

The Mechanics of a Successful Assessment Implementation



TALENT ACQUISITION

HCI White Paper

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EXECUTIVE SUMMARY

Previous Human Capital Institute webcasts and white papers have shown that when an organization invests time and effort into assessing the skills and attitudes of potential new hires, they are rewarded with increased ROI through improved talent performance and customer satisfaction¹. And, according to a recent poll of participants in a Human Capital Institute webcast on the topic of assessment, most organizations realize the value of such programs - e.g., 66% of the companies represented in the webcast already use assessments in the hiring process and another 23% are considering or planning on adding assessments.

In general, successful assessment programs share several common goals:

- o Address bona fide business needs
- o Evaluate candidates on job-related characteristics
- o Utilize valid assessments
- o Are implemented consistently
- o Incorporate formal decision rules
- o Are monitored for their impact
- o Are evaluated for their effectiveness

However, for an organization to take advantage of assessments to improve talent performance and fully achieve the above goals it is important for an organization to design a process that fits its specific needs. And to do this, they must consider both the science and technology behind assessment programs. In this paper we will introduce principles and methodology from the science of assessment that all organizations can apply to their own needs. In addition, a successful assessment program must account for the specific skills and abilities of the people being assessed, as well as those implement-

ing the assessments. To consider how differences in a talent pool can be accounted for, we will focus on one case study, that of the Starwood line of hotels and resorts.

THE FIVE-STEP MODEL

Assessing the ability of potential new hires to carry out a job, prior to hiring, can save an organization substantial time and money in recruiting and development. The goal is to find out if a person is right for a specific job before hiring them. Figure 1 shows the five steps that an organization should take to create a successful assessment program. "Every organization is somewhere on the wheel," explains Ken Lahti, Director of Client Solutions at PreVisor Inc. What matters is that each part of the process is conducted in a way that allows the organization to maximize the benefits of assessment.

Step 1: Diagnose

"What are the goals of your hiring process?" is the first question that an organization must ask itself, stresses Lahti. In some cases, the goal is to find people for hard to fill jobs or jobs with high turnover (e.g., call center positions). Different goals will mean different assessment requirements - so it is critical for an organization to clearly understand its own needs from the assessment program.

A key part of diagnosis is determining how successful assessment is measured. Some organizations may rely on individual measures of job performance - e.g., comparing the performance of new hires against a predetermined standard of performance. Other organizations rely on group or company-wide metrics, such as increased ROI, revenues, or customer satisfaction ratings. As part of a

Human Capital Institute webcast on the mechanics of assessment, Lahti gave an example of how the improper use of measures can decrease the efficiency of assessments. One call center decided to use only average "handling time" of calls as a measure of employee performance. However, this measure, while important, ignored customer satisfaction - a critical part of a call center's success. As this example shows, it is important that the measures of assessment success are aligned with an organization's business strategy - so that the improvements resulting from the assessments are directly linked to achievement of business goals.

The final part of diagnosis is to conduct a job analysis in which the tasks and behaviors that are important for success in a job are determined. In the call center example above that would be handling time and the behaviors directly related to creating higher measures of customer satisfaction. To determine

what to assess in potential new hires, an organization must be able to identify the competencies, skills, and behaviors needed to perform the necessary job tasks.

Step 2: Design

Once an organization knows what job characteristic need to be assessed, it must determine how to assess them. "Each characteristic may be measured in a similar way or handled differently," explains Lahti. The assessment may include such methods as:

- o Resume screening
- o Minimum qualifications
- o Skill and competency testing
- o Interviews
- o Background checks

