



# Modernizing Talent Assessment and Selection

## Trends in Talent Assessment and People Analytics

2020 Strategic Talent Acquisition Conference, Human Capital Institute, October 6-5, 2020



# Talent Assessment Trends



## 3 Talent Trends for 2020



## Talent Pulse Research

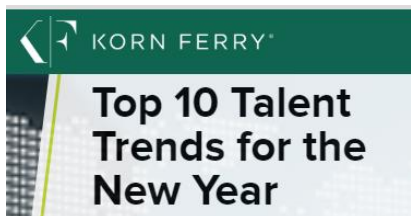
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## Hottest hiring trends for 2020



## Top 10 Workplace Trends for 2020



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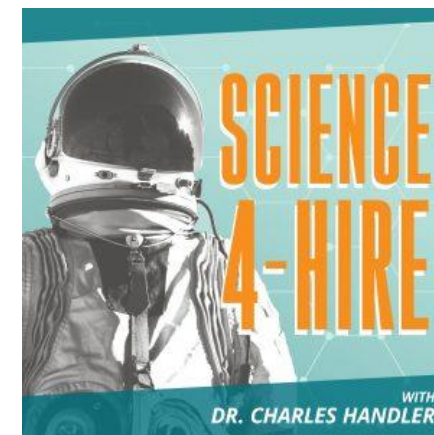
## 5 talent trends to watch in 2020



## 2018 Global Assessment Trends Report

Tracy M. Kantrowitz  
Kathy A. Tuzinski  
Justin M. Raines

Talent in Innovation  
Innovation in Talent



## TALENT ASSESSMENT – TRENDS FOR 2020 (AND BEYOND)



## Talent trends: Predictions for 2020 and beyond



# Talent Assessment is Evolving

- Talent assessment landscape is changing
  - Rapidly evolving array of approaches and technologies
  - Analytics is becoming more mainstream and core
- Trends in talent assessment are plentiful
  - Unobtrusive assessment tools
  - AI-based assessment
  - Mobile and gamified assessment
  - Digital, asynchronous interviews
- HR is challenged to keep up with the changes and trends
  - Technology sector is leading the innovation
  - Executives' and managers' view of the “perfect applicant” is shifting





# Current State of Assessment

Trends in Talent Assessment and People Analytics



# Assessments are Highly Valued but Opportunity Remains to Demonstrate this Value

	2014	2018
Testing candidates is a valuable part of the hiring process.	87%	94%
My organization views assessments as a critical component of any promotion and/or development program.	57%	61%
We have changed or enhanced our hiring process based on examining the success of the program via business metrics.	46%	46%
We use business outcomes on talent practices to advise stakeholders on how they can achieve their goals.	57%	57%

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2018 Global  
Assessment  
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# Assessments are Prevalent for Many Core Talent Processes

	Current Use and Planned Use
Leadership development	82%
High-potential identification	82%
External hiring	79%
Career development	79%
Internal hiring	72%
Succession planning	71%

Less frequently endorsed uses of assessment:

- Talent redeployment
- Change management
- Restructuring
- Workforce planning
- Leader derailment identification

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# Assessment Use Differs by Sector

## Government Sector

- Single purpose assessment use is the norm (e.g., results used for selection)
- Focus is on general competencies with some technical skills being introduced (e.g., cyber security)
- Rigorous assessment processes are applied in law enforcement, intelligence, and other public safety related occupations
- Minimal proficiency levels (i.e., passing scores) are gaining traction
- Reskilling efforts
- Career development

## Private Sector

- Multi-purpose assessment demand is increasing (e.g., assessment results used for selection and development)
- Focus on both general competencies and technical / job specific skills
- Assessment processes are less rigorous, but used more broadly for both external and internal selection
- Career development
- Succession planning
- Leadership development
- High-potential identification

