



WHITE PAPER

Assessments 101

An Introduction to Candidate Testing



The recent economic slowdown has produced a wealth of candidates seeking employment. In addition to those out of work, there are predictions that a number of employees, many of whom are happy to currently have a job, but unhappy with their present place of work, will begin looking for new positions, once the market begins to stabilize.

Though it may seem that selecting talent would be easy in the present climate, hiring managers have their work cut out for them, with many more resumes to weed through than before. Assessment tests, when used as part of the hiring process, provide employers an effective way of helping decide which candidates are the most qualified for a specific job.

Though assessments have been used for years, their necessity is all the more evident today. Karen Meredith is president of Predictive Performance International, a company that provides employment assessments. According to Meredith, “In up economies, employers used to be a little more relaxed, wrongly perhaps, about saying, ‘I’m going to go out there and hire 20 sales people and hope that 10 stick.’ Companies can’t afford to do that today; they don’t have the money to do that.”

Assessment tools provide managers a more in-depth read on the individual seeking employment, leading to more accurate and long-lasting hiring decisions. They can additionally help candidates determine whether or not the job for which they are applying is a good match for their backgrounds and abilities. A resume review and interview will not always unearth the most optimal hire. Assessments go beyond these typical means of analysis to highlight candidate qualities that might not have become evident during a more basic interview process.

Most realize that losing an employee is costly.

Estimates demonstrate that replacing valued performers can reach more than two times an employee’s salary for high-level or specialized positions. Even replacing entry to mid-level employees can be expensive, once training and recruitment costs are taken into account. Studies show costs to equal one-third to one and one-half times salary. Assessments can help organizations reduce turnover by helping to fill open roles with only the most qualified, “best fit” individuals.

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Another benefit assessment testing provides employers is the ability to improve fair hiring practices by standardizing the hiring process. Assessments, when properly created and validated, should treat all applicants in the same, non-subjective manner and should not discriminate on the basis of race, color, sex, national origin, religion, disability or age.

Outside of hiring, assessments can support an organization’s training, development and onboarding processes. Meredith asserts that assessments provide managers the ability to find out how a new hire’s personality and behavior set will interact with the established team and then tailor the manager’s and/or team’s actions to get the best performance out of the new employee in the shortest amount of time. Likewise, areas of potential conflict can be examined and dealt with accordingly.

Additionally, assessments can be used for employee development to determine whether an employee’s current role is best suited for him or her. As is common in companies, workers’ roles

and responsibilities change over time, creating the possibility for employees' satisfaction and suitability to also shift. Testing can shed light onto situations such as these, allowing organizations to move workers into roles that make the most of their unique qualifications.

This white paper provides an overview of several common types of assessment tests. Areas of focus will include what each tool measures, its benefits and drawbacks and best use recommendations. Also discussed are some of the additional items hiring managers should consider when analyzing various assessment models.

Types of Candidate Assessment Tests

Before an organization considers adding assessment testing to its hiring process, there are a number of items to consider. Most importantly, a hiring manager must know not only the requirements of the job he or she is looking to fill, but also the qualifications that will lead to success in the position. This will ensure that the proper assessment tool is selected and that the

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testing will assist in identifying only the most qualified candidates for the open position.

Dr. Charles Handler, the president and founder of Rocket-Hire, a consultancy dedicated to helping organizations use technology and best practices to build effective, legally sound employee

selection systems, finds that a good way for organizations to evaluate which assessment is right for them “is to first understand their needs very thoroughly. I think a lot of companies gloss

over that part of it and don't really look at the contextual factors that can really have an impact on the bottom line of an assessment.” He also encourages employers to consider existing technology and the makeup of their current hiring processes.

This section highlights some of the more common categories of candidate assessment tests. Not every assessment tool will be clearly defined by one of the below categories, as some tests use a combination of the elements subsequently discussed.

Personality Tests

Personality tests measure specific candidate personality traits. The traits measured are those tied to successful performance in the job for which the candidate has applied. Some of the most common traits tested for include extroversion, emotional stability, agreeableness, conscientiousness and openness to experience. This type of assessment has no “right” answers. The questions are simply designed to reveal the candidate's personality traits and then use that information when evaluating his or her fit within the organization. *Personality tests* may be structured as a written or online questionnaire, an interview or observer ratings. They are typically used to assess candidates for jobs that require teamwork and a good deal of interpersonal interaction.

Personality tests are easy and inexpensive to administer, can be issued to large numbers of candidates and their results differ less by race and gender than other kinds of assessments. On the other hand, *personality tests* may cause some candidates to answer questions in an untruthful manner to try to make a favorable impression on their prospective employer. Additionally, there are candidates who may view some questions as too intrusive and not related to the job for which they are applying.

Integrity Tests

Integrity tests are designed to investigate a can-

candidate's truthfulness and trustworthiness, and can be a measure of overall job performance. Test questions generally focus on a candidate's past behaviors related to ethics or on interests and preferences. The answers provided by the candidate are used to predict future behavior and determine whether the candidate may be prone to unscrupulous actions in the workplace. Candidates who score low on *integrity tests* are apt to be less productive, and therefore less appropriate, employees. As such, *integrity tests* are used by some employers as a means to screen out dishonest individuals from the hiring process.

