TOTAL CSR

HIRING GUIDE FOR AGENCY LEADERS

The Definitive Guide to Pre-Employment Testing

What pre-employment tests measure, how they help your agency, and six steps to put them in place.



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01

The Basics

Insurance agencies need to find and hire good people quickly, and the process keeps getting harder. Start with what agencies are up against, and what pre-employment tests actually are.

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The Basics

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The Hiring Challenge

The rising use of technology in the hiring process by employers and applicants has significantly lowered the entry barrier for job seekers. While this can certainly be a good thing, this also means a single job posting can generate hundreds of applicants. Agency leaders and human resource departments are left to comb through a stack (or inbox full) of resumes to find the right candidate.

While a large pool of applicants can be a good thing, too many options can create a frustrating, time-consuming process that prohibits employers from properly reviewing applications.

WHAT A BAD HIRE COSTS

About $25,000

That's what an agency loses when a bad hire leaves around month eight. When HR teams are flooded with applications they can't review properly, more of those hires get through.

> This environment is perfect for bad applicants to make their way to the interview stage and higher qualified candidates erroneously being passed over. It is the difference between agencies being able to make a fully informed decision about whether a candidate is a good hire or a bad hire.

What Are Pre-Employment Tests?

THE DEFINITION

Pre-employment tests are a tool an employer can use to collect pertinent data from potential hires in an objective and standardized way.

There are tools that make the hiring process faster and more reliable. With better pre-employment technology, agencies can save themselves time, money, and a lot of exhaustive effort.

Read along as we explore pre-employment tests, what they do, the benefits they provide to agencies and their potential new hires, and how to set up practices around their use that get you the results you want.

QUALITY TESTS ARE

1

Created by Professionals

2

Reviewed Thoroughly

3

Efficient and Effective

THE BASICS | WHAT ARE PRE-EMPLOYMENT TESTS?

Quality tests are created by professionals, reviewed thoroughly, and provide an efficient and effective way for employers to pre-screen applicants for the capabilities and traits the job requires. They can also show you where a new hire will need training.

WHERE TESTS FIT IN YOUR HIRING PROCESS

STEP 1	STEP 2	STEP 3	STEP 4
Applications and resumes	**Pre-employment tests**	**Interviews**	**Offer**

Tests add objective data before you spend time interviewing.

Even as technology may contribute to the obstacles agencies face in the hiring process, it may also provide the solution when companies make pre-employment testing part of their hiring practices.

Next: the three families of pre-employment tests.

NEXT SECTION 2

02

The 3 Families of Pre-Employment Tests

There is a wide selection of pre-employment tests available, but most fall into three families. Total CSR Assess uses the same three, with 12 assessments in all.

TEST TYPES | THE 3 FAMILIES

THE THREE FAMILIES AT A GLANCE

1

ABOUT 67 MINUTES

Compatibility

Aptitude, personality and emotional intelligence. Works for people with no insurance background.

PAGE 9

2

ABOUT 27 MINUTES

Skills

Computer literacy, plus Word, Excel and PowerPoint 365.

PAGE 13

3

ABOUT 90 MINUTES

Expertise

Coverage knowledge, job duties and a live submission scenario, scored.

PAGE 13

Let’s take a moment and dive into the purpose of each one, starting with the three Compatibility tests.

Aptitude Tests

Aptitude tests measure critical thinking and problem-solving skills, and the ability to learn, retain, and apply new information.

Both problem-solving skills and the ability to learn and apply new information matter in the insurance industry. Finding talent that possesses both of these qualities is good for the employee and the agency's long-term success.

In Total CSR Assess, the aptitude test is a 15-minute, game-based assessment.

Critical thinking

working through what's in front of them

Problem-solving

finding the answer when it isn't obvious

Learning

taking in, keeping and applying new information

IN SHORT

Aptitude tests assess an applicant's overall intelligence and brainpower.

Personality Tests

The Personality Test has gained popularity, but there is still a lot of confusion about what this type of test measures and how to use it.

PERSONALITY TESTS CAN PROVIDE INSIGHT INTO THESE QUESTIONS

1. **Will the candidate be comfortable in this role?**
2. **Does the candidate possess the character and behavioral traits that will lead to success in this role?**

THE FIVE-FACTOR MODEL

The personality test can assess whether a candidate has a behavioral inclination that fits both the position and the agency's culture. There are numerous options as far as the traits that can be measured by this type of test, but most well-built tests use the Five-Factor Model, often called the Big Five, which researchers have studied for decades. The five factors are Openness, Conscientiousness, Extraversion, Agreeableness, and Emotional Stability (some tests call it Neuroticism and score it the other way). It gives a fuller picture than the old "introvert or extrovert" or "Type A/Type B" labels. In Total CSR Assess, the personality assessment takes about 7 minutes.

O	C	E	A	ES
Openness	Conscien-tiousness	Extraversion	Agreeableness	Emotional Stability

PERSONALITY TESTS, CONTINUED

Using the five factors gives a broader, more in-depth look at different aspects of personalities that warrant consideration and can paint a better picture of a candidate "fit" for a particular role.

