

Is Your Organization Effectively Deploying the Human Capital It Needs to Compete?

Most organizations understand that effective management and deployment of assets can mean the difference between success and failure. But many organizations fail to consider their most critical asset – human capital.

A recent study by McKinsey & Company revealed that “A” performers tend to be 50-100% more productive than “C” performers. Clearly, identifying the “A” performers can enhance an organization’s performance. So, how does an employer identify the “A” performers, and once identified, how does an employer retain them?

The answer to these two questions is simple: Testing.

Testing has long been an effective, yet underutilized, tool to help employers make the most of their human capital.

Why Test?

To effectively manage its human capital, an organization needs to have as much information as possible. Unfortunately, the employee selection and management process is too often clouded by subjectivity and incomplete information to be as effective as it could be.

Testing applicants and employees can clear the air by providing the following benefits:

- Reveals an individual’s true talents
- Clear basis for comparison with other candidates
- Comparison of abilities with those required by the job
- Questions to ask in an interview
- Introduces objectivity into the selection process
- Evidence of due diligence in the event of litigation
- Ability to benchmark successful performers
- Basis for developing specific training and development programs
- Insight for managers to know how to best manage subordinates

What Is Testing?

There are literally hundreds of tests available that an employer may use. Excluding the specific skills tests and honesty/integrity tests, most employers that use testing want to know about an individual’s mental abilities and personality traits. So, how do you choose a test that is right for you?

There are many intelligence or reasoning tests available, but such tests alone are not adequate predictors of successful job performance. The dozens of personality tests available can't provide a complete picture of an individual without taking into consideration how that person's mental abilities interact with his or her personality, and most are derivatives of the same test, the 16PF.

Adding to the confusion are the scoring scenarios implemented by the test developers. Most tests provide single score or pass/fail scoring. While easy to interpret, such scoring systems often lead to over-reliance on test results and potential litigation concerns.

The solution is one instrument that includes mental and personality measurement and a scoring system that is not subject to the concerns of the pass/fail methods.

How to Choose a Test

When considering various testing options, you should consider three critical factors:

1. What the test measures
2. How results are presented
3. Job relevance

Certainly there are other items to consider when choosing a test, but most are covered by these three areas.

What Is Measured

Mental skills or intelligence testing alone is an inadequate predictor of successful job performance. An analysis of an individual's personality without insight into how that person learns and processes information is incomplete. Since both are needed, you should choose an instrument that combines mental and personality measurement in one tool.

How Results Are Presented

Most tests provide single score or pass/fail scoring. While easy to interpret, such scoring systems can be difficult to link directly to job requirements, and often lead to over-reliance on test results and subject users to compliance and litigation concerns. Choose a test that provides scores on a scale that can be related to the Normal Distribution (Bell Curve) and that easily relates scores to the job requirements, preferably by means of a benchmark of successful performers.

Benchmarking

To be truly effective as a selection tool, a test must have a means of comparing the scores of applicants to those of successful performers in the job for which an applicant is being

considered. Benchmarking existing employees who are successful in a job category provides the basis for analyzing applicants for their likelihood of success on the job.

Benchmarking involves testing and analysis of an employer’s top performers in a job category. The employer identifies the top performers in a job category and tests them with the assessment to be used in the selection process. The assessment scores for each employee are plotted and the scores for the group are statistically analyzed to determine the traits the group has in common as measured by the assessment. This analysis results in the benchmark for the job category. Following is a score sheet for a leading job-fit assessment, The Achiever, showing how a benchmark is used.

Mental Aptitudes - for Sales Representative position			
		1 2 3 4 5 6 7 8 9	
MENTAL ACUITY	Slow Learn	[. X]	Fast Learn
BUSINESS TERMS	Uninformed	X	Knowledgeable
MEMORY RECALL	Unaware	[.] X	Aware
VOCABULARY	Limited	[. X . . .]	Strong
NUMERICAL PERCEPTION	Imprecise	[. X . . .]	Accurate
MECHANICAL INTEREST	Indifferent	X	Interested
Personality Dimensions - for Sales Representative position			
		1 2 3 4 5 6 7 8 9	
ENERGY	Restless	[X]	Calm
FLEXIBILITY	Flexible	[. X . . .]	Rigid
ORGANIZATION	Disorganized	X [.]	Planful
COMMUNICATION	Reserved	[. X]	Interactive
EMOTIONAL DEV	Impatient	[. X]	Tolerant
ASSERTIVENESS	Cooperative	[.] X	Authoritative
COMPETITIVENESS	Team Player	[. X]	Individualist
MENTAL TOUGHNESS	Sensitive	X [.]	Tough
QUESTIONING /PROBING	Trusting	[. X . . .]	Skeptical
MOTIVATION	Security	[. . . X]	Recognition
Validity Scales - for Sales Representative position			
		1 2 3 4 5 6 7 8 9	
DISTORTION	Frank Answer	[. X . . .]	Exaggerates
EQUIVOCATION	Choose Alter.	[. X . . .]	Choose Middle

In the above example, The Achiever scores represented by the “X” in each area measured are presented for comparison against a benchmark pattern represented by the brackets [...]. A benchmark pattern represents the range of scores on The Achiever of successful performers for a particular job category. By utilizing a benchmark, an employer can “see” how an individual who has been tested with The Achiever compares to successful

performers in the job category under consideration. Comparison of an individual's scores on The Achiever to a benchmark provides concrete data as to a person's likelihood for success on the job based on The Achiever results, and ensures that use of The Achiever is job related.

With a benchmark in place, employers can literally see how an applicant compares to successful employees. The benchmark makes applicant selection much easier and, just as important, provides a consistent basis for the selection of applicants – a critical element in today's litigious society.

Summary

Testing has a long history of providing employers with valuable, objective insight into an individual's likelihood of successful job performance. But, not all tests are equally adept at providing the information you may need. When making a decision to implement a pre-employment testing program, consider the following questions:

- What do we expect to achieve and in what time frame?
- Can the results of the test investment be measured in dollars?
- What is the dollar investment vs. the potential dollar return?
- What is the experience of the testing vendor?
- How long has the testing vendor been in operation?
- Has an employer been involved in litigation related to a particular test?

The kinds of answers you receive to these questions in addition to the topics discussed in the How to Choose a Test segment should provide the information you need to make an educated decision about using pre-employment testing to maximize the effectiveness of your greatest asset – your human capital.

To learn more about The Achiever assessment, visit www.the-achiever.com.

For decades, the staff of CRI who publishes The Achiever has conducted in-depth training on the history of testing and how to effectively implement a testing program. A sample course outline for such training follows.

To discuss how you can utilize testing to reach your organizational goals, contact:

S. Milt Cotter, Senior Consultant - CRI
scotter@criw.com
(800) 328-1940, ext. 199

CRI has more than 40 years experience helping employers get the most from their greatest asset, human capital. Additional information and reference material is available at: www.whytest.biz.