Figure 1

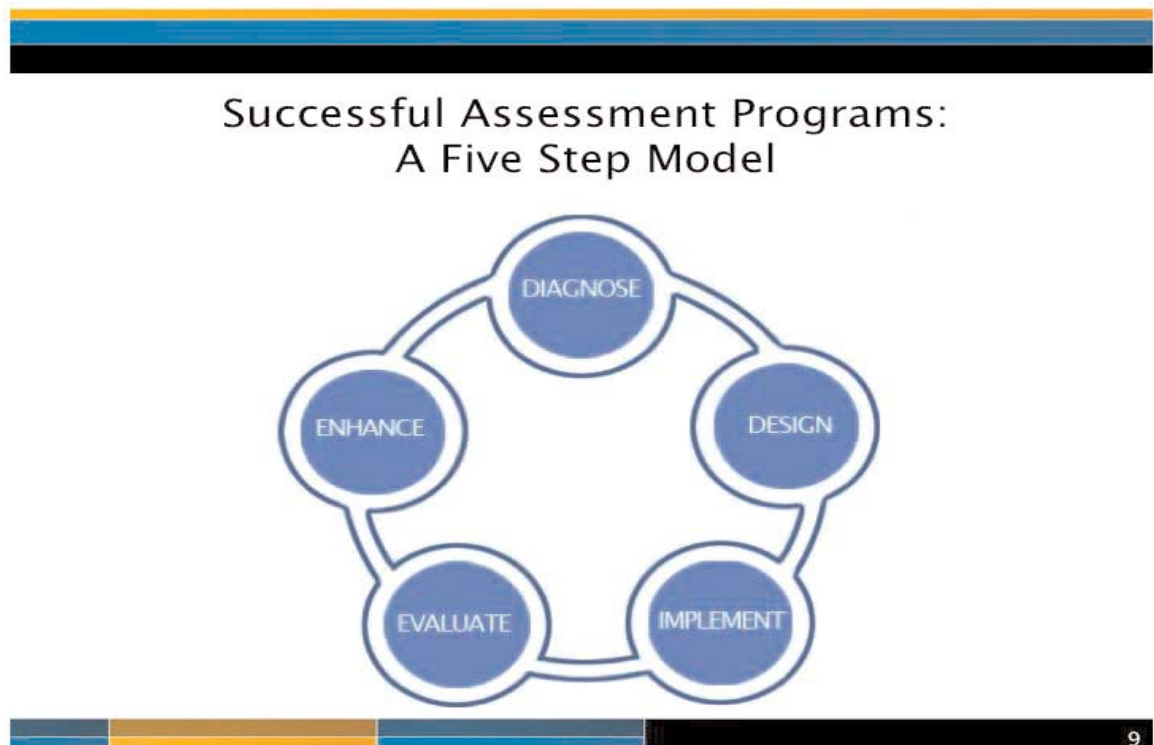


Figure 2 shows examples of assessment methods that can be used to measure specific job characteristics. As Lahti says, "There are a lot of arrows in the quiver," when choosing assessment tools. The ones in Figure 2 can be used independently or in conjunction depending on what characteristics an organization is assessing and the process being used. What matters is that the process is designed to maximize the efficiency and effectiveness of assessment - and that will depend on the information gained through the previous diagnosis stage.


The final part of the design process is determining how the assessment measures will be validated to support their continued use. Lahti describes three kinds of validity tests:

1. Criterion-related validity in which the assessments are shown to predict performance
2. Content validity where the assessments are shown to sample important work behaviors

3. Construct validity in which the assessments are correlated to a variety of meaningful measured - e.g., competency models, other tests, and performance measures and categories


Lahti emphasizes that you, "must be careful to validate what is actually being tested." A particularly useful method to do this is to determine the relationship between actual performance of current employees in certain task and assessment measures designed to test new hires aptitude for those same tasks. Assessments can also be used to help an organization determine if the new skills that will be needed in the future are best obtained by hiring people who already have those skills or through skill training of people already in the organization. In this case, the assessments are used to determine if the necessary skills already exists in the available labor pool. This link between assessments and development is an underutilized area that experts believe deserves more attention in the future.

