



KnowledgeAdvisors
Research:
Testing & Assessment

Table of Contents

About KnowledgeAdvisors	3
Survey Background	4
Benchmark Group Profile	5
Respondent Listing	6
Key Survey Findings	7
General	
Testing & Assessment of New Hires.....	9
Testing & Assessment Challenges.....	10
Skills with the Most Difficulty to Test & Assess.....	11
Testing & Assessment -- Business Results	
Communications.....	12
Analyzing & Reporting.....	13
Testing & Assessment – Human Resources Management	
New Hires.....	14-15
Testing & Assessment – Technology Management	
Testing & Assessment Tools.....	16
Testing & Assessment – Performance Management	
Predicting Future Performance.....	17-18
Training & Development.....	19

About KnowledgeAdvisors and Metrics that Matter®

KnowledgeAdvisors is the world's largest provider of learning and talent measurement solutions. Leading organizations access its' measurement expertise and on-demand software to ensure a high-performing workforce. As thought leader in Human Capital Analytics, KnowledgeAdvisors provides the most comprehensive analytics solutions available on the market. By combining measurement expertise, on-demand evaluation software, and integrated analytics solutions with benchmarking, organizations gain the necessary insight on how to best develop their workforce.

Metrics that Matter® proprietary technology has been adopted by several industry leaders and is becoming the standard in learning measurement and analytics. Through Metrics that Matter®, we help our clients:

- Easily implement and administer technology-based measurement solutions
- Maximize their Return on Investment (ROI)
- Gain the knowledge required to improve and monitor performance of learning programs on an ongoing basis
- Obtain valuable learner satisfaction and job impact data
- Obtain critical business impact and ROI data
- Reduce learning related expenditures
- Compare performance to internal and external benchmarks
- Conduct testing exercises for comprehensive Level II analysis
- Conduct needs assessment exercises to assess gaps for training and non-training issues

For more information about KnowledgeAdvisors or Metrics that Matter please visit www.knowledgeadvisors.com

Survey Background

Testing and Assessment are measurement tools that provide companies with information to assist in maximizing opportunities for obtaining the right fit between employees and positions or to validate knowledge or skill. It utilizes various instruments and procedural methods to measure knowledge, skill, competency and behavior. This offers employers the means to identify and quantify gaps in knowledge, general and specific skills, abilities, and leadership capabilities so that the necessary training may be provided or to validate if training closed a knowledge, skill, or competency gap.

For years, testing and assessment data has been utilized to provide reasonable evidence that appropriate positioning of human capital yields increased productivity and customer satisfaction, reduces employee errors and turnover, and increases employee morale that lead to improved financial outcomes which, in turn, lead to wealth creation. In today's environment of limited resources, there must be a greater emphasis on proactively assessing employees so that companies may attract, identify, hire, develop, and, most importantly, retain the best personnel.

The survey and resulting report are intended to provide a glimpse into the current readiness of industries in meeting these measurement needs.

If you have any questions or comments about this report, or would like to be notified about any additional reporting we issue based on this research please contact us.

Dena Fowler
Professional Services Manager
KnowledgeAdvisors
+1 312 676 4452
dfowler@knowledgeadvisors.com
www.knowledgeadvisors.com

KnowledgeAdvisors Statement of Responsibility

KnowledgeAdvisors has exercised professional care and diligence in the preparation of this report. However, the data used in this report originated from third party sources. KnowledgeAdvisors has not independently verified, validated, or audited the data. KnowledgeAdvisors shall not be liable to any client or any other person or entity for any inaccuracy, inauthenticity, error or omission. Furthermore, in no event should KnowledgeAdvisors be liable for consequential, incidental, or punitive damages to any person or entity in any matter relating to this report.

Benchmark Group Profile

Number of Respondents **148^a**

Organizations by employee size^b

1,000 or less	29
1,000 to 5000	34
5,001 to 10,000	21
10,001 or greater	42

Number of Industries Represented^c

Number of Responding Organizations per industry

Consumer Products	11
Education	9
Financial Services	14
Healthcare	8
High-Tech	18
Insurance	7
Manufacturing	8
Non-Profit/Government	12
Real Estate	0
Retail	2
Services	20
Telecommunications	7
Other	10

Note: This profile represents the total number of respondents. Within the report, a reference to 'n' will indicate the number of responses to the specific question you are reviewing.

note: Organizations with more than 1 respondent and having the same address were counted as one organization throughout this profile.

