



The McQuaig Institute®

6 QUESTIONS TO ASK BEFORE CHOOSING A TALENT ASSESSMENT TOOL



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INTRODUCTION

It is often said that people are an organization's greatest asset. It's a nice idea, but only partly true. A more accurate statement comes from Jim Collins, author of *Good to Great: Why Some Companies Make the Lead and Others Don't*. He said that people are not your greatest asset; the right people are.

The quest for those "right people" is the challenge and the frustration of many a company and HR professional. Companies are increasingly turning to talent assessment tools to help them overcome these challenges. The use of a talent assessment tool for pre-employment testing, development and team building has been shown to deliver significant value to organizations, see the results from a 2010 study of 400 companies by the Aberdeen Group on this page.

ORGANIZATIONS USING ASSESSMENTS DEMONSTRATED:

75% greater year-over-year improvements in hiring manager satisfaction

75% year-over-year decrease in hiring costs

2.5 times greater year-over-year increase in profit per full time equivalent

Source: Aberdeen Group, Talent Assessment Strategies: A Decision Guide for Organizational Performance

THE RIGHT TALENT ASSESSMENT TOOL CAN HELP YOU:

- ✓ Make better hiring decisions and reduce turnover
- ✓ Increase productivity
- ✓ Improve employee engagement
- ✓ Improve your managers ability to coach and develop
- ✓ Improve team effectiveness

Not all assessment tools are created equally, though; and there are literally hundreds on the market to choose from. The question becomes, 'how do I choose the right talent assessment tool for my organization?'

This guide provides a list of six key factors to look at when evaluating a potential assessment tool and tells you what questions to ask, what to watch for and how to evaluate the answers.



RECRUITING MAY BE AN ART, BUT ASSESSING CANDIDATES IS A SCIENCE



IS THE TOOL SCIENTIFICALLY BASED?

It is often said that recruiting is an art. The act of assessing and measuring candidates, though, is definitely science. When enlisting an assessment tool to help you make better hiring decisions, or to aid in coaching and development, it's important to ensure the tool is based on sound science. Otherwise, you may as well pick up a Magic 8 Ball from the toy store and save yourself some money.

The idea of talent assessments (also called behavioural assessments, personality assessments, psychometric testing, pre-employment testing) is grounded in decades of industrial psychology. The science behind these tools has been well established and proven. That said, not all tools are created equally. Some are less accurate than others. And some that are well validated are better suited to specific purposes and may not be built for your needs.

For example, a tool that provides a valid personality assessment, like a Myers Briggs Type Indicator (MBTI), is useful for personal development or career counseling, but is not intended for recruitment. In fact, the Myers & Briggs Foundation states as much in its ethical guidelines.

HOW TO DETERMINE IF A TOOL IS SCIENTIFICALLY SOUND

Today, the commonly accepted standard for personality tests of any sort are the “Big 5” personality traits. A good starting point is to ensure the assessment tool that you are investigating is based on that scale. For more details see the sidebar “The Big 5 Dimensions of Personality”

Some other key questions to pose to prospective vendors are:

- **How was the tool developed and by whom?**
- **How was the tool tested to confirm its reliability and validity?**
 - **Reliability refers to the degree from which test scores are free from measurement errors.**
 - **Validity refers how well the measured personality traits correspond to the person’s actual personality**

In each case, there are testing models that can be—and should have been—used to confirm this information and a prospective vendor should be able to show you evidence that their tool passes the test.

Ask for a copy of the company’s technical manual, which should outline all of this and more concerning the tool’s validity. It’s a dry read, but even skimming it will give you a sense of how sound a tool you are dealing with.

THE BIG 5 DIMENSIONS OF PERSONALITY

Today, many researchers believe that there are five core personality traits. The popularity of this theory has been growing over the past 50 years.

Each of the five traits is made up of two separate aspects that create a scale on which an individual is placed based on their response to specific questions. These five categories are usually described as:

OPENNESS TO EXPERIENCE: (inventive/curious vs. consistent/cautious). Reflects the extent to which a person is imaginative or independent, and depicts a personal preference for a variety of activities over a strict routine.

CONSCIENTIOUSNESS: (efficient/organized vs. easy-going/careless). A tendency to show self-discipline, act dutifully, and aim for achievement; planned rather than spontaneous behavior; organized, and dependable.

EXTRAVERSION: (outgoing/energetic vs. solitary/reserved). Reflects energy, positive emotions, urgency, assertiveness, sociability and the tendency to seek stimulation in the company of others, and talkativeness.

AGREEABLENESS: (friendly/compassionate vs. analytical/detached). A tendency to be compassionate and cooperative rather than suspicious and antagonistic towards others.

NEUROTICISM: (sensitive/nervous vs. secure/confident). The tendency to experience unpleasant emotions easily, such as anger, anxiety, depression, and vulnerability.

DOES THE SYSTEM PROVIDE A ROLE, OR JOB PROFILE BENCHMARKING TOOL?

Zig Ziglar, the famous personal development coach and motivational speaker, posed the question: “how can you expect to hit a target that you don’t even have?” That’s a valid question to ask of your recruiting process as well.

When recruiting for a new role, your goal is to find the right candidate. But what is “right” and how are you measuring that elusive quality? A good assessment tool will help you with that by providing the ability to create a profile to benchmark candidates against.

