

**Right
Person**

**Right
Job**

*Guess
or
Know*

**The Breakthrough Technologies
of Performance Information**

Second Edition

by Chuck Russell

Introduction

When I was a student at Georgia Tech in 1968, the school pointed with pride to the Univac computer, which occupied a significant amount of floor space in the Computer Sciences building. Majoring in Industrial Management, I dutifully spent hours key-punching the cards to run, rerun, and rerun my rudimentary programs until the great machine ate them with approval and spewed out reams of computer paper hours later . . . if I was lucky. Twenty-four years later, I am writing this book on a super-fast computer with many, many megabytes, high-resolution color, and a CD-ROM drive.

I am embarrassed to admit that for years I denied the need for such technological marvels. I came up with a hundred and one reasons why computers were not necessary, were not as personal, and, in general, lacked a number of essential intangible qualities that I don't seem to remember just now. My unwillingness to embrace progress stemmed from a simple lack of understanding of what was really possible, and how easy it would be to learn the new skills.

Today, the vast majority of business people share a parallel experience when dealing with testing and assessments. Much of their collective experience with testing is from another era (even if the product was purchased last week). Comparative knowledge about psychometric instruments is generally biased if it is provided by a test publisher, and tends to be complex and esoteric when it is provided by

psychologists. Lacking effective knowledge, some well-meaning attorneys and business consultants advise clients to avoid such things altogether. This kind of extremely conservative approach might have kept our prehistoric ancestors from entering the cave with the sabre-toothed tiger in it, but in today's rapidly changing world of business, being too conservative yields an important advantage to your competition.

I have written this book and structured my company to help business people understand the dramatic and far-reaching changes that the new technology of performance information is having on the world today. Questions that have puzzled managers for generations can be answered. Strategic planning of human resources can be done on a scale never before imagined. Within a decade, bad job fits will be obsolete. The management and training of people will attain a focus that will transform almost every concept and philosophy taught today.

This is not a psychological text, although the psychological concepts are sound. This is not a legal text, although the legal concepts are sound. This is a book written for business people: It was written to help you make better decisions, ask better questions, or simply think up new ideas.

Positively,
Chuck Russell

Chapter 1



The Problem with the Way It's Always Been Done

Businesses spend an enormous amount of time, energy, and money in a never-ending effort to train, coach, and motivate marginal employees to a level of merely adequate performance.



The Problem with the Way It's Always Been Done



Someone once observed that the cause of all unhappiness is comparison. In a very real sense, making comparisons is the purpose of this book: In it, we seek to inspire in the reader a constructive discontent with stale ideas and methodology, and then reveal an extraordinarily exciting and somewhat scary landscape of potential opportunities that are now available as a result of 20th-century technological innovation.

Today's engineering students use high-tech, multi-function calculators or even mini-PCs instead of slide rules. Ten-thousand-item inventories are easily managed with computer-based bar coding systems that are more accurate than traditional methods, and often less expensive. Oversized tennis racquets made of space-age composite materials have not only made wooden racquets obsolete, but have changed the very strategies of the game. Overnight delivery services, fax machines, e-mail, and the Internet have transformed the way the world communicates.

These innovations are commonplace today, but they were unimaginable just a few decades ago.



Yet in each case, they only came about because innovative leaders seized the opportunity to establish a sustainable competitive advantage in their field. It was their *constructive discontent* with the way it had always been done that inspired their actions.

There are people who are not performing as expected in every business and every industry around the globe. At some time or another, we have all been in a job that was not right for us. We took those jobs with every intention of succeeding, and the companies that hired us gave our selection careful thought and expected something good to come of it. The tragedy is that such underperformance is accepted as being normal.

Within a few years, “acceptable” underperformance will be looked upon with the same curious amazement that is today reserved for wooden tennis rackets or businesses without Web sites or e-mail. Psychometrics, the science of measuring the abilities and behavior of people, has benefitted immensely from the technological breakthroughs of the 1980s and 1990s; the process of placing the right person in the right job has been completely redefined. We must now re-think every people-related aspect of our organizations.



Managing Systems vs. Managing People

Businesses have two kinds of problems:

SYSTEMS problems

- ▲ Objective information
- ▲ Quantified information
- ▲ A common frame
of reference

PEOPLE problems

- ▲ Observation
- ▲ Opinion
- ▲ Emotion

**Systems problems are easier to solve
because better information is available.**



Businesses have traditionally been much more successful at solving *systems* problems than at solving *people* problems. With *systems* problems, you are dealing with:

- objective information
- quantified information
- a common frame of reference

When it comes to *people* problems, managers generally base their actions on less-reliable sources of information, such as:

- observation
- opinion
- emotion

Let's take a closer look at these sources of information:

Observation is not entirely reliable, because disorganized employees who put in long hours of frenzied work often come across as being more-dedicated than top performers, whose approach is more relaxed and even casual.

Advice based on **opinion** is valid only to the extent that the circumstances and people involved are the same as those of past experience. When people with different abilities and behaviors are involved, well-meant advice often goes awry.

Human beings ride the waves of **emotion**. When revenues are up, businesses happily conclude that the employees are doing things right.



When revenues drop, they assume that the employees are doing things wrong.

Systems problems are simply easier to solve, because better information is available.

Despite the inherent weakness of these sources of information, businesses look for solutions to people problems with no less intensity than they look for solutions to systems problems. Systems problems are simply easier to solve, because better information is available.

If management has better information about its people and why they behave the way they do, management will inevitably make better decisions.



Russell's Rule of Thirds:



In any one population of people, whether it is composed of managers or salespeople or engineers or hockey players, one-third are “top” performers; one-third are “okay” performers; and one-third are “questionable” performers.





Businesses tend to celebrate the “terrific” performers, lament the “questionable” performers, and ignore the “okay” performers. The reality, however, is that an effective business with good systems and good products actually makes money with “okay” performers. “Terrific” performers are just icing on the cake.

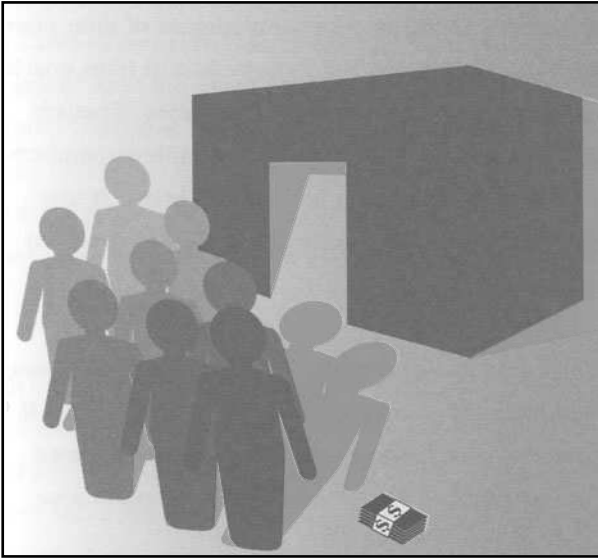
The real disaster for profitability is with so-called “questionable” performers. An enormous amount of time, energy, and money is expended in a never-ending effort to train, coach, and motivate questionable performers to a level of merely adequate performance. This is like teaching members of a swimming team how *not* to drown: It might save their lives, but it certainly won’t win the team any medals at the swim meet.

This reality presents a remarkable opportunity for any business to catapult itself to a higher level of success. If the same amount of time, energy, and money can be focused on the “okay” and the “terrific” groups, tremendous benefits can be achieved.



Businesses have three opportunities to do something about the performance of their people.

The *first* of these is at the front door.



The Selection Process is clearly the most-important time for action in terms of impacting the productivity and profitability of a business. In a competitive market, each company must strive to improve the level of talent in its pool of employees. Each new hire has the potential to either enhance the overall performance of the company or diminish overall performance. The selection process has all-too-often become a search for “superstars.” Well-run businesses make money with average-performing employees, as long as they can avoid hiring too many whose performance will be below-average.



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In baseball, it is not the lack of grand-slam homeruns and no-hit games that keeps a team out of the World Series. The difference is generally in the games that *could have been won* but for the dropped fly ball, the hanging curve ball, or the ill-timed steal. When fundamental errors are prevented, the “superstar plays” will just happen on their own. If businesses can stop themselves from hiring questionable performers, every now and then a “superstar” will come along. So, the first reason why the selection process is important is because every new hire can either add to the business or subtract from it.

The second reason why the selection process is vital to profitability is that it is the most economical time to exit marginal performers.

Initial hiring expenses accumulate rapidly: post-offer medical exams, benefits enrollment, unemployment insurance, personnel staffing time, orientation time, formal training, interaction with existing employees, interaction with management and supervisors, and so on. Other intangibles will accumulate once the “questionable performer” is hired: the effect on company standards, the effect on employee attitudes, the effect on client or customer perceptions, the effect on supervisory attitudes, and so on. These effects and expenses comprise the much-debated cost of turnover — much-debated because estimates range from mere thousands of dollars to many times an employee’s annual salary. Some companies rationalize turnover as a standard expense for their industry, while others assert that since their personnel and human



resource employees are on salary, there is effectively no cost for turnover. Such statements are naive at best, but they serve to underscore the frustration and lack of managability that many companies have been conditioned to accept as a part of the hiring process. The most thorough selection process imaginable costs less in most companies than hiring the wrong person for even one day.

Changes in the legal environment serve to further emphasize the critical importance of designing an effective selection process. Important and in many cases long-overdue legislation mandates equal employment opportunity for all. Laws and regulations such as the Americans with Disabilities Act and Comprehensive Civil Rights legislation prohibit any form of unfair or discriminatory hiring practice. The difficulty for business is that selection processes are always fundamentally discriminatory: After all, their purpose is to distinguish which candidates are most likely to succeed at a particular job from those candidates who are most likely to struggle or fail at that same job. Selecting the best candidate for the job is exactly what is intended by the business and the legislation.

The problem occurs when businesses do not have an objective way to measure job suitability. Three things can happen: *First*, the business might unwittingly hire unqualified minorities because it is afraid of being accused of unfair discrimination. The unqualified employee's subsequent marginal performance reinforces the employer's belief that

The most thorough selection process imaginable costs less in most companies than hiring the wrong person for even one day.



minorities cannot do the job. *Second*, the business might try to avoid the unknown or unfamiliar by not hiring *any* minorities. This costs the business good employees and sets up a potential legal problem. *Third*, the business might become ultra-conservative — fearful of either extreme — and play it safe by minimizing any change or turnover. In this situation, the organization attempts to

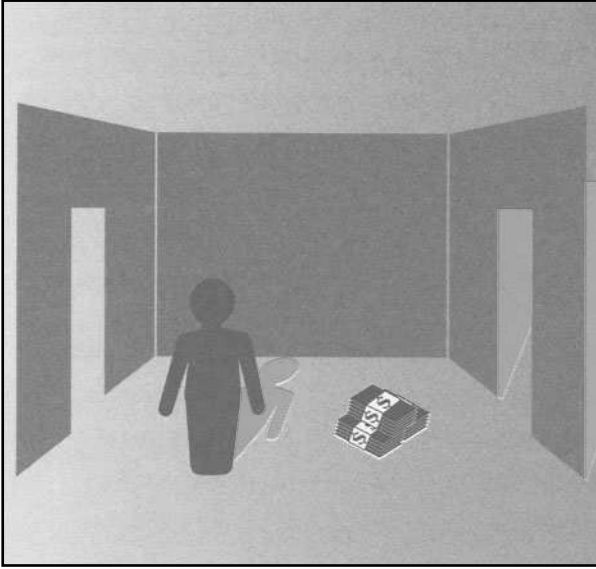
Today's 21st-century organizations do not have to accept the risk of marginal performance inherent in traditional hiring methods.

fill all jobs internally or from within a very small pool of known candidates. This seriously restricts the company's growth and development.

Today's 21st-century organizations do not have to accept the risk of marginal performance inherent in traditional hiring methods. It is possible to effectively and economically select the right person for the right job, objectively and with no unfair discrimination. This freedom from uncertainty enables a business to pursue a course of positive and dynamic growth.



The *second* opportunity to do something about performance is after an employee has been hired.



Unfortunately, once a marginal employee has been hired, it takes time before the problem becomes apparent — and *time is expensive*. At best, it takes about a month before managers see that the new employee's performance is marginal, simply because there is an inevitable “honeymoon” period, during which time the new employee concentrates on creating the best impression (and, coincidentally, this is when the supervisor is most forgiving). This is the time of the most-deceptive and expensive “learning curve.” It is *deceptive* because no one seems to know exactly how long the learning curve should take. It is *expensive* because every day that goes by when the new employee does not





perform at an experienced level costs the organization in terms of opportunities missed, resources invested in that employee, and the effect on the other members of the work team who must work harder to compensate for the new hire's training period.

Once they identify the shortcomings, most supervisors will spend at least another month attempting to coach or train the new employee to an adequate level of performance. If the supervisor is forced to spend time with marginal employees, that time will not be available for the successful performers. The irony is that good performers generally benefit the most from effective coaching.

Sometimes incentive programs are created in an attempt to encourage a higher level of performance or alter the behavior of marginal employees. The assumption is that by increasing their desire to perform well, you can get marginal employees to do well. Unfortunately, if the job is a poor match to their strengths and weaknesses, lack of desire is not going to be the problem. Offering shorter players bonuses for scoring during a basketball game is rarely effective; they already have the desire to score! What they lack is the height. Similarly, salespeople who dislike confrontation struggle to close a sale, even though they want to see it through. Incentive programs are generally more effective with the better performers whose strengths are likely to match the job.



The *final* opportunity to do something about an employee's performance is at the back door.

