SPOTTING DIAMONDS IN THE ROUGH

Mining for top performers with psychological assessments

Everything you ever wanted to know about testing ... and were afraid to ask!
At a glance

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About PsychTests AIM Inc.

PsychTests AIM Inc. originally appeared on the internet scene in 1996. Since its inception, it has become a pre-eminent provider of psychological assessment products and services to human resource personnel, therapists, academics, researchers and a host of other professionals around the world. PsychTests AIM Inc. staff is comprised of a dedicated team of psychologists, test developers, researchers, statisticians, writers, and artificial intelligence experts (see ARCHProfile.com). The company’s research division, Plumeus Inc., is supported in part by Research and Development Tax Credit awarded by Industry Canada.
Foreword

What do you think is the most dreaded managerial task?

Hiring and firing win this unpopularity contest, hands down. And for a good reason.

Firing someone is dreaded for obvious reasons. Financially speaking, the costs of a bad hire are surprisingly high, ranging from $3,000 for entry level positions to hundreds of thousands for top level positions. While there are people who enjoy firing as a little power trip, most managers consider dismissals to be a necessary evil at best. In fact, most managers find the process stressful, emotionally taxing, and downright unpleasant.

In addition to the discomfort experienced by the manager and the unfortunate employee who gets their walking papers, the situation impacts the morale of the entire team, disrupts projects, and affects productivity. It is hard to dissipate the distinct smell of failure...the employee's inability to perform up to par, the inability of the management team to support and develop the person, and the failure to hire the right person for the job to begin with.

Truth is, it is nearly impossible to completely avoid bad hires. And there is a silver lining when you have a certain level of turnover, in that you have the opportunity to introduce “new blood” with fresh ideas and perspectives. However, if your turnover rate gets out of control and your organization feels like a revolving door, you have a problem that needs to be addressed immediately.

Now why would people hate hiring? It should be an interesting experience right? Well, yes and no. It can be energizing to welcome a new team member. It also creates a lot of pressure on the hiring manager. After all, they have to sift through hundreds of résumés that look similar, meet with complete strangers for a couple of hours at best, and based on such limited information, they have to pick the person with whom they will work for years to come. And just to add another wild card to an already wild guess, most candidates are on their best behavior, and very few fully display who they really are.

The potential for making a mistake when selecting candidates is substantial, even for hiring managers with lots of experience. And guess who gets blamed when things don’t work out?

If you are responsible for hiring or employee/leadership development, psychological assessments can make the process much easier for you. In fact, they can become your ally and one of the best sources of information and insight, not only for hiring decisions, but also for training, development, and succession planning. Read on to learn about all the potential uses of testing in managing, motivating, mentoring and nurturing talent in your organization.

Psychtests to the rescue!
Ask for a free test drive.
Recognizing talent during the screening process

The process of hiring has become a lot like our morning routine: predictable, boring, and uninspiring. You likely have a specific, step-by-step structure that you follow:

- Advertise the job position and the necessary requisites
- Review tons of résumés
- Pick the strongest candidates based on their self-reported skills
- Interview them
- Check their references

It’s certainly a good foundation to work from. You need to have a structured approach to interviewing – each candidate needs to be treated in the same way. Let’s face it though: it’s become rather tedious and doesn’t always help you find the best person for the job.

Sometimes, you’ll shake up the routine a little to make it more exciting. You create new and strange interview questions, like “Which animal would you be if you were president of Mars?” Or you provide a candidate with a sample of the work they’ll be doing (good idea), and watch them figure it out. Maybe this time, instead of calling references in alphabetical order according to the candidates’ name, you’ll do it chronologically by date of birth. Exciting.

The problem is that there are several pitfalls to standard screening procedures.

There is something that is much more scarce, something rarer than ability. It is the ability to recognize ability.

Robert Half
**But they’re all so perfect! - Screening Pitfalls**

Most hiring managers look at résumés with an objective eye – and a healthy level of skepticism. Before we go any further, let us just say that many candidates present genuine information during the hiring process. However, according to recent surveys, more than 40% of résumés contain inaccuracies in dates of employment, titles or degrees earned.


A survey of hiring managers found that 70% of them experienced a situation where the candidate significantly distorted data presented on the résumé or during the interview. Extracting the right information from a résumé and reading between the lines is not an easy feat. Here are a few reasons why:

- **Cookie-cutter résumés**: Paying a professional to build an incredible and perfectly structured résumé is quite common nowadays. That’s why you get that déjà vu feeling - you’ve read or seen the same résumé structure and tone a hundred times before.

- **Omissions**: People conveniently omit pertinent information that they are not keen on disclosing, like how long it really took them to get that Bachelor’s degree, or hiding jobs from which they were fired behind gaps in employment history.

- **The amazing, fantastical, stupendous spinning or embellishing some candidates do to their skills or achievements**: This can include...

