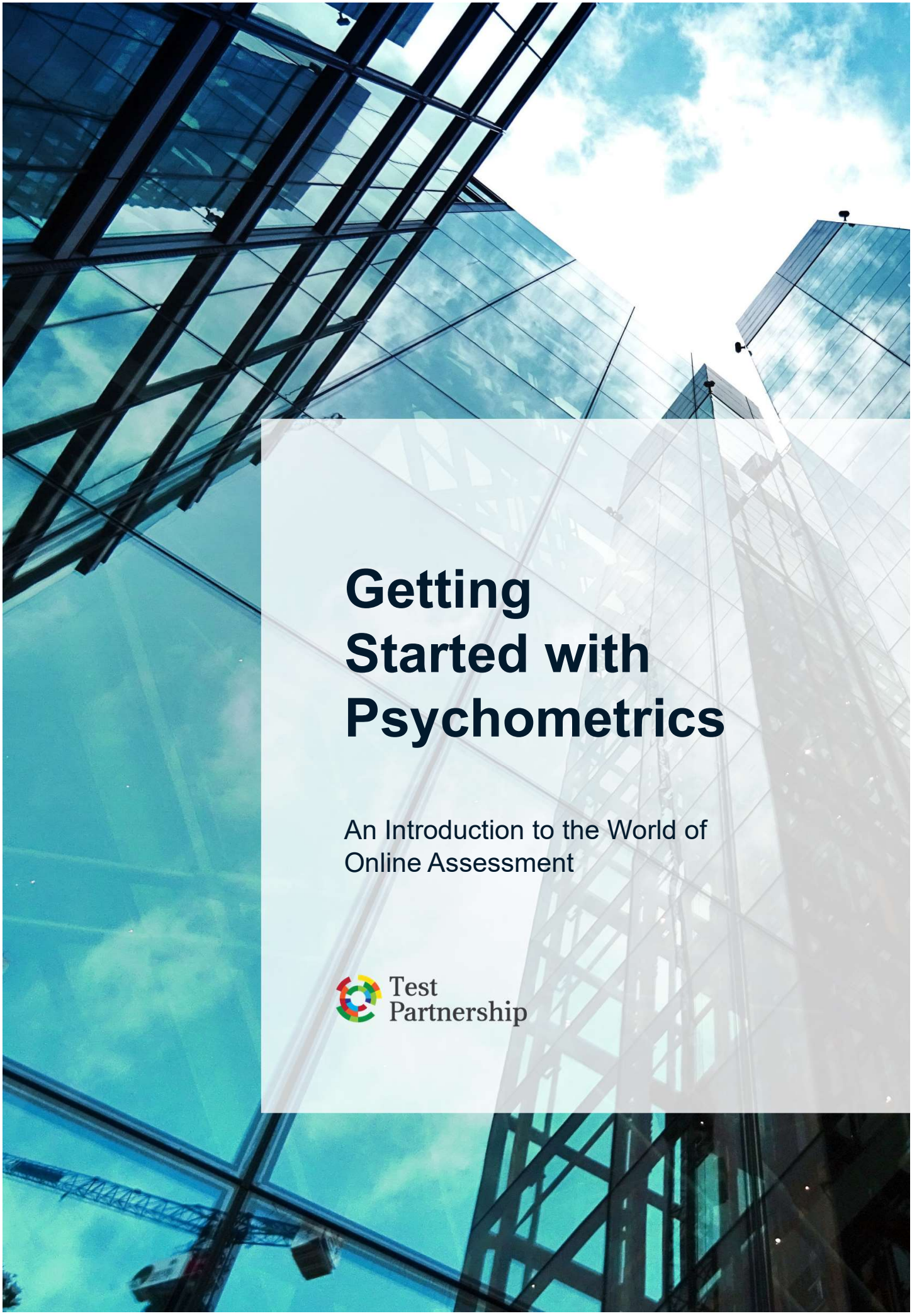


Getting Started with Psychometrics

An Introduction to the World of Online Assessment

Test Partnership

INTRODUCTION

The psychometric testing industry has a frustrating habit of secrecy.

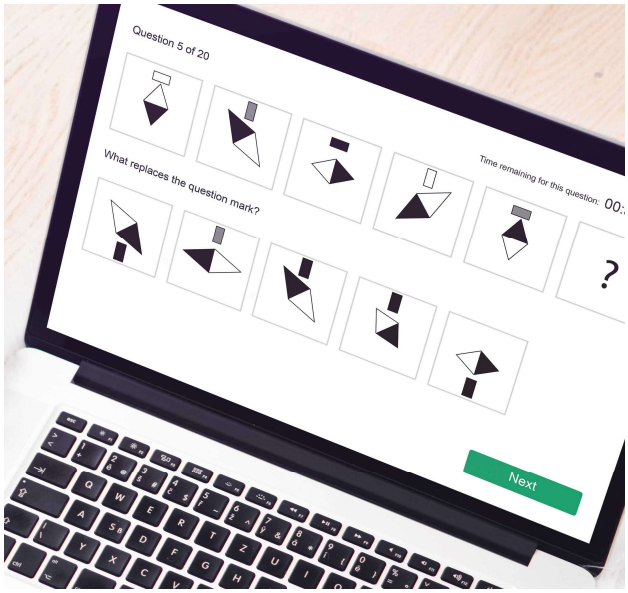
Psychometric test publishers seem to do everything they can to avoid providing information for free. Instead, they opt to sell this information at the low, low price of £3,000+ per delegate at mandatory training programmes... how generous!

Even simple things like prices, functionality, R&D findings, and basic recommendations are treated like closely-guarded secrets, divulged only when absolutely necessary.

For the largest employers with enormous HR budgets, this approach suits them well. Economies of scale keep the per-candidate costs low, easily absorbing the enterprise-level prices associated with the way most test publishers conduct business.

But for smaller organisations this serves as a barrier to entry, cutting them off from information and making the use of psychometric testing far less cost-effective.

This eBook has been designed to level the playing field, providing access to meaningful and easily-digestible information about psychometric testing. It will discuss the how, why, when, and best-practice of psychometric testing.



ABOUT TEST PARTNERSHIP

Test Partnership is a London-based psychometric test publisher, specialising in online assessments for recruitment and selection.

Unlike other psychometric test publishers who focus solely on enterprise clients, we welcome small-medium sized enterprises and mid-market companies with open arms.

By removing the unnecessary barriers which discourage smaller organisations from adopting psychometrics, we make psychometric testing accessible to everyone, no matter what size.

As a result, our client list comprises organisations of all kinds, ranging from large-cap multinational corporations to micro-employers with fewer than 10 employees.

CONTENTS

Section 1

What Exactly Are Psychometric Tests?

SECTION 1:

WHAT EXACTLY ARE PSYCHOMETRIC TESTS?

Before we continue any further, we need to get one important fact straight.

Almost all tests are "psychometric" by design.

To put it simply, a psychometric test is any assessment that is designed to measure one or more psychological traits. For example, what about the following assessments? Are they examples of psychometric tests?

- Personality questionnaires, tick.
- Emotional intelligence tests, tick
- Aptitude tests, tick.
- Driving theory tests, tick…wait what?
- GCSE exams, tick…really?!!

In fact, almost every assessment you have ever completed can be defined as a psychometric test. What do GCSE exams and driving theory tests measure? Learned Knowledge, a purely psychological trait.

Almost every test, exam, quiz, and assessment that wasn't physical, was instead by definition, psychometric.

PHYSICAL TRAITS AND PSYCHOLOGICAL TRAITS

Psychological traits don't "exist" in the same way that physical traits do.

Height, eye colour, weight, physical strength etc – these are all examples of non-psychological traits, and they can be objectively measured.

These traits have physical dimensions that can be quantified directly, and do not need to be inferred from indirect observations.

Psychological traits can only be measured indirectly, which is why psychometricians refer to them as "latent traits".

Although these traits can be measured in a variety of ways, questionnaires are the most commonly used method, and are strongly supported by research.

For example, imagine I hand you a questionnaire and ask you to state your height.

Almost every test, exam, quiz, and assessment that wasn't physical, was instead by definition, psychometric.

I haven't directly measured your height, because questionnaires are indirect measures of things.

Measurements don't need to be direct in order to be accurate, and well-designed psychometric tests can do an excellent job of measuring psychological constructs.

To directly measure your height, I would need to use a tape-measure and collect the data myself. Naturally, we can't do this with psychological traits, as they do not "exist" in the physical sense.

So, to measure these latent psychological traits, indirect measurement is the best we can achieve.

Naturally, indirect measures such as questionnaires have their limitations compared to direct measurements of things, but if the questionnaire is well designed it can still provide a wealth of information.

In the previous example, if I handed you a questionnaire and asked you to write down your height, how similar would your response be compared to a direct measurement?

If you knew how tall you were, and you answered truthfully, these two numbers would be very similar if not the same.

Measurements don't need to be direct in order to be accurate, and well-designed psychometric tests can do an excellent job of measuring psychological constructs.

BUT WHAT *ARE* PSYCHOMETRIC TESTS?

Now obviously, when we talk about "psychometric tests", we are referring to a specific set of assessments, designed by psychometricians / psychologists to fulfil a very specific purpose.

The psychological traits measured by these assessments are usually integral elements of the human psyche, i.e. cognitive abilities, personality traits, behavioural dispositions, and motivational drives etc.

In the educational and clinical sphere, psychometric tests perform many high-stakes functions.

Cognitive ability tests can be used to identify instances of learning disability, allowing students or patients to receive the appropriate level of support and care.

Multiple choice questionnaires can be used to identify instances of personality disorders, propensity towards anti-social behaviour, or other psychological pathologies.

The research is clear that aptitude tests are very powerful predictors of future job performance.

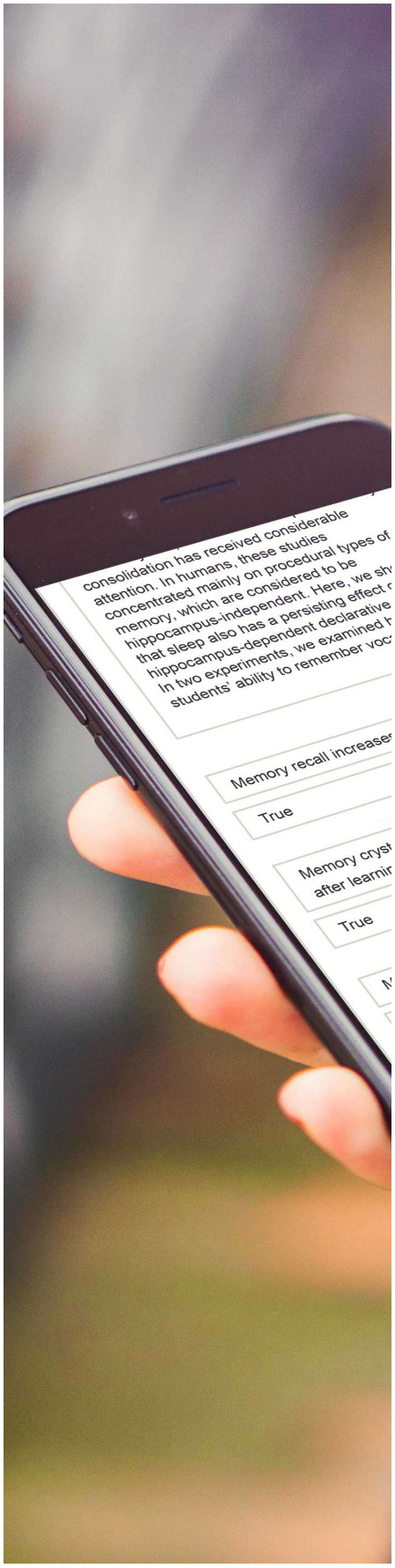
PSYCHOMETRIC TESTING IN AN OCCUPATIONAL CONTEXT

In the occupational sphere, psychometric testing is used differently.

Human resources professionals, hiring managers, and occupational psychologists use psychometrics to identify a candidate's standing on a set of work-relevant psychological traits.

For example, the research is clear that aptitude tests are very powerful predictors of future job performance.

This is because smarter people, amongst other things, learn faster, retain more information, and make better decisions. Similarly, many personality traits also predict future performance in the workplace. As you can imagine, highly conscientious, resilient, and industrious staff are -



more likely to outperform lazy, fragile, and unmotivated staff.

What makes “psychometric tests” particularly relevant in occupational settings, is the fact that these key traits can only be measured psychometrically. Although well-designed, structured employment interviews are indispensable employee selection tools, they don’t measure cognitive abilities or personality traits.

By leaving these two major determinants of employee performance to chance, employee selection without psychometric tests can feel a bit like a lottery.

Except in the case of highly physical roles, all the major determinants of employee job performance are psychological, and thus can only be measured psychometrically.

> Without psychometric tests can feel a bit like a lottery.

How bright an employee is, how hard working, motivated, resilient, emotionally intelligent, their job-related knowledge, judgement and decision-making skills; are all examples of psychological traits.

By omitting assessments which measure these traits, employing organisations are simply leaving it to chance, which makes hiring far riskier than it needs to be.

The next section will go “under-the-hood” of today’s psychometric tests, outlining how they measure these key psychological traits.

But in order to effectively use psychometric testing, one must first understand how they work.

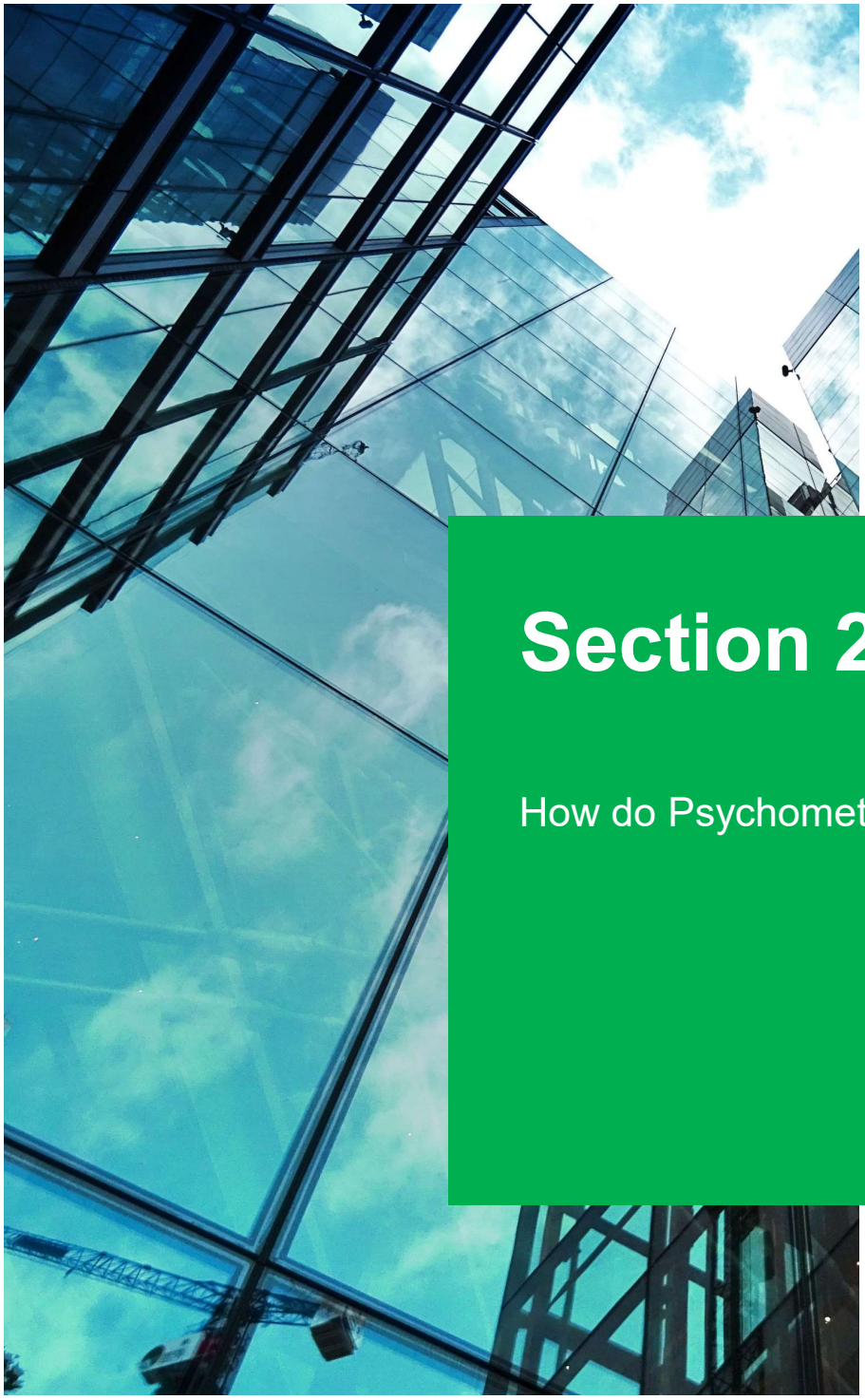
The next section will go “under-the-hood” of today’s psychometric tests, outlining how they measure these key psychological traits, and why applied psychologists, hiring managers, and HR professionals rely on them so heavily.

