Making Sense of Assessments in the Workplace

By: Tony Laffoley
Program Director
UNC Executive Development
Introduction

It is nearly impossible these days to find an employee who hasn’t taken a personality or competence assessment at some point in his or her career. It is estimated that as many as 60 percent of employees undergo workplace assessments a year (Meinert, 2015). Assessments are used at nearly every phase of the employment relationship, from hiring, to training and development, and to succession planning.

The assessment industry—estimated to be $500-$800 million a year in size, depending on who is asked—has grown by 10 percent annually in recent years and shows no signs of slowing down (Bersin, 2013 and Meinert, 2015). More than three quarters of companies with more than 100 employees currently use aptitude and personality tests for external hiring, and it is reported that tests are used for 72 percent of middle management positions and for 80 percent of senior-level positions (Chamorro-Premuzic, 2015). Korn Ferry, SHL, DDI, CPP (owners of the Myers-Briggs) are some of the larger players in the assessment industry, but Bersin by Deloitte notes that there are thousands of smaller assessment companies out there with more joining the crowded, confusing assessment field each year.

This white paper:

- Discusses why employers use assessment tools;
- Offers two important caveats in the use of assessment tools;
- Explores the types of assessments available to employers and what they measure;
- Explores personality assessments in particular and provides an overview of some of the more popular assessments (like the Myers-Briggs) available in the marketplace, and;
- Provides tips to HR and talent management professionals on how to correctly use assessments in the workplace.
Assessments Are Big Business

According to Aberdeen Group, a Boston-based research firm, organizations use assessments to screen potential employees, to hire, and to identify high-potential employees, noting that well-designed and executed assessment programs can elevate HR’s position as a strategic partner in their organizations (Doe, n.d.). Employers also use assessments to motivate employees, to improve team work, to enhance leadership development, and to aid in succession planning (Sandberg, 2014).

Simply put, good assessments can help place the right people in the right roles, lowering turnover and increasing employee loyalty. In an article for *Harvard Business Review*, Tomas Chamorro-Premuzic, CEO of Hogan Assessment Systems and professor of business psychology at University College London, notes that valid assessments help employers measure three elements critical to success on the job: competence, work ethic, and emotional intelligence. Work ethic, he writes, includes ambition, reliability, and trustworthiness. Emotional intelligence is linked to job performance, entrepreneurial potential, and leadership talent.

Assessments also help prevent employers from “hiring from the gut” by providing real data about prospective employees (Doe, n.d.). In an article for Smart Recruiters, writer Katherine Doe offers the following additional reasons why employers should be using assessments:

- Assessments can measure the whole person—the person’s “can do,” “will do,” “will fit,” and “can lead” attributes that will make him or her successful in a particular role.
- Well-designed, standardized, and objective assessments can increase an organization’s legal defensibility by providing a more fair comparison among job candidates.
- Assessments can help in the personalized design of development plans by giving insight into employees’ strengths and weaknesses.
- Assessments can reduce the chances of placing the wrong person in the wrong role, a mistake that can cost employers up to 150 percent of that person’s salary to replace him or her.

Caveats to Consider

Assessments can be a powerful tool in an HR professional’s arsenal, but there are two important caveats to consider. First, as Jac Fitz-enz, CEO of Human Capital Source, writes in an article for *Human Resource Executive Online*, assessment reviewers must focus on the data and not skew it to conform to their own predispositions.

Secondly, consider the words of Carl Jung, a pioneer in the field of psychiatry whose theories are the basis of the widely-used Myers-Briggs Personality Inventory (MBTI):
Any theory based on experience is necessarily statistical; that is to say, it formulates an ideal average which abolishes all exceptions at either end of the scale and replaces them by an abstract mean. This mean is quite valid, though it need not necessarily occur in reality. Despite this, it figures in the theory as an unassailable fundamental fact….If, for instance, I determine the weight of each stone in a bed of pebbles and get an average weight of 145 grams, this tells me very little about the real nature of the pebbles. Anyone who thought, on the basis of these findings, that he could pick up a pebble of 145 grams at the first try would be in for a serious disappointment. Indeed, it might well happen that however long he searched, he would not find a single pebble weighing exactly 145 grams. The statistical method shows the facts in the light of the ideal average but does not give us a picture of their empirical reality. While reflecting an indisputable aspect of reality, it can falsify the actual truth in a most misleading way (The Undiscovered Self, p. 6).