^a A respondent is defined as having submitted the survey with at least one response

^b Information not available for 22 respondents

^c Information not available for 22 respondents

Respondent Listing

Sample of respondents who provided responses for this research initiative. The assistance of all respondents was greatly appreciated.

BAE Systems

Lockheed Martin

Caremark

Marriott

CDW

New Horizons

Chubb

PricewaterhouseCoopers

Freescale Semiconductors

Skillssoft

Frito Lay

Thornburg

Global Learning Alliance

US Army

HSBC

Walmart

Kohl's

Wellpoint

Key Research Findings

Based on a compilation of the data, below are some of the key findings we have observed:

General

- Nearly three quarters of organizations surveyed utilize testing and assessment tools for selecting new hires.
- The most common challenges in testing and assessment are: suppression of less than exemplary results, validating results, finding the appropriate automation tool, administration of the "right" objective test, no consistency or accountability, and aligning test results with performance.
- The skills that companies have the most difficulty testing and assessing are judgment, soft skills (especially leadership), character/behavioral, and strategic thinking.

Testing & Assessment - Business Results

- Most organizations (almost two-thirds), report having a means for reporting and analyzing testing and assessment data. However, the respondents indicated by nearly the same margin that they do not have benchmarking capabilities.
- Most of the organization (nearly two-thirds) cannot report on the validity of the results of tests taken by members of the organization.
- Only 30% of respondents indicated the organization communicated the results of testing and assessment data well. The most common means for communicating results were through Executive summaries, Excel spreadsheets, word of mouth, and dashboards or scorecards.

Testing & Assessment - Human Resource Management

- Roughly 70% of the organizations utilize testing and assessment during the selection of new hires. Slightly less than 50% of those organizations indicated that their organizations actually did well at utilizing testing and assessment data to make informed decisions when hiring employees.
- The most common testing and assessment tools used by organizations to make informed decisions for hiring new employees are, as expected, resumes, interviews, and reference checks.
- Most respondents felt their organization did have its testing and assessment practices in line with its Human Resource goals.

Key Research Findings (Continued)

Testing & Assessment - Technology Management

- Less than half of the organizations have a testing and assessment tool available to measure, collect, and store data.
- For those organizations with technology available for testing and assessment data, the following capabilities were most commonly found: ability to author fill in the blank questions, ability to author essay questions, provide randomized answer options, forward and backward navigation through the test, and generate a certificate for a passed test.

Testing & Assessment - Performance Management

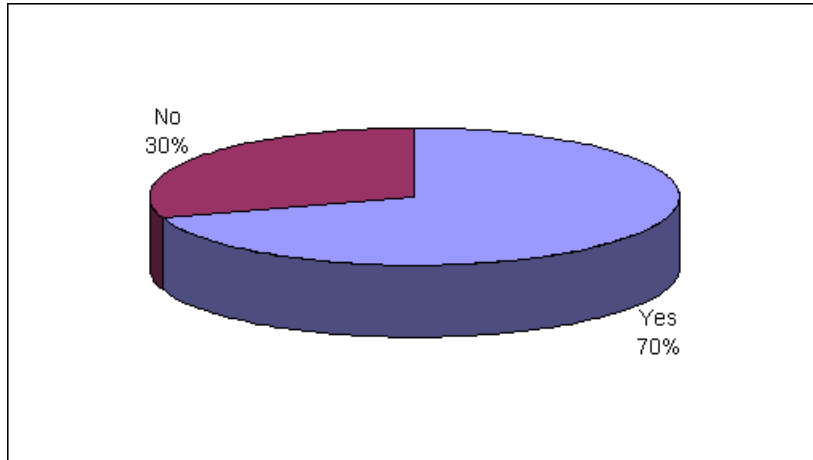
- Only 37% of respondents believe their organization uses testing and assessment data to maximize job placement opportunities for existing employees. 43% of organizations utilize test and assessment data to predict an employee's future performance. The common tools used to predict future performance are annual performance reviews, supervisor feedback, and productivity.
- Almost 60% of the organizations are using testing and assessment data to train and develop employees. The same percentage of organizations use that data to design or modify training and development programs. However, only 30% of the respondents felt their organizations used testing and assessment data to determine if employees benefit from training.

General: Testing & Assessment for New Hires

Q: Does your organization utilize testing and assessment tools for the selection of new hires?