SUMMARY

• Every test that measures something inherently psychological (as opposed to physical) is by definition a “psychometric test”.

• Psychometric tests measure psychological traits indirectly, typically using questionnaires.

• When questionnaires are well-designed, the evidence suggests that tests do an excellent job of measuring their intended psychological constructs.



Section 2

How do Psychometric Tests Work?

SECTION 2:

HOW DO PSYCHOMETRIC TESTS WORK?

On the face of it, psychometric tests may seem a little arcane.

Think about it, you answer a few questions, spend a little time completing a questionnaire, and somehow this tells someone else everything there is to know about you?

Obviously, this isn't how they work. Psychometric tests only provide an indication of what it means to be you, as human beings are too complex to be perfectly summarised through questionnaire results.

But the question isn't "Can psychometrics perfectly measure a person's personality or ability?", because the answer is undoubtedly no. Instead, the real question is "can psychometrics usefully measure a person's personality or ability?", and the answer is a resounding yes!

Although psychometrics are never perfect, if they are well designed and scientifically validated, the information they provide can be incredibly valuable, and can significantly improve employee selection decisions.

How these assessments provide these measurements however, is another story.

In this section we will discuss how psychometric tests actually measure psychological traits.

In particular, we will discuss the three main classes of psychometric assessment used in employee selection; ability tests, personality questionnaires, and situational judgement tests.

HOW ABILITY TESTS WORK

Let's start with the humble ability test, also known as an aptitude test or cognitive ability test.

Ability tests are the easiest tests to understand, and cognitive abilities are among the psychological traits which are the easiest to measure.

Cognitive abilities represent a person's ability to engage in a specific form of complex thought.

Although psychometrics are never perfect, if they are well designed and scientifically validated, the information they provide can be incredibly valuable

For example, numerical reasoning is a person's ability to work with numbers, verbal reasoning is a person's ability to work with words, and inductive reasoning is a person's ability to think logically.

Numerical reasoning tests are not simple maths tests, and verbal reasoning tests are not simple literacy tests, they measure complex cognitive faculties which are integral to performance in the workplace

Because cognitive abilities determine a person's capacity to solve problems, it makes sense to measure cognitive abilities by giving candidates problems to solve.

So, if you wanted to measure a candidate's level of verbal reasoning, you present them with a range of complex verbal problems. If you want to measure a candidate's level of numerical reasoning, you give them complex numerical problems.

Higher performers will correctly solve more of these problems than low performers, allowing you to rank candidates by their level of these specific cognitive abilities.

Now, the operant word here is "complex". Numerical reasoning tests are not simple maths tests, and verbal reasoning tests are not simple literacy tests, they measure complex cognitive faculties which are integral to performance in the workplace.

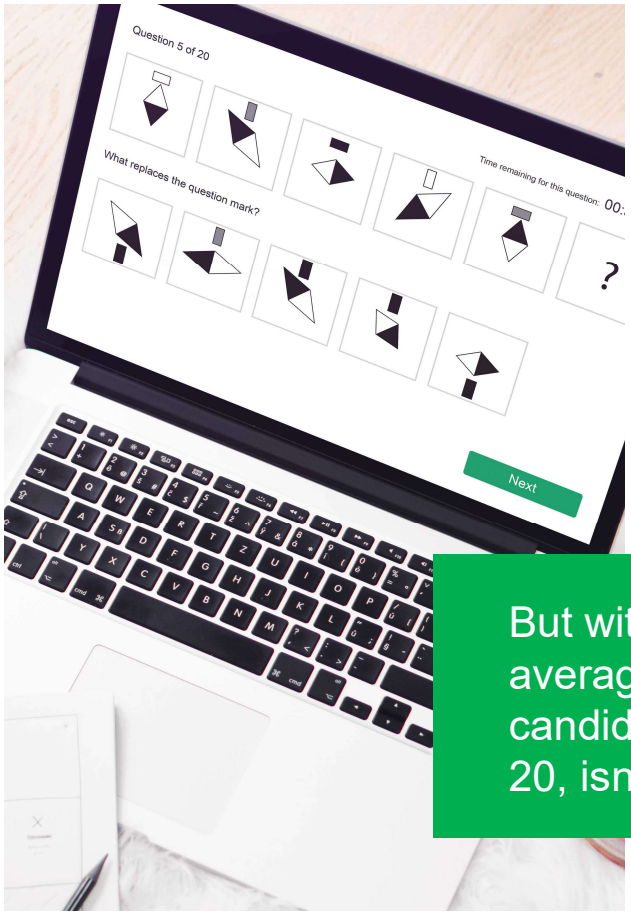
This is because the workplace itself has become very complex. For example, even relatively simple work these days is very tech-heavy, requiring employees of all levels to have significant computer literacy.

Similarly, as the workplace becomes increasingly globalised, organisations themselves are becoming more complex, and even entry-level staff often operate on a global scale. As a result, the more complex the ability test, the better that test predicts future performance.

HOW ARE ABILITY TESTS DESIGNED?

When test publishers design ability tests, they extensively trial their assessments on a large and diverse sample of participants. This allows them to create "norm groups", benchmarks of average performance across relevant groups.

For example, a "graduates" norm group comprising university students and recent university graduates would be used to represent the average score for graduates.



This would allow employers to benchmark their graduates against the average graduate.

The higher the candidates score relative to the chosen benchmark, the better that candidate has scored on the ability test. This allows ability test scores to be scaled appropriately, ensuring that high performers can be identified without requiring the employing organisation to benchmark scores themselves.

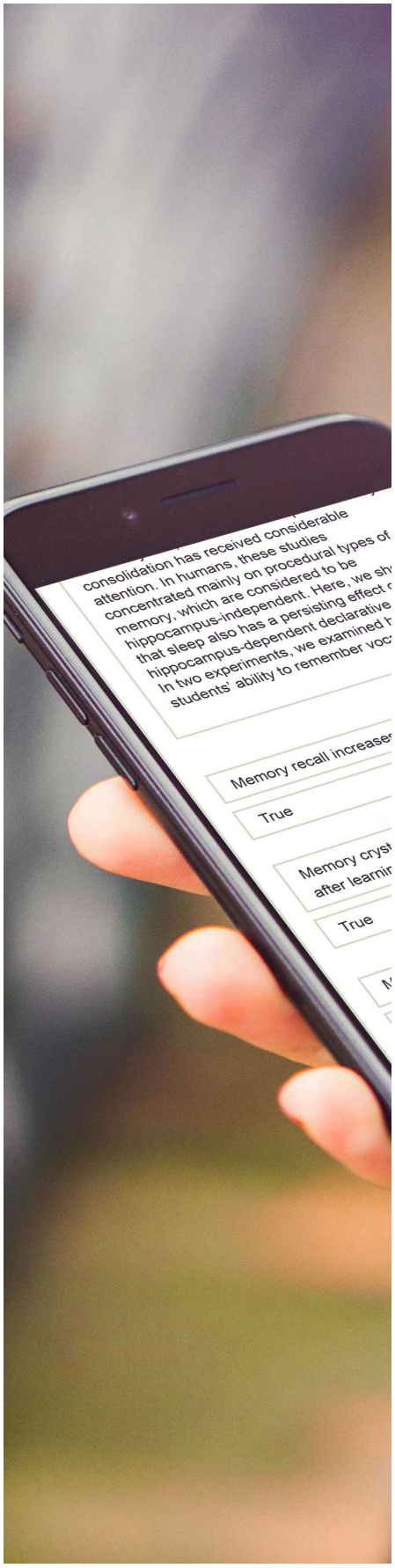
But without knowing the population average beforehand, the candidate's "raw score" i.e. 15 out of 20, isn't very useful.

HOW ARE ABILITY TESTS SCORED?

There are a number of ways that ability tests can be scored. The most common way is by simply counting the number of correct answers, and comparing this to the average. So if a candidate scores 15 out of 20, and the average score is 10 out of 20, the candidate has scored five points above the average for their relevant population.

But without knowing the population average beforehand, the candidate's "raw score" i.e. 15 out of 20, isn't very useful. Without evidence to the contrary, perhaps the average graduate scores 18 out of 20, and so a score of 15 out of 20 isn't so great after all.

In order to make ability test scores interpretable, the candidates raw scores are transformed into standardised scores.



This allows HR professionals and hiring managers to directly compare their candidate's scores to the chosen benchmark, without needing to do any convoluted arithmetic themselves. Alternatively, more advanced ability tests also incorporate the difficulty of the questions as well. So if a candidate scores 10 out of 20, but those questions were particularly difficult, they would achieve a higher weighted score than a candidate that scored 10 out of 20 on easy questions.

In fact, computer adaptive tests (CAT) increase or decrease the difficulty of the questions administered, based on the candidate's performance in real time, ensuring that each candidate receives a test of optimal difficulty for them specifically. This significantly improves the accuracy of the assessment, while also improving candidate experience.

> Advanced ability tests also incorporate the difficulty of the questions

SUMMARY

• When it comes to predicting future performance, ability tests are the most powerful psychometric test available.

• Ability tests provide candidates with a range of complex cognitive problems, with higher scores indicating higher levels of cognitive ability.

• More advanced tests will also incorporate the difficulty of the questions into the score, awarding more credit to harder questions.

HOW PERSONALITY QUESTIONNAIRES WORK

Personality questionnaires are a bit more complicated than ability tests, and so can be more difficult to design. Instead of measuring one specific trait like ability tests do, personality questionnaires measure a much wider range of traits.

Personality traits represent a wide array of behavioural dispositions that people express in their everyday lives.

For example, some people are very social and place great importance on interpersonal interaction, whereas other people are more solitary and prefer their-own company.

Some people are extremely orderly and focus great attention on keeping their homes tidy, whereas others are more easy-going and tolerant of mess.

These behavioural dispositions, for which we all fall under, can be represented by personality traits, which are psychological classifications for these behaviours.

In order to categorise these traits, several models of personality have been developed, each with their own unique array of personality traits.

Currently, the most widely accepted model is the Big 5 model of personality, which proposes five global traits that explain normal individual differences in human behaviour.

These five traits include:

1) Openness to experience
2) Conscientiousness
3) Extraversion
4) Agreeableness
5) Emotional stability

Within these broad global traits, exist a range of sub-traits, specific facets of the global traits which differ from the other sub-traits within the broad grouping.

In the case of extraversion for example, the following sub-traits could be used to collectively represent extraversion as a whole:

The most widely accepted model is the Big 5 model of personality, which proposes five global traits that explain normal individual differences in human behaviour

- Friendliness
- Gregariousness
- Assertiveness
- Activity-level
- Excitement-seeking
- Cheerfulness

Assessments like the MBTI have a very poor reputation among researchers, and that is why they advise against using them.

Overall, extremely extraverted people tend to be friendly, gregarious, assertive, highly active, excitement-seeking and cheerful, but not necessarily in equal proportion.

Some extraverts may be very assertive, but not so friendly, or they might be very gregarious, but less excitement-seeking.

Collectively however, their level on each of these specific traits determines their overall level of extraversion, which is one of the five higher-order factors in the Big 5 model of personality.

Other models of personality exist, some of which either complement or compete with the Big 5 model of personality. Other well accepted models of personality include the HEXACO model of personality and the 16PF model of personality.

PERSONALITY TYPES VS TRAITS

Other models of personality which are not well accepted by academics and evidence-based practitioners exist also, the most notably being Jungian-type based models, as used by the Myers-Briggs type indicator (MBTI).

One thing we do know about variation in human personality, is that most people tend to score in the average range, with comparatively fewer people at the extremes.

Type-based models of personality however, incorrectly categorises personality, boxing people in together into one of two categories i.e. introvert vs extravert.

Considering that almost 70% of people are in the middle, arbitrarily classifying people into two categories, when in reality people exist on a spectrum, makes no sense. It is for this reason (among others), that assessments like the MBTI have a very poor reputation among researchers, and that is why they advise against using them.

HOW PERSONALITY QUESTIONNAIRES ARE SCORED

Once a model of personality has been chosen, test publishers then write a huge range of multiple choice questions, typically using Likert scales.

An example Likert scale question designed to measure extraversion would look something like this:

Question: I like to attend parties:

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

If a candidate selected “Strongly Agree”, they would normally receive five points.

If the candidate selected “Agree”, they would normally receive four points, and so on.

By selecting “Strongly Disagree”, they would receive the minimum number of points, which would be one point.

The lower the number of points, the lower the candidate scores for that particular trait.

Each candidate would be asked a number of other questions relating to that specific trait, and the aggregate score across all of these questions would represent their overall score.

Much the same way as ability tests are benchmarked, personality questionnaires are also trialled on large samples to identify the proper population averages.

For example, if an extraversion scale contains 10 questions, each with a maximum score of five points, the average score for a specific population could be 35 out of 50.

If a candidate scores 45 out of 50 on these 10 questions, this indicates they are more extraverted than the population average.

The most widely accepted model is the Big 5 model of personality, which proposes five global traits that explain normal individual differences in human behaviour

Personality questionnaires are the only psychometric tests which can be applied to both recruitment and personal development

These scores are calculated across every specific trait, allowing personality questionnaires to report scores for each specific and each global trait that they measure.

SUMMARY:

• Personality questionnaires are the only psychometric tests which can be applied to both recruitment and personal development.

• Personality questionnaires typically use multiple-choice question formats, often with Likert style agreement scales.

• Type-based personality questionnaires (such as MBTI) have little academic support, and instead HR professionals should focus on trait-based questionnaires.

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HOW SITUATIONAL JUDGEMENT TESTS WORK

In many ways, situational judgement tests (SJTs) are a middle-ground between ability tests and personality questionnaires. They measure situational judgement, which is, effectively, a hybrid of a cognitive and a behavioural trait.

Due to their immediate work relevance, we consider SJTs to fall under the category of “practical” assessments, rather than exclusively cognitive or behavioural.

From an academic perspective, situational judgement is relatively poorly understood compared to cognitive ability and personality.

The research on SJTs is limited solely to the occupational and educational fields, and in both cases tend to be limited to candidate selection or entry examinations.

Although the research does clearly show that SJTs are useful predictors of job performance, the underlying mechanisms are comparatively poorly understood.

For example, academics and practitioners used to believe that SJTs could measure specific competencies i.e. organisational ability, inter-personal skills etc, being inherently multi-dimensional.

However, recent evidence suggests that SJTs measure a broad, general situational judgement factor, and that SJTs cannot measure specific constructs.

Nevertheless, some test publishers continue to arbitrarily separate their SJTs into competencies, even though the evidence does not support this.

From a practitioner’s perspective however, it is clear why situational judgement tests are predictors of future performance.

Good decision making, reasonable judgement, and contextual awareness can only be positive traits in the workplace and will naturally manifest into good performance in roles with significant autonomy.

Due to their immediate work relevance, we consider SJTs to fall under the category of “practical” assessments, rather than exclusively cognitive or behavioural.

In the same way, those with poor situational judgement are likely to make serious mistakes, to the detriment of the organisation.

Practically speaking, SJTs should therefore only be used when recruiting for roles with significant autonomy or decision making.

Practically speaking, SJTs should therefore only be used when recruiting for roles with significant autonomy or decision making. In roles which are very routinised, where employee tasks are very regimented, situational judgement is less likely to predict future performance.

HOW SITUATIONAL JUDGEMENT TESTS ARE SCORED

SJTs themselves follow a standard format, which varies little between test publishers. Candidates are shown a passage of information, outlining a hypothetical work relevant scenario.

For example, they may be presented with a backstory regarding a fictional public-sector organisation which is undergoing significant change. Alternatively, they may be presented with a fictional private sector organisation, which is expanding rapidly.

After setting the scene, the passage will specify a problem which needs to be addressed, along with a selection of possible remedies to that problem. Candidates are then required to either select a course of action, or rate / rank its relative effectiveness at addressing the hypothetical problem.

The greater the accuracy of the candidate's rankings, ratings or selections, the higher the candidate's overall score. The higher the score, the greater their overall level of situational judgement ability.

Deciding which of the possible actions are effective or ineffective is a major concern for test publishers, and they can achieve this in several ways.

Some publishers recruit subject matter experts (SMEs) and gauge their consensus on the relative effectiveness of the actions. Other publishers trial the assessment on a large sample from a relevant population, using this to form a consensus on each action.