In other words, HR professionals must keep in mind that assessments reflect the “ideal average.” The MBTI, for example, uses 16 “buckets” of personality types based on Jung’s work and was developed to help test takers understand that people do not all think and feel the same way. If presented the wrong way, however, it runs the risk of pigeonholing people into the “ideal average” of whichever category they fall into based on their assessment results. If HR professionals are using personality assessments to identify employee preferences, it is important that they use the “buckets” the person falls into as a starting point for a conversation about preferences versus taking the data as the actual truth—because it can falsify the actual truth. This is a golden rule that professional coaches know and understand, but that business managers and leaders can miss and therefore misunderstand the needs of the individual.

The MBTI (which will be discussed in more detail later) is one of the most widely used personality assessments available, but there are thousands more—and this caveat is equally applicable to those as well. All assessments reflect the “ideal average.” To be effective, the results must be presented as such and used to start a conversation. Without that conversation, assessments will miss their intended marks and may cause more harm than good.

Types of Assessments

There are so many assessment types and tools on the market that a few employers throw their hands up and opt not to use any assessments. When used correctly, however, assessments can help lower employee turnover and improve morale and productivity, all of which translates into improving the employers’ bottom line performance.

HR professionals who are considering introducing assessments in their organizations must understand—and be able to explain to senior leaders—the types of assessments available, what they assess, and how they can be applied in the workplace.
Sifting Through Assessment Jargon

Behavioral assessments assess behavior, like how well a person manages self, change, and priorities, and how well a person works with others. Behavioral assessments include personality assessments, integrity assessments and structured interviews.

Competence assessments assess experience, knowledge, skills, and cognitive abilities like memory recall and high-level thinking skills. Competence assessments include cognitive assessments for mental abilities and job-knowledge tests.

Cognitive Ability assessments assess mental abilities like verbal, math, reasoning, and reading comprehension skills.

Personality assessments assess traits related to behavior at work, interpersonal interactions, and satisfaction with different aspects of work.

Psychological assessments assess processes that use a combination of techniques to help reveal a person’s behavior, personality, and capabilities.

Reliability: In testing, reliability means that the assessment would produce the same results if the person were to take the assessment again.

Validity: In testing, validity is the extent to which the assessment accurately measures what it is intended to measure.

Assessment or Test? The words ‘test’ and ‘assessment’ are often used interchangeably by employers and employees when talking about assessments. The word ‘test’ should be avoided as it implies the person is being tested, i.e. that there are right and wrong answers. An assessment is only giving a person a reflection of the inferences made based on the behavior observed and/or the preferences indicated through self-report (answers to certain questions). Think of the ideal assessment as a mirror. The mirror does not test your looks, it simply reflects back what you put into it.

One can think of assessments falling into two broad categories: assessments for competence and behavioral assessments. Competence assessments assess experience, knowledge, skills, and cognitive abilities like memory recall and high-level thinking skills. Behavioral assessments assess behavior like how well a person manages self, change, and priorities, and how well a person works with others (Fitzenz, 2012). Behavioral assessments can also try to uncover behavior that is driven by value systems, attitude, and beliefs. Competence and behavioral assessments go by many different names, and this is where confusion may come into play.
Assessments for Competence

Assessments for competence include cognitive ability assessments that assess mental abilities like verbal, math, reasoning, and reading comprehension skills. This category also includes job knowledge assessments that assess a person’s technical knowledge in their field—an editing test for a writer, for example (Dattner, 2013). Well-designed assessments for competence can provide valid data to predict a person’s job performance and the likelihood of success in training (SIOP staff, n.d.).

Behavioral Assessments

Behavioral assessments include personality assessments that reveal traits like extraversion versus introversion, conscientiousness, and openness to new experiences (SIOP staff, n.d.). Integrity assessments that assess a person’s honesty, dependability, trustworthiness, reliability, and pro-social behavior also fall into this category, as do structured interviews, situational judgement assessments, and biographical data assessments that ask questions about a person’s background, personal characteristics, and interests (SIOP staff, n.d.). Employers often use behavioral assessments because, when well-designed, they can be good predictors of job performance (Dattner, 2013).

