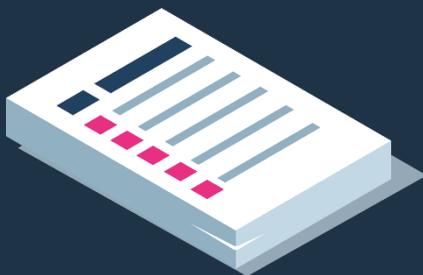


Five ways assessments can help retain employees

How measuring staff skills can help employee retention and improve business performance



Introduction: why is employee retention important?

Why do people leave their job for another? What can employers do to encourage good employees to stay? This white paper explains how online tests and assessments can help employers retain employees.

During the first year of the pandemic, economic uncertainty combined with the requirement to stay at home meant that there was much less job changing than usual. But, as some countries and industries gradually come out of the pandemic, job transitions are increasing.

Employee retention/turnover was already the biggest workforce management challenge pre-pandemic, according to 47% of US human resources (HR) professionals surveyed by the Society for Human Resource Management (SHRM).¹

Another SHRM report suggested that around half of US workers may be looking for a new job in 2021.² Research shows similar issues apply in other countries.

Reflecting the topical nature of the issue, the global standards body ISO introduced a new standard in May 2021, the ISO 30421 “Human resource management – turnover and retention metrics”.³

For any organization, some employee turnover is positive. It provides fresh thinking and new ideas. But too much turnover is negative.

This white paper identifies some practical steps employers can take with assessments to help retain employees.

To understand how Questionmark can help, please book a demo:

<https://www.questionmark.com/request-demo/>



¹ See <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/employee-recognition-2018.aspx>

² See <https://www.shrm.org/ResourcesAndTools/hr-topics/talent-acquisition/Pages/Turnover-Tsunami-Expected-Once-Pandemic-Ends.aspx>

³ See <https://www.iso.org/standard/75372.html>

Why do employees choose to leave a job role?

Staff retention has become a key issue for employers as many risk losing their best people now economic confidence is returning.

Employees may choose to leave their employer for many reasons.

The Work Institute, an employee retention specialist, reports that the largest single reason an employee leaves their employer is for career development reasons.⁴ “Employees who are satisfied with their development are likely to stay”, their latest research states.

Research from IT training company Global Knowledge shows that for IT staff the biggest reason for changing employer is the opportunity for growth and development.⁵

In life sciences, research suggests that more than half of workers who change jobs do so because they want a new challenge.⁶

Glassdoor, the company review site, analyzed its data on why employees leave their employers.⁷ It identified three factors:

1. **Company culture:** culture and values, and the quality of career opportunities within the employer impact employee turnover.
2. **Pay:** Glassdoor’s data suggests that 10% higher base pay is associated with a 1.5% higher chance that a worker will stay with their employer for their next role.
3. **Career development:** workers who stagnate in jobs are more likely to leave. It’s worth considering career paths to move employees through roles in an organization.

American author Daniel Pink suggested in his book “Drive” that although underpaying people is a sure way to demotivate them, paying them well is not sufficient motivation.⁸

According to Pink, the three crucial elements for work satisfaction are:

- Autonomy (people’s wish to be self-directed)
- Mastery (desire to get better skills at something that matters)
- Purpose (focusing on meaning and making a difference).

It’s a certain bet that increasing autonomy, mastery, and purpose will decrease employee turnover.

⁴ <https://info.workinstitute.com/hubfs/2020%20Retention%20Report/Work%20Institutes%202020%20Retention%20Report.pdf>

⁵ See <https://images.globalknowledge.com/wwwimages/web/salary-report/current/it-skills-salary-report-2020-global-knowledge-en-ww.pdf>

⁶ <https://www.biospace.com/article/retaining-employees-in-the-life-sciences-industry/>

⁷ https://www.glassdoor.com/research/app/uploads/sites/2/2017/02/WhyDoWorkersQuit_Glassdoor.pdf

⁸ Daniel H Pink, Drive: The Surprising Truth About What Motivates Us

The costs of poor employee retention

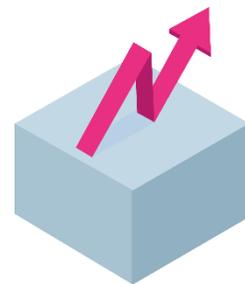
Whatever the reason, staff turnover is expensive for employers.

The Work Institute identifies a significant issue with first-year turnover, with around 15% of exits being employees leaving in the first 90 days. It's research also shows that 38% of exits relate to employees leaving in their first year.

In such cases, the costs of recruiting and onboarding these employees will be more than the value gained.

Overall, lost productivity and knowledge alongside new hiring, training, and onboarding fees translate into costs of around a third of annual salary.⁹

So, firms that do not understand why their people may want to leave and take action to prevent such departures, could face significant losses this year.



