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PI Worldwide Clients: Building a High Performance Culture

Business is all about results. And organizations today are looking for new and better ways to help them make decisions and foster alignment to drive those results. Aberdeen's April 2011 *Assessments* report proved that top performing companies are achieving exceptional results due in part to their ability to use assessment data to make better talent decisions on an individual and organizational level. To build a high performance culture, organizations must not only utilize assessments, but make them a part of how managers think about their talent. The clients of one assessments solution provider in particular, PI Worldwide, are an example of how to bring together assessment tools with the right organizational capabilities required to create a positive business impact. Out of 516 organizations using assessments in data collected between March and April 2011, 153 indicated the use of PI Worldwide assessments. This Research Brief will address how to effectively integrate assessments into the organizational culture to achieve success.

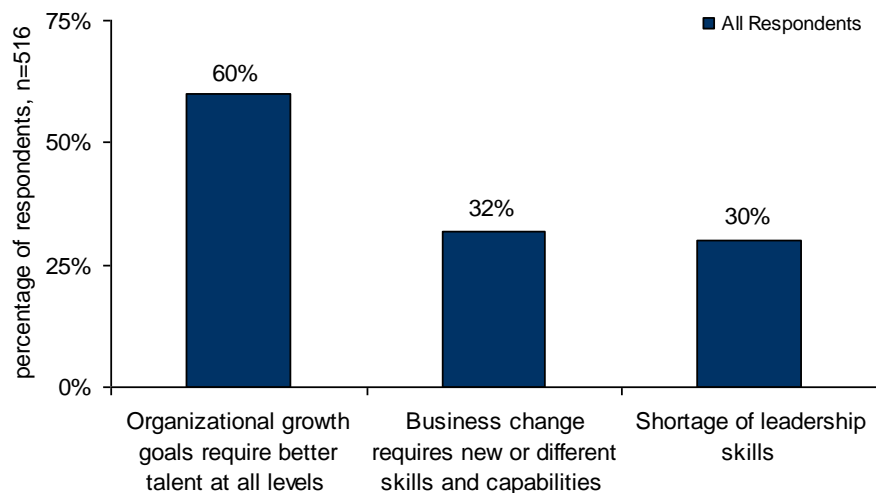
Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

Assessments and the High Performance Culture

The pressure to hire, retain and develop top talent to support growth goals and adapt to the rapidly changing marketplace are the top drivers behind the use of assessments today (Figure 1).

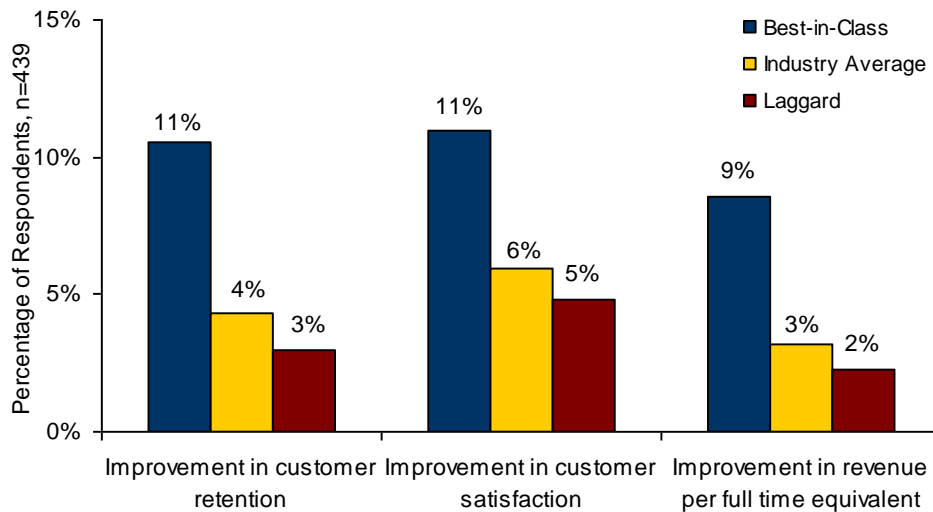
Figure 1: Pressures Driving the Use of Assessments



Source: Aberdeen Group, April 2011

Talent has a huge impact on an organization's ability to achieve results, as shown by multiple Aberdeen studies, notably the December 2010 report, [The 2011 HR Executive's Agenda](#). In that study, Best-in-Class performance was determined top performance in employee engagement, hiring and bench strength (see sidebar). As Figure 2 clearly shows, getting talent right resulted in getting business right for these companies.

