

# H I G H M R K

## Predictive Validity of Our Candidate Screening

### White Paper

Predictive Validity - Research data is collected on people new to the job to determine how well the assessment predicted their success down the road. Predictive Validity is considered a much more powerful support of a selection tool than is concurrent validity. It is also much more expensive and time consuming to conduct this kind of research and as a result, fewer selection tools on the market provide users with information on Predictive Validity.

The Candidate Screening is primarily aimed at distinguishing those individuals who will succeed in a sales position from those who will not. The test is based on a web-based multiple-choice form completed by an applicant. From the pattern of responses, a clear determination of whether the candidate will sell effectively for a specific company can be made. This report describes the research design and presents the results obtained.

The basic approach involved a follow-up questionnaire sent randomly to the companies that have been using the test for more than one year. Data from all of those who responded are included in the results and a copy of this data collection form has been attached as Appendix A. In addition to some basic comparison data, the managers were asked to indicate whether the recommended candidates are still employed, whether any of them failed and whether they performed more effectively than salespeople hired using different methods.

Managers were also asked whether they met the conditions for hiring, specified in the test report and if they provided professional sales training to the candidates. Thus, we hoped to make a comparison between the performances of those who were properly managed and trained post hiring and those who were not.

Of these responses received, all of the companies had candidates tested using the Screening during the test period. The data obtained from those companies indicates that this approach to data collection is effective.

### **Results of the Test to Evaluate Candidate Screening**

One year after testing, **95% of the candidates who were recommended for hiring were still employed by their respective companies**. Since the companies consider these people successful, this indicates that the screening will accurately predict sales success 95% of the time.

Only 5% of the candidates who were recommended failed and most of the companies that hired those salespeople failed to meet recommended conditions for hiring. When we look at the failure rate in companies that met the conditions for hiring, the failure rate drops to less than 1%. In those companies where the conditions for hiring were met, 92.3% of the salespeople hired with this test outperformed those hired previously. This strongly suggests that candidates hired with this tool will outperform those hired using alternate methods.

When hiring conditions were met and professional training was provided, **the percentage of salespeople hired with this test who outperformed previous hires jumped to 99.9%**. When the recommended conditions for hiring were not met, 44% still outperformed those hired previously and that number jumped to 78% when professional training was provided.

Later follow-up, tabulated in May of 2004, showed that nearly 96% of all candidates who failed in their first year had the weakness "doesn't enjoy selling." Candidates who have this weakness along with "not money motivated" are no longer recommended. Additional follow-up will be conducted to determine whether this change further improves the accuracy of this instrument.

These results strongly suggest that this Profile is clearly able to distinguish very accurately between individuals who will sell effectively for a particular company and those who will not.

### ***Appendix A***

Following is the survey sent randomly to 837 of the nearly 5000 companies that subscribe to Express Screens:

- How many candidates have you tested with Express Screenings?
- How many of those candidates were recommended?
- How many of those recommended were hired?
- How many of those not recommended were hired?
- How many of those hired and recommended are still with you?
- How long is your sell cycle in days?
- How long is your learning curve in days?
- Your ramp up time (sell cycle + learning curve) =
- Did any of those recommended and hired fail AFTER your ramp up time?
- Did you meet the conditions for hiring specified on the test?
- How many of those recommended received professional sales training?
- How many of those recommended performed better than those previously hired?

Thank you for taking the time to respond.

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