PSYCHOMETRIC ASSESSMENTS FOR DIFFERENT STAGES OF AN EMPLOYEES LIFE-CYCLE
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Introduction

Since the start of the new century, global businesses have been seen struggling with change in the form of new challenges every few years; encounters that threaten their growth, expansion, and sometimes even existence. First it was the dotcom bubble burst, then the financial market crash; hardly had companies come to terms with these technological, and financial trials, then they were staring in the face of yet another struggle, one that defies decades of conventional systems, and presents organizations with an adapt-to-survive situation – human capital management.

Till the beginning of the current millennia, employees were treated as assets to be managed.

In the 21st century, ‘human capital’ is relevant beyond having the most academic qualifications on the team.

Top challenge for over 1000 corporate leaders surveyed by The Conference Board.

In a rapidly changing economy spurred by fast changing technology, where a business manager struggles to even define a static business objective, how can they define who the right talent, required to help them achieve these objectives, is?

The question has posed to be the biggest puzzle facing organizations that once treated their human resources as an auxiliary function working independently of all other business goals. Where an ostentatious resume once served as the proof of someone’s capabilities to perform tasks, no longer is a long roster of skills any guarantee that the person is the right fit for the role. For skillsets are specific to domains but if the realm of the domain is entirely redefined by changing business goals, what good is an individual with only that skillset but an inability to learn others?

It is thus that the talent of the future is coming to be defined more by the attitude, than the aptitude that it possesses.
What is a Psychometric Assessment?

Attitudes define behavior. In order to understand how a person will behave at their job, one needs to dig deeper into their psychology to find out their motivation to perform well (or not) in the role. The measurement of these psychological behaviors is known as the field of psychometrics, and a test developed specifically to measure these behaviors through a series of personality based questions is known as a psychometric assessment.

There are several ways to measure aptitude.

- Scanning through a resume
- Interviewing one-on-one
- Conducting a skills test
- Conducting a simulated test
- Or a combination of any of the above

However, discerning attitude is a far more tricky process that involves understanding its relation to self-image, social acceptance, and opportunity for expression, amongst others.

For this reason, psychometric tests were devised to help one look beyond a person’s outwardly behavior and understand what makes them do the things they do. For eg. What is their motivation to perform well at their job, or why someone is more of a team player.

A psychometric test measures more than just self-perception, it measures actual behavior, because what people actually do is more important than what they say, or think, they do. It also compares those behaviors with others, to give a real indication of an individual’s abilities, strengths, and weaknesses.

**EXAMPLES OF PSYCHOMETRIC ASSESSMENTS**

<table>
<thead>
<tr>
<th>Test</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Attributes Test</td>
<td>Identify candidate’s Leadership Traits</td>
</tr>
<tr>
<td>Learning Agility Assessment</td>
<td>Identify and develop high potentials</td>
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<tr>
<td>Stress Management Indicators</td>
<td>Identify candidate’s organizational stressors &amp; stress resiliency level</td>
</tr>
<tr>
<td>Employee Retention Assessment</td>
<td>Identify Candidate’s vulnerability to attrition</td>
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The use of psychometric assessments by organizations has been a matter of debate. However, the truth is that psychometric testing can measure a number of attributes including intelligence, critical reasoning, motivation, and personality profile.

Where academic skills, technical ability, and work experience have been helpful so far in assessing whether a candidate can do the job, psychometric tests can be used to assess whether a candidate ‘fits’ the role in more ways than one. Apart from technical or academic skills, do they have the personality, motivation, or other essential traits required to do the job.

Psychometric tests go beyond just testing an individual’s strengths and abilities. They tell you what these results mean to your business. Because what good is this data, unless it is useful to you in understanding how this behavior impacts the work of an employee, and thus your business. Above all, psychometric tests assess employment suitability, including company-candidate fit.

By lending objectivity to a process that is otherwise fairly subjective, psychometric assessments add a scientific filter to the ‘gut-based’ decisions often made in human resource management. Thus helping organizations make the differentiation between a good hire and the right hire.

However, while a number of organizations are warming up to the use of psychometric testing as part of the recruitment process, there are also an increasing number of firms gaining value from psychometric assessments in order to create better training programs, plan succession within teams, get feedback during terminations, and more. By supporting decisions on selection, development and training, psychometrics act as an aid to organizational change, and enhance the quality and quantity of information available across all HR functions.

In this ebook, we take a look at how psychometric assessments can be used across different stages of an employee’s life-cycle.
When it comes to hiring, Steve Jobs once said it best "I noticed that the dynamic range between what an average person could accomplish and what the best person could accomplish was 50 or 100 to 1. Given that, you’re well advised to go after the cream of the cream...A small team of A+ players can run circles around a giant team of B and C players."

