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ULTIMATE GUIDE TO PSYCHOMETRIC ASSESSMENTS

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Ultimate Guide to Assessments

Organizations today are fighting a fierce battle for attracting the best talent. Recent studies suggest that some of the in-demand skills positions take up to 5 months to find the right candidate. Another study highlighted that 56% of the respondents say they employers cannot find the people they need with the right blend of technical skills and human strengths.

Senior executives strongly believe that the success of the organization depends on the availability of the talent within the organization. There are many studies that suggest the direct correlation between talent assessments and employee productivity, employer branding, reduced turnover, and employee experience.

While assessments have been there for many years, still there are a lot of unanswered questions in the minds of HR, Talent Acquisition Leaders, and Candidates. Although the assessments can include a wide choice of practices including online applications, resume reviews, psychometric tests, interviews, panel interviews, reference checks, background verifications, etc., the focus here is on practices which are more scientific in approach, devoid of human bias, are valid and reliable with the results and are repeatable in nature.

Typically, the spectrum of assessments varies from observing someone's work behaviors to acquired knowledge, skills, and behaviors and lastly to innate personality types and attributes. As innate characteristics are deep-rooted for an individual, they are not restricted for a specific job and are more flexible for multiple job types. Innate characteristics or more commonly called Psychometric assessments constitute cognitive abilities and personality traits. These two combined together have proven to demonstrate their effectiveness in predicting job performance most accurately.

This blog series is an attempt to address the history of assessments, types of assessments, and the usage of assessments by HR, Talent Acquisition, L & D and OD leaders to hire, train and retain employees and why it makes sense for candidates.

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Psychometric Assessments

As per IPC, "Psychometric tests are a standard and scientific method used to measure individuals' mental capabilities and behavioral style. Psychometric tests are designed to measure candidates' suitability for a role based on the required personality characteristics and aptitude (or cognitive abilities). They identify the extent to which candidates' personality and cognitive abilities match those required to perform the role. Employers use the information collected from the psychometric test to identify the hidden aspects of candidates that are difficult to extract via a face-to-face interview or other assessment techniques."

History of Psychometric Assessments

Psychometric assessments can be found through human history across cultures, geographies, and religions. The modern type of psychometric test we know today has roots in France in the 19th century and was created by three renowned psychologists, Alfred Binet, Victor Henri, and Theodore Simon.

Taking a cue from this, armies across west also followed suit and were able to select soldiers with what was considered the most suitable personality with a test which was known as the Woodworth Personality Data Sheet (1917). Then in the 1950s and 60s, the "Big Five" personality test was developed and it remains one of the most popular personality traits models. Recent approaches in psychometrics assessments include incorporating gaming elements to the core principles of psychometrics assessments to improve relevance and engagement.

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Types of Psychometric Assessments

Psychometric assessments can be broadly organized into two categories and can be used independently or in combination with each other for the best results.

1.Cognitive Abilities

As per SHRM, Cognitive ability assessments typically consist of multiple-choice items that measure various mental abilities, such as verbal and numerical ability, reasoning, and reading comprehension. These assessments have proven to be extremely useful predictors of job performance and are used frequently in hiring for many types of jobs.

2.Personality

Personality assessments measure stable, job-relevant characteristics that have been shown to be effective predictors of job performance. These assessments are typically used in combination with measures of cognitive ability. In work situations, The Five Personality Model which describes personality as a combination of 5 broad factors: conscientiousness, extraversion, agreeableness, openness to experience and emotional stability is used most frequently in organizations.

Use Cases for Psychometric Assessments

1.Hiring

One cannot underestimate the cost associated with a wrong hire. HR and TA leaders have used psychometric assessments to predict job performance more accurately. They help predict performance through insights on fitness, strengths, weaknesses, and working style of the candidate.

2.Organizational Development

The development of any organization is dependent on the identification of future leaders or high potentials and create succession planning centered around future leadership development. Psychometric assessments help assess leadership potential by objectively evaluating their competencies and behavior for the next leap.

3.Learning and Development

Psychometric assessments help organizations understand their learning needs and redirect their efforts to continuously improve individual performances. These assessments pre and post the training help evaluate the training effectiveness.

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Next Trends in Psychometric Assessments

Organizations across industries are taking a game-based approach to assessment for informed decision making. Game-based assessments are psychometric assessments intentionally built as games.