In addition to identifying potentially unproductive employees, these tests' results differ less by race and gender than other categories of assessments and do not require the use of skilled administrators. However, like personality tests, *integrity tests* may be viewed by candidates as overly intrusive.

Emotional Intelligence Tests

Emotional intelligence tests measure an individual's ability to identify, control and assess emotions. Typically, these tests consist of questions administered to candidates either by paper or electronically and then scored by an expert or by a large group consensus.

Emotional intelligence tests are especially good at predicting job performance when positive interaction with others is an important aspect of the job's success. Companies looking to fill positions that require a great deal of teamwork and social interaction might consider this tool. A potential drawback to the test is that its results differ more by gender than other assessment types.

Skills Tests

Skills tests are a common form of pre-employment testing. These assessments determine whether a candidate has a specific set of skills required to be successful in a position. They also provide insight as to how much training a

candidate would need in order to perform the job. Because *skills tests* measure a candidate's ability at the time the test is taken, they are particularly helpful for situations in which there is limited time and resources for training. Some skills that could be accurately assessed include typing, math, written communication and physical ability.

Depending on the skills being measured, the tests may require data input, writing a business letter, developing a marketing strategy or lifting a specific amount of weight. *Skills tests* can help reduce business costs involved in hiring, training and promotion by identifying candidates that currently possess the desired skills. *Skills tests* are one of the few types of assessments that can be prepared for, if the candidate is familiar with the specific requirements of the position.

Aptitude Tests

An *aptitude test* measures a candidate's ability to acquire a skill or do a particular type of work. *Aptitude tests* help an employer determine the candidate's potential to learn and to be trained. Unlike a skills test, an *aptitude test* determines whether a candidate will be capable of doing the job once he or she is trained, not whether the candidate can do the job at the time the test is taken.

Aptitude tests can be written or oral. Topics assessed could include writing, verbal communication and reasoning. An IQ test is an example of a general aptitude test. *Aptitude tests* are available for a very wide variety of careers, from sales to firefighting. There are also many available that can help candidates uncover which careers are best suited for them.

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Cognitive Tests

Cognitive tests assess abilities related to think-

ing, such as reasoning, memory, perception, mathematic ability, problem solving and reading comprehension. *Cognitive tests* can also measure knowledge of necessary functions for a particular job. Similar to aptitude tests, *cognitive tests* determine a candidate's potential. These tests can include a variety of question formats, such as multiple choice, short answer, sentence completion and true-false. Many standardized *cognitive tests* are available and may be appropriate when there is no need to develop a test specifically for the particular position or company.

Cognitive tests can easily be administered to a large number of candidates and have been demonstrated to effectively predict job performance, especially for more complex positions. The tests can, however, be time-consuming to develop, if not purchased from a vendor, and are more likely than some other test types to differ in results by gender and race.

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Job Knowledge Tests

Job knowledge tests focus on the professional or technical expertise required for a specific position. Unlike aptitude or cognitive tests, *job knowledge tests* do not measure a candidate's potential to learn or to be trained. They evaluate what the candidate knows at the time the test is

given. These tests often use multiple choice or essay questions. Basic accounting principles, computer programming and contract law are examples of subjects a *job knowledge test* might measure.

Passing a *job knowledge test* is typically a requirement to obtain a professional license, such as in real estate. These tests are generally less likely than other test types to differ in results by gender or race. Due to the close relationship between test questions and position requirements, *job knowledge tests* are likely to be viewed positively by candidates. However, to keep *job knowledge tests* current, employers may have to frequently update them as position requirements change.

Sample Job Task/Simulation Tests

Sample job task tests measure a candidate's ability to perform specific work assignments. These assessments can include performance tests, simulations, work samples and realistic job previews. *Sample job task tests* are only used to assess candidates on competencies they are required to possess upon beginning the job for which they are testing. The candidate's performance is measured by trained assessors, who observe the candidate while he or she completes the test or measure its outcome.

Since this type of test has candidates perform tasks very similar to those that will be encountered on the job, during the simulation, the test work environment is recreated as closely as possible to the real work environment. A *sample job task test* for an administrative assistance, for example, might include data entry, transcription and filing.

Sample job task tests are best used for positions for which there is a limited pool of candidates to assess. These tests can be expensive to develop and administer, but can provide a high return on investment, if an employer is seeking candidates with specific knowledge that will not be learned on the job, but rather must be known prior to being hired for the position.

Behavioral Tests

Behavioral tests are used to predict how a candidate will react in given situations, based on responses to a series of multiple choice, short

answer or essay questions. These tests use the candidate's past behavior to predict future behavior, and can help determine the level of compatibility between a candidate and company.

Information gained from these tests has use beyond the hiring process, such as determining the best ways to manage an employee, develop a team or understand team dynamics. Additionally, these tests can be used for process analysis. A *behavioral test* may be appropriate for organizations that place high importance on cultural fit and for positions that require high levels of motivation. Because of the insights gained, these tests may also be beneficial in situations where there is less time for a manager to build a relationship with a new hire, such as with an employee that will be working from home.