Yes: 70%

No: 30%



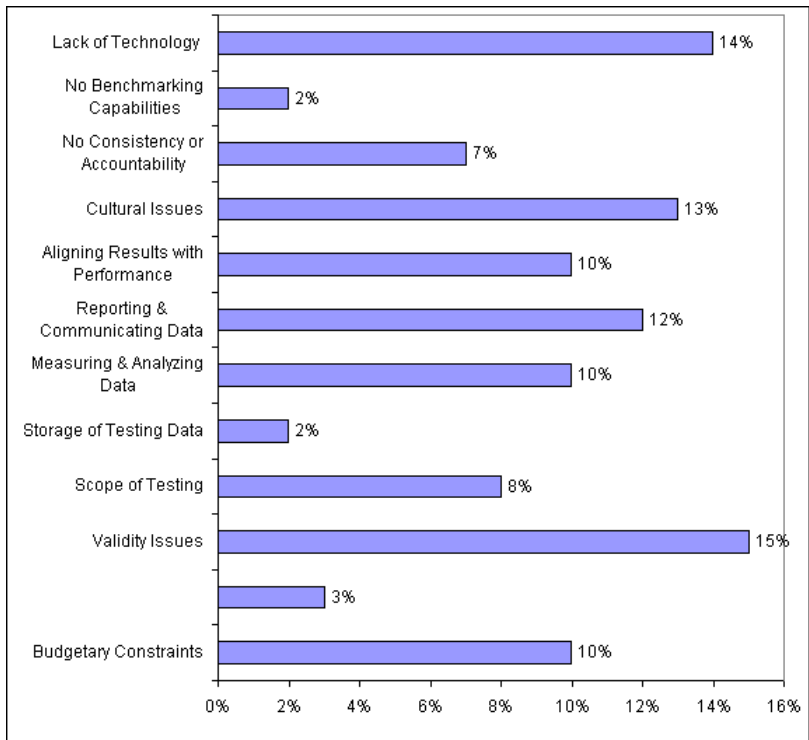
n=148

For over two-thirds of organizations responding, their organization use testing and assessment data during the selection of new hires. This demonstrates a need for tools that can aid in the collecting, storing, analyzing, and communicating of specific results for new hire selection.

General: Testing & Assessment Challenges

Q: What are your biggest challenges in testing and assessment?

Budgetary Constraints	10%
	3%
Validity Issues	15%
Scope of Testing	8%
Storage of Testing Data	2%
Measuring & Analyzing Data	10%
Reporting & Communicating Data	12%
Aligning Results with Performance	10%
Cultural Issues	13%
No Consistency or Accountability	7%
No Benchmarking Capabilities	2%
Lack of Technology	14%



N>20

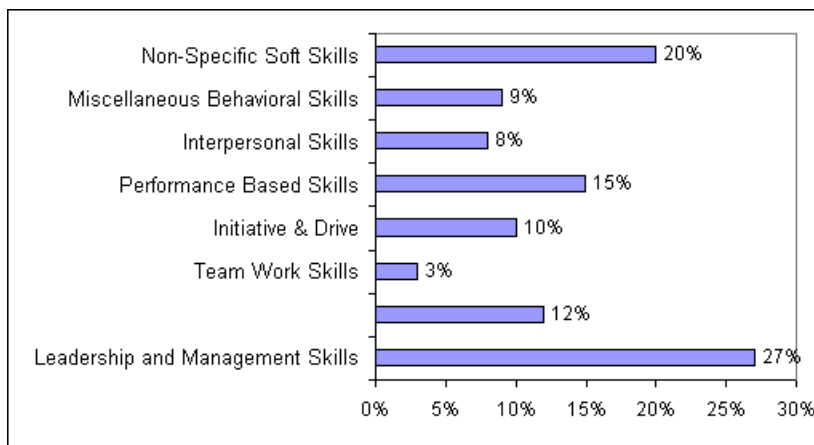
The challenges surrounding testing and assessment are spread fairly evenly over the categories listed. It seems that in most cases, the availability and use of automation would be very helpful for organizations as they move forward with utilizing testing and assessment data effectively to make informed business decisions regarding both new hires and existing employees.

Of all the respondents, a handful suggested there are multiple issues within their organization surrounding testing and assessments that made it impossible to determine the exact, accurate cause of the issues. Though cultural issues may be the primary challenge, the secondary adjoining issues are equally as important and must be remedied to improve business decision making.