Personality tests may also help reduce turnover, since they can show whether a candidate will be happy and comfortable working in a specific job based on particular personality traits.

TWO ROLES THAT EXIST IN EVERY AGENCY

ROLE

Sales

A salesperson is generally going to be assertive and competitive.

ROLE

Service

A service person needs to be cooperative and patient.

By using the personality test in the hiring process, an agency can identify a match (or mismatch) based on general required personality traits for the role vs. those traits the individual applicant possesses.

RULE

Use personality results to shape your interview questions, never as the only reason to turn a candidate down.

Emotional Intelligence Tests

Emotional intelligence tests show how well a candidate notices and handles emotions, their own and other people's.

In an agency, that shows up every day: calming a client whose claim was denied, taking feedback from a coworker, or staying steady during renewal season.

Calming a client
whose claim was denied

Taking feedback
from a coworker

Staying steady
during renewal season

IN SHORT

Emotional intelligence tests show how a candidate will handle people under pressure.

FAMILY 2

Skills Tests

The skills test helps measure the general capabilities needed for the job, such as verbal, math and communication, typing, and computer proficiency. In Total CSR Assess, it covers computer literacy plus Word, Excel and PowerPoint 365, in about 27 minutes.

Candidates may have picked up these skills either in school or prior work experience. Therefore, a skills test is a great way to assess the applicant's acquired knowledge and skills rather than their aptitude.

FAMILY 3

Expertise Tests

Expertise tests measure insurance knowledge and real desk work, such as a candidate's ability to complete an ACORD form and their level of coverage knowledge.

In Total CSR Assess, the Expertise family covers coverage knowledge, job duties and a live submission scenario. It takes about 90 minutes and is scored.

IN SHORT

For experienced candidates, it confirms what they say they know. For new hires, it shows where training starts.

Next: how agencies benefit from using pre-employment tests.

NEXT SECTION 3

03

How Can Agencies Benefit from Using Pre-Employment Tests?

Tests can be useful to varying degrees and serve different purposes, depending on the agency's needs. Some agencies may only use specific tests for certain roles, and others may find it is most beneficial to use pre-employment tests uniformly across the organization.

BENEFITS TO THE AGENCY

Here are some of the improvements to the hiring process that agencies should expect to see:

1 **Time Savings** PAGE 16

2 **Cost Savings** PAGE 17

3 **More Data-Driven and Less Guesswork** PAGE 18

4 **A Better Understanding of a Future Employee's Productivity** PAGE 18

5 **Create a More Objective Standard** PAGE 19

BENEFITS | TIME SAVINGS

BENEFIT 1

Time Savings

While there are certainly applicants who are very serious about the job, many are not, and they need to be filtered out before the next step in the process. Even a modest number of applicants means a stack of resumes to sift through, even if it is just a quick review for red flags. Anyone who has done it knows attention fades long before the stack is done.

By adding a pre-employment test at the beginning of the process, agencies can quickly eliminate candidates who are not qualified. Agencies will save significant time reviewing resumes and reduce the time spent interviewing unqualified applicants.

TESTING AT THE TOP OF THE FUNNEL



When this happens, agency leaders can focus time and energy on serious candidates.

BENEFITS | COST SAVINGS

BENEFIT 2

Cost Savings

The use of pre-employment testing narrows the field of candidates at the top of the funnel, meaning fewer resumes require a full review and even fewer candidates make it on to the interview stage. Pre-employment testing also provides increased assurance of hiring the right candidate with the right qualifications, aptitude, and personality to reduce overall turnover. Both byproducts represent significant cost savings to the agency at all stages of the hiring process.

WHAT EVERY HIRE COSTS

- **Advertising the position**
- **Reviewing resumes**
- **Running interviews**
- **Making offers**
- **Onboarding**
- **Training**

There is a cost associated with every step of recruiting from the expense of advertising for an open position, paying someone to review resumes and facilitate interviews, the salaries of every person involved in the interviews, extending and negotiating offers, onboarding, and training. The cost of the turnover and rehiring cycle further compounds hiring expenses.

BENEFIT 3

More Data-Driven and Less Guesswork

Data continues to be a hot topic of discussion in the insurance industry. As important as it is to know and understand clients, agency leaders need to use data when looking to bring new talent into the organization. Without data, the hiring decisions happen based on experience and intuition. While both of these things certainly serve a purpose, relying on pre-employment tests helps by providing objective data based on job-specific criteria.

> Using data removes a significant portion of the guesswork and allows agency leaders to make more informed decisions.

BENEFIT 4

Understanding a Future Employee's Productivity

During the hiring process, it can be hard to judge how effective an employee will be based solely on the experience noted on the resume or even the discussion that takes place during the interview. It can be easy for a candidate to paint themselves in a particular light on paper and in a 60-minute conversation.