SJTs measure a single, overarching situational judgement factor, and not specific competencies.

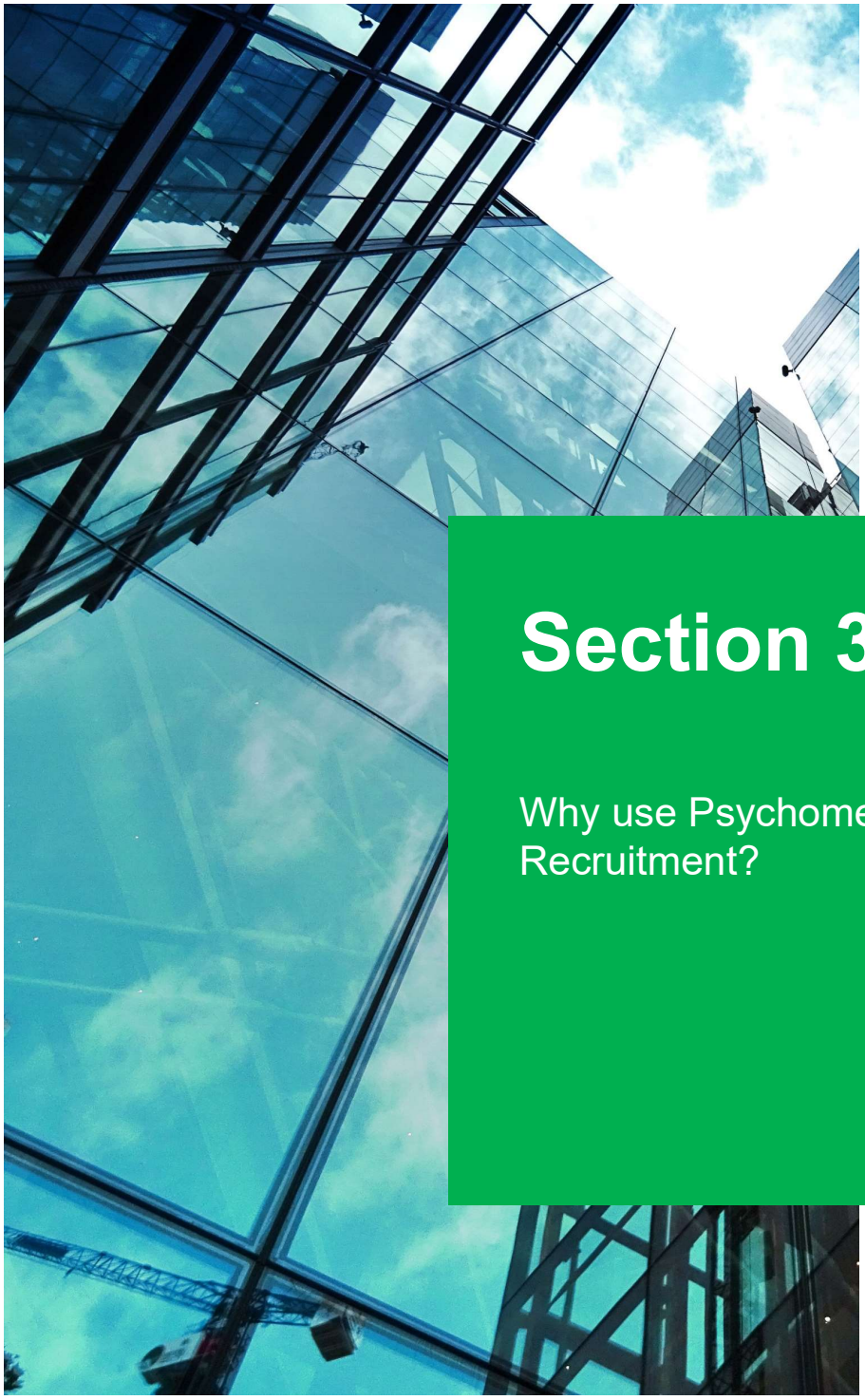
Others simply assume that their item writers know the effectiveness of each item and undertake no trialling at all. Regardless of how these data are collected (if at all), this is how publishers determine which actions are effective, which are ineffective, and to what degree. These scores are then norm referenced, just like ability tests and personality questionnaires, allowing the candidates' scores to be benchmarked and interpreted.

SUMMARY:

• Situational judgement tests (SJTs) are useful predictors of future job performance, although the mechanisms behind them are less understood.

• SJTs measure a single, overarching situational judgement factor, and not specific competencies.

• SJTs should only be used in roles which have considerable autonomy and decision-making requirements.



Section 3

Why use Psychometric Tests in Recruitment?

SECTION 3:

WHY USE PSYCHOMETRIC TESTS IN RECRUITMENT

Now that we know what psychometric tests are and how they work, the next logical step is to discuss why psychometric tests are used in recruitment.

The first and most obvious reason is that they predict employee job performance, but that is only one part of the story and psychometrics have far more to offer than just predictive power.

PREDICTING JOB PERFORMANCE AND GENERATING A RETURN ON INVESTMENT (ROI)

Because almost all the determinants of performance in complex work are psychological in nature, psychometric tests hold significant power when predicting a candidate's future level of performance, all else being equal.

Now, this doesn't mean that every candidate who performs badly on a test will definitely perform badly in the role, or vice versa. There are many of factors which can influence an employee's job performance, and psychometric tests only measure a select few.

Because one cannot account for every single factor, no single employee selection tool could ever hope to predict performance *perfectly*.

But the objective isn't to predict performance perfectly, the objective is to predict performance as accurately as possible.

To put this into perspective, a typical interview shares around 10% of variance with job performance.

Although this represents a small proportion of shared variance, this means that your typical interview is still a useful predictor of employee performance and presents a significant improvement on random hiring.

The greater the amount of shared variance, the stronger the level of predictive power, with 100% indicating perfect prediction and 0% indicating no predictive power at all.

Because almost all the determinants of performance in complex work are psychological in nature, psychometric tests hold significant power when predicting a candidate's future level of performance

Ability tests however, have around 20-40% shared variance with job performance, making them two to four times more predictive of future performance than the typical interview.

Ability tests however, have around 20-40% shared variance with job performance, making them two to four times more predictive of future performance than the typical interview.

Neither ability tests nor employment interviews have 100% shared variance with job performance, but they are both significant improvements over random hiring, and thus will improve the predictive power of the selection process.

Combining ability tests and interviews however (or other psychometric tests), has a compounding effect on predictive validity.

The more information you include into your selection decisions, the more overall predictive power your selection process will have.

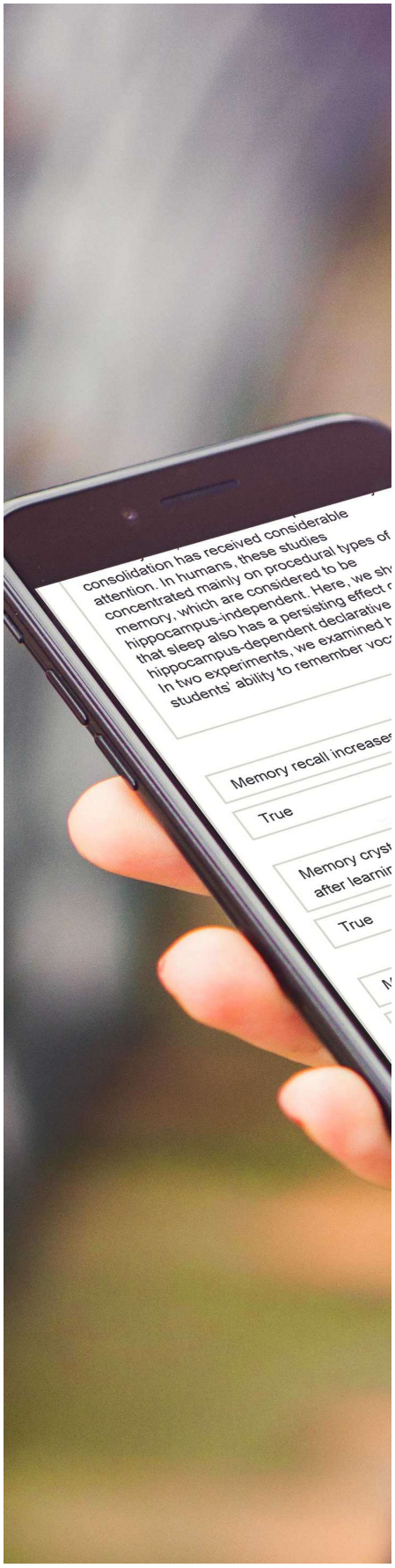
This is why combinations of assessments are recommended when making selection decisions, as it allows hiring organisations to maximise predictive power of their selection processes.

Another important fact that underpins these predictive relationships, is that these relationships between psychological traits and job performance tend to be linear.

This means that, all else being equal, higher levels of predictively useful traits will always translate into greater work performance. It also means that lower levels of that same trait will always translate into poorer performance, and that average scorers will tend to be average performers etc.

This may run counter to peoples' existing beliefs. For example, many people believe that greater intelligence only improves workplace performance up until a certain point, and after that point you see diminishing returns. This is simply not the case.

Instead, there is no cap to performance improvements, and instead performance tends to increase in roughly equal increments indefinitely.



Now, because these assessments can predict future performance (with varying degrees of accuracy), and more productive employees generate a greater return for their employers, selection tools generate a quantifiable return on investment (ROI).

The greater the predictive power of the assessment, the greater the ROI they can produce.

A good example of this is sales roles.

Imagine for example, that employees scoring at the 75th percentile (top 25% of people) on an ability test generate £300,000 per annum in sales on average.

Their average employee however, only generates £275,000 per annum in sales.

> Selection tools generate a quantifiable return on investment (ROI).

By using this ability test and hiring candidates that score in the 75th percentile, you will be hiring candidates that generate £25,000 more in billings per annum.

This means your selection process is generating a return of £25,000 per employee per year.

Combined with the comparatively low costs of psychometric testing, results in a significant ROI, often more than 1,000% per candidate per year.

Although this is a hypothetical example, the actual returns per-employee associated with using valid psychometrics are considerable and are not dissimilar to our hypothetical example. This combined with the comparatively low costs of psychometric testing, results in a significant ROI, often more than 1,000% per candidate per year.

SUMMARY:

• Higher performing employees generate a greater return for their employing organisation than average employees.

• By allowing organisations to identify higher performing candidates, psychometric tests create a significant overall return.

• The low costs of psychometric tests relative to their returns result in very large ROIs for employing organisations.

SAVING MONEY, TIME AND ADMINISTRATIVE EFFORT

For larger employers looking to streamline their employee selection processes, the time and cost savings achieved when using online assessments may be more important than the ROI they generate.

It is no secret that interviewing candidates is an expensive and time-consuming business.

Nowhere is this truer than at large organisations that receive thousands of applicants every year.

Arranging, planning, organising, conducting, scoring, and providing feedback on interviews takes several hours of a mid-senior level HR professional's time, equating to hundreds of pounds per candidate.

This is simply not a feasible strategy for high-volume recruitment, as HR professionals would be spending 100% of their time interviewing.

What's more, not only would HR professionals dedicate all of their time to interviewing, but they would need to reject the vast majority of the candidates they do interview.

For example, if an organisation has 1,000 applicants vying for five positions, interviewers would be forced to reject 99.5% of the candidates they interview. Not only is that an overwhelming prospect for the HR team, but it's simply not fair on the candidates.

Similarly, the idea that CV sifting is a cheap and effective way to shortlist candidates is simply a myth. Research shows that CV sifting is about as effective at predicting future performance as picking CVs at random, making it a waste of time. Honestly, did anyone truly believe that minor typos in a candidate's CV guarantees they can't do the job? But what's worse, it's not just anyone's time that is being wasted, it's the time of mid-senior level HR professionals, whose time is both valuable and expensive.

Research shows that CV sifting is about as effective at predicting future performance as picking CVs at random, making it a waste of time

Instead, large employers use online assessments to quickly and cheaply reduce the size of their applicant pool. This minimises the time and effort requirements of both the HR department and the candidates themselves, serving everyone's best interests.

> Ability tests however, have around 20-40% shared variance with job performance, making them two to four times more predictive of future performance than the typical interview.

This frees up time for HR professionals, allowing the HR team to create additional value for their organisation elsewhere.

It also helps preserve HR budgets in growing organisations, supporting existing teams in dealing with increasing workloads, without needing to hire a small army of extra staff.

By using online testing, a single HR professional can invite several thousand candidates to complete a suite of assessments at the click of a button.

Within a few days, the candidates will have completed their assessments and the results will be immediately available to the HR team. These results can then be downloaded, allowing for immediate selection decisions to be made.

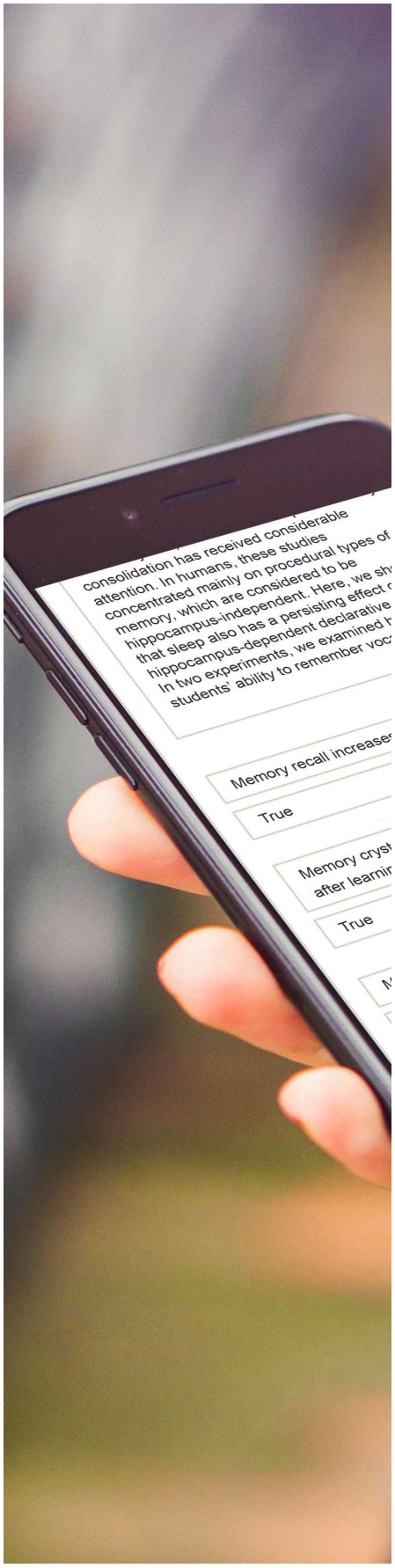
Through online automation, screening candidates is becoming even less labour intensive.

For example, unique registration links can be placed on websites, allowing prospective candidates to register themselves.

This means that employers don't even need to arrange psychometric testing, as the candidates simply register themselves online, allowing the HR team to view the results at their leisure.

Although the benefits in larger organisations can be easy to see, there are important benefits to smaller employers as well. This is particularly true regarding high-stakes employee selection, particularly with managerial and executive level hiring.

The cost of leaving a senior position open can be considerable, and results in a significant opportunity-cost to the employer. The longer the vacancy is left open, the greater the cost to the employing organisation.



Arranging an interview with a senior level hire can be difficult, as their schedules tend to be busy and an equally senior (and therefore equally busy) staff member is also usually required to conduct the interview itself. This often results in scheduling difficulties that dramatically increase the time-to-hire, leaving vacancies open for longer than they should be.

Because psychometrics can be completed in a candidate's spare time from any location with an internet connection, it allows high stakes candidates to be vetted much sooner. Even seemingly minor increases in recruitment velocity can reduce the opportunity-cost associated with open vacancies, which can be make or break in smaller organisations.

> Increases in recruitment velocity can reduce the opportunity-cost associated with open vacancies

SUMMARY

• Using online assessments can save a tremendous amount of time (and therefore money) for HR departments.

• Time-saving benefits are also passed onto the candidates, saving them both time and effort during the early stages of the process.

• Online assessments can also reduce time-to-hire, reducing the opportunity-cost associated with keeping vacancies open.

FAIRNESS, OBJECTIVITY AND DIVERSITY

One of the lesser considered benefits of psychometric testing is their impact on fairness and diversity initiatives. Unlike interviews, which are highly susceptible to the unconscious biases of the interviewer, assessors cannot affect psychometric test scores.

This means that unconscious (or indeed conscious) biases, prejudices or preferences held by assessors cannot directly impact candidates.