General: Skills with the Most Difficulty Testing & Assessing

Q: What skills do you have the most difficulty testing and assessing?

Leadership and Management Skills	27%
Team Work Skills	3%
Initiative & Drive	10%
Performance Based Skills	15%
Interpersonal Skills	8%
Miscellaneous Behavioral Skills	9%
Non-Specific Soft Skills	20%



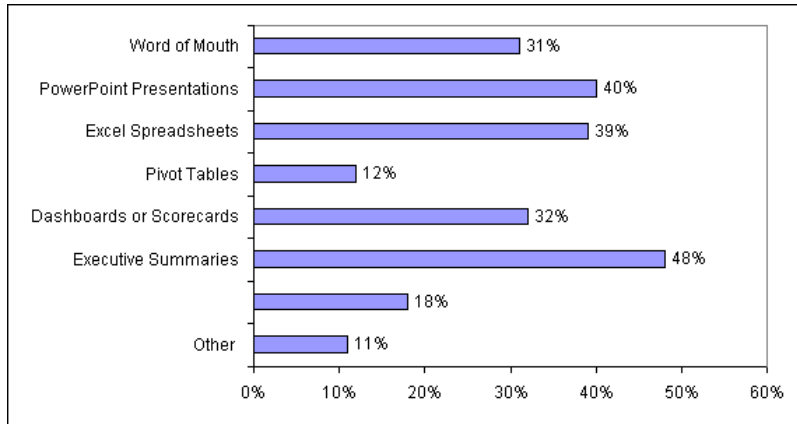
When it comes to challenges with testing and assessing of specific skills leadership and managerial skills are the most difficult. The next most difficult skill to test and assess would be non-defined soft skills.

Since strategic thinking usually aligns with leadership and managerial skills, it is interesting that this category is only 12%. Also, given the nature of most organizations utilize teams to complete tasks and the potential difficulty of testing and assessing team work skills, the 3% for this category would seem rather low.

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Testing & Assessment: Business Results Communications

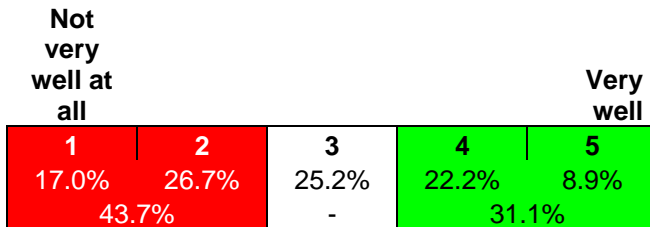
Q: How is testing and assessment data communicated to stakeholders?



Other	11%
Executive Summaries	48%
Dashboards or Scorecards	32%
Pivot Tables	12%
Excel Spreadsheets	39%
PowerPoint Presentations	40%
Word of Mouth	31%

n>24

Q: How well does your organization communicate results regarding testing and assessment data?

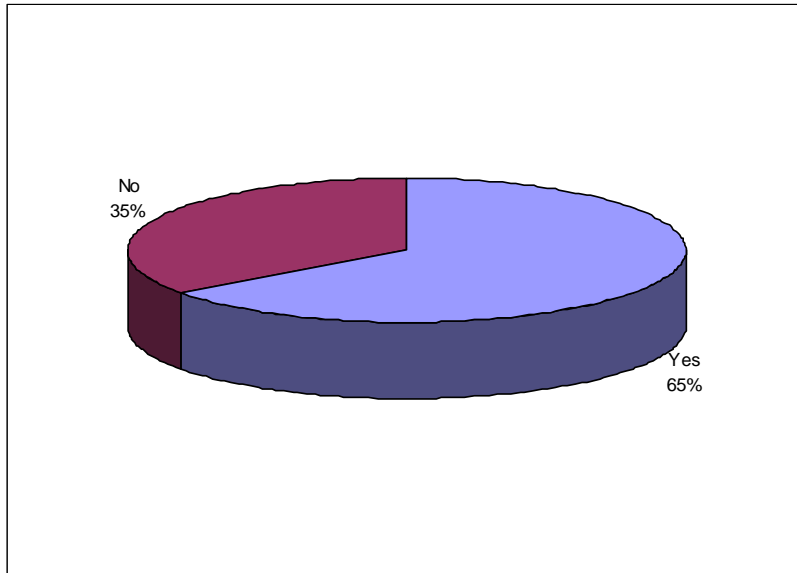


n=135

Most organizations surveyed do utilize some mechanism to communicate testing and assessment data to others within the organization. However, it appears most respondents felt their organizations were not very good at communicating the information. This may most likely be due to both the manner data is communicated and the type of data communicated. It is important to determine what information is useful and the best method for delivering to others within the organization.

