

Use of Psychometric Testing in the Workplace

Executive Summary

The prevalence of psychometric tests is well known among all national and multinational corporations with companies spending millions of dollars every year to identify the personality, learning and personal preferences of their workforce. The aim of this report is to examine the feasibility of implementing psychometric testing in this organisation by examining the circumstances of application, possible benefits and drawbacks, associated need for sensitivity and the ethics associated with the process. By examining the above attributes recommendations related to application of psychometric testing in the workplace are arrived at.

The current study argues that the organisation should promote psychometric testing tools as recruitment instruments which can act as a support to other recruitment tools. However, this study proposes that the use of psychometric testing in the organisation is better to be used as an employee engagement, mentoring and coaching, performance appraisal and leadership development tool. These tests should be promoted in a standardised and clear manner and should help shape the HR process and not be the primary focus of the same. It is recommended that psychometric tests are used for recruitment, are reliable and follow ethical principles.

EXPRESS DISSERTATION

1.0. Introduction

The role of psychometric tests as alternatives to assess the strengths of an employee came into focus since the early 2000s. The use of psychometric tests as part of the selection process of recruitment has become a norm in a number of countries around the world. The aim of psychometric tests is to help measure the ability, attribute and the personality traits of the employee or the prospective employees (Furnham, 2012). Kar(2013) argues that these methods can be used as effective tools to assess the skill demands and personality demands expected from an employee of the company. The prevalence of psychometric tests is well known among all national and multinational corporations with companies spending millions of dollars every year to identify the personality, learning and personal preferences of their workforce. The use of personality tests like Myers-Briggs Type Indicator Personality Inventory is ubiquitous in the Australian workplace. In 2003, it was identified that the overall value of psychometric tests employed in UK was by 20% by all FTSE companies. However by 2008, this figure rose to 80% of all companies. It is argued that the value of the overall psychometric tests and associated inventory use for recruitment, team and personal development is over 100 million US dollars (Harper, 2008). In comparison, it is observed that there is limited literature examining the growth of expenditure in Australia. The aim of this report is to examine the feasibility of implementing psychometric testing in this organisation by examining the circumstances of application, possible benefits and drawbacks, associated need for sensitivity and the ethics associated with the process. By examining the above attributes recommendations related to application of psychometric testing in the workplace are arrived at.

EXPRESS DISSERTATION

1.1. Using psychometric tests at the workplace

Psychometric tests are used for different purposes at the workplace including the purposes of recruitment, engagement, leadership development etc. The aim of this section is to examine the effectiveness of using psychometric tests at the workplace and to do that the various types of psychometric tests which are promoted are discussed. Psychometric testing is categorised into two different categories: skills based and personality based. The use of psychometric testing by identifying these attributes is not just to improve the efficiency of personnel selection and appraisal but also to understand the most effective job role or designation that the employee requires.

Psychometric tests aimed at identifying the intelligence or skill of the employee help identify the organisation of knowledge and the process of information processing promoted by the employee. The aim of these tests is to only understand if the individual capacity of the employee is met in terms of specific aspects. It is not possible to identify the individual capacity outside of the scope of the testing. Fletcher (2013) further argue that testing using intelligence does not provide a clear reflection on the overall capacity of intelligence of an individual. Therefore, this research argues that intelligence tests while being identified to be effective methods which can reflect the ability of the company to select the most suitable employees can be subjective in nature and cannot be used as the only tool to reflect potential capabilities of employees.

The second type of psychometric tests is aimed at determining the personality of an individual. These tests often contain a series of standard questions or situations to which the test taker is asked to choose the most suitable action that they would perform. These tests are subjective in nature and are used to arrive at a conclusion on the subject's personality characteristics. Nunally(2010) used personality tests to understand and predict a person's behaviour and therefore considered that by using these questionnaires it is possible to infer the traits and characteristics of potential employees. On the other hand Kline (2013), argue that there is limited validation associated with the actual methodology of personality testing. Therefore it is important to ensure that the tests are not the only attributes used to reflect potential capabilities of employees.

Lowe (2013) identifies the use of promoting the above two psychometric tests as potential recruitment tools. The authors indicate that by using psychometric tests at the stage of initial screening it is possible to match the employee personality, their skills and their aptitude to the most relevant job. The authors indicate however that it is important to ensure that the method of conducting psychometric tests should be in a manner that is valid and reliable and conducted by a well trained professional.