Game-based assessments offer certain advantages over traditional methods of assessments-

1. Reveals true behaviors and abilities
2. Quick and comprehensive evaluation
3. Appears relevant to candidates
4. Engaging and immersive experience for candidates
5. No gaming experience required
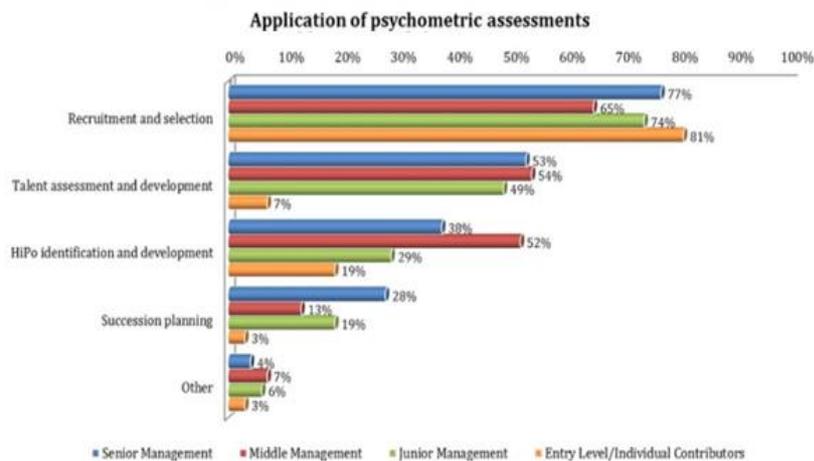6. Fair and Objective
7. Improves employer branding

While the advantages of using game-based assessments are there, care should be taken to check the validity & reliability of the assessment. The focus should not only be to have a more engaging and enriching experience but also on offering higher predictability and unique opportunities to identify motivators, values, cognitive skills, and behavioral competencies.

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Psychometric Assessments for HR Leaders

Organizations today are fighting a fierce battle for attracting the best talent and no other assessment tool does the job of identifying the right fitment between individual and the job role than the psychometric assessments.

As per a report by People Matters, over 56% of organizations in India are using psychometric assessment tools. As per the report, the majority of organizations use psychometric assessments in a variety of ways and apply it across the talent cycle of an individual.

Application of psychometric assessments

Recruitment and selection	77% / 65% / 74% / 81%
Talent assessment and development	53% / 54% / 49% / 7%
HiPo identification and development	38% / 52% / 29% / 19%
Succession planning	28% / 13% / 19% / 3%
Other	4% / 7% / 6% / 3%

■ Senior Management   ■ Middle Management   ■ Junior Management   ■ Entry Level/Individual Contributors

The major area of application of psychometric assessments is recruiting and selecting talent. But there is a huge scope for using psychometric tools in the areas of talent development, high potential identification and development, and succession planning. While these are some of the areas of application, the use and importance of psychometric assessments for employee engagement and branding are also gaining credence. Let's take a closer look

1.Recruitment and Selection

One cannot underestimate the cost associated with a wrong hire. HR leaders have used psychometric assessments to predict job performance more accurately. They help predict performance through insights on fitness, strengths, weaknesses, and working style of the candidate.

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2.Learning and Development

Psychometric assessments help organizations understand their learning needs and redirect their efforts to continuously improve individual performances. These assessments pre and post the training help evaluate training effectiveness.

3.Career Guidance

HR can help candidates take batter career choices by making the candidates more self-aware and help them evaluate their interests, values, and work styles.

4.Performance Evaluation

Focusing only on targets or quantifiable numbers is not the best way to judge an employee's performance. HR must assist people leaders in identifying the strengths and weaknesses of an individual and how to optimally use their potential for their and the organization's benefit.

5.High Potential and Succession Planning

The development of any organization is dependent on the identification of future leaders or high potentials and create succession planning centered around future leadership development. Psychometric assessments help assess leadership potential by objectively evaluating their competencies and behavior for the next leap.

6.Employee Engagement

Psychometric assessments help HR leaders gauge job satisfaction and the level of commitment that employees bring to the table. They foster and encourage employee engagement by accessing employees' motivators and expectations and providing valuable information to HR and managers to work on policies and frameworks.

An employee's journey starts as a candidate and game-based assessments are significantly more engaging than a traditional psychometric assessment. Some organizations experience dropout rates of over 30% with a traditional approach to assessment. Candidates are generally more likely to complete a series of games than a lengthy test and are more likely to enjoy the experience.

