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Assessment-Centered Talent Management Solutions

The Fundamentals of Leader Assessment
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The Fundamentals of Assessing High-Value Talent

The use of psychological assessments to gauge manager and executive talent has increased 50 percent in the past few years. In part, this can be attributed to the growing recognition of the need for quality talent, but it is also likely due to improvements in the science of assessment. Unstructured interviews and puzzle-type questions, which were common in the very-recent past, have largely been replaced with more powerful and proven structured assessments that permit valid comparisons among candidates.

Despite the rise in the use of assessments, several ineffective practices remain, particularly when identifying candidates for high-potential pools, accelerated development opportunities or career-broadening moves. In these cases, too many organizations still rely on manager nomination, unguided calibration sessions and previous performance. On the surface, managers might appear to be the best source for identifying talent or filling vacant positions but several findings prove that this isn't the case.

- Managers' perceptions are too often characterized by cognitive biases. Perhaps the most common bias, the recency effect, occurs when managers consider only the most recent performance rather than long-standing behaviors and habits. Another common bias is the halo effect, which is the tendency to judge people as uniformly good and/or poor performers without looking into their unique strengths and weaknesses.
- Managers' perceptions are often narrow—they typically see a person's performance only in one role, and only for a limited period of time. When several managers are involved in calibration sessions, it is often the case that some of them either do not know the person or have observed none of his/her behaviors. In these cases, getting group consensus on an individual is a process of pooling a lack of knowledge.
- The definitions that managers must use to define potential are muddled (e.g., "aspiration") and offer no real guidance to compare individuals who hold different jobs with very different challenges/demands.

How Can Assessments Help?

Assessments are structured, formal processes designed to gain information about the characteristics, competencies and potential of individuals. Assessments are typically a combination of methods (e.g., interviewing, observing) and tools (e.g., interview guides, simulation exercises). Professionally designed and conducted assessments provide significant advantages over unstructured talent judgments or nominations.

First, assessments provide consistent and unbiased information on an individual. They are constructed to measure the entire set of competencies and experiences needed to succeed in a job, avoiding the issue of executives having limited exposure to individuals.

Second, each individual is subject to exactly the same exercises, instruments and metrics. This avoids the difficulty of having managers compare individuals with vastly different job experiences and challenges. Because of these characteristics, assessments are particularly effective at lending insight into groups of executives across organizational units and geographies.

Finally, assessments can be clearly tied to the factors that predict potential and performance in future jobs. Managers commonly rely on past performance to identify candidates for development or promotion, but that process is ineffective if the future job is different than the past job. As an example, the best sales people do not typically make the best sales managers. Assessments can help with succession and career planning by assessing the skills necessary for the next job.

Some common assessments are:

- *Structured Interviews.* Interviews are structured when a consistent set of questions is posed to individuals, and their responses are evaluated according to a set of behavioral standards. Compared to unstructured interviews, structured interviews are highly valid predictors of on-the-job success.
- *Cognitive Ability Tests.* Thinking abilities, including the ability to process data and think strategically, are typically assessed with cognitive ability tests. These have strong predictive abilities but also commonly produce adverse impact against minority groups.
- *Personality Tests.* There are a range of personality assessments that are commonly used in training and career exploration contexts that are not appropriate for assessing talent in high-stakes (e.g., selection or promotion) situations. Personality tests appropriate for these uses are professionally developed and validated for selection or promotion decisions. A vendor should be able to provide a technical report with validity evidence to show that the personality test can be used in the setting you intend.
- *Multisource Ratings.* Commonly known as "360" ratings, these tools solicit feedback from managers, peers and others to give an individual feedback on the behaviors demonstrated in the workplace. Multisource ratings can be valuable sources of feedback but can also be subject to inflated ratings and cultural pressures to avoid criticisms.
- *Assessment Centers/Simulations.* Centers and simulations place individuals in situations in which they must interpret data, engage peers and stakeholders, motivate employees, and make decisions. Because this type of assessment so closely matches the challenges to be faced on the job, they are among the most-powerful predictors of potential and performance.

It is useful to note that assessments can be delivered under varying conditions that might influence the choice of a specific type of assessment or delivery vehicle. Primarily, these conditions can be broken down into high-value versus high-volume assessments and whether the assessment is designed to render a selection/promotion decision or to provide developmental advice.

- High-value assessments are targeted to critical jobs or those with wide decision latitude and are typically longer and more challenging. They are often rooted in challenging business cases and demanding simulations. Feedback is usually extensive.
- High-volume assessments are typically short, skill-based assessments focused on the primary requirements of front-line and customer-facing jobs (e.g., customer service orientation, detail orientation, conscientiousness). As a result, these are often "selection assessments" and feedback is generally brief so that managers can make a quick decision.
- The term "selection assessment" refers to using an assessment to make a decision (e.g., selection or promotion) regarding a candidate. Results are delivered to the hiring manager rapidly to facilitate decision making. Often assessments used to identify pools of talent (e.g., high potentials) are delivered to a Talent Center of Excellence.
- "Developmental assessment" results are generally delivered to the participant for purposes of facilitating insight and developmental goals. These reports are generally extensive and are often written so that they can be self-interpreted.

Core Elements of Rigorous Assessments

Effective assessments provide value when they are constructed using a scientific process and when careful attention is given to the context in which they will be used.

Rigorous assessments…

- *Are grounded in the challenges and demands of the job.* Assessments that are not tightly linked to the skills that executives must demonstrate on the job will not provide value. Using an assessment because it is popular or is recommended by a colleague does not take into account the unique aspects of a given industry or organization. Any assessment must be related to the content of the job in order to yield value.
- *Challenge participants to perform.* The most valuable assessments give individuals an opportunity to experience a "day in the life." This provides several advantages. First, individuals gain a realistic job preview so they understand the expectations of the role or the next job. Second, it provides a compelling test of whether the individual can demonstrate the behaviors that need to be displayed on the job.

- *Use trained, experienced assessors and comprehensive behavioral evaluation guides for simulations.* Performance in a simulation must be rated. Thus, it is critical that assessors have significant experience working with the assessment and with the executive population. Assessor ratings should be guided by a well-developed set of behavioral-rating guides. The organization conducting your assessment should be able to identify the process for training assessors, detail their experience and identify the basis upon which assessment ratings are made.
- *Provide behavioral feedback.* Reports from effective assessments are written in easy-to-understand, behavioral language so that individuals can take action on the feedback. Psychological and business jargon is avoided and the feedback and recommended development actions are consistent with the culture of the organization and the context of the individual's role.
- *Are reliable and empirically validated.* Assessments provide strong returns on investment and savvy organizations assess the value they gain by validating their assessments using relevant organizational and individual outcomes. Reputable providers will be able to report the validity of their assessments.

When evaluating an assessment vendor, consider the extent to which their assessments are consistent with the core elements outlined above.

Rigorous Assessments Provide Value

At the core of a quality talent-management program are professionally developed, job-related assessments. Well-crafted assessments, particularly when used in combination, provide strong insight into the individuals with the talent and potential to excel and facilitate development with targeted and relevant feedback. A rigorous assessment program is also the foundation of a strong talent-management practice, as it yields a robust source of data for talent analytics.

For more information on valid, job-related, and high value assessments, visit our website at **www.APT*Metric*.com**.