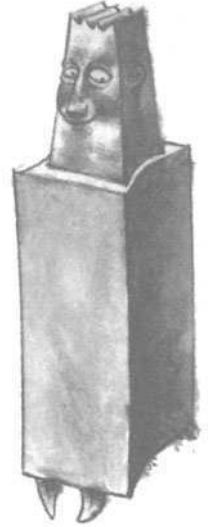


If coaching, incentive programs, and other methods are not successful, the business will be left with the most-expensive alternative: to either transfer the marginal employee to another department and hope for better results, or to exit the employee from the company. Unfortunately, all of the time, energy, and money invested in the employee leaves with them. Now the process must begin anew.



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Chapter 2

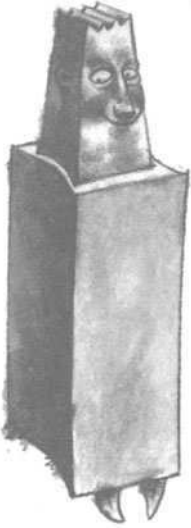


A New Paradigm for Understanding People and their Performance

*It is difficult and expensive to train your way
out of a bad hiring decision.*



A New Paradigm for Understanding People and their Performance



The Selection process is clearly the most critical and controllable variable in the development of a productive work team. Yet here, traditional methodology is inherently limited when it comes to understanding people and their performance.

Businesses have traditionally viewed people and performance within the context of ability (or what is perceived as ability). Those with a lot of “ability” could do almost anything well, and those with lesser “ability” were more limited. This supports the belief that education, training, and experience enhance ability and performance. If people who were believed to possess the ability did not perform well after being trained, the problem was assumed to be motivational. This two-part paradigm of *ability* and *motivation* as an explanation of job performance has been the foundation of virtually every management strategy and training program, and is the principle behind most hiring methodology. Yet managers who follow the practices built on this thinking often misread the cues and make poor management decisions: They hire poor performers and set up training programs that fail to yield the desired results.

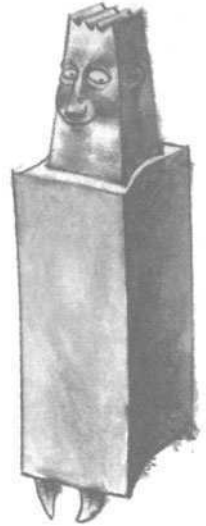


In the 1990s, managers got their first look at new assessment technologies specifically designed to analyze job performance against individual factors

such as personality traits and cognitive ability. The simplicity of these new assessment tools enabled extensive research across a wide range of industries and job positions at all levels. It became undeniably clear that such factors as personality and cognitive ability are more directly responsible for performance than motivation or skills or experience.

It is now time for a more-effective paradigm. Job performance might be better understood by looking at it in terms of three things: **Company Fit** (attitude, ethics, values), **Skills Match** (education, experience, skills training), and **Job Fit** (how well an individual's cognitive abilities, personality traits, and interests match those required for success in a particular job). These things are now easily and accurately measurable with the latest generation of assessment tools.

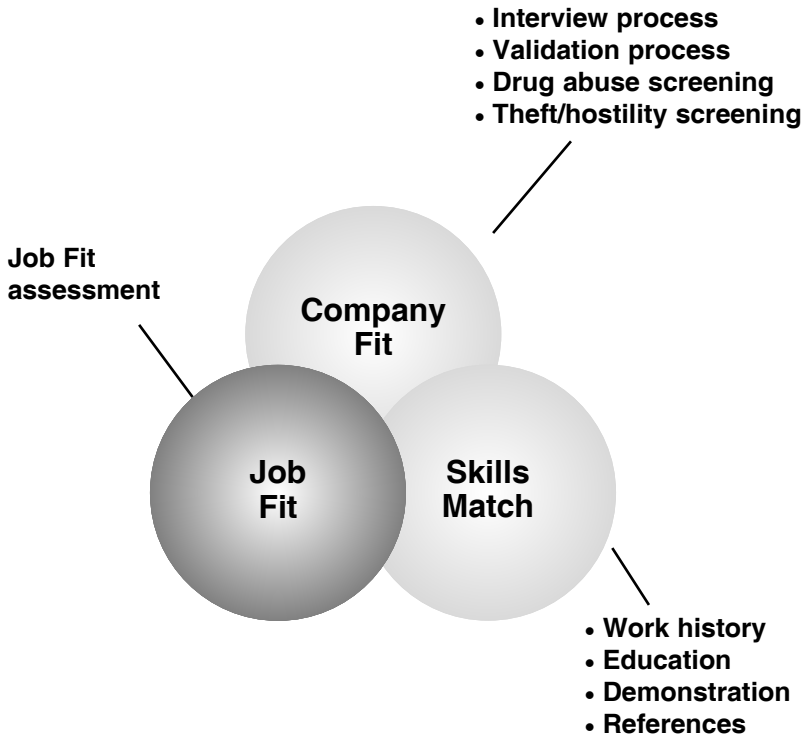
It is this critical relationship between the job and the person's "job fit" that shatters the myth of the traditional motivation and "ability" concept. If a person fits the job, then training and experience will enhance performance ("ability"). If a person does not fit the job, it is unlikely that training, experience, or any other program will significantly improve performance ("ability") for any sustained period of time.



The Cornerstones of Job Performance

An effective Selection Process consists of three distinct components:

- **Company Fit** - (attitude, grooming, mannerisms, ethics, etc.)
- **Skills Match** - (experience, abilities, certification, etc.)
- **Job Fit** - (cognitive abilities, personality structure, interests)



The ideal candidate will “match” in each of these areas.



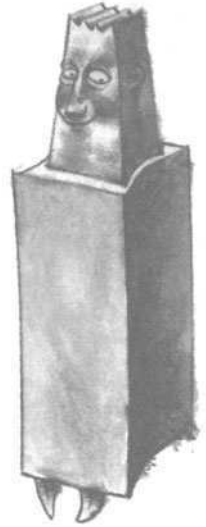
Company “Fit”

Company fit refers to the degree to which the candidate’s attitudes, values, ethics, and grooming fit those required by the position. Face-to-face interviews are typically used to evaluate these things. There are other important considerations, such as if the candidate is honest, drug-free, and not prone to feelings of hostility. These things can be identified using paper and pencil tests, electronic tests, background checks, and drug screening.

There is no substitute for face-to-face interviewing. The perceptions, intuitions, and experience-based observations of a well-trained interviewer are invaluable in assessing attitude and degree of fit with company culture. There are intrinsic problems with the interview process, however, that even professional interviewers can’t entirely avoid.

The halo effect occurs when an interviewer sees a part of him- or herself in the candidate — a similar background, shared interests, or some other area of commonality. It might even be a personality characteristic that generates a positive feeling of recognition. Whatever it is, this “self-recognition” can generate a halo effect that causes a relatively mediocre résumé to glow with merit.

Unconscious bias is almost the opposite of the halo effect. The more different a candidate comes across to the interviewer, the harder he or she will have to work to regard that person in a positive or even



neutral light. This is a fundamental characteristic of being human: Despite our philosophical, ethical, or moral beliefs, we humans tend to form social groups with people who share our attitudes, lifestyle, educational background, culture, and language. When a candidate seems different in some way, there is always an effect, be it large or small, good or bad. The important thing is to recognize the subjective nature of personal interviewing, and understand the subtle ways we influence what happens.

The **great-at-interviews candidate** is dynamic, enthusiastic, quite personable, and remarkably well-informed about the company. This candidate

is impeccably groomed and displays a polished, professional appearance. The toughest interview questions are answered with a refreshing combination of candor and confidence. Unfortunately, this outstanding skill at interviewing is not always matched by job performance. The ability to speak knowledgeably about baseball and look good in a uniform do not necessarily mean that the individual can hit a 95-mph fastball, and a sparkling interview will not always lead to sterling performance in the day-to-day work setting.

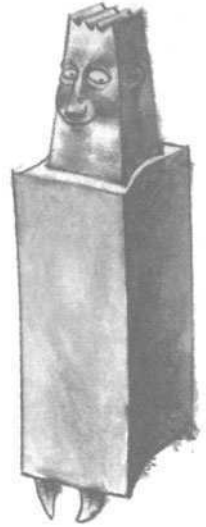
The ability to talk knowledgeably about baseball and look good in a uniform does not necessarily translate into the ability to hit a 95-mph fastball.

The **bad-at-interviews candidate** is quiet, uncomfortable, and nervous. His or her appearance is lackluster and undistinguished, and the interview questions are generally answered with hesitation or ambivalence. Few questions, if any, are asked about the company, and information has to be drawn out of the candidate. However, a company that hires



a candidate like this often discovers that he or she is like a wonderful restaurant with no sign out front: The food is delicious, but not many people know enough to go there.

Timing can be everything. The interviewer flies into town on a late flight, spends a sleepless night in a bad hotel, and chokes down a cold breakfast with lousy coffee. The attitude and expectations awaiting the first candidate of the day are problematical at best. Prior to the afternoon session, the interviewer takes time for a relaxing and enjoyable lunch with old friends. Certainly the candidates fortunate enough to have afternoon interviews will meet with a considerably different reception than those whose appointments occurred before lunch.



Skills Match

Skills match refers to the degree to which the candidate's educational background, technical skills, previous job experience, and specific expertise match what is required for the position. Reference checks, job histories, certifications, and demonstrations are the best means by which to evaluate this. Certain types of jobs involve skills that can also be tested. Objective testing is always preferable in view of selection effectiveness and legal considerations.

Matching skills with the job cannot alone predict job performance. The world of professional sports is filled with examples of players gifted with undeniable skills who have never achieved the success suggested by those talents.



There are several factors that must be considered in evaluating a candidate's Skills Match. The first of these is *trainability* of the skills or knowledge. Company Fit and Job Fit are extremely difficult and expensive to change in terms of time, energy, and money. When both are present, however, an employee's skills and knowledge of most jobs can be significantly enhanced. If either Company Fit or Job Fit is unsatisfactory, it is almost impossible to improve performance with training or coaching.

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Another important factor to consider when evaluating skills match is a selection bias that some people call the **pedigree effect**: the tendency of interviewers to apply a disproportionate positive bias to a candidate who graduated from a particular school, worked for a particular company, or played a particular sport, or whose background is similar to previously successful candidates. While that background can certainly be a contributing factor to job success, it must be kept in perspective and should not be seen as a bonafide predictor of job success.

Many positions demand **specific knowledge or technical expertise**. Research has shown that people hiring for those positions often exhibit a tremendous bias in favor of that expertise. This can certainly be justified in very esoteric professions, but in most cases it must be balanced by Job Fit and Company Fit.



One of the most-common hiring myths is that highly intelligent people can do anything. There are

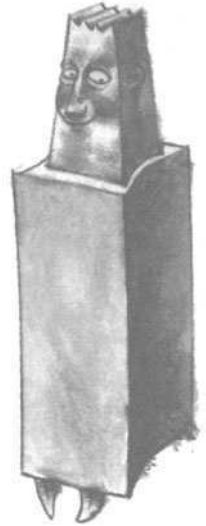
employers who only hire candidates who have specific degrees or educational achievements. Research has shown that people actually perform best when they are fully engaged by the challenges of the job. Unless such “highly intelligent” people are provided with a steady source of intellectual challenge, they are likely to become poor performers, and their performance might even become counterproductive.

Job Fit

Job fit refers to the degree to which the candidate’s cognitive ability, personality, and interest fit what is required by the position. Current research shows us that each of these factors plays a critical role in job success and tenure. All three must be considered and evaluated if the degree of Job Fit is to be determined. These characteristics can only be accurately measured by using job-fit assessment instruments.

Cognitive ability refers to how quickly a person learns and what type of learning is most effective for them. In a business sense, cognitive ability is far more useful than what is generally called “intelligence.” Intelligence is too often construed to mean how smart someone is. This implies that there is only a limited amount of knowledge that a person can attain. The reality is that given unlimited time, most people have the potential to learn anything. In the real world (and especially in the world of business), *time* is the limiting factor.

Matching an employee’s cognitive abilities with those required for the job is critical. People who



Core personality consists of traits that have been conditioned over many years. Such traits are critical in assessing a candidate's ability to function as part of a team, close a sale, make decisions, handle customers, and perform virtually any aspect of any job.

are exceptionally fast problem-solvers thrive in a challenging environment. When placed in relatively routine situations, those same people quickly become bored, resulting in unexpected turnover. Similarly, people who learn more slowly become frustrated in environments that do not give them enough time to assimilate key information about the job.

The second critically important part of Job Fit is the core personality of the candidate: the measurable characteristics of behavior that determine how the employee will behave in any situation. *Core personality* consists of traits that have been conditioned over many years. Such traits are critical in assessing a candidate's ability to function as part of a team, close a sale, make decisions, handle customers, and perform virtually any aspect of any job.

Also critical to Job Fit is the candidate's *interest*. Does a person have a particular preference for working with people? Data? Things?

An individual might be capable of performing certain tasks, but he or she might not be interested in those tasks. If that is the case, the person will probably not perform the tasks very well or for very long.

Interest, which can change significantly over time, is not as important as cognitive ability and personality traits in assessing Job Fit. Cognitive ability and personality traits, measured with the newest instruments, tend to be stable and enduring. The best

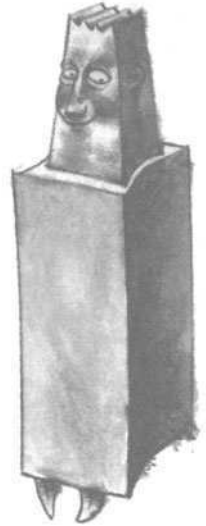


methodologies for assessing interest in job tasks offer information of a much lower order of reliability than those for cognitive or personality measurement. Still, when an employee's interest is mismatched to the key elements of a job, performance will seldom be optimized.

