

CAHRS Working Group—Assessments

November 14, 2013 — Uxbridge/London — United Kingdom

Author's Note: On September 10th, 2013 a session also focused on the use of assessments was hosted by The Boeing Company in their Chicago, USA location. Readers are encouraged to review the notes from the September 10th session as well as the below summary. Readers can access the notes for the September 10th session by going to <http://cahrs.ilr.cornell.edu/>, clicking on the "Events" tab in the red center navigation bar and then clicking on the "Past Events" hyperlink located in the brown left-side navigation bar.

Opening Comments

On November 14th, 2013, CAHRS Managing Director Steve Miranda facilitated a Working Group (WG) session on how CAHRS Partner Companies are utilizing assessments in both the recruitment and development of employees. The WG was hosted by Coca Cola Enterprises at its London/Uxbridge, UK location and was attended by 15 individuals from 10 CAHRS partner companies. These included Archer Daniels Midland, AstraZeneca, BAE Systems, Caterpillar, Citi, Coca Cola Enterprises, IBM, Microsoft, Terex, and the Cornell ILR School.

The group was welcomed by Steve Miranda of Cornell and Melissa Hungerford of Coca Cola Enterprises. After introductions, Steve helped to structure the upcoming discussions by sharing a framework developed by Professor John Hausknecht of Cornell's ILR School. In this framework, any decision to utilize assessments must first analyze five key factors: Who, When, Why, What and How. In more detail:

	Assessment Factors
Who?	C-suite Director/VP Manager Analyst Hourly
When?	Recruitment Promotion Succession Candidate Development Skills Assessment
Why?	Performance/Fit Retention Safety Expatriate Assignment
What?	Tests Interviews Simulations Assessment Centers Background Reviews
How?	Roles/Responsibilities of those Involved Role in Final Decision Communication Customized or Off-the-Shelf Medium/Format of Assessment

CAHRS Working Group—Assessments

Current Partner Practices

After these initial discussions, the group spent some time sharing how each of their organizations was leveraging the use of assessments. Some specific examples of what partner companies are doing include:

- Using assessments at the “top of the house” for development and succession planning. One partner indicated that the challenge for her was how to collect and analyze the aggregated data in an organization that had ~180 executives and more than 300K employees.
- Using assessments for their High Potential (HiPo) population (~4% of their overall population) as well as all Sales Executives worldwide.
- Using assessments during the recruitment phase, at the top of the house and whenever an individual was getting ready to assume a new position that entailed a large jump in his/her responsibility. [Note: this specific company indicated that it no longer used “number of years” as a measure of how ready an individual was to assume a position of significantly increased responsibility but rather had started to evaluate how many “jobs away” the individual was (ie, what specific new experiences would that individual require before they were ready?)]
- Several partners had developed internal behavioral frameworks against which individuals are assessed in order to determine how closely those individuals align with a designated number of key competencies. One partner used six competencies, another nine (with technical skills evaluated separately).
- Several partner companies indicated that, depending upon the risk associated with a given role, an individual could be disqualified for a position pending the outcome of the assessment process. While the lack of specific technical skills was often the disqualifier, the lack of specific behavioral competencies was also used to disqualify candidates.
- Using on-line assessments to greatly reduce the size of the incoming candidate pool for positions that had large numbers of applicants. They felt that this provided them a very good way to “skinny down” the overall pool into one which was more manageable by their recruiters.
- Recently taken on the challenge of integrating the key behavioral competencies with their companies’ values. Several of the partner companies indicated that they had begun this work but then abandoned it because the integration was not as natural or easy as it might appear. They advised others contemplating taking on this task to really think through the specific problem you were attempting to solve.
- Deciding upon the “shelf life” of a given assessment is important. One partner shared that its company discounted the results of any assessments that was more than 18 months old. If a situation arose that warranted an assessment, a new one would be administered rather than using what was perceived to be results that may no longer be valid.
- Using assessments can sometimes facilitate the movement of previously unknown leaders from one area to another within the corporation. One company is using the concept of “talent legacy” to encourage leaders to move people around. In this framework, leaders who both develop and rotate individuals who develop into great leaders in their own right are given special recognition.
- Some partners use search firms to conduct executive-level assessments while others rely upon their own internal set of experts working with smaller consulting firms to develop custom assessment methodologies and processes. The main benefit cited for the use of the search firm was the ready availability of comparative benchmarks for most executive-level positions. One partner shared that when a search firm was used, the company would arrange for all candidates to receive feedback from the firm.
- Several partner companies shared that having multiple individuals responsible for the “final decision” on a given candidate’s assessment results is less effective than when one key individual (eg, line unit leader, CEO, HR) owns that responsibility. While no definitive reason was cited for this, the majority of the participants concurred that this was probably due to the fact that oftentimes in a group decision, no one individual is willing to “rock the boat” if the consensus view was trending towards a specific candidate.

