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HOW EFFECTIVE IS PRE-EMPLOYMENT TESTING?

Many already will know from that approximately 40 to 50% of companies use some form of pre-employment assessment or testing. Larger companies are more likely to use a pre-employment test than smaller ones and, according to Harvard Business School, top performing companies are more likely to use pre-employment testing than poor performing companies.

But just how effective is pre-employment testing - specifically, with respect to personality based assessments? And what can companies do to increase its effectiveness?

Test publishers provide testimonials and case studies of companies who have decreased turnover and increased productivity by using their assessment tools, but at a macro level, how effectively do personality assessments predict performance?

A study by the University of Waterloo answers these questions by exploring the effectiveness of personality assessments. The study: *Personality Predictors as a Measure of Job Performance* provides a meta-analysis of 13,521 job applicants covered in 494 studies who were assessed using tools based on **The Big Five** personality factors.

A key finding was that *how* the instrument was used made a huge difference in its ability to predict performance. Here is a summary of the findings:

If the personality measure was used in an “exploratory” way - for example, you assess the candidate’s personality to better understand him/her - the validity coefficient was .12 - about as effective as an unstructured interview.

If the personality measure was used in a “confirmatory” way- for example, you believe that your sales people should be extroverted and the assessment confirms this - the validity coefficient jumps .29 - more than twice as effective.

If the personality measure included a job analysis or benchmarking that objectively determined the personality measures deemed necessary for success, the validity coefficient increased significantly again to .38 - a level that is considered very respectable by most professionals.

Keep in mind that these studies measure the personality assessment in isolation and not combined with other methods, such as behavioural interviewing. It is possible to increase validity of assessments much further by linking the assessment to behavioural interview questions.

Source: Institute of Management 2006