Biases of this kind can negatively impact hiring organisations in a number of ways. Firstly, it results in inefficiencies in the recruitment processes, resulting in high performing candidates getting screened out and lower performing candidates being accepted due to irrelevant characteristics. From a purely practical perspective, this will reduce the effectiveness of the employee selection processes, reducing the ROI generated.

More importantly however, this may constitute unlawful discrimination, especially if targeted against a legally protected group. In particular, discrimination on the grounds of ethnicity, gender, or age are major concerns, and individuals without conscious prejudices may still harbour unconscious biases that they themselves are unaware of.

The threat of litigation and the ensuing reputational damage can overwhelm organisations.

Think about it, how would you prove in court that your interviews and your interviewers do not discriminate against a particular ethnicity? Have you commissioned an occupational psychologist to quantify the fairness of your selection process in accordance with the accepted statistical standards i.e. the four / fifths rule, standardised effect sizes etc?

Very few employers do.

Through automated online assessment, candidates are all treated equally. The biases of the assessors simply cannot impact the performance of candidates through online assessment, ensuring a higher degree of fairness.

The biases of the assessors simply cannot impact the performance of candidates through online assessment, ensuring a higher degree of fairness.

The more protected your selection process is from these biases, the more insulated your selection process will be from their negative effects.

> Ability tests however, have around 20-40% shared variance with job performance, making them two to four times more predictive of future performance than the typical interview.

Most importantly however, is the research into fairness that psychometric test publishers conduct before launching their products.

Psychometric tests must not be discriminatory against legally protected groups, and so test publishers are required to undertake “adverse impact” research on their products.

Adverse impact research involves trialling the assessments on a large and diverse sample of participants. This allows researchers to quantify the differences in score between protected groups, ensuring that the assessment is unbiased and fair.

In order to take the product to market, this research must have been undertaken, and the results must be available upon request.

If a test publisher cannot or will not provide evidence of fairness in this way, it almost certainly indicates that they are not compliant with it or have refused to undertake the necessary research.

These publishers must be avoided at all costs, as their products could harbour inbuilt bias against legally protected groups. Having access to this research has two key benefits.

The first benefit is the peace of mind associated with knowing the assessment is fair. Using an assessment of any kind without knowing whether it’s fair and unbiased represents wilful blindness to these issues.

But having access to this research and actively choosing products which are compliant with these standards serve as a hedge against these kinds of accusations, showing a commitment to the principle of fairness and inclusion.

The second benefit is that, should the worst happen and a candidate does accuse your organisation of discrimination, you can simply show the magistrate the research.

If high-quality scientific research shows that the assessment does not result in adverse impact against that protected group, the case is likely to be summarily dismissed

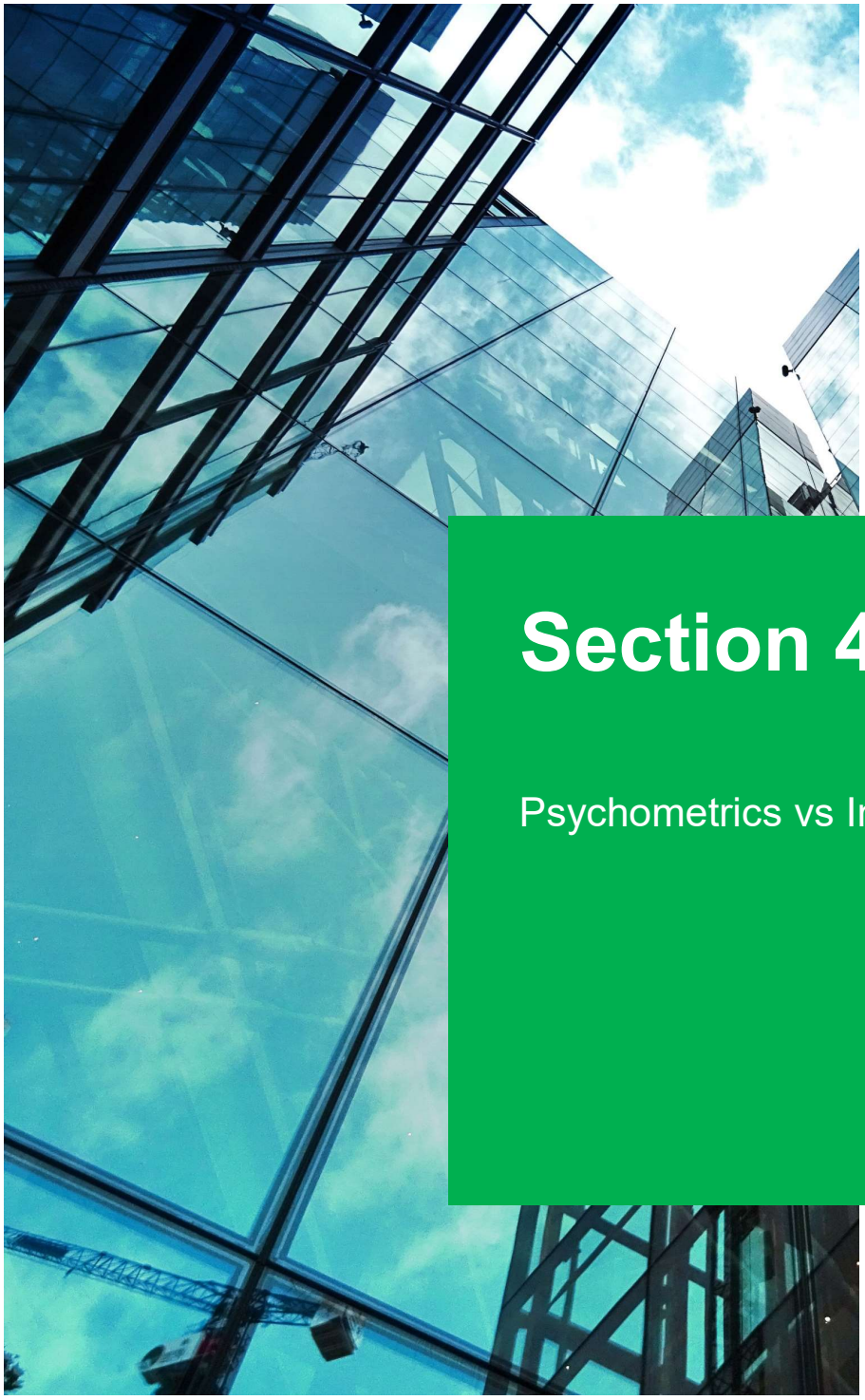
If high-quality scientific research shows that the assessment does not result in adverse impact against that protected group, the case is likely to be summarily dismissed. Knowing that research is available to support your organisation in these times of crisis is essential, providing a buffer against litigation and the accompanying reputational damage.

SUMMARY:

• Higher performing employees generate a greater return for their employing organisation than average employees.

• By allowing organisations to identify higher performing candidates, psychometric tests create a significant overall return.

• The low costs of psychometric tests relative to their returns result in very large ROIs for employing organisations.



Section 4

Psychometrics vs Interviews

SECTION 4:

PSYCHOMETRICS VS INTERVIEWS

In many ways, the psychometrics vs interviews debate is something of a false dichotomy.

This is because, **interviews are themselves psychometric tests.**

Think about it, what do your interviews measure? Organisational skills? Resilience? Work ethic? These are all classic examples of psychological traits, and the only way to measure these traits is with “psychometric tests”.

You don’t measure anything physical in an interview (at least you shouldn’t be!), so obviously interviews are psychometric tests.

Now, because interviews are as much a psychometric test as any personality questionnaire, should we hold interviews to the same psychometric standards?

Ideally yes, but realistically that’s never going to happen.

Think about it, how are personality questionnaires designed? Well, firstly a team of trained psychologists decide on a well-respected model of personality to use. They then carefully construct hundreds of questions in accordance with that model of personality.

These questions are then trialled on thousands of people, in order to show prove the validity, reliability and fairness of the questionnaire.

This research is then written up and the product is taken to market, often several years after initially designing the product.

Now, how do HR professionals and hiring managers design interviews?

Erm… not in the same way.

Usually, HR professionals and hiring managers have little to no training in psychological research methods, personality theory, or questionnaire design.

No theoretical or empirical evidence is used in the design of most interviews.

Because interviews are as much a psychometric test as any personality questionnaire, should we hold interviews to the same psychometric standards?

No research into reliability, validity, or fairness is conducted. Indeed, most candidates would be lucky if they received the same set of questions that the candidate before them received.

Work ethic, resilience, organisational skills, motivation, drive, engagement, intellect, values? You may think interviews measure these traits, but the science is very clear on this, **they don't.**

But is it reasonable to demand the same level of quality control from interviews that we place on other psychometric tests?

Not really.

In reality, few employing organisation have the resources required to conduct high-level psychometric research on their interview process, especially not smaller organisations. As an alternative, they could just focus on making the interview as structured as possible, and at a minimum, ask a fixed set of questions to each candidate. Research is very clear that this improves the predictive power of the interview.

THE DIFFERENCE BETWEEN INTERVIEWS AND PSYCHOMETRICS

Now that's out of the way, let's have an honest discussion about psychometric tests vs interviews.

So, we know that interviews are designed to measure psychological traits. But which traits can they measure? For some reason, HR professionals and hiring managers seem to be under the impression that interviews can measure almost any psychological trait.

What do you think your interviews measure? Work ethic, resilience, organisational skills, motivation, drive, engagement, intellect, values? You may think interviews measure these traits, but the science is very clear on this, **they don't.**

When psychometricians compare interviews to other psychometric assessments that do measure these traits, the research clearly shows that they measure different things.

What we do know however, is that interviews can **only** measure *interpersonal* behavioural traits, traits which are expressed when a person interacts with others, they cannot measure *intrapersonal* traits.

This makes intuitive sense, as an interview is a purely interpersonal interaction, and so only interpersonal information can be expressed.

For example, if a candidate convinced you during an interview that they are hard-working, that has nothing to do with how hard-working they are.

They convinced you they are hardworking because of their interpersonal skills, and how expressive or extraverted they are.

They may or may not be hardworking, but you simply can't tell from an interview.

Their ability to convince an interviewer that they are hard-working has zero correlation with how hard working they are, and so interviews cannot be relied upon to measure these kinds of intrapersonal traits.

By the same token, if you asked that same candidate to convince you that they are lazy instead, they would do an equally good job.

This is because the candidate's ability to convince you of things has nothing to do with how hardworking or lazy they are, they just have the ability to be convincing.

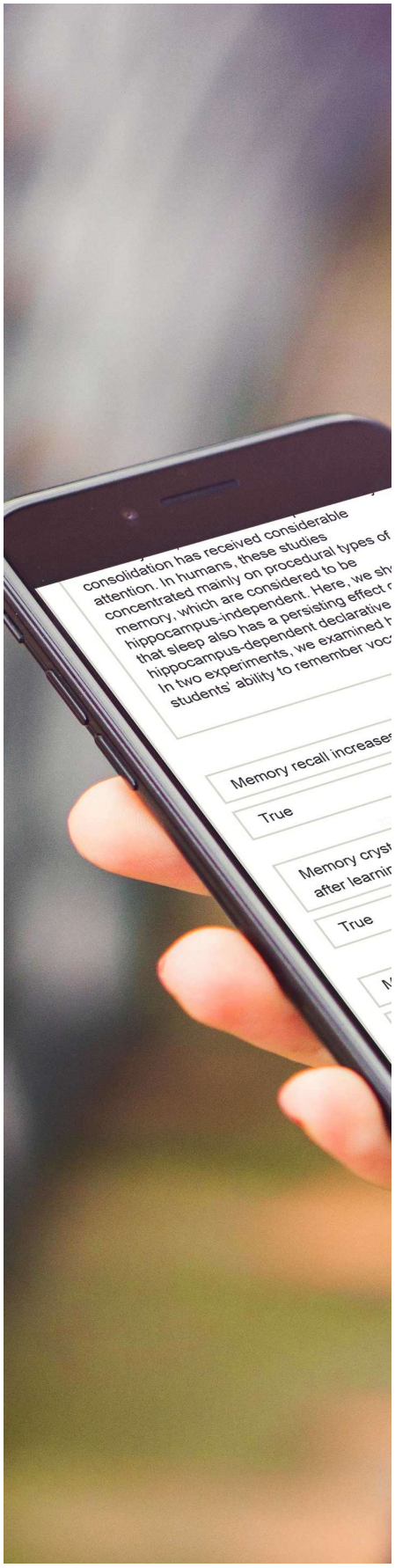
Now obviously, interpersonal skills matter, and the research does show that structured interviews are useful predictors of future job performance.

But they are not the catch-all tools that people think they are, and the set of traits they can reliably measure is actually very limited.

Interviews are also an effective way to measure a candidate's job-related knowledge and experience, particularly when administering situational interviews.

Based on a recent meta-analysis of interview formats, the structured situational interview is the most effective method of conducting interviews in order to predict performance.

If a candidate convinced you during an interview that they are hard-working, that has nothing to do with how hard-working they are.



Situational interviews are like situational judgement tests. A candidate is given a hypothetical workplace scenario and asked what they would do to remedy the situation presented.

Naturally, they can only provide high quality answers if they know what to do, they can't merely rely on their interpersonal skills to convince you that they know what they are doing.

This increases the predictive power of the interview, because it allows the interviewer to measure both interpersonal skills and job-related knowledge. This interview format is strongly recommended based on the literature and can greatly improve the effectiveness of your interview process.

> Both tools have their place in every employee selection process.

In practice, it shouldn't be a matter of psychometrics vs interviews, as both tools have their place in every employee selection process.

Instead, HR professionals and hiring managers should focus their attention on when and how to use these tools in order to achieve their employee selection goals.

Nevertheless, each tool has relative advantages and disadvantages:

Highly structured interviews can be useful predictors of job performance

ADVANTAGES OF INTERVIEWS

• Highly structured interviews can be useful predictors of job performance.

• Interviewer training programmes are widely available.

• Usually perceived as face valid by candidates.

• Useful measures of key interpersonal behavioural traits.

• Useful measures of job-related knowledge.

• Can be conducted face-to-face, without the need for an internet connection.

• Video and telephone interviews makes interviewing more scalable.

They require several hours to plan, arrange, conduct and provide feedback.

DISADVANTAGES OF INTERVIEWS

• Interviews are very difficult to do well, but very easy to do badly.

• They require several hours to plan, arrange, conduct and provide feedback.

• Employers rarely conduct research into adverse impact of interviews.

• Only cost-effective with low volumes of candidates.

• Can only measure interpersonal traits, cannot measure intrapersonal traits.

• Cannot measure any cognitive traits, only certain behavioural traits.

• Badly designed interviews offer little predictive validity.

Well-designed psychometrics are the strongest predictors of performance known.

ADVANTAGES OF PSYCHOMETRICS

• Well-designed psychometrics are the strongest predictors of performance known.

• Question responses are gathered in a standardised way.

• Questionnaires can be automatically scored online.

• Can measure both interpersonal and intrapersonal traits.

• Can measure behavioural and cognitive traits.

• Take less time and are lower in cost than interviews.

• Require less input from assessors than interviews.

Psychometric tests must be purchased from a reputable test publisher.

DISADVANTAGES OF PSYCHOMETRICS

• Psychometric tests must be purchased from a reputable test publisher.

• Requires some understanding of psychology to fully interpret.

• Request that candidates take the assessment seriously.

• Must adhere to strict quality control standards

• Increasingly, psychometric tests cannot be administered offline.

• Poorly designed psychometrics offer little predictive validity.

