

Put applicants' skills to the test

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Abstract (Summary)

Sixty-two percent of companies test for specific job skills and 34% test for reading and math literacy, according to a survey by American Management Association. Job applicant testing has been most common in the retail, manufacturing and transportation sectors. However, service and health care industries are beginning to turn to pre-employment testing as well. The real benefit to test users is the increase in quality of people the hire. Another benefit of testing is its standardization of a sometimes subjective process. Most test publishers will help you create profiles of the tasks and skills required for each job. To ensure integrity of the test, it is important to keep external factors similar for all applicants. The most important thing to look for in a test publisher is a company that has done sufficient research to prove that its tests are valid and nondiscriminatory.

Like many retailers, Dress Barn, a women's apparel company headquartered in Suffern, N.Y., began using "honesty" tests about a decade ago to stave off losses due to theft and excessive absences. But, it soon became apparent that these tests were too narrow, David Montieth, vice president of human resources, explains. Now, "we give a 'customer service inventory' to sales associates and assistant managers, which tests for customer service attitude and aptitude, sales aptitude, service index, tenure, drug avoidance and honesty." Dress Barn conducts preemployment testing for all positions in all stores, except in Massachusetts, where it is not permitted by state law.

Dress Barn is not unique in its expanded use of preemployment testing. Sixty-two percent of companies test for specific job skills and 34 percent test for reading and math literacy, according to a survey by the Washington, D.C.-based American Management Association (AMA). The AMA found that 36 percent of job applicants tested in 1998 lacked sufficient reading and math skills to do the jobs they sought.

Job applicant testing has been most common in the retail, manufacturing and transportation sectors. However, service and health care industries are beginning to turn to pre-employment testing as well. But, "with unemployment at an all-time low, people have started to use the tests a little differently," says Rob Altmann, research psychologist for NCS, a test publisher for workforce development and clinical products in Minnetonka, Minn.

"Traditionally, tests were used to screen out," he explains. "Now they're being used to screen in. What I mean is, if somebody has average test results, the company can use the components from the test as a developmental tool." For example, "'it seems like this person's customer skills are good, but his math skills aren't where we want them to be.' Then the company can focus on training the individual in his weak areas."

William E. Brock, former U.S. labor secretary and chairman of Intellectual Development Systems Inc., a cognitive assessment company in Annapolis, Md., agrees- "Most businesses have to do a lot of training after they hire somebody. Training is an increasing imperative in America. What we're trying to determine is, can the applicants take the training? Will this class be facile or a struggle [for the applicants]?"

Brock notes that some tests also provide trainers with information about the applicant's preferred learning style, and that this information "dramatically cuts training time, increases the effectiveness of the training and improves retention."

The Benefits

"The main reason people use tests is to identify attitudes and skills related to the job that they cannot identify in an interview because the types of questions they would ask are too complex," says Altmann. Tests are a "much more efficient way of getting that type of information,"

Charlie Wonderlic, president of Wonderlic Inc., an employee testing firm in Libertyville, Ill., agrees. "When designed and utilized properly, employment tests possess the unique ability to fairly, objectively and efficiently compare and contrast job candidates' qualifications."

Grant Parks, vice president of strategic relations at Skillscape Skills Management Services Ltd., a skills assessment company in Calgary, Alberta, Canada, estimates that testing is two times faster than any other screening method. "When asked point-blank competency questions, you get faster, more accurate results." Thus, tests are not only timeefficient but also cost-efficient. "it can be extremely expensive to hire the wrong person,- adds Parks.

The real benefit to test users is the increase in quality of the people they hire. That has been true at Cox Communications, a telecommunications company in Rancho Santa Margarita, Calif. "The survey tells us quite a lot about an applicant," says HR consultant Lisa M. Copp, who prefers to use the word "survey" as opposed to "test" to ease applicants' anxieties. "If an applicant scores low in certain areas, it shows in their work. On the other hand, if they score high in certain areas, that also shows. It has proven to be an effective part of our screening process." Cox has been using a program since 1996 and tests for honesty, safety, work values, drug avoidance, customer service skills and attitude toward supervision.

Another benefit of testing is its standardization of a sometimes subjective process. "People like the consistency of screening procedures. It gives you an objective piece to look at," says Altmann. "If people do interviews without anything else and then in three months are asked what the applicant said in the interview, they have trouble remembering. When you have the results of the test, you can put it in a file" to refer to later.

Test Typing

There are dozens of different types of pre-employment tests you can buy. Regardless of whether the test publisher calls them aptitude, achievement, ability or skills assessment tests, most tests measure either character traits or mental abilities.

Before you select a test, it is "important to understand what the job entails. That allows you to identify what types of tests best serve your purpose," says William G. Harris, executive director of the Association of Test Publishers, a nonprofit organization in Washington, D.C. Harris recommends doing a thorough job analysis. "Look at the tasks involved with the job and examine the job description. You want to understand what you need to be measuring for."

Most test publishers will help you create profiles of the tasks and skills required for each job. And it's a good idea to have profiles handy, regardless of how extensively you test your applicants.

"Job profiles have helped our company understand what our employees really do vs. what the old job descriptions said they do," says Mickey Lord, coordinator of educational services at Agway Energy Products, a provider of fuel, heating and air conditioning equipment in Syracuse, N.Y. "I received thank you notes from employees who participated in the job profiling process. They were excited to be asked about their jobs, and they were honored to know that their information would be used for creating companywide development activities and for recruiting future colleagues." Test publishers charge \$1,200 to \$4,000 for each job profile.

For which positions should you consider profiling and pre-employment testing? It depends. "While employment tests are used for virtually every type of job, they are most frequently used for entry-level workers due to the fact that many candidates for these positions do not have enough work experience to evaluate the potential for success," explains Wonderlic.