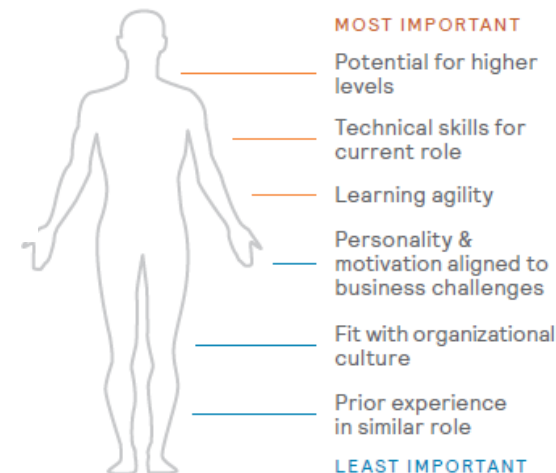


# HR is Not Entirely in Sync with Operations

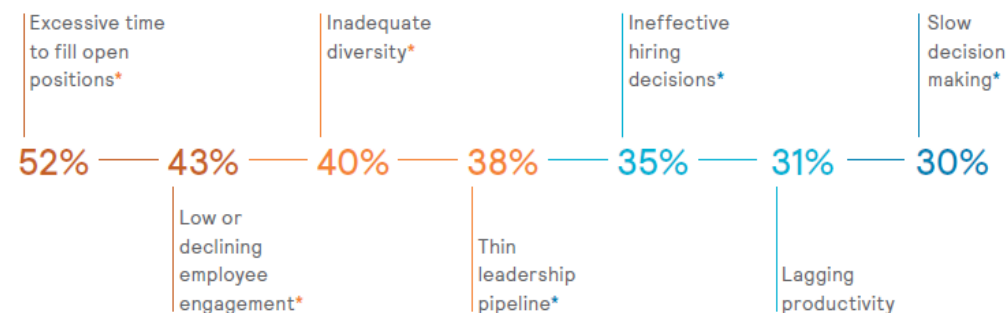
- As the world of work is evolving, hiring managers are looking for potential, technical skills, and learning agility
- 52% of executives believe that excessive time to hire is the leading human capital risk for their organization
- Slow process times, unclear hiring criteria, and the inability to predict new hire success are the top three challenges



Characteristics hiring managers value the most when making a hiring decision



## Top Human Capital Risks







# HR is Mostly in Sync with Applicants

## Preferred assessment type

	HR Perception		Applicant Preference
Assessment Type	Entry Level	Professional	
Personality	59%	60%	62%
Job knowledge	38%	67%	59%
Work sample	45%	46%	50%
Background check	42%	54%	38%
Cognitive ability	43%	40%	24%
Integrity	23%	50%	34%
Games/Puzzles	38%	19%	10%

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## Common Myths About Assessments

- Applicants want shorter assessments
- Applicants want mobile assessments
- Assessments create a negative perception of the organization
- Assessments discourage candidates from completing process
- Assessments are causing organizations to lose the best talent

### USA Hire<sup>SM</sup> Applicant feedback

- Assessment Process is User-Friendly = 94%
- Satisfied with Assessment Process = 85%

### USA Hire<sup>SM</sup> Assessment completion rates

- Assessments started = 71%
- Assessments started and completed = 92%



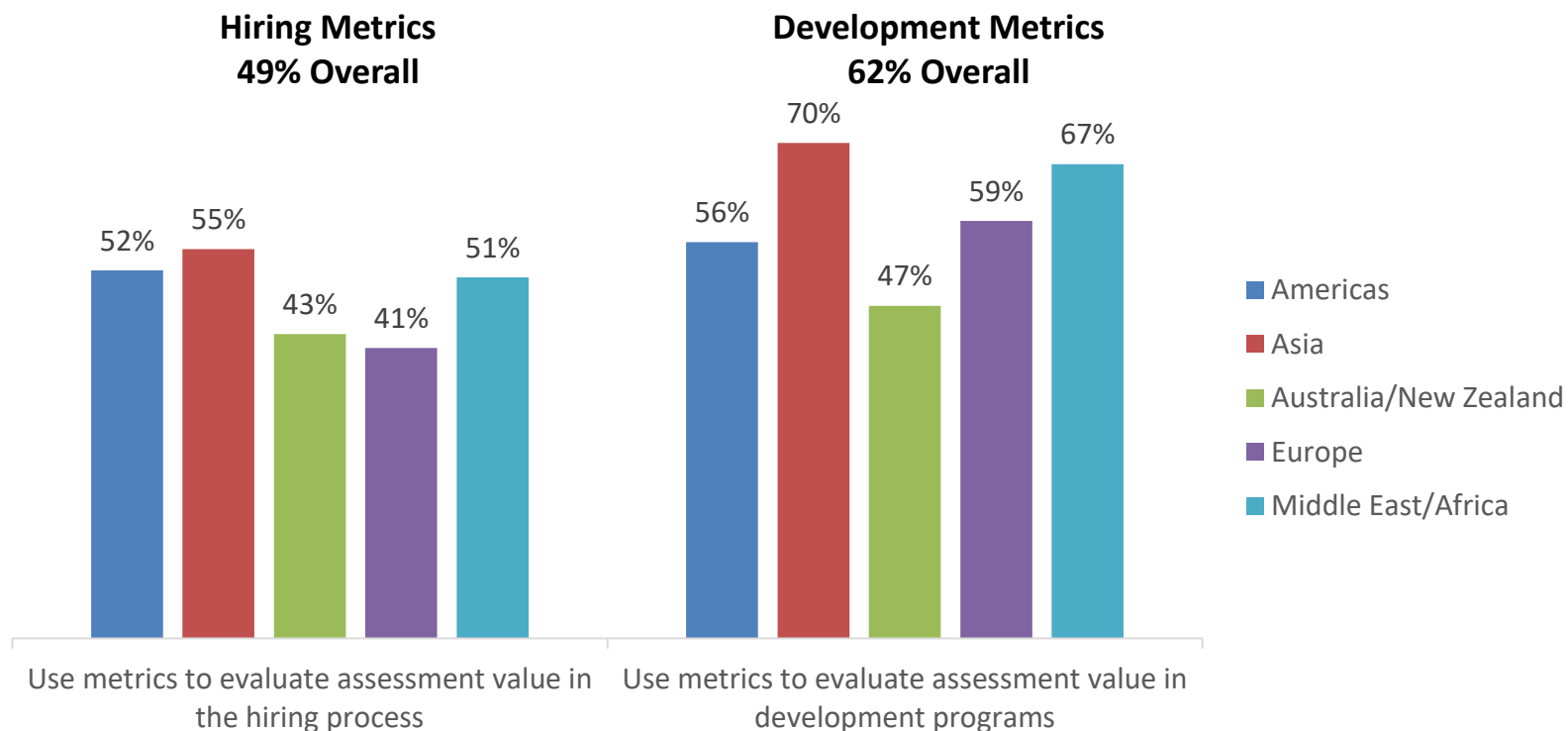
# People Analytics Applied to Assessment

