

Top Line, Bottom Line: The Undeniable Impact of Using Talent Measurement to Make Better Personnel Decisions

SHL

In today's hypercompetitive marketplace, smart organizations are looking for every advantage they can get to stay one step ahead. Many top organizations have recognized the competitive advantage offered by incorporating pre-employment assessments into their talent acquisition processes. In fact, recent surveys have shown that around 75% of major organizations use pre-employment assessments as part of their external hiring process.¹

Well-designed and effectively implemented pre-employment assessments provide organizations with *People Intelligence*: in-depth, job relevant information about individuals that helps organizations make better people decisions. This is not merely an academic interest or passing management fad. On the contrary, studies have consistently demonstrated the practical business benefits of using assessments to aid decision-making during the talent acquisition process. In short, organizations that deploy the right assessments in the right way realize the financial benefits that go along with enhanced employee effectiveness, efficiency, and work quality.

SHL's recently released sixth annual Business Outcomes Study Report summarizes a selection of results from 66 business outcome studies conducted in 2011. There are twelve featured findings that demonstrate the value of pre-employment assessments across various job roles in different industries. In addition, the 2012 edition of the annual Business Outcomes Study Report lists unique findings from 73 of over 240 business outcomes studies conducted since 2006 across a varied list of job roles, industries, and geographies.

Report Findings

Some sample findings from the report are highlighted below.

- **Customer service advisors are 85% more likely to receive top customer service ratings.**
At a financial services organization, agents who earned high scores on a customer service simulation assessment were 85% more likely to achieve top customer service ratings while maintaining 12% shorter hold times and completing 8% more calls per day. Higher-scoring agents deliver nearly \$600 more per month in increased productivity. Applied across the entire organization, this translates to a potential increase of \$4.5 million in improved productivity annually.
- **Retail sales associates drive 21% higher sales over the first three months of employment.**
At an automotive parts retailer, sales associates who earned higher scores on an assessment designed to measure sales potential sold 21% more over their first three months on the job. Across the entire retail workforce, this difference translates into an additional \$120 million in annual sales revenue.
- **Stores led by high potential managers achieve four times the sales revenue.**
At a computer and video game retailer, stores led by managers who earned high assessment scores achieved four times as much sales revenue. Applied across the organization, this equates to a potential increase of over \$22.5 million.

"We are now better able to support UL's vision with better quality hires and a much stronger link between our business objectives, our people's performance and driving outstanding customer focus."

—Josh Goderis, Underwriters Laboratories

- **Satellite TV installers generate an additional \$5,000 per employee annually.**
At a satellite television provider, high-scoring installers were 41% more likely to meet their productivity goals and generated nearly \$5,000 more in annual revenue. Across the entire installer workforce, this would translate into nearly \$25 million in increased productivity annually.
- **Assessing sales potential identifies agents who perform 22% better and are half as likely to leave in their first year.**
At a financial services organization, insurance agents who earned high scores on an assessment designed to measure sales potential achieved 22% more policy sales and were 55% less likely to leave the organization in their first year. Across the entire agent workforce, this translates into an annual policy sales increase of nearly \$35 million and a savings of \$4.4 million in reduced turnover.

For a more in-depth look at how assessments can help organizations identify the talent they need to achieve their business objectives, please refer to the full report, available here: www.shl.com/2012outcomes.

Talent Analytics: Big Data Comes to HR

The 2012 Business Outcomes Study Report also reviews one of the most exciting new trends in pre-employment assessment: the use of external assessment databases to evaluate how effectively organizations are identifying, hiring, and retaining top talent. Organizations can use this data to benchmark their internal talent as well as their job candidates against industry benchmarks, to compare the caliber of their talent relative to their competition. External benchmark data can be used to address a variety of key questions organizations may have about their talent, including:

- How well they are competing for top talent in the market
- Where they need to focus in order to make their people processes more effective
- The degree to which their employees have the skills and capacity to accelerate or adapt to change
- The strength of their leadership pipeline
- The extent to which their talent is aligned for business success

The above findings and trends are only a sample of those found in this complimentary, comprehensive report. To view the full version of this report, please visit: www.shl.com/2012outcomes.

1. Source: SHL's 2012 Global Assessment Trends Report.