

Pre-Employment Testing

The U.S. Department of Labor and Statistics indicates that half of all new employees stay in their jobs for less than six months. Some are promoted, but the majority of new employees quit or get fired. The cost of a new hire at the \$20,000 level is estimated to cost \$40,000. These costs include wasted salary, benefits, severance pay, headhunter fees, training costs, hiring time, and wasted business opportunities. Not only are hiring mistakes costly, they are time consuming. One way to hedge against the extraordinary costs of bad hires is to use effective pre-employment testing.

Why do companies like Kraft, General Mills and Tandy Corp. (Radio Shack) use mental aptitude and personality dimension testing? These companies and many others want to minimize hiring mistakes, resolve conflict within the organization, build teams and retain people. With an eye on what companies can do to help improve their DNA makeup, we will take a look at the benefits of these tests.

Job-related mental and personality tests – do they have a place in business?

Mental aptitude tests examine a person's ability to handle problems and solve them. They also indicate how quickly an individual can develop the skills necessary for the job. Not an IQ test, the mental aptitude test is a test of how quickly a person can integrate information and make it useful. Areas covered in one of the most widely used assessments, The Achiever, include mental acuity (thinking, problem-solving, and reasoning ability), business terminology, knowledge of news and events, language and vocabulary skills, and numerical perception (how quickly and accurately an individual processes data). Anyone would be hard pressed to say these are not job related. Because of the cost of pre-employment testing, many companies use mental aptitude testing for management and sales where job related test results combined with the interview and reference checks can be a powerful tool in increasing your odds in hiring the right person for the job. Because of the repetitive nature of most hourly positions, only math and scanning accuracy are necessary.

The personality test examines job-related characteristics like energy, flexibility, organization, motivation, communication, level of assertion, competitiveness and sensitivity. The system of measurement divides the response populations into nine parts. For instance, the personality dimension titled *energy* ranges from restless to calm on a scale from one to nine. For each job-related dimension, a benchmark can be developed from testing the top performers and identifying consistent characteristics that they possess. Bottom performers can also be assessed to see what job related characteristics are consistent with them and therefore important to stay away from.

Pre-employment: What should be the goal of an interview?

The goal of an interview should not be to hire the job candidate; it should be to make sure there is a job match. Pre-employment testing should help match the individual to the job and help build teams. In football, a team of eleven players who were all quarterbacks, would make a very ineffective team. The team would still need blockers and receivers and running backs. Like a coach, you must maximize the performance of your team. By matching aptitudes and personalities to a particular job, you are helping your company not only by building better people, but you are also helping the individual maximize their potential.

There is no absolute guarantee on both sides (employer and employee) that a new hire will work out. It is a gamble. But with tools such as personal assessments to help, you can increase your odds. An article in Fast Company Magazine said “the mistake that most companies make is finding the person with the right skill set but the wrong mind set and hiring that person anyway with the belief that they can change them”.

Not only does pre-employment testing improve the odds in hiring quality people but it improves your chances in managing them effectively. My boss and mentor, Jim McEachern, CEO of Tom James Company, the largest custom clothier in the U.S. said, “We do not build companies, we build people who build companies.” Successful companies are a concert of effective employees in the right position for their strengths working in a coordinated effort to achieve company goals.

How much does it cost?

During the selection process, an individual should be screened properly. The testing should count toward about 1/3 of the decision-making process along with the interview, reference check, education and experience. The cost for a test: approximately \$100, depending on quantity. Hourly tests range from \$10-\$35, depending on quantity. More information on pre-employment testing can be obtained from Leroy Hamm, President, IHDC, at 817-267-5251 or e-mail ihd@swbell.net.