Figure 2: Performance on Key Business Metrics



Source: Aberdeen Group, *HR Executive's Agenda 2011*, December 2010

These top performers also achieved, on average, 85% of the organization's overall goals in the previous year as compared to just 66% goal achievement among Laggards. This is a striking contrast in performance, and it was accompanied by a striking contrast in the use of assessment tools. Assessments were among the most common enablers of this success, with pre-hire assessments cited by 58% of the Best-in-Class (vs. 44% of all other companies). But the biggest differentiation was in the post-hire, where Best-in-Class companies were found to be 69% more likely to be using assessments (49% vs. 29%). Clearly top performers are reaping the benefits of assessment use, but the impact can be ratcheted up even further when these tools are combined with the right culture.

Building an Assessment Culture

Of course it's not enough to simply administer an assessment and expect to achieve results. A high performance culture can only be deemed as such when it delivers performance. So much of an organizations ability to achieve results through the use of assessments depends on how assessments fit into the fabric of the culture, and how they are used to make better decisions throughout the talent lifecycle. Top performers from Aberdeen's April 2011 [Assessments](#) report (see sidebar on the next page) are using assessment data to make better decisions at all points in the talent lifecycle, as illustrated in

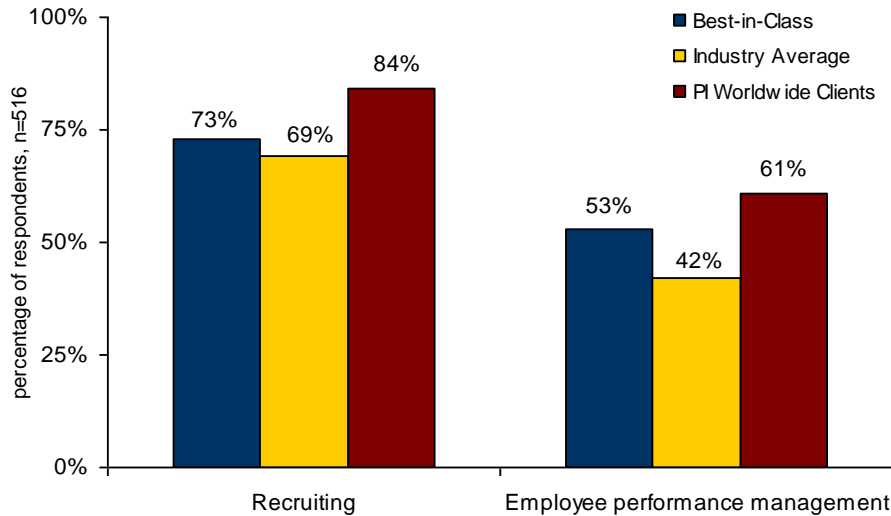
Defining the Best-in-Class

In its December 2010 study [The 2011 HR Executives Agenda](#), Aberdeen used three key performance criteria to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%) and Laggard (bottom 30%) organizations, with mean performance among the Best-in-Class as follows:

- ✓ 87% of employees rated themselves as "highly engaged" in their most recent engagement survey
- ✓ 78% of key positions have a ready and willing successor identified
- ✓ 12% year-over-year improvement in hiring manager satisfaction

Figure 3, and not just viewing them as a "one and done" exercise. And as the figure also shows, PI Worldwide clients in particular are taking the need to integrate assessments to heart, and are 15% more likely to integrate assessments data into both recruiting and employee performance than even the Best-in-Class.

Figure 3: Processes where Assessment Data is Integrated



Source: Aberdeen Group, April 2011

Not only is it important to integrate data into the talent process, but it is also important to make sure that the impact of this integration is understood and measured. If assessment results are used to guide hiring or promotion decisions, or to gauge performance and guide coaching, companies need to be sure it's being used effectively and for the intended results. It's not surprising that top performing companies are not only using more assessments but they are also linking that use to performance. The research shows that Best-in-Class organizations are:

- 85% more likely to be able to correlate post-hire assessment results to ongoing performance
- 42% more likely to be able to tie ongoing performance back to pre-hire assessments than all other companies

PI Worldwide clients are also excelling in this area, with the data showing them to be just as likely as Best-in-Class, and 28% more likely than Industry Average organizations to link pre-hire assessment results to ongoing employee performance results (46%, 46%, and 36% citing this capability respectively). To continue to see value from these solutions this linkage must be maintained on an ongoing basis.

