

A photograph of a man and a woman in a modern office environment. The woman, with curly hair, is holding a tablet and looking at it with a smile. The man, with a beard, is standing behind her, also smiling and looking at the tablet. They are both dressed in casual business attire. The background shows office lights and a blurred interior.

The Changing Nature of Assessments

25 September 2024

A View From the Outside



An Overview

①

There has been a fundamental shift to skills-based hiring models.

②

The shift has changed the approach and tools used to evaluate applicant qualifications.

③

There is (or should be) symbiotic relationship between pre-hire assessments and credentials.

A photograph of a woman with blonde hair and a man with a beard, both wearing blue shirts, looking intently at a laptop screen. The image is partially obscured by a dark blue diagonal overlay on the left side.

A Skills-Based Hiring Revolution

pdri
by Pearson

workcred
an affiliate of ANSI

Private Sector Assessments

MORE THAN
50%

Of US adults over 25 have a high school degree or no degree at all ¹

70M
AMERICANS

Locked out of all the jobs in our country, with a distortional impact on minorities ²

2.5M
SHORTAGE

Of qualified workers in 2024 according to the US Chamber of Commerce ³

MORE THAN
50%

Of companies say that recruiting talent with the right skills is a major challenge ⁴



TEAR THE PAPER CEILING™

STARS*
SKILLED THROUGH
ALTERNATIVE ROUTES™



From
Degree and Pedigree
to
Will and Skill

Federal Government Assessments



US Civil Service Exam



Degrees and Experience

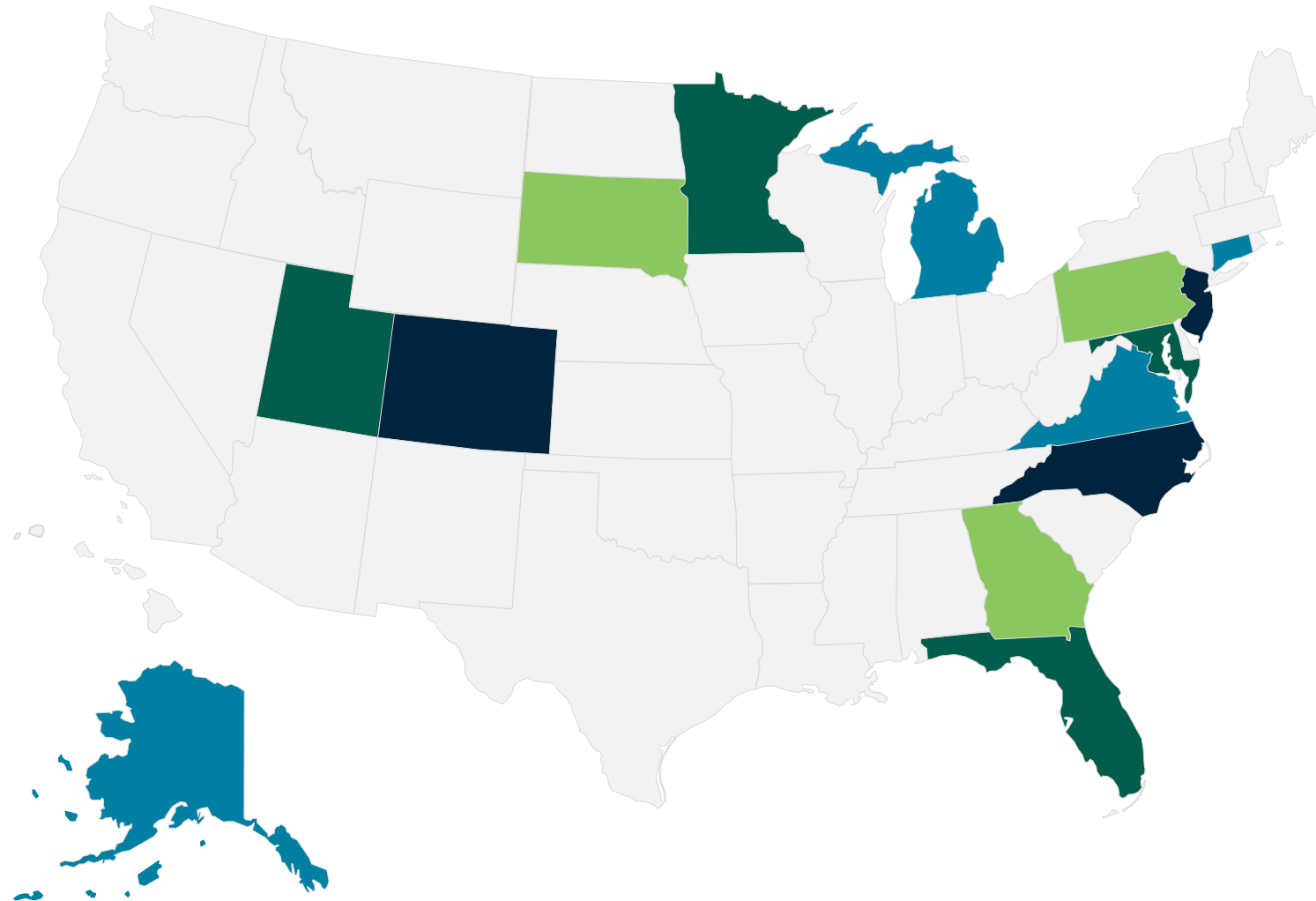
Federal Government Assessments



Bi-partisan Chance to Compete Act ⁵

State and Local Government Assessments

US States Moving to Skill-based Hiring Practices for Public Sector Jobs



What Does Skills-Based Hiring Mean?



What Is It?

Skills-based hiring focuses on assessing and prioritizing candidates based on their job-related skills and capabilities rather than their educational background or years of experience.

What Do We Mean By Skills?

A skill is a learned ability to apply knowledge in executing or performing.



Foundational Skills

General

Enduring

More Difficult to Train

Examples: Communication, Critical Thinking, Resilience, Teamwork



Technical Skills

Domain-specific

Ephemeral

Trainable

Examples: Database Administration, Cloud Security, Project Management

BACK
TO
THE FUTURE



“

*Roads? Where we're going, we don't
need roads.*

How Fast Do Skills Really Change?

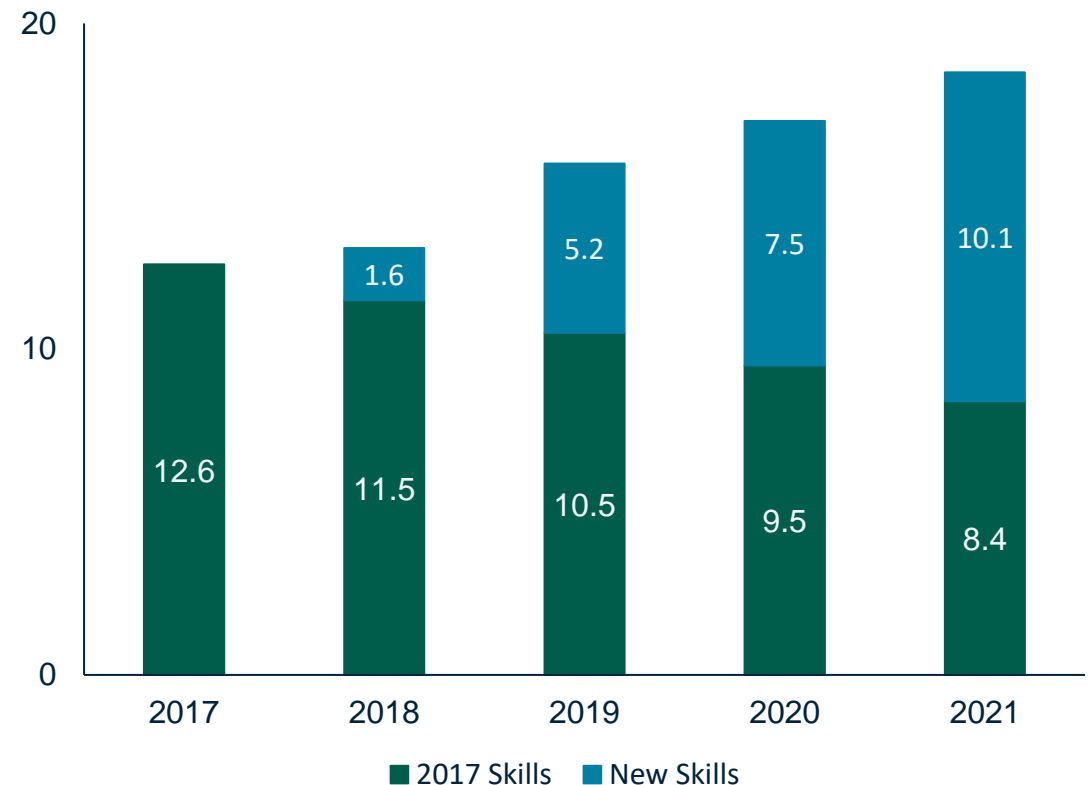
The number of skills required for a job has been increasing by 10% year-over-year