Behavioral tests can be used to find employees for a number of different positions in a variety of industries. Meredith suggests, "Behaviors are reflected in every job, and we can't say that a lower-level, entry position, as an example, is not important, because very often those entry-level positions are customer-facing and are just as, if not more, important as a senior-level position, in terms of the fit of the individual."

Other Items to Consider When Researching Assessment Tools

There are a number of factors to research when selecting the specific test that will be used, once the appropriate test type has been determined. Some of the most critical aspects to consider are the way in which the test is structured, how the results are reported, the tool's legal compliance and validity, and how the test is introduced into the hiring process.

Assessment Layout and Reporting Options

One of the most important aspects of assessment layout is ensuring it is user friendly. This includes confirming that it is easy to read, the directions are clear and the length is manage-

able. David Wade, President and Owner of GRW Solutions, LLC, a partner of Predictive Performance International, asserts that the layout of an assessment tool "has to be very intuitive, very easy for a candidate to use, so they don't get scared by it. I think a candidate will, quite frankly, be somewhat intimidated by an assessment anyway and how it's presented. The easier it is to use, the better off [the testing experience] is going to be."

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Assessment results can be presented in many formats. The amount of detail can range from a simple percentage score to 20 pages of descriptions, explanations and recommendations. Length and breadth of reporting will depend, partially, on the type of test. For example, a behavioral test may provide information that requires more explanation than a skills test. However, there is not standardized reporting for each test type.

Different reporting options may be more appropriate for different companies or position types, just as different test types are appropriate for different situations. It is important to consider the specific position the test will be used for, who will be interpreting the results and how much influence test results will have on hiring decisions.

Legal Aspects

One of the most critical factors to consider, with regard to pre-employment tests, is legal compliance. Properly administered, assessments can help keep a company's hiring process legally compliant. Failure to understand and comply

with laws pertaining to assessments and hiring decisions can be very costly for employers.

There are a number of equal employment opportunity (EEO) laws that affect employment testing. Many of these laws are based on the requirement that the test is job-related and consistent with business necessity, thus stressing the importance of an employer understanding what makes someone successful in the position for which they are being tested before selecting or developing an assessment. Another important aspect of legal compliance is consistency within the hiring process. If an assessment is used, it must be provided in the same manner to each candidate applying for the position.

Validation

Making sure a test is valid is another critical step in the selection or development of a pre-employment assessment. Validity not only helps ensure legal compliance, but also can provide insight as to the return on investment associated with the tool.

There are two aspects to validation: content and criterion. In order to establish content validity, the necessary characteristics for job performance must be documented. Establishing criterion validity requires a more in-depth statistical evaluation of the relationship between successful job performance and the selection measures.

The type of validity proof is dependent on the type of test, and most providers are able to document their tests as valid. Evidence of validity could be presented by showing the relationship between test scores and a specified outcome, such as sales achievements, turnover rates or performance ratings. Companies should consider, however, that though a test has been validated for one position type or situation, it may require additional validation specific to the position for which it will be used.

Hiring Process Integration

The way an assessment is integrated into the

hiring process and presented to the candidate is incredibly important. According to Handler, if a candidate “is applying online and all of the sudden gets a test without an explanation of what the test is or why, that can be a problem. So framing the context of it and providing some explanation within the process is always important.”

Some test types, such as emotional intelligence and integrity tests, may include questions that candidates feel are intrusive. They are less likely to find offense or be confused by this type of questioning if it is made clear why the test is being administered and that the test is indeed relevant to success in the position. Handler recommends, “I always encourage people to take the test yourself and see how the test makes you feel.”

There is not a right or wrong time to administer an assessment. The way a test is given and at what stage is dependent on the organization, the position and the current processes in place.

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The Future of Assessments

Organizations have employed candidate assessment tests during the hiring process for a number of years. In the current economy, however, they may be more necessary than ever before. Previously, employers might have been concerned about losing applicants who had multiple employment prospects and were unwilling to spend time completing an assessment test, especially one that is lengthy and in depth. Now, “because there are so many people in the market,” Wade proposes, “employers are much more bold with their assessments.”



As assessments become more common, Handler believes the market will see shorter assessments that are more powerful and more integrated into the hiring process. Assessments will also be more readily available to smaller, mid-market companies that were not using them before.

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The format of assessments will also continue to evolve. Handler suggests there will be “slow movement toward more simulation-based assessments and away from the traditional test” that will

provide candidates an opportunity “to do the job or what the job requires in a virtual environment.”

Meredith believes that the future of assessments includes corporations adopting them for use beyond hiring. “All of that capability is available today,” she asserts, “but I think it’s the exceptional client that’s forward thinking about organizational development-type issues that are the ones that are implementing it.”

Though no one can be sure how assessment tests may evolve in the future, it is fairly certain that they will remain a valuable employer tool for many years to come.

About PrincetonOne

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critical business objectives. With 30 years of experience, PrincetonOne delivers unified recruitment solutions and measurable results for more than 600 clients around the world.

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