Defining the Best-in-Class

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- ✓ 73% of employees received rating of "exceed" on last performance review
- ✓ 69% of key positions have at least one willing and able successor identified
- ✓ 19% year-over-year improvement in hiring manager satisfaction

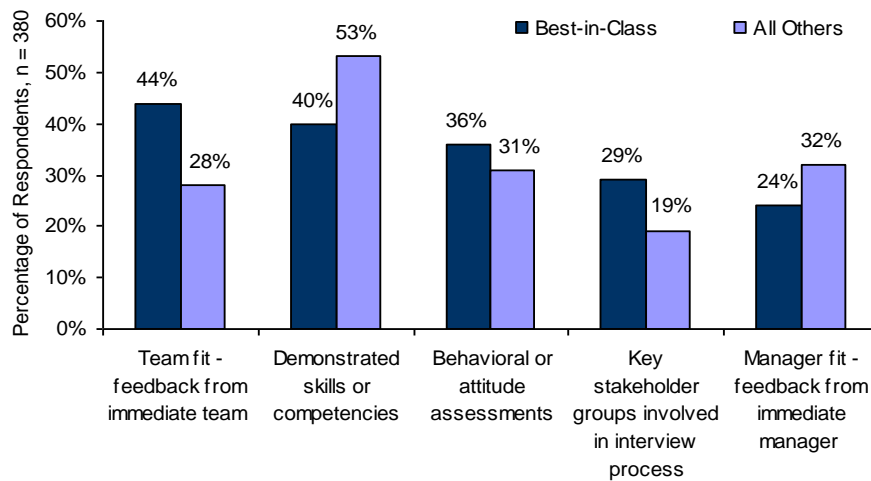
Fast Facts

PI Worldwide clients are just as likely as Best-in-Class and **28% more likely** than Industry Average organizations to link pre-hire assessment results to ongoing employee performance results (46%, 46%, and 36% citing this capability respectively).

Improving Fit and Performance Throughout the Lifecycle

One of the key themes in human capital management in recent years has been organizational fit, and fit is critical in hiring, in assigning teams, and in building development and succession plans. In fact, Aberdeen's talent acquisition research going back to 2009 has consistently found, year after year, that "organizational fit" has ranked as the most critical element to determining quality of hire. Aberdeen's August 2010 *Talent Acquisition* study broke down this fit into its key components, and among top performers in particular, team fit ranked number one (Figure 4).

Figure 4: Criteria Used to Determine Organizational Fit



Note: Respondents selected their top three choices
Source: Aberdeen Group, August 2010

Knowing not only the skills, but the motivations, behaviors and personality traits of an individual can help foster alignment to help them overcome business challenges, and helping team members and managers work toward this fit is critical. It is a combination of assessments along with how the traits identified in assessments show up in individuals and on teams that create fit. And it's not just in hiring that the use of this insight to determine fit is critical. Across the board, at every decision point, Best-in-Class companies place greater value on assessment data as a part of that decision process. This indicates that these organizations acknowledge that gut instinct alone is not enough to help them make the call on evaluating future potential, whether it be that of a new hire or an existing employee. Finding ways to quantify, evaluate, and help make better decisions for the future of the organization is a priority for top performing companies.

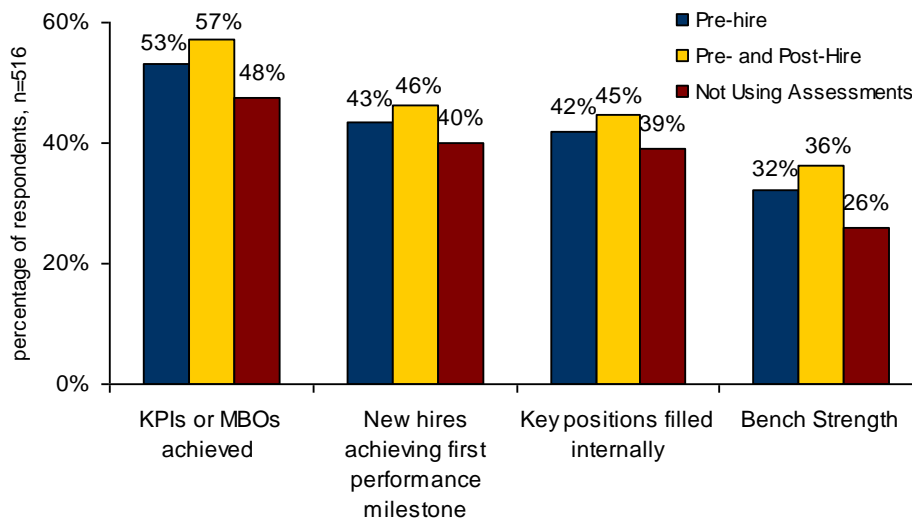
Of course, no one tool can predict the development path of every individual, but using assessment data will help organizations make an educated analysis of the talent pipeline. Who is hired is dependent on the talent already existing within an organization, and development priorities may be influenced by external talent insights. The employee lifecycle is truly