  - Exaggerating GPA
  - Adding awards won, or big-name projects for which they take substantial credit, while in reality, their role was rather minor
  - Extending employment dates to hide job hopping or being fired
  - Exaggerating skill or language proficiency
  - Adding/Exaggerating duties or responsibilities of previous positions
  - Listing fake companies they worked at
  - Rehearsed responses to common interview questions (e.g. “My biggest fault? I’m a perfectionist/workaholic.”)
You might think at this point that you can easily catch the “spinners” with reference checks, but references aren’t as reliable as they might seem, either. There are many tricks in the job-seeker’s toolbox, including:

- Choosing only the people who will give them a good reference
- Creating fake references
- Providing references that cannot be contacted and checked
- In addition, some references will only provide confirmation of employment, either as part of company policy and/or fear of being sued.

Now this is not to say that every candidate is a cheater or that everybody who applies for a job has a closet full of dark secrets. Nor do we want to suggest that you approach the recruiting process with à priori distrust. However, you need tools to spot the confabulators, and psychological assessments can deliver on that.

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### Facts

- 40% of résumés contain lies or inaccuracies
- 60% of applicants believe that they won’t suffer the consequences of lying.
- 7% of job applicants have a criminal record

*Source: [www.gradschoolhub.com](http://www.gradschoolhub.com)*
Fool me twice...shame on me
Hiring mistakes you make, even though you may not realize it

As interviewers, we want to be fair and objective. We do our best to put aside any assumptions, stereotypes, and prejudices. But we are human. We have a soft spot for specific things... hobbies we enjoy, schools we attended, cities we grew up in. We can be charmed by a charismatic job candidate, or annoyed by someone whose interviewing skills are unpolished. We jump to conclusions, without even realizing it.

Here are a few common issues that interviewers face:

- Similarity or dissimilarity bias
  - Giving a higher priority to candidates with whom you have something in common (same university, same hobbies, etc.) or who has the same personality as you
  - Ignoring blatant negative qualities or lack of skill because you like the person
  - Focusing on a personality trait that you don’t like in people, even though it’s not relevant to the job, and discounting a candidate as a result (person is too opinionated, highly extroverted or highly introverted)

- First impressions
  - Not acknowledging that 50% of first impressions are based on appearance!
  - Generalizing a strength or weakness in one area to others (e.g. You get so excited by a candidate's amazing technical skill, that you assume he also has the soft skill to lead people. Or, a candidate mentions that she focuses best when work on her own, and you assume she won’t be a team player.).
  - Automatically faulting or entirely dismissing candidates who don’t do well during the interview. You may not realize that the person is...
    - Nervous
    - Inexperienced with the interview process
    - At a disadvantage when thinking of responses on-the-spot, but skilled at planning or coming up with ideas when given time to contemplate
Ignoring cultural issues/biases:

- People in some cultures are raised to be humble, and won't flaunt or talk about their accomplishments.
- Others may have no problem flaunting all the amazing things they've done!
- If English is not a person's first language, they may misunderstand some questions, or common English idioms.

Primacy and recency effects: This refers to the tendency to remember more details about the first and last candidate interviewed.

Problematic interviewing techniques

- Not digging deeper by asking follow-up questions (“Are you detail-oriented?” Follow up: “Yes? Can you describe a project where your meticulousness came in handy?”)
- Not asking situational questions (“Imagine that you have an upset client on the phone who is unhappy with your product/service. Describe how you would handle this call.”)
- Allowing first impressions to impact the type of questions you ask (Since the candidate seems self-assured, you ask: “Have you ever had difficulty with a client or colleague because you came on too strong or in an opinionated manner?”)
- Screening out people who have the right personality but don't exactly meet skill requirements; if they have the right aptitude, they can be trained.
- Failing to read between the lines – missing gaps in employment history, not probing for details of the nature of their work or not watching out for potential "spinning".)
John Twoface graduated from one of the top universities in the country, and produced shining letters of reference from several professors and previous managers. He looks like someone who will go places. You discover, six months into the job, that he’s fiercely competitive with his colleagues. He steals other people’s ideas, but then makes them better. He gets the job done, but his ways are not exactly kosher. Something tells you that he used to be a shark in a previous life. He does have nice teeth though.

Some people who look good on paper and who should be a success will end up leaving you unpleasantly surprised. That’s why adding additional tools to your recruitment process is essential. As we learned above, résumés and references alone are not going to cut it anymore. And here’s the toughest thing to hear: If your recruitment process is lacking, chances are that there will be consequences – and costly ones at that.

As a business owner or manager, you know that hiring the wrong person is the most costly mistake you can make.

