

# 2013 *Global Assessment* Trends Report

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# Executive summary

The Global Assessment Trends Report is an annual indicator of assessment practices, giving HR professionals a comprehensive view of how organizations around the world measure talent across the employee lifecycle.

This year's report includes the results of an online survey conducted in late 2012 and completed by 592 human resources (HR) professionals from companies headquartered throughout the world. The report focuses on organizations' talent assessment practices with both internal and external job candidates. As in previous reports, pertinent comparisons are drawn to results of previous Global Assessment Trends Reports to identify trends over time. Additionally, relevant comparisons between respondents in emerging versus established economy types are presented.

The report focuses on three areas: the HR landscape in 2013, the nature of assessment use in organizations, and the use of technology in assessment. Key findings from the report are listed below:

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## Key findings

### **Social media data: not critical to hiring decisions** *(page 24)*

- While approximately 60% of companies use or plan to use social media searches as a hiring tool in 2013, less than 30% believe the data is useful in determining candidate fit, and only 11% believe it is critical to hiring decisions.

### **Room for improvement in big data** *(page 11)*

- Less than a quarter of respondents reported that their organizations have a clear understanding of workforce potential.
- Less than half reported using objective data to make decisions about the workforce.
- Less than half reported their organizations use talent data to drive business decisions.

### **Emerging economies want to use mobile technology to assess candidates**

*(page 22)*

- HR professionals in emerging economies (including China and India) indicated that more of their candidates are asking to complete tests via mobile devices, and more of their recruiters want mobile access to candidate data, as compared to candidates and recruiters in established economies.

### **A continued focus on engagement and leadership in 2013** *(page 8)*

- Engaging the workforce (55%) and developing leaders (52%) remain top priorities for organizations in 2013.
- *Performance management, workforce planning/talent analytics and training and development* round out the top five priorities.



**Not impressed with data management systems** *(page 11)*

- Fewer than one in five respondents reported being satisfied with their systems' ability to manage talent data.
- Only 17% of HR professionals reported that their HRIS systems are accessible via smart phones/mobile devices.

**A desire to improve talent measurement** *(page 15)*

- Nearly 75% of respondents indicated that their organizations want to improve the way in which they measure talent.
- One in three respondents indicated that their organizations use objective assessments of potential for critical roles.

**Pre-hire / post-hire focus linked to specific business outcomes** *(page 20)*

- HR professionals are more likely to link assessment in pre-hire to productivity improvements, and in post-hire to improved performance.



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# Introduction

*"Only 41% of firms are confident that their human capital strategy is truly embedded in their organizations' strategy. A particularly worrying finding from the study reveals that the most senior business leaders – C-level executives – do not just disagree with each other on critical aspects of talent management, but they also are unclear who should bear responsibility for these issues in their organizations."* – Chartered Global Management Accountant, CGMA, Talent Pipeline Draining Growth, September 2012

A new battle is being fought in the war for talent, with analysts, human resources (HR) professionals and executives around the world the main combatants. The battleground: who owns and drives talent strategy? Is it HR, Marketing, Finance or, Operations?<sup>1,2</sup> How does this struggle impact how organizations manage and measure their internal and external talent? The outcome will depend on which group owns the talent agenda, can provide the most meaningful data analytics to drive business decisions and can demonstrate that talent management truly impacts business outcomes.

Ultimately, effective implementation of the strategy must be owned by all stakeholders. However, the responsibility for talent strategy ultimately lies with the group that can demonstrate how managing talent impacts the bottom line... and that requires objective data on people, or what SHL calls 'People Intelligence'.

Adding to this struggle is the excitement over 'big data' and confusion over what it means for HR and companies in general. The potential associated with big data is getting much publicity, but the excitement is slowly dissipating as companies realize that the data they have may not give them the insights they need for a variety of reasons: too much data to manage effectively, quality issues, and difficulty in finding the skills within their workforce to provide accurate analysis and insights based on the data<sup>3,4</sup>.

Likewise, we cannot ignore the other ongoing war for talent that informs organizations' talent strategies. Although there is not necessarily a shortage of good people globally, organizations often report that local talent is hard to find and they compete fiercely to fill skilled and professional roles. The aging workforce, together with rapid changes in technology (and the relatively slower change in talent to help support new technology) are continuing to force HR professionals to search globally for talent and increase training and development budgets. Some organizations, those who rely on objective data about their workforces, continue to seek talent within their walls, using competency data and objective measures of training and development programs to help build talent from within<sup>5</sup>.

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*"Only 41% of firms are confident that their human capital strategy is truly embedded in their organizations' strategy." Chartered Global Management Accountant, CGMA, Talent Pipeline Draining Growth, September 2012*

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1. Kuehner-Hebert, 2012

2. Chartered Global Management Accountant, 2012

3. Aberdeen Group, 2012

4. Bersin, 2012

5. Manpower, 2011

Finally, we see a simultaneous challenge to traditional HR practices with the rapid rise of mobile technology and social media. These developments have helped drive changes in the past three years, both in terms of the acceptance of technology in assessment and in its perceived value. These new capabilities are changing the way data is collected on employees and external candidates: from recruiting via social media sites to testing candidates on their smart phones, organizations must consider how to ensure consistency and fairness in their recruiting and hiring processes.

Can organizations successfully recruit, develop and retain talented individuals, while also mediating the internal struggle for ownership of talent strategy? How can companies balance the need to acquire quality data about their people with the need to manage the unwieldy quantity of data that already exists? How can organizations embrace new technology to engage candidates without letting their processes and standards for acquiring People Intelligence go by the wayside?

With these questions in mind, SHL provides a unique, global perspective of how talent is measured in this, its fifth annual Global Assessment Trends Report. The report presents the results of an online survey conducted in late 2012 with HR professionals from companies headquartered throughout the world<sup>6</sup>. While organizations' talent assessment practices with both employees and external recruits/candidates are the main focus, the 2013 report also includes findings on big data, social media in hiring and testing via smart phones/mobile devices and continues its examination of the perspectives of HR professionals related to strategy, support and processes for talent management. Where appropriate, comparisons are drawn to results of previous Global Assessment Trends Reports<sup>7</sup> to identify trends over time. This year, the report will examine differences between respondents in emerging economies (including China and India) and those in established economies (e.g., United Kingdom, United States) to provide relevant information for readers who may be creating assessment programs for organizations with global reach. In each section, we provide an overview of our findings as well as commentary related to the trends.

6. Note that in previous years, Global Assessment Trends Reports have reported results based on number of companies, allowing one respondent to represent each company (typically eliminating only 5-8 respondents in total). This year, we report our findings based on number of HR professionals, or number of respondents. Although comparisons are made to previous years' findings, we believe that the comparisons are appropriate because so few respondents were eliminated previously

7. Key findings of the 2009, 2010, 2011 and 2012 Global Assessment Trends Reports are located in Appendices A, B, C and D respectively

# About the report: methodology and participating companies

The 2013 report is based on data from an online survey of 592 HR professionals representing organizations who work with SHL and/or its affiliates. The survey was conducted in late September 2012.

Most respondents were located in China (42%), South Africa (13%) and the United Kingdom (11%), with 18% from other countries (see Figure 1). Respondents represented both emerging and established economies (see Figure 2). For the purposes of this report we have defined the Emerging economies as those countries in the BRICS bloc from which we received responses. These are India, China and South Africa, to which we have added responses from countries in the Middle East. The Established grouping comprises Europe, Australia and New Zealand, the Americas, Singapore and Hong Kong. As in previous years' surveys, respondents represented a variety of company sizes and industry sectors (see Figures 3 and 4). Most respondents report into a human resources function within their organizations and represent a variety of roles including HR or staffing managers, HR leadership and HR generalists.

Figure 1: Respondents by location

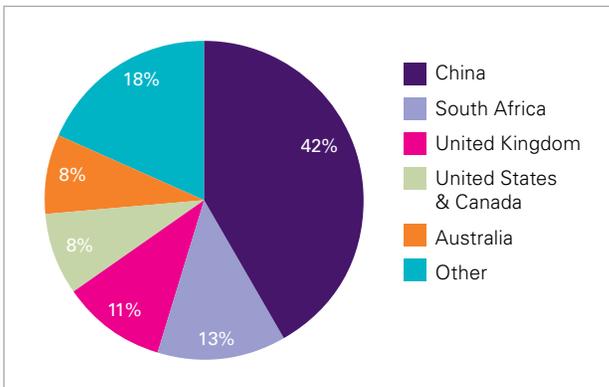


Figure 2: Respondents by economy type

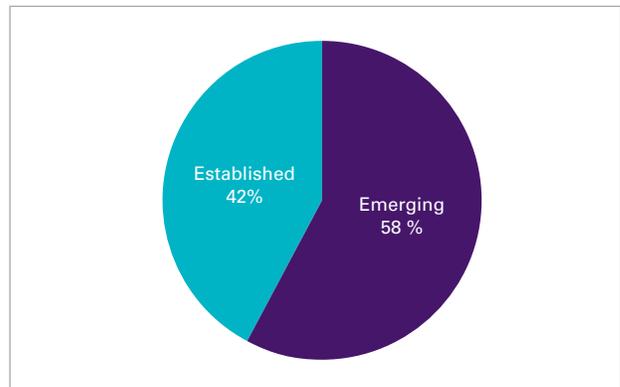


Figure 3: Respondents by organization size

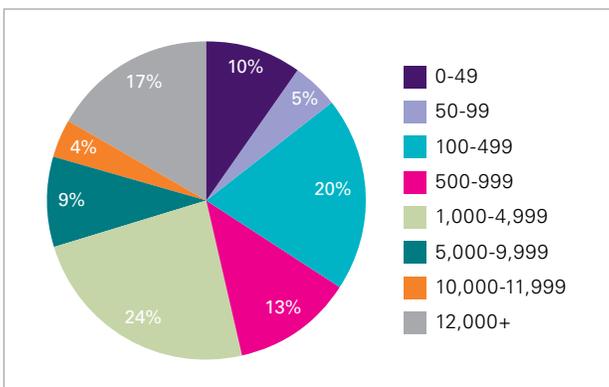
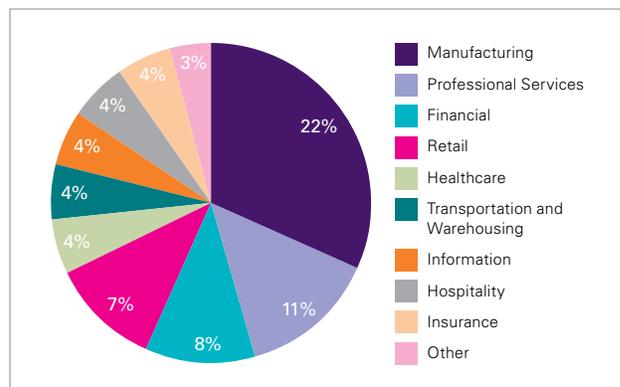


Figure 4: Respondents by industry sector



# Part I: Talent management focus and landscape in 2013

## Key finding 1: A continued focus on engagement and leadership in 2013

- Engaging the workforce (55%) and developing leaders (52%) remain top priorities for organizations in 2013.
- *Performance management, workforce planning/talent analytics and training and development* round out the top five priorities.