One in three skills in a 2017 job posting is already obsolete

Gartner

Average number of skills required per job posting ⁵

IT, finance and sales roles in US



What Skills Do We Need to Assess?

FORBES > LEADERSHIP

How To Make Skills-Based Hiring Work For You



Elaine Pulakos Forbes Councils Member
Forbes Human Resources Council
COUNCIL POST | Membership (Fee-Based)



Sep 17, 2024, 07:00am EDT

Elaine Pulakos, Ph.D., is CEO of PDRI by Pearson, and an internationally recognized contributor to the field of I/O psychology.

①

Customize the approach for the role and hiring situation

②

Focus on the most critical skills that will best predict performance

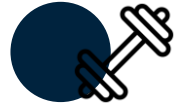
③

Think about enduring essentials skills, innate abilities, and traits

④

Evaluate the potential to collect skill-based information from other sources (e.g., credentials)

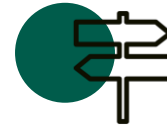
What Pre-employment Assessments Can We Use?



**Ability
Assessments**



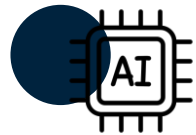
**Personality
Measures**



**Situation Judgment
Tests**



**Self-Report/
Interview**



**AI-enabled
Assessments**



**Job Knowledge
Tests**



**Work Samples/
Simulations**



Credentials

What About Prediction?

To understand the validity of tests, we often rely on meta-analyses that compile validity data across studies.

What About Prediction?

Selection Procedure	Validity Estimate (ρ)	B-W d
Structured employment interviews	0.42	0.23
Job knowledge tests	0.40	0.53
Empirically keyed biographical data	0.38	0.33
Work samples	0.33	0.67
Cognitive ability tests	0.31	0.79
Interests	0.24	0.33
Conscientiousness	0.21	-0.07

Adapted from Sackett, P.R., Zhang, C., Berry, C.M., & Lievens, F. (2021). *Journal of Applied Psychology*.

What About Prediction?

Job-specific measure top the list of the most valid predictors.