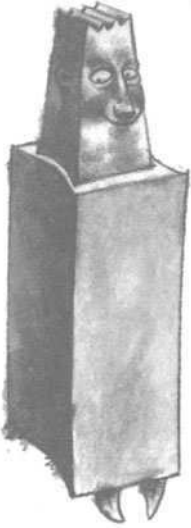
Company Fit, Skills Match, and Job Fit are integral to understanding job performance. Each is a necessary part of any hiring decision. Their relationship can best be understood by this example from the world of professional basketball:

Let's say that an NBA team needs a starting center. The coach interviews a candidate by phone and learns that he is enthusiastic about playing for that team and that coach (company fit). The candidate has lightning speed and incredible ball-handling skills, and has never missed a free throw (skills match). The coach invites the player for a visit, and when the candidate walks onto the court, the coach sees that he is five feet tall (job fit)! Very quickly the candidate, the coach, and the team realize that no matter how fast or how accurate the candidate is at making shots, he would be living in a world of armpits and elbows. No amount of coaching, no amount of extra training, and no amount of incentives could possibly compensate for the lack of Job Fit.

Still seeking a starting center, the coach locates another candidate who is also enthusiastic about the team and the coach (company fit). This one is seven feet tall (job fit)! The excitement vanishes,



however, when it is learned that despite his height, the candidate has never played basketball (skills match). There is just not enough time to bring his skills up to the level necessary for success in the NBA.



The frustrated coach then discovers a third candidate who plays like Michael Jordan (skills match) and is seven feet tall (job fit). Unfortunately, this player's attitude is so obnoxious that the rest of the team will quit if he starts (company fit).

The coach knows he must find a player who satisfies all three needs. Superior skills can compensate for moderate Job Fit, and excellent Job Fit can compensate for moderate Company Fit. An infinite number of successful combinations, in fact, are possible.

It is the overall picture that is decisive.



Chapter 3



The Role of Testing and Assessment in the Selection Process

*If managers have better information about people,
they will inevitably make better decisions
involving those people.*



The Role of Testing and Assessment in the Selection Process



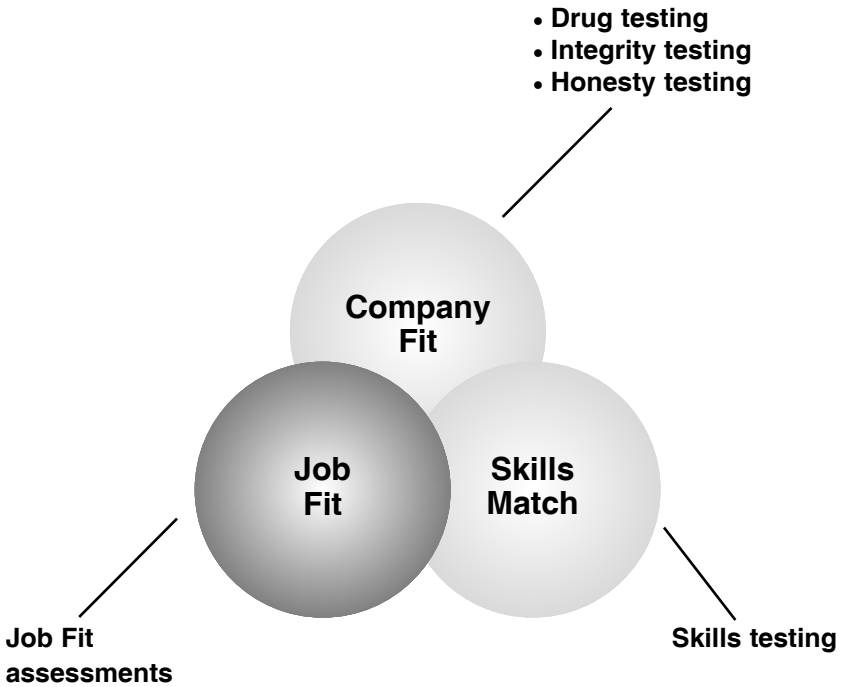
The principal reason to integrate testing and assessment into a selection process is to increase the level of information available for decisionmaking. Job applicants have an incredible range of resources to assist them in their job search. Professional résumé writers stand ready to produce graphically beautiful and literary works of art, custom-matched to whatever job is the target of the moment. Hundreds of books line the shelves, just waiting to prepare candidates for every kind of interview: behavioral-event interviews, situational interviews, “job baskets,” and so on. Professional coaches set up practice interviews to rehearse and polish a presentation (with videotaping on request). All of this preparation is aimed at a population of interviewees who are generally experts in some other area of business, but who are not expert at interviewing.

Most interviewers have had little training themselves. They have other responsibilities and little time for interviewing. Also, they are unlikely to interview others often enough to ever become practiced and experienced.



Professional interviewers who have unlimited time and who use the most advanced and sophisticated techniques will select successful performers only about 70% of the time. The inescapable problem is that human beings base most of their decisions on

The Role of Testing and Assessment in the Selection Process



The ideal candidate will “fit” in each of these areas.

The degree to which they do not fit is the gap in performance that you must fill with training or coaching, or by changing the job.



subjective and emotional response. In fact, studies have shown that most hiring decisions are actually made within the first five minutes of the interview!

Testing and assessments are never a substitute for personal interviewing. However, the information that effective assessment tools provide makes it possible for even average interviewers to make better hiring decisions than professionals who do not use testing. In this chapter, we will describe the various kinds of testing and explain how each plays a specific role in hiring effective performers.



Testing for Honesty and Integrity

Tests for honesty and integrity have been described as written tests designed to identify job applicants who have a relatively high propensity to steal money or property on the job, or who are likely to engage in behavior of a more generally counterproductive nature, such as time theft in the form of tardiness, absenteeism, or abuse of sick leave (U.S. Office of Technology Assessment, 1990). Several new instruments are now available to address some of the more contemporary forms of counterproductive behavior in the workplace, such as sexual harassment, violence or aggressiveness, or computer misuse.



Test publishers gauge the effectiveness of their instruments by pointing to outcome criteria such as the reduction of employee theft or reduction in other counterproductive behaviors. Certainly businesses have strong motivations to consider such

testing — to control costs, but also to manage risk in light of the rise in negligent-hiring litigation.

Honesty and integrity testing plays an important role in determining Company Fit for many jobs, but unlike Job Match assessments, there is no clear differentiation of quality or effectiveness within the honesty and integrity testing industry. Conversely, the concepts of personality and intelligence have been researched extensively throughout this century, so there is a common foundation of knowledge.

(Current cognitive and personality instruments are based on that knowledge.) On the other hand, tests for honesty and integrity were first created in response to problems with employee theft.

Many testing companies came out with products to address the problem; each is published and marketed in a confusing variety of forms.

Selecting the right instrument for a specific purpose is indeed a challenge, complicated by the diversity of approaches taken by the various test publishers. Essentially two elements must be examined: the constructs upon which the test is based, and the research data that validates those constructs.

Several companies have substantially demonstrated the effectiveness of their systems, offering such a diverse assortment of applications that it is difficult to make a blanket recommendation. There are significant legal and ethical considerations when implementing honesty and integrity testing, and these will vary dramatically from state to state. Of

Selecting the right instrument for a specific purpose is indeed a challenge, complicated by the diversity of approaches taken by the various test publishers.



course, any test must comply with state and federal hiring guidelines and with the EEOC and the ADA. It is best to review the specific parameters of each situation before making a decision.

In general, the costs of these types of tests are easily justified when you compare them to the potential liability or loss from employee theft or other counterproductive behavior.

Drug Testing and Screening

Many organizations require drug screening for substance abuse, but others go one step beyond, incorporating a substance-abuse construct into their integrity tests. Some of these have proven to be successful as an initial screen prior to administration of a chemical drug screening. A positive score on a survey-based test generally will be followed by a positive score on a chemical test. A company can therefore realize a cost-per-screen savings by administering the survey-based test first, and then exiting those who test positive.

As is the case with honesty and integrity testing, the universe of substance-abuse methodology is so diverse that each situation must be considered carefully and individually before a recommendation can be made. The legalities are particularly sensitive and complex.

There are only a limited number of Substance Abuse and Mental Health Services Administration SAMHSA (NIDA) 1-certified laboratories in the



United States, but all provide chemical drug-testing services. While each of these laboratories offers a similar end-product, there are substantial differences in how that product is delivered.

One very important factor to consider is the turnaround time or length of time before the test results are received by the client. Turnaround times at the various SAMHSA (NIDA) labs range from 24 hours to over 72 hours for a normal negative result, but some positives take much longer in some labs. This can be a critical difference in a competitive labor market, where any unnecessary delay can lose a good candidate to another employer.

Another element of quality that is essential when selecting a source for drug testing is confidence in that laboratory's chain-of-custody procedure. The leading labs use a sophisticated bar-coding system to assure specimen confidentiality and integrity by eliminating human error. This attention to detail can prove invaluable in the event of litigation.

If drug testing is necessary for a large pool of candidates and employees, data management will be very important. Setting up a good system will help a company implement random selection policies and maintain efficient records.

Drug testing is the subject of intensive research and innovation. Everyday new products and services enter the marketplace in response to the growing problem of substance abuse. Several leading



companies have developed on-site drug testing products, using the latest technologies. When properly used, these methodologies can provide forensic quality testing, with negative results available in just minutes. This can be a significant advantage when an immediate hiring decision is desirable. (Non-negatives still must always be confirmed in a laboratory.) On-site testing can result in substantial savings to the organization.

Drug testing was once just a preventive measure. It is now a marketing advantage in many industries in the eyes of consumers and in the eyes of potential employees.

Drug testing was once just a preventive measure. It is now a marketing advantage in many industries in the eyes of consumers and in the eyes of potential employees. It is bound to become standard in virtually all industries. Many laboratories provide a full range of training programs and materials. Assistance is even available to guide a company in developing a strategic plan to become drug-free.

Choosing drug-testing products is a complex and confusing process for non-professionals: There are many possible solutions for every situation, and in most cases, there is no one best answer. It is best to explore a variety of options and, as always, to seek experienced advice.



Safety and Reliability Testing

Various test publishers have developed constructs that survey in areas such as values; employee reliability; attitudes toward customer service, safety, supervision, responsibility, nonviolence, or quality; call reluctance; tenure; and so on. There is much that can be learned from some of these products, but they fall outside the main body of traditional assessment research. Each must be carefully considered with regard to its validity and the purpose for which it is to be used. In general, it is best to start an analysis with the three core Job Fit factors: cognitive ability, personality, and interest. Once these foundational determinants are understood, esoteric or specialized instruments can be used to fine-tune individual performance.



Skills Testing

Objective skills testing is often an important part of any hiring or placement decision. Certain categories of jobs, such as clerical positions, are well-suited to standardized testing. Online and computer-based skills testing is widely used to assess skill at using word processing programs, data bases, spreadsheets, and other common software applications. Testing is also available for basic office functions such as filing, calculating postage, and alphabetizing. Some companies have developed their own tests for technical positions to assess how well the candidate understands specialized



terminology or equipment. There are even dexterity tests for positions on small-parts assembly lines, and mechanical-understanding tests for maintenance positions.

As with all forms of testing, it is critical that the company make sure that it is in complete compliance with all state and federal guidelines and EEOC and ADA requirements. The diverse nature of skills testing and infinite job possibilities make it essential to consider each situation individually before making any recommendations or decisions regarding what kind of instrument to use, if any.



Assessments for Job Fit

Three elements must be considered for a complete evaluation of Job Fit: cognitive ability, personality, and interest.

Cognitive Ability and Job Fit.

Cognitive ability is the oldest indicator of job success. Early measures of cognitive ability were based on IQ tests or simple reasoning tests. Today we use more advanced assessments to measure such specific abilities as logical reasoning, problem-solving, verbal reasoning, spatial reasoning, and conceptual thinking. When these abilities are more specifically defined, they can be better applied to exact job requirements.

The rate at which an individual learns is an important factor in business hiring. Research has shown that the extent to which an individual's learning



rate matches the job will directly impact areas of job performance such as turnover, safety, communication, and training effectiveness. As we explained earlier, some people think that if “smart” people are hired, they will learn faster and perform better. The misunderstanding stems from the question of exactly how we define “smart.”

The results of an IQ test will be extremely misleading if one is trying to predict job performance. In a sense, IQ is a “volume-based” concept: If a person has a high IQ, the assumption is that he or she can learn a lot — that he or she is “smart.” If a person has a low IQ, the assumption is that he or she has only a limited ability to learn and is, therefore, not “smart.” Cognitive science researchers today believe that learning rate is a more specific and more effective concept for understanding job performance. Matching how quickly an individual generally learns something new with the demands of a specific job is a much more practical and effective strategy.

Those who learn rapidly and solve problems quickly need a constant supply of new challenges and new problems in order to exercise their abilities. When they are in positions that offer these challenges, they might be described as “smart” because they demonstrated their ability. In a routine job that lacks such challenges, however, such people can become bored or careless, often even creating their own set of problems. When this happens, these same quick learners might be perceived as not being very “smart.” However, individuals who

Those who learn rapidly and solve problems quickly need a constant supply of new challenges and new problems in order to exercise their abilities.



learn a bit more slowly are fully engaged by routine jobs; they find continual challenges that call for their best efforts. In such situations, these slower learners might be described as “smart.”

Those who have used newer assessments clearly see that “smart” is not an intrinsic characteristic after all: It is only relative to how well a person’s cognitive abilities match the demands of the job.

Personality and Job Fit.