Testing & Assessment: Business Results Analyzing & Reporting

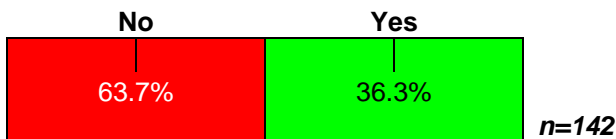
Q: Does your organization have the means to report and analyze testing and assessment data?



Yes: 65%
No: 35%

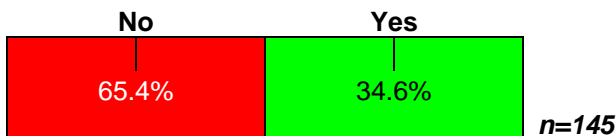
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Q: If you do have the means to communicate testing and assessment data, do you have the ability to report on the validity of the tests taken by members of the organization?



n=142

Q: Do you have the means to compare testing and assessment data to benchmarks?

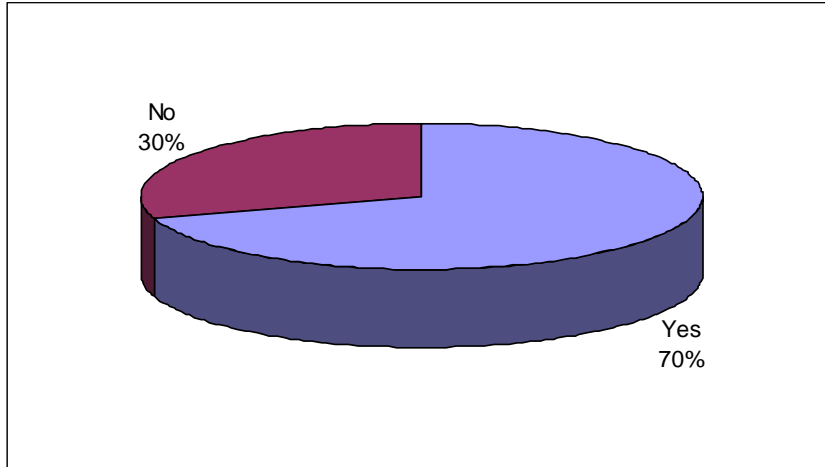


n=145

Nearly two-thirds of the organization have some means for which to report and analyze results of testing and assessment data. However, that same percentage of organizations are not able to report on the validity of the results or compare the data to a benchmark. It is recommended that in order to make the data more comprehensible and actionable, organizations gain access to a tool that can provide this information as a means of comparison.

Testing & Assessment: Human Resources Management

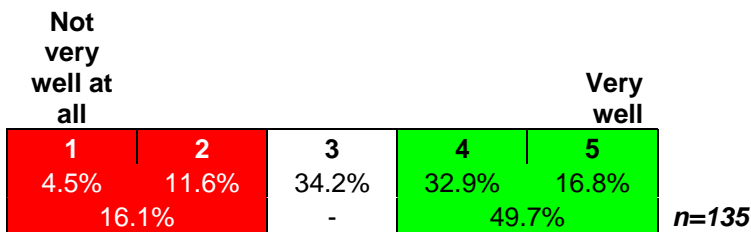
Q: Does your organization utilize testing and assessment tools for selection of new hires?



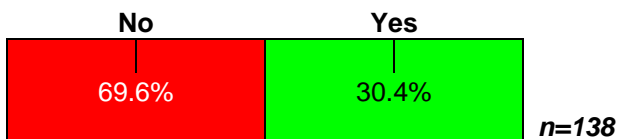
Yes: 70%
No: 30%

n=143

Q: How well does your organization utilize testing and assessment tools to make informed decisions when hiring employees?



Q: Are testing and assessment practices aligned to the organization's human resource goals?

