

# YOUR GUIDE TO PSYCHOMETRICS

Guide



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**ASSESS**

With so many different options on the table to add to your recruitment process, why should you use psychometric assessment over, or in addition to, other methods?

## **This guide shows you:**

1. Why psychometric assessments are effective.
2. How to demonstrate their utility and ROI to those who hold the budgets.
3. Types of psychometric assessments.

### **1. Why psychometric assessments are effective**

Psychometric assessments offer you a deeper understanding of your candidates and your existing employees. They provide an independent measure of a person's competencies, abilities, personality and motivation compared to other professionals matched on a range of factors. This enables you to build a complete picture of the person and assess their suitability for a role in an objective manner.

Many employers use psychometric assessments to help them identify the right person for the job and to guide employee development. Key to this enquiry is defining what good looks like. Success profiles allow organisations to describe *what* a role requires, *how* it should be performed and *who* is likely to fit the culture.

Psychometric assessments in selection are often used as one part of a multi-stage recruitment process, alongside application forms/resumes, assessment centre exercises and interviews. They describe the level of fit to a success profile and offer guidance on the correct questions to ask at interview to probe weakness and confirm strengths based on the candidate's assessment results.

Psychometric assessments in development can be used as part of an appraisal review or learning and development programme. By asking individuals and teams to complete these assessments, you can gain valuable insight into individual strengths and development areas, as well as seeing how the team works together. This measure of stretch to a success profile can help drive further training and development plans.

### **They provide a consistent and objective experience**

Across all assessment activities, a key aim is to ensure the consistent and objective evaluation of individuals – i.e. that each candidate receives the same assessment experience and that recruitment

decisions are not made solely on subjective opinions/feelings about the candidate's suitability. Whilst this can be addressed in face-to-face assessment using clear rating scales, standardised instructions and pre-set interview questions, there is also the human element of assessment that can involve assessor bias. Although research has shown that by increasing awareness of assessor bias, it's less likely to happen, psychometric assessments are the closest candidates get to a 100% consistent and objective assessment of their suitability to the role.

### **They help you to identify top performers earlier**

The clear goal of an assessment process is to find the best candidate for the job – an individual that will perform well once they are in the role and require little development to perform the job for which they were recruited. If a psychometric assessment has high predictive validity, it is said to be able to accurately predict someone's future ability or behaviour in a particular role. If you choose a psychometric assessment that provides a reliable and valid measure of a key skill required in the role, then you can focus the latter stages of recruitment on aspects such as performance at interview and fit with the organisation's values and culture. Generally, research has shown that ability tests have higher predictive validity than assessment centres, all types of interview and references – bettered only when combined with another type of assessment, such as structured interviews.

### **They help you focus on the great candidates**

Sifting out unsuitable applicants early on in the hiring process using psychometric assessment means you can focus more time and effort with those who show the highest potential for the role. With fewer candidates in the latter stages of the assessment process, you're better able to spend more time and effort on identifying applicants who are a strong fit with the behaviours (competencies) required for the role and the culture of the organisation. For example, with 3 out of 20 candidates instead of 8 out of 20 at the final stage, you can be more discerning with your final selection, as you'll have the confidence that you're seeing the top candidates from the applicant pool.

### **They support a cost-effective assessment process**

As the recruitment process reaches the latter stages, the amount of time and associated cost incurred by the organisation increases. For example, a typical assessment centre for six candidates will involve between four and eight assessors/interviewers taking time away from their usual workload. By using a psychometric assessment early in your recruitment process, you're better able to ensure that those candidates who make it through to the more costly stages of your assessment process (i.e. interview, assessment centre) have already demonstrated their abilities in relation to the role, so your time and cost isn't spent evaluating unsuitable candidates.

At the same time, it is important to consider the costs associated with each assessment – and this should be taken into account when choosing your psychometric assessments. We recommend that when reviewing the costs spent on psychometrics, you should calculate the cost per hire (including estimated cost per time spent) rather than per person assessed.

## **2. How to demonstrate their utility and ROI to those who hold the budgets**

### **Return on investment**

In addition to ensuring that the more costly face-to-face stages of an assessment are spent with candidates who have already demonstrated a good fit to the role and organisation, you can also measure the effectiveness of psychometrics beyond the job offer.

A candidate who has demonstrated that they have the skills required for the role (i.e. numerical reasoning) as part of the recruitment process is less likely to require additional training at the start of their employment. However, the insights you have gained from the assessment can help inform and shape future development plans for the individual, which demonstrates value in the assessment beyond its initial purpose.