The measurable dynamics of an individual’s personality must also be considered for Job Fit. *We are not referring here to personality type, such as what is identified with early assessment instruments.* Instruments based on personality types, such as DISC, the Enniagram, or Myers-Briggs, attempt to sort individual behavior into a number of various categories, styles, temperments, or types. Understanding the characteristics of each type will provide some insight into the mechanisms of human interaction. These simplified approaches serve as an introduction to the concept of personality differences. The generalized nature of the information, while interesting and helpful, lacks the precision needed for serious business decisions. The more-advanced instruments provide quantified measurements of discrete elements of personality, which will paint a clear picture of individual differences in performance and behavior.

Several aspects of job performance are directly driven by personality traits.



Personality-Driven Aspects of Job Performance

Effective delegation	Attention to detail
Maintaining discipline	“People” skills
Handling stress	Time management
Dealing with rejection	Brainstorming
Closing sales	Negotiating
Team participation	Listening
Response to competition	Presentation skills
Following rules	Sense of urgency
Innovative thinking	Quality management

The core elements of personality are the foundation of all human behavior and interaction.

There are an infinite number of possible listings. The core elements of personality are the foundation of all human behavior and interaction. Accurately measuring these core elements with new assessment instruments will provide extraordinarily important information that can be used in the selection process and help you understand the performance of existing employees. (See Chapter 5: “Using Testing and Assessments with Existing Employees.”)

Interest and Job Fit.

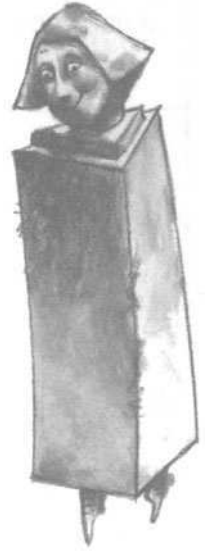
Interest is the third element in Job Fit.

An individual's interest in the work will have a lesser-but-still-important impact on tenure and job performance. A person can have the cognitive ability and the personality to perform a particular job well, but if the interest does not match the job, the person will not want to perform the job tasks very long and, while there, will seldom bring their full attention to it. Conversely, an individual might have the interest needed for a certain job, yet their particular personality traits and cognitive abilities might not be enough for the activities necessary in that job.

Interest depends to a great extent on a person's experience, knowledge, and education. There are many situations that offer excellent Job Fit, but the jobs themselves won't be familiar to most people. Interest levels can change dramatically if the individual learns more about certain jobs: for this reason, interest plays a much less-decisive role in determining Job Fit.



Chapter 4

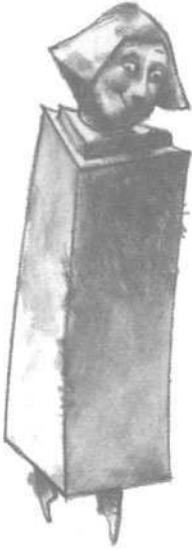


The Evolution of Assessment Tools

Fifth- and sixth-generation information, when fully understood and internalized by management, will revolutionize how people are trained, managed, promoted, and hired.



The Evolution of Assessment Tools



Having the option of using assessment instruments to predict job performance has long been a dream of the business world, but it has been an elusive dream. The extensive testing programs sponsored by the U.S. Army encouraged industries to try countless methods over the last fifty years to somehow predict the success of job candidates. Some of these seemed quite promising, but most never quite fulfilled expectations. The idea had simply outrun the available technology and research. That reality, coupled with various legal issues, served to dampen corporate enthusiasm for assessment. Ironically, it is the legal environment and the increasingly competitive marketplace that has awakened interest in the power and the possibilities of assessment information.

There are over 1,000 assessments available in the U.S. market, many based on older psychological theory and psychometric technique. Older counseling instruments are often sold as “hiring” tools. Unfortunately, most assessment reports and instruments look alike to the average business person, and the terminology appears to be the same. Most users are not able to understand the technical aspects any better than they can understand what makes one computer technically different from another. It is only the difference in performance that becomes apparent. Unfortunately, the performance of assessment tools is treacherously difficult

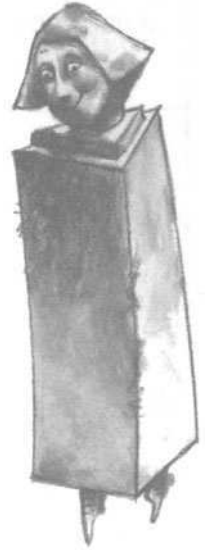


to assess, because many produce reports that look correct to the user. Unfortunately, when instruments that were developed a decade or so ago are used to make critical business decisions, they are likely to be just “right” enough to be dangerously wrong.

The business person shopping for an assessment tool will have some trouble with the fragmented nature of the market. He or she generally has to rely on salespeople with only limited knowledge of current psychometric technology (and an unbounded belief in the one product that they sell). Psychologists also are often unaware of the development of new products and applications.

In the following section, we outline the qualitative evolution of assessment instruments as they progressed logically from simple adjective checklists to the more-advanced instruments available today.

The chart on page 48 organizes the population of assessment instruments into categories that reflect the qualitative evolution of the industry. The selection of instruments is by no means a comprehensive listing: There are hundreds of instruments, and multiple variations of many of those. All instruments are good choices for certain purposes, and no instrument is ideal for all purposes. The chart is intended to provide a frame of reference by which businesses can select the most appropriate tool for their needs.



The Evolution of Assessment Tools

GENERATION	CHARACTERISTICS	EXAMPLES
Sixth generation	Cognitive and/or Personality Designed for business use Normative measurement Faking scales Easily understood without expert help Relatively quick and simple to use	CheckStart BestWork FirstView JobInSite SalesMatcher
Fifth generation	Cognitive and/or Personality Designed for business use Normative measurement Quantified scores Faking scales Requires expert for best results	TotalView Prevue Harrison InnerView NEO-5 Strengths Finder
Fourth generation	Cognitive and/or Personality Normative measurement Quantified scores Faking scales	Achiever The Profile
Third generation	Personality Normative measurement Diagnostic instruments Faking scales Expert help is mandatory	MMPI (Clinical) 16PF (Clinical)
Second generation	Personality styles or traits Ipsative and/or normative measurement Fakeable	Birkman Caliper Omnia
First generation	Simple behavioral styles Ipsative measurement or adjective checklist Fakeable	Myers-Briggs DISC TTI Predictive Index AVA ProScan Survey



First-generation assessments are divided into three groups. The simplest of these are variations of an adjectival checklist developed over thirty years ago by David Merrill. The participant selects words that he believes are descriptive of his behavior as seen by others and as seen by himself. Such tests are extremely quick and inexpensive. It is quite easy, however, for the participant to select those words that portray the most-favorable description.

Perhaps the largest group of first-generation assessments is made up of the DISC-type instruments.

The most common of these uses sets of four words or phrases; the participant is required to select the one word or phrase that “most” describes him and the one that “least” describes him. The resulting narrative report is based on a theory of simple behavioral styles. These tools can be used to create interactive workshops that are fun and interesting, particularly to audiences of people who are relatively unsophisticated with regard to psychometric testing. The danger is that often many conclusions are based on a very small foundation of data. Forced-choice questioning also generates ipsative scores (see Appendix A), which cannot be used to create meaningful norms used in analyzing Job Fit. While this methodology has been sold extensively, it has never been adopted into mainstream psychometrics.

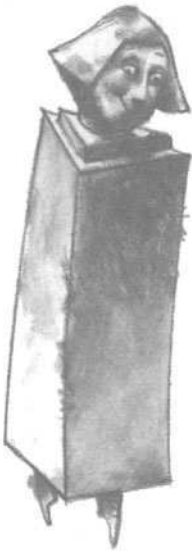
The danger is that often too many conclusions can be based on a very small foundation of data.



The next group of first-generation instruments uses various methodologies and combinations of methods, such as asking the individual to answer true-false questions, select from a group of phrases instead of words, and/or rate responses to certain situations.

There are three fundamental problems with all first-generation assessments:

1. Few first-generation assessments actually measure personality traits. Instead, participants are sorted into simple behavioral styles or personality types.
2. First-generation assessments are fakeable, consciously and subconsciously. On a conscious level, the participant has the ability with many of these instruments to distort the results in a favorable direction, and the report will not be able to indicate this. On a subconscious level, first-generation tools measure states, not traits. States are subject to fluctuations of mood and emotion and can vary significantly over relatively short periods of time. This dramatically reduces the test-retest reliability of first-generation instruments. Traits are part of our core behavior, which seldom changes.
3. Most first-generation assessments rely heavily on narrative reports, which are problematic for all generations. For example, the adjective “outgoing” suggests various things, depending first on how an individual defines the term. More importantly, an extroverted test reader will see a completely different picture than will an introverted test reader.



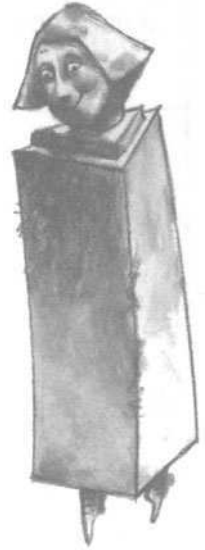
Cognitive ability, long-recognized as a critical element in Job Fit, is not addressed in first-generation assessments.

Second-generation assessments include a number of excellent instruments that measure various combinations of personality, behavioral styles, reasoning, interest, crystalized knowledge, numerical skills, and other attributes. While each one offers some useful information, all fail to achieve the comprehensiveness, accuracy, reliability, specificity, or ease of use that is characterized by later generations. There are approximately 20-30 second-generation instruments.

The principal problems involving second-generation instruments are:

1. Most second-generation assessments depend on narrative reports having the same shortcomings described above.
2. Many second-generation assessments are vulnerable to faking or exaggeration, having questionable validity scales, if any.
3. Some second-generation assessments are dependent upon expert interpretation, either by a psychologist or by a certified specialist.

Third-generation assessments are remarkable psychometric instruments, providing accurate measurements of many of the complex characteristics of human behavior. With quantified scales and validity checks to prevent undetected faking, Third-generation assessments are important diagnostic tools for industrial psychologists, clinical psychologists, and psychiatrists, providing insight into the psychoses and neuroses of their patients.



It is this diagnostic nature of third-generation assessments that presents problems in business use.

Third-generation instruments are normative, meaning that a participant's scores indicate how that individual compares to the population represented in the research that developed that particular assessment. As opposed to the ipsative scores used in many first- and second-generation tools, normative scores produce actual measures of an individual's behavioral traits and abilities that are relative to those of other people. This objective data provides a basis for understanding human behavior and for making reliable predictions about certain actions by an individual.

It is this diagnostic nature of third-generation assessments that presents problems in business use.

1. The Americans with Disabilities Act, the Civil Rights Acts, and other regulations expressly prohibit an individual or organization from asking many of the questions included in these instruments. *Soroka vs. Dayton Hudson Corp.* provides important case law on hiring practices (Target Stores used third-generation instruments as a part of its selection process, which prompted the lawsuit).
2. Third-generation assessments are dependent upon expert interpretation by psychologists, psychiatrists, or certified specialists. Consequently, the information is not readily understood by the average person.

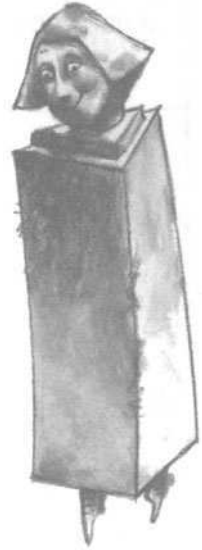


Fourth-generation assessments are normative instruments that have been adapted or developed for business use. Some combine measurements of cognitive ability with quantified scales for personality traits. They also contain distortion scales to detect faking and equivocation. Fourth-generation tools have quantified scales and narrative reports, and can easily be understood by non-experts.

Their normative construction allows for the use of job success patterns, also known as “job benchmarks” or success profiles. This methodology is based on the measurement of characteristics of successful incumbent employees in a particular job. The resulting data is then analyzed to develop a “profile” or “benchmark.” New job candidates are then assessed with the same instrument. Their scores are then compared to the benchmark for that job, as a means of predicting job success.

Exercise caution when using job success profiles.

1. The methodology was originally developed for use with large populations of workers performing very-defined jobs. In such situations, it is possible to secure a robust sample of 15-20 incumbent workers whose success at the job is objectively measurable within a clear set of performance standards. In smaller businesses, employees are often required to fill a variety of roles. Even within larger companies, it is generally difficult to find enough “top performers” for a statistically sound sample in one job.
2. A second problem is that executive positions and some jobs lack objective measures of performance. The subjective ratings of



“top performance” are based on such widely varying parameters that it is difficult to draw defensible conclusions on which to base a job benchmark.

3. The third and most significant problem inherent in the profiling process lies in the relative importance of the characteristics measured by the assessment to the performance of the job in question. Many assessment tools lack an effective means of weighting the factors of job success. The result is that it is possible for a candidate to be a 90% match to the success profile for a particular job, yet be virtually incapable of performing the job successfully because the missing 10% is the most critical part of succeeding in that job.



Fifth-generation assessments are based on more recent psychometric methodology than the earlier generations. They have also benefited from the extraordinary computer resources that are available today. Researchers were able to do faster and more-detailed analyses while developing these instruments. This has enabled developers to refine the effectiveness of fifth-generation instruments to a much higher degree than that of earlier efforts.

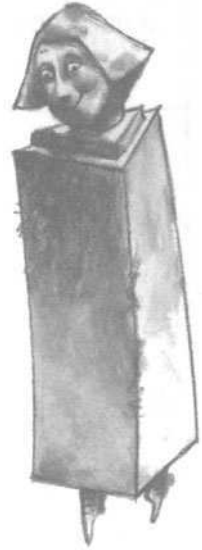
The TotalView Assessment was the first major instrument to be developed specifically for the purpose of correlating job performance with an individual's cognitive abilities, personality traits, and interest. TotalView provides remarkably accurate and reliable normative data in just over an hour. This is an example of what is possible when newer forms of item construction and more-intense statistical analysis are combined with today's technology.



