

Pre-Employment Assessment Services

Get Hiring Decisions Right with Pre-Employment Testing from Leadership Alliance

The right hiring decision comes first. It comes before successful product innovation. Before customer loyalty. Before operational efficiency. Every component of your company's success depends first upon your ability to accurately predict which job candidate will be the superior performer.

If you rely on traditional hiring practices — resume review, reference checks, standard interview — you are putting your company at risk. The likelihood of making an accurate prediction about a candidate is only slightly better than a coin toss.¹

A poor hiring decision means turnover and replacement costs, or months and even years spent managing that poor decision.

The better alternative: Rely on sound pre-employment testing methodologies. Well-designed assessments are proven to increase the likelihood of selecting the high performer.

The most effective solution of all: Partner with a company that consistently achieves superior results. By relying on Leadership Alliance, you can increase the likelihood of selecting the high-performing candidate by as much as 27 percentage points over a competing firm.²

¹ J. Hunter, R. Hunter: "*The Validity and Utility of Alternative Predictors of Job Performance*," University of Michigan; meta-analysis of hiring research. <http://psycnet.apa.org/index.cfm?fa=buy.optionToBuy&uid=1984-30168-001>

² Leadership Alliance: "*Higher Accuracy of Predictions: Competitive Analysis*," 2013. Comparative rates of accuracy in two firms' hiring predictions for the same client.

The science of accurate prediction

The use of big data is transforming business practices from marketing to manufacturing — and hiring practices, as well.

Hiring managers' judgment and experience must always play a role. But high-performing organizations are replacing traditional, subjective selection practices with data-driven pre-employment testing. And they're achieving a competitive advantage.

That's because accurate hiring prediction is a science.

At Leadership Alliance it's a science that lies at the intersection of data and psychological insight. We help companies make better hiring decisions through a combination of evidence-based methodologies and decades of experience and insight. We understand our clients' precise requirements, as well as the psychology of their job candidates.

Our results are verifiable, defensible, superior and repeatable.

As the following research studies show, we help our client companies select high performers — and we do so at rates that far exceed the results obtained by standard selection methods and by other testing service providers.

Our results are verifiable, defensible, superior and repeatable.

Data-driven accuracy

Leadership Alliance has conducted three studies that illustrate the impressive results we achieve for our clients:

1. More effective hiring decisions than from standard practices
2. Superior job performance of employees we recommend
3. Higher accuracy of our predictions compared with a competitor's accuracy

These outcomes impact clients' return on investment through three direct benefits:

- Better employee retention. Researchers report that approximately 80 percent of employee turnover is due to poor hiring decisions.
- Lower costs associated with employee replacement. Total costs can reach 200 percent of the employee's annual salary.³
- The ability to move forward effectively on business objectives rather than allocating resources to manage the results of poor hiring decisions.

Additional benefits include higher productivity, improved morale and stronger customer relationships, as well as objective, equitable and defensible hiring practices.

³ David G. Allen, *"Retaining Talent – A Guide to Analyzing and Managing Employee Turnover,"* Society for Human Resources Management, 2008. <http://www.shrm.org/about/foundation/research/documents/retaining%20talent-%20final.pdf>

Leadership Alliance vs. standard hiring practices

In 2013, a research study analyzed the job performance of more than 100 employees of a Leadership Alliance client company.

Research background:

As candidates, these employees had undergone pre-employment assessments by Leadership Alliance and had been recommended for their positions. After at least one year on the job, they were given performance ratings by the client.

Employees who succeeded on the job:

Recommended by Leadership Alliance

94%

Selected by interview only process

50%

Leadership Alliance's predictive success rate approaches 100% above standard hiring practices.

⁴ Schmidt and Hunter, *"The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings,"* Psychological Bulletin; meta-data review. <http://psycnet.apa.org/index.cfm?fa=buy.optionToBuy&id=1998-10661-006>

Superior job performance of recommended employees

The second research study illustrates the high performance of employees that Leadership Alliance assesses and recommends – even those whom we recommend "with reservations."

Using insight and judgment from decades of experience, Leadership Alliance's psychologists help our clients develop accurate job requirements. Then we use proven tools to analyze candidates' problem-solving skills, work-related personality traits and leadership abilities.

Candidates whose skills match the requirements are recommended for the position. Those whose skills come close but fall short in certain less essential areas may be recommended "with reservations."

Research background:

This research study surveyed 12 client companies that rely on Leadership Alliance's pre-employment assessment services. The hiring managers rated the performance of employees that Leadership Alliance had tested and recommended for the job. All employees had been on the job for at least six months.

The employees' job performance ratings were compared with our original hiring recommendations.

The results:

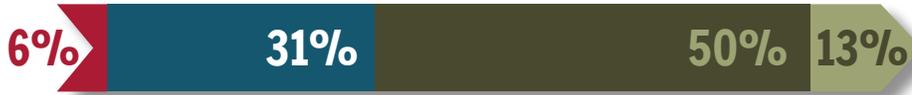
- 75 percent of those we had recommended performed successfully on the job.
- 63 percent of applicants we had recommended "with reservations" performed well on the job.

Job performance of recommended employees:

Matches requirements



Matches with reservations



Superior Performer



Above Average Performer



Below Average Performer



Poor Performer

A major benefit of the Leadership Alliance testing was its ability to weed out poor performers.

75% of recommended employees proved to be superior or above average. Only 3 percent performed poorly.

Higher accuracy of predictions: competitive analysis

The third research study compared Leadership Alliance's track record in predicting successful performers with that of a competing assessment firm.

Research background:

One of our client companies had previously used a competing firm for pre-employment testing. After we took over assessments for the company, this research study compared the accuracy of the two firms' predictions of which employees would be successful on the job.

Accuracy of prediction:



Results:

- Leadership Alliance: 73 percent accurate prediction rate over a three-year period.
- Competing assessment firm: 46 percent accurate prediction rate over the previous three years.

At 46 percent accuracy, the competing firm's results were about what could be expected from subjective, unscientific hiring practices.

Leadership Alliance provided accurate recommendations almost **three-quarters**

of the time — a confirmation of the previous study's results.

The competing testing firm was right less than half the time.

Outstanding results by design

Leadership Alliance achieves these outstanding results for our clients through a combination of evidence-based methodologies and decades of experience and insight. We understand our client companies' precise requirements, as well as the psychology of candidates.

We use the industry's gold standard assessment tools, including our market-exclusive partnership with Korn/Ferry – Lominger. In addition, we provide flexible implementation and responsive, ongoing customer support.

- That's why Leadership Alliance's results are verifiable, defensible, superior — and repeatable.
- That's how we help our clients accurately predict the superior performer, again and again.

We can provide the same value for your company.

To learn more about our pre-employment assessments and other talent management services, please contact us at **314-993-8008** or **david@leadershipall.com** or check out our website at **www.leadershipall.com**