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# Decoding Talent Assessments: A Buyer's Handbook for HR Professionals

Guide

## INTRODUCTION

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Recruitment processes can be time-consuming, but what if you could enhance traditional methods with psychometric assessments? These tests provide data-rich insights to inform your hiring decisions.

The cost of a “bad hire” in today’s market is significant—around 30% of the annual salary, plus the performance impact on the team due to employee turnover. However, psychometric tests, used by 4 out of 5 Fortune 500 companies, help HR managers gain insights into personality, skill sets, and abilities. This enables managers to select top talent for interviews or further skill assessments.

Research shows that over half (52%) of talent leaders in the UK use analytics or technology for hiring and workforce planning decisions. By combining this technology with psychometric assessments, you empower recruitment and hiring managers to:

- » Select top talents
- » Develop current employees
- » Prepare employees for future roles

When deciding which type of psychometric assessment to integrate into your hiring process, consider factors such as your organization’s size, goals, and objectives. Our guide provides an essential overview of psychometric assessments, covering different test types, advantages, and benefits. It also outlines a procurement pathway for HR professionals, helping them make informed decisions—from choosing the right vendor to evaluating outcomes.



## I. Understanding Talent Assessments

While HR professionals have various ways to evaluate candidates for roles, psychometric assessments offer distinct advantages. These data-driven tools provide objective insights, allowing a deeper understanding of applicants. Let’s explore the three main types of talent assessments:

### A. Cognitive Ability Tests

Cognitive ability tests predict candidate performance by assessing reasoning, learning abilities, and general intelligence. These skills are crucial for problem-solving, complex decision-making, abstract thinking, and numerical proficiency. A cognitive ability test may include numerical, verbal, and non-verbal components. Notable tools include:

- » **Raven’s Adaptive:** A renowned non-verbal cognitive assessment by Pearson TalentLens.
- » **Watson-Glaser Critical Thinking Appraisal:** Focuses on critical thinking skills.
- » **Bennett Mechanical Comprehension Test:** Measures mechanical reasoning and spatial perception. These results help predict candidate

success and guide selection and development decisions, including training opportunities.

“Putting your company’s “high-flyers” through it [Watson-Glaser] gives a really good gauge of what the range of scores might mean for individual competencies. It allows you to identify an appropriate internal benchmark that can then be used going forward in determining the talent pool to interview. This also allows us to monitor trends from selection to development.”

Teresa Yap, Kearney

## B. Personality Tests

Personality assessments play a crucial role in staff recruitment and development. They serve various purposes, including recruitment, onboarding, and team development. By understanding what motivates individuals and how their preferences influence behavior and teamwork, organizations can make informed decisions.

Here’s how personality assessments contribute:

- » **Insightful Motivation:** These assessments reveal what drives an individual.
- » **Behavioral Guidance:** They shed light on spontaneous tendencies and expectations.
- » **Team Fit:** By supplementing CV information, they help assess how well an individual aligns with the team and company.

One valuable tool is **SOSIE 2nd Generation**, offered by Pearson TalentLens. It identifies candidates whose values and personality align, minimizing the risk of disillusionment in their roles.

## C. Skills-based Tests

Recruiters often seek specific skill sets in candidates. To evaluate these skills effectively, they can use hard skill tests. These assessments determine whether a candidate possesses the necessary abilities for a particular role. Here are some types of hard skill assessments:

- » **Situational Judgment Tests (SJTs):** These tests, provided by Pearson TalentLens, assess how candidates handle real-world scenarios.
- » **Work Sample Tests:** Candidates perform tasks like those they’ll encounter in the job. These tests provide practical insights.
- » **Exercises via AI Technology:** With advancements in AI, exercises can now be facilitated digitally, allowing efficient evaluation.
- » **Language Proficiency Assessments:** For roles involving communication, language skills are crucial. Assessments like the Versant English Language Test help gauge candidates’ fluency and safeguarding abilities.

Remember, **79% of employers** consider skill assessments as important as — or even more important than — other hiring criteria. For instance, councils and boards issuing taxi permits in the UK often require applicants to complete a Language Proficiency assessment like Versant English Language. This ensures effective communication and safety.



## II. Benefits of Using Talent Assessments

Over 75% of The Times Best Companies to Work use psychometric tests as part of their hiring strategy. These tests have broader applications

for learning, development, and selecting training courses. According to a survey by Harvard University, approximately **80% of employee turn-over** results from mistakes made during the hiring process. Reliable and valid talent assessments, such as those provided by Pearson TalentLens, offer valuable insights and confer several advantages. So, what are the benefits of using talent assessments?