## Priorities for HR

The way in which organizations assess the talent of their workforce is influenced by the priorities, initiatives and challenges of the organization. Thus, we begin our review of assessment practices by examining how respondents view 14 different talent areas, ranging from onboarding to outplacement. Respondents were asked to indicate whether each area was a top, medium or low priority for their organization in the upcoming year.

HR professionals reported similar priorities for 2013 as in 2012 (see Table 1): 55% of respondents reported that engaging employees is a top priority, closely followed by 52% who prioritized *leadership development*.

Table 1: HR priorities – 2012 and 2013

HR initiative/area	2012 top priority %	2012 rank	2013 top priority %	2013 rank
Engagement/retention	56%	1	55%	1
Leadership development	55%	2	52%	2
Performance management	43%	3	49%	3
Workforce planning/talent analytics	43%	3	43%	4
Training	40%	5	42%	5
Succession planning	40%	6	38%	6
External hiring (including recruitment)	37%	8	38%	6
Internal hiring (including promotion)	33%	10	35%	8
Career development	36%	9	34%	9
Change management	38%	7	32%	10
Creating/implementing competency model(s)	27%	11	27%	11
Restructuring	25%	12	21%	12
Onboarding	19%	13	18%	13
Outplacement/redeployment of talent	14%	14	15%	14

These priorities reflect the continuing importance, in an increasingly competitive global economy, of maximizing the contribution of existing employees and leveraging their experience of the business. *Performance management*, *workforce planning/talent analytics* and *training* are also top priorities in 2013.

The excitement surrounding big data is reflected in the relative prioritization of both *performance management* and *workforce planning/talent analytics* as third and fourth, respectively, worldwide. *Career development*, which ranked ninth in priority for respondents, impacts engagement and retention of employees, as a lack of suitable career opportunities has been found to be a key reason for employees leaving organizations<sup>8</sup>.

Respondents from both emerging and established economies reported a focus on engagement (ranked 1 for emerging and 2 for established; see Figure 5). Respondents from emerging countries listed *performance management* as a second highest priority, followed by *leadership development*, *workforce planning/talent analytics* and *training*. In established economies, respondents listed *leadership development* as their top priority followed by *engagement/retention*, *performance management*, *succession planning* and *workforce planning/talent analytics*.

The top five priorities by economy type differ mainly in terms of the relative prioritization of the top three (*engagement/retention*, *leadership development* and *performance management*), but also in terms of *training* and *succession planning*. *Training* was ranked fifth by emerging economies but outside the top 5 by established economies. *Succession planning* was ranked fourth by established economies but outside the top 5 by emerging economies.

## Top five HR priorities

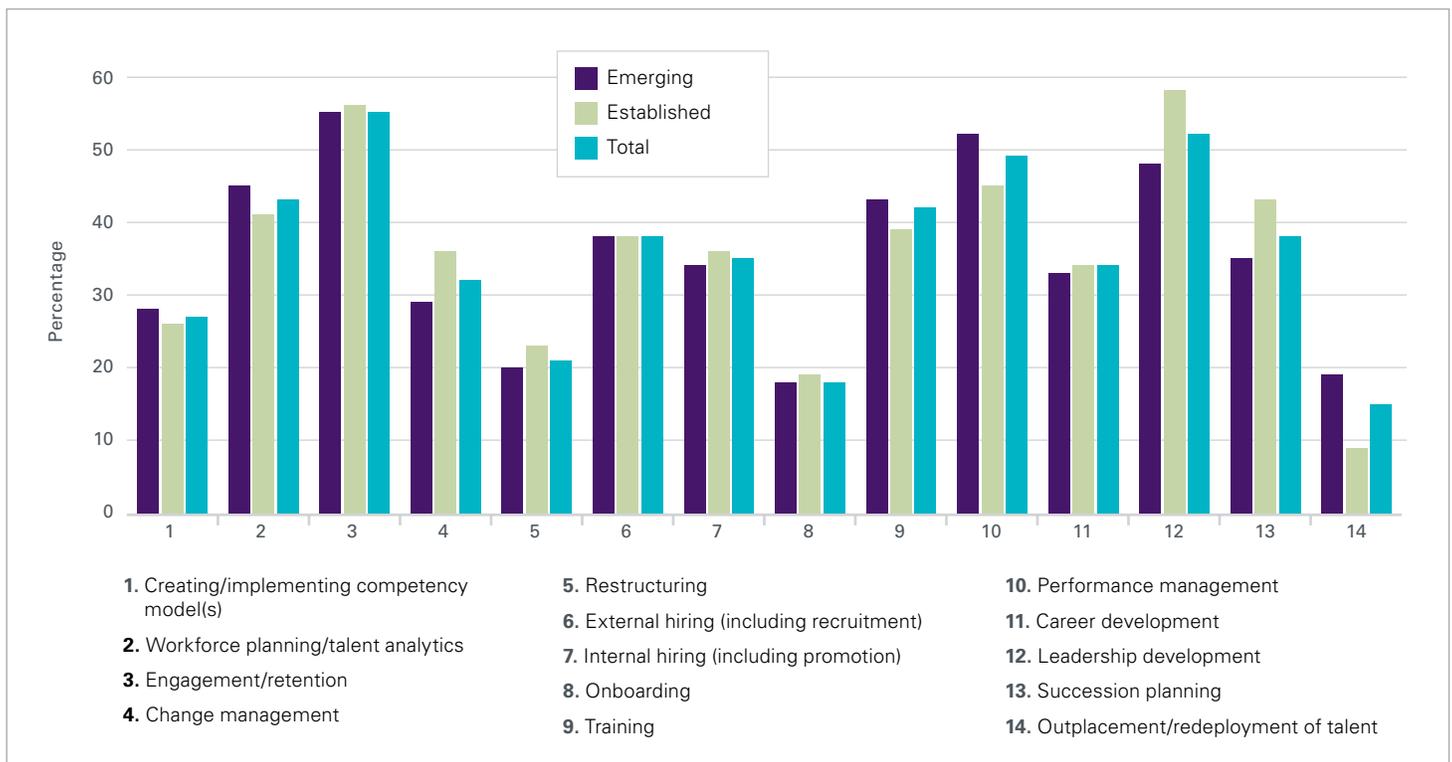
### Emerging economies

- Engagement/retention
- Performance management
- Leadership development
- Workforce planning/talent analytics
- Training

### Established economies

- Leadership development
- Engagement/retention
- Performance management
- Succession planning
- Workforce planning/talent analytics

Figure 5: HR priorities by economy type



8. CEB, 2012

## Challenges and focus in 2013

What challenges lie ahead for HR professionals in 2013? We see a slight decrease in respondents reporting that their organizations are focused more on developing talent internally than hiring externally (from 53% in 2012 to 49% in 2013; see Table 2). This is despite a rise in concern regarding recruiting and hiring talent in 2013 (from 64% in 2012 to 73% in 2013). This suggests that the war for talent continues, despite an apparent understanding that having talent gaps is the “new normal.”<sup>9</sup> In addition, we continue to see that career development as a retention strategy is not overwhelmingly used by organizations. This stands in contrast to the finding that engagement/retention is a chief priority for organizations, as seen in Table 1.

Table 2: Challenges and focus of HR

Survey statement	Percentage endorsing	
	2012	2013
In general, my organization is focusing more on developing talent internally than on hiring externally.	53%	49%
We are currently recruiting for more open positions organization-wide as compared to last year.	39%	39%
We expect it will become increasingly challenging to recruit and hire talented individuals for key positions in the coming year.	64%	73%
We use career development as a retention strategy.	58%	55%

“Between data warehouses, data marts, enterprise applications, spreadsheets and external unstructured or social data, companies are drawing on an increasing number of unique data sources to drive their business analysis.” *Aberdeen Group 2012*

## Talent management in 2013: strategic yet?

In PWC’s 2012 report, 79% of CEOs reported that HR was involved in the highest levels of strategic planning. However, our findings indicate a potential disconnect in this perception on the part of HR leaders. Approximately two-thirds of respondents indicated that their organizations view HR as a strategic function, down from 74% in 2012 (see Table 3). Only 43% of respondents indicated that their organizations use information about talent to make business decisions, further supporting the notion that HR still has some way to go in impacting strategy and operations. Most HR leaders (80%) believe, on the other hand, that talent decisions (on hiring or promotion) are made based on business objectives. This trend may impact the ongoing struggle over who truly owns talent strategy. According to a report by CGMA, HR needs to prepare the overall philosophy of talent management, but must be influential in ensuring that the strategy/philosophy is carried out by others<sup>10</sup>.

Table 3: General trends in human resources

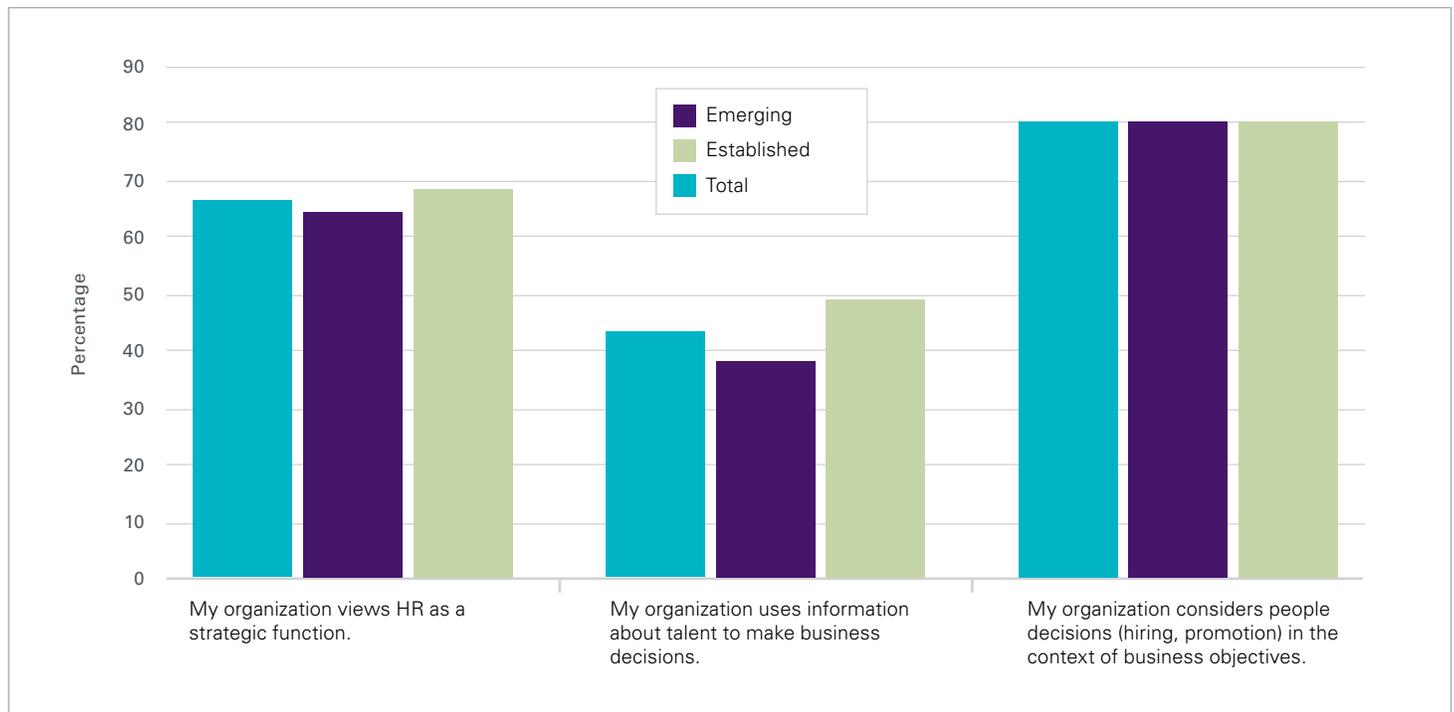
Survey statement	Percentage endorsing	
	2012	2013
My organization views HR as a strategic function.	74%	66%
My organization uses information about talent to make business decisions.	48%	43%
My organization considers people decisions (hiring, promotion) in the context of business objectives.	83%	80%

