Using Workplace Assessments: Pros and Cons

By Anne Sandberg, Managing Director, Predict Success (2014)

It is commonly said that 80% of a firm's success is accomplished by the top 20% of employees – top performers make all the difference! How can we make sure that our employee base is of the highest possible caliber, thus ensuring high levels of organizational success? Many employers and Human Resources professionals turn to assessment tools to help identify, woo, motivate and promote the best-of-the-best.

Employers increasingly use online assessments to help better understand people in the workplace, whether it is for hiring A-list performers or developing the skills and capabilities of existing employees. In Jan. 2013, Workforce.com reported that 49% of employers are now using assessments in the hiring process, up from 40% in 2011. Assessments can offer valuable insight into individuals' skills, competencies and even motivation to excel by adding valuable, accurate information about candidates or employees to the complex mix of data on likely job suitability.

In addition to being used in hiring and selection, assessments are also used as an aid in promotion, succession planning, training, leadership growth and development, and team-building. In this paper we will look at the role that assessments play in the workplace and what to consider when you are considering using an assessment in your own organization.

Underlying Theory

Perhaps the first question you should ask in looking closely at a possible assessment is,

"What theory/or set of theories is this test, or assessment based upon?"

Assessments should be based on a sound body of research and an underlying theory that is credible, well-respected and makes sense to you as a professional. If you don't buy into the underlying theory (even if it is popular) then the assessment itself may be of questionable value.

For example, many years ago it was an accepted practice to use handwriting analysis to assess candidates, but today this practice has fallen out of fashion. Even if it were shown that handwriting analysis is useful as a predictor, if you examine the theory underlying WHY it works, you would be hard-pressed to make a case for using it in today's world. The WHY part of the question – that is, the theory that an assessment is built-upon -- is important to be able to support using it. It better make sense to you in a practical, business-world kind of way first and foremost.

Many personality tests, for example, are based on the "The Big Five" theory of personality that was developed almost 100 years ago, originally for use in the armed forces. "Personality" (at least in the assessment world) can be thought of as *an individual's typical or preferred way of behaving, thinking and feeling.* Big 5 measures traits such as extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience.

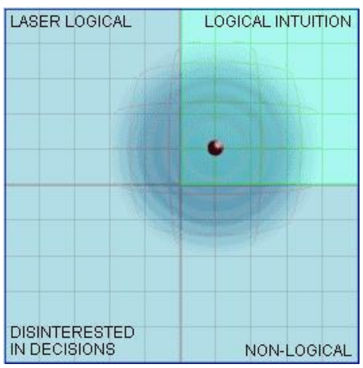
Perhaps the most popular test in the world, the MBTI® (Myers-Briggs) is based on the theories of Carl Jung which originated over 90 years ago as extrapolated by Myers and Briggs, and was designed to reveal aspects of an individual's character or psychological make-up into one of 16 types which once discovered, are fixed for life, typically – your psychological type is like DNA – it is hard-wired (good luck trying to become an extrovert if you are born an introvert, for example).

Trait theory work was started over 75 years ago with the work of people such as Adler, Hebb, Stogdill, Cattell and others and led to many trait and competency-based assessments today, such as Savile and Holdsworth's OPQ (Occupational Personality Questionnaire), for example. The OPQ measures 32 different personality traits that are relevant to various occupational settings.

The theoretical basis of StrengthsFinder, is another example (albeit more recent). It is grounded in the Gallup organization's research in the last 15 years or so, which is related to themes about what makes for talent in individuals which, when supplemented with relevant knowledge and skills, can be developed into strengths.

The Harrison Assessment, as another more recent assessment example, is built upon Enjoyment-Performance Theory as well as Paradox Theory, which also highlights individual strengths but in addition looks at psychological balance and imbalance as keys to understanding stress behavior as well as growth and development priorities.