### A. Improved Hiring Decisions

Psychometric talent assessments, developed through rigorous scientific methods and established norms, ensure fairness and consistency in recruitment. They empower recruiters and hiring managers to make reliable, unbiased comparisons among candidates, minimizing subjective biases. Leveraging tools and platforms that create customized assessment packages based on job criteria can be especially beneficial. These tools automatically score candidates, providing an objective fit-to-role rating that's instantly compared to all other applicants. The data-driven results boost confidence in outcomes and enhance hiring efficiency, allowing recruiters to assess a larger pool of applicants accurately and efficiently, even those who might have been overlooked in the past.

### B. Reduced Turnover

A bad hire can cost around 30% of an incoming employee's final salary, according to current research. However, when you consider training costs and the impact on team morale, the expenses can be even higher. Approximately **20% of new hires** leave within the first 45 days of their role, adding pressure to find top talent for your organization. By using psychometric assessments during the recruitment process, companies can reduce staff turnover by an average of **20%**, saving both time and money. These assessments help identify candidates best suited to the role based

on skills, personality, values, and cognitive ability. The outcomes highlight candidates likely to perform well. After hiring, talent retention becomes the next challenge. Psychometrics play a crucial role in developing existing employees, allowing Learning and Development teams to assess areas like learning styles using tools such as the Honey and Mumford Learning Styles Questionnaire.

### C. Enhanced Team Productivity

High staff turnover can negatively impact company culture. According to **Wiley Edge Research**, 63% of UK businesses experience this effect. Many of us have been part of teams where the dynamics didn't work. Psychometric tests can predict a candidate's fit within a team, their work style, and their potential for future development. Tools that focus on learning styles or provide evidence of learning potential help select employees for training programs and upskilling routes. LinkedIn reports that **64%** of Learning and Development professionals prioritize reskilling. By creating teams that leverage each other's strengths and skill sets, companies can drive output, solve challenges, and address skills gaps.





### III. Factors to Consider Before Buying

Talent assessments come in different forms, sizes, costs and use different types of technology. Many assessment providers use talent platforms that can be customised to your hiring requirements. But before you begin the purchasing process, you'll need to consider the following:

#### A. Your Organization's Needs

Your organization's needs and requirements are unique to your business. HR leaders must collaborate with other departments to review the overarching hiring strategy. Consider what a talent assessment should address: Are you seeking specific skill sets, competencies, or traits? Which stage of the recruitment process are you focusing on — sourcing, pre-hire, selection, review, learning and development, or training? What do you want to measure, and how will you use the outcomes? Aligning organizational and department goals is crucial for long-term success. Define what success looks like for your business, consider any necessary plans, and establish your budget.

#### B. Legal and Ethical Considerations

In any hiring process, it's crucial to address fairness and equal opportunity for all candidates, both for ethical reasons and legal compliance. Psychometric tests play a vital role in achieving this balance. Unlike interviews, which can be subjective, these tests are standardized and objective, reducing bias. If you're considering assessments involving AI or machine learning (ML), ensure guidelines are in place for bias mitigation, data security, transparency, and accountability. This protects your company's employer brand and reputation while enhancing candidate

engagement and trust in the recruitment process. Additionally, review GDPR compliance and data retention principles within your organization.

For more information read our guide: [How to Pair AI Tools and Psychometric Assessments to Supercharge Your Talent Acquisition Outcomes.](#)

#### C. Integration with Your Existing Tech Stack

The purpose of purchasing talent assessments is to streamline your recruitment process and gain better insights into candidates, enabling informed hiring decisions. One critical area to optimize is technology. Seamless integration with your existing Applicant Tracking System (ATS) or HR process is essential for departmental, team, and organizational buy-in. It also reduces manual tasks, minimizes errors, and enhances the overall candidate experience.

Research indicates that **over three-quarters (78%)** of jobseekers would drop out or consider doing so during long or complex recruitment processes. Therefore, HR departments must collaborate closely with technology partners to assess existing systems and evaluate the time and cost implications of implementing a new system. Successful adoption relies on all stakeholders working toward the same goal. Consider the current technology landscape, how the organization can seamlessly integrate assessments, necessary follow-up support, and the timeline for implementation.

#### D. Customization Options

Talent assessments often come in two forms: **generic** or **bespoke**. To determine the best route for your organization, review your hiring strategy.

