Talentech

The ultimate guide to **assessing candidates fairly**

Content

Introduction

The business case for diversity, equity, and inclusion (DE&I) is stronger than ever, with diverse and inclusive companies outperforming homogeneous teams. But despite the strides organisations have made in recent years, recruitment is still rife with biases, which can result in unfairly excluding certain candidates from the application process. In turn, discriminatory recruitment practices hurt employers' chances of finding the best person for the job.

To combat bias, unlock your talent pool and offer every candidate an equal shot, you need to build evidence into your hiring process.

And the key to doing that? Having a fair candidate assessment process.

In this guide, learn about:
- Why a diverse workforce matters
- What an unbiased candidate assessment process means
- How psychometric tests help make hiring fairer and more accurate
- How to build a solid candidate assessment process
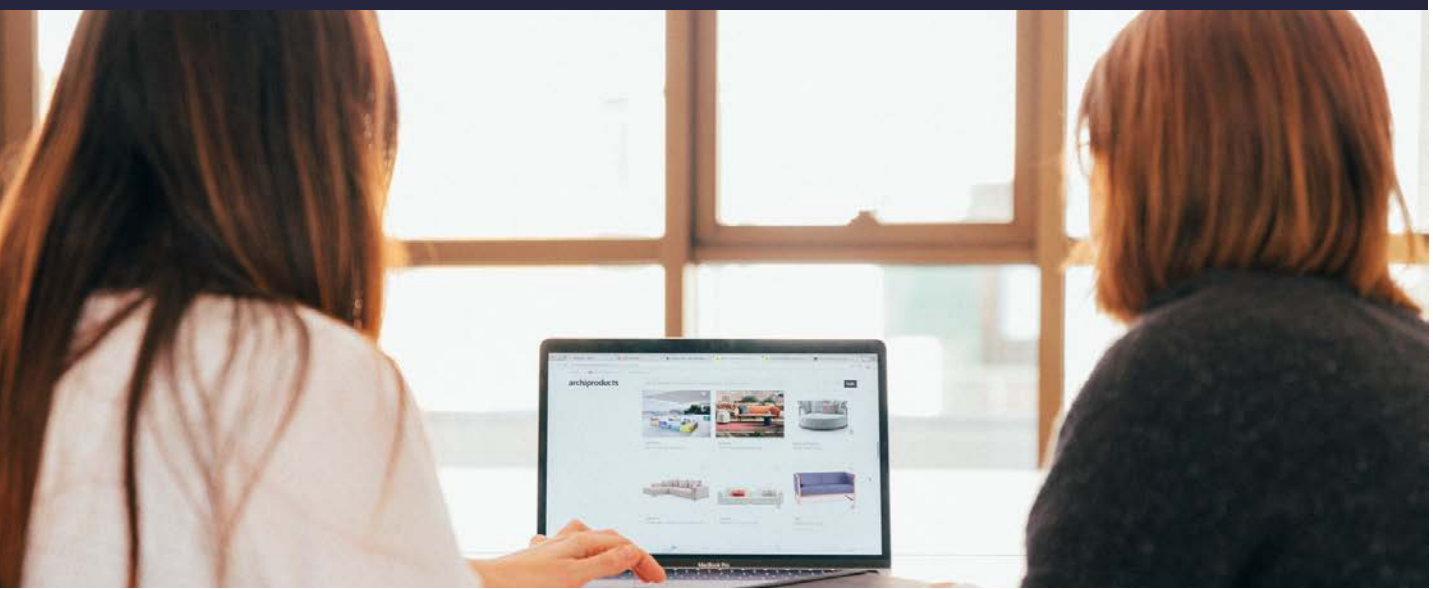
01 **Why a diverse workforce matters?**

Countless studies have proven the value of having a diverse workforce —including making your business operations more effective, successful, and profitable. Diversity also gives you access to a broader talent pool, bringing unique perspectives to the table.

A diverse workforce leads to:
- Greater innovation. Companies with above-average diversity have 19% higher innovation revenues, enabling them to market a broader range of products to consumers.
- Increased bottom line. Companies in the top quartile of gender-diverse executive teams are 25% more profitable than companies in the lower quartile. The same trend is shown with ethnic and cultural diversity—although the number climbs to 35%.
- Meaningful decision-making. Diverse teams help businesses make more impactful decisions 87% of the time.
- A strong employer brand. With nearly 80% of workers saying they want to work for a company that values diversity, equity, and inclusion, DEI's vast potential is not to be underestimated.

But how do you build a strong DEI workforce? The reality is diversity and inclusion are so much more than a company's policy, diversity quotas or workshops. You must examine your hiring process and uncover whether it reliably evaluates a candidate's key characteristics.

Some questions to ask yourself:
- Are you sourcing and evaluating candidates using objective parameters? Or are you unwittingly using parameters like a person's gender, name, background, or years of experience when considering whether to proceed with them?
- How wide or narrow is your search field?
- Is there a disproportionate number of candidates who apply to your job listing (e.g. more males than females)?
- Do you measure for potential, or are you just focused on a candidate's hard skills?
- Is your interview process standardised, or do you go with your gut more and ask spontaneous questions?

02 **What an unbiased candidate assessment process means**

An objective candidate assessment refers to an organisation's process to determine a candidate's skills, experience and qualifications for a job role. It means having a hiring process that reduces personal biases and prejudices about candidates, increases accuracy in hiring decisions and hires the best person for the position.

Ultimately, your assessment process should always answer whether a particular candidate is suitable for the job and whether they have the potential to excel and thrive in the role. To determine this, it's crucial to have various evaluation methods.