Crawford et al., (2010) on the other hand indicates that the use of psychometric testing is more effective for current employees rather than for potential employees. The authors indicate that the use of these testing methods can help understand the person-job fit of the employee to the manager. Dollard and Baker (2010) further indicate that psychometric tests can be used as measures which help in identifying with the employee engagement in the organisation. Porter et al., (2010) finally argues that psychometric tests can be used to determine the leadership potential of an employee. The use of these tools helps identify the leadership style, leadership traits and the future succession planning of the organisation.

Kar (2013) present other reasons why psychometric tests can be performed in the workplace. According to the author, the promotion of psychometric tests at the workplace is related to the employee appraisal process in modern business places. This process is a sensitive issue and should not only involve performance testing but also other competencies of the organisation. Furthermore, when there are numerous employees who show equal competence in terms of skills, knowledge and experience psychometric tests maybe most useful in differentiating one employee from another. In such situations the use of psychometric tests can help ensure that objectivity, and systematic application of the appraisal process was carried out. The author also contends that psychometric tests can be used for mentoring and coaching. According to the author it is observed that the use psychometric tests, by providing personality traits of the employee, can set the bar for career oriented and life coaching activities.

Recommendations

Given these views, the current study argues that the organisation should promote psychometric testing tools as recruitment instruments which can act as a support to other recruitment tools. However, this study proposes that the use of psychometric testing in the organisation is better to be used as an employee engagement, mentoring and coaching, performance appraisal and leadership development tool. It is also contended that the promoting of psychometric testing in this organisation should be used as a tool that supports other HRM activities rather than be used as the primary tool of assessment.

EXPRESS DISSERTATION

1.2. Validity of using psychometric tests

According to Illesco et al., (2009) it is important to promote reliability in testing. The reliability of an organisation is largely associated with the error of measurement. According to Lowe (2013) decisions related to tests scores should be taken only after there is careful consideration of the possible errors associated with its measurement. According to AERA, APA & NCME (1999) cited in Lowe (2013): "Reliability refers to the consistency of [...] measurements when the testing procedure is repeated on a population of individuals or

groups” (p. 25). According to Agunis et al., (2010) there is an inherent bias in the pre employment testing using psychometric tests.

The validity of using psychometric tests has been challenged by a number of authors. According to Torrington et al., (2005) the fairness of psychometric tests needs to be examined. The authors indicate that there is an inherent social, sexual and racial bias associated with the process of promoting psychometric tests. The author indicates that if such inherent bias is present in the psychometric tests that the predictive validity of the tests comes into question. The author also argues that psychometric tests should be used by managers only at certain intervals as continued use can make the predictive validity of the tests relative less.

Jenkins (2001) on the other hand brings a different perspective to the determination of identifying validity of the psychometric tests. The authors argue that the advantage of using psychometric tests in order to assess the skill-set of current employees and promote their engagement is accompanied by extended costs. These costs include the money spent on conducting the tests, training the staff to use and administer the test and the cost of employing external consultants to help train the employees improve their skill and engagement. Due to such extensive costs, tests are in principle promoted to measure those skills that the employer wants rather than what would suit the employee the best. Therefore, it is argued that psychometric tests can have the inherent bias of promoting the required organisational qualities in an employee rather than present a picture of what the employee can really achieve (i.e., his/her potential).

Recommendations

It is argued that employers need to be aware of the inherent bias that is associated with testing. It is important that as an organisation we should promote tests which do not have any racial, gender or generational bias. The tests should also be aimed at improving the overall employee scores and their abilities rather than focusing on specific needs of the organisation.

What are the potential ethical dilemmas associated with psychological testing for employment purposes?

According to Oakland (2005) at the core of every discipline or profession is ethics. The statement of ethics promoted by any professional or organisation is a statement of social responsibility of the profession and to ensure that those who practice the norms act in an ethical manner. Leach and Oakland (2007) discuss about the ethics in testing in psychological work, which this research feels is applicable to psychometric testing. Ethics in such work are required because they present explicit norms on what exactly is correct behaviour. By using these ethical codes, it is possible for employers to ensure that the practices of ethics in any testing is clearly followed. This section will examine the ethical implications of psychometric testing in line with ethical and legal issues.