9. Manpower, 2012

10. CGMA, 2012

Similar trends were found when comparing emerging and established economies, with the exception of slightly more respondents from established markets reporting that their organizations use talent information to make business decisions (49% versus 38% of respondents in established economies, see Figure 6).

Figure 6: Strategy, business decisions and talent



## The HR landscape: big data

*'If you can't measure it you can't manage it'*, according to management consultant Peter Drucker. The ability to acquire and analyze ever greater volumes of often complex data offers HR managers the opportunity to measure, and better understand, their people, leading to improved decision-making and performance. But how many HR professionals are leveraging such 'big data'?

### Key finding 2: Room for improvement in big data

- Less than a quarter of respondents reported that their organizations have a clear understanding of workforce potential.
- Less than half reported using objective data to make decisions about the workforce.
- Less than half reported their organizations use talent data to drive business decisions.

### Key finding 3: Not impressed with data management systems

- Fewer than one in five respondents reported being satisfied with their systems' ability to manage talent data.
- Only 17% of HR professionals reported that their HRIS systems are accessible via smart phones/mobile devices.

## The challenge of big data

All organizations have data about their workforce that could be used to help drive business results, but the amount of data is increasing at a significant rate. A 2011 study found that organizations have 2.5 times more data than they had three years earlier.

However, the quality and accessibility of that data can impact its usefulness, and HR professionals are reporting that there is room for improvement in these areas. While nearly 75% of organizations have formal performance appraisal or management processes in place for employees, less than one-fourth (24%) of respondents indicated that their company has a clear understanding of their workforce's potential (see Table 4). Less than half of respondents said their organizations use objective data on employees' competencies and skills to make workforce decisions. This could be due to the ineffective use of competency models: only one-third of respondents indicated that such models are used effectively in their organizations.

Not only are HR professionals reporting most organizations do not have a clear picture of their workforce's potential, they are also dissatisfied with how their systems and automation help them manage talent data. More than one-third of HR professionals indicated having competency and skill data integrated with their overall talent management systems. However, less than one out of five respondents (18%) indicated that they were satisfied with the systems and automation for managing talent data. Perhaps this dissatisfaction is due to the lack of accessibility of HR data to those who need it, as only 17% of respondents indicated that their HRIS systems are accessible via smart phones/mobile devices.

“Despite improvements, most HR executives still don't feel that their systems are effective, and two in five have made significant, costly changes to those systems.”<sup>11</sup> *CEB, 2013*

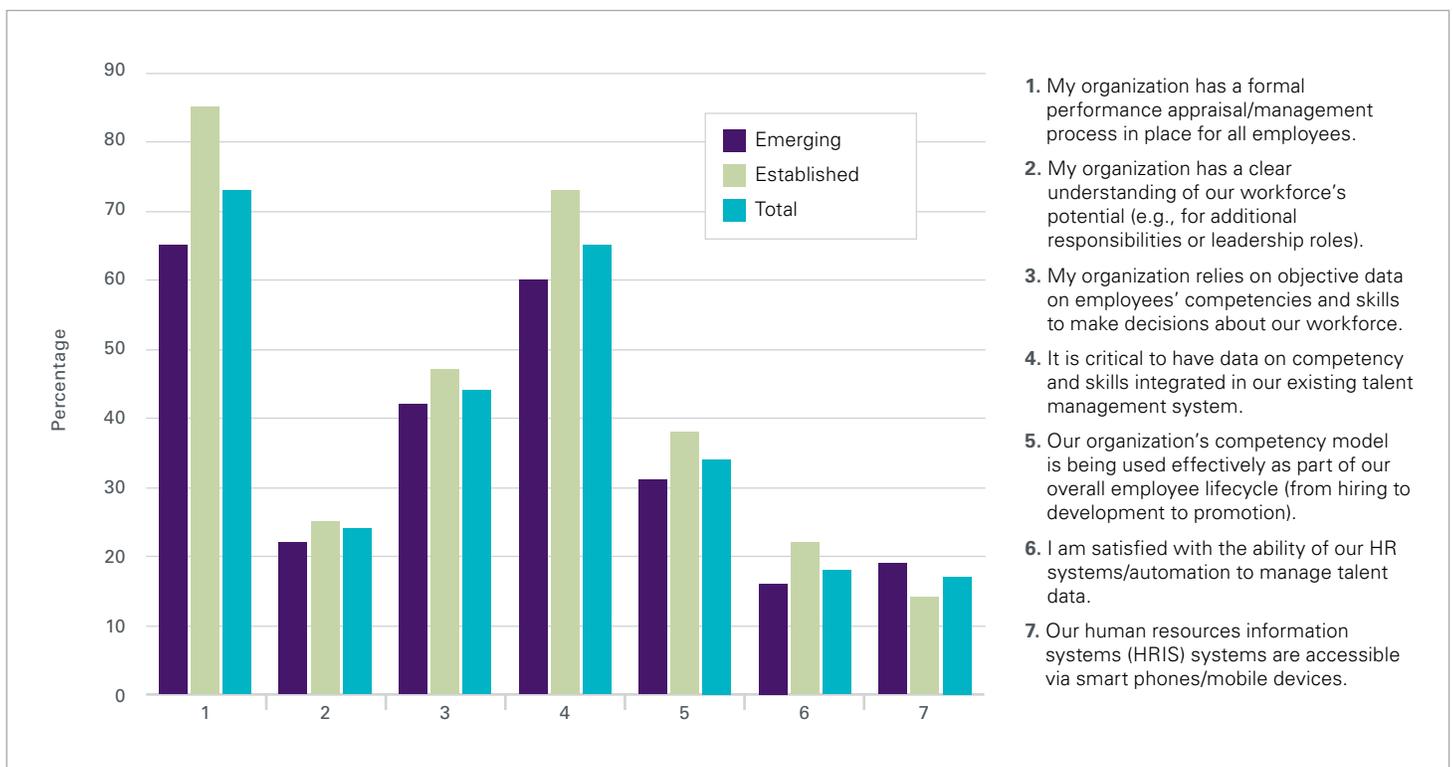
Table 4: Big data: performance, potential and data management

Survey statement	Percentage endorsing
My organization has a formal performance appraisal/management process in place for all employees.	73%
My organization has a clear understanding of our workforce's potential (e.g., for additional responsibilities or leadership roles).	24%
My organization relies on objective data on employees' competencies and skills to make decisions about our workforce.	44%
Our organization's competency model is being used effectively as part of our overall employee lifecycle (from hiring to development to promotion).	34%
It is critical to have data on competency and skills integrated in our existing talent management system.	65%
I am satisfied with the ability of our HR systems/automation to manage talent data.	18%
Our human resources information systems (HRIS) systems are accessible via smart phones/mobile devices.	17%

11. Driving Breakthrough Performance in the New Work Environment, CEB, 2013

Clearly, in the realm of HR, there is still untapped potential for the use of big data to enable better decisions about people. With talent typically organizations' most costly asset, and a key differentiator between business success and failure, this is an opportunity HR professionals cannot afford to ignore. *Objective* and *formalized* talent measurement programs can provide high quality People Intelligence that links to clear, critical business outcomes, as we discuss in the next sections. Similarly, relying on a model of performance and competencies, and ensuring that HRIS systems are effectively managing such data, can ensure that the relevant intelligence is easily accessible and usable. Big data only provides People Intelligence of value to the extent that it is collected consistently, using objective measures of critical competencies.

Figure 7: Big data: performance, potential and data management by economy type



## Emerging economies: a focus on performance management

The focus of emerging economies on performance management (their second highest priority) makes sense in the context of formal performance appraisal processes reported as being used by only 65% of respondents in those countries. This compares to 85% in established economies (see Figure 7). By ensuring performance is measured, it can be improved over time. Likewise, data from measures of competencies and skills, from pre-hire tests to assessments for leadership development, can be linked directly to performance measures, thus ensuring investments in talent measurement deliver on their promise to improve overall business outcomes.

## Formalizing processes

For talent management to benefit from big data and for HR to be viewed as a strategic partner in driving business decisions, talent management processes must be transparent and formalized. Including objective, consistent measures of performance, competencies and other critical HR data will provide the big data, or People Intelligence, that will drive better people decisions and improved organizational performance.

Respondents were asked to indicate the formality of 14 HR processes (see Table 5) within their organizations. As in 2012, we find that *external hiring* and *performance management* were the highest rated for formal processes, while respondents indicated that *change management*, *workforce planning/talent analytics* and *succession planning* were the most likely areas to use informal processes, or no processes at all.

As a top priority for organizations, engagement and retention can be quantified, and formalized processes can be put in place to ensure certain criteria are met. In some cases, there is inconsistency between what organizations see as their main priorities and their use of formalized process to address them. A key example of this is *engagement/retention*, which is a top priority for organizations, yet only 16% of organizations reported having formal processes in place to address it. Both formal and informal processes were in place in 45% of organizations.