interconnected, and organizations are getting smarter about using the information gathered about an individual through pre-hire assessments in the post-hire. Among all organizations, the most common uses are:

- Educating the hiring manager on style and preferences of the new hire - 56%
- Identifying high-potential talent - 51%
- Prescribing targeted learning and development plans - 49%

And there is good reason to continue the use of assessments after the hiring decision is made. When there is better fit, and where better tools to understand this fit like assessments, are applied, it has a significant impact on performance. As Figure 5 shows, the use of assessments throughout the life cycle, not just in the pre-hire but into the post hire, improves performance on many key metrics.

Figure 5: Impact of Assessments on Key Metrics



Source: Aberdeen Group, April 2011

PI Worldwide clients are significantly more likely than other companies to follow this trend of connecting pre- and post-hire assessment use and data integration to drive results. The data shows that PI Worldwide clients are 50% more likely than Best-in-Class organizations to use pre-hire assessment data to educate the hiring manager on the style and preferences of the new hire (78% vs. 52%). This is critical because it helps these organizations get the most out of the investment made in pre-hire assessment by using it not only in the hiring decision process, but on into the onboarding process. This knowledge is critical to arm a manager to set up a new hire for success, and make them a part of a high-performance culture from the start. But in order to capitalize on this data, managers must then put it to use, closing the loop on driving post-hire value from pre-hire assessments. It is the capabilities surrounding how data is used that helps drive value.

Fast Facts

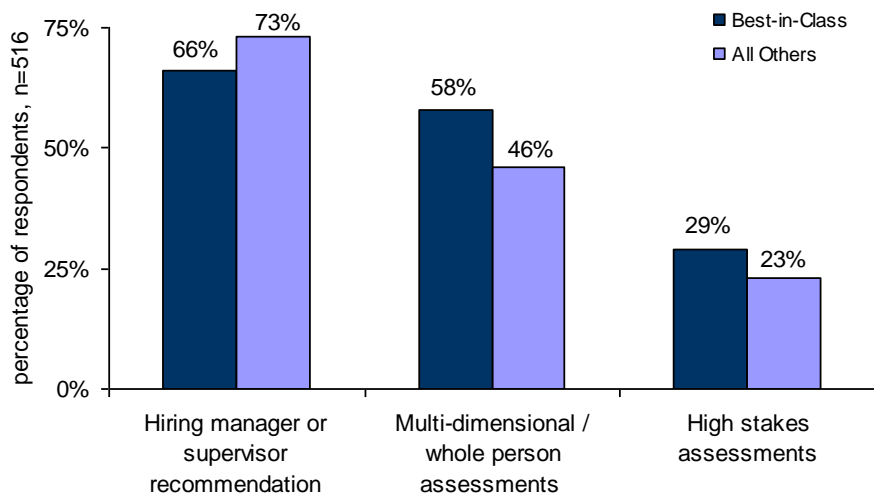
PI Worldwide clients are **50% more likely** than Best-in-Class organizations to use pre-hire assessment data to educate the hiring manager on style and preferences of the new hire (78% vs. 52%)

When it comes to the elements used in key post-hire processes of determining who will be promoted into key management roles, Best-in-Class organizations are giving more credence to the output of assessment tools and relying less on manager instinct. The human instinct shouldn't be ignored in these situations, but if it can be made more powerful by being framed with objective data, all the better. Best-in-Class companies are 11% less likely to use hiring manager recommendations and 26% more likely to use multi-dimensional and / or high-stakes assessment batteries (see sidebar) than all other companies (Figure 5).

Definitions

For this study the following assessment type definitions were used: basic tests - skills and abilities, cognitive; multi-dimensional / whole person assessments - personality, behavioral; high stakes assessments - in-depth, simulation based, applying experiences and knowledge; and motivational assessments - to identify key motivational drivers. The instrument used by PI Worldwide clients falls into the multi-dimension / whole person category, which is the most common among all of the types studied in this research, at all levels of the organization.

