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Putting assessment centres to the test

Assessment centres are often regarded as the Holy Grail of assessment. But how cost-effective are they when you consider the time and effort that goes into running one? Despite the quantum leap in alternative assessment tools over the last few years, assessment centre methodology remains largely unchanged. Let's take a critical look at assessment and development centres and consider how we can maximise their return.

What is an assessment centre?

Assessment centres are typically used in employee selection and development to predict how someone will perform on the job. A good assessment centre is characterised by multiple assessment methods, multiple assessors, multiple candidates and multiple assessment criteria. The idea is to closely simulate the tasks required in the target job, eliciting the types of behaviours that differentiate success in that role.

Assessment centres can be traced back to the selection of military officers in times of war, as an effective and efficient means of predicting suitability for duty. This method has since been accepted as part of the assessment landscape and is widely used for graduate selection and management development.

How do they work?

While there are many variations on assessment centres, they usually involve a range of simulation exercises or role plays, as well as psychometric assessments and structured interviews. Candidates work on various tasks while being observed and rated by assessors on pre-determined scales. The tasks may be performed as a team, a role play, or independently. The candidates are rated against key competencies, such as: planning, conflict management, quality of decision-making and interpersonal effectiveness.

Who is involved?

It is often considered best practice for the assessors to be internal to the organisation, usually one up in seniority from the target job. However, a small number of specialists can be involved to assist with the technical aspects, and to design and

write the exercises. Assessors should be trained to ensure they are observing and evaluating behaviours in a consistent and standardised manner.

How effective are assessment centres?

The good: The effectiveness of any method of assessment, be it an interview, a test, or full-blown assessment centre, lies in its ability to predict successful job performance. In this regard, assessment centres do remarkably well. Assessment centres are also perceived as being an efficient method of selecting multiple employees from a large applicant pool. Finally, assessment centres have the added advantage of providing candidates with a realistic job preview, setting their expectations for the role and enabling them to self-select or opt out of the selection process if a lack of fit is perceived.

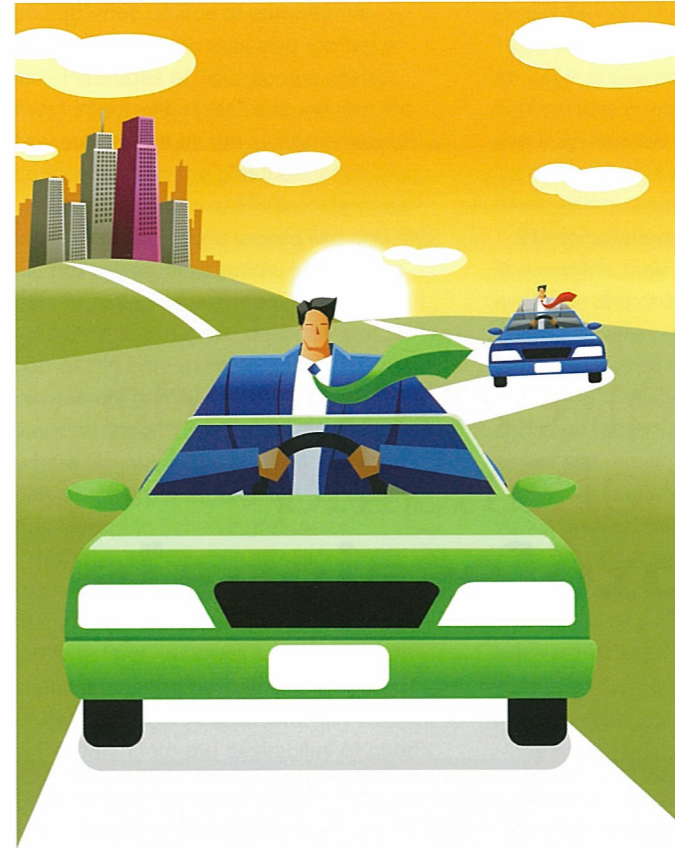
The bad: So far, assessment centres are stacking up pretty well. They provide excellent prediction of job performance, are an efficient means of bulk selection and provide a realistic job preview. So what's the problem?

Firstly, the predictive value of an assessment centre is gained by the multiple method approach. With each additional simulation exercise or assessment, the predictive validity increases slightly – this is called incremental gain. However, this isn't always the

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case. Often there is considerable overlap between each method, producing very little or no incremental gain. Simulations and role plays on their own do not have the highest predictive validity. The best results come when they are combined with more objective tests.