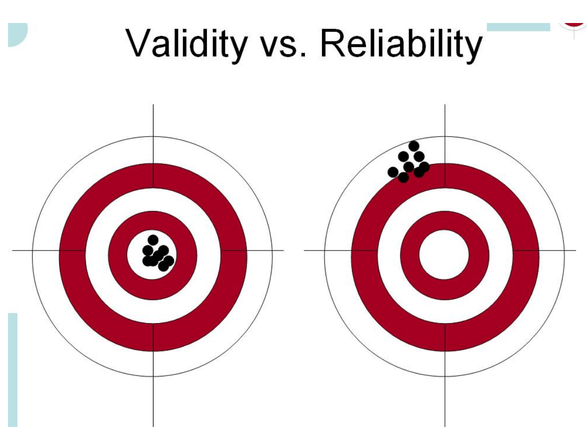
Becoming familiar with well-known assessments is important not so much to argue to pros and cons of each, as the different tools are all useful in shining light on the complex and often elusive subject of differences in human personality and preferences. It is, however, important to understand the base theory upon which a particular assessment is based if you are considering using it. When you go to the websites associated with various assessments you may or may not see information about theory. You may just see reference to "personality characteristics" but not specific information about the theory, or theories, the assessment is based upon. You may need to ask for this information. If the site does not specifically refer to and explain theory, it may be because the theory itself is weak, or derivative, or the publisher or distributor is appealing to customers who know little about assessments and are simply looking for a "quick fix" and/or a cheap solution. So, don't be afraid to ask practical questions about the assessment's development and theoretical base.



The Basics: Validity, Reliability, and Norms

These two terms are central to assessment integrity. Briefly:

Validity is essentially evidence that the assessment measures what it purports to measure. For example, if an assessment says that it measures leadership skills then it should have strong validation evidence to back-up this claim. You will want to read the validation report and evaluate its relative strength and integrity.



Reliability is a measure of accuracy or consistency. This means that the results of the test are reliably repeatable. That is, if you took the assessment today, got your results and then took it again a few weeks later, the results should be quite consistent.

Norms -- Test norms such as "percentiles" and "stens" show how an individual compares to a relevant sample of people. If the assessment uses norms (not all do, nor should they), by all means review these and determine if the norms apply to your industry, job roles, etc. If norms are not available, be sure to understand why, and then whether this is relevant to how you intend to use the assessment.

To recap, make sure that the test is doing what it says it will (validity) and that the results are repeatable (reliable). There should be good documentation about why the test is both valid and reliable. Ask for assessment support data, read it and it if doesn't make sense to you even as a layperson, it may not be defensible and the test is perhaps not safe to use.

What does an assessment measure?

Assessments don't all measure the same things. Psychological trait tests measure an individual's personality against a particular set of psychological constructs. Other assessments, such as ProfileXT, measures cognitive skills (i.e. numeric, verbal, reasoning, etc.) as well as personality factors.

The Hogan, based on Socio-analytic theory (a view of personality that combines Evolutionary theory, Sociology, and classic Psychoanalysis) predicts reputation, which reflects the stable patterns of behavior individuals demonstrate at work.

TalentFirst's Behavioral Insight assessment measures personality traits and provides candidate-specific, behavioral-event interview questions to follow-up on results.

The Harrison Assessment measures traits, including behavioral competencies, interests, work environment preferences, personality factors, motivation, attitudes and values.

Ask to see the total list of traits, dimensions, or constructs that an assessment purports to measure and how this is accomplished before selecting an instrument to use. Ideally, take it yourself so you can experience it from a test-taker's perspective. Ask about the algorithms that generate the results to better understand what is going on behind the scenes when reports are compiled and produced.

Number of factors, traits or dimensions

In addition to *what* traits, factors, or dimensions an assessment measures, you'll want to know *how many* traits, factors, or dimensions are included in the results. More is not necessarily better, but it can be advantageous for the assessment to cover more ground so that you can use it more flexibly with respect to different roles within your organization.

For example, DISC measures four aspects of behavior that are then used to describe 15 different behavioral patterns.

Personality tests such as the MBTI measures four pairs of preferences, resulting in 16 different personality types.

StrengthsFinder reports on your top five themes.

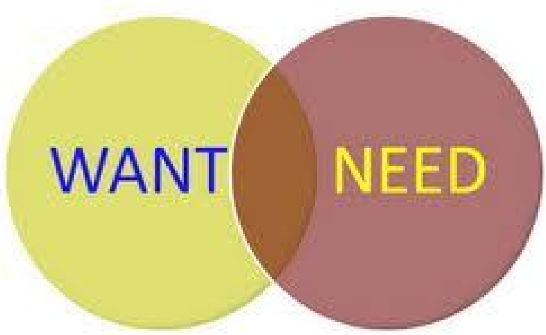
The Harrison Assessment measures 175 different traits.

Prevue (also known as the ICES Plus Assessment) assesses 20 "scales" describing an individual's characteristics: four mental abilities scales, three interest scales, twelve personality scales and a social desirability scale.