Other fifth-generation tools embody similar advantages, producing a rich variety of quantified information across a range of very sound psychological models. Most of these products are available online, although the time requirements might seem a bit long for some Internet users.

While fifth-generation instruments offer significant advantages, several things must be considered:

1. **Time and accuracy are the two inescapable tradeoffs in psychometrics.** Fifth-generation instruments require 50-60 minutes for completion. The generation of accurate and reliable data across the range of cognitive, interest, or personality scales demands a minimum number of items (questions) per scale. As fifth-generation instruments focus their reports on the core elements of behavior, it is difficult to see any scale as unnecessary, regardless of the job category.
2. **Fifth-generation instruments generally produce quantified and narrative information.** The narrative reports are usually easy to understand, but they sometimes lack the specificity of the numerical report. Unfortunately, the full potential of the information available from these tools requires a significant commitment of training time, and internal staff members must be certified to use the assessments properly. Some companies have attempted to solve this by incorporating the same job benchmarking or job success profiling found in fourth-generation assessments. The same problems exist with those fifth-generation products that use the same methodology. It is possible to apply the job benchmarking methodology effectively, but it must be done with great care, and only in the right situations.





Sixth-generation assessments were developed in response to organizations that recognized the power of the fifth-generation assessment information to dramatically improve hiring decisions, performance management, and training initiatives. The creators believed that fifth-generation assessment instruments were too complex, too expensive, and too dependent on experts.

Sixth-generation and fifth-generation instruments are based on current psychometric thinking. Like fifth-generation tools, they provide accurate and reliable normative measurements of cognitive ability and personality traits. The difference is that sixth-generation tools require much less time and are relatively inexpensive, and they provide specific job-related information that is immediately accessible without expert help or special training.

All sixth-generation products are available online. Several have been designed from the outset to accommodate the needs of the Internet user by including customizable interfaces and reporting features.

When using sixth-generation tools, it is important to recognize that the more-complex fifth-generation instruments provide more in-depth information. With both options available, the customer can adapt whatever combination of tools is appropriate to their needs.



Fifth- and sixth-generation information, when fully understood and internalized by management, will dramatically change how businesses manage performance and people.

The matrix that follows shows recommended applications for each generation of assessment. It is important to understand that just as the most advanced computers are capable of more applications than early ones, so it is that fifth- and sixth-generation assessments are recommended for more applications than earlier ones. Recommendations are based upon many factors, including legal compliance, accuracy, reliability, validity, ease of use, and comprehensiveness of information. It is important to know that all assessments are suitable for some uses. No assessment is suitable for all uses.

It is important to know that all assessments are suitable for some uses. No assessment is suitable for all uses.

The diagram organizes the population of assessment instruments into categories that reflect the qualitative evolution of the industry. This is by no means a comprehensive listing. There are thousands of instruments and multiple variations; each is a good choice for specific purposes, but is not always the best choice for all situations or purposes.



Recommended Applications for Each Generation of Assessment

APPLICATION	GENERATION					
	1st	2nd	3rd	4th	5th	6th
Pre-Employment Screening					★	★
Pre-Employment Selection			●		★	★
Solving Performance Problems					★	★
Training Needs Analysis			●		★	★
Executive Coaching			●		★	★
Simple Team-Building Exercises	★					
Team Engineering					★	
Career Development					★	★
Succession Planning					★	★
Strategic Planning of Human Resources					★	
Re-engineering Job Responsibilities					★	★
Rightsizing					★	★
Self-Help	★					★
Career Guidance			●		★	★
Clinical Diagnosis			●			

★ Recommended

● Professionals Only

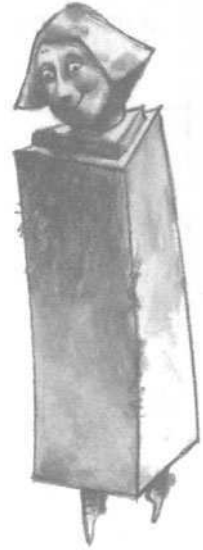
□ Optional

■ Not Recommended



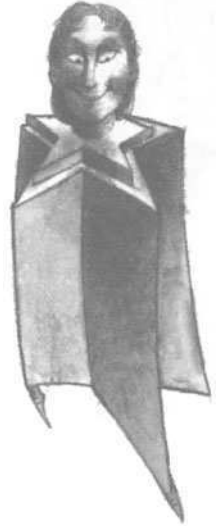
When evaluating the comparative advantages of various products, it is important to recognize the technological generations that produced each instrument. Just as an IBM 286 computer was once a leader in the marketplace, first- and second-generation assessment tools were important in the early days of the industry. The 286 computer has long since been eclipsed by newer machines with faster chips. The performance of older assessments has also been far surpassed by a number of breakthroughs developed in the 1990s. It is not that the older tools stopped working, any more than the IBM 286 “stopped working.” It is just that the accuracy and accessibility of the information provided by newer tools gives organizations an extraordinary range of options and applications never dreamed of with older, simpler products.

The challenge facing businesses that want to use assessment tools is that the reports generated by older and newer instruments look similar when read by the average person. Products launched recently might be based on psychological thinking and psychometric methodology that is over fifty years old. Although they appear to be comparable, the differences between first-generation instruments and fifth- and sixth-generation instruments can be significant in terms of the accuracy and reliability of the information. This can be critical when one must make a serious business decision.



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Chapter 5



Using Assessments with Existing Employees



Using Assessments with Existing Employees

The accuracy of later generations of assessments and their remarkable ease of use presents extraordinary possibilities for analyzing and understanding the performance of individuals.

Tests and assessments have traditionally been confined to the selection process. Certainly this is the most economically advantageous way to select suitable employees. Today, effective screening tools are available for under \$20 that can identify and virtually eliminate candidates who are unable to do the job. However, the accuracy of later generations of assessments and their remarkable ease of use presents extraordinary possibilities for analyzing and understanding the performance of individuals who are already part of the staff.

Solving Performance Problems

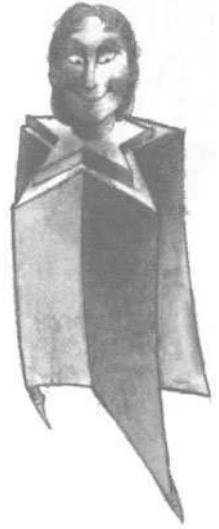
Almost every manager or supervisor knows who their best employees are. They also know who their worst employees are. What they generally do not know is why two or more individuals who were hired by the same methods, who are doing the same job, and who are managed by the same person can perform so differently. Fifth- and sixth-generation assessment technology can answer that question, but it can also determine whether or not the problem can be fixed. In many cases, these tools can even suggest how to fix it.



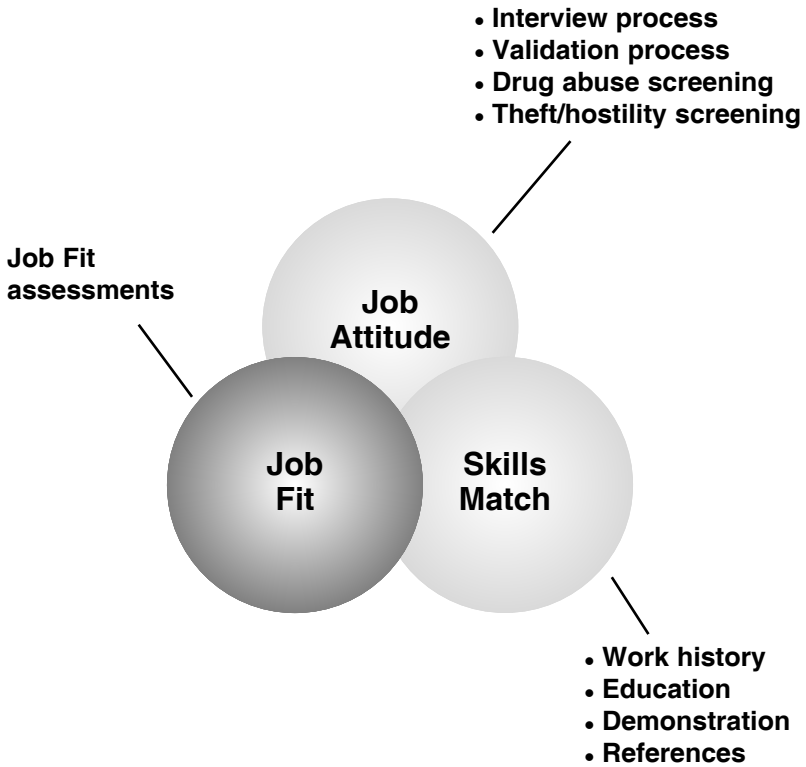
As we explained in Chapter One, those who must solve “people” problems have for centuries relied on observation, opinion, and emotion. Solutions to

systems, on the other hand, were based on objective data, quantified data, and a common frame of reference. Modern assessments can provide better information about people and how they perform best. With better information, managers can make better decisions.

The same three cornerstones of job performance recommended for selecting new employees are also essential when it comes to understanding the performance of existing employees.



The Cornerstones of Job Performance



The ideal candidate will be strong in all three areas.



Companies looking at the performance of current employees must consider **Job Attitude**, which is a more-precise term in this case than “company fit.” Successful workers generally have a “can do” attitude, believing in the value of each employee’s contributions. They are positive, enthusiastic, and usually happy with their work. Many factors influence this attitude, such as the company’s leadership and the work environment, as well as the employee’s own personal issues.

One of the classic responses to unsatisfactory performance is to set up a variety of motivational programs, ranging from inspirational speeches and rallies to innovative incentive programs. New leadership strategies and visions are formulated and presented as the “new and improved” plan of the year. If job attitude is the only problem, these responses are likely to work. If there is a more fundamental cause of poor performance, these responses can be expensive and frustrating.

The second part of the puzzle is **Skills Match**. An employee must be trained for the job and provided with the necessary knowledge to accomplish the task. Unfortunately, it is common to find supervisors who have had no supervisory training; salespeople who have received only a hint of sales training; and production workers whose knowledge of safety procedures is only a haphazard collection of random comments.

The same three cornerstones of job performance necessary to select new employees are also essential when it comes to understanding the performance of existing employees.



Well-constructed training programs can have a tremendously positive effect on Skills Match. There are countless training resources available to every company, both internal and external. The difficulty arises when training is viewed as the “philosopher’s stone” of performance, without first considering Job Fit.

When Job Fit is determined prior to training, the most effective type of training program is usually clear.

Job Fit, as described earlier, is the degree to which the employee has the cognitive abilities and measurable personality traits necessary to perform the job successfully. When Job Fit is determined prior to training, the most effective type of training program is usually clear.

For example, if a salesperson makes a large number of presentations yet closes few sales, sending this individual to an all-purpose sales training program might not be the most effective course of action, as seen in this scenario:

Salesperson A is extremely extroverted, preferring to talk rather than listen. This makes for enthusiastic presentations, but because no questions are asked, no buying motives are established. The prospect is sold on the idea, but not on its relevance to him.

Solution A might be for A to take a listening skills workshop, and perhaps develop a question form for use with prospects.

Salesperson B is bright and innovative, always thinking of new and better ways to sell the products. Unfortunately, these brilliant innovations require an ever-evolving sales approach—sometimes it is better, sometimes it is worse. Salesperson B is unable to build on past



successes or learn from failure, because nothing is constant.

Solution B is to provide this individual with a skeleton sales path with at least a few concrete milestones. If this product is sold successfully with a well-practiced script, Salesperson B's fundamental personality will be a poor match for this product. B would conceivably thrive with a more adaptable product or service that depends on a more consultative approach.

Salesperson C is extremely likable, and has developed friendships with many of the prospects. C is knowledgeable about the product and delivers the sales presentation well. The problem is that Salesperson C cannot stand confrontation of any kind, and closing a sale is unavoidably confrontational. After reading several books and listening to numerous tapes on the subject, C can usually ask for the order one or two times; faced with the prospect's objections, however, C seizes the opportunity to withdraw until a more appropriate time.

Solution C is *not* to increase C's collection of closing tapes and books! If this product's sale requires a series of strong closes, it would be best if C found another position, perhaps in the area of sales support. Salesperson C's ability to build relationships would flourish there, along with the sales.

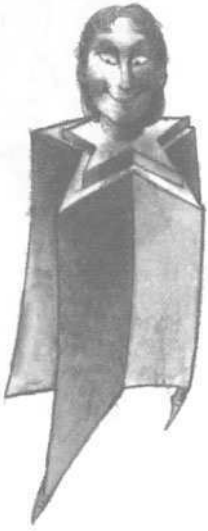
The critical point is that unless Job Fit is known, the best training anywhere is a hit-or-miss proposition, and it is likely to be frustrating for the employee and expensive for the business.

There are countless variations and permutations to this scenario. The critical point is that unless Job Fit is known, the best training anywhere is a hit-or-miss proposition, and it is likely to be frustrating for the employee and expensive for the business. With Job Fit information, a multitude of effective options



can be developed by any human resource professional, consultant, manager, or supervisor.

Team Building vs. Team Engineering



Personality assessments have been used for team building exercises since the first half of this century. The Greek thinker Hippocrates proposed that there were four basic types of personalities, which he called *Choleric*, *Sanguine*, *Phlegmatic*, and *Melancholic*. More recent experts name other types: Dominant, Influencing, Stable, Compliant, Driver, Expressive, Amiable, and Analytical. Other theorists have identified eight or more types. All of these typing methodologies are based on behaviorism or behavioral style theory, a concept which is no longer supported in mainstream psychology.