Brian Tracy
You can’t put a price on mistakes. Oh wait...you can! - Consequences of bad hires

Here’s what it turnover costs, based on job positions:

<table>
<thead>
<tr>
<th>JOB TYPE/ CATEGORY</th>
<th>TURNOVER COST as a % of annual salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Level – Hourly, Non Skilled (e.g. Fast Food Worker)</td>
<td>30 – 50%</td>
</tr>
<tr>
<td>Service/ Production Workers – Hourly (e.g. Courier)</td>
<td>40 – 70%</td>
</tr>
<tr>
<td>Skilled Hourly (e.g. Machinist)</td>
<td>75 – 100%</td>
</tr>
<tr>
<td>Clerical/ Administrative (e.g. Scheduler)</td>
<td>50 - 80%</td>
</tr>
<tr>
<td>Professional (e.g. Sales Representative, Nurse, Accountant)</td>
<td>75 – 125%</td>
</tr>
<tr>
<td>Technical (e.g. Computer Technician)</td>
<td>100 – 150%</td>
</tr>
<tr>
<td>Engineers (e.g. Chemical Engineer)</td>
<td>200 – 300%</td>
</tr>
<tr>
<td>Specialists (e.g. Computer Software Designer)</td>
<td>200 – 400%</td>
</tr>
<tr>
<td>Supervisors / Team Leaders (e.g. Section Supervisor)</td>
<td>100 – 150%</td>
</tr>
<tr>
<td>Middle Managers (e.g. Department Managers)</td>
<td>125 – 200%</td>
</tr>
</tbody>
</table>

NOTE:

- Percents are rounded to reflect the general range of costs from studies
- Costs are fully loaded to include all of the costs of replacing an employee and bringing him/her to the level of productivity and efficiency of the former employee.
- The turnover included in studies is usually unexpected and unwanted. The following costs categories are usually included:
  - Exit cost of previous employee
  - Recruiting cost
  - Employee cost
  - Orientation cost
  - Training cost
  - Wages and salaries while training
- Turnover costs are usually calculated when excessive turnover is an issue and turnover costs are high. The actual costs of turnover for a specific job in an organization may vary considerably. The above ranges are intended to reflect what has been generally reported in the literature when turnover costs are analyzed.

Sources of Data:

- Industry and trade magazines have reported the cost of turnover for a specific job within an industry.
- The Saratoga Institute
- Independent studies have been conducted by various organizations and compiled by the Jack Phillips Center for Research. The Jack Phillips Center for Research is a Division of Franklin Covey.
Consequences of bad hires on the individual level

It is likely that almost everyone has had at least one job they hated, or that wasn’t a good fit for them. You know… that job that made it hard to wake up in the morning, that left you feeling crabby, sad, and both emotionally and physically exhausted. That job where you always felt that you were one step away from a nervous breakdown or total burnout. The fact is this: If an employee doesn’t feel right in a position, something is going to go wrong eventually. Even if, on the outside, they continue to put in 100% effort, it comes at an emotional, psychological, and physical cost. And whatever affects an employee in a negative manner will invariably impact the company in turn.

Financial costs aside, if a person is not a right fit for the job, he or she is more likely to experience:

› Low motivation
› Low job satisfaction
› Significant stress
› Low engagement
› Indifference
› Lack of initiative
› Negativity

Which frequently results in:

› Low productivity
› Poor work ethic
› Mistakes and errors
› Absenteeism
› Presenteeism (showing up for work but not focusing due to stress or distractions)
› Cyber loafing (online surfing for personal interests) and social loafing (slacking off when working in a team)
› Quitting
**Consequences on the company level**

If you look at the consequences of bad hiring decisions as a line of dominoes, imagine the impact on the individual as the first domino that sets things into motion. The impact on the company is that one domino that causes a massive cascade. Essentially, the ripple effect of hiring mistakes is far-reaching, and results in a deluge of problems that will impact the entire company in a variety of ways.

Sometimes, when an unpopular employee is let go, managers get the “What took you so long?” reaction from the remaining team members; the departure can actually be energizing and liberating for those who stay. However, most of the time, people getting fired has negative impact on the team’s morale. Dismissals of our coworkers remind us that our own jobs are not as secure as we like to think, resulting in stress, anxiety, defiance and sometimes depression. Even if this happens only to some of the team members, it sours the atmosphere for everybody. The quality of work suffers, creativity gets stifled, and people become mistrustful and prone to rumor mongering.

Most companies can survive the occasional bad hire, but when hiring is done by trial and error, you get a cumulative effect, and good employees will start leaving on their own. Not only does this cost a lot of money, it also has an effect on the rest of the team. Now the dominoes are cascading in a vicious circle – you start rebuilding from that first tile, but the new waves keep knocking them down.

So what happens when you get the hiring process right? What happens when you combine all the necessary tools for hiring the right person the first time around?

- Employees you hire are motivated and enjoy their work, which in turn creates a positive work atmosphere
- They are more satisfied with their job
- They are more engaged – they actively participate in meetings, take initiative to introduce ideas for projects, and look for ways to improve and be more productive
- Employees are more self-aware; they are more aware of their strengths and how to use them to their advantage, and how they can compensate for their limitations.