Caliper measures 20 behavioral traits, while the Birkman measures 15 behavioral traits and 10 occupational interests.

The person vs. the job

Workplace assessments typically assess *the person* in different ways (i.e. by trait, factor, skills, competency, etc.). Some assessments also measure *the job*, career type, or even organizational culture or environment, as well, and then compare the person against the resulting set of criteria to determine the relative degree of "fit."



For employment selection purposes, it may well be as important to understand and profile the job as it is the person. This is because employment is all about putting the right person in a specific job and that involves knowing the job really well. It is simply not enough to know that the person possesses certain characteristics (e.g. is self-motivated, or service-oriented, has attention to detail, etc.) without the context of the job or wider organization.

For this reason, many psychological tests are not very useful for selection purposes because they focus on the person, and not the job or the culture. It is far more important to truly understand the unique demands of the job and the competencies needed for success in that job than it is to know a candidate's personality or even skill levels. If you are using an assessment in the hiring process, look for one that takes exceptional care to analyze the job carefully and then builds a template to screen for that job comprehensively. Ideally, the "job template" should be customized and quite deeply detailed before you can trust the results predicting the potential success of particular candidates.

How is a customized job template built?

If you are using an assessment for recruitment and selection purposes, you will most definitely want it to compare the person to the actual job to yield information about job fit. Some assessments offer a job template that is "generic"; that is, they might have a job profile that is typical for a mid-level manager, salesperson, or administrator, for example.

Better assessments are able to customize the job template to the specific job through a kind of job analysis process. This can be done at the simplest level by using job description information to derive core competencies needed to perform the various functions and responsibilities. A better job analysis process will include the contribution of subject-matter experts (SMEs) who can be incumbents and/or supervisors of the job in question.

Yet even better are processes that use performance research that includes statistical analyses running correlation coefficients on the relationship between test performance and job performance. Ideally, you are looking for a strong relationship (.7 or higher) which shows that people who do well on the assessment do, indeed, end up as superior performers once on the job.

Assessments for team-building, individual development and succession planning perhaps do not require the level of job analysis that selection assessments do, but it still may be very important to determine a context for their use, as in a set of leadership competencies or characteristics that are set up as "ideal" or worth striving for.

Faking: a huge problem!

A potential problem with using an assessment based on self-report (i.e. the person taking it provides all the data, rather than others rating that person as in 360-degree feedback) is that the person being assessed may try to fake their responses. That is, he or she tries to figure out what he or she thinks is the "right" answer and in so doing, distorts his or her results (also called "gaming"). This is particularly problematic in employment and other contexts where important decisions are being made and there is an incentive to present oneself in a favorable manner (also called "social desirability").

The "forced-choice" format (i.e. ranking rather than rating) requires respondents to choose between alternatives of equally positive value and guards against this problem better rather than rating formats (i.e. simply rating how much like you a particular statement is, in your opinion). Also, you should look for a test that contains all positive statements rather than negative ones which are easy to decipher, and thus fake. Both the Harrison Assessment and the OPQ utilize forced-ranking scales, for example.

Time to complete and degree of irritation

Because assessments are online now, it has made the testing process significantly faster and easier, as reports can be run immediately upon completion. However, there is still some amount of reluctance on the part of candidates and employees about taking assessments. Some people are nervous about how the results will be used, particularly against them in tough times, for example. For this reason it is critical to ensure confidentiality that is also realistic. For example, if using an assessment with current employees, you may want to guarantee that the person taking the assessment has the right to see their own results and that the report will not become part of their permanent personnel file, and will not be shared beyond a certain, core group.

The length of the assessment is also of concern. If an assessment is too short, it probably isn't able to accomplish much. If it is too long, rater fatigue and disinterest sets in and the results may be disappointing. Probably a realistic expectation and attention-span today is around 20-30 minutes. Any longer and irritation may start to affect the results. For example, the OPQ takes 30-40 minutes to complete; Prevue takes about an hour to complete with the cognitive modules; the Birkman takes between 30-45 minutes; the Harrison Assessment average time to complete is 25 minutes.

Security and Disclosure

Assessment data is highly sensitive. Years ago, it was easier to protect this kind of data as we used paper reports and locked file cabinets. Now with soft copies and data in the cloud and on our computers, we have to continually re-think security around assessment data. The same concepts apply, however. If we ask employees and candidates to reveal themselves through assessments we are asking for quite personal and sensitive information and we must be prepared to treat that information with the utmost respect by disclosing how it will be protected, who will have access to it, and then follow-through on our promises and guarantees.