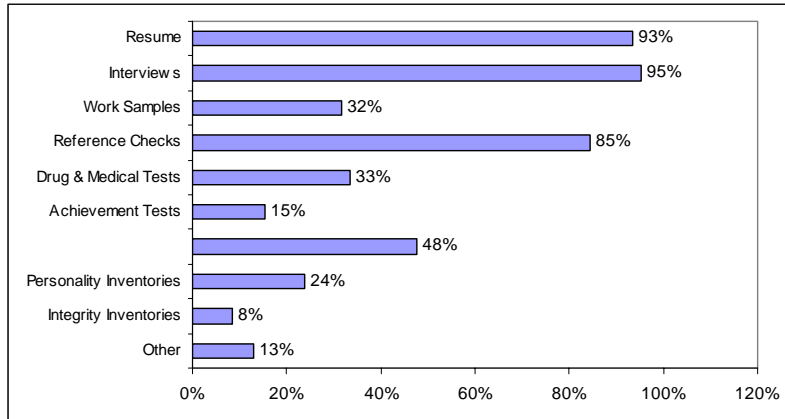


The majority of the organizations are currently utilizing testing and assessment tools for the selection of new hires. Half of those organizations feel they do a good job of making informed decisions based on the data presented. Conversely, most organizations do not feel that the testing and assessment practices are aligned to human resource goals. This would suggest the organizations are good at hiring candidates

Testing & Assessment: Human Resources Management

Q: Which of the following testing and assessment tools does your organization use to make informed decisions for hiring new employees?

Other	13%
Integrity Inventories	8%
Personality Inventories	24%
Achievement Tests	48%
Achievement Tests	15%
Drug & Medical Tests	33%
Reference Checks	85%
Work Samples	32%
Interviews	95%
Resume	93%

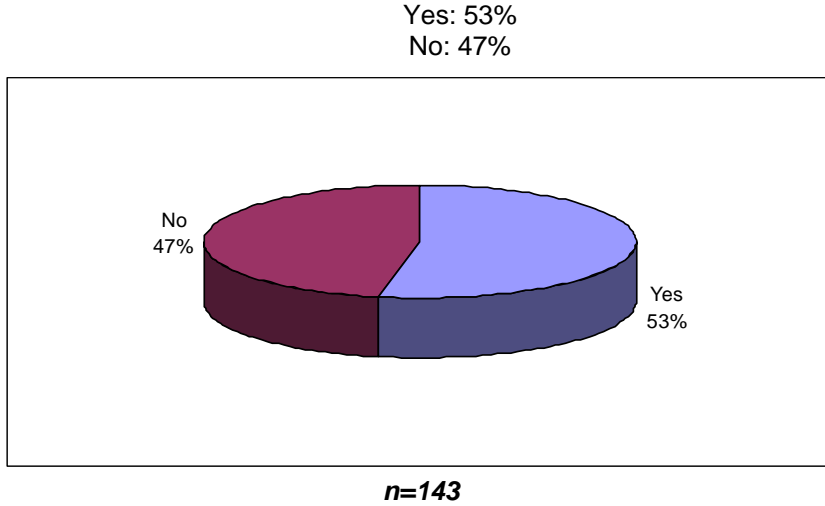


n>20

Almost all the organizations use at least one testing and assessment tool to make informed decisions when hiring new employees. Not unexpectedly, resumes, interviews, and reference checks still lead the list as the most popular tools. Within the category of "Other" responses can be found such assessment tools as certifications, referrals, telephone screening, performance reviews from prior companies, and auditions.

Testing & Assessment: Technology Management

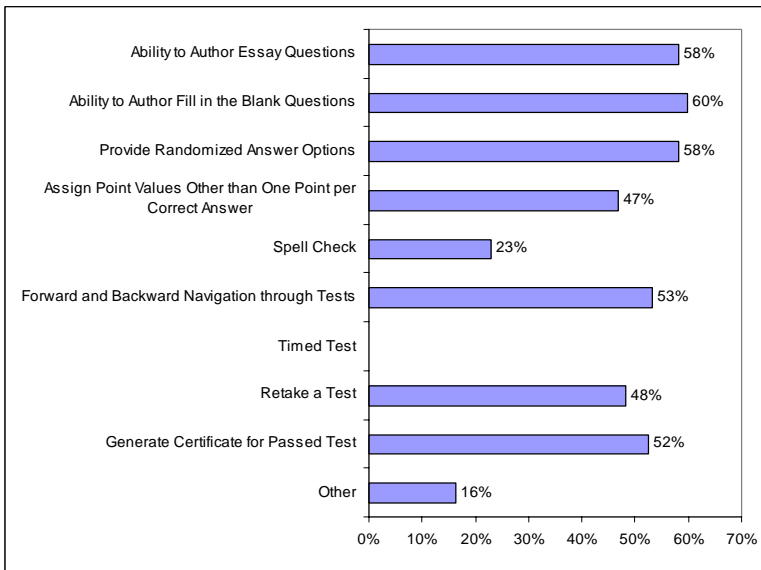
Q: Does your organization currently have a testing and assessment tool available to measure, collect, and store data?