*Engagement/retention is a top priority for organizations, yet only 17% of organizations reported having formal processes in place to address it.*

Table 5: Formality of process in HR areas

HR initiative/area	Formal process	Both formal and informal processes	Informal processes	No process
Creating/implementing competency model(s)	29%	32%	16%	24%
Workforce planning/talent analytics	17%	39%	24%	20%
Engagement/retention	16%	45%	26%	13%
Change management	14%	35%	29%	23%
Restructuring	31%	30%	20%	20%
External hiring (including recruitment)	68%	26%	4%	2%
Internal hiring (including promotion)	54%	36%	7%	3%
Onboarding	59%	26%	9%	5%
Training	50%	41%	7%	2%
Performance management	63%	27%	5%	5%
Career development	16%	45%	25%	14%
Leadership development	21%	46%	20%	14%
Succession planning	23%	35%	20%	22%
Outplacement/redeployment of talent	29%	31%	15%	25%

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# Part II: Assessing talent

From our analysis of the landscape for talent management in 2013 we turn to how talent is measured, the types of assessments used in organizations and those that may be used in the coming year. We will discuss how the use of assessments can help organizations meet many of the challenges identified in Part I of our report.

## Key finding 4: A desire to improve talent measurement

- Nearly 75% of respondents indicated that their organizations want to improve the way in which they measure talent.
- One in three respondents indicated that their organizations use objective assessments of potential for critical roles.

As discussed earlier, a small percentage of respondents reported that their organizations have a clear picture of their workforces' potential. Likewise, a large majority of HR professionals around the world indicated that their organizations want to improve talent measurement (see Table 6). A little over 40% of companies use assessments to identify high-potential employees and only around one-third of respondents indicated that objective measures of potential are used to guide development and succession plans, even for critical roles. Fewer than 30% reported that formal measures help determine how to spend their training and development budget. Similarly, only 38% of organizations use structured promotion processes for leader roles. Career paths that include clear requirements, including appropriate measures of performance and competencies, can help ensure employees understand how they can progress and help the organization better align its talent to business goals.

Table 6: Talent measurement: how it is used today

Survey statement	Percentage endorsing
My organization wants to improve talent measurement.	74%
My organization uses assessments to help identify high-potential employees.	41%
My organization uses objective measures of people's potential to guide developmental and/or succession plans for critical roles.	33%
Formal measures of competencies and skills help determine how my organization spends its training and development budget.	26%
My organization uses a structured promotion process for all leader roles across the organization.	38%



## Ways assessments are used

How are organizations using assessments today? What are their plans to use them in 2013? HR professionals reported using assessments for a variety of HR functions, including *external hiring (including recruitment)*, *internal hiring (including promotion)*, *leadership development and training* (see Table 7).

Table 7: Assessment use by human resource area

HR initiative/area	No plans for assessments	Plan to use in near future	Currently use	Total plan to use and currently use
External hiring (including recruitment)	10%	18%	72%	90%
Internal hiring (including promotion)	17%	21%	62%	83%
Leadership development	26%	33%	41%	74%
Training	23%	24%	47%	71%
Career development	31%	35%	35%	70%
Performance management	31%	25%	44%	69%
Succession planning	36%	36%	28%	64%
Engagement/retention	39%	29%	33%	62%
Workforce planning/talent analytics	38%	34%	27%	61%
Creating/implementing competency model(s)	41%	27%	31%	58%
Onboarding	44%	19%	37%	56%
Outplacement/redeployment of talent	49%	27%	24%	51%
Restructuring	54%	24%	22%	46%
Change management	58%	26%	16%	42%

While over 60% of companies indicated they currently use assessments for *internal hiring*, including promotion, only 38% of companies reported having a structured promotion process in place for leaders across their organizations. Using objective measures of competencies can help organizations identify those who can lead effectively, but only within a promotion structure that ensures assessments are being implemented consistently and fairly for all roles.

Similarly, nearly 30% of respondents stated that they had no plans to use assessments to help guide training and development decisions, despite this being a major budget item, with 40% of organizations worldwide expending over \$316,000 per year on training<sup>12</sup>. Objective assessments of training needs and training success can be used to pinpoint critical training areas and ensure programs are effective in building skills<sup>13</sup>.

12. CIPD, 2010

13. Ibid

*Restructuring, change management and outplacement/redeployment* of talent are the areas least likely to use assessments in 2013, reflecting their comparative low priority with respondents (see Table 1) and/or lack of clarity about how assessments should be used for these processes. Around 40% of respondents indicated their organizations have no plans to use assessments for onboarding, engagement/retention and workforce planning/talent analytics, surprising findings given the relative importance of engagement/retention and focus on big data. The appropriate assessments in these areas can help identify interests of new employees for onboarding purposes, identify mismatches in terms of skills and fit with current roles (critical for engagement and retention) and provide comprehensive employee data for workforce planning.

## The talent pool: using assessments for hiring

When an individual decides to apply for a job anywhere around the world, what is the most common process he or she will go through? Globally, most respondents (90% or more) reported using or planning to use résumé reviews, structured interview guides and background checks as part of their hiring processes in 2013 (see Table 8). This is followed by application forms, prescreening questions, reference checks and phone screens, used by 80% or more companies.

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## Most used tools for general hiring

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- Résumé review/screen
- Structured interview guides
- Background checks
- Application forms
- Prescreening questions (minimum qualifications questions)
- Reference checks
- Phone screens



## Frequently used hiring tools

Table 8: General hiring tool usage and plans for use

Hiring tool	2009	2010	2011	2012	2013	Rank
Résumé/CV review/screen	95%	96%	94%	95%	94%	1
Structured interview guides	85%	84%	94%	91%	93%	2
Background checks <sup>14</sup>	98%	92%	83%	81%	90%	3
Application forms	-	89%	84%	82%	85%	4
Prescreening questions (minimum qualifications questions)	93%	92%	84%	83%	84%	5
Reference checks	-	93%	90%	90%	83%	6
Phone screens (person to person or IVR)	88%	86%	77%	78%	81%	7
Social media searches – informal	-	69%	67%	71%	68%	8
Work samples/Assessment centers	59%	67%	71%	71%	67%	9
Unstructured interviews	44%	61%	50%	51%	60%	10
Social media searches – formal	-	54%	51%	58%	59%	11
Credit checks	-	53%	43%	41%	46%	12
Drug screens	-	62%	41%	34%	31%	13

Note: Totals include the percentage of respondents who currently use *and* plan to use the hiring tool.

## Assessing the talent pool

*"For more and more companies, the hiring boss is an algorithm. The factors they consider are different than what applicants have come to expect. Jobs that were once filled on the basis of work history and interviews are left to personality tests and data analysis, as employers aim for more than just a hunch that a person will do the job well."* Wall Street Journal, September 20, 2012.<sup>15</sup>

The rising interest in big data has spawned something of a revival of interest in assessments in the media, but in fact organizations have been using objective measures of competencies as a way to make decisions about individuals, particularly for hiring, for hundreds of years<sup>16</sup>. The consistent issue for organizations is which assessments to use as part of the hiring process. Decisions regarding assessments are mired in several issues, including how well the test measures critical competencies, how long the assessment takes to complete, legal issues surrounding the use of assessments and whether to use and administer tests onsite or remotely. It is also dangerous to assume that all assessments are equally effective. Organizations who truly value talent measurement know that the best assessments are those that are well-designed, proven to be valid and link directly to job performance and, ultimately, an organization's business results.

14. Note: In 2009, this was combined to read "Background checks, drug screens"

15. Walker, 2012

16. Rogers, 1994

Some traditional hiring assessments, including cognitive ability, personality, work samples and others, have demonstrated consistent relationships with performance on the job<sup>17</sup>. Other assessments, such as 'profiling' tools, handwriting analyses and type indicators are less appropriate for selecting employees because they do not typically relate to job performance.

The assessments that organizations use or plan to use include skills/knowledge tests, personality tests, and cognitive ability/general problem solving tests (see Table 9). A properly constructed and validated assessment can reduce the time it takes for recruiters/hiring managers to screen candidates, and may often be more consistently implemented than reviews of résumés.

Table 9: Pre-hire assessment usage and plans for use

Assessment types	2009	2010	2011	2012	2013	Rank
Skills/knowledge tests	85%	84%	84%	91%	91%	1
Personality tests	66%	68%	78%	86%	84%	2
Cognitive ability/general problem solving tests	85%	74%	79%	85%	84%	2
Job fit tests	76%	62%	68%	76%	77%	4
Specific ability tests	84%	73%	58%	69%	71%	5
Situational judgment	68%	67%	63%	70%	69%	6
Job simulations	70%	56%	60%	68%	68%	7
Job-specific solutions	82%	62%	63%	65%	67%	8
Culture fit tests	59%	52%	55%	69%	62%	9
Biodata (life history information)	43%	36%	52%	55%	59%	10
Interest assessments	50%	42%	45%	45%	48%	11

Note: Totals include the percentage of respondents who currently use *and* plan to use the assessment.

## Top assessments for 2013

- Skills/knowledge tests
- Personality tests
- Cognitive ability/general problem solving tests
- Situational judgment
- Job fit tests

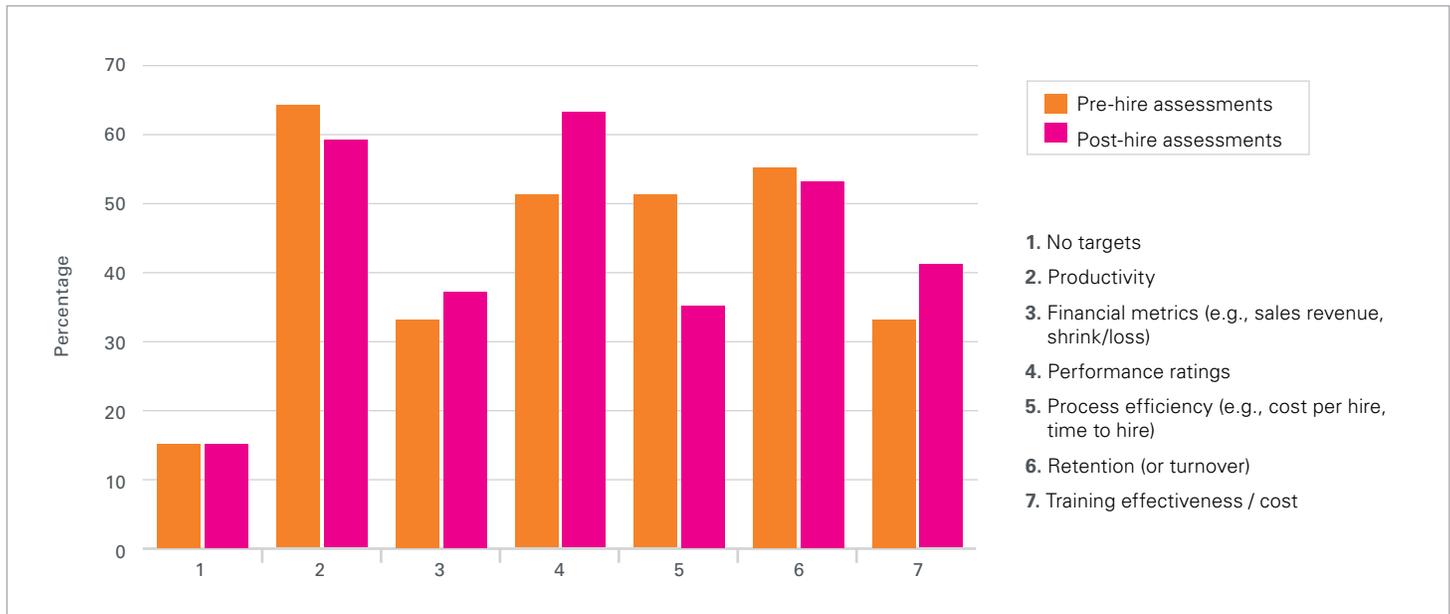
## Business impact of assessments

### Key finding 5: Pre-hire / post-hire focus linked to specific business outcomes

- HR professionals are more likely to link testing in pre-hire to productivity improvements, and in post-hire to improved performance.