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# Measuring the Value of Assessments

The use of metrics to rigorously evaluate the value of assessments is gaining traction, but has room for growth



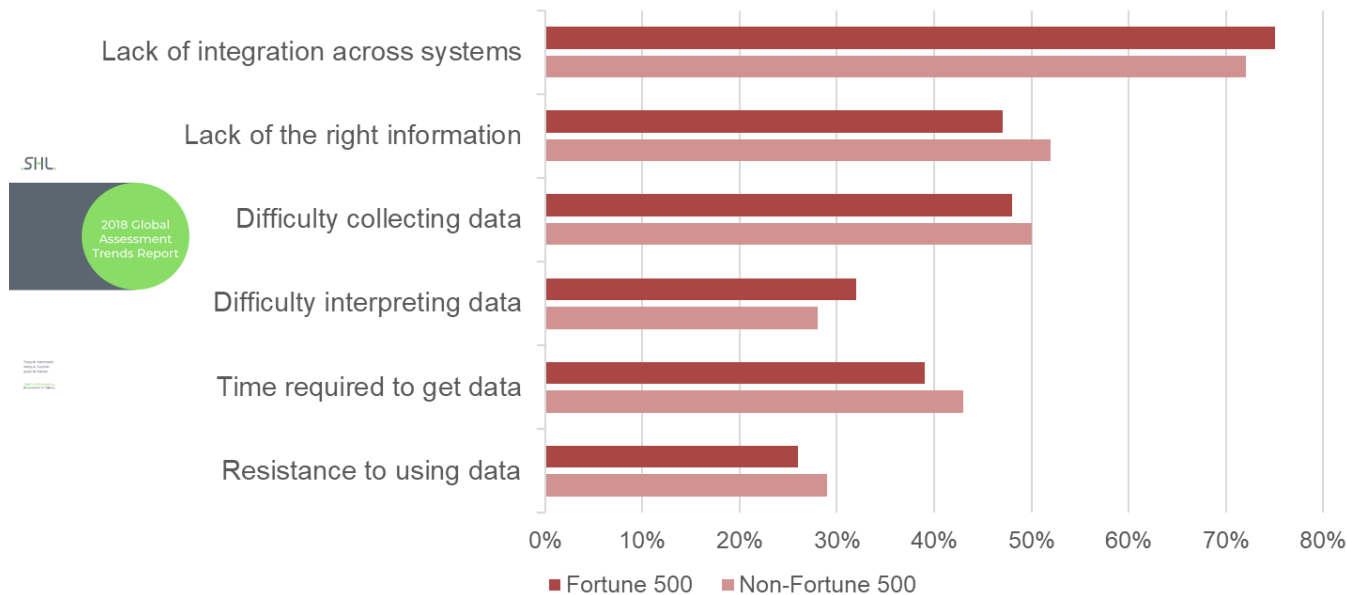
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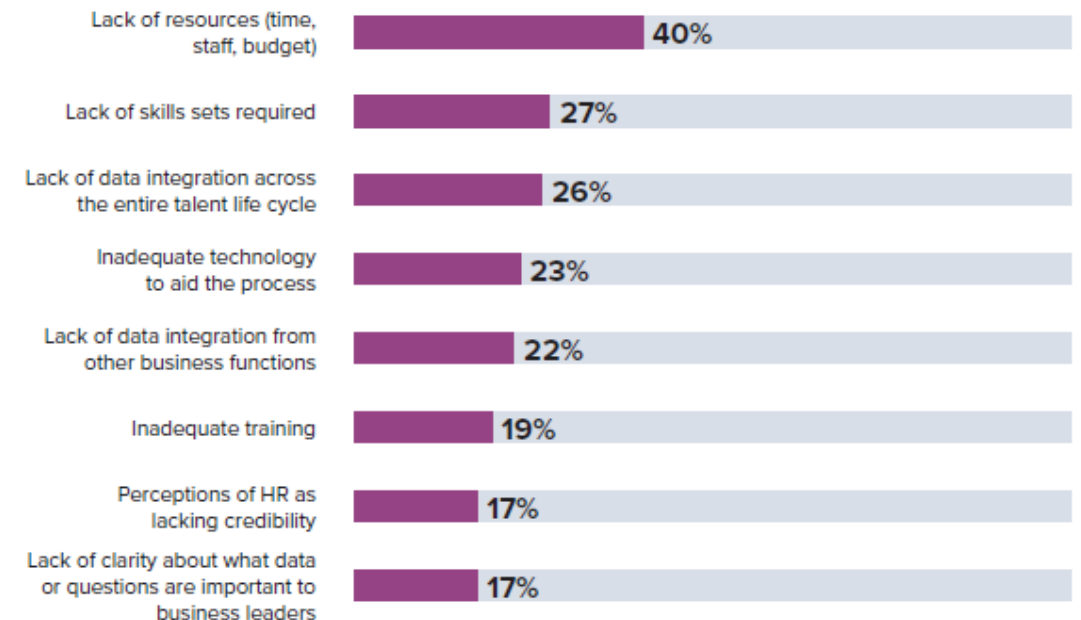
# People Analytic Barriers