About half of the organizations have indicated that there is a testing and assessment tool available for use within their organization. It is recommended that to utilize the data in the most beneficial manner, organizations should spend less time collecting, measuring, and storing data. The time savings could then be allocated to analysis and communicating the results that enable more effective business making decisions.

Q: Which of the following capabilities are available within the testing and assessment tool?

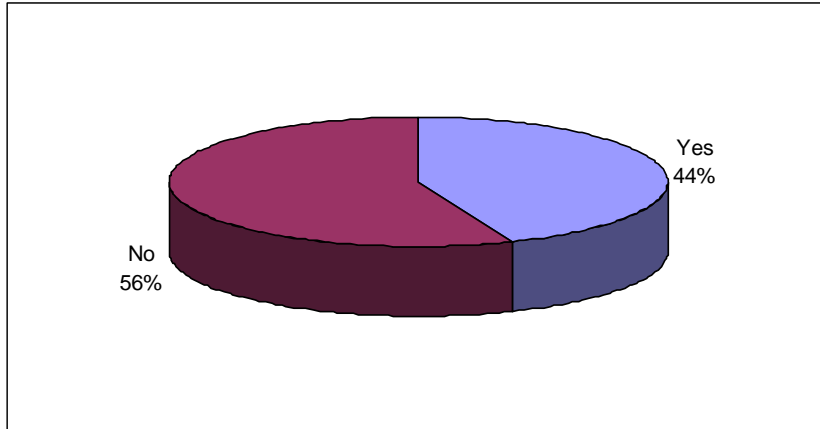
Other	16%
Generate Certificate for Passed Test	52%
Retake a Test	48%
Timed Test	
Forward and Backward Navigation through Tests	53%
Spell Check	23%
Assign Point Values Other than One Point per Correct Answer	47%
Provide Randomized Answer Options	58%
Ability to Author Fill in the Blank Questions	60%
Ability to Author Essay Questions	58%



Among the most common capabilities within the testing and assessment tools that the organizations use are the ability to author fill in the blank and essay questions, provide randomized answer options, forward and backward navigation through the tests, and to generate a certificate for a passed test. Within the "Other" category, some of the additional capabilities are matching questions, adaptive testing, and group capabilities evaluated in numerical and verbal reasoning capabilities.

Testing & Assessment: Performance Management

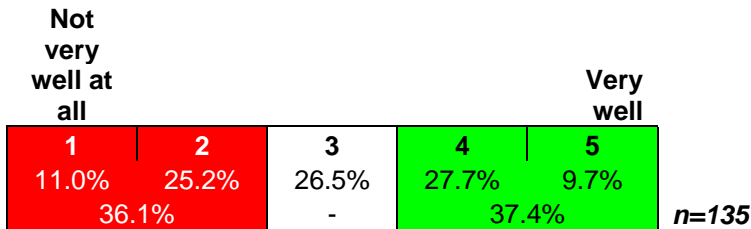
Q: Is testing and assessment data utilized to predict an employee's future performance?



Yes 44%
No 56%

n=142

Q: How well does your organization use testing and assessment data to maximize job placement opportunities for existing employees?

