

# Test match

By using psychometrics to assess how well a candidate fits the job and company culture you save yourself the expense and effort of forcing square pegs into round holes, says Jane Simms

'You can train a turkey to climb a tree, but it would make more sense to find a squirrel in the first place,' says Robert Myatt, director at business psychologists Kaisen.

Couched in such terms, the importance of finding the right person for the right job is obvious. But many organisations spend far more time, money and effort on forcing square pegs into round holes than they do on ensuring the right fit between candidate, role, team and culture at the outset.

This approach costs them dear. A study from business psychologists SHL and The Future Foundation estimates that poor selection and management of their people costs UK companies on average £1,000 per employee. That adds up to around £20 million a year for a FTSE company employing 20,000 people, and costs the UK as a whole an annual £12 billion.

'Most organisational problems arise because people are in jobs that their motivation and capability don't fit them for,' says Myatt. 'If you get square pegs in square holes in the first place, you don't need to train people so intensively or performance manage them so tightly once they are in place.'

Growing numbers of organisations, both large and small, are now using psychometric testing at interview to help them gauge candidates' suitability for a given role. Psychometric tests are highly sophisticated devices, designed and developed in the main by psychologists and underpinned by a vast body of research evidence, that assess not only mental abilities and aptitudes, such as verbal, numerical and spatial reasoning, but also personality charac-



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teristics, interests, values and emotional intelligence.

While the tests should not be used in isolation, they can flag up areas to probe at interview and provide robust, scientific back-up to traditional recruitment tools, such as the interview and the CV. They also allow companies to cast their recruitment net wider and not exclude people with no obviously relevant experience: someone with the right attitude will quickly pick up business know-how.

Research from the British Psychological Society shows that psychometrics can help companies reduce their recruitment costs by 70%, and evidence suggests that testing is a far more accurate predictor of job performance than

interviews, biographical information, references or even track record.

However, with more than 5,000 psychological instruments in the English language alone, it takes a practised user to be able to discern the excellent from the less than excellent and ensure that an organisation uses the right test to achieve the desired result.

'We have seen call-centre and retail staff subjected to numerical reasoning tests, when their jobs don't require them to calculate anything at all, because the system does it all for them,' says Myatt. 'Similarly, it would be unwise to use numerical and verbal reasoning tests to assess intelligence, as these are biased by people's experience – they might be used to working with numbers, for example – or by cultural background.'

In mass recruitment, ability and motivation tests can be a useful way of determining a long list of candidates to interview. 'Professional services firms get graduates applying to them in droves, but the drop-out rate is quite high. So being able to assess whether someone is motivated to knuckle down and do a job rather than go off travelling six months later is a valuable investment,' says Wendy Lord, chief psychologist at test publisher Hogrefe.

But using personality tests as a filter is inadvisable because it discourages diversity and excludes potentially excellent candidates, warns Myatt. 'Many different personality types can do any given job very well. Our sales director, for example, is an introvert,' he says.

But psychometric testing doesn't come cheap, and most companies tend to use it principally in graduate and

## Recruitment guide Psychometrics

### Atkins It's not just a recruitment tool, it's used for personal development too

Atkins, the engineering company, uses psychometrics to recruit and develop graduates, the executive team, board members and other high-potential employees. Attrition among the 900 individuals who have been through a 36-hour management development centre is just 2%, compared with a double-digit figure across the group as a whole. 'This result is even more compelling when you consider that these individuals are in the talent pool, so would find it very easy to leave,' says Brian Fitzgerald, director, HR development.

The management development centre comprises a 360-degree feedback exercise, psychometric tests to assess personality type, personal style and interaction with others, and structured interviews by occupational psychologists. 'This information allows us to produce a report on every individual, which we share with them and use as the basis for a personal development plan,' says Fitzgerald.

The exercise has also been replicated with graduates in their third year of employment with the firm and has reduced attrition to 6%. But, as

Fitzgerald says, it is one thing to analyse people's talent and another to build on their strengths, and the focus of management development at Atkins is to help people find what they like and are good at and help them do more of that.

'You shouldn't try to make people average by improving what they are bad at,' he says. 'So while we help people address areas for development, we only do that where it compromises their potential to be effective in their chosen role. We don't force people into people management roles if what they like best is constructing tall buildings.'

senior – though rarely board – recruitment. Lorna Chudleigh, regional manager for SHL, believes they may be missing a trick. 'Using some form of objective assessment will always provide more information than the interview alone,' she says.

Nottingham City Transport is a case in point. The company runs a fleet of 386 buses, and training and development manager Mike Lee has to produce 140 fully-trained drivers each year to cover retirements and expanding services. It takes six weeks and costs over £3,000 to train each driver, but the drop-out rate of trained drivers was one in three. With the help of Hogrefe, Lee decided to use the personality test, NEO, and a specific attention test, d2, to help him assess the likelihood of candidates making good bus drivers. The drop-out rate fell to one in 10 in six months, saving the company £72,000.

'd2 helped us make sure that the candidates had the basic focus of attention needed to drive a bus safely, while NEO gave us real insight into aspects of their personality – such as how they would respond to the public in stressful situations,' says Lee. 'We just couldn't get this type of information from a traditional, and often subjective, interview.'

At the other end of the recruitment spectrum, electronics company L-3 Communications TRL Technology used psychometric testing to help it recruit a new manufacturing director late last year. Sandra Hamon, director of HR, explains: 'We have grown at 33% for the past four years and shifted our

orientation from research and development towards the product and the customer. The previous incumbent was autocratic, task-oriented and energetic, and we needed someone who could empower people and be a strong member of the leadership team.'

They reduced the short list to two and asked business psychologists Pearn Kandola to conduct three psychometric tests on them to assess their character and preferred way of working. 'At interview one man was very chatty and outgoing, but the profiles indicated clearly that the other candidate was better suited to the job,' says Hamon. 'He will be harder to get to know, but in the medium and long term we are confident that he will deliver what we need.'

Lord believes that organisations get the best return on their investment in psychometrics when they use the information gained at recruitment for individual and team development, talent management and succession planning. As she points out: 'The knowledge gained by both individuals and the organisation can help the recruiter maximise their potential from day one.'

It's a lesson Nottingham City Homes (NCH) has learnt the hard way. NCH is an arm's-length management organisation, one of the not-for-profit bodies set up by local authorities to manage and improve their housing stock. In 2006, a year after it was established, the Audit Commission found fault with NCH's management capacity and skills, jeopardising £65 million-worth of government funding. Employment



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Mike Lee, training and development manager, Nottingham City Transport

development manager Susan Kashyap turned to SHL for help with overhauling its recruitment and management development processes, and together they used psychometric assessment and profiling to help them ensure that existing managers and new recruits demonstrated the required values and behaviours. Not only has the quality of management improved, but the use of psychometrics also conveys a more professional image than the organisation previously enjoyed, says Kashyap.

Ceri Roderick, partner and head of assessment at Pearn Kandola, believes that one of the greatest benefits of assessing people's core skills is to help them move across the organisation. 'You don't have to be pigeonholed as "finance",' says Roderick, 'because know-how is eminently developable. That leads to fewer silos and broadens people's thinking.'

Psychometrics can also be used, particularly at the most senior level in the organisation, to rule out candidates who are over-endowed with characteristics such as narcissism or obsessive compulsiveness – potential 'leadership derailers' that are very difficult to get at through a traditional interview.

Given the disproportionately large impact a board member can have on an organisation, and the huge cost of getting rid of them, the need for rigour in selecting and developing them is crucial. As Myatt puts it: 'It's the difference between backing a horse because you like the name, or increasing your chances of success by studying the form.' ■