The Logistics

Testing formats vary widely, from traditional pencil-and-paper exams to computerized testing. "Some of the latest developments in the last few years are to take them on the phone. You punch in your responses over the phone," says Altmann. And there are as many options for scoring as there are for taking the tests. "A computer will score it almost instantaneously," explains Altmann, "There is also fax scoring, scan form scoring and phone scoring, where you translate the responses into numbers and punch them on the phone."

The Dixie Group, a floor-covering manufacturer in Calhoun, Ga., believes in the value of testing so strongly that many of its testing activities are performed internally. The company has four ACT-licensed profilers on staff, ACT is a research and assessment company in Iowa City, Iowa, more commonly known for college testing, that produces

Work Keys, an employment testing program. "We also do our own scoring with a Scantron machine and modern that sends the test data out to ACT, and then we receive the scores back within a minute," explains Alan Artress, Work Keys development director. "This feature is critical when a hiring decision is being made at a plant. Applicants can know how they did on the test before they walk out the door."

A basic test for an entry-level position can last 20 to 30 minutes, whereas a specialized, professional test may take one to four hours. "Tests consist of a few to several hundred questions," explains Wonderlic. "Some tests are scored with answer keys, while others use sophisticated algorithms to calculate scores and describe test results."

Costs depend on the length and number of components in the test, but most tests average \$5 to \$40 each for entrylevel positions and \$100 to \$200 each for specialized professional or managerial positions. Cox Communications, for instance, spends \$18 per applicant.

But, "when you balance that against the expense associated with making a bad hiring decision, then it's quite a meager investment," says Michael McClenic, vice president of the workforce development division at ACT.

Potential Pitfalls

To ensure integrity of the test, it is important to keep external factors similar for all applicants. "When you develop a test, you also develop a set of procedures on how it should be administered. You can't be casual with the requirements," explains Harris. "If the test is timed and requires 30 minutes, but on some occasions you allow the test-takers to go 35 to 40 minutes, it's not going to give you the same type of results- as when you give an applicant 30 minutes. Thus, the test-taking conditions must be identical for each applicant.

Problems also can arise if candidates feel anxious about being tested. To allay fears, explain to applicants that the test will be only one of several factors that you will look at when making your hiring decision.

"Candidates expect to be asked questions in one way or another," says Altmann. "As long as people can see the relationship between the questions they are being asked and the job they are applying for, they don't see the tests as threatening or out of the ordinary."

The largest drawback of testing is the risk of litigation. However, that risk is not as great as it may seem. "Many people hear 'testing' and a legal light goes off in their heads; they're afraid of testing," says Altmann. "But testing, in and of itself, doesn't make you any more vulnerable to having a legal challenge than any of your other selection procedures. It's your selection that is going to be challenged."

He asserts that testing, in fact, may help you avoid hiring discrimination lawsuits because it gives you a standard, objective way of measuring candidates. "With any selection

procedure, make sure that it is job related. How is this skill needed for the job?" It is crucial to demonstrate that the test is a reasonable predictor of job performance.

The best way to do this is to conduct what are called "validation studies," or to request copies of studies conducted by the test publisher. Validation studies are systematic comparisons between test scores and job performance. Most test publishers conduct their own validation studies and monitor their tests to ensure that they do not have an adverse impact on employment opportunities for minorities. However, it is best to do your own study. "We always recommend clients do a local validation study," says Altmann. "If they are ever challenged, validation studies go a long way to win that challenge."

Montieth agrees. "Require validation data from your own population." Dress Barn conducted its own validation study, with assistance from the test publisher, by selecting 100 sales associates who had taken the test, asking their supervisors to rate their performance on several levels, and then comparing that information to their test scores.

Finally, it's important that the test publisher continues its research. "if the test was written in 1955, and hasn't been updated" there is cause for concern, says Harris. I would look hard at any test that hadn't been reviewed within a 10year period."

What to Look for in a Test Publisher

The most important thing to look for in a test publisher is a company that has done sufficient research to prove that its tests are valid and nondiscriminatory. You also might want to consider a publisher that has:

A wide selection of tests. Recruiters that have diverse "positions to fill may find it convenient if one publisher offers a variety of tests," says Altmann.

Customer service support. Altmann recommends a company that has staff and psychologists who can help you with the logistics of scoring or questions about validation.

Several administration and scoring options. Some test publishers offer their tests only on paper or only via computer. However, "many companies like to administer the same test on two different platforms," says Altmann. For instance, a nationwide company may have computer facilities in its larger locations but may need to use paper-and-pencil tests in its smaller locations. A variety of delivery methods allows for more flexibility.

Percentage of Job Skills Testing in Selected Industries

Summarizes McClenic, "Reliability, experience and reputation are important characteristics to look for in a test publisher. Also, do they stand behind their product and will they assist you if you're ever challenged in court as a result of using their test appropriately?"

The Results

The candidate has taken the test, and you have received the results and made your decision. Should you give the unsuccessful applicant feedback on his test results? Perhaps. Sharing an applicant's test results can remove some of the mystery from the hiring process and give the applicant the opportunity to improve his skills. However, most companies choose not to share the results because of the possibility of confrontation between the applicant and the recruiter. Additionally, it might give the candidate the impression that the test was the sole factor in the hiring decision.

"Care must be taken to use any test with a grain of salt," advises Lord. "It is only one more tool to help HR and management better understand the resources of employees and potential employees. No one isolated test should be used in making an RR decision. Use testing as one part of your whole HR system."

Altmann agrees. "These types of tests aren't designed to replace interviews or background checks. They are tools to enhance existing selection procedures."