So how does one find that crème de la crème from the multitude of applicants for a job? Businesses no longer have a need for the most qualified employee on the basis of academic credentials. Because of constantly shifting focus business objectives, an employer must look for someone who, among other things, can:

• Empathize with a customers’ changing needs, not just complete a point of sale
• Is a good team player, can lead, and can take instructions
• Can use emotions to build strong bonds while handling diverse environments

Psychometric tests help match potential employees with company culture, the workforce, and also the surrounding community to ensure a sustainable fit. The nature of these tests enables hiring managers to focus on company needs as opposed to company tastes. A big value that psychometric assessments provide is that they not only help to screen all the ‘problem’ candidates out of the selection process at an early stage, but also serve as a measure for all the intangible factors that one seeks in a candidate that might be otherwise difficult to discern before the candidate joins your organization as an employee.

Psychometric Assessments in Recruiting

A candidate’s resume lists a certificate in sales training. In the interview, the candidate appears confident and claims to have great convincing abilities. So he’ll also make for a great salesperson right? Wrong. Without conducting a psychometric assessment, there is no way of knowing whether any candidate has the traits that actually make for a good salesperson.

• Is he confident when making pitches or does his voice quaver?
• Does his confidence help him make great sales or does it lead him to oversell your product resulting in unhappy, disloyal customers?
• Is his style that of a hunter or a farmer?
Resume Lies

Unfortunately neither a resume nor an interview, are good measures of a candidate's personality. In fact, candidates lying on a resume is so rampant that you might as well pick a chit from a pool of names while being blindfolded, for your next hire. According to a research by The Society of Human Resource Management, over 53% of individuals lie about something on their resume in some way. For young workers, the number is far more, like in the case of college graduates, where over 70% admit to have lied on their resume.

Cost of a bad Hire

A wrong or deceitful resume means that you’ve just hired someone who isn’t who they claimed to be. This could result in either poor on-the-job performance or an early termination. Neither is a situation as supple as one might initially think. The cost of a bad hire doesn’t only compute to the loss of a poorly performing employee but also the cost of missed sales opportunities, strained client and employee relations, potential legal issues, and resources to hire and train candidates, all of which add up to significant losses.

A U.S. Department of Labor estimate places the cost of bad hiring decisions at nearly 30% of the applicant’s first year salary. So if you didn't select the right candidate for a job that offers $100,000 per year, you’ve cost your organization an additional $30,000. A CareerBuilder survey pegged that bad hires cost twenty-seven percent of the U.S. employers it surveyed, more than $50,000. Is it any wonder then that a research found that many employers would rather hire candidates with criminal records to those who lied on resumes.

When you consider that the cost of a psychometric assessment on the other hand could be anywhere from $50 - $300, it almost makes it default sense to include it as part of a recruitment strategy.

Using Psychometric Assessments to Hire Right

The traditional forms of recruitment rely heavily on human subjectivity for decision-making. When it comes down to two candidates with similar resumes and impressive conversational skills, how does one choose who the right candidate for the same role is? Human instinct is no better than flipping a coin. Interviews and resumes lead one to be influenced by their prejudices, likes and dislikes and often also their mood at the time of making a selection decision. Psychometric testing on the other hand adds a level of standardization and objectivity by eliminating any bias that comes along with many selection decisions.
The use of psychometric testing is often part of a larger selection procedure that includes structured interviews, resume screening, group discussions, simulated assessments, etc. Overall this makes for a pretty solid package that reduces the chances of a bad hire, turnover or a wrong fit. Thus saving time, money, operational processes, and stress for everyone involved.

The most popular, and common use of psychometric assessments so far has been for the purpose of recruitment across firms of all types and sizes. Rightly so. Because talent management begins with talent acquisition and if you start with the right people on the bus, you reduce the need for development, engagement, retention or rehiring strategy.

However, hiring the right employee is not the end of the employee life-cycle process, as we know it. It’s only the tip of the iceberg. Once you have the team members you need to build a great team, you also need to make sure that each one is performing to their maximum potential and is capable of giving their best to each task they perform under the circumstances. Here’s how psychometric tests can help you engage your employees in an efficient way.

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Steve Jobs
Woody Allen once said: “Eighty percent of success is showing up.” That may have been true 20 years ago, but today, no longer is the mere existence of a stellar team enough to make a business run a well-oiled machinery. In an age, when business, competition, and even head-hunting takes place at an international scale, an organization is better placed with one enthusiastic, and motivated employee, over five disengaged ones who contribute nothing but wasted resources.

Disengaged employees, in the best case scenario, result in high turnovers, or worse, continue to business in several dis- An underperformer morale of your en- they have to make up the one person who

Beyond affecting im- also, low employ- other financial ram- to the Gallup orga- keeping actively dis- over a five-year peri- $300 billion in lost ployee performance. a study by Robert found that supervi- of their time – nearly overseeing poorly performing employees.

According to the Gallup organization, the cost for keeping actively disengaged workers over a five-year period was approximately $300 billion in lost productivity and employee performance.

Clearly, corporate organizations are in a bleak situation as far as employee engagement is concerned. A Tower-Watson study concluded that only about 15 percent of employees were fully (actively) engaged; 65-70 percent of employees were moderately engaged, while 15 percent were totally disengaged.

