



THE BUSINESS VALUE OF PRE-HIRE ASSESSMENTS

A comprehensive report showing the high
cost of making poor hiring decisions





THE WORLD IS FACING A TALENT SHORTAGE, AND YOU ARE HIRING THE WRONG PEOPLE

According to MRA's 2016/2017 Pay Trends & Talent Strategies Survey, 83% of organizations report that the main reason it has been difficult to hire is a lack of available candidates. Rounding out the top 3 answers are market competition/high demand (53%) and a lack of technical skills (52%). The cumulative impact of the inability to hire the right people has resulted in more pressure on existing staff (89%) and less engaged employees (64%).

With such a dearth of talent, [choosing the right hires](#) is more important than ever. And the task is becoming more daunting. Most organizations spend countless hours sifting through resumes, looking for the perfect candidate. It's a gamble.

As this report points out, resumes can't tell you if a candidate is a perfect match for you. Worse, 46% of resumes contain some form of false information. You need something better.

Using the data in this document, you'll be able to quantify the high costs of choosing the wrong candidates in every area of your organization. You will also see the financial benefits a pre-hire assessment strategy will provide.



TABLE OF CONTENTS

The World is Facing a Talent Shortage..... 1

Companies are Hiring the Wrong People. Why? 2

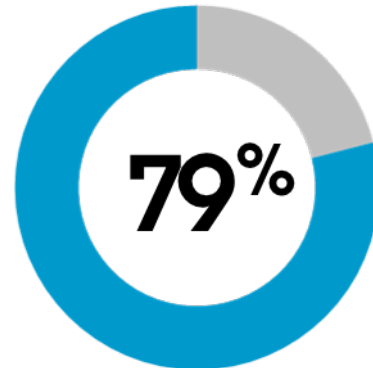
The High Costs of a Bad Hire 3

Pre-hire Assessments Improve Hiring Success..... 4

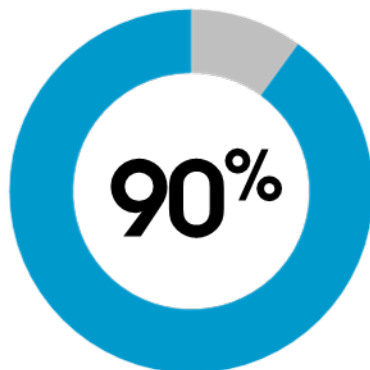
eMaps: A Better Way to Hire 5

THE WORLD IS FACING A TALENT SHORTAGE

79% OF COMPANIES INDICATE THERE IS A SHORTAGE OF CRITICAL TALENT AVAILABLE IN THE LABOR POOL.



Despite high unemployment numbers around the globe, according to a recent Aberdeen report, 79% of companies indicate there is a shortage of critical talent available in the labor pool.¹



A FULL 90% OF ORGANIZATIONS DO NOT HAVE THE SKILLS THEY NEED TO BE SUCCESSFUL

And, according to an IBM Tech Trends Report, a full 90% of organizations do not have the skills they need to be successful.²

COMPANIES ARE HIRING THE WRONG PEOPLE. WHY?

22%

**CITE INSUFFICIENT
TALENT INTELLIGENCE**

According to a CareerBuilder survey, companies are hiring the wrong employees, despite a diminishing pool of talent. Employers cite insufficient talent intelligence and the need to fill the job quickly as the reasons for bad hiring decisions.³

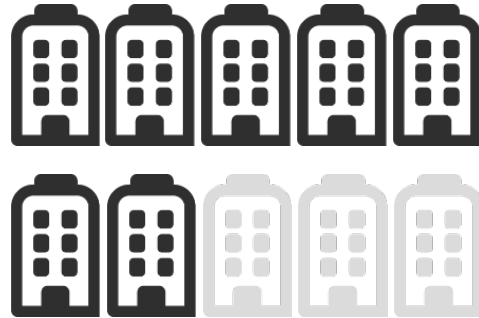
**SAID THEY NEEDED TO FILL
THE JOB QUICKLY**

43%

In the CareerBuilder survey, 26% of employers said they weren't sure why they made a bad mistake, but they cited insufficient time to properly vet candidates and a lack of sufficient talent intelligence as the top reasons. And when you consider 46% of resumes contain false information, you simply need more – and better – data to hire the right candidate.

