

# Using external benchmarking to determine the components of an organisation's assessment centre adding the most value in identifying potential

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- Is our traditional way of determining validity still applicable?
- What else can we do to find out if our Assessment and Development Centres help managers to take decisions?
- Can we compare participants' results with external benchmarks to understand the value-add impact of our assessment exercises?

# Validity: is it still applicable?

# Why validity?

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The effectiveness of an assessment is measured by its predictive validity. This describes the extent to which a score on an assessment predicts job performance – in other words how far will this test predict how well the candidate will perform in the role?\*

- This is measured by determining the correlation between test results and job performance
- A correlation of  $>0.3$  is generally accepted as sufficient to prove that a particular assessment is a valid predictor of job performance

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\*The validity of psychometric testing. Dunstan Arthur, Director of Talent Management at Human Factors International

# The challenges when conducting a validation study

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- Restriction of range
- Sample size
- Time impact of a validation study
- Criteria-related challenges

When conducting a validation study, we know that the tool is valid to use as a predictor. But are we sure it will incrementally differentiate between high potential and other candidates and increase the potential level of the pool of applicants across the different exercises?

# What else can we do?

# Additional ideas

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- Trend analysis

This will tell us more about the characteristics of our candidate pool, but will not tell us anything about the effectiveness of our process

- Business outcomes study

Will give us a good idea if our selected candidates add real business value as a result of their performance – if they make a difference to the bottom line

- Performance comparisons

Will tell us if successful candidates perform better... but remains controversial due poor performance management processes

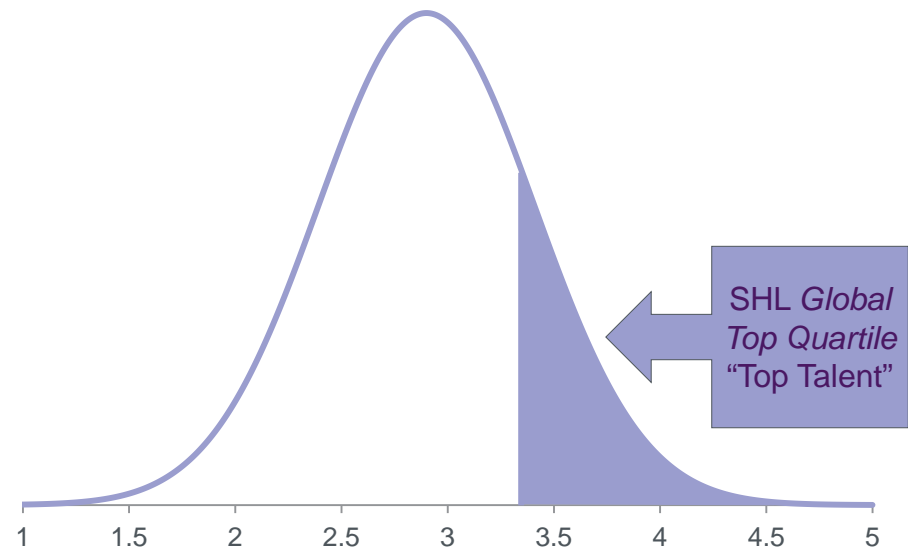
# Can we use benchmarks to understand the value-added impact?



# Defining top talent

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- For any given measure of competency potential, there is a top quartile
- By definition this group is 25% of the global population who are all above a certain level of potential for a given measure
- This enables us to look at any other population in comparison to discover whether that population has more or less “Top Talent” as a proportion of its whole



# What should we aim for

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- In general, to have at least 25% of our candidates who have a potential score in the top quartile
  - However, we should aim to have more
- The result of individual assessment exercises and the overall outcome of the Assessment centre should increase the percentage of candidates in the top quartile
  - If not, then we are not selecting the better candidates
- Comparing to an external benchmark (e.g. a competitor), our aim should be to have more high potential candidates to create a competitive advantage

# Background to the case study

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- We used the SHL *Talent Analytics*<sup>TM</sup> offering as a basis to do the comparison
- Telecommunications industry client assessing potential graduate candidates across Africa
- Assessment Process
  - Phase 1: Ability (Verbal and Numeric) and OPQ32r. Screening took place using a Person-Job-Match score generated from the test results and outcome of a job profiling session
  - Phase 2: Three AC exercises (Written, Presentation and Group); CBI Interview; Technical interview conducted by the client