## Biggest barriers to improved use of talent data by company status



Overarching themes are data access, time, training, and resources

## What are the top 3 challenges to building people analytics at your organization?





# Getting Past the Analytic Barriers

- Instead of thinking big, think small
  - You don't need a fully integrated data lake of HR, talent, and business metrics
  - Artificial intelligence (AI) and natural language processing (NLP) are the hot trends and require vast amounts of data
  - Predicting a good hire, turnover risk, or an effective benefits program will always be important and can be done with far less data
- Focus on a business problem
  - Define the problem
  - Determine the desired outcome(s)
  - Identify the data
  - Collect and analyze the data

**Proof of Concept**



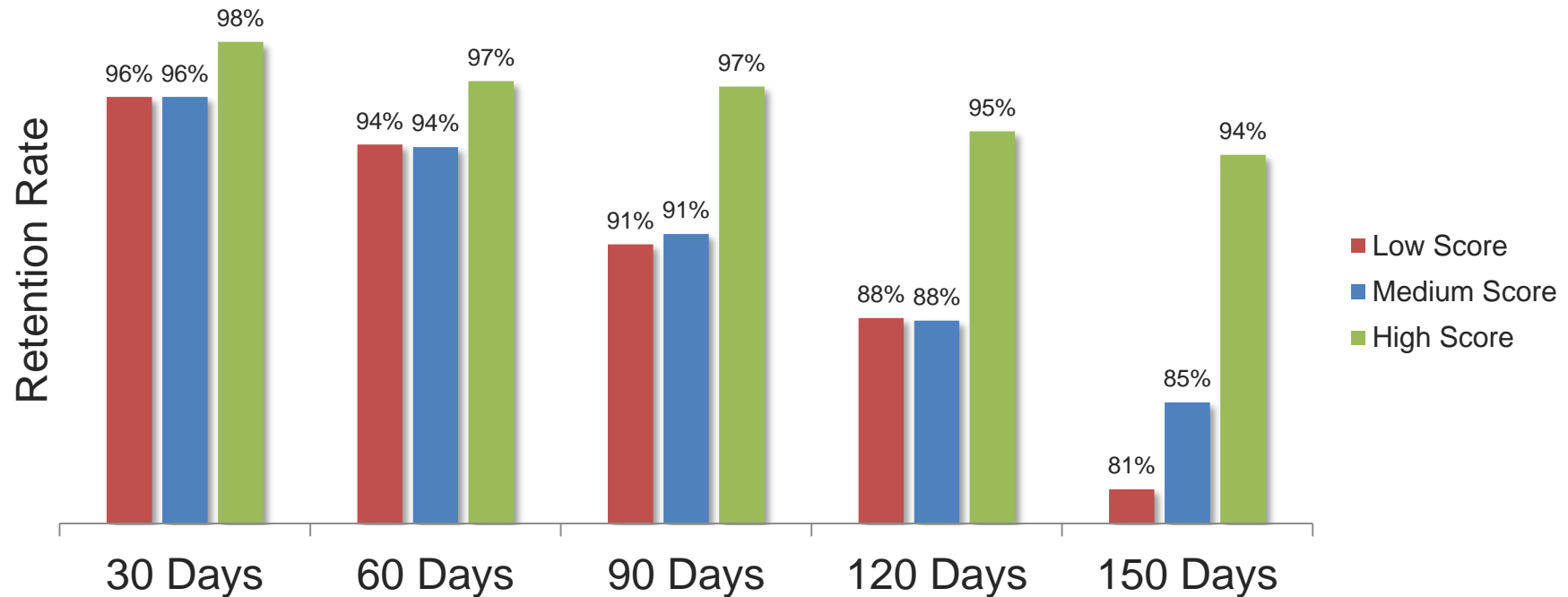
## “Simple” Real World Analytics Example

