Can personality testing increase my legal risk? How do I know which skills assessment test to administer for a specific job role? How should I implement a personality profile test into my hiring process? You’ll find the answer to these and other commonly asked questions in our Best Practices & Guidelines. CEB’s SHL Talent Measurement selection tools and its professional consulting services can help organizations establish hiring and promotion processes with demonstrated validity and the potential for a positive return on investment. Ultimately these enhanced selection processes can help organizations identify and retain top talent and have a positive impact on business results.

Below are some of our best practice recommendations for appropriate identification and use of assessments in a hiring process. These recommendations are based on our extensive experience in assessment design and implementation, combined with current professional and legal guidelines in this area.

- Benefits of Assessments
- Determining Return on Investment
- Increasing Objectivity and Enhancing Defensibility
- Understanding and Documenting Job Requirements
- Establishing the Validity of Assessments for the Specific Job
- Implementing Assessments Effectively
- Evaluating and Optimizing the Effectiveness of the Assessments
- Proctored Versus Unproctored Testing
- Legal Compliance
Benefits of Assessments

Ultimately, a poorly designed assessment or hiring process may be no more effective at identifying a successful job candidate than the flip of a coin. The impact of poor hiring decisions can have costly and far-reaching outcomes, such as increased employee replacement and training costs or increased legal exposure. Organizations that carefully choose assessments and related services that best meet their needs will have a clear competitive advantage.

- Benefits to identifying and using well-developed, valid and consistently applied assessments for hiring employees may include, but are not limited to:
  - Making better, more defensible hiring decisions
  - Increasing the productivity and profitability
  - Improving job fit and reducing employee attrition
  - Reducing unnecessary human resources costs by reserving more costly interviewing and background screening steps for candidates who are successful on the assessments
  - Decreasing the risk of candidates filing justifiable hiring complaints
  - Presenting a positive and professional image to job candidates

Determining Return on Investment

Are assessments worth the investment?

Yes. Through scientific research, we have repeatedly demonstrated that using assessments helps employers make better hiring decisions and improve business outcomes, such as increased revenue and productivity. In addition, effective use of selection assessments can lead to cost savings, due to:

- Increased process efficiency and decreased candidate processing time (e.g., staff time required to review resumes or conduct interviews)
- Enhanced legal defensibility of the hiring process (e.g., ease of moving through OFCCP audits)
- Reduced training caused by hiring unqualified employees
- Fewer performance problems caused by hiring employees who interviewed well but were not the best candidates for the job
- Better qualified and, therefore, more effective workforce

How can CEB help my organization measure the return on my talent investment?

CEB works with clients to identify key business metrics related to a particular job, and then examines the relationship between employment testing results and these business metrics. Through business outcome studies, we can help clients understand the value of assessments. By showing that assessment scores are related to business results, clients can see the impact of assessments on their businesses, and then communicate that value to other stakeholders in their organizations.
Increasing Objectivity and Enhancing Defensibility

Do assessments increase my legal risk?

When implemented appropriately and consistently, assessments actually reduce your legal risk because they add an increasingly objective component to the hiring process. The absence of a formal selection system results in a relatively subjective hiring process that may increase the potential litigious complaints about the employer’s hiring process. A key to any legally compliant selection process is to ensure consistent application of assessments that are related to job performance.

Including objectivity in the hiring process is also significant to enhancing candidates' impressions of the organization - that they are being treated fairly during the hiring process. In turn, this may decrease the likelihood that candidates file complaints regarding the process.

What types of legal challenges should I be concerned about?

Any decision made as part of a hiring or promotion process may come under scrutiny as part of an internal grievance process, an Equal Employment Opportunity Commission (EEOC) complaint or an Office of Federal Contract Compliance Programs (OFCCP) audit. These challenges may include claims that a specific selection procedure is not related to a person's ability to perform well in a particular job, or because candidates believe the process screens out a disproportionate number of people in a protected group. Using a well-developed and consistent selection process greatly mitigates this risk.

What steps can I take to increase an assessment’s defensibility?

Organizations that proactively implement assessments in compliance with relevant legal and regulatory guidelines and that monitor, evaluate and update their processes are better prepared should their selection processes be challenged. Effective use of job-related assessments help organizations objectively compare candidates on competencies that are important for job performance, rather than relying on “first impressions” or other factors that may not be related to success in the job.

Establishing the Validity of Assessments for the Specific Job

What is validity and why is it important?

A key component in developing a sound assessment program is to formally establish the job relatedness, or validity, of any assessments chosen. Using a validated assessment is paramount not only for supporting the legal defensibility of a hiring system, but also for providing support that the solution yields a strong return on investment.
How do I determine validity?