- » **Generic** assessments are ideal when assessing candidates for specific or generic hard skills,

such as numeracy or language proficiency. As an example, tests like the Numerical Data Interpretation Test for numeracy fall into this category.

- » **Bespoke assessments**, on the other hand, are suitable for reviewing candidate based on very specific job criteria, soft skills, and traits. These customized assessments provide valuable insights for making data-driven decisions aligned with your specific role requirements.

## E. Vendor Reputation and Track Record

Before making a purchasing decision, it's important to look at the vendor's reputation. Review their credentials, the reliability of their assessments, and how responsive they are to queries. Ask whether the tools they provide are backed up by research and customer testimonials. Additionally, review whether they have any awards and ask to see any certifications they hold around data/cyber-security and GDPR.



# IV. Choosing the Right Vendor

Once you have outlined your talent and psychometric assessment requirements, the next stage is to select the right vendor for your organization. Remember to continuously review your objectives throughout to ensure that they align:

## A. Researching Potential Vendors

When considering talent assessments, start by researching vendors. The global talent assessment market offers various businesses, differing in size and alignment with your goals. Key elements to evaluate include:

- 01 Vendor Experience**  
Look into their track record.
- 02 Customer Service Reputation**  
Ensure they are responsive and reliable.
- 03 Pricing Models**  
Understand the cost structures available.
- 04 Risk Mitigation Procedures**  
Assess how they handle potential risks.
- 05 Delivery Timelines**  
Consider their efficiency.

Create selection criteria, involve stakeholders in reviewing options, and develop a Request for Proposal (RFP) to assess vendors. With these steps, you'll be well-prepared to make an informed decision.

## B. Comparing Features and Offerings

The second step is to compare the features of talent assessments that are available to meet your hiring objectives. Some of the main features to compare include:

### 1. Test Development

Tests should be backed by statistical analysis carried out by psychometricians and organizational psychologists which provide companies with confidence in their suitability for use. For example, Pearson TalentLens assessments are developed according to best practice standards set out by the British Psychological Society (BPS) and European Federation of Psychological Associations (EFPA). Within this analysis, you should review the tests' validity, reliability, and fairness.

- » **Validity:** Refers to the degree to which specific data, research, or theory support the interpretation of test scores.
- » **Reliability:** A measure of the consistency of scores – the extent to which two people of the

same ability or the same person tested on different occasions will receive the same score. When tests are used in employment contexts, reliability coefficients above .89 are generally considered excellent, .80–.89 good, and .70–.79 adequate.

- » **Fairness:** This means the test is not systematically biased against any group of test takers and the way it is administered does not hinder any test takers in demonstrating their ability in the areas being assessed.

## 2. Test Delivery

Another important feature to consider is how the test is delivered. Some tests are conducted in assessment centers under supervised conditions, while others are administered via online testing platforms. In the latter case, applicants receive invitations to participate in the test online, and test administration and scoring occur within the platform. Ensuring test reliability under these conditions is crucial, which is why proctoring is an additional area to consider. Vendors should offer proctoring solutions across their talent assessment portfolios.

## 3. Reporting Capabilities

Depending on the assessment and platform used, you can expect to find the following two reports: an Individual Candidate Profile and an Interpretation/Development report. In some cases (assessment-dependent), an Interview report can also be generated.

- » **Individual Candidate Profile:** These reports provide details on candidates' performance in an easy-to-view format. Within the profile report, you'll find candidates' standard scores, percentile scores, raw scores, Z-scores, STANINE, T-scores, and Theta scores. These metrics enable informed, data-driven candidate decisions.

- » **Interpretation/Development Report:** The Development Report helps construct a custom learning and development plan to enhance an individual's skills. It offers a detailed interpretation of the assessed areas and includes follow-up questions useful for interviews. In certain cases, these questions may also be provided in a separate Interview report.

It's also worth considering the reporting options available via talent assessment platforms which are increasingly using AI to help drive data-analysis may take reporting one step further to provide individual rankings and overall fit-to-role scores.

## C. Training Requirements

When considering talent assessments, it's essential to understand the training requirements. Some tests require completion of either product-specific training or a BPS Test User Qualification for proper administration and data interpretation. Alternatively, certain assessments can be conveniently delivered through an online platform, minimizing the risk of errors during administration and scoring.

At Pearson TalentLens, for example, we offer both BPS Test User Qualifications A and B along with tailored product-specific training. Our goal is to equip teams with the confidence and expertise needed to effectively provide and interpret assessment outcomes.