Another important decision employers are faced with when they use assessments is whether to share resultant data with the person who took the assessment. As a general rule, employers tend to share data (i.e. reports) with *employees*, but not with *candidates* because of EEO concerns. That is, a candidate armed with an assessment report who is not selected for the job has another tool at their disposal if they decide to challenge the hiring decision later. Labor attorneys advise HR departments against sharing results because of the potential risk of results being used against the Company later in discrimination lawsuits

Some employers share results verbally with candidates and give feedback that is helpful to the candidate's growth and future job search efforts as a courtesy. Others may decide to share a short, non-quantitative version of a report with key findings that is less detailed than other reports that are seen only by the employer and HR. Whatever your policy is going to be, you should think it through in advance and stick to it. You can also ask the test publisher what they recommend as part of your due diligence work.

(For more detailed information about what candidates can reasonably expect when asked to take an assessment, take a look at: "A Pre-employment Assessment: Candidates Bill of Rights," by Dr. Charles Handler at ERE.net)

Finding out about cost

The cost of assessments varies from free (and usually of limited value) to quite expensive. The cost of the Psychological Type Indicator (PTI) is $15. The cost of DISC and Myers-Briggs is $50. per person, for example. StrengthsFinder runs about $89. Prevue (also called TotalView) runs about $135. per person. The Harrison runs about $150 for a full set of reports. Caliper costs about $245. The Challey is in the $300+ range.

It may be quite difficult to find the price of most assessments through internet search. You may have to contact the publisher or local distributor to get information on cost, and then that information is likely to be based on volume (the more, the cheaper), level (management positions will be more costly than non-exempt positions in many cases), and other factors. Some allow for "one-off" assessment (i.e. one person at a time), but many will require an initial, substantial purchase to get going.

Be wary of huge up-front costs, as well; it should not be too difficult or expensive to get started using an assessment. You have every right to an evaluation period that you invest in and should be able to change direction if you are not getting the success you were looking for, or were promised, for that matter. Don't be afraid to walk-away from an assessment that is under-performing for you. Set some goals for what you expect (i.e. turnover reduction, improved service levels, etc.) and stick to them – re-evaluate periodically.

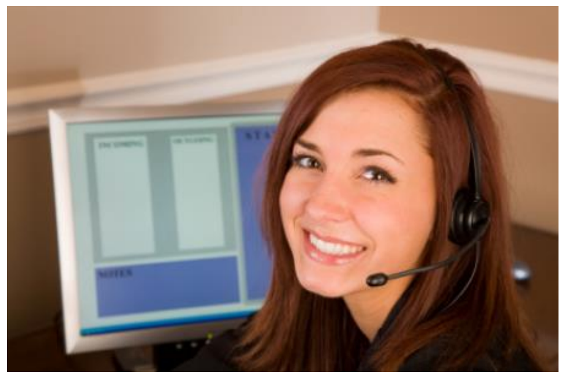
Administration

Some assessments are administered in-house and some are not. Consider this factor in your decision – do you want to be able to control and run the assessment process in your own organization, typically in HR, OR are you happy to have the vendor send out links, track completion, run reports, etc.? Smaller companies often have a very limited HR function, so they may opt for administration outside the company on an "as-needed" basis. Larger companies tend to want to have the flexibility and time-sensitive option to run their own show. Either can work, but consider what works best for you. You may want to start with external administration and then move to in-house administration later. In this case, you may be able to delay certification (and the cost of this) until later, when you bring control of the assessment in-house. This gives you the chance to try it out for awhile before "tying the knot" and getting too involved only to find out later that you are not thrilled with the results you are getting from your assessment investment.

Assessment Support

The vendor or consultant who sells you the assessment should stand ready to provide on-going support as you need it. Usually this means a great deal of support at the outset which lessens over time as you gain more experience using the tool. Be sure to find out the level of support that is available to you and any cost associated with this. Many assessment companies provide unlimited support free of charge for the life of the product, but some do not; that is, they may provide a limited amount of free support but charge a flat rate, or “maintenance” fee for additional help and support, or an hourly rate.