Figure 2



Multiple Assessment/Item Types

Assessment/Item Type	Description
Background Info ("Biodata")	Ask about past experiences (education, work, life) that have been shown in large-sample research studies to predict success at work.
Situational Judgment	Ask what candidates think is best response in a work-related situation.
Personality	Traits, attitudes, values, and motivations that predict performance.
Cognitive Ability	Tests such as numerical reasoning, problem-solving, and critical thinking measures.
Skills	Activities that require candidates to demonstrate their proficiency (e.g., typing).
Job Knowledge	Questions that require specific job-knowledge and have right and wrong answers.
Simulation	Interactive demonstration of skills, aptitude, or abilities, designed to closely resemble actual job tasks. May not include items to answer, but rather tasks to perform.



Step 3: Implementation

"You can choose the best tests available, but the process can be derailed if the people are not aligned with the overall program goal," stresses Lahti. Ultimately, it is how well the assessment program is implemented by the people doing it that "will make or break the program." Successful implementation requires effective management of and training in the running of the assessment program. Open communication with all key stakeholders in the assessment process is also necessary - both within and outside of HR. While the people involved in the implementation will vary from organization to organization, Lahti recommends a central project manager to drive assign and drive the implementation tasks, a steering committee of key executives, an IT liaison, representatives from the different parts of HR and customer service representatives (to ensure that the assessment includes consideration of customer service skills).

Finally, consistency in the implementation and usage of the process across the organization is critical. To a large extent, consistency will depend upon enterprise-wide monitoring of the implementation that should also be part of the evaluation step.

Step 4: Evaluation

Closely linked with the design and implementation steps, is the continuous evaluation of the assessment program. This may be done either after implementation or, even better, during the design and implementation process - as part of validation and monitoring. The best evaluation process is one divided into two parts; 1) validation and 2) business outcome research. The former focuses on

monitoring the assessment program for adverse impact, as well as to further document the program's job-relatedness. Business outcome research is conducted to continuously build the business case for the program by measuring its ROI. Not only is the purpose and methods of these two parts of the evaluation process different, but also so is the audience for their results. Validation results are documented for legal and technical purposes - to ensure compliance and test methodology. The business outcome research is conducted with the organization's senior business leaders in mind - to make a case to them for the value of the program.

Step 5: Enhancement

The final step in developing an effective assessment program is the enhancement of the program. This step depends upon the data collected by the various metrics put in place during the diagnosis step. The collected data is used to make decisions on whether to add or remove specific components of the assessment in order to enhance efficiency. The data is also used to adjust the importance placed on particular components of the assessment program - again with the purpose of maximizing the efficiency of the program through improving the links between assessment, resulting talent performance, and the successful achievement of business goals and strategy. Streamlining the implementation process through ongoing feedback depends upon making the right change decisions, based upon the best data possible on the success of the assessment program in meeting its goals.

The step-by-step model outlined above makes the development of an effective assessment program seem like a simple matter of following the instructions. However, as Lahti admits, the reality will

depend upon an organization's specific needs and, most importantly, upon the people being assessed and doing the assessing. To consider how to account for real people in the development assessments, we turn to a case study of how one organization implemented and ran their program.

CASE STUDY - STARWOOD

Starwood Hotels & Resorts Worldwide, Inc. is a global organization that owns, manages, and franchises 850 hotels and resorts under various brands. Like many large hotel chains, each Starwood hotel runs almost independently, with hotel managers acting as CEOs of their own corporation - making the implementation of a common assessment program across hotels difficult and, in some instances, not even possible or desirable.

Monica Hemingway came to Starwood a little over one year ago as Senior Director of Selection & Assessment with the purpose of developing and implementing assessment programs for the hiring of its guest contact associates - the people whose day to day contact with hotel guests determine, to a large degree, customer satisfaction, repeat business and, ultimately, profits. What Hemingway found at Starwood was the limited use of assessment tools in North America and the selective use of such tools in Europe (see Figure 2 for a list of various selection tools). There was no assessment related policy, guidelines, training, tracking, or metrics of any kind in place. As with most hotels, most guest contact associates were hired "off the street," with only the initial job interview and application being used to assess whether the applicant's ability matched the job

Figure 3



Hemingway's challenge is now to build and implement assessment and selection tools for all positions (guest contact and others) globally over the next two to three years - with the stated corporate goal of becoming the industry leader in implementing global selection processes.