⁹ <https://www.ere.net/getting-ahead-of-the-looming-employee-exodus/>

How assessments can help

After a year of having to stay put, many workers are ready for a new challenge and to develop their skills. If a current employer can't satisfy this demand to develop, the best staff will look elsewhere.

But many employers may not have all the information they need to make informed decisions to improve retention. Online staff assessments however can help enable managers to get the information they need on an employee's attitudes, skills, and likelihood to leave.

Here are five ways in which online assessments can help increase retention and reduce employee turnover.

1. Use assessments to recruit better

It's a truism but if employers recruit the right people, they are more likely to stay longer. In most organizations, someone who leaves within the first year will be a poor hire. And since around a third of exits relate to people leaving in their first year, improved recruitment will reduce turnover.

Some areas to consider for recruitment assessments include:

- Tests of critical thinking, problem-solving, or general mental ability
- Personality tests that can identify appropriate psychological traits
- Specific tests of technical or other job-specific skills
- Situational judgment tests which can measure judgment and help with job-fit

2. Use knowledge tests to improve onboarding

High-quality onboarding can help to tackle the 15% of exits that relate to employees leaving in the first 90 days. Good onboarding is also likely to contribute to improving retention longer term.

A common use case within Questionmark is for customers to use knowledge or other tests to check understanding during onboarding. For instance, if there are ten onboarding areas, then each one can have a test, and both employees and managers can check progress and direct training or learning appropriately.

3. Use assessments to diagnose and support employee learning needs

Career development is often the primary reason why employees leave. Employees who have control of their work and can improve their skills are satisfied and motivated. Assessments have a crucial role in helping employees improve skills and their career.

Key use cases are:

- Self-assessments to allow employees to calibrate their skills and identify learning needs
- Diagnostic assessments to let employers know where skills improvement would be helpful
- Assessments during learning to provide feedback to learners and instructors provide retrieval practice to help retention of learning.

4. Set up certification programs to recognize employees

Recognizing employees for their learning and achievement enables career development and feelings of mastery, and so can help retention. Investing not only in training employees but giving them certifications as measures of achievement is, therefore, worth considering. Many Questionmark customers find internal and external certification programs very valuable to encourage employee development.

According to the IT Certification Council's Value of Certification white paper, 67% of employees who get certified report feeling more confident in job skills.¹⁰ Some 40% have increased job satisfaction.

Certifications also help reduce employee turnover. Around a quarter of IT decision makers say they help improve retention, according to Global Knowledge's 2020 IT Skills and Salary Report.¹¹

5. Use assessment data to predict employee retention

Increasingly employers are using data science tools to predict employees who might leave to take pre-emptive action to seek to prevent them.

Assessment data provides a rich source of numeric data on which to base correlations and other predictions. For example, it's possible to track scores from assessments, such as onboarding, annual compliance tests, training tests and correlate them with employee longevity. By doing so, employers can identify risk factors that require intervention to prevent employee churn.

This opens a great opportunity to drive business value from assessment data.

¹⁰ See <https://www.questionmark.com/nine-interesting-findings-from-the-itcc-value-of-certification-white-paper/> for a summary and a link

¹¹ See <https://images.globalknowledge.com/wwwimages/web/salary-report/current/it-skills-salary-report-2020-global-knowledge-en-ww.pdf>

Conclusion: avoiding a mass exodus

Staff retention is the number one issue businesses face.

Workers may have stayed put during the pandemic. But as optimism and normality return, employers may lose their best staff.

Without action, firms may risk a mass exodus that will increase costs significantly.

Staff assessments can be used to assess the skills and attitudes of the workforce.

With this information, employers can create tailored and meaningful career development plans, increasing engagement.

Further assessments can measure the development of new skills and give an employee confidence that they are making progress toward their goals.

Assessments and surveys can also reveal wellbeing issues among the workforce. Employers can then strengthen and tailor support accordingly.

With Questionmark's online assessment platform, employers can get valuable information about their workforce so they can make better informed people decisions.

They can use assessments to increase worker engagement and improve staff retention.



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About Questionmark:

We help employers and their people unlock their potential to deliver better performance.

Questionmark provides a secure enterprise-grade assessment platform and professional services to leading organizations around the world, delivered with care and unequalled expertise. Its full-service online assessment tool and professional services help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable and fair, which can be defended.

Questionmark offers secure powerful integration with learning management systems (LMS), learning record stores (LRS) and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offers rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S., Australian and European-based data centers.

Working with Questionmark

To further explore how Questionmark could work for your organization, or to book a free consultation and demo, please see: <https://www.questionmark.com/request-demo/>

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