Similarly, the candidate is also more likely to stay with the organisation for longer, as they won't have been placed in a role which is beyond their abilities, or where their values and motivations are at odds with those of the organisation.

Whilst these aspects of recruitment may be directly related to the candidate, there is a knock-on effect to HR costs and other employees. Should someone be underperforming in the role and unable to complete key tasks, then this is likely to increase the workload on their colleagues, as they work to cover a team member's underperformance. Similarly, should someone leave the organisation because they are unable to complete the key requirements for the role, despite having demonstrated a great fit to the company culture, there is also an impact on colleagues as they cover the additional workload. Both situations, over a sustained period of time, could lead to decreased job satisfaction with those employees themselves.

Whilst it's important that candidates aren't placed in jobs that are not suitable for them, it's also important for organisations to ensure they get it right first time to avoid spending additional budget on re-hiring. By using a relatively low cost psychometric assessment, you can increase the likelihood that you'll find a candidate who has the right fit to the organisation, as well as the required skills, and who will require less initial development support. In addition to this, by recruiting the top performers from your applicant pool, you are also more likely to find a candidate who will develop within the organisation and could be one of the business leaders of the future.

### **3. Types of psychometric assessments**

It is important to undertake an assessment process that combines a range of measures to provide a whole of person perspective. A success profile will assist in determining the required mix which may include:

#### **Personality questionnaires**

Personality questionnaires are used to assess a person's workplace behavioural style and preferences, i.e. how they typically like to act. They are designed to measure those particular aspects of personality that determine, or are predictive of, successful performance at work; how the person handles relationships at work, their thinking style and how they manage tasks, and their feelings and motivations.

Assessing personality has been proven to be an effective predictor of performance at work. This is because people tend to focus more on the kind of tasks they prefer engaging with, and, consequently, they become much more skilled in these areas. Conversely, when operating outside of their preferred way of behaving, they may feel more challenged and be less inclined to persevere to develop high levels of competence.

#### **Ability tests**

Ability tests measure a person's ability to perform or carry out different tasks and have been found to be the strongest predictor of future job performance. The tests most commonly used are:

- Verbal – these are designed to measure a person's ability to interpret verbal information and reach correct conclusions. Verbal reasoning ability is important for any work involving the communication of ideas or the understanding of written information. It can also be important for work requiring analytical thinking.
- Numerical – these are designed to measure a person's ability to analyse and draw inferences from numerical information and data. Numerical reasoning ability is important for a variety of roles where working with data is key.
- Logical – these are designed to test a person's ability to analyse abstract information and apply this in determining outcomes and patterns. Logical reasoning ability is important for a variety of roles requiring complex problem solving.

- Checking – these are designed to test a person’s ability to compare information accurately and quickly. Checking ability is important for a variety of roles where you need to check and compare information.

### **Situational judgement tests**

Situational judgement tests present candidates with a series of real-life scenarios relating to the job and/or organisation to which they are applying. Each question contains a number of different actions to choose from, and it is the candidate’s job to decide which of these is the most effective course of action in the given situation. Situational judgement tests can take a variety of forms – text, motion graphic animation and video – but all formats will include multiple choice answer options.

### **Motivation and values-based assessments**

How an individual performs at work depends on more than just their capability. Possessing the requisite abilities, skills and behaviours is not enough – it is the individual’s motivation and engagement in combination with capability that produces optimal performance.

Motivation assessments focus on an individual’s values and motivations in the workplace. Their purpose is to measure the factors that help stimulate and energise people in their daily working lives.

### **Competency-based assessments**

Competency-based assessments focus on the skills and knowledge that a person demonstrates in the workplace. They can be used in a variety of situations, from recruitment and selection to coaching and development.

Competency-based screening questionnaires are used to help identify those candidates who are most suitable for the role. They are often used at the initial stage of recruitment as a way of shortlisting candidates.

### **A rounded assessment process**

Remember that psychometric assessments look at just one aspect of what is required to be successful in a job. So, whilst an accountant may score well in numerical reasoning and be great at the number crunching in their job, they may perform less well in measures of behaviour and cultural fit with the organisation – which is why a well-rounded assessment process is critical.

Korn Ferry’s assessment products are a key part of recruitment, leadership development and succession. To learn more about how your business can benefit from psychometric assessments, talk to us.

#### **About Korn Ferry**

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.