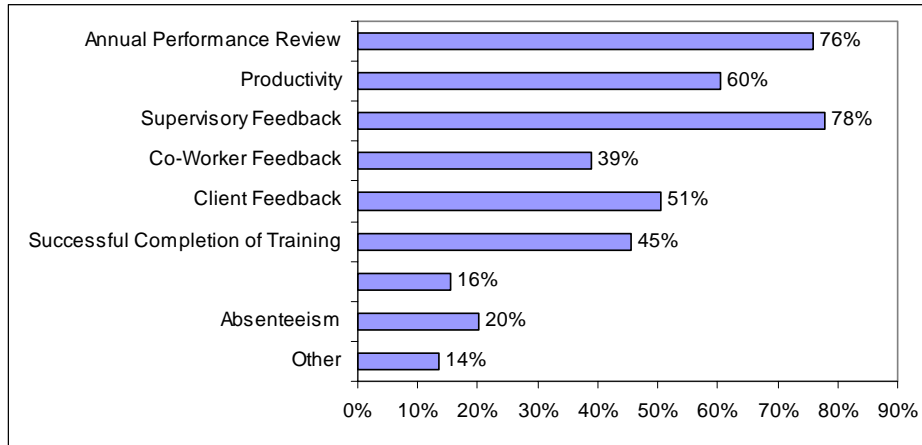


Just slightly less than half of the organizations use testing and assessment data to predict an employee's future performance. When it comes to using this information to maximize job placement opportunities only 37% of the organizations felt they did a good job of leveraging the information. When it comes to using this information to maximize job data to manage placing the right people in the right positions.

Testing & Assessment: Performance Management Predicting Future Performance (Continued)

Q: What testing and assessment tools are used to predict an employee's future performance?

Other	14%
Absenteeism	20%
Successful Completion of Training	45%
Client Feedback	51%
Co-Worker Feedback	39%
Supervisory Feedback	78%
Productivity	60%
Annual Performance Review	76%

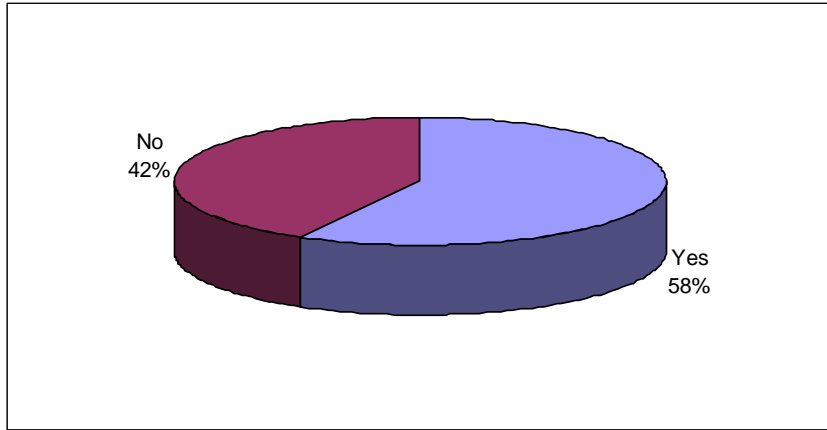


n>24

Slightly more than three quarters of the organizations are using annual performance reviews and supervisory feedback to predict an employee's future performance. Just under two thirds are using productivity as a means of are top grading process, senior management views, real life simulations, cultural assessments, and predicting future performance. Among the items listed in the "Other" category networking feedback.

Testing & Assessment: Performance Management Training & Development

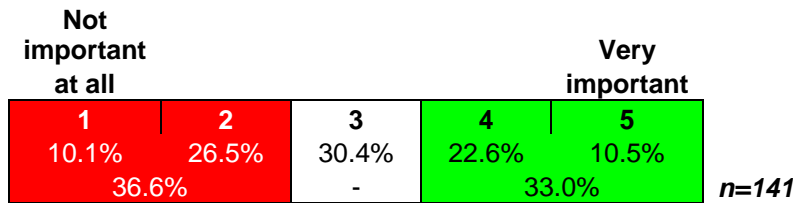
Q: Are you using testing and assessment data to train and develop employees?



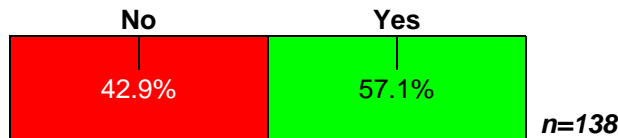
Yes 58%
No 42%

n= 147

Q: How well does your organization use testing and assessment data to determine if employees benefit from training and development programs?



Q: Does your organization design or modify training and development programs based on testing and assessment data?



Just over half of those organizations survey used competency assessments. For the vast majority of these organizations, measuring and analyzing competency information is seen as important. However, for nearly two thirds of organizations, competency data are not well used in planning for and executing employee development. If left un resolved, this is a definite missed opportunity for human capital improvement.

For More Information

For more information, please contact us:

info@knowledgeadvisors.com

(800) 561-3341

www.knowledgeadvisors.com