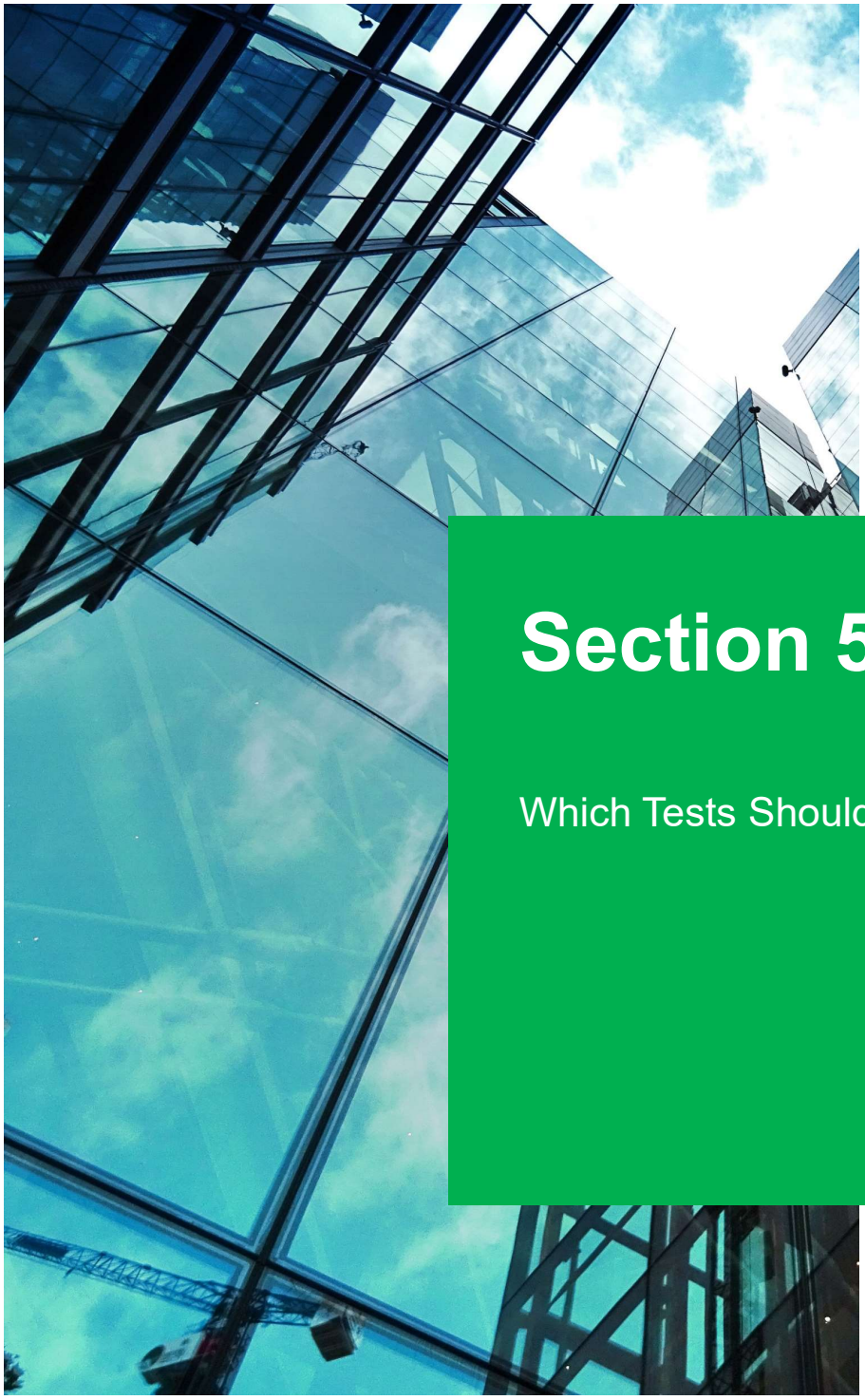
Both interviews and psychometric tests have their relative advantages, and organisations can get the most from using both appropriately.

SUMMARY

• Interviews themselves are psychometric tests, as they are intended to measure purely psychological constructs.

• Interviews only measure interpersonal traits, they cannot effectively measure intrapersonal traits i.e. resilience, work ethic, conscientiousness, drive etc.

• Both interviews and psychometric tests have their relative advantages, and organisations can get the most from using both appropriately.



Section 5

Which Tests Should You Use?

SECTION 5:

WHICH TESTS SHOULD I USE?

Okay, so now you know how psychometric tests work, why they work, and how to incorporate them into a selection process.

A great start!

But the next question is, which tests should I use?

This is not an easy question to answer, and in fact this is really two questions:

1) Which type of test(s) should I be using?

2) Which provider should I use to supply my chosen test(s)?

Let's start with the former before we move onto the latter.

WHICH TYPE OF TEST(S) SHOULD I BE USING?

Although psychometric tests are powerful predictors of future job performance, some assessments are more contextual than others. For example, ability tests are incredibly powerful predictors of performance in complex white-collar work, but much less so in very routine manual labour roles.

Similarly, extraversion, expressivity and interpersonal skills are essential to performance in sales roles, but much less so in software development.

I would like to propose a golden rule for deciding which type of tests to use and which not to use:

If you decide against using a specific selection tool, you must be comfortable with hiring a candidate that would have performed very badly on it.

For example, if you decide against using a numerical reasoning test, you must be comfortable hiring a candidate that has difficulty working with numbers.

If you decide against using a specific selection tool, you must be comfortable with hiring a candidate that would have performed very badly on it.

If you decide against using a verbal reasoning test, you must be comfortable with hiring a candidate that has difficulty working with written / spoken information.

> Work ethic, resilience, organisational skills, motivation, drive, engagement, intellect, values? You may think interviews measure these traits, but the science is very clear on this, **they don't.**

If you deem this unacceptable i.e. you need candidates who can work well with numbers and written / spoken information, you need to incorporate these ability tests into your selection process.

You cannot take it for granted that candidates will have these abilities if you don't test for them, and if you make the conscious decision not to test for them, you should always assume the worst.

Now, this rule does go both ways.

When hiring entry level staff, do you need to hire candidates that have strong leadership abilities?

Probably not.

Would you hire a high potential entry level candidate, even if they had no leadership ability?

Sure, after all they won't be leading anyone, so why include it in the selection process?

If scoring low on a particular assessment says nothing about their future performance in the role, it doesn't make sense to test for it.

Now, do you see why it's such a useful rule of thumb?

Avoiding mis-hires should be the primary objective of hiring managers and resourcing teams.

Although high performers can create a significant ROI, poor performances can present a threat to the organisation, especially in senior roles.

By designing a selection process which can optimally avoid the worst-case scenario, you end up designing a process which only incorporates the important elements of the role.

This results in far fewer mis-hires, and it maximises the chances of hiring higher performing staff instead.

Yeah, yeah, but what tests should I actually use?

The actual choice of tests, along with when to use them, will depend on the role and level being recruited for. But as a general recommendation, a minimalistic employee selection process should contain at least these three elements:

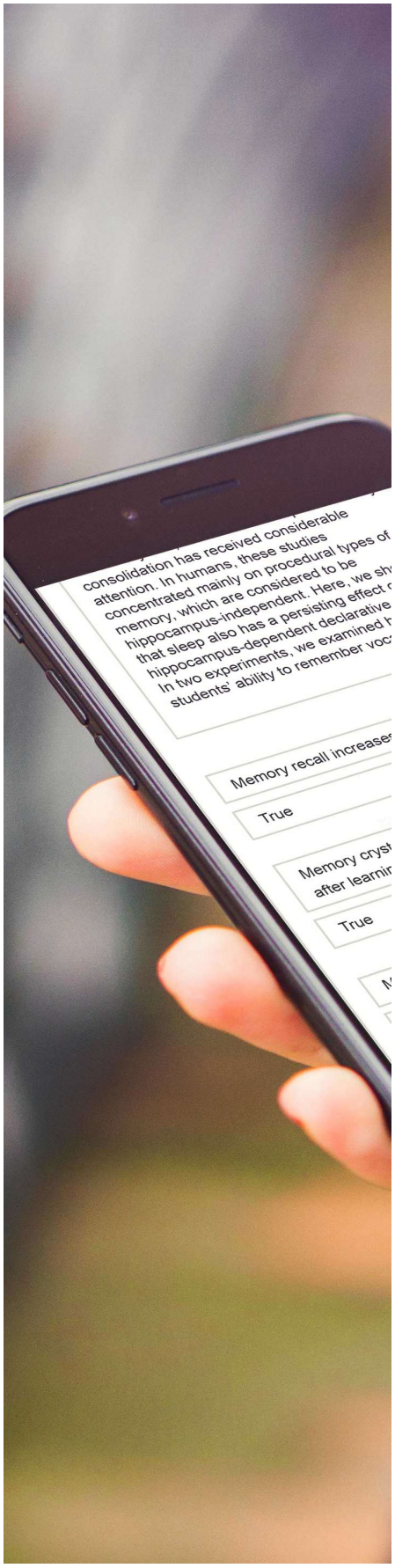
1) A COGNITIVE ELEMENT: Except for very simple manual labour work, all employee selection processes should contain cognitive ability testing at some point. The exact combination of tests i.e. verbal, numerical, inductive, spatial, mechanical, critical thinking, problem solving etc, will depend on the role, the level, and the organisation. As a rule, simpler abilities such as verbal and numerical reasoning tests should be used earlier in the selection process, and complex abilities such as critical thinking should be used towards the middle-late stage of the process.

2) A BEHAVIOURAL ELEMENT: Behavioural assessments, i.e. personality questionnaires (PQs), are useful predictors of performance in any role, regardless of its complexity. The specific traits within a PQ, however, may or may not be relevant depending on the role, level, and organisation.

For example, managerial ability isn't immediately relevant to entry level administration staff, but attention to detail will be. Employers will need to decide which traits are relevant and which are not, prior to assessing candidates.

3) A PRACTIAL ELEMENT: These include situational judgement tests, interviews, presentation exercises, case study exercises, assessment centres etc, and should measure work-relevant skills, judgement and knowledge. Once a candidate's cognitive and behavioural traits have been evaluated, practical factors become significantly more important, particularly for experienced hires. After all, being intelligent and hardworking isn't much help if you don't actually know what you are doing and need several months to get up to speed

As a general recommendation, a minimalistic employee selection process should contain at least these three elements.



By using a range of assessments, each designed to measure one of these three broad domains, employers can significantly reduce the risks associated with hiring.

For example, by adding cognitive assessments to a behavioural or practical assessment-only process, you reduce the risk of hiring untrainable staff.

By adding behavioural assessments to a cognitive / practical assessment-only process, you reduce the risk of hiring lazy or undriven staff. And finally, if you add practical assessments to a cognitive or behavioural assessment-only process, you ensure that new starters can hit the ground running.

Increases in recruitment velocity can reduce the opportunity-cost associated with open vacancies

SUMMARY

• Employers take a risk by intentionally not measuring traits which are important to workplace performance, and they do so at their peril.

• The selection process should contain at least three assessments, covering the cognitive, behavioural and practical traits which determine performance.

• The specific choices of assessments within these domains will depend on the role, the level and the organisation itself, and require serious thought.

WHICH PROVIDER SHOULD I USE TO SUPPLY MY CHOSEN TEST(S)?

Okay, so you have decided to use a particular combination of tests. The next logical step is to decide on a test publisher.

To the uninitiated, psychometric tests may seem like fungible products which vary little between test publishers. As a result, early stage adopters tend to focus mostly on price, with less interest in unique features and overall quality.

Psychometric tests are not fungible products, and they can be very expensive to design well.

A wide range of different psychological theories and psychometric models exist, and they tend to vary considerably in quality and academic rigor.

Also, because most assessments are provided online, new customers should be evaluating publishers on both science and technology, demanding high levels of data security, platform up-time and quality user experience.

As a result, customers should be particularly wary of very low prices, as this may indicate a lack of psychometric or technological rigour.

Although this reduces the cost of the assessments, it also reduces the cost-effectiveness of the assessments, causing the employing organisation to screen out high performing candidates and hire lower performing candidates unnecessarily.

High quality test publishers won't be competing on price, instead they will compete based on quality, functionality, and customer service.

On the opposite end however, other new customers gravitate towards assessments or publishers that they had already heard of, those with the largest marketing budgets and mainstream popularity.

Unfortunately, many of these marketing-only test publishers rely on pseudo-science, junk-science, and pop-psychology, offering almost no predictive validity.

To the uninitiated, psychometric tests may seem like fungible products which vary little between test publishers

These publishers often charge more per test than evidence-based publishers, as they spend little on R&D and instead focus 100% of their effort on sales and marketing. This results in employers overpaying for psychometric tests that won't deliver on their claims of fairness or validity.

Should a publisher prove unable or unwilling to provide evidence of fairness, immediately reject that provider and look elsewhere.

Instead, choosing a test publisher should be decided based on the relative merits of that publisher's assessments and online testing platform.

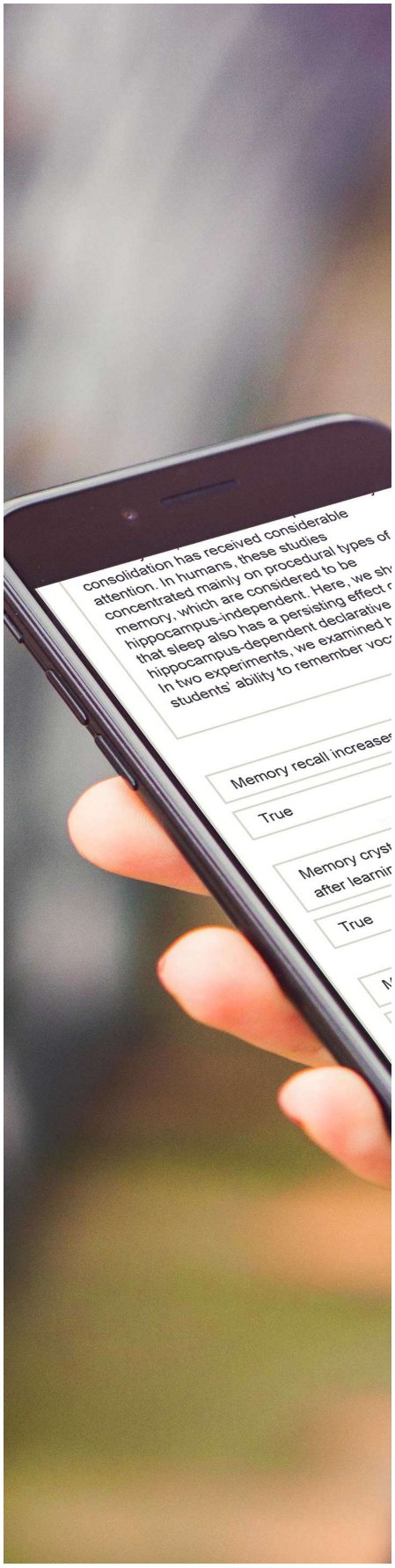
Pricing should only be considered once you are certain the publisher can provide assessments of sufficient quality. Quality may seem like a difficult thing to quantify when it comes to psychometric tests, in practice quality mostly boils down to three key variables:

FAIRNESS AND ADVERSE IMPACT

First and foremost, evidence of fairness should be provided. Any publisher worth their salt will have conducted extensive adverse impact research to prove their assessments are fair, and thus don't discriminate on the grounds of ethnicity, gender, age etc. Because of the significant legal implications, this should be the primary consideration when choosing a test publisher. Should a publisher prove unable or unwilling to provide evidence of fairness, immediately reject that provider and look elsewhere.

RELIABILITY AND ACCURACY

If a test can't measure the intended psychological construct with sufficient accuracy, there is no point using it. Using reliability statistics, test publishers can quantify the reliability, accuracy, and precision of their assessments, with higher numbers indicating better quality. Assessments with low levels of reliability are little better than random number generators, providing no useful information of any kind. If a publisher cannot provide these statistics, you have no reason to believe that their assessments measure anything reliably.



VALIDITY

In psychometrics, validity is the extent to which a test actually measures its intended psychological construct. For example, the outdated pseudo-science of phrenology has no validity when it comes to measuring personality. In the same way, shoddily designed assessments with no validity, either measure nothing or measure the wrong construct. Validity is closely related to reliability, as a test must first be reliable before it can be valid. However, reliability is not sufficient to ensure validity, as tests could reliably measure the wrong construct i.e. a highly reliable verbal reasoning test would not make for a valid numerical reasoning test.

> Shoddily designed assessments with no validity, either measure nothing or measure the wrong construct

Once you are satisfied that the publisher provides quality assessments through a well-designed online platform, that is when you should consider price.

Naturally, you will need some idea of market prices in order to weigh-up the relative cost-effectiveness of one provider over another, but this can be ascertained by reaching-out to a few quality publishers.

Not only should potential customers ask about product pricing, but they should also ascertain whether there are any hidden costs i.e. training, onboarding, paid mandatory support, platform access, consultancy etc. Total cost should be the primary consideration rather than per-use costs, as some publishers charge below-market price for products but generate most of their revenue through hidden costs.

10 KEY QUESTIONS TO ASK WHEN APPROACHING A PUBLISHER:

1) Does this publisher provide the test(s) you are looking for?

2) Have they conducted adverse impact research (minimum gender and ethnicity)?

3) Have they conducted reliability and validity research?

4) How robust is the publisher's online testing platform?

5) How secure is your / your candidate's data?

6) What are the unique selling points of these assessments?

7) Is their online testing platform intuitive and easy to use?

8) Are their prices competitive, relative to other assessments of comparable quality?

9) Does the publisher offer bulk discounts and, if so, how much can you save?

10) Does the publisher provide training / demos / onboarding, and if so, what are the costs?

SUMMARY

• When choosing a publisher, do not make decisions based solely on price or brand awareness, neither are reliable indicators of quality.