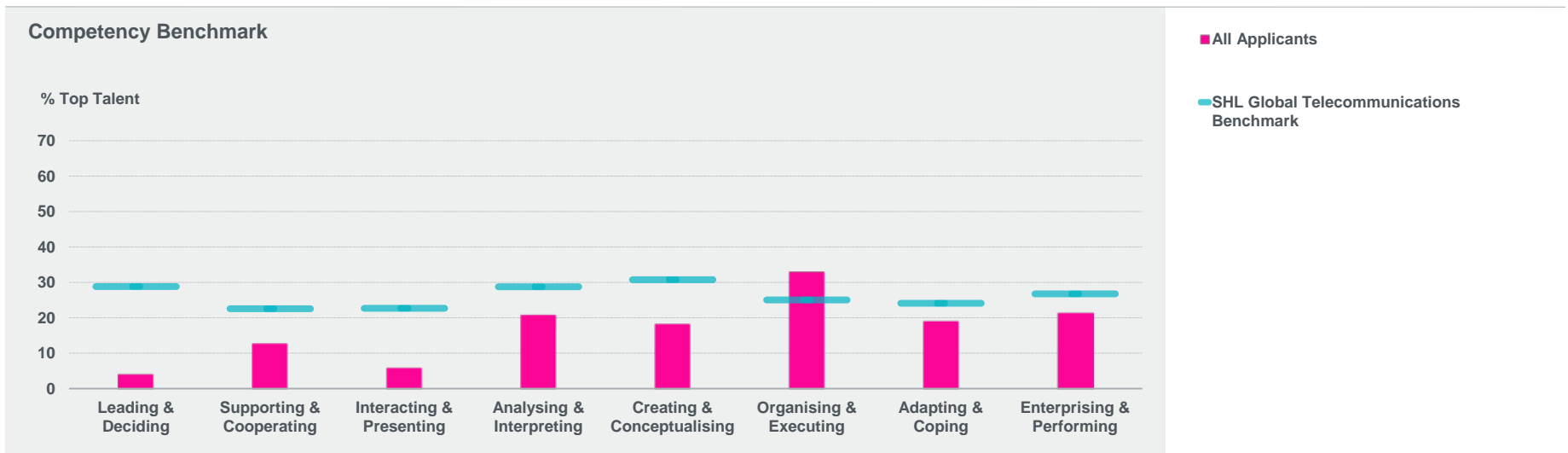
# G8 behaviours & organisational benefits

	Behaviours	Organisational Benefits
Leading & Deciding	Takes control and initiates action by giving direction and taking responsibility	Clearer objectives and commitment to achieving those objectives
Supporting & Cooperating	Works effectively with individuals and teams, and provides a consistent role model for the organisation's values	Greater collaboration and greater cohesion across employees, and stronger client perceptions that they are being listened to
Interacting & Presenting	Builds positive relationships by communicating, networking and influencing effectively	More effective communication and buy-in internally and externally to proposals and plans
Analysing & Interpreting	Gets to the heart of complex issues and problems through clear analytical thinking and effective application of expertise	More effective use and better understanding of data to drive strategy and decision making
Creating & Conceptualising	Applies innovation and creativity to develop new solutions in the context of the organisation's wider strategy	Ideas are translated into outcomes more effectively and with a clearer understanding of the wider context driving innovation
Organising & Executing	Promotes clear systems for the delivery of projects, products and services focused on quality and customer satisfaction	Stronger project and programme management with better quality in what is delivered and greater customer satisfaction
Adapting & Coping	Adapts and responds to change positively and effectively, and copes with setbacks	Greater likelihood that change initiatives are successful and that setbacks to achieving objectives are overcome
Enterprising & Performing	Achieves personal goals, and approaches tasks and opportunities with a view to commercial and financial factors	More consistent achievement of targets and KPIs associated with more efficient operations, revenues and margins

# Results of Phase 1: Ability (Verbal and Numeric) and OPQ32r

# Applicants show benchstrength for Organising & Executing

- The graduate applicants show benchstrength for Organising & Executing in comparison to the global telecommunications benchmark population
- Benchstrength is lower for the other seven competencies, particularly for Leading & Deciding and Interacting & Presenting
- How do the applicants compare in terms of cognitive ability?