Starwood started by listening to the "voice of their [internal] customers," explains Hemingway. In terms of the 5-step model above, this was the diagnosis stage, in which Hemingway and her staff sought to understand the current situation through a series of interviews, focus groups, and site visits. Specifically, they tried to understand as much as possible about the relative importance of the:

- o Tools in use
- o Hotel/testing environment
- o Labor pool
- o Recruiting capabilities
- o Organizational / HR familiarity with, and views of, selection testing
- o Business drivers
- o Legal issues associated with the franchise and global nature of their organization
- o Supporting resources already in place for the implementation of the assessment program

Early in the above process, Hemingway discovered two important factors that would guide the future implementation of the program. First was that proctored testing (a standard of many assessments) was not logistically feasible for walk-in recruits at most, if any, of their hotels - there was simply not enough available space to be used or staff to proctor the testing sessions. The second important finding was that any assessment had to be designed so as not to screen out too much of the available labor pool. Competition for hotel workers is so

great that being too selective would only result in not having enough recruits to fill available openings.

To guide the above process, Hemingway says that being able to answer the following two questions were key:

1. How will selection assessments help us?
2. Where are the biggest gaps?

Answers to the first question are necessary to build the business case for any new assessment program, while answers to the second question are important for the design of the program.

All organizations, when planning an assessment program, need to evaluate what they already have in place that they can keep (or should drop), as well as the particular hiring needs of their industry. To begin their implementation process, Hemingway focused on the mantra, particularly true when hiring hotel staff, of "Hire for Attitude / Train for Skill." Training could compensate for the relatively limited skills of many in the available labor pool. However, poor attitude, particularly towards customers, is harder to overcome. They therefore decided to include only a limited amount of skill-based testing in their guest contact assessments and kept the passing score low enough so as not to "screen out" too many potential employees.

There will be many other logistic issues that an organization will need to contend with when implementing assessments. For Starwood, the lack of necessary space and proctors for paper-based tests forced them to use computer-based testing that could be taken on site or off site (e.g., a public library or the recruit's home). However, given the

range of computer skills among the applicants, this required attention to the development of the test to make it easy to take. Starwood accounted for this through a simple interface (that made the computer screen look like a piece of paper), simple instructions, and the availability of HR staff to show people how to take the test (or, if absolutely necessary, fill it out for them). To further assure that the assessment was "user friendly" the questions were written at a maximum of a 6th grade reading level (a level that should be adjusted up or down based upon the type of jobs being filled).

After deciding what to test, Hemingway's group began to tell people in the company about the assessment tools already in place and those about to be implemented. It is important that all organization stakeholders have an understanding about what is already in place and how well they work (or don't), so that they will see the need for further enhancement. Nothing works better to make the case for an assessment program than hard data. So along with communication, the other major part of Starwood's implementation process is validation. "Show that it works and do this as many times as necessary - and then do it again," explains Hemingway. She amplified this point with her example of the validation of assessments tests of new hires at call centers that showed that they worked if used properly - which the call centers didn't do. The only solution was to repeat the validation studies as many times as necessary until they were able to convince the call center to improve their use of the assessments.

Finally, data alone is rarely enough to convince people. "Telling success stories," of when the implementation of assessments results in measurable improvement in talent performance or ROI should

be told - both to motivate new users of the assessments and to convince executives of the need to support the process! For Hemingway and Starwood, one way to tell the story of their assessment program was by creating its own identity "brand." "Communicate, Communicate, Communicate!" stresses Hemingway.