• Evidence of fairness, reliability and validity are the top three concerns when choosing a test publisher to work with.

• Total cost effectiveness should be considered when making purchasing decisions, considering quality and total costs (product costs + hidden costs).

When choosing a publisher, do not make decisions based solely on price or brand awareness, neither are reliable indicators of quality.

Section 6

Making Selection Decisions with Psychometric Tests

SECTION 6:

MAKING SELECTION DECISIONS WITH PSYCHOMETIC TESTS

So, your candidates have completed their assessments… now what?

Far too often, employing organisations only start thinking about what to actually do with their psychometric test data once they have it. They sit down, look at their dataset of 1,000 candidates, and come to the horrible realisation that the clock is ticking. Naturally, candidates want to know the result of selection decisions ASAP, and the longer you keep them waiting, the greater the chance of candidate attrition.

To combat this, organisations should give serious thought into how selection decisions using psychometrics will be made, speeding up time-to-hire.

AGGREGATING THE DATA

The first step to any data intensive process is to simplify your data set. Aggregating or averaging scores is typically how organisations simplify their datasets, making them more manageable and less unwieldy.

For example, if candidates have completed a verbal, numerical, and inductive reasoning test, taking the average across these three assessments is a good way to simplify selection decisions.

Unless you have conducted research that suggests otherwise, simply averaging scores is the easiest way to aggregate the data.

This avoids an unnecessary “paralysis by analysis” situation, where employers spend too long deciding how to aggregate their data.

The same principle applies to personality traits. Many online personality questionnaires provide a facility to select relevant traits and generate an average score as an output.

Without evidence to the contrary, simple averages provide a straightforward and reliable mechanism for aggregating scores, allowing employers to make selection decisions quickly.

Simple averages provide a straightforward and reliable mechanism for aggregating scores, allowing employers to make selection decisions quickly.

Another common way of aggregating score involves simply adding the scores up and using that summed score to make decisions. Although statistically speaking, this approach will provide the same information as an average, it does make the overall score less interpretable.

Without a reliable export feature, managing large recruitment drives would either become extremely tedious or consume considerable internal resources to manage.

For example, if a candidate scores in the 50th percentile for all three assessments, their average score will be the 50th percentile, and thus can be broadly interpreted as such.

However, if you add these three scores together, you get a score of 150, which no longer has any intrinsic meaning (especially considering you can't score higher than the 99th percentile!).

This makes averages a better option than summing the scores, as the overall score will retain a degree of interpretability.

Naturally when making these decisions, the ability to export scores into a CSV document or excel spreadsheet is essential. Without a reliable export feature, managing large recruitment drives would either become extremely tedious or consume considerable internal resources to manage.

CLINICAL VS ACTUARIAL JUDGEMENT

When it comes to making the selection decisions themselves, practitioners tend to either employ clinical judgement, or actuarial judgement strategies.

Clinical judgement depends on subjective and intuitive interpretations of an assessor. Unstructured interviews typically follow this format, with the interview deciding the outcome of the interview based on how they "felt" the interview went.

Actuarial judgement relies solely on numbers to make decision on candidates. Structured interviews typically follow this format, with the interviewer scoring the candidates response on each question and awarding them an overall score.

In the context of psychometric testing, both methods do have their advantages and disadvantages.

Clinical judgement allows assessors to incorporate possible interaction effects between traits in a way that is not easily quantified. For example, although an organisation may be looking for assertive staff, they want to avoid hiring assertive staff that are also low in agreeableness, as they may be combative. Assessors could weigh up the ratio of assertiveness to agreeableness and decide whether the risk is acceptable or not.

The major disadvantage of clinical judgement however, is the lack of standardisation. Assessors may find themselves giving inconsistent weightings to different candidates of comparable potential.

This effect is exasperated if the assessor does not have a strong understanding of the science that underpins psychometric testing and results in “gut-feel” based selection decisions. When performed badly, this can almost entirely negate the benefits of using psychometric testing in the first place.

Actuarial judgement also has advantages and disadvantages. In particular, actuarial judgement is less prone to the negative effects of bias, subjective feelings, and assessor inexperience. By simply averaging the scores, assessors can also save significant amounts of time, which have a positive and cumulative effect on the organisation’s time-to-hire.

The disadvantage of the actuarial method is the loss of data-richness, which can be utilised by highly trained assessors. Modelling interaction effects between traits is very difficult to achieve statistically and can only be applied using an actuarial approach after conducting a talent analytics project.

The actuarial method also prevents assessors from including information that isn’t directly measured using the assessments, i.e. the candidate verbally berated the assessor after scoring highly on their online assessment.

Although both approaches have advantages, the actuarial method is almost always the better option. The research on assessment centres shows that the actuarial method almost always outperforms the clinical method (wash-up session) style decision making.

Although both approaches have advantages, the actuarial method is almost always the better option.

In practice, even highly trained professionals aren't free from bias or subjective influences, and thus tends to harm selection processes more than help them.

> Without a reliable export feature, managing large recruitment drives would either become extremely tedious or consume considerable internal resources to manage.

Therefore, the actuarial method is recommended for making employee selection decisions, and assessors should avoid the temptation of using clinical style decision making.

Now that we have that sorted out, we still have the question of how to make actuarial style selection decisions, and there are two equally viable options.

OPTION 1: SETTING PASS MARKS

Setting a fixed pass mark is a common selection criterion. Organisations typically employ this strategy early stage with the objective of setting some minimum standard for candidates.

This standard could be stringent, screening out a large proportion of candidates, or it could be lax, screening out comparatively few candidates.

This approach does mean that, provided all candidates score sufficiently highly, every candidate makes it through the process. This may be a positive or a negative, depending on the number of applicants relative to the number of vacancies.

Conversely, all candidates could fail the assessment, resulting in the complete loss of your candidate pool. Although this would mean starting the recruitment process all over again, it would at least protect the organisation from low performing candidates.

The biggest advantage of this approach is that decisions can be made very quickly. If a candidate needs to score at the 50th percentile or above, and they score at the 60th percentile, they have unequivocally passed. The candidate can be informed almost immediately and can be progressed to the next stage.

The biggest disadvantage of this approach is the lack of control you have over final numbers. You have no real control over who applies for the role, or the scores they achieve on the assessment, and so run the risk of letting too many or too few candidates through.

Overall, this approach is best for rolling recruitment processes which do not rely on cohorts. This approach means that candidates can be progressed through much faster, reducing time-to-hire and filling vacancies sooner.

OPTION 2: SELECTING TOP PERFORMERS

The alternative approach is the select the top X% of performers and progress them through to the next stage. Organisations typically use this approach when recruitment has fixed, date-based stages and all candidates are required to complete tests before a specific deadline.

This allows organisations to select the exact number of candidates that they want to progress, without needing to forecast how many candidates they expect to pass a minimum benchmark. This can be useful for forward planning, especially if the next stage can only accommodate a specific number of applicants i.e. at an assessment centre or open day.

This does mean however, that all your candidates could be low-scorers in the absolute sense, forcing you to choose best of a bad bunch. It also means that you may always need to screen some candidates out even if they perform highly in the absolute sense, because they performed worse than the other candidates in the applicant pool.

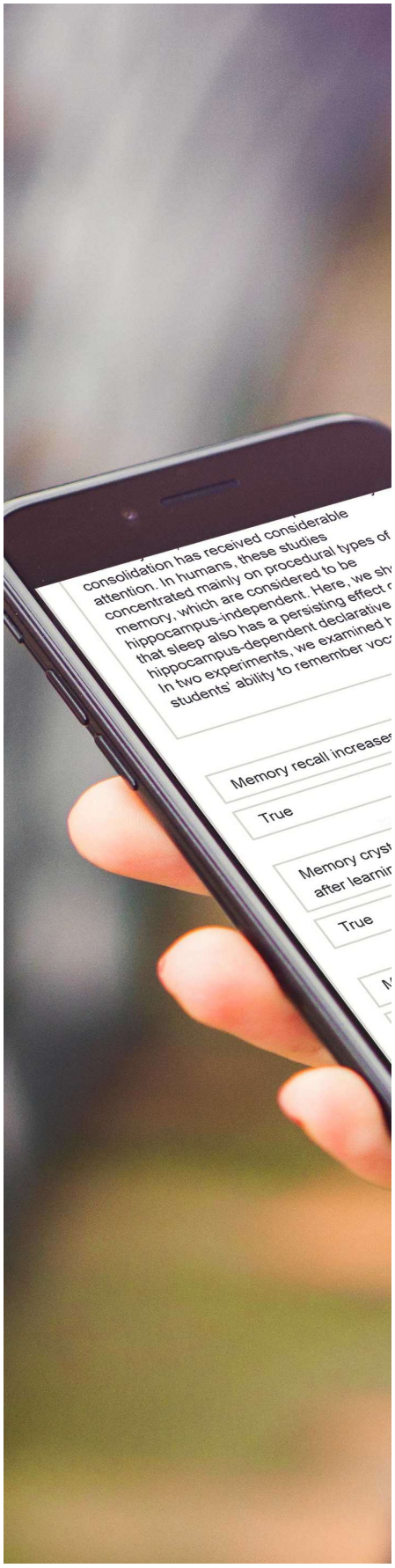
The biggest advantage of this approach is that it allows employers to be as selective as possible, without fear of screening out all of your candidates.

When it comes to selection process ROI, the more selective you are, the more ROI is generated from recruitment.

For example, by selecting the top 1% of candidates you will only hire the very best candidates you can find, and if your selection process has any validity, will result in the hiring of very high potential employees.

The biggest disadvantage of this approach is that it requires fixed, time-limited stages, where all applicable candidates meet a deadline. For example, to select the top 1% of candidates, you need at least 100 candidates to have completed the assessments within the given time-frame.

When it comes to selection process ROI, the more selective you are, the more ROI is generated from recruitment.



This means setting fixed deadlines and rejecting potentially high performing candidates who did not complete their assessments before the deadline. It also means that you cannot tell candidates whether they have passed or failed until after the deadline has expired, as each candidate needs to be rank-ordered by score.

Overall, this approach best suits structured recruitment schemes, ones with an explicit open and close date.

This approach is often used in the middle stages of the recruitment process, where only a fixed number of candidates can be taken through to interview or an assessment centre.

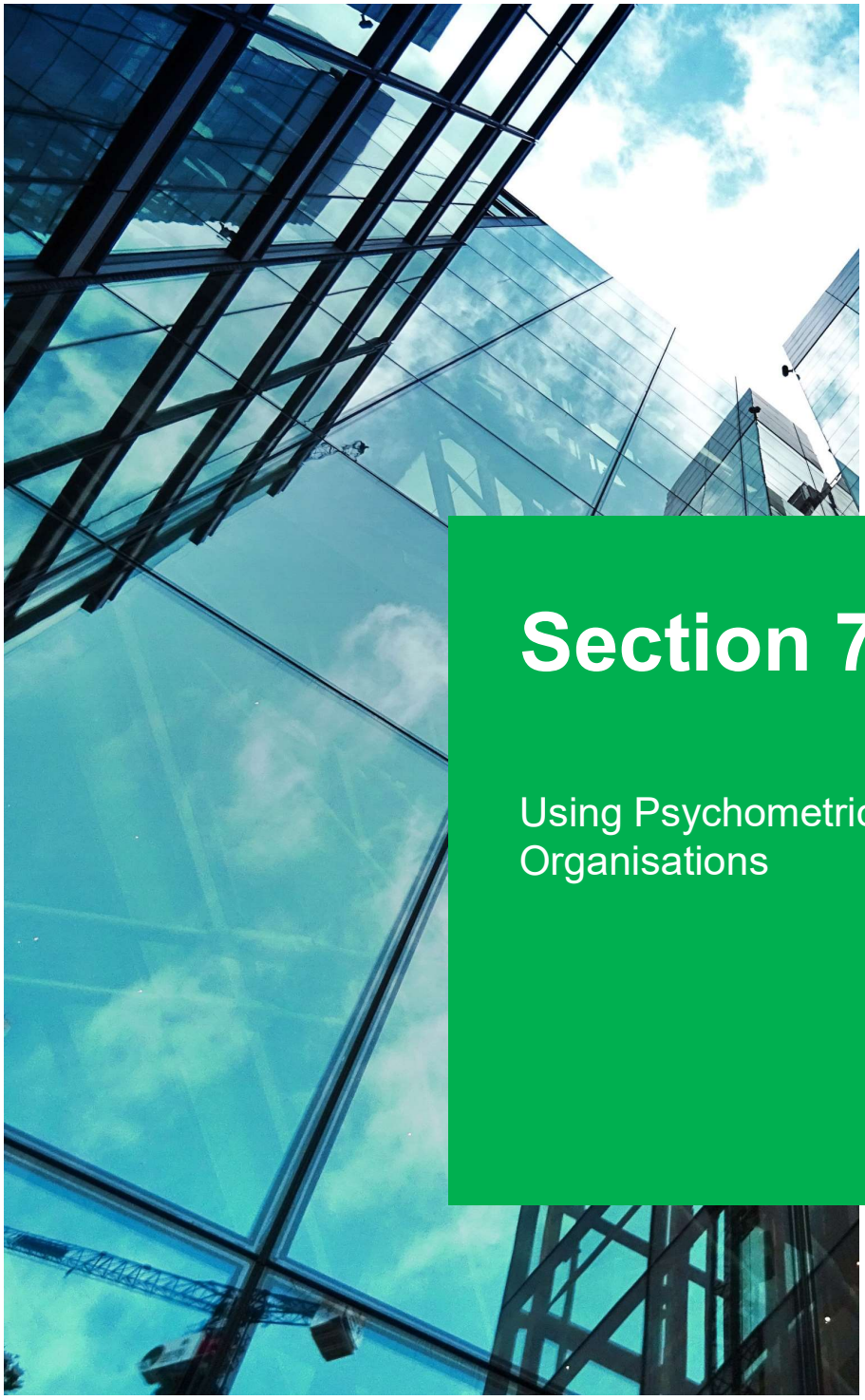
Overall, this approach best suits structured recruitment schemes, ones with an explicit open and close date.

SUMMARY

• When aggregating data, using simple averages is almost always the easiest way to combine scores into something more manageable.

• Always make selection decisions based on the numbers and not on clinical judgement, subjective opinions, or gut-feel.

• Pass marks and selecting a % of top performers are both equally viable options for making selection decisions, but each have their advantages and disadvantages.



Section 7

Using Psychometric Tests in Large Organisations

SECTION 7:

USING PSYCHOMETRIC TESTS IN LARGE ORGANISATIONS

Fortunately for large organisations (but unfortunately for small ones), the psychometric testing industry is heavily geared towards catering to larger employers.

With large recruitment schemes come large recruitment budgets, which naturally attract the lion's share of attention from publishers.

These large budgets allow large employers to get the most from their psychometric tests, and the publishers that provide them.

Often, large employers will commission a wide range of products, services and training programmes, aimed at maximising recruitment process validity and minimising the time and effort spent per HR professional.

Although the absolute costs tend to be high, the per-hire costs are often lower than in smaller organisations, as large employers benefit from economies of scale.

Because test publishers compete fiercely with each other for the favour of large employers, significant bulk discounts can be expected, along with reduced consultancy rates and complimentary add-ons.

Nevertheless, success is not guaranteed for larger organisations, as implementing a psychometric testing programme requires thorough planning and execution. This section will discuss the ways that large employers can get the most from their psychometric assessment programmes and overcome the issues which are specific to large-scale recruitment.

HOW TO MAXIMISE PSYCHOMETRIC TESTING ROI IN LARGE ORGANISATIONS

The larger the applicant pool, the greater the potential for maximising recruitment process ROI.

For example, imagine that one in 10 candidates will eventually become high performers.

Although the absolute costs tend to be high, the per-hire costs are often lower than in smaller organisations, as large employers benefit from economies of scale.

If your applicant pool comprises only five candidates, there is a good chance it won't contain any high performers. But if your applicant pool comprises 10,000 candidates, you should have around 100 high performers vying for the role.

Instead of using ineffective sorting methods, such as CV sifting, initial stage decisions should be made using psychometric testing.

You need only to find and separate those 100 high performers from the rest of the applicant pool, and that is where psychometric tests excel.

To maximise the probability of finding those high performers within your applicant pool, the following step can be followed:

1) Use psychometric testing early: Instead of using ineffective sorting methods, such as CV sifting, initial stage decisions should be made using psychometric testing.

Whenever you screen a candidate out of your selection process, you run the risk of accidentally screening out a potential high performer. By testing candidates thoroughly during the initial stages of the recruitment process you minimise the probability of accidentally removing your star candidates before they could prove themselves.