And as a result, company profits surge!
In order to build anything, you need a strong foundation, and the hiring process needs to start on the right basis. The first step is to clearly define the position you’re hiring for and the type of candidate you need, in terms of skills, personality, and attitude. Essentially, you need a pattern, based on which you will fit the potential candidate.

“The secret of my success is that we have gone to exceptional lengths to hire the best people in the world.”

Steve Jobs
Task and Job Analysis

The first step is to clearly define the position you want to fill. The question you want to begin with is, “What type of duties does someone in this position need to complete?” Here’s what you can do to figure this out:

- Shadow the employee who currently occupies the position, and outline his/her routine tasks, semi-routine tasks, and occasional tasks.
- Have the current employee write up a list of tasks they are responsible for, along with their frequency and difficulty, and the expertise level required to complete them. If there are multiple people occupying similar positions, it is preferable to ask them to do the same.
- Hit the web. The internet is an excellent source of information and inspiration. Check job boards and job postings for positions with the same or similar titles. Go to the o*Net website to review what similar positions typically entail: http://www.onetonline.org/
- Ask the direct manager of the person currently in the position to review the documents, identify core tasks, flag those that could be reassigned and add those that the new employee could potentially take on.

In determining the right people, the good-to-great companies placed greater weight on character attributes.

Jim Collins
The second step is to create a job profile that covers four key aspects, widely known as KSAOs: Knowledge, Skills, Aptitudes and Other (personality, attitude, and behaviors), based on the information you gather in the first step. If possible, create benchmarks based on the skills and traits of your current employees, and compare them to potential candidates.

- Determine which traits and skills are key to this position. What made the current employee a success? Which tasks did he/she complete well, and what will the next person need to be just as effective?

- Determine what the current employee is lacking, and find traits/skills that will fill this gap. What are the most common issues that came up in performance evaluations? What did this person have the most trouble accomplishing?

- Complete a job analysis, which is a systematic examination of the tasks and KSAOs required for the position. Ideally, such analysis would gather information from multiple raters who are familiar with the position.

The third step in the task and job analysis process is to assess potential candidates. The goal here is to:

- Screen out candidates with the wrong attitude or a poor work ethic

- Narrow down the candidate pool to those who have a good personality fit for the position and who are likely to be a good fit for the organization’s culture

- Find the best candidates for the position

And remember, skills can always be trained, and knowledge can be acquired!

At this point, you might be saying to yourself, “My hiring and onboarding process is already structured in this manner - but I’m still having problems finding and keeping the right people. What gives?”

Unfortunately, the hiring process we outlined above, as sound as it is, may not offer you all the information you need about a candidate. A lot of people look good on paper and interview well, but they only seem like a good fit for the position and the company. Finding a diamond in the rough is like putting together a puzzle: if you’re missing a piece, you won’t get the whole picture. This is where personality and job fit assessments can help.
Tests we took in school were designed to assess knowledge learned and retained, and to some degree, analytical reasoning. However, there are many other things that assessments can reveal. Tests can uncover what drives, motivates, and even ticks off a person. They can reveal an individual’s values, ambitions, and underlying concerns. They can help you understand a person’s state of mind and how he or she interacts with the world and the people in it. When you are able to ask people the right questions, you can receive amazing insight into their thoughts, feelings, attitude, and behavior – insight that standard hiring procedures, like interview questions and reference-checking, are not able to access easily.

In this chapter, you will find examples of the variety of tests that are available.
Skills and Knowledge Assessments

Technical Competency: Technical competency assessments are designed to evaluate a person’s skill level or degree of understanding in a specific area. Proficiency is determined through self-report or interactive, ability-based questions. With these types of assessment, you can evaluate:

- Theoretical knowledge: Sales techniques, negotiation strategies, driving rules and regulations, etc.
- Practical skills: Problem-solving skills, decision-making skills, time management, etc.
- Level of expertise or experience: Experience in a leadership or managerial position, proficiency in programming languages, etc.

Psychological Competency: Psychological competency assessments evaluate skills and abilities that are essential to social and professional success. Many of these competencies fall into a category called “transferable skills”. Level of proficiency is determined through self-report, ability, and scenario-based questions. With these types of assessment, you can evaluate:

- Emotional intelligence
- Leadership skills
- Management skills
- Coping skills
- Communication skills
- Soft skills
- Assertiveness
Psychological Assessments

Personality and Attitude Assessments: These types of tests delve into the core of who a person is. A personality profile is like a fingerprint: it doesn’t just define who we are – it is who we are. Unlike tests that assess knowledge, there is no right or wrong when it comes to personality. As such, in order for an employee to thrive, his or her personality needs to be a good match to the position and the work environment. Moreover, while certain traits may be considered a disadvantage in some jobs (e.g. stubbornness), they could be an asset in others. Personality and attitude assessments come in two basic forms:

- Objective tests: These types of assessments are characterized by a straightforward form of questioning known as forced choice questions. These may include true/false answers, Likert scale (e.g. from strongly agree to strongly disagree), multiple choice, selection of images or another predetermined set of possible answers to the question. Responses to the test items are scored according to a highly standardized system, often using computers to generate the results and reports.