You may want to ask for references, as well, from other users of the assessment and then ask those users about the level of their satisfaction with support. Ask about turn-around time, responsiveness, site stability (i.e. how often is the system down for repair, etc.), and customer service. If you are using a consultant who is a “one-man band” you may get wonderful service from that one person, but be unable to reach anyone else on those occasions when the consultant is away or busy. Ask about back-up support plans when this occurs.



Free Demo

Ask for a free demo of any assessment before you commit to buying it. The publisher or distributor should be able to offer you this courtesy and walk you through your results, allowing you to ask questions and for clarification purposes. You may want to consider running a pilot with a team in your organization to “test the test” before you commit to a larger purchase. It never hurts to ask for a discount for running a pilot – the distributor or publisher will be motivated to make the sale and should be flexible in allowing you to be certain that this is the right assessment for your organization. You may also want to request names and numbers from other users/clients you can call and ask about their own experience using the assessment. Ask for references from your own industry, if you can.

Certification and Resident Experts

The more sophisticated and higher-end assessments (e.g. Hogan, MBTI, Birkman, Harrison) require user certification (i.e. training) in order to use these tools. Typically, certification requires is two or more full-days to complete and will teach you the basics of how to use the system, including interpretation. There may be more advanced courses to be completed later once you use the system for awhile. Generally there is a cost for certification, which varies, but is probably in the range of about $2,000 per person. If the trainer comes to you and does the certification in-house at your facility you should be able to get a better deal on certification for multiple users – ask about a flat fee for this and consider that you are providing the facilities so should get a discount on the price.

Even if you are using a third-party to administer the assessment, it can be a good idea to have at least one person within the organization, typically in HR, who becomes the "resident expert" and contact person for assessment questions. It can be very useful to have an in-house expert help solve day-to-day problems and answer questions. You may want to pick this person just after the certification training is over – there is usually at least one person who catches on more quickly, has more interest, or naturally gravitates to embracing the assessment more than others. This can offer job enrichment for that person as well as be advantageous for the organization to have someone on staff who is a step ahead and can add tremendous value.

Integration with other HR Programs

Most organizations have a variety of HR processes, systems and practices working for them at any given time. For example, you may have PeopleSoft as your enterprise-wide tracking system, Success Factors as your performance management tool, and a separate applicant tracking system (ATS). Now you are ready to use an assessment and you want to know how these pieces will fit together and if they complement or clash each other in any way. Talk this out with your supplier and look carefully at the touch-points. For example, you may want assessment results to tie-in to the ATS you are using. Or, you may use Lominger or DDI for interviewing and the assessment you are looking at bringing in includes an interviewing system that overlaps or supplants the one you are already using. What to do? You may need to modify or even drop an existing program to take advantage of the full-range of what your new assessment can deliver, or not. There are cost implications that can complicate these decisions, as well.

Periodic re-evaluation

In some ways, bringing in a new assessment to help with talent management is an act of faith. You don't really know how much or how little it will affect your workforce and organizational success at the outset. You may be ecstatic at your success after the first year, or mildly disappointed. Set some goals up-front for how and when you will do a comprehensive review. For example, at the six-month mark, or the one-year mark you may want to evaluate how the assessment has been working or even run return-on-investment metrics that calculate expenditure on the assessment against gains, which can include turnover statistics, number of involuntary terminations, managerial satisfaction with the assessment results, speed of hire, etc. Let the results determine whether you will continue to use the assessment or go out and look again at the marketplace.

Meeting mutual needs and expectations

Using an assessment can be like shopping for a new car. There is a lot of choice and many are shiny, bright and attractive, but you really need to be practical about what fits your own unique needs best. Also, we are talking about evaluating *people* here. There are many different kinds of people and all are valuable; determining how valuable is dependent upon what is needed in a particular environment at a particular time for a particular outcome.

An effective assessment should help answer the question that the employer and the candidate both want an answer to:

To what extent can you meet my expectations?

The candidate wants certain things – it may be challenging work, flexibility, high salary, a chance to work with nice people, mentoring -- the list goes on. The employer also wants certain things – a smart, self-motivated, skilled employee who will stay with the organization at least X number of years, is dependable, trustworthy, etc.

A good assessment should help clarify for the employer exactly what they need and want for a specific position; the same good assessment will find out what the candidate enjoys and is good at and then and only then can the potential match be determined. The goal is for both parties to be happy and satisfied with the match – they both get what they want and a long-term relationship that is both profitable and meaningful will ensue.

About the Author of this White Paper:

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