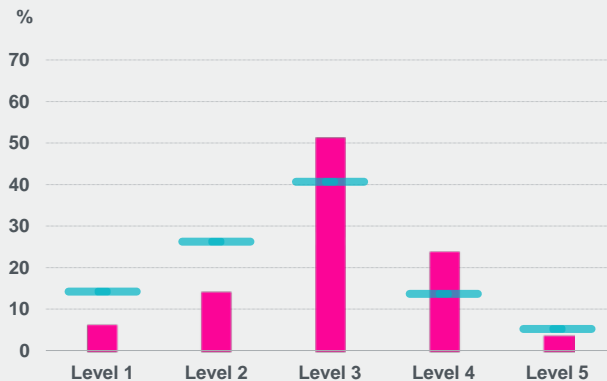


# Applicants match or outperform at Levels 4 and 5 for both Verbal and Numerical Reasoning Ability

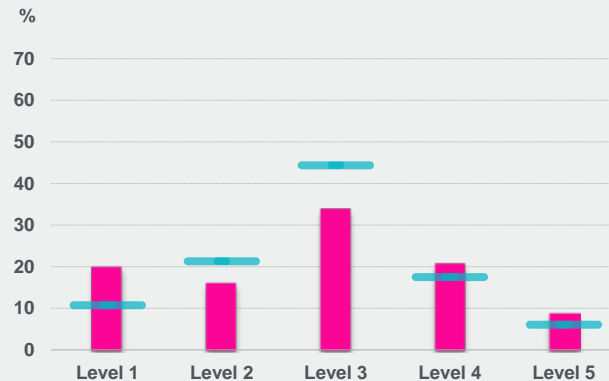
- The graduate applicants outperform the global telecommunications benchmark population at Level 4 and match at Level 5 where talent is strongest for Verbal Reasoning Ability
- They outperform at both Levels 4 and 5 for Numerical Reasoning Ability
- How effective is the recruitment process at selecting top talent?

## Overall profile:

### Verbal Reasoning Ability



### Numerical Reasoning Ability



■ All Applicants

— SHL Global Telecommunications Benchmark

# The recruitment process effectively increases the proportion of top talent in all eight competency areas

- The proportion of top talent retained in the selection process increases for all eight competencies, particularly Analysing & Interpreting, Creating & Conceptualising, Organising & Executing and Enterprising & Performing
- The proportion of top talent remains the same between all applicants and those who passed the ability hurdle for Leading & Deciding and Enterprising & Performing
- How effective are these stages in the recruitment process in terms of cognitive ability?



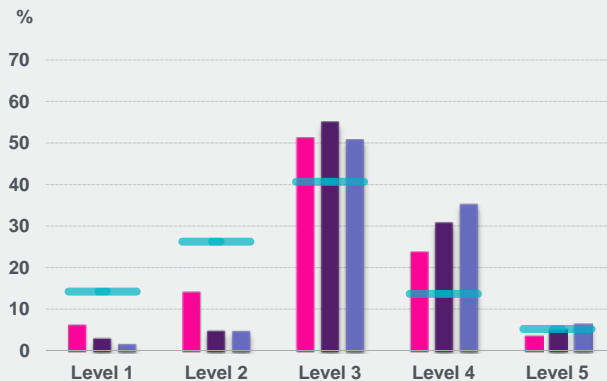


# The recruitment process is effective for selecting talent at Level 5 for Verbal and Numerical Reasoning Ability

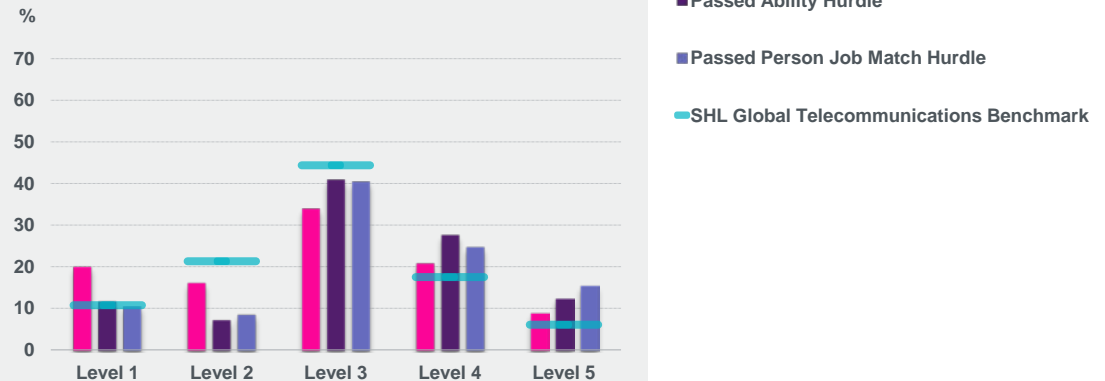
- The proportion of talent at Levels 4 and 5 where talent is strongest increases at successive steps of your recruitment process for Verbal Reasoning Ability
- For Numerical Reasoning Ability, the recruitment process increases the proportion of top talent at Level 5
- The proportion of top talent at Level 4 for Numerical Reasoning Ability decreases between the ability and person job match stages of the recruitment process
- How effective is the subsequent assessment centre stage of the recruitment process?