Figure 5: Elements Used in Promotion Decisions



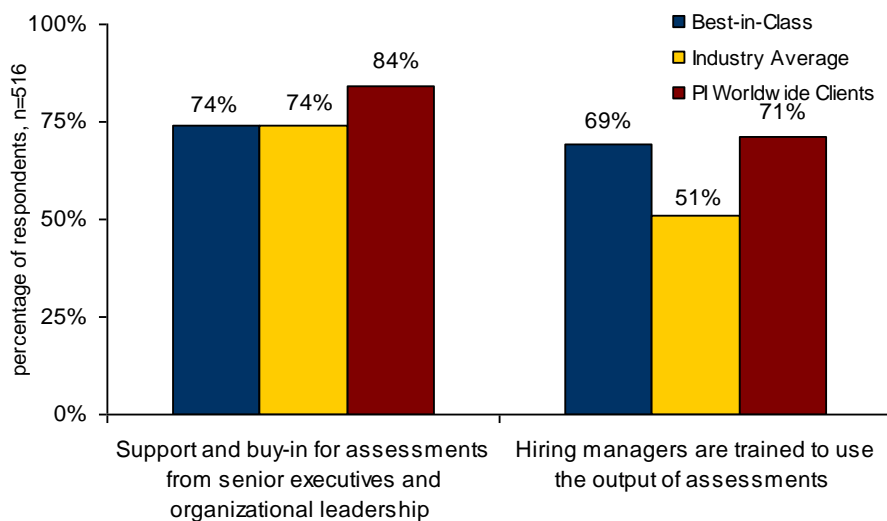
Source: Aberdeen Group, April 2011

Long after a new hire is onboard, assessment data continues to play a key role in driving better individual and organizational performance. Not only are more assessments used, but they truly become part of the fabric of how an organization thinks about talent.

Two of the top capabilities that top performing companies cite in support of talent assessment capabilities focus on this alignment and buy in. Organizations of all maturity classes, from Laggard to Best-in-Class know the value of management buy-in, with 74% of each group identifying it as an organizational capability. And at these top performing companies, hiring managers are 38% more likely to know how to use the output of assessments as part of their hiring decision (69% vs. 50%), employees are 33% more likely to understand how assessments are conducted and interpreted (73% vs. 55%), and assessment data is 17% more likely to be accessible to the appropriate parties through a central repository (68% vs. 58%). Clearly Best-in-Class companies are doing a better job of ensuring that everyone involved knows how and why assessments are used, and are using that data by making it available to the right decision makers. And these critical areas are ones where PI Worldwide clients are excelling as well. As seen in Figure 6, these organizations are meeting and exceeding Best-in-

Class abilities to gain leadership support and in helping managers use assessments data in their daily work. Both of these are made possible because these top-performing organizations are communicating the value of assessments up and down the organization, and proving the impact that the proper use and integration of assessments can have on organizational performance. Assessments get used in these companies because they are how work gets done.

Figure 6: Key Organizational Capabilities



Fast Facts

PI Worldwide clients are **14% more likely** than Best-in-Class organizations to have senior leadership buy-in for assessment use (84% vs. 74%)

Source: Aberdeen Group, April 2011

It should be noted that this buy-in is not the result of the solution provider's efforts alone. It is indicative of the work these companies have done internally proving the business case for assessments, and providing leaders with the kind of training that helps them apply the tools. The tools are simply enablers of a broader strategy of improving results through data and insight.

Key Insights

From who to hire, to whom to promote, to where to develop, assessments provide critical data to make effective, informed talent decisions. Using assessment tools and understanding how to appropriately use the resulting data in the talent process is critical to the ongoing success of organizations. Top performers communicate the power that assessments data has to improve results, and view them as a key component of creating a high performance culture. PI Worldwide's clients are building this kind of culture through better data and better talent decisions, and driving real business results for their respective organizations.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[The Talent Acquisition Lifecycle;](#)
September 2011
[Assessments 2011: Selecting and](#)
[Developing for the Future;](#) May 2011
[The 2011 HR Executives Agenda:](#)
[Automation, Innovation and Growth;](#)
December 2010

[Talent Acquisition Strategies 2010:](#)
[Candidate Experience and Relationship](#)
[Management Come of Age;](#) August 2010
[Succession Management: Sustainable](#)
[Leadership for the Future;](#) July 2010
[Talent Assessment Strategies: A Decision](#)
[Guide for Organizational Performance;](#)
March 2010

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