Frank Schmidt, Ph.D., a professor emeritus at the University of Iowa, cautions that employers should not rely solely on behavioral assessments like personality assessments in making employment decisions because they are the least effective types of assessments in predicting job performance. They should be used instead to supplement information obtained from other sources like cognitive ability assessments, interviews, references, and previous work experiences (SIOP staff, n.d. and Meinert, 2015). Take the MBTI as an example. Of all the assessments available it seems to be one of the most popular, but it should not be used in isolation to predict behavior. It is based on cognitive theory that indicates how we think, not necessarily how we act. Granted, there are some parallels, but a one-to-one correlation between the way we think and act cannot and should not be made. To give you an example, two individuals may think about (i.e. judge) a situation in the same way, yet exhibit completely different behavior. One will test his judgment by asking questions of others before moving to a decision, while the other will not ask questions and instead make a decision based on his own judgment.

Personality Assessments

The Society for Industrial and Organizational Psychology (SIOP) defines personality assessments as assessments that measure “traits related to behavior at work, interpersonal interactions, and satisfaction with different aspects of work.” Personality assessments are often used to assess whether individuals have the potential to be successful in jobs where performance requires a great deal of interpersonal interaction or work in team settings. It is important to understand, however, that personality assessments cannot gauge whether a person is answering the questions honestly; they may be answering the questions according to what they think their employer or future employer wants (Florentine, 2014). The process often includes an interview and can take anywhere from less than an hour to several days (SIOP, n.d.). As noted earlier, employers use personality assessments to make employment decisions for hiring, promoting, and developing the right people for specific jobs. They also use them to assess cultural fit (which, they hope, will improve employee loyalty and lower turnover), particularly in the hiring process (SIOP, n.d.).
Well-designed personality assessments measure traits that remain stable over time and are normative to allow the reviewer to compare one person’s scores with others’. They also have high reliability, meaning that they would produce the same results if the same person takes the assessment again. The strongest personality assessments have shown to be valid predictors of job performance (Meinert, 2015). Even when HR professionals use the strongest personality assessments, though, it is important to keep in mind that they all reflect the “ideal average,” and should be used as a jumping-off point to start a conversation about personality types and preferences.

There are thousands of personality assessments on the market today. A BBC News article in 2012 estimated that there were about 2,500 personality assessments available that year in the U.S. market, a number that has surely grown in the past four years (Ash, 2012). This makes it a challenge for HR professionals to select a well-designed assessment.

There are a few that are widely used in organizations, however. In addition to the Myers-Briggs assessment, there are (in alphabetical order) the DiSC, the Harrison Assessment, the Hogan Personality Inventory, the IPIP-NEO, the Keirsey Temperament Sorter, the Kolbe Index, and Pymetrics and Knack—these last two are examples of app-based personality assessments.

**DiSC**

More than one million people take the DiSC assessment each year (Discprofile staff, n.d.). It is based on the Five Factor Research that many academics feel is a more valid way to assess personality (Pulakos, 2005), which says that there are five major dimensions of personality; extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience. DiSC is designed to assess a person’s dominance, influence, steadiness, and conscientiousness. The assessment is marketed as a tool to help people understand their behavioral differences and adapt their behaviors to help build more productive teams and to improve customer service. The assessment can be used in hiring, recruitment, placement, and leadership development (Discprofile staff, n.d.).

**Harrison Assessment**

Some assessments purport to assess values as well as personality traits. The Harrison Assessment is one of them. This assessment analyzes 175 personality traits and then identifies the test taker’s values, priorities, and ethics, and compares how well they align with the organization’s values, priorities, and ethics (Florentine, 2014). The company says its assessment can be used in hiring, talent development, employee engagement, and succession planning.

**Hogan Personality Inventory**

The Hogan Personality Inventory is also based on the Five Factor Research. It is comprised of 206 true or false questions and takes less than 20 minutes to complete. The assessment was designed to predict success on the job and can be used for hiring and for development (SHRM staff, 2008).
IPIP-NEO

The IPIP-NEO (the International Personality Item Pool Test) is also based on the Five Factor Research. It measures personality on five personality categories and 30 subcategories. There are now two versions of the assessment available. The original assessment consists of 300 questions and takes about an hour to complete. The short version consists of 120 questions and takes about 30 minutes to complete.

Keirsey Temperament Sorter

According to its website, the Keirsey Temperament Sorter is the most widely used personality instrument in the world. The assessment consists of 70 questions, and “sorts” takers into one of four personality types; the Guardians, the Idealists, the Artisans, and the Rationals. The personality types are derived from the behavioral research conducted over a number of years by David Keirsey, Ph.D.

Kolbe Index

This assessment is based on the premise that a person’s problem-solving abilities are stable over time and independent of intelligence, personality, and education. It identifies four problem-solving modes people typically use; fact finder, follow through, quick start (innovation and risk taking), and solution implementation (Basu, n.d.). According to the Kolbe Index’s website, the assessment “validates an individual’s natural talents, the instinctive method of operation that enables (a person) to be productive.”