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7.Employer Branding

A well-designed selection process is critical for sustainable and scalable talent identification. It allows recruiters to leave a lasting positive impression on applicants (who are not only prospective employees but also potential or existing customers).

Game-based assessments convey a fresh and dynamic employer image. The enhanced candidate experience creates an important competitive edge for companies in an increasingly global war for talent.

Challenges to Psychometric Assessments

Still with all the benefits so evident a lot of HR organizations in India still struggle to utilize psychometric assessments for the entire life cycle of the employees. Based on the research with HR leaders some of the most prominent reasons include

1.Most of the HR leaders still believe that psychometric assessments are good for recruitments alone, which can't be farther from the truth. With a perceived focus on only one aspect of the employee life cycle makes their adoption very low.

2.Considering the ratio of applicants to hired people, the cost of administration of tools looks very high and is a big impediment to their adoption.

3.There are a lot of organizations that have doubts about the reliability and validity of the tests and tend to depend more on the human aspect of evaluation.

4.Candidates are under stress while taking the tests and find them cumbersome. This results in a considerable chunk of candidates dropping out during the process.

5.There are many psychometric assessments out there, and not all of them are created differently and for different purposes. Some might be perfectly suited to a particular company's needs, but the same tools might fall short of what another company requires. Lack of knowledge on how to use psychometrics assessments effectively can also hinder a company to utilize their benefits.

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Next Steps for HR Leaders

HR leaders must realize and educate on all the aspects of the benefits of psychometric assessments across the employee's life cycle. Taking a holistic approach helps balance out the cost of assessments across longer life cycles and a large set of employees helps bring down the costs. Then there are indirect and major benefits across employee retention, engagement, and branding and if considered holistically, improves the ROI and business case for psychometric assessments stronger.

Also important is for HR leaders to re-discover the combined power of understanding of cognitive abilities, personality and their application by an individual in a given scenario supported by the reliability and validity of a particular psychometric assessment. The triad of these should be the guiding force for HR leaders to define appropriate assessments for different stages of an employee's lifecycle. The assessment requirements at the hiring stage can be different than assessment requirements during promotions or identifying training needs.

Another aspect which is now becoming integral to HR success is their ability to create a positive sentiment around the employer branding by creating more engaging experiences for the candidates and employees. That's why more and more organizations are leaning and moving towards game-based assessments that candidates find more immersive and engaging and this help brands create a more favorable employer brand.

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Psychometric Assessments for Talent Acquisition Leaders

As per a study by SHRM, the cost of a bad hire can be 5 times his/her annual salary in the organization and hence organizations should focus on hiring the right talent for organizational success.

Another study by Forbes suggested that poor fit with culture was the most important reason for their first-year attrition and new hire failure.

Another report from Robert Half also supports these findings as they suggest that 95% of IT hiring decision- makers admit to making hiring mistakes. The same study also revealed that adequate technical skills (39%) are the most difficult thing to evaluate during a job interview, followed by corporate culture (37%), and soft skills (23%).

That's why it's imperative for talent acquisition leaders to be very accurate about hiring decisions. They don't have the option of making a bad choice as the direct and indirect implications on the business are of high magnitude. In these situations, Psychometric assessments have proven to be the best companion for talent acquisition leaders to make an accurate and reliable prediction in terms of the fitment of a candidate with the organization and hire success profiles.

Let's have a look at what creates a success profile for an organization and what tools are available to identify the success profile. In the most fundamental terms, a success profile is a mix of role fitment and organizational fitment.

Role fitment means the candidate has the domain knowledge, behavioural competencies, and cognitive skills required for a particular job type. The cognitive skills can be trained if not present in an individual. Various cognitive and aptitude tests are effective in measuring these competencies and they measure the ability of a candidate to do a job.

On the other hand, organizational fitment implies the fitment of a candidate to organizational culture, core values or DNA of the organization. The personality is what we are born with and it's difficult for someone to change their personality. This is often measured by Personality assessments and assessments based on the Big 5 Personality Model have found acceptance across the globe.

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The ideal scenario for hiring the right candidate is to have both role as well as organizational fitment but even if the current role fitment is not there but organizational fitment is there, the decision should be to hire as the domain knowledge can be trained but you can't significantly change someone's personality. The focus should be to look at those assessments which offer a deep insight into the personality of a candidate.