## Overall profile:

### Verbal Reasoning Ability



### Numerical Reasoning Ability

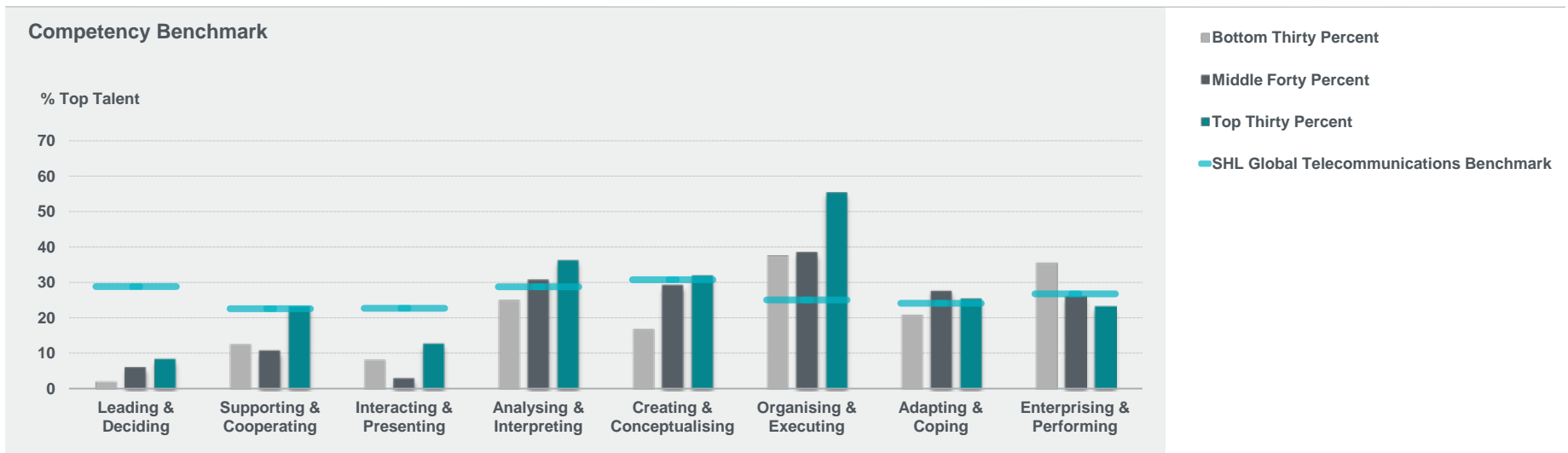


- All Applicants
- Passed Ability Hurdle
- Passed Person Job Match Hurdle
- SHL Global Telecommunications Benchmark

# Results of Phase 2: Three AC exercises (Written, Presentation and group)

# The top thirty percent of applicants in the assessment centre show benchstrength for six competency areas

- Applicants that score in the top thirty percent in the assessment centre show benchstrength for six competency areas, particularly Supporting & Cooperating and Organising & Executing, compared to applicants that fall in bottom thirty and middle forty percent
- Applicants in the bottom thirty percent show benchstrength for Enterprising & Performing
- How effective is the assessment centre stage of the recruitment process in terms of cognitive ability?