CAHRS Working Group—Assessments

What are you Doing to Create an Atmosphere of Fairness While Still Maintaining Your Focus on Finding the Best Final Candidate?

- The use of a key marketing phrase is very helpful in rolling out your overall assessment process. The phrase one particular partner company used was, “Making Great Leaders.” Positioning the assessment within this framework helped employees understand the high-level “why” behind the program.
- Making sure that you clearly articulate what you are assessing against is critical. You need to be able to state whether the assessments are being used to identify technical skill deficiencies, behavioral competencies that may need development or specific skills that have not yet been fully developed. Both managers and employees need this level of clarity in order to fully understand how to best leverage the results of the assessment.
- When deciding between “development” and “decision” (ie, will the assessment be used as part of a job selection criteria), it’s absolutely critical to openly share how assessments will be used with the employee. If you are planning to sometimes use the assessments for development and sometimes use the assessments for decision making, you must be completely transparent about this fact from the beginning. Any use of assessments which is not in the initially communicated message with employees will cause the overall program to be viewed extremely negatively.
- Some partners share all of the assessment data with employees while others either limit the data or make different “supervisor,” “human resources” and “employee” reports available to the appropriate parties.
- When evaluating both internal and external candidates for the same position, make as much of the process as you can identical but also don’t shy away from using knowledge of internal candidates for assessment purposes. The general view of the participating partners was that if you “knew something” about an internal candidate you should leverage that knowledge.
- When using personality assessments, it’s very important to both clearly determine as well as clearly communicate whether the given tool is being used to assess a preference or a trait.
- If you are concerned that a given assessment center may have an issue with the “halo or horns” effect, consider *not* providing them with any candidate data prior to the assessment being administered.

Are There Specific Vendors or Tools That Your Organization Has Found to be Especially Useful?

- Hogan
- Hogan Dark Side
- Talent Queue
- Emotional and Social Competency Inventory (ESCI)
- FIRO-B
- Saville and Holdsworth (in Europe)
- Various Hay Group Tools
- Thomas DISC
- Harrison Assessments
- Cubiks
- Decision Styles Inventory (DSI)
- Gibson and Hallmark
- Insights Discovery (four color energies)
- Internally developed cognitive and ability tests

CAHRS Working Group—Assessments

Geographic Pitfalls: Things to be Aware of When Using Assessments in Various Countries

- South Africa (SA) has a law that requires any psychometric tool to be validated. Those partner companies operating in SA shared that it is very expensive to have this done and therefore most of them have abandoned using assessments there.
- The British Psychological Society has the ability to vet psychometric tests in the UK.
- In Germany, it's not about what test you take, it's about how you manage the data associated with that test (ie, any stored information must be housed in a server located in Germany).
- For France, Netherlands, Germany and Belgium, the Works Council has the right of co-determination as it relates to HR systems. If assessment data is stored in a system, you will need to work through the local Works Council before concluding how that data will be shared more broadly. In some countries, the requirement is to inform; in others, to inform and agree.
- The use of assessments in Africa is especially challenging given the very small labor pool from which to source qualified candidates. Apart from the numbers challenge, the key is to ensure that candidates do not feel that they need to “jump through unnecessary hoops” in order to join your company versus a competitor.
- In the Middle East, you have certain legal requirements in specific countries pertaining to the number of locals you *must* hire into your firm. This means that even if no locals in the given country pass the assessment, you may still wind up hiring several of them in order to meet the local legal requirement.

Possible Topics for Future Working Groups

1. How are assessments being used differently around the world;
2. Data associated with technical-skills-focused assessments vs. general-behavioral assessments;
3. New general trends in the area of assessments; and
4. Data privacy and assessment results.

CAHRS Working Group—Assessments



This Summary Report was prepared by Steve Miranda for use by participants of the CAHRS HR Business Partner Working Group and CAHRS Partner organizations.

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