Any initiative must demonstrate value to the organization for it to be sustained and supported. Data gathered from objective assessments can be linked to key metrics for an organization to demonstrate the overall impact of talent measurement. SHL's annual Business Outcomes Study Report provides a detailed view of how organizations link assessment results to critical business metrics<sup>18</sup>. Most respondents indicated the targets of pre-hire assessments were improvements in productivity and retention and employee turnover (see Figure 8). Performance ratings, productivity and retention were particularly targeted through the use of assessments with employees.

Figure 8: Business outcomes targeted by assessment use



We have seen that big data can help organizations drive business results. Yet, despite wanting to impact key performance metrics, only a minority evaluate the use of assessments by linking them directly to business outcomes.

Most respondents indicated that testing candidates is valuable to the overall hiring process, while fewer view assessments as critical to promotions and employee development (see Table 10). Since 2011, we have seen a decline in the number of HR professionals who reported that they collect metrics to show the value of their HR investments. The percentage of respondents who indicated that their organizations collect metrics to examine the usefulness of assessments in hiring is relatively unchanged (from 52% in 2011 to 54% in 2013), while 42% of respondents indicated collecting metrics to examine assessment value for developmental programs.

18. SHL, 2012

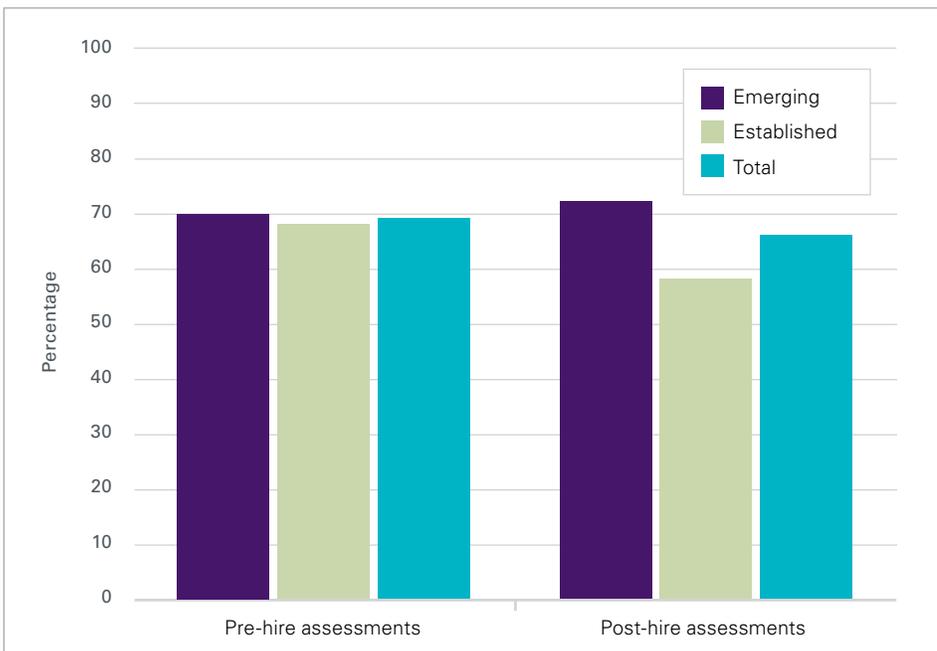
Table 10: Trends in human resources: collecting metrics and valuing assessments

Survey statement	Percentage endorsing		
	2011	2012	2013
Testing candidates is a valuable part of the hiring process.	94%	89%	87%
My organization views assessments as a critical component of any promotion and/or development program.	-	62%	57%
We collect metrics to show the value of our HR investments.	51%	46%	42%
We collect metrics to determine how assessments add value to the hiring process <sup>19</sup> .	52%	51%	54%
We link assessment results from employee development efforts to business outcomes to evaluate their effectiveness.	-	45%	47%
We collect metrics to determine how assessments add value to our development program(s).	-	42%	42%

The fact that most companies do not directly link post-hire assessments to business outcomes may explain the lack of confidence in their value to the organization.

Overall, confidence is greatest in the value of pre-hire assessments, with a relative lack of confidence in post-hire assessments in established economies (see Figure 9). Deriving the data in HRIS systems from objective measures means organizations can examine the true value of their assessments and make enhancements to their processes as needed. However, it is important to target metrics that are most likely to be directly impacted by the use of assessments, for example increased sales per head, rather than outcomes such as increased shareholder return, which can be impacted by a myriad of factors<sup>20</sup>. Using data to demonstrate the value of assessments is one way HR can demonstrate its strategic value to organizations and retain its ownership of talent management.

Figure 9: Confidence in value of assessments by purpose and economy type



19. In 2011, this statement read “how tests” instead of “how assessments”

20. Kuehner-Herbert, 2012

# Part III: Technology in testing: mobile devices and social media

## Smart phone technology and testing

### Key finding 6: Emerging markets want to use mobile technology to assess candidates

- HR professionals in emerging economies (including China and India) indicated that more of their candidates are asking to complete tests via mobile devices, and more of their recruiters want mobile access to candidate data, as compared to candidates and recruiters in established economies.

Technology continues to impact how data is collected on both external candidates and employees, and also impacts what data is collected. As communications become more mobile, the way in which organizations connect to candidates changes too. Testing via smart phones/mobile devices is a relatively new area for HR professionals; thus, there are a myriad of factors to consider when employing such technology. Will all candidates complete the tests this way, or will we need an alternative way of applying? Is a test administered via smart phone/mobile device just as predictive as one administered via a traditional desktop or laptop? Will candidates be more likely to cheat given this new technology? These questions are currently being addressed by SHL's research program<sup>21</sup>, which is examining technical/psychometric equivalence and procedural fairness considerations for mobile testing.

Table 11: Recruiting and selection via smart phones / mobile devices

Survey statement	Percentage endorsing		
	2011	2012	2013
Recruiter access to candidate information (e.g., application forms, assessment scores) via smart phone/mobile devices would make our hiring process more efficient	25%	32%	38%
Recruiters and hiring managers are requesting to have mobile access to candidate information.	9%	22%	26%
Candidates are requesting to complete application forms and/or assessments on their mobile devices.	9%	19%	23%
We would allow candidates to complete assessments via smart phones/mobile devices today if such an option existed.	33%	38%	43%
We would allow our candidates to complete assessments on smart phones if there was research showing how assessment scores compare to taking assessments on computers.	-	42%	41%
It may be unfair to allow candidates to complete assessments via smart phones.	-	23%	24%
Allowing candidates to use mobile devices to complete assessments would encourage cheating.	-	20%	23%
Allowing candidates to use mobile devices to carry out assessments is inappropriate.	-	23%	22%

21. For details of Advance, SHL's Research Partner Program, visit [www.shl.com/uk/expertise/science](http://www.shl.com/uk/expertise/science)

Although it is a relatively new way to test candidates, we believe organizations who wish to have a competitive advantage in the war for talent will find means to engage candidates at early stages of their hiring processes, which includes offering the added convenience of testing via mobile devices.

The use of smart phones/mobile devices continues to grow<sup>22</sup>, and nearly 40% of respondents believe having mobile access to candidate data would make their processes more efficient (see Table 11). However, few HRIS systems are accessible via mobile devices (17% in 2013, see Table 4 in Part I of the report). HR professionals reported a slight increase in candidate (23%) and recruiter/hiring manager requests (26%) to complete tests via mobile or to have mobile access to candidate data (see Table 11).

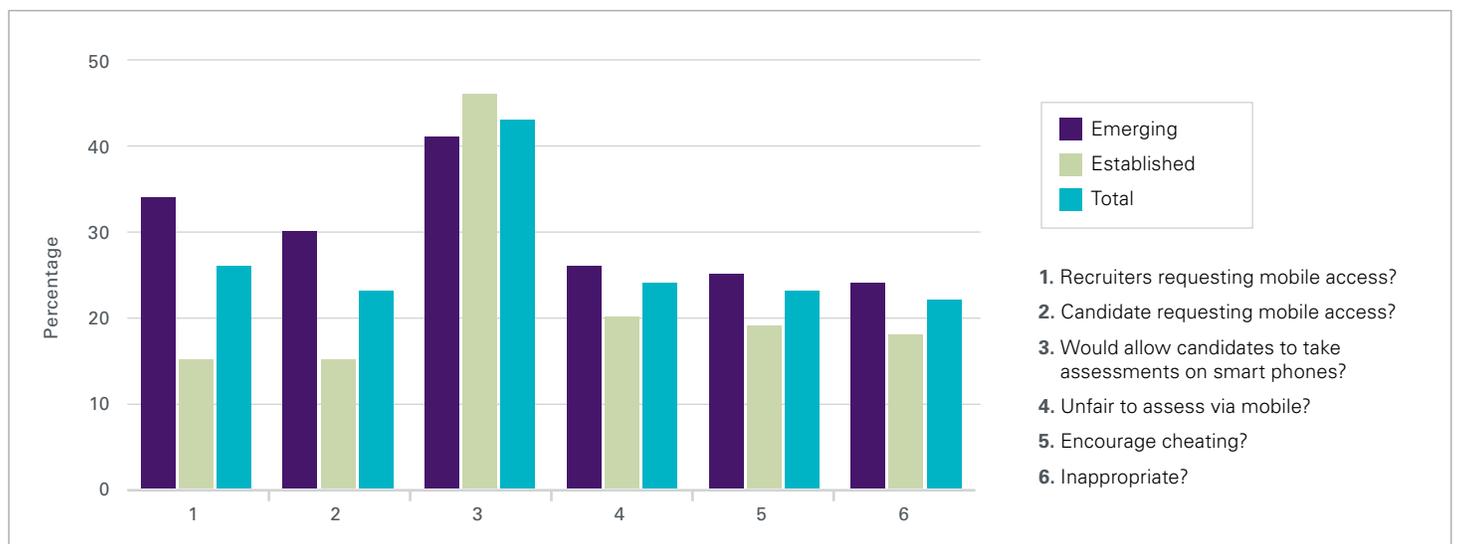
Likewise, we see increased optimism related to the eventual use of testing via mobile devices: a little over 40% of respondents indicated they would allow their candidates to complete tests via such devices, and less than one-fourth believed that mobile devices would be unfair to candidates, encourage cheating, or be inappropriate for hiring purposes.