This benchmark should include all the elements that go into an individual profile, but is targeted at the job itself. Think of it as a profile of the ideal candidate.

A strong assessment system will allow for three primary ways to get at this benchmark or target:

The Individual Method

allowing for one person’s point of view

The Stakeholder Method

this creates a profile combining the input of all stakeholders

The Top Performer Method

where several top performers already in the role are evaluated to create the benchmark

With a benchmark that measures the same traits as your candidate assessment, you’ll be well positioned to use the assessment tool more effectively.

Make sure the talent assessment tool you are considering provides a benchmarking tool of some sort or you will limit your ability to predict how an individual will perform in the job.





IS THE ASSESSMENT TOOL FAIR?

Your talent assessment tool should provide an equal opportunity for all test-takers to demonstrate their potential fit for the vacant position. It shouldn't screen out disproportionate numbers of a group of people by gender or ethnicity, unless there's evidence that this group as a whole performs below average in the job.

Ideally, the assessment tool has been designed and developed within the guidelines of human rights regulatory bodies, where it won't negatively impact or predict against the under performance of protected groups. The assessment tool should have supporting documentation that states this explicitly in writing.

Be sure to ask for evidence that your potential assessment tool has been tested against bias in this area.

ARE THE REPORTS EASY TO UNDERSTAND?

A talent assessment tool is only as effective as the actionable information it provides for you to base decisions upon.

You want depth and richness of information from your tool, absolutely, but if that information comes in a form that is difficult for you to use, it has limited value. Ultimately, the reports coming out of your system should empower you to make sound hiring decisions, and they should also assist managers in onboarding, coaching and developing staff. If the reports are difficult to interpret or understand you will struggle with them and your hiring managers will ignore them.

Most assessment companies provide training and certification to equip customers to use the data that their systems provide. What you, as a user, must decide is how much time and money you are willing to invest to maximize the value of your chosen system. And when considering this, remember to also factor in future training requirements due to staff turnover.

Training is recommended for all assessment tools, but some tools have reports that are easier to work with than others.

Ask your prospective providers to see samples of their most commonly used reports – if you can see reports based on an assessment of yourself that's even better. Try to understand the reports yourself and imagine how you, or a hiring manager pressed for time, could use the information as it is presented.

You should also ask for references and ask existing customers what they think of the reports that the tool provides and how they use them.

IF YOU CAN'T UNDERSTAND AND ACT ON THE REPORTS,
THE BEST INFORMATION IS USELESS TO YOU



WHAT LEVEL OF CUSTOMER SERVICE CAN I EXPECT?

It's often said that exceptional customer service is a table stake in today's world. That would be nice if it were true, but start asking questions of your friends and colleagues about the companies they deal with and it won't take long before you start hearing tales of woe and neglect.

In your efforts to improve your people decisions you are purchasing the assessment tool, but you are also entering into a relationship with the company that provides it. Not all companies are created equally. Some have a great tool and put all their investment into that, ignoring the service side of their businesses. Some have the opposite strategy. Many more fall somewhere in between. There are pros and cons to each approach and which one is best for you depends upon your needs and comfort level.

Be sure to talk to existing customers—and former customers if you can – about their experience with support.

DETERMINE HOW IMPORTANT CUSTOMER SUPPORT IS TO YOU AND THEN ASK QUESTIONS ABOUT WHAT KIND OF SUPPORT IS AVAILABLE.

What paid support/training is available?

What free support is available?

How is support provided? Online, self-help, telephone?

What is the process to get me up and running?

What's available after that?



DO THE RESULTS LIVE UP TO THEIR PROMISE?

You'll hear a lot of promises from assessment providers as you investigate the many solutions available to you. In addition to the suggestions made previously, an important part of your due diligence should be confirming that the tool lives up to the promises made.

There are a couple of ways to do this. One involves testing the system yourself in a small way before entering into a larger agreement. If you go this route, it's recommended that you run this test with multiple systems so you can accurately compare. This is the ideal way to approach it; but, realistically, it can be time-consuming if the tool requires significant training to use.

Another good way to get this information is through talking with existing customers about their experience.

Ask the assessment providers you are considering for a list of references and ask each person on the list a specific set of questions based on your needs and how you plan to use an assessment tool.

Questions to include:

- What impact did the tool have on your retention rate?
- How did the tool measure up to your expected results?
- How easy or difficult was it to work with the tool?
- How do your hiring managers find the reports? Can they act on them?
- How did you find the support you received?
- Would you recommend this tool/provider for someone in my situation? Why/why not?

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SUMMING UP

The right talent assessment tool can help you to make better hiring decisions, lowering turnover and increasing productivity; increase your employee engagement levels by providing real insights that help you develop and coach people; improve team effectiveness by understanding the role personality plays on team dynamics; and make your managers more effective through a better understanding of their staffs' temperament, and their own.

To choose the assessment tool that is right for you, take the time to investigate and compare a number of solutions, measured against your specific needs. Ask each provider the questions outlined in this guide.

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THE MCQUAIG SYSTEM: A SIMPLE, ACCURATE TALENT ASSESSMENT TOOL

- Define Job Requirements
- Assess Candidate Potential
- Identify & Develop Leaders

- ✓ Detailed, easy-to-read and actionable
- ✓ Unlimited support
- ✓ 1-on-1 consulting
- ✓ Web-based, no installation
- ✓ Customized interview guides
- ✓ Money back guarantee on Unlimited Memberships

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