Secondly, there are problems combining scores on each behavioural competency across exercises. Research has repeatedly demonstrated that the key factors emerging from



assessment centres are related to the exercises themselves, rather than the competencies the exercises are trying to measure. This raises concerns about the extent to which the information gained from an assessment centre can be relied on to indicate an individual's strengths and weaknesses in certain areas, or provide a basis for further development.

Finally, research indicates that the primary factor measured within assessment centres relates to general mental ability. If an assessment centre is tapping into general mental ability, wouldn't it be easier to use a psychometric assessment?

These findings raise questions about the cost-effectiveness of assessment centres, given that they are the most resource intensive and expensive method of assessment. They require a large number of assessors, and significant time and expertise to create and update. The highly respected researchers, Robertson and Smith go so far as to say:

"If the predictive value obtained from assessment centres could be equally well obtained from cheaper methods, such as psychometric testing, the cost-effectiveness of assessment centres in personnel selection and assessment process should be questioned."

What can we do about it?

The efficacy of aptitude tests as a highly cost-effective predictor of job success has been well established for a considerable time. Since the early 1990s, personality questionnaires have also earned a firm role to play in selection. In fact, the sophistication and effectiveness of personality questionnaires has continued to develop significantly. Newer personality assessments, such as Saville Consulting's Wave Professional Styles, have smashed the validity records set in the 90s by incorporating lessons learned, updated research, innovation and technological advances. When you think about it, a personality questionnaire with job relevant questions is akin to a highly structured competency-based interview, but with greater efficiency.

The time-cost differentials between psychometric assessment and an assessment centre are enormous. Indeed assessment and

development centres can be well over 20 times more expensive. Consequently, psychometric assessments should be carefully considered as an integral part of the selection process.

The advance in selection methodologies isn't so surprising if you accept that most technologies are constantly improving. In the early days of the motor car, a man was required to go out on foot in front of the car with a red flag to warn people of its approach. Similarly, inappropriate use of assessment centres is likely to prove just as inefficient and unnecessary in the modern context.

Does this spell the end of assessment centres? No. That's not what we're trying to advocate, especially given that a reasonable proportion of our business revolves around the creation and facilitation of assessment and development centres. We're simply offering some food for thought, and drawing attention to some smarter and more efficient ways of maximising their value. There is a lot to be said for using multiple assessments as an opportunity to triangulate information and confirm the outcomes of different measures.

In a time when process efficiency and accuracy is paramount, a re-think of current practices and smarter ways of designing assessment centres is certainly warranted. Here are some practical suggestions for consideration:

1. Use the most efficient and valid methods at the front end of the process for screening candidates (i.e. aptitude and personality assessments). Internet delivery is suitable for screening out those that don't meet the minimum acceptable level. Spending more on the right tests up-front will reduce the back-end costs and give you an overall saving.
2. Use multiple methods to screen candidates prior to the assessment centres. For example use a personality assessment in addition to an aptitude test. Not only will this improve your 'hit' rate above aptitude testing alone, but it also reduces negative impact.
3. Place assessment centres at the end of your selection process. This will save you from putting large numbers of people through an assessment centre, thus saving considerable time. If you want to select 20 graduates, you don't need to run an assessment centre on 200 applicants. If you use the right tests to screen out and shortlist, 60 candidates may be more than enough – roughly a ratio of 1:3 or even less.
4. The same rule applies to interviews. While interviews are not as expensive and time-consuming as assessment centres, they are costly when you consider how much management time they take up. There is no need to use an interview to find out things you can achieve in a cheaper, more efficient way.
5. If you incorporate psychometric assessments into an assessment centre, take notice of what the tests are saying. Use other exercises in the assessment centre to check out hypotheses raised by test results. Make sure you have a well-trained specialist to assist with the interpretation of the assessment results.
6. Use only a small number of competencies in your assessment centre and avoid aggregating competencies across exercises, or you run the risk of losing important contextual information.
7. Use the best, most valid psychometric assessments in conjunction with an assessment centre. It is false economy to compromise here.

In conclusion, it is apparent that we need to rethink assessment centre design and their position in the assessment process to maximise return on investment. Assessment centres have the potential for providing powerfully accurate information, and could very well be the Holy Grail of assessment... but only if used wisely. ■