- Private Sector, Fortune 100 Company
- Business challenge:
  - “Help us reduce new hire turnover”
- The turnover problem impacts both the business and HR
  - Cost and resources to hire, onboard, and train
- Developed Innovative Job Fit Scale
  - Worked with employees and manager (focus groups, surveys)
- Goal was to screen out applicants most likely to turnover
- Piloted the assessment to fine-tune and validate





## “Simple” Analytics to Describe Results



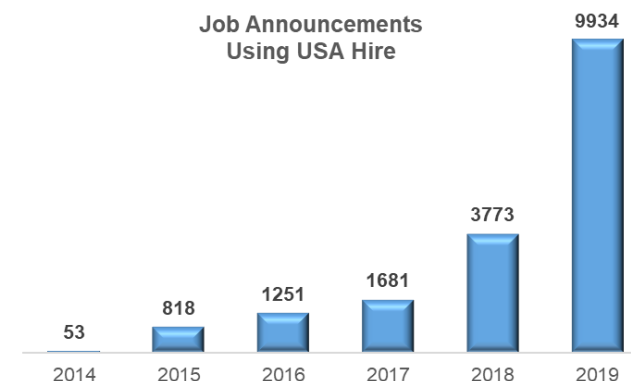
- Relatively simple and easy to understand
- Powerful in terms of the message and impact
- Basic analytics in terms of data, analysis, and visualization