Finally, take the time to compare onboarding and support options, ensuring that your entire team is well-prepared for new processes and assessment protocols.

## D. Customer Reviews and Testimonials

Review feedback on talent assessments is invaluable. View customer stories on vendor websites and use independent review websites like G2 and Capterra to read up on areas such as:

- » What is the customer services experience like?
- » Have customers experienced any issues and, if so, how quickly were they resolved?
- » Were there any unexpected costs or charges? Is there any feedback on the candidate's experience – positive or negative?
- » Can you ask the vendor to conduct reference checks?

## E. Demos and Trials

Many organizations will offer a free demonstration to showcase their assessments. This will give you firsthand experience of the tool and its functionality. You should always ask if the vendor offers any trial periods before you commit to a contract or purchase.

## F. Understanding Pricing

Compare the pricing options that are available across talent assessment providers. Ideally, you will be using the tools or platform for a long period of time so establishing a contract that is easy to understand and includes no unexpected costs will be vital. If you are looking for a license package over a one-off cost, compare what is included in your license agreement such as:

- » Limited or unlimited use of assessments.
- » Training and onboarding fees.
- » Consultancy support with in-house psychometricians.
- » Costs for bespoke norms if required.
- » Scale up costs of test usage over time.
- » Platform/ATS fees – if incurred is this a one-off cost or annual.
- » How will you be invoiced – by usage, monthly or annually?



## V. Implementation and Integration

Once you've selected your assessment/s the next step to address is implementation. There are three main areas to consider.

### A. Onboarding and Training

To ensure the success of any system or HR process changes, comprehensive training and onboarding are crucial. Consider the following steps:

- » **Training and Upskilling:** Your talent provider may offer training and upskilling opportunities. They should be readily available to address any questions during the implementation phase.
- » **Tailored Training:** Customize training to meet the specific needs and requirements of system users. Provide clear documents outlining troubleshooting steps and frequently asked questions (FAQs).
- » **Timelines and Roles:** Define timelines for training sessions, considering users' roles and responsibilities. Ongoing training should be part of the plan.
- » **Monitoring Success:** Establish mechanisms to monitor the effectiveness of the training program.

By following these steps, your team will be well-prepared for the changes ahead.

## B. Integrating Assessments into Your Hiring Process

When considering where and how to incorporate talent assessments into your hiring process, it depends on the specific stage of the HR process you aim to enhance. Talent assessments serve as valuable tools for making informed decisions, and here's how you can effectively integrate them:

- » **Pre-Hire Process:** Use talent assessments to sift through applications and identify candidates best suited for advancement to interviews. These assessments can help pinpoint specific skills or personality traits that align with your team's requirements. The insights gained from assessments can also guide you in formulating interview questions or tasks for candidates.
- » **Data Responsibility:** During integration, clearly define who is responsible for handling assessment data. Establish transparent communication lines within your team and between the HR team and candidates. Clarity on data ownership ensures smooth processes.
- » **Candidate Experience:** Remember that a positive candidate experience can transform your entire HR process. Ensure that assessments are seamlessly integrated, providing a fair and informative experience for applicants.
- » **Existing Employees:** Don't forget that assessments can also benefit existing employees. Integrating assessments into performance reviews and development processes can yield valuable insights for growth and improvement.

## C. Ensuring Accessibility

Creating an equitable assessment experience for all candidates is crucial, both ethically and legally. As an employer, you have a responsibility to adjust recruitment procedures to accommodate candidates' needs while maintaining reasonable limits. Here are some key considerations:

- » **Informing Candidates:** Clearly communicate the technical aspects of psychometric tests to candidates. Provide details on duration, format, language availability, feedback options, and accessibility adjustments.
- » **Visual and Hearing Impairments:** Offer alternatives to individuals who declare visual or hearing impairments. Ensuring equal access is essential.

As an example, we have a Test & Disability Kit that allows candidates to verify online test compatibility with their equipment in advance of the assessment. Additionally, we provide adaptive materials for tests involving drawn items or symbols, ensuring accessibility.



## VI. Monitoring Outcomes

With new talent assessment/s in place and a team fully trained, the next stages are to monitor the outcomes of your talent assessment strategy and plan.