- Projective tests: The goal of this form of testing is to uncover unconscious influences (fears, trauma, emotions), and was often used in psychoanalytic therapy. Projective tests are interpreted by a psychologist or psychiatrist specifically trained in administration of a particular test. While scoring guidelines typically exist for projective tests, the interpretation is still rather subjective. Examples include the Rorschach Inkblot Test, or word association exercises. Projective tests have generally fallen out of use, and are banned from use for HR purposes in most countries.

Aptitude, IQ, and Achievement Assessments: These types of assessments evaluate specific competencies, or skills that are requisites for success in a specialized area of expertise, such as spatial intelligence or sales aptitude. Examples include:

- Mechanical reasoning
- Analytical reasoning
- Verbal reasoning skills
- Negotiation skills
- Sales aptitudes
- General or crystallized intelligence
Multi-rater assessments and 360 feedback

360 feedback systems have surged in popularity and use - and for good reason. They offer invaluable, insightful, and sometimes eye-opening information on the performance of both employees and managers; information that can help develop a person’s potential beyond the limits of standard, one-on-one feedback approaches.

The essence of 360 systems is an evaluation of one person (the participant) by several people who regularly interact with him/her.

360 systems should include both a self-evaluation by the participant and feedback from raters, which can include peers, direct reports, clients, managers or custom categories.

Besides performance evaluations, multi-rater systems are often used for leadership development or as an alternative to self-reported assessment of personality.

Results of such evaluations are quite revealing and very informative for the participant. It gives them an idea of how others see them, and because the results are aggregated from a number of sources (raters in different categories), the revelations are often quite powerful and persuasive.

360 feedback can identify areas which the participants needs to work on, issues that they may be unaware of (living in blissful ignorance, really), and delivers the initial kick that springs them into action.
Now that you have different tests at your disposal, when is the best time to use them? Well, there is no single answer to this question. The benefit of assessments lies in their versatility. Aside from pre-hire screening, they can be used for multiple purposes, and all to the benefit of your employees and the company as a whole. Let’s start with the most well-known use of assessments: Candidate screening.

If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don’t have to manage them.

Jack Welch
Finding the right piece for your company puzzle

Using pre-employment assessments

The optimal time to use an assessment is *before* an interview. This allows you to immediately identify and filter out candidates who are not the right fit, both in terms of skills and personality. The goal is to narrow down your candidate pool to those who meet your minimum requirements.

Next, assess candidates who make the “first cut” for job fit. This is where you take a critical look at each person’s test results, and compare them with the criteria for the position.

Having industry or custom benchmarks can make this process quicker and more reliable. The goal is to narrow down your candidate pool to those with the strongest and best potential.

Armed with each person’s test results, it’s time to interview your top, most promising candidates. This is the point where you want to probe deeper to validate a candidate’s test results (is this person really as patient, assertive, motivated as he/she claims to be?).

The goal is to evaluate trade-offs and determine whether a person fits into the company’s environment. For instance, a candidate has the right attitude and personality for the position but lacks a particular skill. Could his other strengths compensate? Can he learn the skill? Would it be worth the time, effort, and resources to train this person?

More often than not, the answer is a resounding YES!
Hitting the ground running – Using assessment results during onboarding process

Even if you have now hired the perfect job candidate, it isn’t just a matter of plopping her into the work environment and leaving her to her own devices. There is a sort of honeymoon phase right after one starts in a new role. The new hire is all psyched about the job and the company, eager to prove herself and to fit in. If you let a new hire free-float for a few weeks, this enthusiasm is sure to dissipate.

With assessments, you can help an employee adjust more quickly to their new position. Here’s how:

> Focus on-the-job training and coaching on areas identified on the assessment as needing development. You can then tailor their job functions to their strengths and preferences.

> Adapt your managerial approach to bring out the best in the new employee. Knowing a person’s quirks enables you and your managers to adjust your style and approach in dealing with the new hire. For example, some people prefer structure and direction; others prefer more autonomy. Some people thrive on feedback and praise, others prefer more tangible motivators. Learning about an employee’s personality can go a long way to increasing job satisfaction and productivity.

> Facilitate integration into the existing team. In ideal team situations, each member fulfills a specific role. With a clear understanding of what a person brings to the table, you can facilitate a new hire’s integration into your existing team.