As an important first step to determining validity, employers should choose assessments based on their link to the important competencies and/or work behaviors that are needed from day one on the job. CEB uses various methods to validate its assessments. Each is supported by current legal and professional standards.

Content Validity

Content-related validity focuses on demonstrating that the content of the assessment adequately represents the work requirements of the job. Samples from the work requirements on the target job. For example, a word processing skills assessment would be content validated for an administrative assistant job by showing that the operation of word processing software is an important work requirement of the job.

Criterion-Related Validity

Criterion-related validity investigates whether there is a significant statistical relationship among assessment scores and job performance, training performance and/or job tenure. If a significant relationship is established, candidates with more favorable scores will be expected to demonstrate better performance on the job.

Validity Transportability

Validity transportability focuses on examining the similarity between our clients' jobs and the jobs for which criterion-related validity evidence has already been established for a particular assessment. Validity transportability is appropriate when substantial evidence of criterion-related validity has been established in other organizations, and there is significant similarity between the job in question and the jobs that were included in the original criterion-related validity studies.

Evaluating and Optimizing the Effectiveness of the Assessments

What are the reasons for monitoring and evaluating our selection systems after implementation?

- As jobs and job requirements change, assessment programs need to be updated to reflect these changes
- Monitoring results helps identify areas where administrators are not consistently following established guidelines so that additional training or education can occur
- As legal requirements change over time, selection processes should be evaluated and revised as necessary to ensure that they remain legally appropriate
- Organizations may find that some procedures may be too restrictive and need adjustment to optimize hiring objectives (e.g., they screen out too many candidates)
- Some procedures are simply not feasible in a particular business environment, and therefore the procedures must be modified to improve success
What is the best way to optimize our selection systems?

Optimization begins with a complete and thorough analysis of the business impact and financial benefits resulting from implementing assessments by using metrics such as productivity, attendance, turnover, customer service ratings and sales. When a number of employees have been on the job long enough to get beyond the initial “learning curve,” you can determine the relationship between their pre-hire assessment scores and subsequent performance on the job. Incorporating employee reviews, performance ratings and other metrics into your analysis will provide a complete picture of the employee, capturing a person's total contribution to the organization.

Results of these studies help identify situations where the organization may choose to make modifications to improve validity and minimize adverse impact.

Proctored Versus Unproctored Testing

What are the different test administration options?

- Unproctored Test Administration - testing with no direct human supervision of the test session.
  Advantage: reduces resource drain on the test administrators
  Disadvantages: does not ensure test taker verification or eliminate confidentiality, cheating and potential legal ramifications
- Unproctored with Identity Verification - testing with no direct human supervision of test session, but the test is only made available to known test takers.
  Advantage: reduces the potential of the test taker falsifying his or her identity
  Disadvantage: is not a full-proof method of verifying the test taker's identity
- Proctored Test Administration - testing with direct human supervision of the session, and the test taker's identity can be verified.
  Advantage: reduces the potential of the test taker falsifying his or her identity
  Disadvantage: may be unrealistic or create an administrative challenge for all test sessions to have direct human supervision
- Unproctored with Proctored Follow Up - a combination of both proctoring and unproctoring testing methods.
  Advantage: reduces the potential of the test taker falsifying his or her identity
  Disadvantage: can increase the number of times a candidate is tested if there are two separate testing sessions
- Third Party Administration - having a third party administer and proctor your organization’s testing sessions.
  Advantage: can ease the administrative burden of testing a large number of candidates at one time
  Disadvantage: can be cost prohibitive for a relatively low number of candidates
Are there preferred administration methods based on type of assessment?
In general, tests that have a specific right/wrong answer (e.g., math test) are better suited in a proctored environment. For behavior or attitudinal type assessments (e.g., personality), either a proctored or unproctored administration method is acceptable.

What is unproctored Internet testing?
Unproctored Internet testing (UIT) refers to the administration of Internet-based tests to a candidate without being able to verify the candidate’s identity or ensure consistent testing conditions. While the Internet allows for testing anywhere at any time, there are some risks to using UIT.

What are the risks associated with UIT?
Administering tests without verifying a candidate’s identity could lead to a compromised test session. It is never known with 100% certainty that the person who takes an assessment is the person who shows up on the first day of work. With UIT, the certainty of applicant identity is lower. No matter the security measure, cheating and/or misrepresentation are risks inherent to UIT.

In response to this situation, what is CEB’s best practices recommendation for UIT?
We recommend:
- Have a single point of applicant entry into the UIT such as a one-time use URL to minimize the risk of a compromised testing session
- Follow unproctored testing with a proctored testing session to verify consistency in candidate responses

Our research shows:
- UIT test scores do not typically rise over time (as one would expect if applicants were successfully cheating on tests)
- Unproctored tests continue to generate ROI for our clients
- Applicant EEO diversity can be maintained