The theory of Behaviorism postulated that the only source of data on personality was to be found in observed behavior. This led to the concept of behavioral styles, in which individuals are believed to have three sets of styles: their mask or what is required of them; their true style or what is seen under stress; and the style that they believe they have. Psychologists now recognize that individuals have a core personality that serves as the foundation of their behavior under any situation. These core traits tend to remain relatively stable, which is good news since it would be difficult to function effectively if the internal compass points changed as often as behavioral styles suggested.



Team-building exercises based on four-quadrant instruments can be very productive. The concepts are simple and easily understood, and the presentations are remarkably entertaining. The construct is valid, and the instruments even appear to be rather accurate. The exercises usually do a superb job of describing each of the types and then explaining how each type relates or communicates with the other types. The problem is that there is no accurate way for those instruments to sort people into types. This is very deceptive, because people tend to identify the areas in which the report seems to be correct. It is far more difficult to identify the areas missed in the report. Participants in these kinds of seminars often have an unwarranted faith in the accuracy of these simple instruments, and end up “typing” people. This is not unlike a “four-sizes-fit-all” theory.

Participants in these kinds of seminars often have an unwarranted faith in the accuracy of these simple instruments, and end up ‘typing’ people.

The latest assessment tools incorporate a more precise picture of cognitive ability and personality traits — factors that play key roles in team interaction. More importantly, these newer instruments measure discrete behavioral factors, which gives us a much clearer picture of exactly what is driving a person’s actions. This enables a more specific analysis of team fit. It also offers a better understanding of homogenous and diverse teams. Fifth- and sixth-generation information helps reveal the hidden differences between people on a team who seem to be alike, and identify teams that appear to be diverse, but that in reality have some things



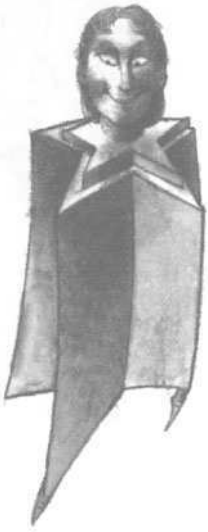
in common. The level of specific action that is possible through the use of these newer generations of tools is reflected in the designation of the process *team engineering*.

Reorganization or Restructuring

The concept of Job Fit is integral to any plan for reorganizing a work force. Without it, the outcome of the process becomes largely a matter of luck or hope. Job Fit assessments can be used to statistically analyze the old system and the new configuration. The existing population of employees can then be compared to the new requirements of Job Fit, and a strategic plan for the transition can then be developed. Some employees will fit easily into the new design, others will be phased in with training, and the ones who cannot make the change can be identified.

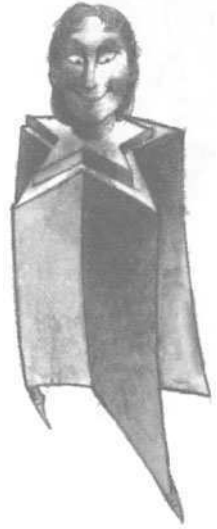
Succession Planning

Succession planning uses basically an internal selection process. Job Fit assessments allow leaders to analyze an executive's career path relative to the various Job Fits that are available. Even where experience demands a period of time in a position of marginal fit, that analysis enables a temporary adjustment of the expectations of performance during that period. This information can also be used to design individualized-training curricula.



Executive Coaching

The effectiveness of any executive coaching program is dependent on the information guiding the design of that program. Fifth-generation information is invaluable in understanding whether a manager's strength is more strategic or more tactical. It can help to evaluate what span of control is most comfortable. It can define what support elements are necessary for optimum performance. Improving the performance of top executives demands a higher level of information than what is obtained through 360-degree feedback systems and subjective discussions. Combining those resources with strong assessment instruments will help you reach new levels of achievement with top people.



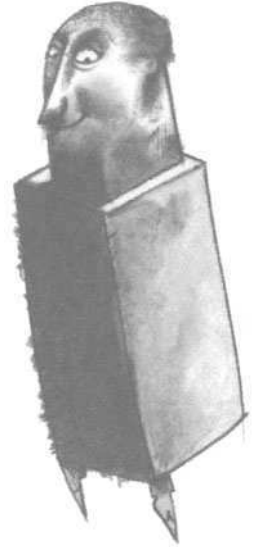
Summary

The new technology of performance information, driven by the latest advances in testing and assessment, will eventually find its way into every aspect of management and business that involves people. In this section, we simply provided an overview of some of the more dramatic applications.



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Chapter 6



Legal Issues Surrounding the Use of Testing and Other Kinds of Assessments

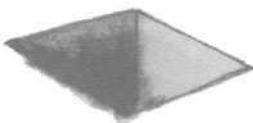


Legal Issues Surrounding the Use of Testing and Other Kinds of Assessments

The question of legality concerning the use of testing and assessment in the business world is the subject of much misunderstanding and confusion. The maze of federal and state regulations and guidelines can easily intimidate the average businessperson, who is already bombarded with well-publicized stories about the misuses of testing. This all creates the impression that testing is an all-but-certain recipe for disaster. It is slightly reminiscent of a childhood memory in which I begged my parents for a BB gun for my birthday, and was told that a BB gun would shoot out my eye, my friends' eyes, and even the eyes of total strangers. These are fantastic exaggerations of real, but manageable, concerns.

The proper and consistent use of effective testing and assessment systems can dramatically strengthen a company's legal position.

The proper and consistent use of effective testing and assessment systems can dramatically strengthen a company's legal position. Job-related testing and assessments are essentially the only way to document objective and non-discriminatory hiring practices. In the three-part paradigm of the selection process illustrated by the three interlocking circles, we see that the area most susceptible to bias or discrimination is Company Fit — which is largely determined by interviewing. Only the testing components are

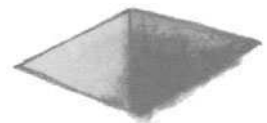


purely objective. Skills Match may or may not be measurable, depending on the job.

Only Job Fit, when measured by the proper assessment instrument, is completely objective. As Hogan (1990) correctly points out, *“Bias is a social component of the decision-making process, not a feature of the test result; therefore, a primary advantage of test use is that tests, unlike interviewers, are incapable of being prejudiced by the applicant’s race, gender, ethnicity, national origin, religion, age, or disability.”*

The information in this book is principally aimed at employers, but it is wise to remember that there are always two losers when an employee does not fit the job for which he or she was hired. The company loses the time, energy, and money spent on coaching and training, and it loses in terms of employee performance. Equally important is the time and energy the *employee* loses — time that was invested in the wrong opportunity. That part of their life can never be replaced. The information provided by effective and properly used assessments can help each party arrive at the best decision. Every legal guideline and regulation supports that purpose. In fact, it is inconsistent with the spirit of EEOC and ADA legislation to hire a person for whom the probability of reasonable success in the job is limited.

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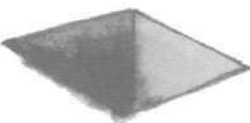
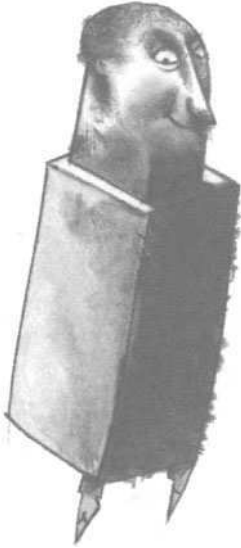
Legal Concerns

Consistent Application of Testing

There should always be a standardized selection process for each position or job category: All applicants for the same position must take the same test or assessment at the same point in the process. It is not necessary to test everyone, and it is not necessary to test everyone within the same job category, but you must test everyone who reaches the same point in the process if you use a test or assessment.

A simple flowchart is useful for laying out the various steps in the selection process for each job. The chart must show the exit points at each stage, and must identify what results or circumstances trigger the candidate's exit at that point.

It is also important to establish standardized questions for the stages that involve interviews. These can include guidelines on what types of questions to avoid; most newer fifth- and sixth-generation assessment tools provide interview questions with the report. Some instruments even offer behavioral event-based questions that are automatically directed at those areas of concern regarding that candidate's potential performance in a particular job. This will be helpful to managers who are not professional interviewers. It also standardizes the interview process, while at the same time focusing on the specific issues of each candidate.



Job-Related Assessments

Tests and assessments are only valuable if they measure criteria that are directly related to job performance. This is also necessary for legal compliance. In the selection process, the greatest advantage to assessments is having the information to predict the future performance of applicants. This is not an intrinsic quality of the test itself; it is found in the relationship of the test results to the results of job performance, which must be demonstrated through validation research.

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Adverse Impact

Under the Uniform Guidelines on Employee Selection Procedures (1978), a selection process must provide fair and equal employment opportunities to all applicants. Testing may be used:

- 1) To screen out those applicants who are not likely to be able to perform the job successfully.
- 2) To group applicants in accordance with the likelihood of their successful performance.
- 3) To rank applicants and select those with the highest scores for employment.

The operative principle must always be to avoid any adverse impact or non-performance-related discrimination against any minorities.

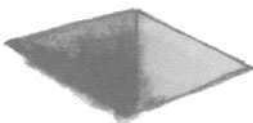


The Quality of the Instrument

It is of critical importance that any instrument used in a selection process must meet certain standards:

Many instruments that were originally validated for use in counseling and self-development are unfortunately marketed as hiring tools.

- 1) The instrument should be copyrighted no earlier than 1991. Two pieces of legislation that have directly impacted testing are the Civil Rights Act of 1991 and the Americans with Disabilities Act of 1990. Both these Acts must be considered when constructing any psychometric instrument used to make business decisions involving people.
- 2) The instrument must have been designed for use in a selection process. Many instruments that were originally validated for use in counseling and self-development are unfortunately marketed as hiring tools. Validation is a major element of compliance, dependent on two things:
 - The instrument must show that it measures what it claims to measure.
 - This has to be demonstrated under the same circumstances in which it is being used (i.e., an instrument for use in the business environment should have used employed people in its psychometric studies).
- 3) The technical manual for the instrument must provide thorough documentation of:
 - the development of the scales used
 - the development of the norms
 - the various validation studies
 - the diversity of the populations used in the studies
- 4) The psychometric studies that generated the original norms should be revisited approximately every three years. This allows the instrument to adjust to changes in demographics, social values, and attitudes.



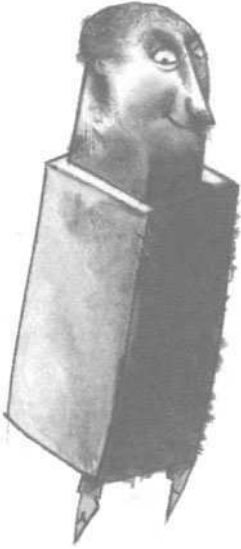
Medical and Non-Medical Tests

The Americans with Disabilities Act (“ADA”) provides that no company shall discriminate against a qualified individual with a disability because of that disability when it comes to hiring, advancement, training, or other element of employment. In a court of law, it can be assumed that if a company knew of a disability, that knowledge prejudiced their decisions. The ADA in Section 12112(d) prohibits medical examinations or medical inquiries of a job applicant as to whether the applicant is an individual with a disability or about the nature or severity of such disability. It is important to understand that this prohibition only refers to “medical examinations and inquiries.” This refers to actual “*medical*” examinations regarding an applicant’s “*medical condition or history*” that are designed to establish whether or not that individual is suffering from a *physical or mental illness*.

The ADA goes on in Section 12112(d) to address acceptable inquiries, stating that a company “may make pre-employment inquiries into the ability of an applicant to perform job-related functions.” This clearly permits the use of assessment instruments such as job-fit assessments and honesty tests, if they are used properly. The EEOC Enforcement Guidelines on Pre-Employment Inquiries under the ADA (1994) make the following critical points:

In a court of law, it can be assumed that if a company knew of a disability, that knowledge prejudiced their decisions.

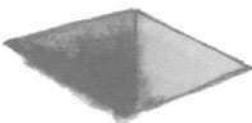




1) **The purpose of the test.** Instruments measuring fundamental characteristics of cognitive ability, interest, personality, honesty, and habits provide information that is directly related to the successful performance of a job. Use of instruments that measure such things as psychoses, neuroses, physical or mental disabilities, or other pathological issues is prohibited in the pre-offer stage of a selection process. *Medically-oriented tests may be given after a job offer has been made.*

2) **Medical and non-medical instruments.** Psychometric assessment instruments designed for medical purposes are normed on populations of individuals with some type of medical disorder. The Minnesota Multiphasic Personality Inventory, for example, was originally normed on a population of abnormal individuals who were under clinical care. Using those norms, the MMPI can measure such factors as paranoia, schizophrenia, and other psychopathology. Non-medical assessment instruments are normed on a population of individuals that is consistent with the population and purpose for which the instrument is to be used. The Prevue Assessment, for example, was normed on a broad-based population of normal, working individuals. Psychopathology was not a criterion of the population; as a result, the Prevue can only measure traits, abilities, and attitudes that are related to job performance. It is “blind” to psychopathology.

3) **Content of items.** While an instrument might not be designed as a medical test or assessment, it is important to make certain that none of the items (questions) that comprise the instrument constitute a “medical inquiry” concerning the existence, nature, or severity of a disability (e.g., “*At times I have been so depressed, I sought professional counseling.*”) if it is to be used at the pre-offer stage.



Legal concerns are a fact of life in business, but they are manageable concerns. Armed with knowledge and reasonable awareness, any business can take advantage of the power and potential of assessment and testing information, and at the same time strengthen its legal compliance.

This is a general outline of the major legal considerations. Unusual situations should be reviewed on a case-by-case basis.

Decision-making

Any testing or assessment information is only one part of the decision-making process. The three-circle diagrams used in this book are a simple way of looking at how the basic kinds of assessment information should fit together in a hiring decision.

