



Psylutions

solve the people puzzles

Psychometric Testing – How can you afford not to use it?

War for Talent

In recent times, the cost of a bad hire is being felt even more so by organisations. In the current labour market with more candidates, but not necessarily more talent, it is critical to ensure that the best candidate for the role is successful. Many organisations are keen to fill roles quickly, often resulting in rushed selection processes. If the candidate looks good on paper and interviews well, you may be reluctant to invest the additional time and costs into psychometric testing. Although the candidate may come on board and fit in well, the worst case scenario suggests that they could have a number of behavioural issues that were not identified during the selection process, resulting in them leaving the organisation.

Cost of a Bad Hire

The cost of a bad hire is significant, and involves direct costs, such as advertising, using a recruitment agency, and the indirect costs, including time invested in reading resumes, interviewing, and training the new employee. So what if you could minimise the risk of making a bad hire by investing in psych testing?

Cost Effective

In such circumstances a rigorous selection technique is exactly what is needed, and is actually highly cost effective. In reality, psychometric assessments constitute only 4% of the total cost of the selection process (The Talent Institute, 2008). Research has consistently demonstrated that psychometric testing offers unique and valuable predictive information about an individual's on the job performance, allowing us to predict performance against the key competencies of the role. Cognitive reasoning tests in particular offer valuable information about an individual's verbal, numerical and conceptual skills that can be generalised across different types of jobs and situations. Personality or work styles questionnaires are also effectively used to assess job relevant behaviours and preferences in a work context, including emotional intelligence, interpersonal and leadership style, and team skills.

Benefits

The use of psychometric testing can lead to higher employee commitment, satisfaction, and reduced turnover, as they assist in placing the candidate in a

role they are well suited to where they are more likely to have a higher level of job satisfaction and consequently stay in the role for longer.

They allow you to assess not only a candidate's performance, but also their potential. You can also assess "below the line" attributes, such as motivations and values, that are difficult to assess using other selection methods.

Does One Size Fit All?

There is no "one size fits all" when it comes to psych testing. The best assessment, or battery of assessments to use depends upon the role, your budget, and the key competencies for the role. Often the best approach is to ask the experts – us!

Limitations

Although there are some limitations of using psych testing, such as the possibility of candidates faking personality profiles, or cheating when they do unsupervised testing, such occurrences are rare, and when used in conjunction with other selection methods they are often "discovered" during other stages of the process. Many psych assessments also have in-built scales that assess the extent to which the candidate has attempted to create a positive impression, or responded less consistently across the questionnaire.

Barriers to Psych Testing

One of the barriers to psych testing is that it can be difficult to get key organisational stakeholders on board. We recommend introducing the assessments slowly, perhaps with a pilot group for a particular role. Explain the cost benefits of using psych testing, and take a consultative approach. What are hiring managers' issues with the current selection process? How can psych testing manage that issue?

In the competitive business world, organisations are always looking for ways to get ahead. To gain a competitive edge, you need to have the right people, and to get the right people, you need to have a rigorous selection process that assesses both the performance and potential of your candidates. This ensures you can make the right decision for the long-term and avoid the substantial costs associated with making the wrong selection decision. Psychometric assessments are a cost effective, valid and defensive addition to your selection process, and can assist you to manage the challenges of the current labour market.



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