THE HIGH COSTS OF A BAD HIRE

**NEARLY SEVEN IN TEN
BUSINESSES ARE
AFFECTED BY A BAD HIRE
EVERY YEAR ⁴**



Hiring mismatches result in high turnover, lower sales, poor customer service, absenteeism, higher healthcare costs, workplace violence and theft – substantial costs to an organization's bottom line and reputation.



**IT CAN COST FIVE
TIMES THE ANNUAL
SALARY TO REPLACE A
BAD HIRE ⁵**

According to the Society for Human Resources Management (SHRM), it can cost five times the annual salary to replace a bad hire. And a CareerBuilder survey showed 25% of employers reported a bad hire cost them more than \$50,000 USD.⁶

PRE-HIRE ASSESSMENTS IMPROVE HIRING SUCCESS – DRAMATICALLY



29% LESS TURNOVER MEANS LESS CHURN AND BURDEN ON LONGER TERM EMPLOYEES AND MANAGERS

More than ever, companies are increasingly relying on new technology and prehire assessments to make educated hiring decisions and reduce the costs of bad hires. Pre-hire assessments produce new hires who will be actively engaged and eager to perform. Bersin by Deloitte discovered pre-hire assessments increase employee competence time by 25%, reduce turnover by 29%, and yield 13% more top performers and 17% fewer poor performers.⁷

25% FASTER CYCLE TIME GETTING A NEW HIRE UP TO SPEED



EMAPS: BETTER WAY TO HIRE

EMAPS USES AN INDUSTRY-LEADING 3-STEP PROCESS



SKILL AND ABILITY TESTS



PERSONALITY INSTRUMENTS



STRUCTURED INTERVIEW TOOLS

eMaps uses an industry-leading 3-step process to quickly and confidently identify the right candidate:

- **Skills and ability tests** will identify what a candidate knows and can do.
- **Personality instruments** determine if the candidate will be a good fit.
- **Structured interview tools** make it easy for you to conduct your final screening with questions proven to identify the strengths and weaknesses of the candidate.

eMaps is the #1 on-demand pre-hire assessment tool for enterprises, small businesses and startups. To learn more, visit:

[Visit eMaps](#)

eMaps

Try eMaps For Free!

Start your trial today.

Contact us at 800.488.4845

or

od@mranet.org!

© Copyright GreatBizTools LLC 2016, 12021 Wilshire Boulevard, Suite 200, Los Angeles, CA 90025, 800-928-9098. Produced in the United States of America

eMaps and the MRA logo are trademarks of MRA-The Management Association, registered in many jurisdictions worldwide. Other product and service names might be trademarks of GreatBizTools or other companies. This document is current as of the initial date of publication and may be changed by GreatBizTools at any time. Not all offerings are available in every country in which MRA or GreatBizTools operate.

THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

End Notes

¹ Aberdeen Group, 2015: Zach Lahey, "Pre-hire Assessments: An Asset for HR in the Age of the Candidate"

² The 2012 IBM Tech Trends Report, Fast Track to the Future, IBM Center For Applied Insights, 2012

³ CareerBuilder Survey - CareerBuilder, 2015: Jennifer Grasz

⁴ CareerBuilder Survey - CareerBuilder, 2015: Jennifer Grasz

⁵ CareerBuilder Survey - CareerBuilder, 2015: Jennifer Grasz

⁶ CareerBuilder Survey - CareerBuilder, 2015: Jennifer Grasz

⁷ Improving the Candidate Experience with Prehire Assessments: A Formula for Success, April 2014. ©Bersin By Deloitte