While hiring the right candidate remains the top area where the talent acquisition leaders have used psychometric assessments, there are few more areas where the TA leaders can use these assessments:

1.Career Guidance
Talent acquisition leaders can help candidates make batter career choices by making them more self-aware and help them evaluate their interests, values, and work styles.

2.Candidate Engagement
When an employee's journey begins, assessments are typically one of the first few interactions they have with the organization. Create an experience that engages them to demonstrate their true best which they enjoy rather than being stressed about it.

3.Employer Branding
A well-designed selection process is critical for sustainable and scalable talent identification. It allows recruiters to leave a lasting positive impression on applicants (who are not only prospective employees but also potential or existing customers). The assessments should be created to leave a lasting impression on the candidates.

Biggest Challenge to Psychometric Assessments

The biggest challenge that TA leaders face today while using the psychometric assessments are:

1.The candidates can fake their responses and often rate themselves on average or nearest to the social desirability index.
2.There are hundreds of online resources available with tips to crack a particular assessment for any leading organization. Candidates using these resources would not provide a true measure of their ability or personality.

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3.Due to the tedious nature of traditional assessments, they have high dropout ratios and often candidates who even complete the assessments do it half-heartedly after a couple of questions. This often leads to misaligned assessments and scores.

4.Assessments focusing on cognition do a good job of assessing the ability of a candidate to do a particular job but they cannot predict the personality or the future potential of a candidate.

5.A list of competencies are created based on a canned list without giving a serious thought on the competencies that define success for that particular organization.

6.TA and recruitment teams are already too stretched for their time that they cannot afford to spend any more time in managing administrative and technical aspects of administering a psychometric assessment.

What to Look for in Your Next Psychometric Assessment Solution?

While the challenges to the adoption are many, there are potential solutions around game-based assessments that offer the combination of best-in-class reliability and validity coupled with gaming elements for an immersive experience. Here are some of the salient pointers:

1.Chose the assessment which uses multiple rating scales to measure the personality as they make it difficult to fake their responses and manipulate the scores.

2.While the traditional assessments create a feeling of stress with the candidates and often results in over 30% drop-out ratios, game-based assessments are finding favors with both the candidates as well as talent acquisition leaders. Candidates are generally more likely to enjoy the experience and complete a series of more engaging and immersive assessment than a lengthy test.

3.Measure the competencies based on the personality of the candidate rather than just their ability as the true measure of the fitment. Personality traits generally last for a lifetime.

4.Spend time and resources and even take external help if you have not defined the competencies required to be successful in your organization for a job role.

5.Look for a vendor who can do an end-to-end job from consulting, implementation, roll-out, and handholding of candidates during the process.

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Psychometric Assessments for OD and L&D Leaders

Traditionally, the focus of Organization Development Interventions is on creating a coherent structure and processes for teams to work efficiently in an organization and enabling people at the workplace to be successful by removing barriers to success. The definition and perspectives have evolved over time but what remains constant is the focus on the greatest asset for any organization i.e., People. In this blog, we would look into the people aspect of organizational development and how psychometric assessments can help us understand the personalities in a scientific manner.

Similarly, Learning and Development is about developing the skills of people in the workplace so they can be effective in their jobs. A question being continuously asked from L & D professionals is in terms of the ROI of the training investments. Psychometric assessments not only offer a reliable and valid way of benchmarking the skills, aptitudes, and personality of an employee but also offer insights into the development roadmap. Post-training assessments help estimate the ROI of training programs.

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Psychometric assessments application areas in Organizational Development

A big responsibility for organizational development leaders is to build the organization with the right set of people with the right skills and personality. Two primary responsibilities for OD professionals include identifying the employees with high potential (HiPo) across their employee life cycle and doing succession planning focussed around future leadership development.
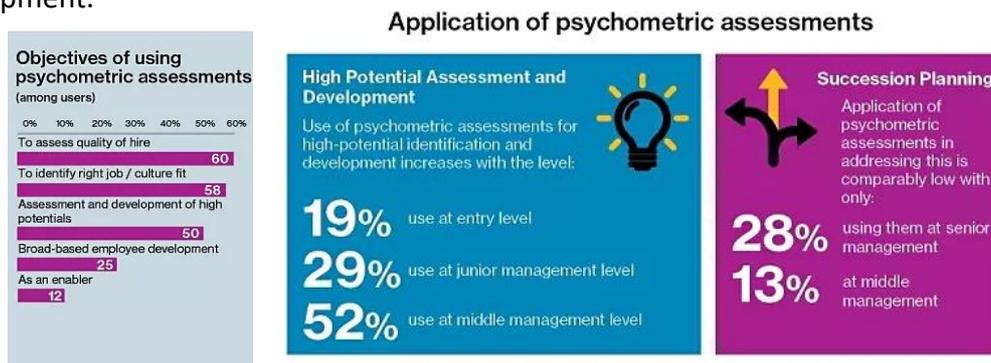
(Willis Towers Watson – The State of Psychometric Assessments in India)