Robertson (2010) indicates that employers use of psychometric tests for taking critical decisions about the future of the employee in the organisation has some serious consequences both ethically and morally. The author identifies that by using tests as the only factor for any decision can lead to problems of discrimination and performance related dismissals. According to the author, it is important to first ensure that test is completely reputable while at the same time follows optimal testing conditions. Employers are also required to check if the tests have any related racial bias or generational bias. The author contends that the use of psychometric tests during recruitment is less risky from a legal perspective as well as from an ethical perspective. This is because there are a multitude of reasons why an employee is not selected. On the other hand the use of psychometric testing for dismissal has a greater chance of risk. The author indicates that if employers are using psychometric tests for dismissal then clear reasons for the use of the same to identify employee engagement and performance needs to be given.

Another ethical issue which one has to give importance to is objectivity. According to Weshoff and Kluck (2008, p.68) " objectivity refers to inter-user consistency in the execution, scoring and interpretation of standardized assessment procedures". It is important that psychometric tests are presented in an objective manner. Illesco et al., (2009) however contends that complete objectivity is often never possible and that at times there can be specific facts which are considered to be true or objective in the moment of testing. Therefore, the use of objectivity in psychometric testing is to be considered carefully as it has numerous implications.

According to Kline (1993) testing can be considered to be objectives only when the procedures for administration, scoring and interpretation are clearly standardised. This standardisation process should involve different times, users and test takers. The test should be administered by members who score and interpret the test the same way for all test takers indifferent to the characteristics of individual members. On the other hand Illesco et

al., (2009) indicates that during the process of ethical testing it is important to ensure that the interpretation is also carried out in an ethical manner. Most psychometric tests have an inherent subjective nature therefore objectivity in this process is relatively difficult and can be promoted only by trained professionals.

According to Naganerelli et al., (2004), psychometric testing in an organisation should ensure procedural justice. It is important that the test should be perceived by the test taker as being objective, reliable and valid. The judgment presented by people in terms of their social experiences has an impact on the outcome. Therefore, it is important that the organisations take clear steps to promote the test features by making it transparent. It is also better to inform employees of the clear testing process, interpretations guidelines, possible result and the possible actions that the organisation would take against the employee (Illesco et al., 2009). Therefore, it can be argued that procedural justice is most important in organisation while implementing psychometric tests.

Recommendations

From the above arguments one can conclude that it is important to ensure ethics in psychometric tests by promoting objectivity and procedural justice. It is also contended that while conducting psychometric tests it is important to avoid any bias. The use of these tests is better suited for recruitment than current employees as it can lead to probable legal issues for the organisation. If the tests are being used as grounds for dismissal then it is important to ensure that the performance appraisal of the employee has shown consistent deterioration.

Conclusion

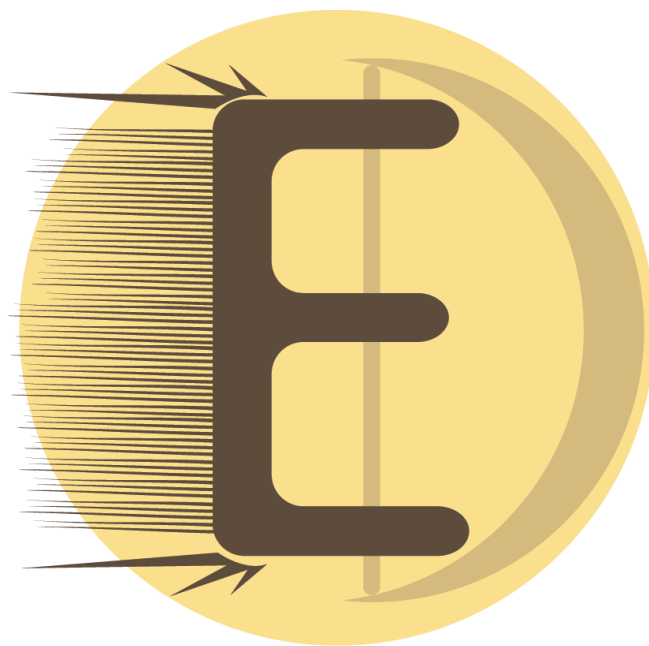
Psychometric tests are therefore most useful in different aspects of HR work. However, it should be acknowledged that they are not magic bullets and can be used as tools to understand the overall complex and unproductive behaviour of the employees. These tests should be promoted in a standardised and clear manner and should help shape the HR process and not be the primary focus of the same. It is recommended that psychometric tests are used for recruitment , are reliable and follow ethical principles.

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