Company Fit is rated on a 1-10 scale. This can be produced from a single interview, or it can be a composite score from several interviewing methods. The score should be derived from standardized interview forms and rating sheets.

Skills Match is rated on a 1-10 scale. This can ideally be obtained from some form of objective testing or from standardized rating forms.

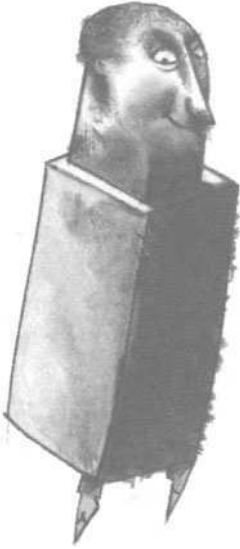
Job Fit is acquired by evaluating how well a candidate's core behaviors and abilities fit those behaviors and abilities necessary to perform a particular job. It also considers how critical each of these

Armed with knowledge and reasonable awareness, any business can take advantage of the power and potential of assessment and testing information, and at the same time strengthen its legal compliance.



behaviors and abilities are to that job performance. This is also rated on a 1-10 scale.

Add the Company Fit, Skills Match, and Job Fit scores and divide by three to calculate a composite rating for each candidate. (See the examples below.)



Candidate #1:

Company Fit - <i>Great attitude</i>	8
Skills Match - <i>Superb experience</i>	9
Job Fit - <i>Poor (Missing critical factors)</i>	<u>3</u>
Composite Rating:	$20/3 = \underline{6.7}$

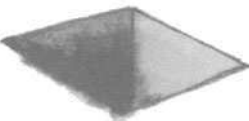
Candidate #2:

Company Fit - <i>Great attitude</i>	8
Skills Match - <i>Good experience</i>	7
Job Fit - <i>Excellent</i>	<u>9</u>
Composite Rating:	$24/3 = \underline{8}$

Candidate #3:

Company Fit - <i>Poor interview</i>	3
Skills Match - <i>Strong experience</i>	9
Job Fit - <i>Average</i>	<u>6</u>
Composite Rating:	$18/3 = \underline{6}$

This simple system allows each element of the decision to be considered separately. At the same time, it ensures that all factors contribute equally. Such a system can aid in standardizing a selection process, and can be easily documented.



A Recommended Selection Process

A Recommended Selection Process

Once appropriate instruments have been chosen, the next important decision is to decide where to apply them within the selection process. There is

The fundamental rule in screening job applicants is to use the most accurate and least-expensive method at the earliest point.

not one “correct” process that will serve well for all positions. Several factors can influence which process will be the most effective process for a particular job.

The fundamental rule in screening job applicants is to use the most accurate and least-expensive method at the earliest point.

Accuracy is largely dependent on objectivity, assuming that quality instruments are used and that they are properly administered. What follows is a relative ranking of instruments in terms of objectivity and accuracy.

The accuracy and objectivity of testing instruments, from best to worst:

- (best)
1. Verification of criminal, driving, credit history
 2. Chemical drug testing
 3. Skills testing
 4. Job Fit assessments
 5. Pencil-and-paper drug testing
 6. Honesty and integrity testing
 7. Reference checks
 8. Interviewing
- (worst) 9. Résumés (least accurate and least objective)

This is by no means an exact listing. There are always variations in methods and in

implementation, but the point is to obtain the most objective information quickly, so that the obvious decisions can be made as early as possible in the process. (If a business is drug-free, there is little point in conducting extended interviews of a candidate who tests positive for substance abuse.)

The next consideration is the cost of screening. This is not always easy to calculate. There are a few obvious factors, such as the product cost of assessment instruments, but even greater costs are to be found in the time and energy of the managers, supervisors, human resource personnel, and employees who must administer any selection program. Testing and assessments can significantly leverage that time and energy by focusing efforts only on those candidates who have already passed objective screenings.

Time spent interviewing is the most common, undervalued expense in a selection process. Interviewing is a critical part of the job of managers and supervisors, but be sure that any lengthy interviews are directed only at candidates who fit the job; whose work history and references have been checked and verified; who are drug-free; who have the necessary skills and abilities; and who have met any other verifiable criteria. In-depth interviewing should be used to identify the best candidate for the job from a field of pre-qualified applicants.

Time spent interviewing is the most common, undervalued expense in a selection process.

The cost of the testing and assessment instruments will vary, depending on the product and the services

One often-asked question is how much a good instrument costs. This is a little like asking how much you'll have to pay for a parachute.

Ironically, the cost of testing and assessments is generally the smallest expense associated with a sound selection system.

offered. One often-asked question is how much a good instrument costs. This is a little like asking how much you'll have to pay for a parachute: The answer is *as much as it costs to be sure it will open*. The parallel business answer might be *as much as it takes to get the right person for the job and to stay out of court*. The best answer depends on the particulars of that situation. Ironically, the cost of testing and assessments is generally the smallest expense associated with a sound selection system. The financial impact of just one bad hire typically dwarfs the total amount an average-size company spends annually on testing.

Each situation must be considered individually if one is to design the most effective system. The diagram that follows illustrates in general where the various screening methods can be used. Specific situations may require rearranging certain screens, adding additional screens, or omitting some screens.

Many variables must be considered, such as:

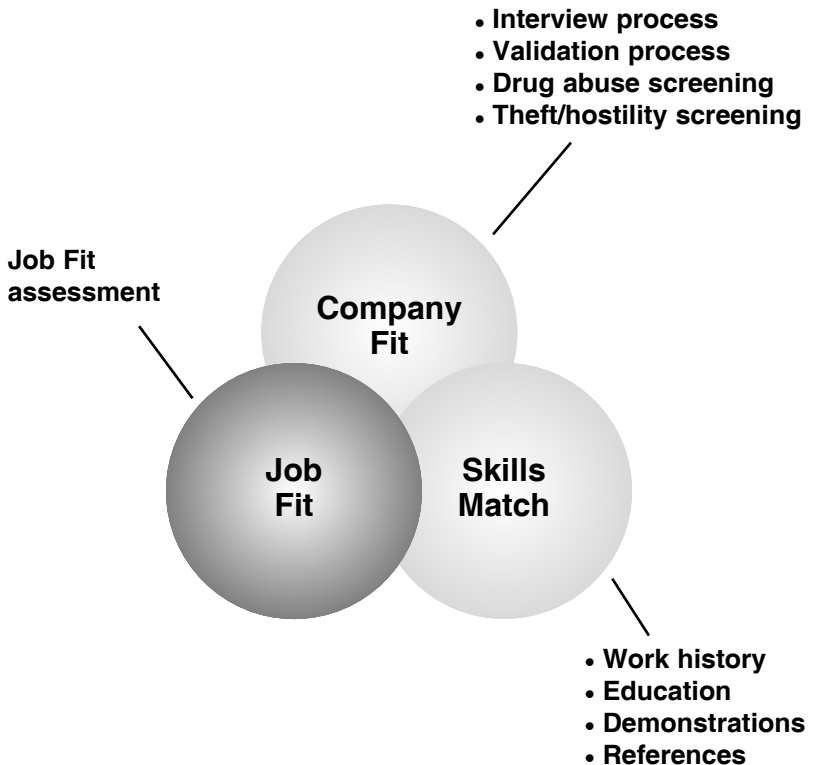
- the number of candidates available
- the number of applicants
- the skills and knowledge necessary for the job
- the number of selection personnel available
- the experience level of those personnel
- the number of locations involved
- the legal exposures involved
- the job's safety considerations
- the time available

The following is an example of a selection process that is applicable to many types of positions:

The Cornerstones of Job Performance

An effective Selection Process consists of three distinct components:

- **Company Fit** - attitude, grooming, mannerisms, ethics, etc.
- **Skills Match** - experience, abilities, certification, etc.
- **Job Fit** - cognitive abilities, personality structure, interest.



The ideal candidate will “match” in each area.

There are always trade-offs with any combination. In today's legal environment, it is better to over-screen than to take unnecessary and easily avoided risks.

Here are a few examples of how various selection systems can be made more effective and/or economical:

Paper-and-Pencil Drug Tests and Chemical Drug Testing

A paper-and-pencil test administered before other screenings can save money because applicants who fail can be taken out of the pool immediately.

A chemical drug test costs \$30 per person, and a paper-and-pencil drug test costs \$12 per person. If a company administers the paper-and-pencil test first in the screening process, every applicant who tests positive at that point can be taken out of the pool immediately—a savings of \$18 per person, because the chemical test is now unnecessary.

Job Fit Assessments and Interviewing Time

A sixth-generation screening assessment costs \$20 per person, but the sales manager's time is worth \$200 per hour.

IMPORTANT: The cost of the interviewer's time is not the hourly salary. It is the hourly salary PLUS the productivity cost and the "opportunity" cost of the time.

If a company uses a sixth-generation assessment to screen out the candidates who are poor fits for the job, it will cost about \$200 for a pool of ten applicants — the same as one hour of the sales manager's time. Now the interviewing time is focused only on

those candidates who are likely to succeed in this particular job. In addition, the interviewer now has specific information on each of the candidates that can be used to guide the interviews, as well as interview questions targeted at the specific issues of each candidate. More-detailed information can be obtained by using fifth-generation tools on the final choices.

Verification, Drug Testing, and Job-Fit Assessments

Let's say that a company wants to hire several truck drivers. Job Fit assessments cost \$75 each; verification of criminal records and driving records costs \$60 per applicant, and paper-and-pencil drug testing costs \$12 per applicant. Since any candidate who uses drugs, has a bad driving record, or who does not fit the job would be unacceptable, each of these screens is important.

The most-economical arrangement is to apply the drug test (\$12) first. Candidates testing positive will not require either of the other two screens.

The next step is to verify criminal records and driving records (\$60) for those candidates testing negative on the drug test. Anyone screened out at this point will not require the Job-Fit assessment (a savings of \$75 per applicant).

Multiple Interviews and Job-Fit Assessments

Let's say that a company traditionally has several of its top salespeople also interview the candidates

The interviewer can use assessment information on a candidate to develop interview questions and guide the interview.

after initial interviews are conducted by the sales manager. The group meets afterward to discuss their opinions. Finalists are then given Job Fit assessments.

If a company only tests the final candidate for job fit, it will be like trying to recruit a championship swimming team by asking the question, “Can you swim?” The only possible answers are “Yes” or “No.”

From an economic point of view, this is an extremely expensive process, because sales time and sales management time is a very limited and valuable resource in every company. Spending that amount of time on candidates who might not fit the job is an unnecessary expense. By assessing Job Fit prior to those interviews, the company dramatically reduces costs and has the job-fit information it needs to make the interviews significantly more productive.

Testing Only the Final Candidate for Job Fit

This is truly one of the tragic false economies that can occur in a selection process. If a company only tests the final candidate for Job Fit, it will be like trying to recruit a championship swimming team by asking the question, “*Can you swim?*” The only possible answers are “Yes” or “No.” When five candidates are tested for Job Fit, the question becomes, “*Who is the best swimmer?*”

Testing and assessing in hiring allows a company to meet three important objectives:

1. Potential problems can be identified early on, such as these concerns:

- Substance abuse
- History of theft
- History of tardiness
- Safety problems
- Hostility
- Turnover problems
- Difficulty with change
- Slow learning curve
- Inability to work on a team
- Inability to deal with stress
- Inability to handle conflict
- Inability to follow rules
- Inability to close sales
- Communication problems

In order to select the right people for the job, first screen out the wrong people for that job.

In order to select the right people for the job, first screen out the *wrong* people for that job.

2. Once the wrong people have been screened out, assessment information can then be used to identify the potential abilities and strengths of the remaining candidates and select those who are best suited for that particular job, such as candidates who possess these characteristics:

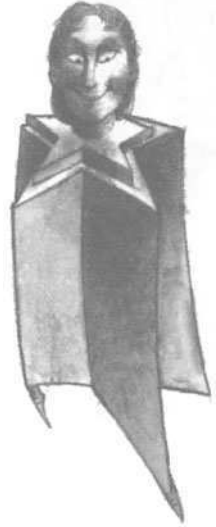
- Ability to learn quickly
- Consistent worker
- Excellent people-skills
- Flexible and adaptable
- Ability to work alone
- Strong “closer”
- Good diplomat
- Good conceptual thinker

- Creative problem-solver
- Ability to follow rules
- Effective delegator
- Strong team member
- Quick decision-maker
- Stable employee

Advanced selection systems will help you hire better ONLY if you understand all the ways assessment information can be applied.

3. The assessment information can help managers develop coaching and training recommendations for the new employees, resulting in a faster ramp-up time.

Only when each of these ways to use assessment information is understood and applied can the true potential of advanced selection systems be realized.



SUMMARY
and
RECOMMENDATIONS
for matching the right person with the right job



Summary and Recommendations

I began the first edition of this book by stating, “Today, the use of assessment information is no longer an option. The legal environment *demand*s it. Maintaining a competitive advantage *requires* it.” To those businesspeople who are *thought leaders* in their industries, these statements signal a window of opportunity. Competition has intensified in virtually every industry, and today’s global economy generates competitors that seem to defy geography. At the same time, the rapid advances in computer engineering, telecommunications, and other technology have made it possible for smaller companies to compete effectively with much larger corporations.

Getting the right person in the right job quickly has become a decisive element in maintaining a competitive edge.

The pace of change in the technological and business world has accelerated beyond anyone’s imagination. A competitive edge based on a specific technological innovation is short-lived at best. Terms such as *re-engineering*, *restructuring*, *right-sizing*, and *reorganization* resound through the pages of every business periodical. The traditional recruiting definition of a good employee—“ambitious, hard-working, and loyal”—has given way to “flexible, possessing a specialized set of abilities, and quick to learn.” Business today can rarely tolerate indefinite learning curves. Getting the right person in the right

job quickly is a decisive element in maintaining a competitive edge. Success at this requires the information that only effective testing and assessments can provide.