**Structured
Interviews**

**Job Knowledge
Tests**

**Empirically-
keyed Biodata**

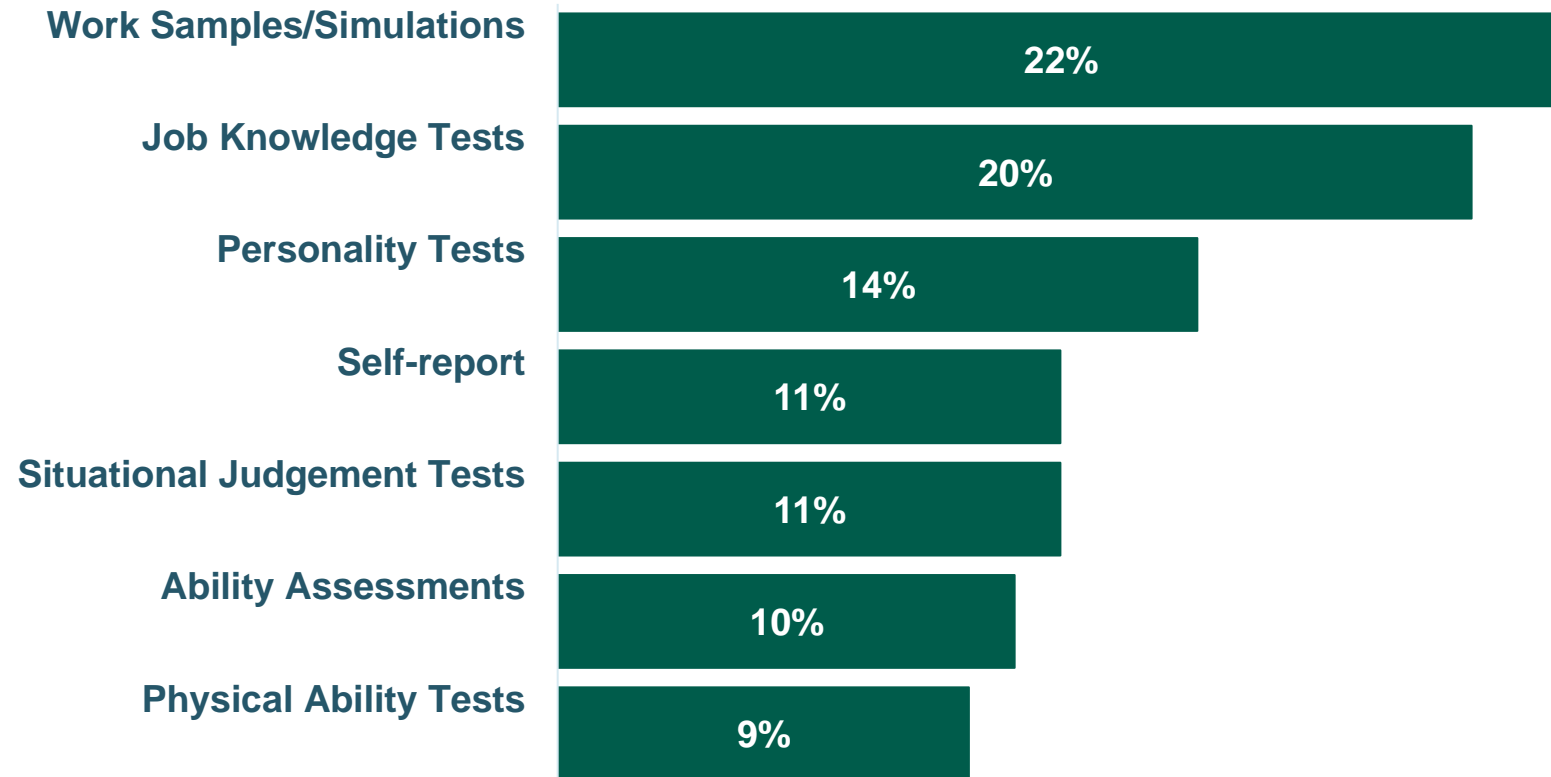
**Work
Samples**

What Pre-employment Assessments Are Actually Used?



Types of pre-hire assessments organizations are using ⁷

*Question was select all that apply.



How Its Going?