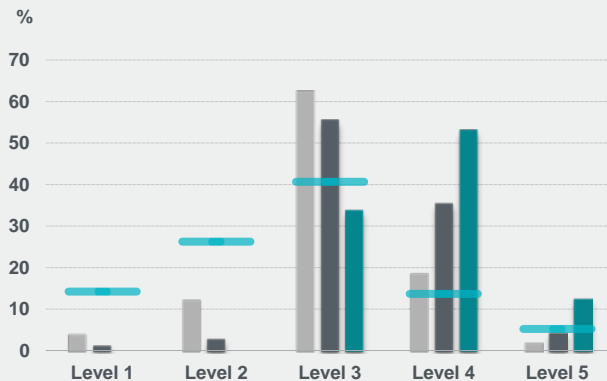


# Applicants in the top thirty percent outperform at Levels 4 and 5 for Verbal and Numerical Reasoning Ability

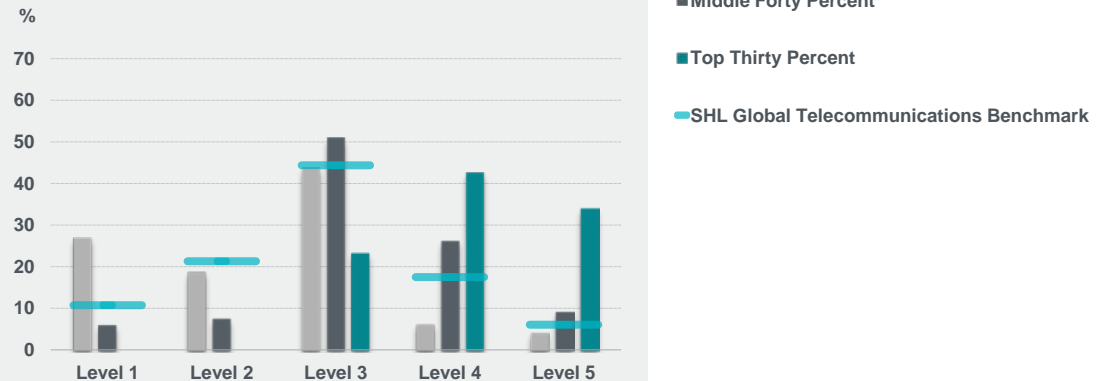
- There is a successive increase in Verbal and Numerical Reasoning Ability in those who score higher overall in the assessment centre
- Applicants in the top thirty percent of the assessment centre substantially outperform at Levels 4 and 5 for Verbal and Numerical Reasoning Ability
- How do applicants that score a minimum of three in the separate assessment centre tasks compare?