2) Use ability and behavioural assessment together: By combining ability tests and behavioural assessments into a single stage, you minimise the number of high potential candidates lost. Inevitably, some high performers will score very highly on ability tests, but only modestly on a behavioural assessment, or vice versa. But using both types of assessment together in one stage, you ensure that selection decisions are based on complete information, and not just half the story.

3) Be highly selective: High quality psychometric tests are more likely to accurately identify high potential candidates than any other selection tool, so you can afford to be selective. By being highly selective, your remaining applicant pool will be disproportionately populated by high potential candidates. This ensures that fewer average-low potential candidates make it to subsequent stages, and thus accidentally welcomed into your workforce.

4) Consider talent analytics: Talent analytics involves collecting performance data and identifying the statistical relationships between particular traits and performance. For larger organisations, talent analytics consultancy becomes cost effective. Psychometricians and occupational psychologists can conduct this research, identifying the specific traits that predict performance in particular roles, vastly improving selection process ROI.

5) Keep hold of your data: When making final selection decisions, consider incorporating the psychometric test data you collected earlier in the process. This can be particularly useful in a tie-break situation, where two or more candidates have performed equally well at interview or an assessment centre. If one of the candidates has out-performed the other on their ability / behavioural assessments, but equally well elsewhere, it suggests they are the stronger candidate, and should receive the offer.

HOW TO MINIMISE RECRUITMENT COST IN A LARGE ORGANISATION

On a per-candidate basis, high volume recruitment is far more cost-effective than low volume recruitment. Bulk discounts reduce the per-candidate costs of the assessments themselves, and online automation reduces the required input of HR professionals, saving time and money.

However, the total cost of recruitment can be quite high, and thus a large resourcing budget is required to meet these costs. Large employers should consider these costs a direct investment into the quality of their hires, which more than justifies the expenses that are incurred through high quality recruitment processes.

Nevertheless, there are many steps organisations can take to reduce their overall recruitment bill:

1) Automate as much as possible: In almost all cases, an employee's hourly costs will exceed the product / licencing fees associated with online automation. It is for this reason, that telephone interviews should be considered far more expensive than paying for psychometric tests on a per-candidate basis.

Large employers should consider these costs a direct investment into the quality of their hires, which more than justifies the expenses that are incurred through high quality recruitment processes

Applicant tracking systems, recruitment CRMs and psychometric testing platforms all provide facilities to automate early stage screening as much as possible, reducing the amount of time (and thus money) that HR professionals need to spend on unnecessary tasks.

By using these products at the appropriate stage, you avoid buying expensive products that are better suited to low volume or late stage recruitment, saving money.

2) Use cheaper assessments early stage: Certain assessments are clearly designed (and priced) for use in early stage sifting stages. For example, verbal, numerical, and inductive reasoning tests are ideal for early stage sifting, as they are quicker and cheaper than most psychometric tests. Similarly, many behavioural assessments are designed to be quicker and cheaper, making them more cost effective sifting tools. By using these products at the appropriate stage, you avoid buying expensive products that are better suited to low volume or late stage recruitment, saving money.

3) Demand bulk discounts: As mentioned earlier, test publishers are desperate to work with large employers. This puts larger organisations in a position of strength when negotiating bulk discounts and can command far lower per-candidate pricing than smaller organisations with less purchasing power. Do not be afraid to exercise this power, and instead try to achieve the best price per-candidate that you can get, without souring the relationship of course!

4) Stick to one publisher: Many publishers specialise in specific assessments i.e. personality questionnaires, SJTs, ability tests etc, and thus don't offer a full suite. By spreading the costs between multiple publishers, you reduce your ability to demand bulk discounts. For example, if you are buying 1,000 tests from company A, and 1,000 tests from company B, your bargaining position will be weaker than if you buy 2,000 tests from company C. By having everything under one roof, you strengthen your position and open yourself up to higher bulk discount brackets.

5) Combine budgets between departments: In larger organisations, the resourcing and L&D likely have separate departments and thus separate budgets.

By working together, the L&D department can benefit from the bulk discounts offered to the resourcing department

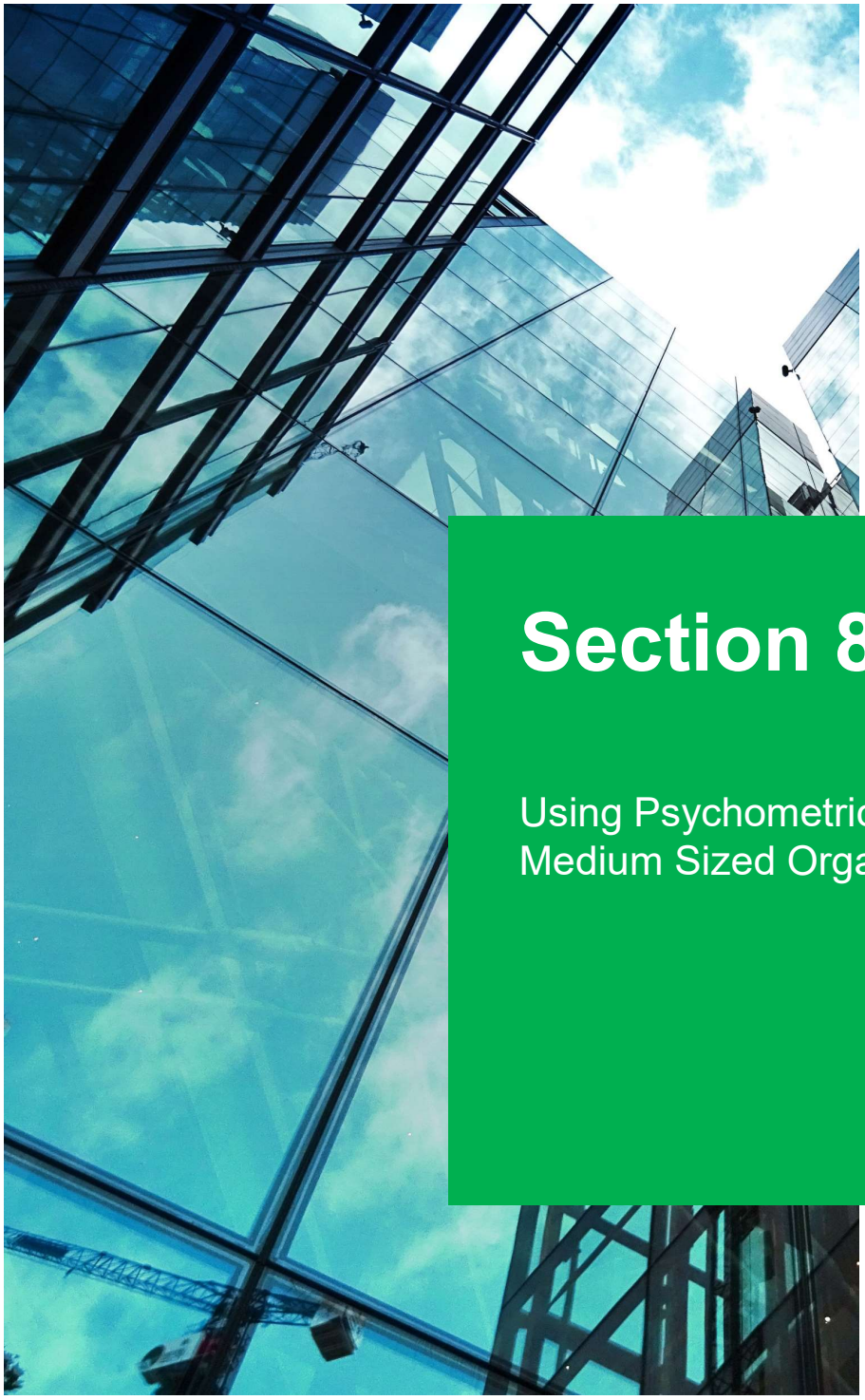
However, both departments are likely to use psychometric testing, albeit at different volumes. This often leads to the L&D department spending more per-test than the resourcing department, as high-volume recruitment typically commands greater bulk discounts. By working together, the L&D department can benefit from the bulk discounts offered to the resourcing department.

SUMMARY

• Use psychometric tests at an early stage, allowing you to screen out low performers quickly and accurately.

• Focus on quick and cheap sifting tools, allowing you to reduce the per-candidate assessment costs.

• Make the most of bulk discounts by sticking with one publisher and buying in significant volume, strengthening your negotiating position.



Section 8

Using Psychometric Tests in a Small-Medium Sized Organisation

SECTION 8:

USING PSYCHOMETRIC TESTS IN A SMALL-MEDIUM SIZED ORGANISTION

Large employer bias is an open secret in the world of psychometric testing. The larger the recruitment budget, the greater the interest from psychometric test publishers, and this heavily influences how psychometric test publishers market themselves.

But what about small employers? You know, the ones that represent the vast majority of employing organisations around the world?

Well, I am sorry to say that it's not the prettiest picture. Large employers can command sizable bulk discounts, whereas smaller employees will often be forced to pay full-price for assessments. Similarly, because the carrot for working with smaller employers is significantly less appealing, fewer test publishers will even respond to the requests of smaller organisations, let along provide meaningful support.

As a result, the per-candidate cost of recruitment is almost certain to be higher for smaller organisations than larger organisations. However, because small employers hire less often and in lower volumes, the overall costs of recruitment are likely to be much lower than in large organisations.

Luckily, many of these problems can be negated by working with a publisher that welcomes smaller organisations and provides assessments which are better suited to low volume, high stakes recruitment.

This section will discuss the ways that smaller organisations can get the most from psychometric testing, and address the common issues surrounding low volume psychometric testing projects.

HOW TO MAXIMISE PSYCHOMETRIC TESTING ROI IN SMALL ORGANISATIONS

High potential candidates are like gold-dust, and it's no secret that large prestigious employers take the lion's share of high potential candidates.

Many of these problems can be negated by working with a publisher that welcomes smaller organisations and provides assessments which are better suited to low volume, high stakes recruitment.

What's worse, as the applicant pool decreases, the probability of that applicant pool containing any high potential candidates diminishes rapidly.

By using these products at the appropriate stage, you avoid buying expensive products that are better suited to low volume or late stage recruitment, saving money.

Unlike large employers that focus on high volume sifting, smaller employers simply don't have the luxury of screening out 99% of their applicants. Instead, more attention and evaluation is required on a per-candidate basis, ensuring that the best available candidates make it through to the later stages.

To maximise recruitment process ROI in smaller organisations, the following steps can be taken:

1) Treat every role like high-stakes recruitment: In a company of 10 people, hiring another staff member constitutes a 10% increase in company size.

No matter the role, all recruitment should therefore be considered high-stakes, as even routine workers can significantly influence the direction of the company. Hiring managers and HR professionals in small organisations should therefore leave no stone unturned, thoroughly investigating each candidate vying for the position. The risks associated with individual hiring decisions are simply higher for smaller organisations, and employers must take this into account when deciding how to select employees.

2) Use psychometric testing mid-late stage: Larger organisations focus their attention on high volume sifting, and so should use psychometric tests very early in the process. In smaller organisations however, sifting isn't the chief concern, as you cannot afford to be wasteful with your applicant pool. Instead, using psychometric testing before a final interview is a perfectly viable strategy. This allows you to more thoroughly test each candidate, as mid-late stage candidates can typically be convinced to dedicate more of their time to assessments when compared to early stage candidates.

3) Don't screen candidates out unless it's unavoidable: With small applicant pools, you must resist the temptation of removing candidates too early.

Just because a candidate received a borderline score at this stage doesn't mean they won't ace the next one, and if you screen them out you will never know. By the same token, there is no guarantee that the successful candidates at that stage won't completely fail the next, making you wish you hadn't screened out your candidates prematurely. A much safer approach is to screen out the minimum number of candidates at each stage and aggregate the scores from each subsequent stage to build a more complete picture of each candidate's potential.

4) Combine ability, personality and interviews: Ideally, final selection decisions should be made based on the candidate's combined performance on ability tests, behavioural assessments and interviews. The more data you aggregate before deciding, the better the picture you draw of the candidate's overall potential. Because each of the three assessment types measure very different psychological constructs, it makes sense to combine them into a single overall measure of potential, and to treat each assessment equally when assigning weights to overall scores. If you omit any of these three components from the selection process, you leave out a third of the available information that could help inform selection decisions. If you omit two components, then you are leaving out a chunky two-thirds of the crucial information needed to make important and impactful hiring decisions.

5) Use thorough assessments and not sifting tools: High volume recruitment processes use sifting tools, such as basic ability tests i.e. verbal, numerical, inductive reasoning tests. These tests are cheap and quick but are not precise enough for low volume recruitment. The smaller the applicant pool, the more likely your pool is to only contain average performers, differing only subtly in overall potential. Instead, full length personality questionnaires and complex ability tests, such as critical thinking tests should be used. The breadth and precision offered by these premium products allows even subtle differences between candidates to be identified, generating a far greater ROI.

Because each of the three assessment types measure very different psychological constructs, it makes sense to combine them into a single overall measure of potential.

HOW TO MINIMISE RECRUITMENT COSTS IN A SMALL ORGANISATION

Because smaller organisations don't benefit from economies of scale, the per-candidate cost of attraction and selection tend to be higher in smaller organisations.

Small companies should focus only on generic off-the-shelf assessments, which can be purchased on a pay-as-you-go basis.

Smaller organisations simply can't command the same bulk-discounts that larger organisations receive, meaning that psychometric testing will be more expensive per-candidate for smaller employers.

However, because smaller organisations hire less often, absolute recruitment costs tend to be lower than in larger organisations. By testing fewer candidates, small organisations won't rack-up the same costs that high volume recruiters will, costing them less overall.

Lower volumes of applicants also mean that fewer tools are required to manage the applicant pool i.e. applicant tracking software or recruitment CRMs.

To keep recruitment costs to a minimum, the following steps can be followed:

1) Always buy off-the-shelf assessments: Sales people in any industry have a habit of being somewhat… pushy. Being accustomed to selling to larger organisations, a sales professional may try to push bespoke or customised assessments onto a smaller company. Psychometric tests are very expensive to create and customise, and thus bespoke assessments are not cost effective for smaller employers. Instead, small companies should focus only on generic off-the-shelf assessments, which can be purchased on a pay-as-you-go basis.

2) Stick to pay-as-you-go pricing: Many test publishers use a licencing or subscription model, which entitles providers to use a certain volume for a fixed price. Although this works well for organisations that recruit all year round, smaller organisations are less likely to receive good value for money. Instead, pay-as-you-go pricing works far better for smaller organisations, allowing them to use assessments as and when required.

This is particularly true with very small organisations that may only hire once every few months or years.

3) Buy enough to reach the bulk discount bracket: Let's be real, psychometric test publishers are for-profit enterprises. If you only buy £100 worth of assessments, it won't be cost-effective for publishers to provide real-time support from an inside sales person (let alone an actual psychologist!), and so you will be left to fend for yourself. By reaching the first rung of their bulk discount process, it becomes cost-effective for test publishers to provide the support you need, saving your HR team time and effort. Moreover, utilising bulk discounts allows organisations to reduce the per-candidate price, making psychometrics more cost effective.

4) Take advantage of free resources: Sending HR staff on expensive training programmes is far more viable in larger organisations than in smaller organisations with tighter margins. Although most test publishers would rather charge for this information, many providers publish blogs, white-papers, and how-to guides which are free to access, sharing this valuable information with the HR community.

We highly recommend that you take advantage of available free content (including this eBook!) when learning about psychometric testing, saving your organisation from expensive training programmes, paid courses and unnecessary certifications.

5) Recycle personality questionnaire results for L&D: Personality questionnaires are among the only tools which have applicability to both recruitment and personal development. Because smaller HR teams tend to comprise generalists rather than specialists, those that work on recruitment also tend to work on development as well. By using the personality questionnaire reports from recruitment post-hire, you avoid needing to double up and purchase two separate questionnaires for recruitment and development. Naturally, this helps align recruitment and L&D, while also saving some money for the HR department.