## Global comparison: mobile testing by economy type

The number of mobile devices in emerging economies, including China and India, is significantly higher than in established economies such as the United States and countries in Europe<sup>23</sup>. Given the differences in numbers of mobile devices being used, it is useful to examine the perceptions of HR respondents by economy type.

As in 2012, we continue to see more requests for mobile access from recruiters in emerging economies, as well as more requests from candidates to complete tests via mobile devices (see Figure 10). Interestingly, despite the increased desire for smart phone/mobile devices for recruiting and hiring, we also see a slight difference in concerns related to testing via such devices. HR professionals in emerging countries expressed more concern related to mobile testing in terms of being unfair to some candidates, encouraging cheating and being inappropriate.

Figure 10: Mobile testing perceptions by economy type – percentage endorsing “yes”



Over 40% of respondents indicated they would allow tests to be completed via mobile devices.

22. Deloitte, 2011

23. Wikipedia, 2012

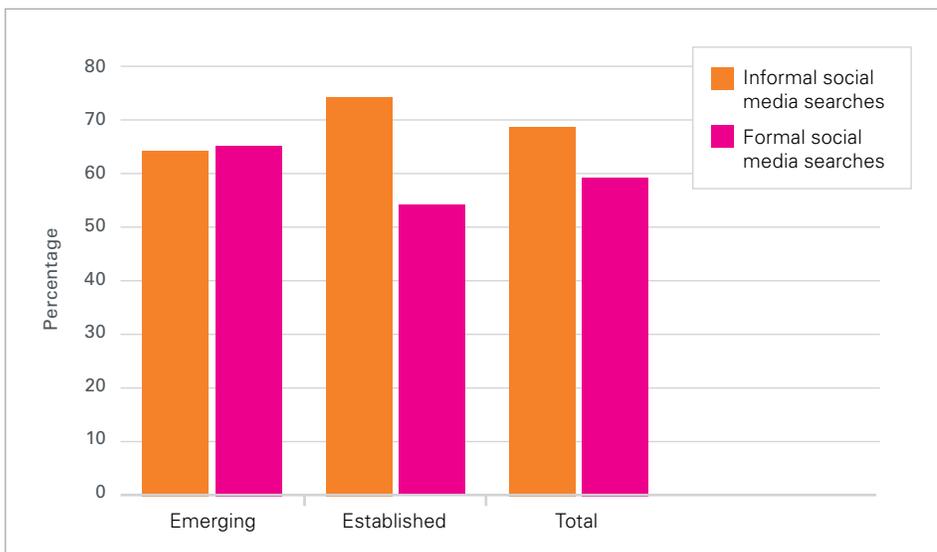
## Social media data and hiring

### Key finding 7: Social media data: not critical to hiring decisions

- While approximately 60% of companies use or plan to use social media searches as a hiring tool in 2013, less than 30% believe the data is useful in determining candidate fit, and only 11% believe it is critical to hiring decisions.

The 2013 SHL Global Assessment Trends Report again includes a review of how data from social media (SM) is used as part of the hiring process and the perceived value of such data. Social media continues to be a key part of recruiting and advertising to candidates<sup>24</sup>. Approximately 60% of HR respondents around the world reported they were using or planning to use formal or informal SM searches as a hiring tool in 2013 (see Figure 11).

Figure 11: The use or planned use of social media searches by search and economy types



After an increase from 2011 to 2012, respondents in 2013 perceived social media as having slightly less impact on hiring processes and being slightly less effective as a sourcing tool (see Table 12). Less than one-fifth of respondents again stated that their organizations have a formal policy in place regarding the use of social media for hiring. Nearly 50% of respondents indicated that recruiters and hiring managers are allowed to review candidate data from SM sites, although only 20% are allowed to use that data to make hiring decisions.

Despite its use for recruiting, the benefits of social media as a source of assessment data are questionable; the data acquired is often neither objective nor consistent. Less than 30% of respondents reported that information from social media sites is useful in determining candidate fit, similar to findings from the past two years. Just over 10% of respondents indicated that data from SM sites is useful and/or critical to hiring decisions. We contrast these findings with overall perceptions regarding testing for hiring (87% endorsing its value) and assessments for development/promotion purposes (57% endorsing that it is critical to such programs; see Table 10 from Part II of this report).

24. Jobvite, 2012b

Table 12: Policies and procedures: social media for recruiting and hiring

Survey statement	Percentage endorsing		
	2011	2012	2013
Social media websites (e.g., Facebook, Twitter) are having a large impact on how we recruit, manage and measure talent.	28%	37%	32%
Social media sites are effective tools for recruiting and reaching quality candidates.	36%	46%	40%
We have a formal policy in place regarding social media information and our hiring practices.	15%	17%	19%
We allow our recruiters/hiring managers to review social media information about potential candidates.	31%	45%	48%
We allow our recruiters/hiring managers to use social media information to make decisions about candidates.	17%	22%	20%
Candidate information on social media sites is useful in determining candidate fit with an organization.	25%	29%	29%
Social media data on candidates is critical to our hiring decisions.	-	-	11%
I have confidence in the quality of candidate data coming from social media sites.	-	-	12%

Examining candidates' pictures or their stated interests could be a source of legal concern for HR professionals.

What type of data are recruiters and hiring managers seeking when they review candidate information on social media sites? We see a similar pattern from 2011 to 2013: most respondents indicated examining previous work history, education, recommendations from others and other types of candidate information (see Table 13). We continue to see a year over year increase in the percentage of respondents who currently review the various areas, with only reviews of comments posted by candidates or candidates' friends showing a year on year decline.

Two areas of ongoing concern are the review of candidate pictures (28%) and their stated interests (e.g., community or religious groups: 24%). Candidates do not entirely control the information that is posted about themselves, including pictures, and the practice of examining such information, regardless of how it is used in the hiring process, could be a source of legal concern for HR professionals, particularly in the recruiting/hiring of individuals from protected groups. Stated interests, whether it is something overt such as a religious group or something more subtle such as supporting a particular political candidate, could also be a source for potential discrimination claims by candidates. Therefore, such practices cannot be supported without a demonstrable relationship between such reviews and critical business outcomes, including performance on the job. Also, even requesting such information from candidates may be unwelcome. In the US alone, 23% of job seekers reported that companies requested social media access/data. Of those, 83% reported that it "bothered them."<sup>25</sup>



25. Jobvite, 2012a

Table 13: Candidate data reviewed from social media sites

Social media data	2011	2012	2013	Rank
Previous work history	46%	51%	55%	1
Education	46%	49%	50%	2
Recommendations from others (e.g., on LinkedIn)	33%	39%	41%	3
Other candidate information (e.g., hobbies, interests)	24%	33%	33%	4
Pictures	15%	26%	28%	5
Candidate's stated interests, 'likes', current activities	21%	24%	24%	6
Group affiliations (e.g., community or religious groups)	21%	22%	24%	7
Comments/links posted by candidate	21%	23%	18%	8
Comments/links posted by candidate's friends	10%	14%	12%	9

We continue to see differences in the kind of social media data reviewed by emerging versus established economies. In most cases, HR professionals from emerging economies reported reviewing more of the social media data categories than those from established economies. Respondents from emerging economies are, for example, more likely to include reviews of candidate pictures, group affiliations and links/comments posted by candidates' friends (see Figure 12).

Although roughly one in five respondents around the world indicated that such information is used in hiring, relatively few organizations stated they have formal policies for its use, fewest of all in the emerging economies. Similarly, our findings indicate that recruiters/hiring managers are more likely to be allowed to review social media data in emerging than in established economies (see Figure 13).

Despite the findings that the vast majority of HR professionals did not endorse social media data as critical, organizations continue to include such searches as part of their hiring processes.

The key question seems to be: *if the data is not critical to the hiring process, why are time and resources being used to review it?*

With little data demonstrating the relationship between social media data and job performance, and questions regarding the legality of using such data in hiring decisions, we recommend caution. Many countries have specific laws governing how information can be used in employee selection, and few cases, if any, have tested the legality and appropriateness of using such information garnered from a casual or formalized review of such data.

Reviewing and/or using social media information about candidates must include policies on what is to be reviewed and how the data is going to be used, along with adequate legal review and research demonstrating its relationship to critical business outcomes. Will the review be applied consistently across all applicants? Will 'red flags' be used to eliminate certain candidates from the rest of the process?

Figure 12: Percentage of respondents currently reviewing social media information by data and economy type