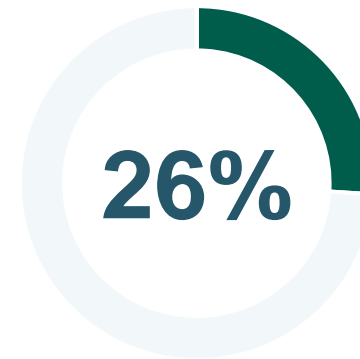


How Is It Going?

The skills-based hiring movement has a long way to go.



Of global companies
want to do skills-based
hiring ⁸



Of companies are
hiring using skills and
competencies ⁸

How Is It Going?

The skills-based hiring movement has a long way to go.

4x
REDUCTION



In the number of job postings requiring a degree from 2014-2023 ⁹

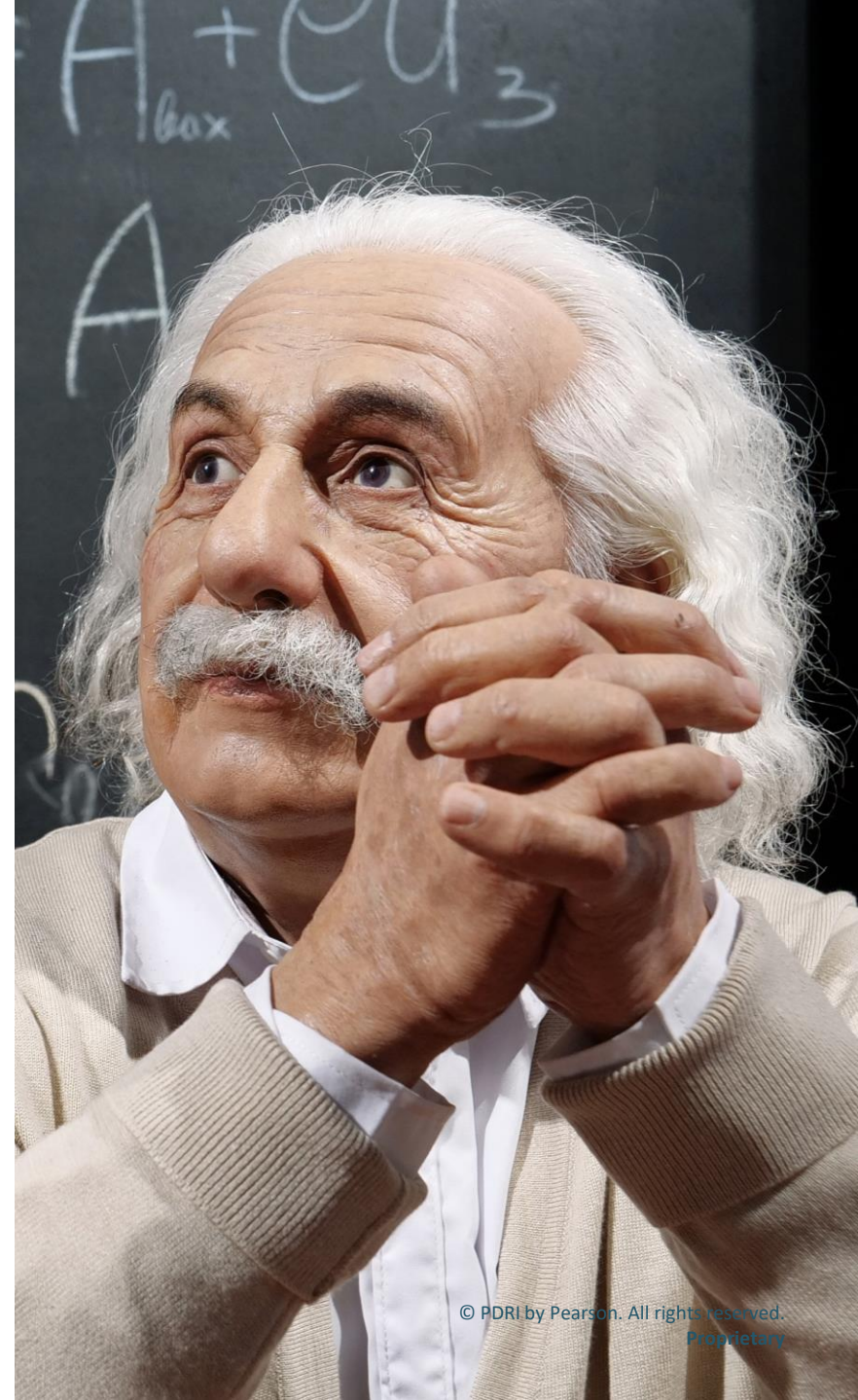
ONLY
14%

Of job posting not requiring a degree filled by non-degree holders ⁹

“

*Women marry men hoping they will
change.*

Inevitably they are disappointed.



Why The Resistance?



Top 5 reasons organizations don't use pre-hire assessments ⁸

*Question was select all that apply.





Convergence With Credentials

Comparison to Assessments Used by Credentialing Bodies

Assessment-based Certificates

Certifications

Pre-hire Assessments

“Awarded” By

Community colleges, universities, businesses, labor unions, for-profit training providers, government agencies, and professional and trade associations

Nonprofit organizations, professional associations, industry or trade organizations, and businesses

Administered by government, businesses, and 3rd party organizations; nothing awarded

Assessment Types/Constructs

Educational assessment designed to specifically measure learning outcomes

Oral, written, or practical standardized assessment based on a set of validated competency standards

Oral, written, or practical standardized assessment based on a full set of validated KSA/competencies for a specific position

Indicates/Validated For

A person has achieved the learning outcomes in an education or training program; validate for learning outcomes

A person can perform a set of skills relevant to a professional setting; validated for an industry of position wide

A person has KSAs needed at entry to perform in an occupation or role; validated for a specific role or set of roles ion an organization

Created By

Education and training providers who may have a test and measurement background