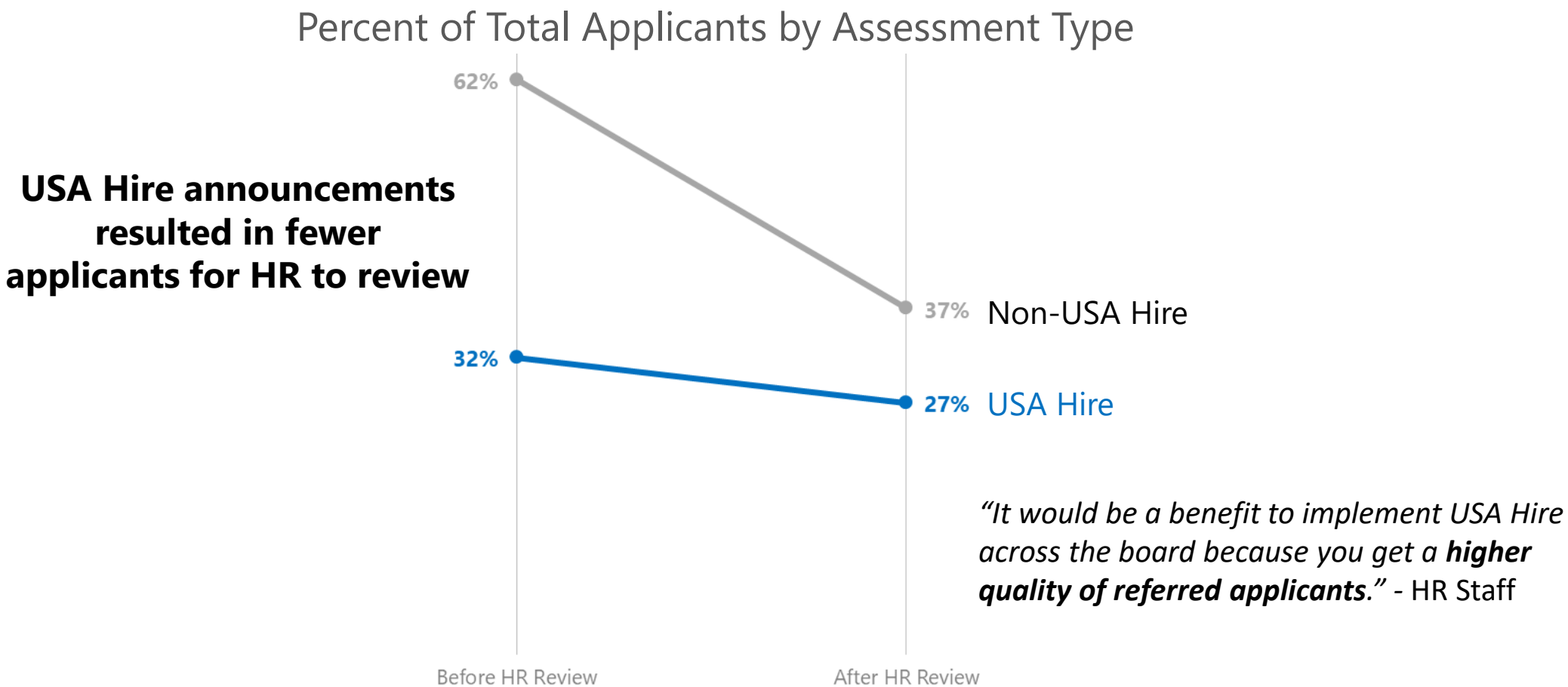
# Using Analytics to Tell a Story

- USA Hire : OPM's assessment platform
  - Hosts assessment content
  - Delivers unproctored and proctored online assessments
- Use has increased dramatically since 2017
- With increased adoption comes questions and opportunities
  - How effective are USA Hire assessments?
  - Do USA Hire assessments impact HR workload?
  - Do USA Hire assessments improve hiring metrics?
- Analytics, and associated visualization tools, can help tell the story





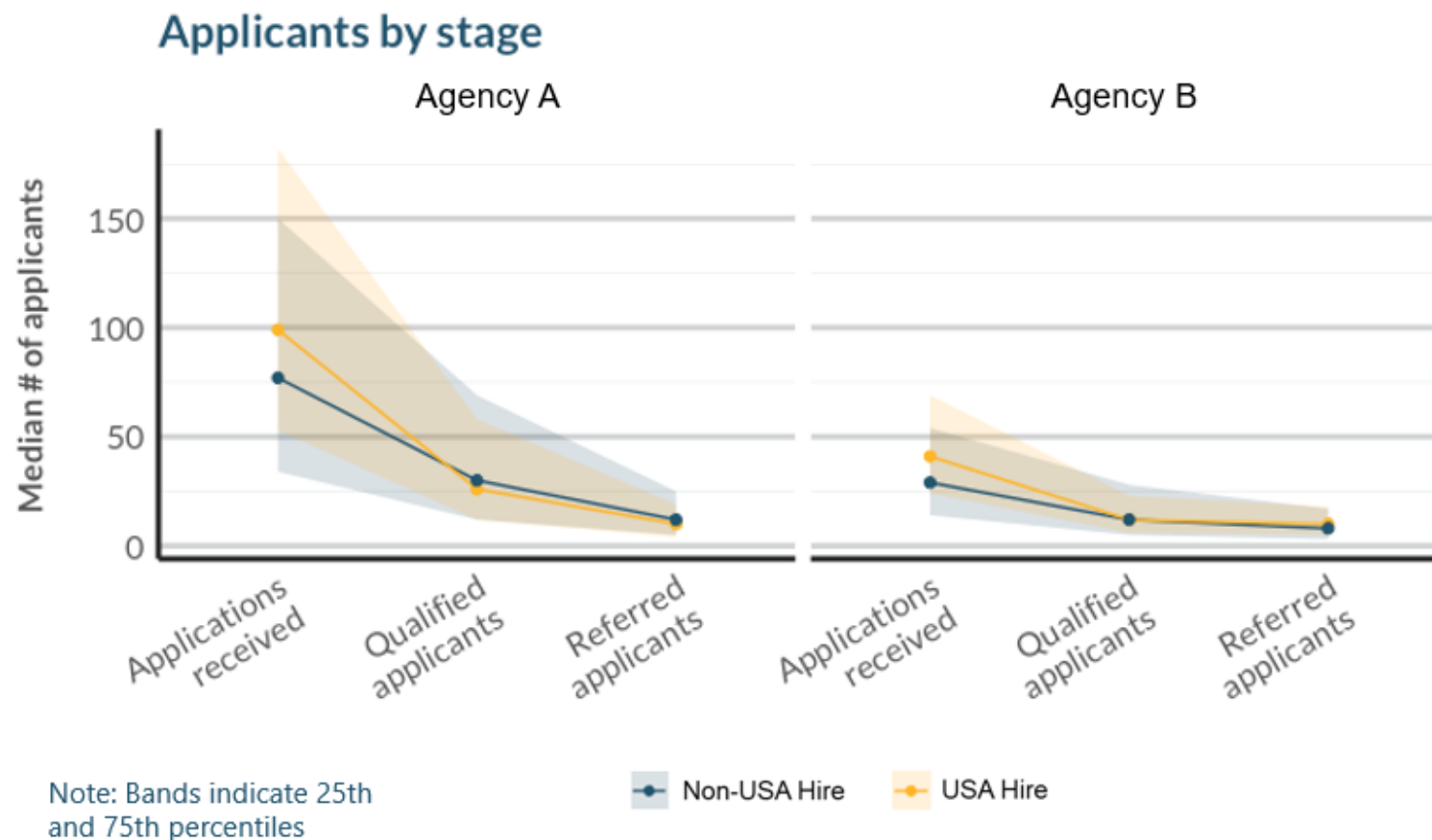
# Case Study: Applicant Volume Before and After HR Review