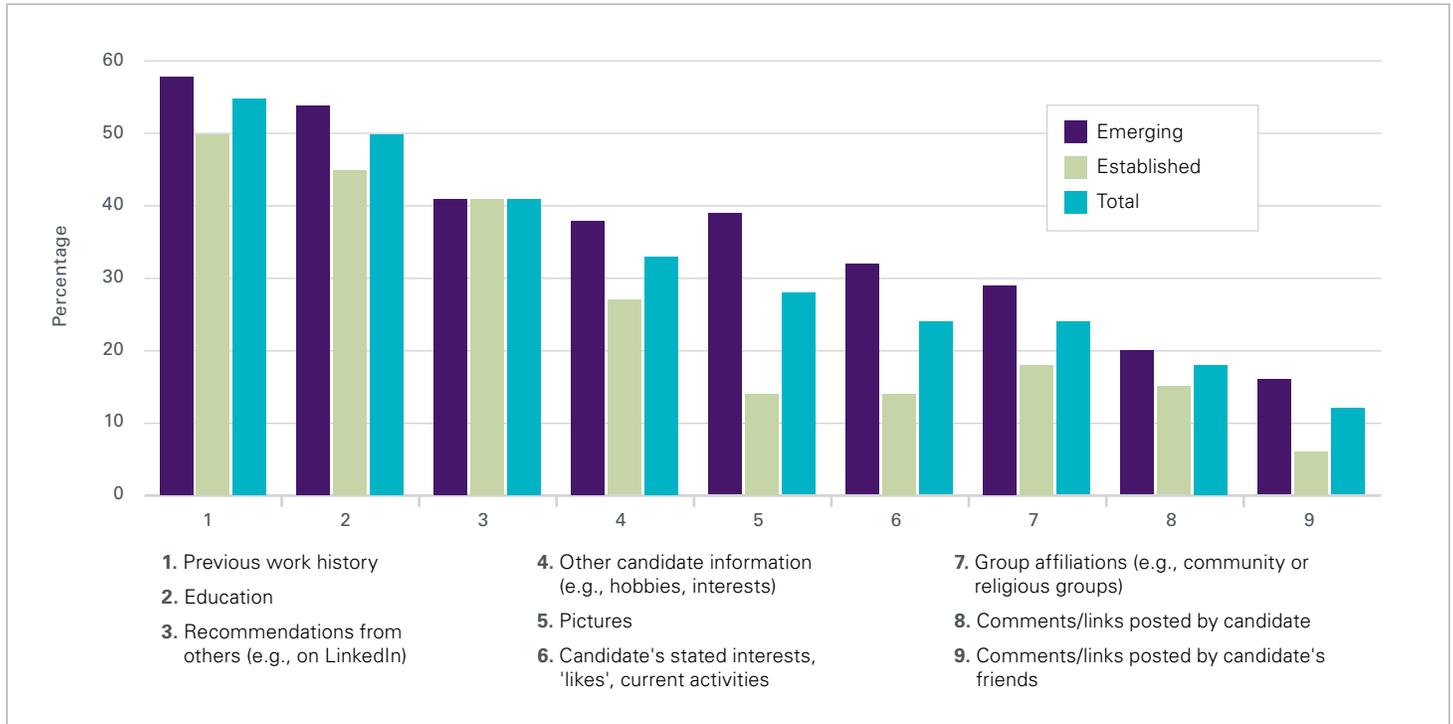
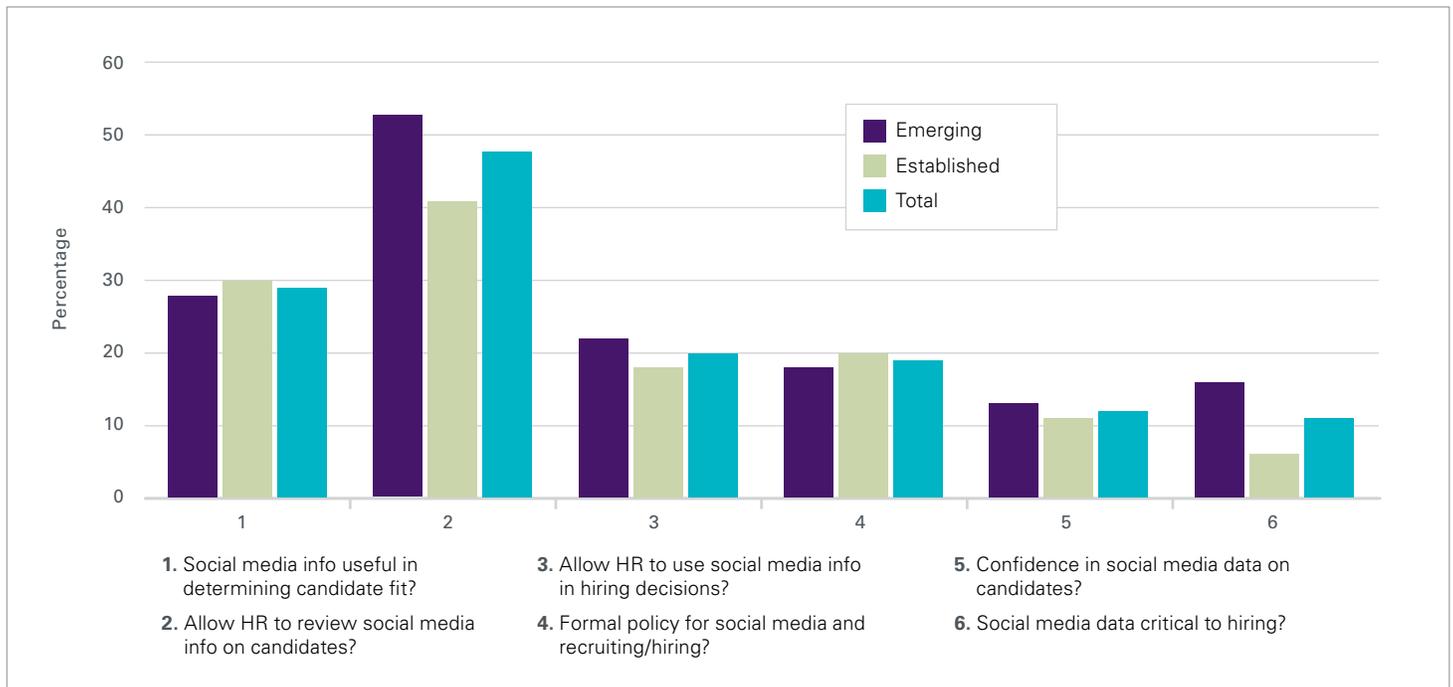


Figure 13: Social media perceptions and policies by economy type



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# Summary and recommendations

## **Big data presents HR with a unique opportunity to demonstrate business value**

Our findings show there is considerable room for organizations to enable better access to, and use of, quality data on external candidates and employees. This would help HR prove the effectiveness of its talent management initiatives in driving business outcomes.

*Recommendation: Review the types of data you currently hold on your employees and candidates. Identify meaningful business outcomes relevant across the employee lifecycle – from recruitment to hiring and development. Linking these outcomes and the data sources will help HR measure and improve the effectiveness of talent management initiatives.*

## **Only the right data will lead to the success of talent initiatives**

Despite the huge quantity of data already owned by organizations, few have a clear understanding of their workforce potential and less than half use such data for decision-making. Most respondents indicate their organizations want to improve talent measurement, but only data that is relevant, meaningful and accurate, is of any real value in designing and implementing initiatives and evaluating their success.

*Recommendation: Be selective about the people data your organization owns and retains. Prioritize objective data about candidates' and employees' competencies and measurable organizational metrics. Examine the usefulness of the data to enable decisions at a functional and organizational, as well as at an individual level.*

## **Embrace innovation that improves how talent is recruited, but with caution**

The growth of social media represents a threat as well as an opportunity. While most companies use or plan to use it for recruitment, less than one fifth have a formal policy in place, leaving the technology open to misuse and the organization liable to potential discrimination claims. Again, it is essential to identify the right data.

*Recommendation: Ensure your organization has a formal policy on the use of social media in recruitment decisions, specifying which information is of value and fair to candidates, and how it is to be used.*

## **Consider mobile technology for competitive advantage, not to follow the crowd**

Giving candidates the opportunity to complete pre-hire assessments via mobile devices is a promising way for companies to engage them earlier, offering a potential competitive advantage to early technology adopters. This is especially true in emerging economies, where demand is twice as high as in established economies.

*Recommendation: Consider whether mobile assessments could add value to your talent acquisition processes, evaluating the potential advantage and whether they are appropriate to your candidates or your business. Consult authoritative research to ensure the assessments are fair, secure, and as reliable as those administered via PC or laptop.*

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Based on the results of the 2013 Global Assessment Trends survey, we see four key areas where HR professionals can seek to improve their approach to talent measurement in the coming year.

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# About SHL

## SHL – People intelligence. Business results.

SHL is the leader in talent measurement solutions, driving better business results for clients through superior people intelligence and decisions – from hiring and recruiting, to employee development and succession planning.

With a presence in over 50 countries, SHL delivers more than 25 million assessments annually in over 30 languages – allowing over 10,000 business customers to benefit from both global expertise and local insight. Along with its world-class consulting practices and 24-hour support center, SHL clients can access over 1,000 assessments through an easy-to-use technology platform.

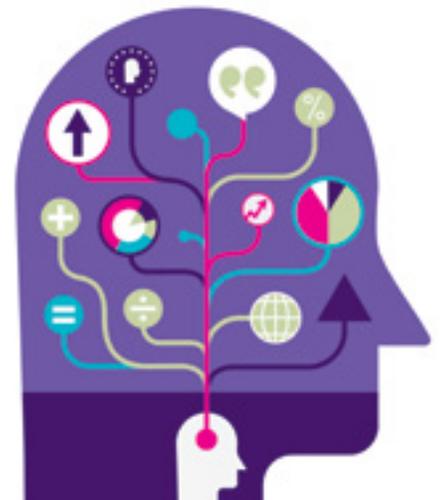
SHL was acquired in 2012 by CEB, the leading member-based advisory company. By combining the best practices of thousands of member companies with advanced research methodologies and human capital analytics, CEB equips senior leaders and their teams with insight and actionable solutions to transform operations.

Headquartered in London, UK, SHL has offices in North and South America, Europe, the Middle East, Africa, Asia and Australia/New Zealand.

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For more information  
visit [www.shl.com](http://www.shl.com)

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## Executive summary of 2009 Global Assessment Trends Survey<sup>26</sup>

170 companies from around the world responded to PreVisor's Global Assessment Trends Survey to provide their perspectives on talent measurement practices and trends. Key findings from the report are listed below:

### **Key finding 1: Top talent management priorities for 2009**

- External Recruiting/Hiring and Performance Management are top priorities for companies around the world in 2009. Internal Promotion/Placement is third in priority for US companies, and Career Development is third in priority for Non-US companies.

### **Key finding 2: Top talent management increases in priorities from 2008 to 2009**

- Areas with the highest projected increase in priority for US companies include Competency Modeling, Career Development, and Bench Strength Analysis; whereas outside the US, Succession Planning and External Recruiting/Hiring showed the greatest increase in priority.

### **Key finding 3: Confidence in the value of assessments**

- More than 90% of all companies believe testing is a valuable part of their hiring process. Approximately 50% of clients reported that they collect metrics to show the value of HR investments.

### **Key finding 4: Preference for simulated, real-world assessments**

- Most organizations indicated their preference to use realistic assessments. While many are not using job simulations yet today, more clients plan to expand usage of simulations in the next year as compared to other assessment types.

### **Key finding 5: Plans to expand use of "fit" assessments**

- In addition to simulations, organizations plan to expand the use of "fit" measures (culture fit, job fit, and interest assessments) in their hiring processes in the near future.

### **Key finding 6: Talent measurement post-hire**

- Promotion, career development, and training needs analysis/skills gap analysis were the most frequently cited areas where assessments are used to measure talent of a current workforce.

### **Key finding 7: Leader selection – important, but not structured**

- Nearly half of all companies agreed that assessments are a critical part of their succession planning programs, but only one out of three clients agreed that their company uses a structured promotion process for all leader roles within their organizations.

26. Note: The 2009 Global Assessment Trends Report compared results from US companies and companies outside the US

## Executive summary of 2010 Global Assessment Trends Survey

Over 230 companies from around the world responded to PreVisor's and ADP's Global Assessment Trends Survey in late 2009 to provide their perspectives on current and anticipated talent measurement practices and trends. Key findings from the report are listed below:

### **Key finding 1: Top talent priorities for 2010 – the emergence of performance management and career development**

- Managing the performance of the current workforce is the highest priority for HR in 2010 with career development and external recruiting/hiring following as the next highest priorities. External recruiting/hiring, which was projected as a top priority prior to the economic downturn, had the largest decrease in priority from 2009-2010 of any HR initiative included in the survey.

### **Key finding 2: Talent impact of economic recovery – retention, recruitment, retirement**

- Most companies (68%) indicated concern about retaining employees during the economic recovery. Likewise, 54% believe it will be challenging to recruit talented employees in 2010. However, less than 19% of companies reported being concerned about the talent gap to be left by retiring employees and leaders.