By reaching the first rung of their bulk discount process, it becomes cost-effective for test publishers to provide the support you need, saving your HR team time and effort

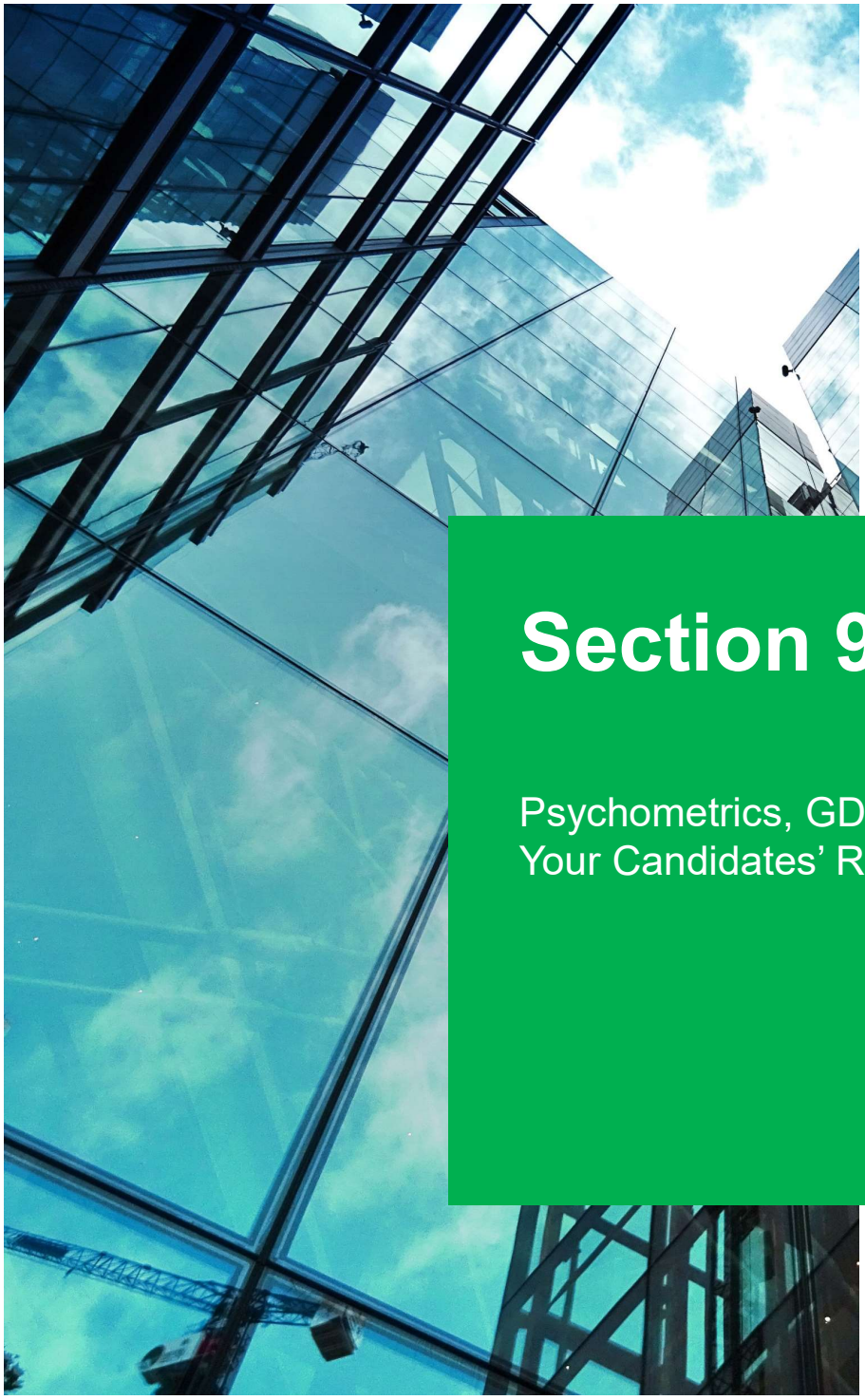
Focus on comprehensive, full-length assessments rather than quick and cheap high-volume sifting tools.

SUMMARY:

• Treat every role as high-stakes, leaving no stone unturned when vetting your candidates.

• Focus on comprehensive, full-length assessments rather than quick and cheap high-volume sifting tools.

• Buy enough assessments to reach the first rung of the bulk discount process, saving you money and increasing the probability of receiving support.



Section 9

Psychometrics, GDPR and Protecting Your Candidates' Rights

SECTION 9:

PSYCHOMETRICS, GDPR AND PROTECTING YOUR CANDIDATE'S RIGHTS

The stricter requirements surrounding data protection under the General Data Protection Regulation (GDPR) place greater emphasis on protecting your candidates' rights in general, but also when using psychometrics as part of recruitment or selection processes... but fear not! Although there are some important considerations and changes to make as an employer, they should lead to a fairer, more transparent selection process for all involved (and they aren't as difficult to implement as they seem!).

We won't go into the full scope of the GDPR here, as the GDPR in itself is quite a lengthy document. We will instead focus on the key points that relate to using psychometrics, which are as follows:

1) What is the GDPR?
2) What are my candidates' rights under the GDPR?
3) What is "profiling" in terms of the GDPR and do psychometrics fall into this category?
4) What is "automated decision-making" in terms of the GDPR and do psychometrics fall into this category?
5) How can we make sure that we are GDPR compliant?

Let's start at the beginning and work our way through the list.

WHAT IS THE GDPR?

As of the 25th May 2018, the GDPR replaces the 1998 Data Protection Act and applies to all personal data relating to those in the EU, whether the data resides in the EU or the data subject is an EU national. This means that no matter where you are based, if you hold EU data, you must treat it in accordance with the GDPR.

The GDPR is concerned with EU data that is personal or "Personally Identifiable Information" (PII), so if the data you hold can be used to identify a natural person, i.e., Name, Email Address, IP Address etc., then it falls into the scope of the GDPR.

If the data you hold can be used to identify a natural person, i.e., Name, Email Address, IP Address etc., then it falls into the scope of the GDPR.

There are also certain categories of data which require additional protection, such as data encryption and granular consent. Examples of these “special categories” of data include information such as: Gender, Age, Ethnicity etc., the full list can be found in Article 9 of the GDPR legislation.

Psychometrics do fall into the category of profiling, as they make predictions and/or inferences about candidates based on their responses.

Similarly, data that relates to children also requires additional protection, and the minimum age of an adult ranges from 13-16, depending on the area of the EU.

Although from a recruitment and selection perspective, it is unlikely that your organisation will assess any individual under the age of 16.

The main focus of the GDPR is to provide the data subject with greater rights in relation to their personal data.

WHAT ARE MY CANDIDATE’S RIGHTS UNDER THE GDPR?

The GDPR enforces the following rights for data subjects:

- The right to be informed
- The right of access
- The right to rectification
- The right to erasure
- The right to restrict processing
- The right to data portability
- The right to object
- Rights in relation to automated decision-making and profiling

You are probably already familiar with the first seven rights, as they apply to most organisations. We will focus on the eighth right, as profiling and automated decision-making may not be relevant to all organisations, but it is relevant to psychometrics.

WHAT IS “PROFILING IN TERMS OF THE GDPR AND DO PSYCHOMETRICS FALL INTO THIS CATEGORY?

According to the GDPR, profiling refers to using an individual’s data to make predictions about them, whether this is in relation to consumer behaviour, job performance or behavioural preferences, to name a few. Psychometrics do fall into the category of profiling, as they make predictions and/or inferences about candidates based on their responses.

This means that organisations must take special care when gaining candidates' consent to complete psychometric tests, ensuring that candidates are made aware that the tests will include some form of profiling and its intended purpose.

WHAT IS "AUTOMATED DECISION-MAKING" IN TERMS OF THE GDPR AND DO PSYCHOMETRICS FALL INTO THIS CATEGORY?

Automated decision-making refers to the use of computational algorithms to make decisions about data subjects, where there is no manual intervention. Where possible, it is good practice to provide candidates with information about the computational algorithms used, as a means of transparency. Third party providers should be happy to help with this.

Although computational algorithms are often used to score, benchmark and administer psychometric tests, psychometrics do not fall into the category of automated decision-making **as long as** there is also manual/human intervention involved in the decision-making process.

For example, after psychometric test results have been received by the organisation, an HR professional should consider a range of information.

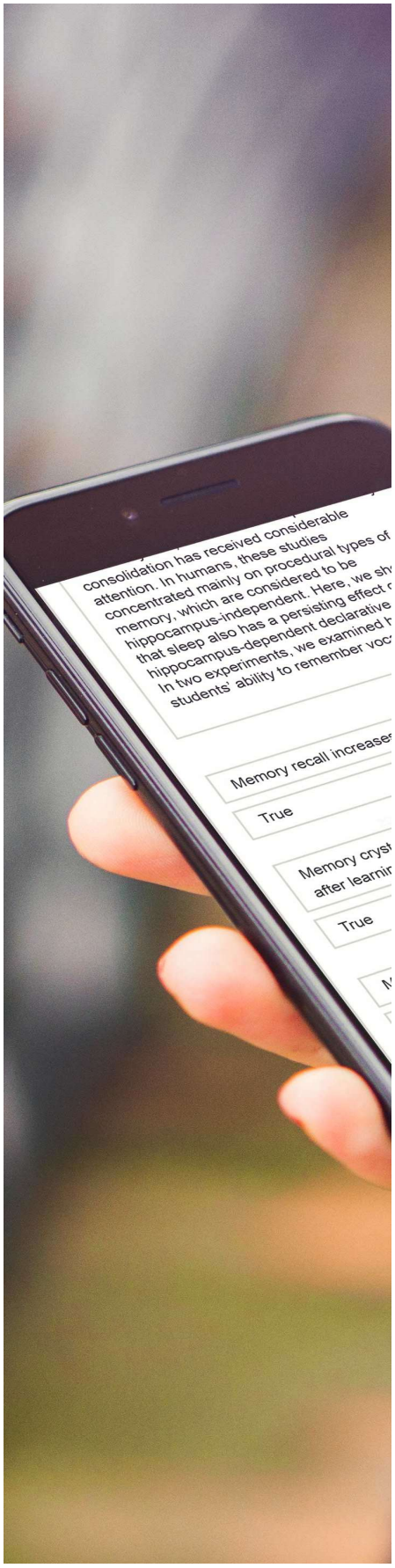
This includes interview performance, previous experience and psychometric test performance, in order to decide which candidates have been successful.

This largely represents the recommendations of psychometric test providers long before the GDPR was even on the horizon, as it is almost always suggested that selection decisions should not be made solely based on psychometric test performance.

HOW CAN MY ORGANISATION MAKE SURE THAT WE ARE GDPR COMPLIANT?

The general recommendation is to familiarise yourself with the legislation, principles and rights relevant to the GDPR.

Psychometrics do not fall into the category of automated decision-making **as long as** there is also manual/human intervention involved in the decision-making process.



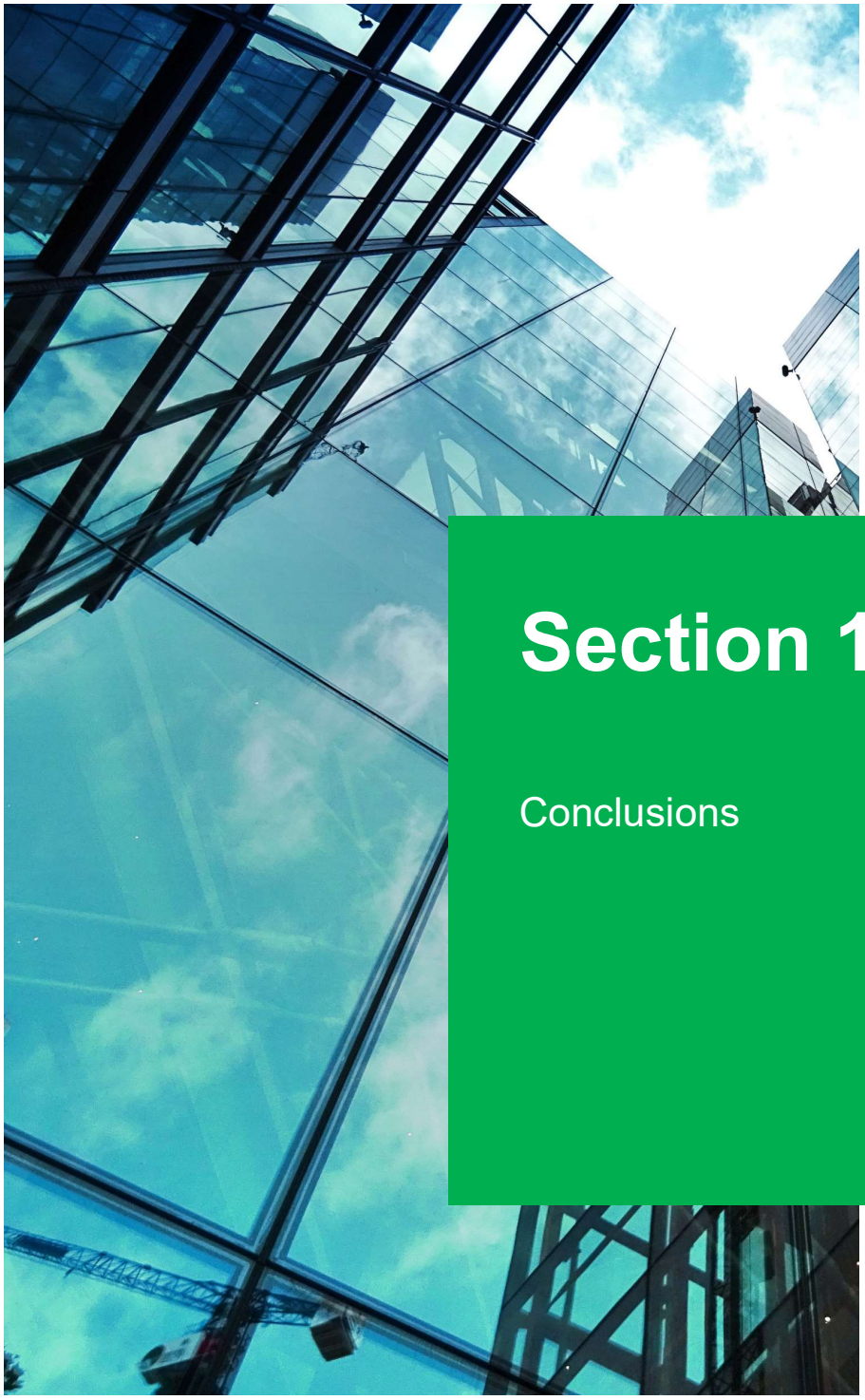
Most organisations will appoint a Data Protection Officer (DPO) to advise them on their GDPR compliance. Although, appointing a DPO is not a requirement for all companies.

The role of a DPO can be filled by an existing employee, someone hired specifically for the role, or as part of an outsourcing service, provided that the individual has the relevant expertise in each case.

> Ensure that your psychometric test provider treats all relevant data in accordance with the GDPR

Some steps towards improving GDPR compliance in terms of using psychometrics include:

- A clear explanation of why the tests are being used and the purpose for processing such data.
- Gain candidates' informed consent.
- Provide clear information regarding your candidates' rights.
- Provide explanations for each type of data collected and how long it will be retained.
- Provide information on data storage and the integrity of your security systems.
- Implement Privacy by Design and Default.
- Ensure that no unlawful processing occurs.
- Limit access to those in your organisation who need to see the test results.
- Ensure that your psychometric test provider treats all relevant data in accordance with the GDPR (this is usually outlined in a standard contract).



Section 10

Conclusions

SECTION 10:

CONCLUSION

Congratulations for making it to the end of this eBook! (I am assuming you haven't just skipped straight to the end).

Now, just in case you did skip straight to the end (which I am sure you wouldn't do!), here are our three key points that summarise this eBook:

1) **Well-designed psychometric tests are powerful predictors of future job performance and should be included in every single employee selection process.**

2) **Online automation helps HR professionals and hiring managers to save time, effort and money on their recruitment processes through using psychometric testing.**

3) **Both large and small organisations can benefit massively from psychometric testing, although they should employ distinct strategies when implementing them.**

To the largest employers in the UK, almost all of whom have already teamed up with one or more test publishers, this information is old news.

But to smaller organisations who are new to this stuff, this information comes as quite a shock.

After all, how long have you been relying solely on interviews?

How many potential high performers have you screened out, and how many low performers have you hired, simply because you only used interviews?

How many of these situations could have been avoided if the information in this eBook had simply been made available to you sooner?

Only you can answer this question.

But a little knowledge goes a long way, and you are now armed with some useful information to help minimise the probability of mis-hiring and maximise the chances of finding your future star performers.

How many potential high performers have you screened out, and how many low performers have you hired, simply because you *only* used interviews?

We recommend you continue to learn more about psychometric testing, from both a scientific and commercial perspective.

I hope that you have gained some useful insight into a pretty opaque topic, and that you have come away knowing more about the world of psychometric testing than you did before.

Now, it goes without saying that there is far more to learn than what we have presented here. Try as we might, we can only fit so much information into a single eBook, and a wealth of additional information resides outside it.

We recommend you continue to learn more about psychometric testing, from both a scientific and commercial perspective.

And there you have it, you are now ready to face the psychometric testing industry on more equal terms.

Happy testing!