> Prevent future performance issues by addressing potential problems before they start. Will that extrovert you hired socialize too much? Will that conscientious worker be too inhibited to take risks? With insight gained from a test report, you can learn ahead of time about potential conflicts between your work environment and a new hire’s personality. This allows you to address issues proactively. So if you’ve got a talker on your hands, for example, you can explain the company policy with respect to breaks and ensure ample social contact by assigning projects that require teamwork.
Finders Keepers – Using assessment results for talent retention

After hiring and onboarding, you can use assessments as a learning and personal development tool, both for new hires and experienced employees. After all, finding a diamond in the rough is only a successful endeavor if you are able to keep this person in the company for the long-term. With assessments, you can continue to:

- Identify training needs, both individual and group. For example, do your customer service reps or salespeople need some refresher soft skills training? Does your management team need to improve their emotional intelligence?

- Offer tailored learning opportunities to those who are interested, like leadership, assertiveness or negotiation skills training – and at the same time, uncover budding leaders and those who are ready for a promotion and more responsibility.

- Optimize motivation by understanding what inspires individual employees and manage them accordingly. This allows you to keep your team challenged, engaged, and helps them grow professionally.

- Take proactive action to prevent problems, like escalating stress levels in your staff, and other company-wide trends. Assessments can indicate an alarming trend, which in turn allows your organization to implement preventive measures before the issue gets out of hand.
What assessments CAN do

Assessments can offer valuable and insightful information, but like all hiring tools, they have their advantages and limitations. This is why the recruitment process needs to incorporate a multi-faceted approach. Just like you wouldn’t buy a car based solely on one factor (e.g. fuel efficiency), you can’t hire someone based on the information you obtain from one part of the hiring process.

Hire character. Train skill.
Peter Schutz
What assessments CAN do for you

A good psychological assessment can help you to:

- Cut costs and save time by increasing the size and quality of your candidate pool. You can assess a large number of people during the pre-screening process, all at the same time, without investing much additional time.
- Narrow down the candidate pool and enable you to focus on candidates who are a good fit.
- Assess traits and skills and traits that are relevant to the job.
- Identify a person’s strengths and areas that will need development/training.
- Improve the objectivity of your selection process by painting a more complete picture of a person’s skills and personality, aside from what is offered in résumés or references. Tests also provide an objective, standardized evaluation of an individual that is free of interviewer bias.
- Create benchmarks based on your existing top performers.
- Give a chance to real diamonds in the rough whose potential may not shine through during an interview.

If you’ve hired the right people, they will want to grow.
Jack Welch
CHAPTER 6

What assessments CAN’T do for you

Assessments are not equipped to:

- Replace human judgment. Don’t ignore messages from your gut that something is not quite right with a candidate. Personality, for example, doesn’t change all that much. So if you feel that a person just won’t fit into the company atmosphere, trust your instinct.

- Make hiring decisions for you. Assessments are meant to be a supplemental tool to offer you more information – they should not be taken as the final verdict on whether a person is right for a job.

- Assess all factors that might possibly play a role in an individual’s performance or guarantee a candidate’s future success. Assessments can offer insight into a person’s potential, but there is always the possibility of unexpected factors having an impact on his or success. Some candidates may not be as prepared as they think they are for the reality of the work environment – the work load or stress level, for example, may be higher than expected.

- Guarantee accuracy for everyone. In some circumstances, what is going on in a person’s life could skew his or her results. For example, if a job candidate is going through a particularly stressful period in his personal life, he may rate his ability to cope with pressure lower than under normal circumstances.

- Prevent people from “gaming” the test, or intentionally answering questions in a way that makes them look better. There are ways, however, to minimize cheating and bias, through the use of:

  - Validity scales – This involves asking specific questions that the majority of the population would not agree with or endorse (e.g. I never daydream.).

  - Situational or behavioral questions. For example, rather than simply asking a person whether he or she is patient, test-takers are given a likely scenario where their patience will be tested, and asked how they would react (e.g. You’re having a heated debate with a colleague who insists on doing things her way. She absolutely refuses to hear you out. How would you deal with this situation?)

  - Well-designed questionnaires that avoid leading questions (“Do you understand the importance of teamwork?”), double-barreled questions, unclear or ambiguous questions (“Do you always enjoy working and discussing with your colleagues and your boss, no matter what?”).

  - Proctoring the testing sessions. While it may be less practical than online administration, proctoring ensures that the test-taker cannot get help from others. This is specifically the case with skill-focused assessments.
Judging the Quality of a Test

A test may ask all the right questions and assess all the skills you are looking for, but it also needs to be able to perform well statistically. Any theories, regardless of the field of study, are considered valid only if they can stand up to rigorous analysis. Just like a medication can’t be put on the market until it is proven effective and safe, assessments should not be used as part of the hiring process unless they can be proven statistically solid.