Psychometric assessments are being used in organizations across geographies, industries, and job complexity to identify employees with high potential Similarly, psychometric assessments have also been used to identify the employees with the potential to develop those skills to be a future leader.

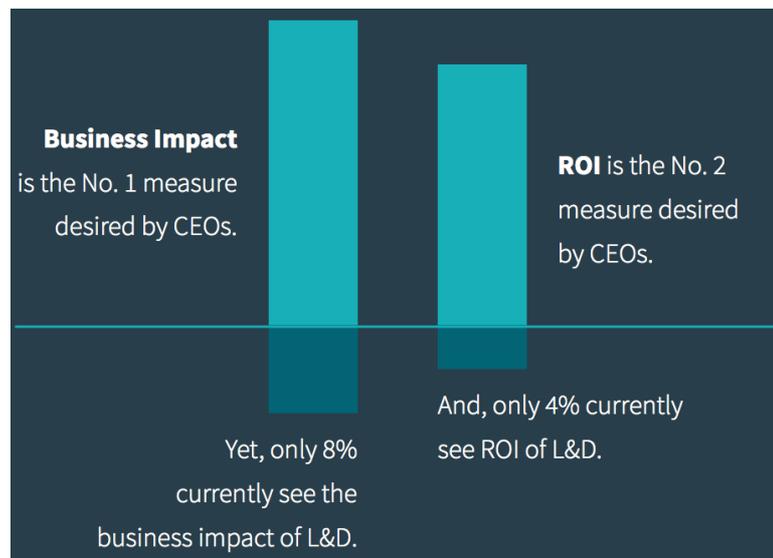# Psychometric assessments application areas in Learning & Development

There are multiple areas where psychometric assessments can be used by the L & D teams.

1.Identify and Evaluate Training Needs

In order to identify the training needs of employees, organizations need to measure the gap between the current skillset that each employee has, and the skillset each employee needs to have, to be successful at the job. Accurate assessment of skill-gap and training needs requires the use of valid, scientific and reliable tools that are specific for each job role.

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Some of the most prominent tools used to identify training needs include psychometric assessments and 360-degree feedback. The assessment process should aim to evaluate a person's cognitive ability, functional skills,.

2.Measure Training Effectiveness

Business Impact is the No. 1 measure desired by CEOs.

ROI is the No. 2 measure desired by CEOs.

Yet, only 8% currently see the business impact of L&D.

And, only 4% currently see ROI of L&D.

CEO's Expectations from L & D

*LinkedIn Learning Report

With the rapid change in the technology landscape, the necessity to re-skill the workforce is a big challenge necessitating the need for further investments in training. However, as stakes become higher, so do the budgets, influence, and expectations from L & D process. There is a growing demand from the economic decision-makers to understand the ROI of any training program and budget management.

Luckily, there are well established and demonstrated methodologies for measuring training effectiveness. One of the most popular being the Kirk-Patrick Four-level training evaluation model, which is designed to objectively measure the effectiveness of the training. The four levels being Reaction, Learning, Behavior, and Results.

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Assessments conducted before the training and 3 months post-training help in measuring the learning part of the Kirk-Patrick model. Similarly, behavioral changes are better measured using a 360-degree loop to identify an individual's change in behavior based on the manager, peer, and subordinate feedback. Psychometric assessments help in measuring the impact of the training in a scientific and unbiased manner.

3.Re-Skilling/Learning Agility

Organizations are witnessing difficult times to meet the in-demand skills requirements across business verticals. Organizations are focused on re-skilling and upskilling existing employees to bridge this gap and also solve the attrition challenge due to the non-alignment of skills. Psychometric assessments help identify the learning agility of an employee so that the employer can measure the following before making the next level of investments in re-skilling or upskilling.