CONCLUSION

As Hemingway points out, many organizations are where Starwood was a little over a year ago, with little or nothing in the way of assessments and little desire by many in the company to put a program in place. To meet this challenge, Hemingway outlines a practical approach that is very similar to Lahti's 5-step model:

Develop your selection tools/process

- o Get buy-in from all key stakeholders
- o Involve those in the organization who will be most affected by the program in decision-making - this will increase the credibility of the program within the organization.
- o Align the program with the organization's long-term business strategy

Prepare to implement

- o Develop a clear and measurable plan that is developed with the stakeholders
- o Develop policies, guidelines, decision-making processes, supporting resources (FAQs, Info Guides, Quick Reference Guides, websites, etc.)

Pilot

- o Address the logistics (the "how")
- o Collect data on the assessment tools metrics, compliance, etc.
- o Make modifications - and tell people what you

have changed

Roll it out

- o Keep people involved - communicate, train, and coach.
- o Monitor constantly to catch problems early

Maintain

- o Continue monitoring, training, improving, and communicating to all people within the organization your own success stories

¹See, for example, the following two Human Capital Institute webcasts: 1) The ROI of Assessment, April 11, 2006 and 2) Why Assessments Work - Answering the Debate, October 27, 2006

Based on the Human Capital Institute webcast, *The Mechanics of a Successful Assessment Implementation*, March 1, 2007

PRESENTERS AND PANELISTS

Monica Hemingway

**Sr. Director of Selection & Assessment
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Dr. Monica A. Hemingway is Sr. Director of Selection and Assessment at Starwood Hotels & Resorts Worldwide, Inc., where she is building a new selection practice to develop and implement assessments throughout the organization. She has extensive experience in the areas of job analysis, test development, validation, and implementation. She is an authority on global selection practices and has developed selection systems for many different job families and positions in a wide variety of countries and industries. Dr. Hemingway received her Ph.D. in Industrial and Organizational Psychology from Bowling Green State University. She has pub-

lished in the areas of job analysis and selection system design, serves on several professional committees, and is a frequent speaker at conferences and invited presentations. She is also a certified Six Sigma Black Belt with experience in both design and process improvement.

Ken Lahti

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Ken Lahti completed his Ph.D. in Industrial-Organizational Psychology (I/O) at Colorado State University and has over 10 years experience in the field of personnel selection and assessment. His interest areas include ROI / utility of assessment programs, selection system design, executive leadership processes, use of strategic vision to inspire employees, and employee citizenship and job performance. In his career, Ken has developed a variety of tools including personality assessments, cognitive ability and achievement tests, organizational culture/climate surveys, performance evaluations, and behavioral simulations and assessment centers. In addition, he has taught numerous university courses including psychometrics, graduate-level statistics, and the philosophy of science. Ken has been with PreVisor for four years and is currently Director of Client Solutions, where he works with Fortune 500 clients at the intersection of business and science, designing selection systems to meet strategic human capital management goals.

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Heidi Anderson, Vice President/Senior Manager is lead for Non Exempt Strategy Planning for Citigroup North America Consumer Group Operations and Technology Staffing. Following

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Dr. Janice Presser is President and CEO of The Gabriel Institute, headquartered in Philadelphia. TGI is a professional services company and innovative solution provider that helps clients manage, measure and maximize their human capital. TGI is the originator of Role-based assessment, a tool used for pre-employment screening, enhancing workforce performance and preventing workplace conflict. Dr. Presser has pioneered the use of behavioral assessment techniques in organizational development and, with members of TGI's assessment team, has developed programs, techniques and tools that bring predictable results to Human Resource and Organizational Development initiatives.

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search practice focused on telecommunications. This endeavor helped lay the groundwork for the significant contributions he has made to the core curriculum of AIRS. Bill earned a BS Degree from the Newhouse School of Public Communications at Syracuse University and spent 10 years as a journalist working for several media organizations, including ESPN and the Rocky Mountain News, before entering the recruiting industry.

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