Pre-employment tests show you whether the applicant has the right knowledge, skills, and abilities to do the job before you hire them.

BENEFIT 5

Create a More Objective Standard

Tests are less subjective than resumes and gut feel, and they can help reduce bias in hiring. How your agency uses them decides whether the process is fair and defensible.

FIVE PRACTICES THAT KEEP TESTING FAIR

1. **Test only for what the job requires.**
   Every test should tie back to the job analysis in Step 1.
2. **Give everyone the same test.**
   Every candidate for a role takes the same tests under the same conditions.
3. **Offer accommodations.**
   If a candidate with a disability asks for one, such as extra time, work with them.
4. **Check your results.**
   If candidates from any group are screened out at a noticeably higher rate, find out why.
5. **Keep records.**
   Save the scores and the reason behind each hiring decision.

Before you roll out testing, have an employment attorney review your process.

Next: six steps to put pre-employment testing in place. NEXT SECTION 4

04

Implementing Pre-Employment Testing

Pre-employment tests are not an out-of-the-box solution. They require some build-out for the agency to significantly benefit from adding tests to their current hiring process. Here are the steps that matter most for making pre-employment testing a success.

01 Job Analysis

Each role in the agency will need to be reviewed and evaluated to create a thorough job description, which includes the skills, work activities, and abilities required in the job.

Based on this information, the selection of test criteria will measure specific skills, abilities, and personality traits that lead to strong performance in the role.

02 Decide on Test Relevancy

Agency leaders will need to evaluate all roles and the needs of each. Using these details, leaders can then decide what tests are most pertinent to each.

Perhaps one role requires Skills and Aptitude, but not personality. Other roles may need all three to assess candidate capabilities accurately. There is no wrong way to go. It is a matter of making a decision that best suits the needs of the individual role and helps agency leaders make the most informed decision.

03 Decide When to Test

Testing early in the process can prevent a lot of work down the line. It allows hiring managers to collect objective data about candidates and ensure that anyone who makes it to the next stage meets the position's basic skill requirements. Using testing earlier in the process can save significant time and effort that would typically be required to evaluate an overwhelming number of resumes.

A SEQUENCE THAT WORKS

AT APPLICATION	AFTER THE PHONE SCREEN	FINALISTS
Compatibility	**Skills**	**Expertise**
About 67 minutes	About 27 minutes	About 90 minutes

Short tests first keeps good candidates from dropping out before you meet them.

04 Establish Protocol for Remote Testing

There is a good chance that candidates are not coming to the office to complete the pre-employment test, especially if testing is being required early on in the process. Creating written guidelines about how the test needs to be managed by the individual applicant will help prevent confusion and reduce the candidate's potential for fraudulent activity. Set time limits, confirm who is taking the test, and have finalists repeat part of it in person.

05 Test Existing Employees

Administering tests to current employees will help the agency establish scoring guidelines for each role and associated test. As much as it may seem to make sense to only test top performers, it is important to test employees of all levels. By testing a broader selection of employees, agencies can obtain a range of scores to establish more appropriate benchmarking levels for future hires.

As a bonus, testing current employees also allows managers to assess current staff, understand struggles and pain points or areas in which they may excel. In Total CSR Assess, testing is unlimited for current staff, and results flag each person's lowest topic so you can assign training.

06 Establish Scoring Guidelines

Based on the ranges from testing employees in Step 5, set a benchmark range for each role and associated pre-employment test.

A score below the range is a reason to look closer. A score outside the range in either direction is a topic for the interview, not an automatic rejection. Avoid setting a maximum score: turning away high scorers because they might get bored screens out some of your best candidates.

STEPS | ADDITIONAL EVALUATION

Additional Evaluation Is Still Required

> Pre-employment tests can provide significant advantages to agencies during the hiring process, but it is essential to remember that there is no 100% guaranteed solution.

Implementing tests does not entirely protect an agency from ever making another bad hire. An employee may score high and perform poorly, and a candidate that scores low could still be a top performer in the agency.

However, pre-employment tests are a great first step and complement the agency process for reviewing resumes and conducting interviews.

No test answers everything, and agencies must continue to do their due diligence by consistently evaluating the same criteria for applicants, including resumes, interviews, prior experience, education, and any other factors that may be relevant to the role.

> Agencies need to maintain realistic expectations, and use tests to improve, not replace, current hiring practices.

CONCLUSION

While there is no perfect solution for erasing all pain points associated with the recruiting and hiring process, pre-employment testing can be a mechanism for significant improvement.

Implementing testing can take a substantial amount of friction out of a challenging process by giving agency leaders insight to make more efficient and effective hiring decisions.

THE SIX STEPS AT A GLANCE

- ☐ 01 Job Analysis
- ☐ 02 Decide on Test Relevancy
- ☐ 03 Decide When to Test
- ☐ 04 Establish Protocol for Remote Testing
- ☐ 05 Test Existing Employees
- ☐ 06 Establish Scoring Guidelines

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