The legal environment for businesses today has seldom been more treacherous. Newspapers report on the flood of labor-related litigation and multi-million dollar settlements. Attorneys anxiously seek out opportunities to file negligent-hiring lawsuits. Special interest groups crusade against real and imagined discrimination. Incidents of workplace violence and drug-related accidents underscore the need for proper screening of potential employees.

In the last ten years, the laws and regulations affecting the selection of candidates and the treatment of employees after hiring have become increasingly complex and restrictive. The paradox is that as employment decisions become more critical, the information that has been traditionally available on which to base those decisions has decreased. There are, for example, more restrictions on the kinds of questions that can legally be asked in a pre-employment interview. Proper use of testing and assessments is virtually the only way to ensure that objective and nondiscriminatory hiring practices are followed and documented.

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As is often the case, within these seeds of adversity lies an even greater opportunity: An organization that uses the latest assessment technology to strengthen its legal compliance will find it to be an incredibly powerful management tool. As this new level of information is integrated into executive thinking at all levels, the organization will discover that **having the right person in the right job is the only *lasting* competitive advantage.**

**Having the right person in the right job
is the only lasting competitive advantage.**

RIGHT PERSON-RIGHT JOB **QUESTIONS & ANSWERS**

**Frequently asked questions
about using assessments and testing**

Frequently Asked Questions about the Use of Tests and Assessments for Job Selection

Q: We use an industrial psychologist. Why should we consider using assessments?

A: Industrial psychologists play an important role in hiring: They provide a psychological perspective to supplement many decision-making processes. Organizational leaders need to understand several things about the industrial psychologist's role.

- a) Using an industrial psychologist to supply information for a hiring or placement decision does not reduce the need to comply with federal and state regulations. For example, if the information used is proven to be discriminatory, the hiring decision can be shown to be discriminatory.
- b) The psychologist's summary information is only as good as the assessments used to obtain the initial data. A psychologist who uses first- or second-generation tools cannot, for example, produce information of fifth-generation quality.

Q: We were considering creating our own tests. Wouldn't that be better?

A: It depends completely on what you wish to measure. If there is some unique skill, ability, or knowledge that is critical to successful performance of a particular job *and* there is not an existing instrument that measures for this, it might be necessary to construct one. If success is dependent upon a unique combination of fundamental characteristics of behavior and abilities, however, it is much better to use established tools. The major assessment instruments, like those of the fourth-, fifth-, and sixth-generations, required years to

develop, the investment of many hundreds of thousands of dollars, and the expertise found in a relatively small number of psychometric experts. It is usually more economical and more effective to buy specialized expertise.

Q: We use a customized interview system that is very effective. Do we also need testing?

A: Customized interview systems, targeted interviewing, and behavioral interviewing are all very effective methods of identifying potentially successful job candidates. Several systems use what is called a “biodata survey” to profile successful candidates and then match interviewees to that profile. Many make use of simple personality assessments as a part of that process. Such systems can be an effective way to identify **Company Fit**, and in some cases even **Skills and Ability**. A complete picture of a candidate would still require a measure of **Job Fit**, and a separate assessment instrument would be necessary and desirable for that.

The other problem with interviewing systems is that ongoing training will be necessary for the managers or staff who will be conducting the interviews. Additionally, every person still tends to interpret the interview differently, according to their subjective point of view. Newer assessment tools are much more accurate and significantly less expensive.

Q: Our selection process is too long now. We don't have time to do testing in addition to everything else.

A: Using sixth-generation assessment tools collapses the time necessary for hiring decisions. Most of these tools require less than 15 minutes to complete, and results are available immediately. With that much information available, you eliminate the need for unnecessary preliminary interviewing.

Q: I've heard that testing is not legal. Is that true?

A: This is clearly *not* true. In fact, proper use of assessments can provide the most-effective documentation that you are using objective and nondiscriminatory hiring practices. The legality of any assessment instrument depends upon a combination of factors, including consistency of application, the validated purpose of the instrument, the job-related constructs of the instrument, and the incorporation of the results into the decision-making process. (For details, see previous section.)

Q : We have used a first-generation instrument for years, and everyone really likes it. Why should we change?

A: First of all, you must separate the emotional feelings of familiarity from the pragmatic issues of effectiveness. People were once comfortable using typewriters and adding machines, instead of computers. Today those same people complain about the “slowness” of their five-year-old machines and switch to ultra-fast notebook computers with color monitors and fax modems. The best slide rules do not even beg comparison with the cheapest calculators, and the best instruments of the first-generation are ancient history, compared to those of the fourth-, fifth-, or sixth-generation.

People want tools that work effectively and make their jobs easier. The transition to newer instruments is easily accomplished with training and strong management support.

Q: Won't some people be offended if they are asked to complete these tests?

A: Certainly, but if some people are offended by a company's sincere and professional efforts to ensure their success through effective job matching, it is a small price to pay for the overall benefits to all employees in the company.

Q: Aren't there some people who just don't do well on tests?

A: The inherent concept in assessment technology is that all people are good at something, but no one is good at everything. That includes testing. In general, most people are anxious about taking any kind of assessment. This reaction has been conditioned by years of education in which passing or failing tests determines the class standing. The use of other tests, such as driving tests and medical tests, also contributes to this attitude. This is why it is important to explain to all candidates what the purpose is for each test or assessment before it is given. Many of the latest instruments incorporate audio tapes or preliminary written messages designed to put the candidate at ease.

It is also important to recognize that people with poor skills will seldom be excited about taking a skills test. People with performance problems are seldom excited about taking any job-fit assessment. That is precisely why tests are a vital part of the business world. Effective assessments can identify the critical areas that people do not want to reveal but that the business must know about in order to make the best decision.

Q: We use recruiters for our key positions. Finding good people is *their* job. Why should we use testing?

A: Professional recruiters can offer significant advantages to a company seeking candidates for any position. The leading recruiters use job-fit assessments to make sure that their candidates not only interview well and have the requisite skills and experience, but that they will also match the job-fit requirements of the client. If your recruiter does not use job-fit assessments, it would make sense for you to do so before accepting a candidate. The cost of the assessment is far less than the recruiting fee or the cost of having the wrong person for even a short period of time.

Q: We often fly in candidates for interviews. There is usually not enough time for testing. What do you suggest?

A: It would make sense to use an online screening tool at a cost of about \$20, as opposed to paying for an expensive plane ticket and committing even more (expensive) time to a candidate who might not be able to do the job.

Q: What is the best way to pick a good test?

A: A “good test” is one whose information can be used to increase the profitability of your company. The most common error in shopping for an assessment is to attempt to evaluate the accuracy of the report. Many instruments use generalized styles for their reports and people tend to judge them to be apparently “accurate.” The information provided in these types of reports, however, lacks the specificity and directness needed to make critical business decisions. A more effective strategy for evaluating an assessment tool is to identify an existing performance issue, and use the instrument to assess the individuals involved. If the resulting information contributes to a successful resolution to the problem, then that assessment is a good for you.

Glossary

Glossary

Affective behavior - The nonintellectual aspects of behavior.

Aptitude - A relatively homogenous and clearly defined segment of ability.

Behavioral styles - Any of several categorizations of personality arranged in a construct or matrix of characteristic types. These types are essentially models by which observed behavior and interaction can be discussed and understood (also called *social styles*).

Benchmark pattern - A composite picture of the characteristics of top performers produced by assessing and analyzing a sample group (also called a *success pattern* or *success profile*).

Cognitive abilities - Elements of intelligence, characterized as general reasoning, numerical reasoning, verbal reasoning, spatial reasoning, mental alertness, etc.

Construct - A psychological characteristic that is considered to vary across individuals. A construct is not directly observable; it is a theoretical concept derived from research and experience that has been constructed to explain observable behavior patterns.

Core personality - An individual's fundamental traits of personality that are established during childhood and that tend to remain the same over time, in the absence of some life trauma.

Conative - The individual differences in motivational content or the differences in the things for which people strive (Miller, 1991).

Equivocation - The set of responses that tend to fall within the middle response of several extremes or the response that is the least committal. This has the effect of diluting the information provided.

Factor analysis - Any of several methods of analyzing the intercorrelations or covariances among variables by constructing hypothetical factors, which are fewer in number than the original variables. Factor analysis indicates how much of the variation in each original measure can be accounted for by each of the hypothetical factors.

Faking - Attempts by the test participant to misrepresent their true behavior through exaggeration, distortion, equivocation, avoidance, or some other means.

Intelligence

“**Crystallized**” intelligence refers to intelligence that is dependent upon culture, education, or experience.

“**Fluid**” intelligence refers to raw intelligence or reasoning ability that is not dependent upon culture, education, or experience. Measurements of fluid intelligence are much more effective in predicting performance in diverse situations. Measures of fluid intelligence are less likely to create adverse impacts.

Ipsative - A type of scoring generated by forced-choice items (e.g. “*Select the word that MOST describes you and the word that LEAST describes you from the following: moody, thoughtful, enthusiastic, or intense*”). For more information on ipsatively scored tests, see Kline (excerpt), 1993 listed in the References section (Appendix).

Item - A question or a problem on an instrument requiring a response.

Item analysis - The process of assessing certain characteristics of test items (usually the difficulty value, the discriminating power, and sometimes even the correlation) with an external criterion.

Normative - A type of scoring produced by testing a large population and generating a normal bell curve distribution of the results. The distribution is then divided into standard tenths (or ninths in older instruments), creating a quantified, normal scale with which to measure and compare individuals.

Personality types - Categories of people who exhibit particular combinations of psychological characteristics, the assumption being that this combination is unique and distinguishes this type from another (Miller, 1991).

Psychometrics - The science of measuring the characteristics of human behavior, personality, cognitive ability, interest, and aptitude.

Reliability

Test-retest reliability - This term refers to a test's stability over time. Lower test-retest reliability indicates that the instrument is not measuring core behavior traits, but is instead assessing states, which are subject to change with mood or circumstances.

Internal reliability - This term is used to describe the ability of a test to measure discrete variables. The degree to which variable measurement is cross-related lowers internal reliability.

Social desirability - The set of responses in which participants tend to answer in such a way as to portray themselves in the most favorable light.

Social styles - Categorizations of personality into constructs or matrixes of characteristic types. These types are essentially models by which observed behavior and interaction can be discussed and understood (also called *behavioral styles*).

Standard deviation – A measure of the variability of a sample of scores from the average or mean of that same sample.

Success pattern or success profile – A composite picture of the characteristics of top performers produced by assessing and analyzing a sample group (also called a *benchmark pattern*).

Technical manual – A step-by-step description of how the instrument was constructed. It outlines the various constructs used by the assessment, and the basis of their formulation. The numerous validity studies are detailed with the description of the various populations used in the studies.

Types – The concept of sorting people into various categories or sets of behavior for the purpose of discussing interaction. Early assessments were based on this concept.

Validity – A test is said to be valid if it measures what it claims to measure. There is no one validity coefficient for a test. A test is always valid for some purpose, and therefore is more valid in some circumstances than in others (Kline, 1993).

Deductive validation – starts with a theory in order that the content of the test is defined and that hypotheses are generated concerning what should correlate with the test scores.

Inductive validation – starts with the test measure, and then tries to infer what it must be a measure of by examining its relationship with other things.

Construct validity – Whether or not a test is measuring what it claims to measure as judged by accumulated evidence.

Concurrent validity – A test is said to have concurrent validity if it correlates highly with a “benchmark” test of the same variables.

Validity (continued)

Content validity - Tests such as ability or attainment tests, where the domain of items is very defined.

Criterion validity - Evidence that shows the extent to which scores on a test are related to a criterion measure.

Concurrent criterion-related validity - Evidence of criterion validity in which predictor and criterion information are obtained at approximately the same time.

Predictive criterion-related validity - This refers to evidence of criterion validity in which criterion scores are observed at a later date (e.g. after job performance).

Face validity - An instrument is said to be *face valid* if it appears to be measuring what it claims to measure.

Predictive validity - A test is said to have predictive validity if it will predict some variable.

Synthetic validity - This refers to the practice of using validity generalization to “synthesize” the criteria for a new job through extrapolation from known predictive criteria in other jobs.

Validity generalization - Applying validity evidence obtained in one or more situations to other similar situations on the basis of simultaneous estimation, meta-analysis, or synthetic validation arguments.

Validity scales - Any of a variety of scales designed to indicate exaggeration, faking, equivocation, or deception by test participants.

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About the Author

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Chuck Russell is a nationally recognized thought leader in the application of assessment technologies to business practices. He is the founder of two consulting firms that have pioneered the use of new assessment instruments to differentiate between elastic and non-elastic performance competencies, which has led to production increases of 20% or more across a broad range of industries.

In 1990, he founded The Russell Group, forerunner of Jobfun.com. With offices in Atlanta and San Francisco, Jobfun.com helps companies select and use assessment tools, and assists with turnkey development of customized products for training and business organizations.

Chuck has developed new generations of assessment technology that integrate business needs with primary system design, thus making information easily accessible to more users. He has also written and directed video productions on the use of assessments, and is responsible for a number of innovations in the assessment industry. He provides consulting services to test-publishing companies and individuals on the competitive differences among test and assessment products currently available in the marketplace. Most recently, Chuck has been creating interactive Internet applications for major sites on the Web.

A national speaker, Chuck has been described as having a speaking style that is part visionary, part Southern evangelist, and part humorist, but the focus of his interaction with his audience is on finding practical solutions to real problems.

Chuck holds a degree in economics from Spring Hill College. He is a Fellow of the Work Force Stability Institute and is a member of Mensa. He is an excellent tennis player and also owns golf clubs, but his favorite and most important job is being a dad.

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