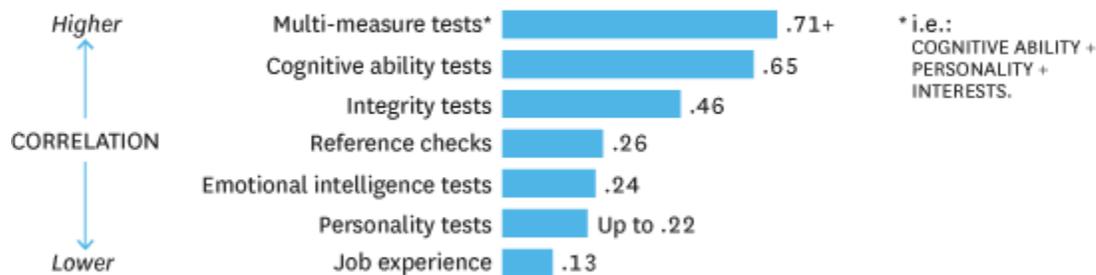# Accuracy in Hiring Decisions

Why we recommend the use of a validated, predictive assessment within the interview & candidate selection process

As discussed in a Harvard Business Review article[1], extensive research has been done on the ability of various hiring methods and measures to actually predict job performance. A seminal work in this area is Frank Schmidt's meta-analysis of __a century's__ worth of workplace productivity data, first published in 1998 and recently updated. The table below shows the **predictive value (validity)** of some commonly used selection practices, sorted from most effective to least effective, according to his latest analysis that was shared at the Personnel Testing Counsel Metropolitan Washington chapter meeting.

THE MOST EFFECTIVE HIRING SELECTION PRACTICES
And those that don't work so well, based on validity coefficients ranging from 0 to 1. The higher the number, the higher the correlation between test scores and predicted job performance.

Higher	Multi-measure tests*	.71+
	Cognitive ability tests	.65
	Integrity tests	.46
CORRELATION	Reference checks	.26
	Emotional intelligence tests	.24
	Personality tests	Up to .22
Lower	Job experience	.13

*i.e.: COGNITIVE ABILITY + PERSONALITY + INTERESTS.

SOURCE BASED ON DATA SHARED BY FRANK L SCHMIDT IN A NOV 6, 2013 ADDRESS TO PTCMW AS AN UPDATE TO: SCHMIDT, F. L. & HUNTER, J. E. (1998). HBR.ORG

- If your hiring process relies primarily on interviews, reference checks, or personality tests, you are choosing to use a process that is *significantly less effective* and less accurate in predicting applicant JOB FIT - job performance, tenure, and cultural fit.
- Personality tests are most effective when **combined** with other measures with higher predictive value, such as cognitive ability testing which is a highly stable applicant characteristic.
- Assessments that focus ONLY on personality components are best used for coaching and development.

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[1] https://hbr.org/2014/08/the-problem-with-using-personality-tests-for-hiring

We recommend the Prevue assessment

- Prevue combines both personality AND cognitive ability testing and compares this data against the scores obtained by <u>employees already in the specific position</u> you are hiring for (e.g., Human Resource Manager).

- The scores are normed (benchmarked) in two ways:
    - Against scores of employees, across industries and geographies, who are in the specific position.
    -and/or-
    - Against an **internal** company-created benchmark:
        - This means that you can decide for yourself which traits are valuable based on successful members of your team, and to what percentage each trait is preferred on a customized benchmark, allowing you to find *exactly what you need* in an individual for the role you're hiring for.
        - We can work with you to identify the characteristics and traits that are critical to the position through the development of a Prevue Benchmark. That benchmark serves as the standard against which you can measure job candidates to identify those who have the best potential to become top performers in the position *in your company*.

Prevue has been rigorously-validated based on the heavily researched **Five-Factor Model** of personality as well as cognitive ability testing to ensure that candidates have the *ability* to perform well in the job (not just the personality). The assessment can help identify and quantify these important traits for each candidate, revealing the learning ability, interests, and work-related personality traits that directly impact success on the job – JOB FIT.