### A. Tracking Key Metrics

Comparing the efficiency of your HR process to the costs involved can highlight where adjustments in your HR strategy need to be made. Identify the metrics that support your stated goals and monitor them over a set period so you can make the adjustments you need. Metrics should include:

- » **Time to Fill:** Assess the time taken from start of your talent pipeline to the day of hire to measure the efficiency of your hiring process.
- » **Cost per Hire:** Track this measure to identify where your budget is best placed and how effectively your systems and technology are working.

- » **Quality of Hire:** Ask yourself and define what quality means to your organization? Consider values, candidate fit, and engagement.
- » **Onboarding Engagement:** This is a key metric that is often ignored by organizations. Research by Glassdoor shows “a great onboarding process can improve new hire retention by 82% and productivity by over 70%.”
- » **Completion Rates:** Determine how many applicants complete your recruitment process or self-screen out? Low completion rates may indicate that your process is too complex.

## B. Gather Internal Feedback

Hiring manager satisfaction plays a crucial role in identifying gaps, disconnects, or disappointments in the final candidate selection. It enables adjustments to be made to selection criteria and assessments. Obtaining feedback from candidates also helps shape the selection process and sheds light on whether your recruitment strategy provides a positive candidate experience. Notably, 78% of candidates perceive their overall candidate experience as an indicator of how a company values its employees.

## C. Make Continuous Improvements

Be prepared to adapt. Use the metrics and feedback above to make amendments to your strategy and process. Psychometric assessments are data-driven and provide reliable information on which you can shape your selection process and make your approach more efficient and reliable. Plus, new technology is being developed all the time. Your talent assessment provider should have a roadmap in place for new developments and advances in technology that may affect your strategy in the future.

## VII. Conclusion

Recent research underscores the concern among 42% of employers who fear they won't access the

top talent they require. To address this, a consistent recruitment strategy grounded in reliable insights becomes essential. Enter psychometric assessments, which play a dependable role in shaping decision-making processes. These assessments draw on scientific research to provide valuable insights, ensuring more informed outcomes. As this guide highlights, the decision to include psychometric assessments will be unique to your organization, its goals and objectives.

However, there are some key areas to consider:

- » **Psychometric assessments can enhance your recruitment insights:** Select a talent provider whose psychometric tests are backed by research and scientific testing to ensure fair and unbiased testing.
- » **Decide which areas you want to focus on:** personality, skill sets and, or ability? Compare the tests features, pricing models and reporting outcomes to make the best choice for your organization.
- » **Talent assessments come in many forms:** Take time to review your strategy, existing technology and processes and build out time-lines for use.
- » **Integration and implementation:** A reliable talent provider can help you integrate your assessments into your recruitment process. Ensure training (where necessary) can be provided and review the support options available to make the process as user-friendly for employees and candidates as possible.
- » **Monitor and review:** Driven by a changeable talent market, skill shortages and technology and rapidly changing organizations requirements. Be prepared to monitor how your talent assessments and technology are working for you and review your key metrics regularly.



## Next steps? Contact Pearson TalentLens!

Want to learn more? If you want to learn more about psychometric assessments and how they can improve your talent acquisition process, reach out to the Pearson TalentLens team today.



## Helpful Questions to Ask Your Talent Assessment Vendor

- 01** How do I determine which talent assessment is best suited for my organization's needs?
- 02** How reliable and valid are the assessment results, and what evidence supports their validity?
- 03** Can the assessment be integrated with our existing HR systems or processes?
- 04** How do you ensure that the language used in the assessments are appropriate for our target audience?
- 05** What level of customization is possible with the assessment to tailor it to our specific requirements?
- 06** What training or support is provided for administering and interpreting the assessment results?
- 07** What measures are in place to ensure data security and confidentiality of assessment results?
- 08** What is your pricing structure for editing services, and are there any additional fees we should be aware of?
- 09** Can you provide references or testimonials from past clients who have used your editing services for assessments?
- 10** What sets your editing services apart from other providers in the industry?

## About TalentLens

Pearson TalentLens is a core component within the Workforce Skills division of Pearson plc, the world's lifelong learning company and global market leader in assessments. Workforce Skills is comprised of TalentLens - Pearson's established and successful workplace psychometrics team, Faethm AI – the world's first data backed and truly end to end future of work company and Credly, the global leader in digital credentials.

Supported by over 70 years of research, our psychometric tests, such as the Watson Glaser test, are used by hundreds of companies around the world for their employee recruitment and development projects. As experts from the business world, our primary objective is to provide you with ongoing assistance to review your practices, understand and define your needs, and support you in choosing and using our assessment solutions.