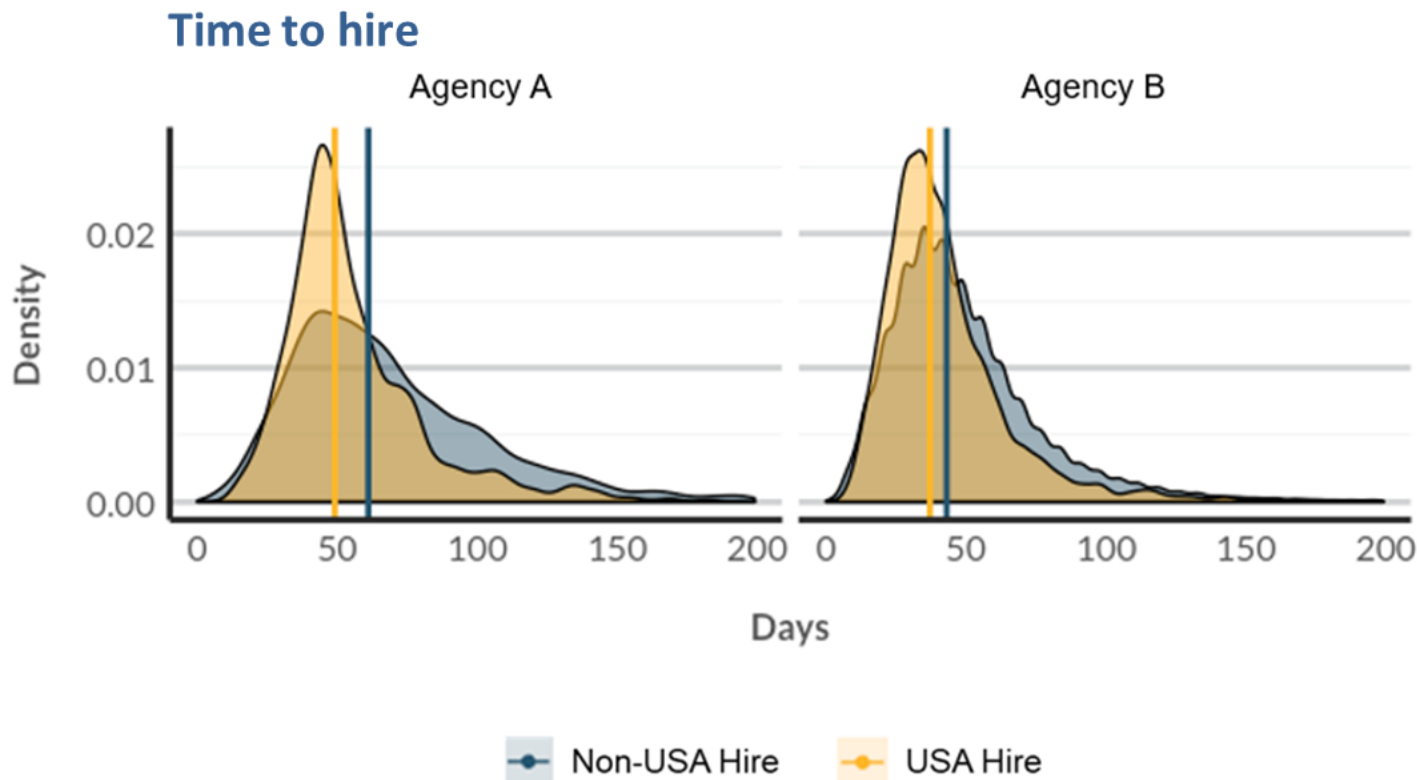
# USA Hire Reduces HR Applicant Review

- USA Hire assessments reduce the number of applicants requiring a manual HR review
- Without impacting the number of qualified applicants
- Without impacting the number of applicants referred to the hiring manager





