY OF HIRE.

Almost all of the respondents, at 97%, selected better quality of hire as a top benefit of pre-employment testing.

Pre-employment tests fill a critical role in the employee selection process - they provide a clear signal of potential and job fit that ultimately leads to better quality of hire. In turn, better quality of hire helps to drive other business goals across the entire organization, from employee performance and productivity to turnover and revenue.

The Key Benefits of Testing

- Better Quality of Hire: 97%
- Saving Time in the Hiring Process: 52%
- Reducing Turnover: 45%

Better Quality of Hire Drives Confidence

- 87% Feel either very confident or a little confident in their hiring process
- 3% Don't feel confident in their hiring process
THE MOST COMMONLY USED TESTS ARE COGNITIVE APTITUDE TESTS AND PERSONALITY TESTS, OFTEN USED IN CONJUNCTION WITH EACH OTHER. SKILLS TESTS ARE CLOSE BEHIND IN FREQUENCY OF USE.

These results reflect our testing philosophy. We recommend companies prioritize cognitive aptitude tests when assessing candidates because they are the most highly predictive of future job performance. They reflect whether or not an applicant will be capable of successfully performing the job. We also recommend pairing personality tests with cognitive aptitude to get a sense of job fit for the day-to-day tasks associated with a particular role.

While skills tests are great at evaluating a candidate’s ability to do a particular task at the time, they are less predictive of long-term job success because they don’t take into account an individual’s ability to learn new skills.

Types of Tests Companies are Using:

- 94% Cognitive Aptitude Tests
- 91% Personality Tests
- 72% Skills Tests
- 40% Integrity Tests
COMPANIES ARE CONFIDENT THAT THE TESTS CAN SUCCESSFULLY PREDICT JOB SUCCESS.

Employers feel similarly confident about the ability of each type of test to predict job success. Cognitive aptitude and personality tests garner the greatest confidence, which is in line with their greater predictive ability.

Percentage of hiring professionals who are confident that the tests predict job success:

- Cognitive Aptitude: 91%
- Personality: 93%
- Skills: 86%
- Integrity: 85%

Employers who use pre-employment tests are confident that they predict job success. The tests produce tangible improvements in their quality of hire.
MOST COMPANIES ADMINISTER TESTS EARLIER IN THE HIRING PROCESS.

We typically recommend testing candidates as early as possible in the hiring process. By testing up front, you get a clear, objective metric that helps you filter out unqualified candidates but also helps you identify applicants that may not have stood out based on a resume alone. In essence, it helps you prioritize your candidate pipeline from the start.

According to the results, most companies test sooner rather than later in the process, but only 30% test at the very top of the hiring funnel, at the point when the applicant applies. This reflects the different hiring needs of companies. Where you choose to test in the hiring process is based on a wide variety of factors specific to your organization, including the length of required testing, the average applicant pool size, and the job requirements.

Testing Benefits

- **30%**: Test at the start, when the applicant first applies
- **40%**: Test after an initial resume screening
- **23%**: Test after an interview
- **4%**: Test at the end, right before extending an offer
TESTS PROVIDE INSIGHTS THAT ARE APPLICABLE TO ANY JOB LEVEL.

According to the survey results, companies are less likely to test upper level roles, such as VPs and Executives. However, pre-employment tests provide insights that are applicable to any role and job level. They can be especially useful for testing upper level roles because these positions are typically higher stakes, and testing provides an extra layer of information to guide these critical hiring decisions.

Percentage of companies that test at each job level:
SURVEY RESPONDENTS

The respondents use pre-employment tests for hiring within a wide range of industries.
SURVEY RESPONDENTS

Company Size
- < 20 employees: 13%
- 20-99 employees: 37%
- 100-499 employees: 31%
- 500-2,499 employees: 15%
- 2,500+ employees: 3%

Respondent Role
- Manager: 36%
- Executive: 23%
- Recruiter: 24%
- Owner: 6%
- Individual Contributor: 5%
- Other: 6%

Years of Experience
- < 1 year: 2%
- 1-2 years: 12%
- 3-5 years: 22%
- 6-10 years: 19%
- 11-20 years: 26%
- 20+ years: 18%
- Not involved: 1%

Survey Pool
HIRE SMARTER WITH HIRESELECT®

Criteria's testing platform, HireSelect®, empowers companies to make more informed hiring decisions through a comprehensive suite of scientifically-validated aptitude, personality, and skills tests.

💰 No Per-Test Fees
Administer unlimited tests with flat-fee subscription pricing, resulting in predictable costs and more efficient hiring.

➡️ Ease of Use
Easily create testing links and paste them directly into your job postings. Applicants take tests remotely with a click of a button, and results are instant.

📞 Dedicated Customer Support
Get unlimited training and support from your dedicated Customer Success Manager throughout your entire HireSelect® subscription.

TAKE A TEST DRIVE WITH A 30-DAY FREE TRIAL

ABOUT CRITERIA CORP

Criteria Corp is a pre-employment testing company with a simple goal: to help you make better hiring decisions. We believe every company’s greatest asset is their employees, which is why we’ve built a user-friendly, cost-effective platform, HireSelect®, to help you attract, assess, and hire the best employees for your team. Our scientifically validated aptitude, personality, and skills tests give companies of all sizes the data-driven tools they need to hire smarter and more efficiently.

Founded in 2006 by three Ph.D.’s with backgrounds in testing and psychology, we have quickly developed into one of the fastest growing companies in the talent management sector. With over 3,000 customers in all 50 states and over 35 countries internationally, we’ve earned a spot on the Inc. 5000 four years in a row.

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