The American Psychological Association (APA) sets the standards for educational and psychological testing. Thus, all tests that are used for hiring purposes need to follow these rules. For a summary of the APA standards, you can go to: http://spb.ca.gov/content/laws/selection_manual_appendixf.pdf

The following is a general overview of what to look for in a test, based on the criteria set by the APA.

Quality is...the result of high intention, sincere effort, intelligent direction and skillful execution.
William A. Foster
Statistics – Reliability and Validity

Although wading through statistical information can be confusing if not intimidating, you don’t need to be familiar with statistics in order to assess the quality of the test. Here is the key information to look for.

▶ The overall “Cronbach’s Alpha” (a statistical measure of reliability or “internal consistency”). This should be at 0.70 or higher. Reliability measures attempt to determine if the test questions correlate or work well together. Keep in mind that scales with a larger number of items tend to have higher alphas, but on the flip side, this comes at the expense of the amount of time it takes to complete the assessment.

▶ The validity of the test (whether it’s measuring what it’s supposed to measure) needs to be determined through a research study, or more often than not, a series of studies. If a study has been done, make sure to investigate the following criteria:

▶ Which population has the test been used on (gender, age, education level, ethnicity, job field)? Does it correspond to your target audience?

▶ The size of the sample used in the study. A rule of thumb for evaluation of basic psychometric properties would be a sample of at least 500 people – and the larger the test (i.e. the more skills and traits being assessed), the larger the study sample should be.

▶ The results of the study and what they reveal about the test. For example:

▶ If the test is job-specific (e.g. for sales reps), people with sales experience should score better than people without experience.

▶ The test should not be biased against a protected group. In US, these groups are defined by the Equal Employment Opportunity Commission (www.eeoc.gov), and include, among others, women, people of different cultural or ethnic backgrounds, and people with a disability. If the difference between a protected group and other groups is 10% or more, the use of the test can be legally challenged.
Important questions to ask the test creators or distributors

- "Are the test questions and test results job-relevant?"
  If this isn’t the case (e.g. they are asking questions about a person’s personal life on a career aptitude test), they need to have a valid reason for doing so.

- "What research and theories were used to create this test?"
  While it’s important to assess skills and traits that are supported in research and relevant to a position (e.g. Conscientiousness has been linked to success in many job positions), keep in mind that in some cases, tests will assess skills or traits that are not supported or have never been used in research before - and are thus added for exploratory purposes. In cases like this, the test creator needs to be able to provide study and statistical support of the reliability and validity of the scale.

- "Has the test been revised at some point? What were the revisions, and when was the last revision"
  Just like car models are upgraded regularly, a test must undergo revisions – especially if preliminary statistical analyses reveal that some questions are not working well. In addition, new scientific research may reveal new theories, and social and economic changes can affect benchmarks, score norms or the context of test questions.

- "How often are statistical analyses run on this test?"
  If significant revisions have been made to a test (new questions, new scales), new data must be collected and analyzed to ensure that the additions have improved the reliability and validity of the test.

- "Is this test suitable for my test population?"
  If you’re assessing managerial potential, for example, determine whether the test will be effective for all managerial levels. If you’re assessing sales potential, determine whether the test will be effective for cold vs. warm selling. Or, if you’re assessing customer service potential, determine whether it’s effective for in-person customer service positions vs. call centers.
Test Structure

Test creators/distributors should be able to provide a sample of the questions, a sample report, and/or a demo that allows you to take a test yourself. The following are some overall tips on what to look for in terms of how the test is built.

General Overview

In order to decide whether a test is right for your company, make sure to investigate the following information:

► Does the test evaluate all the traits and skills that you need to assess in a candidate?

► What is the acceptable amount of time to complete the test? Realistically, a personality, aptitude, or IQ test should not be less than 10 minutes. Typically, tests can be shorter if they focus on a particular aspect of personality. However, short personality tests that try to assess the overall psychological profile tend to be on the “rough estimate” side – they assess a few key factors and make a lot of extrapolations, or educated guesses based on traits that are typically correlated. This results in compromised precision. Longer tests tend to be more precise because they assess personality in deeper detail, so instead of extrapolations, the scores are based on actual questions. On the flip side, a 3-hour test is impractical. Therefore, when selecting a test, one needs to consider the time constraints and balance them out with desired precision.

► Are industry benchmarks available, and do you have the ability to create custom benchmarks based on your own pool of employees?

► Does the test offer interview questions that are tailored to a candidate’s test results?
Test Questions
Make sure that the questions on the test are:

- Relevant to what the test is supposed to be assessing (e.g. a career-related test should not be asking about a person's personal or romantic life),
- Clear and easy to read, and appropriate in terms of reading level required,
- A mix of direct (e.g. I am punctual) and indirect questions (scenarios, ability-based questions). Otherwise, test-takers may be pointed to the “right” answer.