# USA Hire Reduces Time to Referral

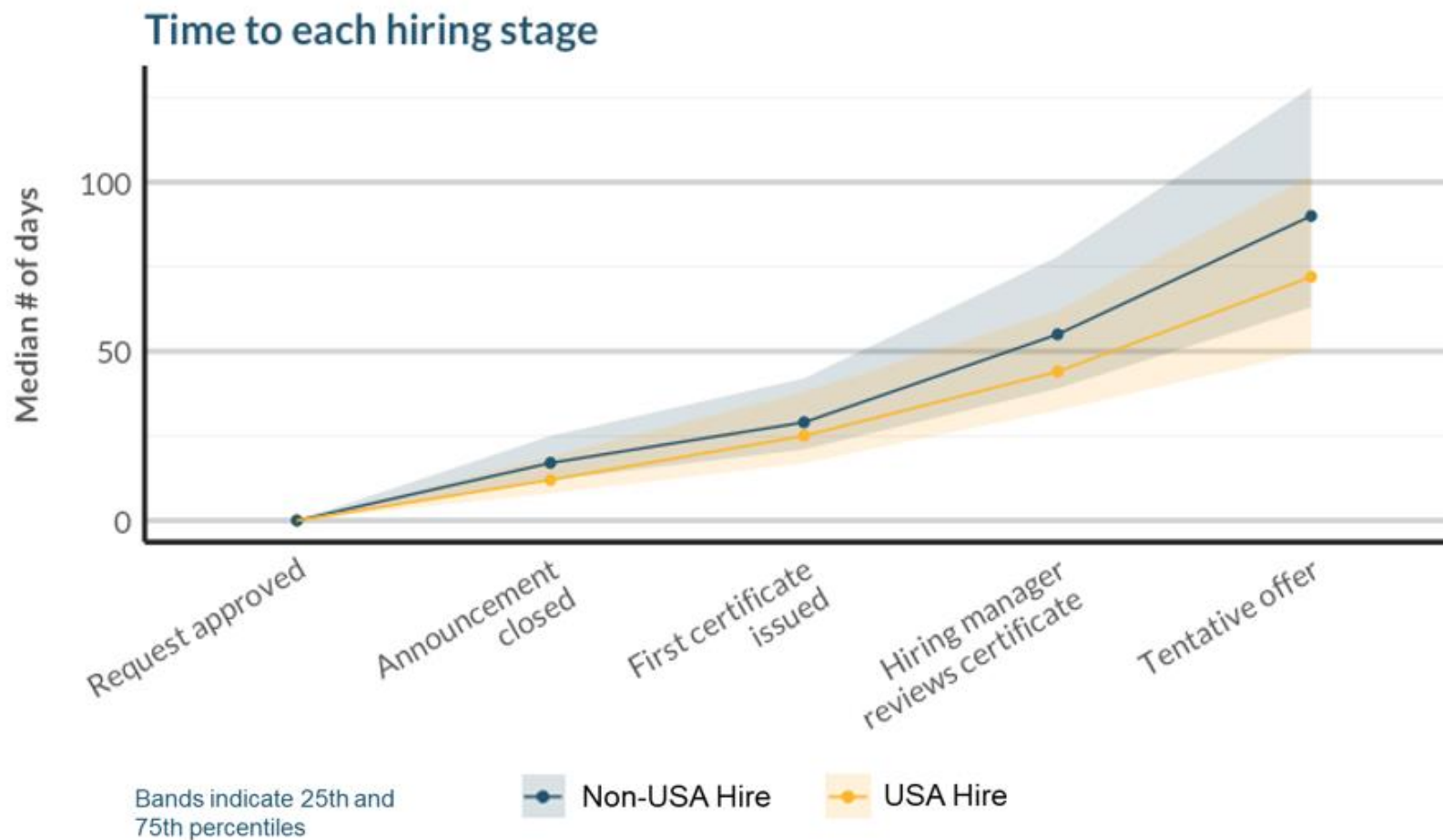


Median Time to Hire		
	Agency A	Agency B
Non-USA Hire	61	43
USA Hire	49	37

USA Hire decreased overall time to referral by 20% and 14%



# USA Hire Impact at Each Stage of the Hiring Process





# Assessment Trends With Staying Power

- Applicant experience will continue to drive the market
  - Job relevance and performance of the platform are drivers of company perception
  - Applicants want accurate estimates of test time, not short assessments
- Use of artificial intelligence will continue to evolve
  - Machine learning and natural language processing to improve the hiring process
  - Algorithmic scoring replacing human judgment or intuition to combine scores
  - Capturing and scoring vast arrays of data
- Use of digital interviews will continue to rise
  - Both asynchronous and synchronous
- Use of data analytics to prove the value of assessments will become the norm
  - Data analysts and data scientists will drive the use and adoption
- Gamification of assessments will slowly fade away
  - However, job related, engaging assessments drawing on game theory will become a staple of the market (e.g., digital job simulations, video-based SJTs)



# QUESTIONS?

# THANK YOU

## **Michael D. Blair, MS**

Lead Personnel Research Psychologist  
Selection & Promotion Assessment  
Assessment & Evaluation Branch  
HR Solutions  
U.S. Office of Personnel Management  
[Michael.Blair2@opm.gov](mailto:Michael.Blair2@opm.gov)