## Overall profile:

### Verbal Reasoning Ability

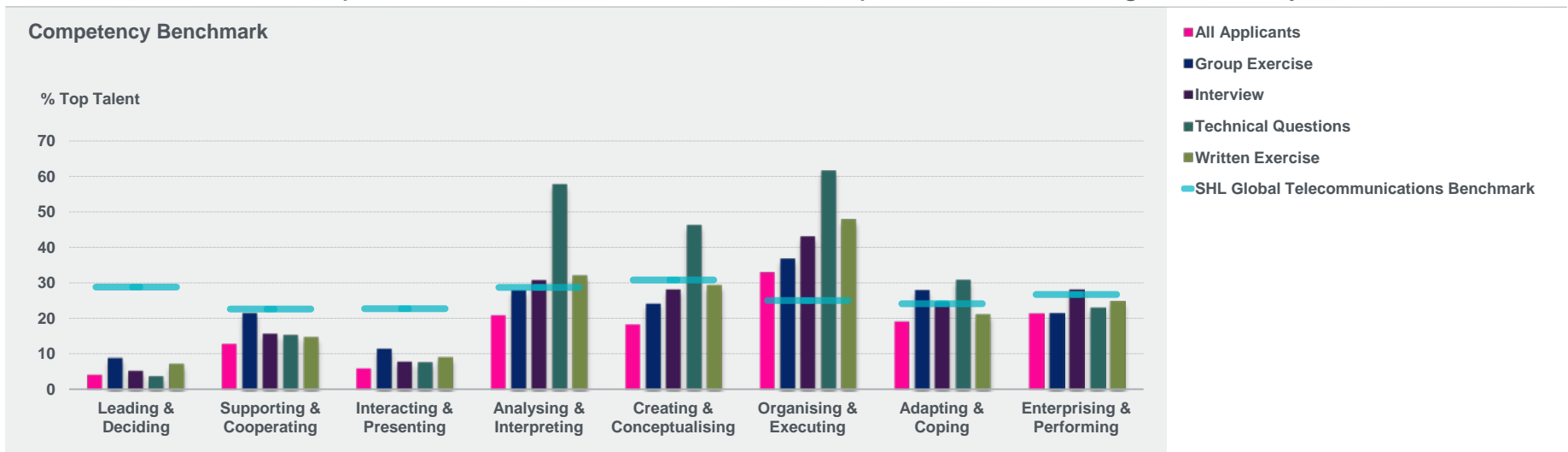


### Numerical Reasoning Ability



# Benchstrength varies for high scorers in the four different assessment centre tasks

- Applicants that score above three in the technical questions section of the assessment centre show benchstrength for four competencies, particularly Analysing & Interpreting and Organising & Executing
- High scorers in the group exercise show benchstrength for three competencies compared to high scorers in the other assessment centre tasks, particularly Supporting & Cooperating
- Applicants that score highly in the interview stage of the assessment centre show benchstrength for Enterprising & Performing
- How do the separate assessment centre tasks compare in terms of cognitive ability?

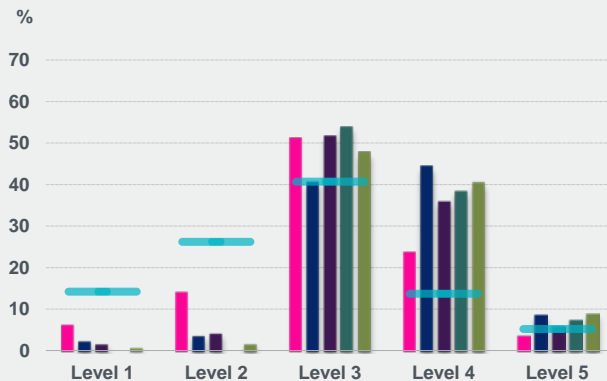


# High scorers in the written exercise task outperform at Level 5 for Verbal and Numerical Reasoning Ability

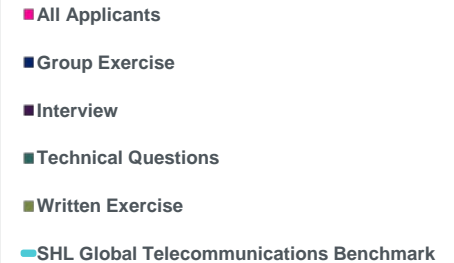
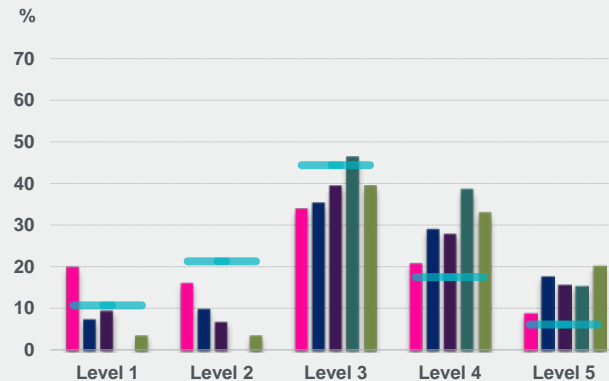
- Applicants that score above a minimum of three on the written exercise outperform at Level 5 where talent is strongest for Verbal and Numerical Reasoning Ability
- High scorers on the group exercise task outperform the global telecommunications benchmark population and high scorers on the other assessment centre tasks at Level 4 for Verbal Reasoning Ability
- Applicants who score highly on the technical questions task outperform at Level 4 for Numerical Reasoning Ability

## Overall profile:

### Verbal Reasoning Ability



### Numerical Reasoning Ability



# In summary

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- The outcomes:
  - This client improved the overall potential of candidates across both phases of the assessment process, and managed to out-select candidates who are not potential
  - The phase 1 screening process clearly added value by significantly reducing the numbers and, in doing so, saved the organisation cost
  - Through comparing the results it is evident which assessment exercises added the most value in identifying high potential, and which exercises may need to be reviewed
  
- The process:
  - Benchmarking and applying the concepts of Talent Analytics can illustrate to line managers what value the assessment process adds

# Closing Thoughts



# Closing thoughts

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- Conducting 'traditional' validation studies can be challenging when working with Assessment Centres
- Benchmarking candidates against an external comparison may provide organisations with an alternative to understanding the value-add of their Assessment Centres and specific exercises
- It will also give companies a good understanding of how their candidates – applicants and appointments – compare to the benchmark
- It can be done quickly and can, from a longer-term perspective, could always be followed up with a traditional validation study