An objective candidate assessment process usually includes:
- An initial pre-hire screen to determine role fit
- Psychometric assessments to shortlist job-ready candidates
- Structured interviews to test a candidate's competencies
- Work sample test to evaluate a candidate's core technical skills related to the job

The bottom line is your assessment process should always be fair. This means treating all candidates equally from the get-go and giving them the same opportunity to show their skills and qualifications.

A fair candidate assessment process:
- Enables fair hiring decisions;
- Provides a good candidate experience;
- Makes recruitment more efficient and cost-friendly
- Identifies the best hire
- Allows recruiters to maintain a pipeline of qualified candidates.

03 How psychometric tests help make hiring fairer and more accurate

Psychometric assessments are designed to show someone's personality, mental ability, and competencies. They are often used by employers when deciding whether or not to hire someone. 34% of companies cited psychometric testing as a viable solution to limit bad hires, proving its effectiveness as an evaluation method.

When used correctly, psychometric assessments can help reduce the number of screening interviews and to whittle down the candidate pools to the most relevant and suitable applications. Evaluating candidates like this is scientifically proven to be valuable in predicting job success—much more so than screening CVs.

While many different psychometric tests exist—including online games and quizzes—these tests are often standardised and timed, helping hiring teams hire quicker and more accurately.

Why psychometric tests are so effective

- Accurate predictors of job performance- According to research, some of the most significant predictors of job success are well-designed logic reasoning and personality assessments. Moreover, this evaluation method is much more accurate than CVs or unstructured interviews.
- Broaden your talent pool. These tests cut past arbitrary demands like years of experience or the school the candidate attends. Instead, the tests focus on metrics that matter— including a candidate's core competencies, mental ability and personality traits.
- Reduce bias and discrimination in your hiring. Psychometric tests eliminate biases like hiring someone based on their name, background, or gender. Tests are objective and structured, meaning they are the same for all candidates, and they follow a structure set beforehand. This amounts to a much fairer selection method.
- Save time. Hiring assessments are proven to reduce the time to hire from 42 to five days. They also help recruiters screen a batch of candidates at once, working very well in the early phase of candidate screening.

When should I use psychometric assessments in my hiring?

Psychometric assessments are best used early in your hiring process and in combination with other assessment methods. A groundbreaking study by Schmidt & Hunter shows how cognitive ability, work sample tests, personality tests, and structured interviews are the best predictors of job performance. When all these methods are combined, you have a solid hiring process!

An important note: Like with any science-based experiment, there are outliers, which should also be accounted for when using psychometric tests as part of your recruitment process.

04 **How to build a solid candidate assessment process**

Get rid of the CV as a screening tool
CV screening is a time-consuming, tedious task. Even if you use an ATS bot to save time, you run the risk of automating biased decision-making processes. For example, using an ATS bot has been shown to screen out 30% of women and 50% of people of colour who struggle to get a callback.

A powerful solution is to replace your CV screening with either psychometric testing or well-defined screening questions in your ATS. Both methods are quicker, more objective and more accurate when shortlisting candidates.

Use an ATS to ensure no application slips under the cracks
Invest in HR software that allows you to sift through a big pile of applications automatically and reduce the chances of missing out on a particular application.

Tip: Whatever tool you use, make sure it's unbiased.

Create an inclusive job description
Challenge what you're putting out there and ask yourself whether you're using inclusive terms. Things to avoid include using jargon or gender-encoded language that may put off specific candidates from applying. Also, be as clear as possible when listing the job requirements and unpack what the candidate would be doing in the role.

Tip: Make sure you don't have an exhaustive list of requirements and expectations, as this can put off even the most qualified candidates from applying.

Introduce psychometric assessments early in your hiring process
Increase your quality of hire by using candidate assessments to get an accurate picture of candidate role fit first. Usually, it's recommended to use these assessments as the first step in your hiring process.

With these assessments, quickly rule out candidates who aren't considered suitable for the role and effectively spend more time with shortlisted applicants in interviews.

Conduct structured interviews
Around 85% of hiring managers rely on gut feelings and don't structure their interviews, resulting in them missing out on diverse talent, to asking inappropriate questions and risking a lawsuit.

With structured interviews, you ask candidates the same set of questions and measure their responses using a baseline, which is checked against pre-decided criteria. Like this, you minimise bias when picking a candidate and increase the likelihood of making an accurate hire based on these data-fuelled insights. In other words, structured interviews are one of the best predictors of job performance.

Tip: Don't overdo it, and run five interviews. Not only is it unnecessary, but it can also harm the candidate experience and, in worse cases, contribute to an uptick in your candidate dropout rates. Instead, hold two structured interviews. The first interview is for evaluating the candidate's soft skills using situation questions. The second interview is where you do a deep dive and look at the person's readiness and technical skills.

Run a work test sample

A great way to vet a candidate's technical competencies and communicative skills is to put them through a practical case study.

Tip: Customise your work test to the role. Look for qualities and skill sets directly related to the position. For instance, if you're hiring for an SDR role, get them to enact a scenario where they must speak to a lead. How do they engage the lead and communicate? How do they handle objections and tricky questions?

Hire quickly based on data

The best candidates are off the market within ten days. Don't leave your candidates hanging for weeks and weeks. Before starting your hiring spree, create a simple decision-making matrix that will help you determine who to go for.

Next, decide how each step of the process should weigh against others. Once all the results are in, add things to your matrix, and then you should have a data-driven ranking list of your candidates. This helps keep your decision-making informative and structured and, therefore, quicker!

To wrap up

Hiring today is about being honest about what it takes for a candidate to do a particular job. It's also about finding candidates with the right mixture of experience and potential to take on the role head-on. And the best way to do this? Own an objective and fair candidate assessment process. Like this, it'll be more accessible than ever to find those hidden gems in your talent pool and stand out from the crowd.

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