Psychometricians, who are test and measurement experts, with input from subject matter experts (SMEs)

I/O psychologists, psychometricians, and data scientists who are test and measurement experts, perhaps with SMEs

Validity/Renewable/Revokable

*Issued for life or specific time period
No renewal requirements
Non-revocable*

*Time limited
Re-certification required
Revokable*

*Time limited
May have re-test requirements
Non-revocable*

Standards

*Standard Practice for Certificate Programs
Standard for Assessment-Based Certificate Programs*

*Standards for the Accreditation of Certification Programs
Board Requirements*


*Uniform Guidelines
SIOP Principles/APA Standards
Employment Law*

How Can Pre-hire Assessments and Credentials Work Together?

Skills are the new currency of the job market.

72%

Of US workers agree that credentials are an affordable way to gain skills ¹⁰

1.5x
INCREASE 

Organizations planning to increase tech hiring are 1.5 times more reliant on industry-recognized technical certifications ¹¹

81%

Of executives believe non-degree credentials can uncover untapped talent ¹²

How Can Pre-hire Assessments and Credentials Work Together?

Opportunities

Effective and efficient approach for whole person assessment

Solid way to validate and assess a candidate's stated technical skills

Credentials may better keep pace with change

Increased career opportunities



Barriers

Numerous and vary in cost, requirements, and quality

Organizations are unsure of what non-degree credentials represent

Need evidence of value to the organization (e.g., predictive validity/ROI)

Candidate access, understating, and proof of labor market value; needed by a plurality of candidates

Compatibility with IT systems



Why Does It Matter?

Why Does It Matter?

The result is better quality of hire, reduced bias, a large talent pool, and better retention.

88%

*Reduction
in missed hires* ¹³

70%

*More opportunities for
minority candidates* ¹⁴

5x

*More efficient
approach to hiring* ¹⁵

20%

*Improvement in
retention* ¹⁶

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