Pymetrics and Knack

These two assessments use games to help assess personality. Pymetrics uses brain games based on neuroscience to assess 50 cognitive and emotional traits that help match an employee's skills to an employer's needs. Knack uses a phone app that allows users to play games that assess how they think and work (Meinert, 2015).

Myers-Briggs Type Indicator (MBTI)

The MBTI is arguably the most widely used personality assessment by employers, which warrants taking a closer look. According to a 2012 article in The Washington Post, the MBTI is used by more than 10,000 companies, 2,500 colleges and universities, and 200 U.S. government agencies (Cunningham, 2012). More than 3.5 million assessments are administered each year (Bajic, 2015). It is estimated that more than 60 million people have taken the MBTI since the Educational Testing Service began offering it in 1962 (Cunningham, 2012). Its history, however, dates back to the early 1900s and is based on the work of Carl Jung. The U.S. version consists of 93 questions.
The assessment classifies a person along four “axes” about how he or she takes in information about the world and how he or she makes decisions (Blackburn, 2015). There are 16 possible personality combinations derived from these four axes:

- E/I: Extroversion/Introversion
- S/N: Sensing/Intuition
- T/F: Thinking/Feeling
- J/P: Judging/Perceiving

Organizations use the MBTI when building teams, using the results to gauge team members’ work preferences and to assess who will work well together. It is also used to improve communication, because knowing one’s own and others’ personality types can help determine the best way to communicate with each other. Because the assessment does not measure the likelihood of success on the job, it should not be used in the hiring process (Meinert, 2015). The insights the MBTI provides employers can also help in employee motivation and conflict reduction, and can be used to help develop leaders (Bajic, 2015).

Because the MBTI is the vanguard of personality assessments, it has been subjected to more scrutiny than other assessments. While many employers swear by it, academics and psychologists dismiss it as lacking validity and reliability (Cunningham, 2012). Critics say it is extremely inconsistent; that many people test differently on subsequent assessments. In addition, critics say, its use of polarities makes it dangerously easy to pigeonhole test takers (particularly young test takers) into a defined type (or “ideal average”). Others say the assessment is flawed because it doesn’t take into account that people can react differently to situations depending on context (Florentine, 2014). The makers of the MBTI say that ongoing research and development has shown the assessment to be reliable and valid.

Regardless of one’s own opinion about the assessment’s reliability and validity, its popularity remains, and frankly, the same criticisms aimed at the MBTI could be made for any number of other personality assessments. What is important to keep in mind is that it is a tool that can help launch conversations and can help employees understand their own and other’s preferences in terms of interaction and communication.

### How to Correctly Use Assessments

When selecting assessments, HR and talent management professionals must be clear about what the employer is trying to achieve and to ensure that the assessment measures that goal. In an article for *Harvard Business Review*, Ben Dattner, founder of New York City-based Dattner Consulting, offers the following tips on how employers can correctly use assessments in their organizations:

1. Know the law. Assesment tools should be job-related and well validated so they don’t run afoul of anti-discrimination laws.
2. Know the business needs. If using the assessment for hiring purposes, there should be clear, qualitative measures of job performance in place so a statistical correlation can be drawn about how well the assessment predicts performance. Once the business needs have been identified, find an assessment that will accurately evaluate those needs.

3. Reduce the risk of cheating (which will skew the assessment’s reliability and validity) by making sure all assessments are proctored.

4. Share assessment results with the test takers. They will appreciate the feedback (Dattner, 2013).

It is also highly recommended that the results are delivered by a professional coach. A good coach will understand the limitations of any behavioral assessment and only use the results to begin the conversation that will lead to a better understanding of the assessment takers’ actual preferences.

**Conclusion**

Assessments can be powerful tools that can improve employee turnover, motivation, loyalty, and an organization’s bottom line, but they should be used with caution, expert assistance (e.g., a professional coach), and in conjunction with other tools like interviews and background checks (if used for hiring). Perhaps most importantly, though, to be effective, behavioral assessments must be seen as a tool to reveal preferences and to start a conversation, not to pigeonhole people into categories or buckets. It requires a commitment to resist taking the easy route and, to use Jung’s own term, unfairly assign the “ideal average.”
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- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

Contact Us

Website:  www.execdev.unc.edu | Phone:  1.800.862.3932 | Email: unc_exec@unc.edu
Sources


Sources (continued)