### **Key finding 3: Focus on quality of hire – whether it is measured or not**

- Most companies (70%) are feeling pressure to demonstrate return on investment for assessment products. Quality of Hire is the most common business outcome that companies (84%) are trying to improve with pre-hire assessments. However, only 56% of companies reported that they collect metrics to show the value of HR investments, and only 42% are required by internal stakeholders to demonstrate a link between assessments and business outcomes.

### **Key finding 4: “Wait and see” perspective on plans to use new tools, processes**

- Compared to the previous year's survey, the proportion of respondents who plan to use processes (which they are not currently using) within the next year has decreased, indicating a more cautious approach toward purchasing and using new tools, technologies, and processes. A few exceptions to this finding include the use of *informal social media searches*, *formal social media searches*, and *situational judgment tests* as hiring tools.

**Key finding 5: Social media as a hiring tool: the jury is still out**

- Over 68% of organizations use or plan to use *informal* Web 2.0 searches as a hiring tool. However, only 20% of the organizations surveyed indicated that social media sites are effective tools for determining candidate fit, while nearly 50% are uncertain. Accordingly, only 24% of companies are currently in agreement that social media websites such as Twitter and Facebook are having a large impact on how talent is recruited, measured, and managed.

**Key finding 6: Treating candidates as customers is emphasized but not evaluated**

- Most organizations (84%) agreed that applicant reactions to the recruitment and hiring process are important. For example, *convenience to applicants* was the most frequently cited reason (86%) that companies use remote testing. However, only 41% of companies obtain feedback from their candidates, who are likely to be their customers and/or future employees.

**Key finding 7: Opportunity exists to formalize talent programs**

- While career development is a top priority and more than 60% of companies use it as a retention strategy, only 29% have established a formal career development process for their employees.
- Only 28% of companies have a structured promotion process for leaders. This is a consistent finding from the previous year's survey.
- Only 50% of organizations indicated they use assessments/talent measurement tools with their current workforce. Of those who do, most use or plan to use such tools for career development, training needs analysis, and promotion programs within their companies.

## Executive summary of 2011 Global Assessment Trends Survey

Over 460 human resources professionals from around the world responded to SHL's Global Assessment Trends Survey to provide their perspectives on talent measurement practices and trends, and the effect these practices and trends are having on organization's *People Intelligence* programs. Key findings from the report are listed below:

### **Key finding 1: Succession planning becomes increasingly important**

- Succession planning rose from 6th in priority in 2010 to 2nd in priority in 2011, indicating an increased focus on key leadership roles within organizations versus other HR initiatives.

### **Key finding 2: In rebounding economic environment, performance management remains top priority**

- As in 2010, companies from around the world indicate that performance management is a top priority for 2011. Succession planning, external recruiting and hiring, career development and internal promotion/placement round out the top five priorities.

### **Key finding 3: Companies allowing testing from "anywhere" increases**

- The use of remote testing (e.g. from a candidate's home) has increased year over year since 2009.
- Likewise, over a third of responding HR professionals indicated they would allow candidates to complete tests on smart phones/mobile devices.

### **Key finding 4: On the leading edge... hiring via smart phones/mobile devices**

- While the use of smart phones/mobile devices is increasing, recruiters and candidates are not clamoring to use this technology for completing assessments. Only 33% of companies stated they would allow candidates to test via these devices, and less than one out of ten recruiters and candidates are requesting to have testing available via mobile devices.

### **Key finding 5: Pre-hire testing includes the general and the specific**

- HR professionals stated they use both general types of tests (e.g. cognitive ability, personality) as well as job-specific tests (including knowledge, job fit tests and job-specific solutions) in their hiring processes, indicating a desire to both assess competencies that broadly predict successful performance as well as those that are required for specific job roles.

**Key finding 6: Structured interviewing gaining in use**

- Nearly 95% of companies use or plan to use structured interviews in their hiring processes, up from approximately 85% in the previous two years.
- In-person, single interviewer interviews and phone interviews are used by most companies (80% and 76%, respectively), while in-person panel interviews are used by 73% of companies. Remote, web-cam interviews are used by over 25% of companies.

**Key finding 7: Somewhat “safe” use of social media information about candidates**

- More than 50% of HR professionals review or plan to review previous work experience, education and recommendations from others on social media sites as part of their applicant review/hiring process.
- A smaller proportion of professionals examine comments and links posted by candidates’ friends, as well as pictures of candidates – types of information that may prove to be less legally defensible.
- Only 16% have a formal policy in place regarding the use of social media information in the hiring process.

## Executive summary of 2012 Global Assessment Trends Survey

This year's report presents the results of an online survey conducted in late 2012 and completed by 481 human resources (HR) professionals employed in companies headquartered throughout the world.

The report focuses on three areas: the HR landscape in 2013, the nature of assessment use in organizations, and the use of technology in HR processes. Key findings from the report are listed below:

### Human Resources focus and landscape in 2013

#### **Key finding 1: The relationship between People Intelligence and business outcomes has room to grow**

- More than 80% of respondents said their organizations link talent decisions to broader business objectives and goals.
- However, less than half indicated that their organizations use information about their talent to drive overall business decisions.

#### **Key finding 2: A focus on engagement and leadership in 2012**

- A majority of respondents indicated that engagement/retention (56%) and leadership development (55%) were top priorities for 2012, with nearly 70% of respondents indicating their organizations had formal, or both formal and informal processes in place for such initiatives.

#### **Key finding 3: Giving up on career development?**

- Despite the focus on engagement in 2012 and the finding that more than half of companies indicated focusing more on internal talent than hiring externally, just over a third of HR professionals cited career development as a top priority. Likewise, fewer HR professionals are using it as a retention strategy and fewer are offering a formal way for employees to find new careers internally.

## Assessment use in organizations

### **Key finding 4: Hiring internally and externally continues to be the most prevalent use of assessments, however there is significant post-hire use**

- More than 70% of organizations currently use assessments for external hiring, and over 60% use them for internal hiring.
- Post-hire use includes training (47%), leadership development (45%) and career development (39%)
- Top plan to use areas: workforce planning/talent analytics and career development.

### **Key finding 5: Talent measurement focus: current behaviors and potential**

- Most HR professionals use either current behaviors or future potential as the focus of their assessment efforts versus examining relevant past experiences. Assessing past performance and experiences was cited by less than 30% for each of 14 key HR areas.

### **Key finding 6: Linking assessments to business outcomes**

- Most respondents indicated using assessments to impact overall productivity of their workforce, but a little more than half indicated collecting metrics to assess impact.

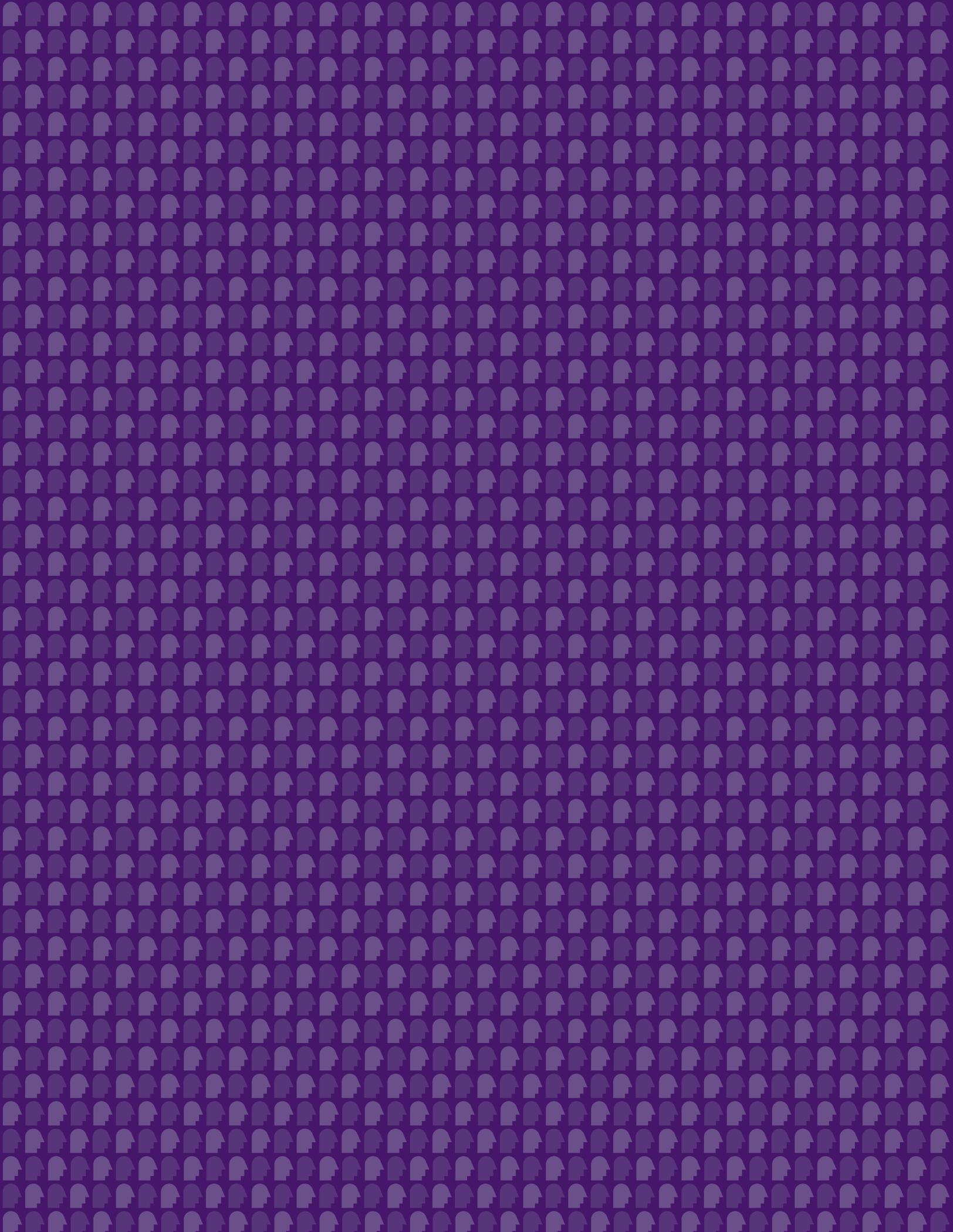
## Technology in testing: Mobile devices and social media

### **Key finding 7: Asia leading the way in desire to use smart phones / mobile devices in recruiting**

- Mirroring usage data, HR professionals in Asia indicated a higher desire to use smart phones/mobile devices in recruiting and also indicated a higher number of candidates requesting to take assessments via such devices as compared to their counterparts in Europe and the Americas.

### **Key finding 8: Increased allowance and perceptions of effectiveness of social media**

- More companies are allowing the use of social media in recruiting and hiring as a review tool, but little change in formal policy about the use of it.
- Likewise, social media is growing in terms of acceptance, as perceptions of it being an effective tool for recruiting candidates grew 10 percentage points.



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