Given the low levels of highly engaged workers, it is essential for companies to understand the factors that drive sustainable engagement. Some of these include, but are not limited to:

Psychometric Tests for Employee Engagement
• Relationship with immediate coworkers & supervisor
• Pride in working for the company
• The variety of skills that an employee gets to employ in the role
• How important the employee believes their position is in the company
• Being matched to the right job, and thus job satisfaction
• Having a clear understanding about the desired outcomes for their roles
• Having enough opportunities to learn and grow

Traditionally, the only way to know how these factors are influenced has been through direct conversation with the individual in question. However, not everyone can be upfront, nor honest while talking about their emotions. The factors related to engagement are driven in large part by attitude of an individual, and thus the most effective method in measuring the gaps required to increase engagement is found to be assessments that measure the emotions behind a person’s actions. Once again, psychometric assessments help in understanding where the employee stands vis-à-vis his expectations from the company. There are tests specifically designed to measure stress levels, motivation levels, leadership attributes, and others, that cater to specific personality traits of an individual and thus can help in mapping the cause for disengagement. For eg. Some individuals yearn praise or recognition for their work more than they value monetary appreciation. A motivation test can point this out to a manager, thus alerting him to the need for using suitable recognition for the employee.

By peeking at what goes on under the human bonnet, employers can compare one individual’s performance with that of other’s and know what the relatively strong and weak areas are within one person.

Employee engagement is important to an organization from perspectives beyond making employees go that extra mile. It also helps organizations to plan individual and team performance appraisals, helps reassign people to roles that are better suited to their personalities, and above all, helps a company create tailored learning and development modules that can cover areas of deficit for each employee.

“80% of success is showing up” — Woody Allen
The concept of learning and development in organizations took on, some time in the 1990s, stimulated by Peter M. Senge's *The Fifth Discipline* and countless other publications. The biggest challenge that organizations face today is how learning can be used in knowledge assimilation, that can lead to the fostering of innovation faster than competitors.

Psychometrically based development assessments help employees at all levels of performance and potential by increasing their level of insight and self-awareness. They help companies create development programs through conducting a needs assessment and thus in identifying the performance gaps in order to create training solutions that will effectively address employee issues.

The insight that a psychometric assessment provides makes it a great value even post-training to evaluate the efficacy of a learning or development program.

Here’s how the cycle of a psychometric based learning & development program would look like:

- Identify the performance gaps within the team that need to be addressed through a learning program, for eg. You might want to understand why some sales representatives are great at presentation and influencing, but still lacking what it takes to close a deal.

- Identify a psychometric assessment that can help measure they key areas for this performance gap. For example: A sales potential test that assesses whether a candidate can build relationships, has empathy for clients, is disciplined enough to manage the process from start to end, amongst other traits.

- Plan and execute a learning module targeting the deficiencies observed

- Provide feedback to employees about their strengths and weaknesses to foster insight

- Re-test the employees after learning to evaluate to effect of learning
Psychometric Assessments for Succession Planning

Development assessments are a great tool for identifying high potential leaders as part of a broader talent management strategy. The use of psychometrics is a valuable tool in identifying 'potential' within the organization, as it helps in identifying key leadership attributes, areas of opportunity, possible blind spots, and also helps to map development strategies to fill the deficient attributes. Leadership development programs can be used to ensure that the leaders you choose, actually do lead your employees to their as well as your goals.

75-90% of new employees will decide whether or not to stay in the job, within the first six months of employment.
Learning from the Exit Interview

When an employee turns in their resignation, depending on their performance and value to the organization, there may be pangs of disappointment or a sigh of relief. Either way, as a human resources professional, there are opportunities to extract critical information during the exit. While exit interviews are conducted as a mere formality today, they can actually serve as a great source for gathering quality data that is essential to shap-
ing an organizations’ HR strategy.

Using psychometric assessments in an exit situation can reveal whether individuals feel under-appreciated or find there to be a lack of communication, and also how critical it is to change a specific process. Thus providing a mine of data that organizations can use to create a better retention strategy.

**Conclusion**

Employees are your biggest investment and should bring the greatest reward. HR and talent management professionals are pushing to help everyone achieve their maximum level of potential and satisfaction. While quantifying human behavior and its impact on the profit margins of a business is one of the most challenging situations facing organizations today, psychometric testing is fast becoming the preferred way to quantify individual contribution.

What sounds like doom and gloom, but it is meant to be a wake-up call. After realizing that skills, knowledge, or aptitude, fall short of delivering the teams required for creating a world-class organization, one of the key areas of learning that have emerged for employers is the need to understand attitude, or personality of employees to achieve cohesive teams, and thus success. Highly developed human capital will be the source of comparative advantage in the twenty-first century global economy.
Thank You

What is Mettl?

Mettl is a SaaS based assessment platform that enables companies to create customized assessments for the purpose of pre-hire screening, candidate and employee skills assessment, training, certification exams, proctored exams, contests and more.

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