•The extent of employee motivation towards learning.
•How can you accelerate skill enhancement?
•How can you encourage your employees to build learnability so they can acquire critical skills?

Learning Agility will soon become a critical defining factor of employment for all the professionals, across several geographies and industries.

If you do these well you will be able to be more confidently assess the right candidates for the job and organization and meet their KPIs of hiring ratios and cost while still improving the employer brand.

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Psychometric Assessments for Candidates

magine a scenario where you have received a reply from your dream company who is interested in proceeding through the initial stages of the hiring process with you, but you need to do a psychometric assessment. If you're suddenly feeling anxious and stressed, get some solace knowing that this is the time where most of the candidates feel anxious. While psychometric assessments can cause stress, it need not be that way.

Everyone's anxiety levels are different, but the main cause behind it is the general performance anxiety. Most people experience it when they know that they have a single chance to make it count, specifically in cases like psychometric assessments. Performing well in a psychometric assessment could mean getting a job interview for a role you've prepared yourself for the last few years, or not at all. This fear of consequences causes stress and anxiety for many candidates, but thankfully they don't have to put up with it now.

Recent advancements in technologies have opened up new vistas in psychometric assessments via Game-based assessments that have taken away the test inducing stress and anxiety to a great extent. Framing the assessment as a 'game' rather than a 'test' reduces anxiety, making the hiring process more inclusive and accurate for candidates who get nervous during formal testing.

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Notwithstanding test anxiety, there are many additional benefits that psychometric assessments offer to a candidate and enable them for a great career ahead.

1.They show that the employer values the employee's success and is investing in scientific tools to make the right judgment about the role and organizational fitment. Lack of culture fit is the biggest reason for first-year attrition amongst new-hires and is a rather painful exercise for the employee and the employer. Psychometric assessments help identify the right culture fit and reduce first-year attrition.

2.Psychometric assessments give every candidate an equal chance of success and thus, are bias-free. The assessment's language and context do not result in an unfair advantage or disadvantage to any group based on ethnicity, culture, language, or gender.

3.A major goal of a psychometric assessment is to find a perfect match between a person and the job they are vying for. Psychometric assessments help candidates find jobs where they can make most of their unique strengths and abilities. It also helps candidates take better career choices by making them more self-aware around their interests, values, and work styles.

4.Psychometric assessments provide employers with precise information about the training needs of an employee. They also help candidates understand their learning needs and redirect their efforts to advance in their careers.

5.Psychometric assessments provide candidates with the opportunity to familiarize themselves with the assessment tools available today and help them improve their test-taking skills and timing and help reduce fear and anxiety.

Word of Caution

While psychometric assessments offer great advantages to candidates, few candidates refer to online resources or cheat-sheets available to ace the assessment used by their potential employer. Another practice followed by the candidates is to choose answer options towards the middle scoring or exhibit social desirability and not reveal their true behavior. This may get them to clear the assessment or get the job in the short-term, but they would feel stuck in the wrong job.

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Even if it seems like that it's the organizations that stand to gain the most from administering psychometric assessments, but it is the candidates who gain a lot through psychometric assessments, even if they are not selected. They give you a deep insight into your personality which you can never get otherwise and use the findings to identify your interests, values, and work styles, and advance in your career.

Conclusion

Attracting the right talent at the right time and retaining them is critical to achieving business success. With psychometric assessments, HR and TA leaders can be smarter about uncovering candidate experiences and preferences, as well as the identify the keys that will help them exceed expectations as employees. Use them across the employee life-cycle to get best benefits for the employees and the organization.

Psychometric Assessments are a means to investigating and evaluating the human mind.

Navjit Singh

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A Business Transformation professional with over 18 years of experience in Managing and driving Business. He is responsible for managing pan-India operations across Sales, Business Development, Technology, Product Management, and Customer Service. A hands-on leader, he is responsible for development of new products like Gammezo- Game Based Assessment and Armezo's expansion into new services and geographies.

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Empowering Improvement through Innovation.

Intelligent Assessments + Actionable Analytics

Armezo is the "arm that measures", talent, potential and performance for organizations through our Assessment and Survey Solutions. With a decade of experience in delivering Assessment, Examinations and Survey solutions to over 100 delighted customers.

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