It’s also important for a test to include measures that assess “faking good,” like Impression Management or Social Desirability scales. This is especially true in cases where the stakes are high, as in career aptitude tests. A candidate who really wants a job may tend to answer questions in a way that will make that job offer more likely.

Test Report
Verify whether the test report offers sufficient information for you to make a clear decision about a candidate’s potential. Ideally, test reports should include the following information:

- Clear, easy-to-understand graphs with the test-taker’s scores
- Definitions of each trait and skill assessed
- Clear interpretation of a person’s score written in layman terms – this is important if you are not trained in interpreting psychological assessments and if you don’t have a psychologist interpreting the results. What does a high score indicate? What does a low score indicate? How does this impact a person’s performance and potential for success?
- Ability to compare test-takers with industry or custom benchmarks
- Clear indications of areas that need improvement
- Tips on how a person can improve
I have test results...now what do I do with them?

**Gap Analysis**

Whether you're assessing a job candidate's potential or want to optimize the performance of your existing staff, the next step (after assigning and reviewing test results) is to conduct a Gap Analysis.

For all kinds of practical reasons (budget, size of the city, narrow specialization, labor shortage), you will probably have to compromise a little when making a hiring decision. If that's the case, we suggest that you evaluate the trade-offs and proceed in the following sequence:

1) **Relax your criteria for skills and knowledge.** It may sound counterintuitive, but the fact is that skills can be upgraded and knowledge can be acquired. If the person has the underlying aptitude and willingness to learn, then you are likely better off hiring them. Someone with a great personality and cultural match but a partial lack of skill is often better than a person who has all the skills but is difficult to work with.
2) Relax your criteria for personality traits and attitudes. Gaps between the genuine personality of the employee and the personality traits that it takes to perform well on the job will require adaptation of his/her natural style. The bigger the gap, the bigger the act the person has to put on to perform the role. Since “acting” requires effort, this adaptive behavior may become exhausting over time, which could have substantial impact on the person’s job satisfaction, energy level, and motivation, resulting in chronic stress and lower performance on the job. For instance, an introvert may have great social skills and the aptitude of a great salesperson, but he is likely to find the constant interaction with clients overwhelming if he has to do it all day long, day after day. So in this example, the skills are there, but there is a major gap between the core personality of the employee and the “personality” of the position. That’s why personality gaps are more difficult to bridge than skill gaps.

3) In both steps above, start with the least important criteria. This is where job analysis comes in handy again – it will enable you to put your criteria in order of importance, based on the level of expertise required to perform particular tasks, its frequency, and the importance.

Of course, if you need someone who can hit the ground running because your business would fall apart otherwise, then skills take priority. Keep in mind, however, that you may end up with only a short-term solution. Therefore, whenever possible, “Hire for attitude, train for skills”, and as the British say, “Mind the gap”.

Essentially this means:

- Evaluate the difference between the employee’s personality and skills vs. the requirements of the position
- Identify significant gaps where training or changes in behavior or personality are required to close the gap
- Determine the steps and actions that are needed to support these required changes
- Determine the resources needed to make these changes
- Implement a training or mentoring program, and evaluate its impact

Source: www.gradschoolhub.com
Managing the Gap

The onus of bridging the gap between job candidate or employee skills falls on both the new hire and management. While the employee needs to be willing to learn and open to training, the company needs to provide the tools that allow him or her to reach his/her full potential. Here's how you can bridge the gap:

- Assign tasks, at least initially, according to an employee's preferences – or let the person volunteer for assignments. This will build confidence, and help ease a person into the dynamics of how company operations are run.

- Team up the employee with colleagues who have complementary skills and personality traits. Assigning a mentor or someone to shadow can provide essential knowledge and experience.

- Adjust managerial style to the employee's personality, not the other way around. Managers need to be able to adjust their approach according to what works for individual employees. For example, some workers dislike being “micromanaged,” while others prefer having their role and duties clearly outlined in detail.

- Adapt how information is communicated (e.g. specs for projects) according to an individual’s learning style or intelligence type. For example, some employees with a logical learning style prefer step-by-step instructions with flow charts and bullets. Creative individuals often prefer to work at their own pace and have their own style of coming up with ideas or completing projects, and thus, would benefit from a less hands-on approach (as long as they clearly understand the goals and constraints of the project).

"The task of the leader is to get his people from where they are to where they have not been."

Henry A. Kissinger
Concluding Points

If you want to reduce turnover and find the right person for a job the first time around, keep these key points in mind:

- Know what you want – What skills, traits, attitude, and values does your ideal employee need to possess?
- Assess candidates using psychological tests to ensure great job fit
- Dig deeper using interview questions based on a person’s test results
- Keep your eyes and ears open during the interview, and do your best to remain objective
- Evaluate trade-offs – Can the lack of a skill or trait be compensated by other strengths? Can training make a difference for an otherwise ideal candidate?

And most importantly...

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