

Effectiveness of Assessment Centres as a managerial tool in organisations



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Presentation Agenda

- Introduction
 - Why this study
 - Process followed
- Outcomes
 - What we hope to achieve
 - What we achieved
- Brief overview of 5 proposed outcomes

Introduction

- Biggest gaps in current AC – lack of validation studies
- Face validity or content validity – not enough anymore
- Validation studies are not general practice in SA –
 - not enough practitioners asking for it,
 - not enough organisations willing to do the research

Might be an unawareness of what research would entail – picture painted not pretty enough

Introduction

Project was one of the first of its size in SA – looking at various sources of data and the links between these

First in SA to look at AC's and how the mixed model design would be implemented

First in SA to incorporate Trait-activation-theory and test the effects thereof



What we did

- Approached a governmental institution in SA
- 80 middle managers currently in the position and in line for a developmental appraisal
- Would go through AC with
 - In-basket
 - Role Play
 - Presentation
- Questionnaire assessing various personality and job characteristics
- Supervisor and performance ratings



What we did

- All exercises were newly revised and published in 2013
- Trait-activation-theory and mixed model design – incorporated to:
 - ensure better validity and
 - more specific diagnosed development needs

Outcomes

- What we aimed to investigate:
 - A) The internal structure of three AC exercises
 - B) The effectiveness of AC's to diagnose and aid the development of workplace competence
 - C) The ability of AC's to predict job performance
 - D) The effectiveness of AC's to measure organisational citizenship behaviours
 - E) The relationship between AC ratings and certain broad job and personality characteristics

Outcomes

- What we hoped to achieve:
 - 80 candidates through all 3 AC exercises, scored and reported on by December 2013 (project started in June 2013)
 - 80 completed questionnaires on various personality and job aspects
 - 80 sets of performance data and supervisor data





PRELIMINARY



Brief overview of proposed outcomes

A) Internal structure:

Internal structure:

- Most selection devices are analysed – verify that individual components correspond with theoretical structure of constructs
- ACs are the ‘methodology of choice’
- Relevance to typical work situations

Internal structure:

- But validity was assumed
- When investigated – researchers expected to find convergent validity and discriminant validity
- They found exact opposite

Internal structure:

- Meaning: dimensions within exercises were more strongly correlated than same dimensions over different exercises
- Next three decades – main assumption was dimensions were meaningful and the method was noise or error

Internal structure:

Recent research has different view



Claim that the exercise and dimension play a meaningful role

Internal structure:

- Main problems that we wanted to address:
 - 1) Convergent and Discriminant validity
 - 2) Construct validity
 - 3) Typical versus maximal job performance

Internal structure:

Typical versus Maximal performance (Overt or Covert)

Should AC exercises tell candidates which dimensions/ competencies are being measured?

Typical vs. Maximal Job performance

- Research - candidates asked to identify dimensions
- But does this justify the assumption that AC's indicate how a candidate would typically perform?

Typical vs. Maximal Job performance

- AC's give an indication of a candidate's maximal performance (capable of doing) rather than typical job performance
- Transparency levels the playing field
- Tests should be equally familiar or unfamiliar to all participants

Typical vs. Maximal Job performance

- Various studies on whether transparency has an influence or not – mixed results were found

- Transparency is recommended for AC's
(Thornton and Rupp, 2006)

Brief overview of proposed outcomes

B) Diagnose workplace competence

AND

C) Predict job performance

Diagnose and predict workplace competence and job performance:

- AC's have a long history of strong predictive validity
- Already in 1966 a correlation of .51 was found between an individual's overall assessment rating (OAR) and their subsequent job performance ratings
- For this, the AC method became a core feature of many succession planning programmes – not only for selection but also for identifying high potential individuals

Diagnose and predict workplace competence and job performance:

- However, research surfaced stating that AC's should rather be seen as work samples
- Even with this 'flaw' in the methodology – AC's still had high predictive validity, but low convergent validity
- Meaning, it predicts performance, but why is unknown

Diagnose and predict workplace competence and job performance:

- In our project we used a developmental assessment centre (DAC)
- In order for a DAC to have an effect it would need to:
 - Identify competencies needed for the specified position
 - Identify variables that affect the way these competencies are expressed by managers
 - Provide feedback

Diagnose and predict workplace competence and job performance:

- Feedback and action plans based on poorly assessed dimensions - detrimental effects for an organisation
- If the dimensions are poorly being assessed – then the feedback given could only benefit the individual in future ACs - as opposed to aiding them in development

Diagnose and predict workplace competence and job performance:

- Numerous research studies were conducted to attempt to answer the question of why OAR's predict
- Some answers, that AC exercises do in fact measure exercises, but it also measures dimensions
- Breakthrough study in the AC field – the use of the mixed model approach
- Dimensions viewed in context of the exercise
- However, not many designs in the field of the mixed model approach as of yet

What we did:

What we did:

- Revised competency model:
 - clean and clear descriptions of competencies
 - easier to measure and understand (Bornman and Brush 1993; Arthur et al., 2003)
- Revised exercises:
 - include trait-activation theory
 - primary and secondary competencies
 - role player instructions, built more structure into exercises
- Revised scoring:
 - mixed model design reporting
 - item specific scoring - more measurement points (5 points each time)– not only holistic views
 - aiding a clearer and more in-depth analysis of the candidates. Also – specific development for e.g. consistently low scores in a setting

What we did:

But did we do it right?

Not many benchmarks and pitfalls to work from

Looked at

- performance as well as
- supervisor data

Outcomes

- What we achieved:
 - 40 candidates through all 3 AC exercises, scored and reported on by December 2013 (project started in June 2013)
 - 40 completed questionnaires on various personality and job aspects
 - 0 sets of performance data and supervisor data



What we found

- Analytical thinking correlated high with most dimensions
 - Typical of AC's
- Primary and Secondary competencies seemed to correlate – confirming to only measure one
 - Separate item for secondary (more items – more specific)

What we found

- Within exercise correlations
 - Confidence intervals
- Support hierarchical model of competencies
 - Grouped together to report on higher dimension of competencies

Meta Competencies	Higher Order Competencies	Basic Competencies	Competency Definitions
Interpersonal Facilitation & Communication	Communication	Written Communication	The ability to express ideas effectively in a written format.
		Verbal Communication	The ability to express ideas effectively in individual or group situations (including non-verbal communication).
		Presentation Skills	The ability to effectively express oneself when presenting ideas or tasks to an individual or group (including non-verbal communication).
	Consideration/ Awareness of Others	Conflict Management	The ability to effectively manage and resolve conflict situations in the workplace.
		Interpersonal Sensitivity	The ability to be empathetic towards the needs and feelings of others.
		Client relations	The ability to provide and maintain customer satisfaction.
		Teamwork	A genuine intention to work collaboratively towards a common goal.
Mechanics of management/ Administrative activities	Drive	Drive & Commitment	The ability to stay with a position or plan of action until the desired objective is achieved or it is no longer reasonably attainable.
	Organising & Planning	Organising & Planning	The ability to establish courses of action for self and / or others.
		Implementation & Control	The ability to implement plans and monitor progress through to completion.
	Problem Solving	Analytical Thinking	The ability to systematically analyse information to identify main themes and their causal relationships.
		Business Acumen	The ability to understand the key business issues impacting on the success of the organisations.
		Judgement & Decision Making	The ability to evaluate information and carefully consider a wide range of possibilities and implication when making sound decisions.
Leadership & Supervision	Influencing Others	Leading Others	The ability to lead, inspire and empower others to work towards a desired goal.
		Negotiation	The ability to bargain between parties to reach agreement.
		Persuasiveness	The ability to communicate in a convincing manner and to influence people.
	Vision & Strategy	Strategic Thinking	The ability to distil large amounts of information into a higher order long term plan to achieve organisational success.

Brief overview of proposed outcomes

D) Diagnose OCB (Organisational
Citizenship Behaviours)

AND

E) Broad job and personality
characteristics

Diagnose OCB and other characteristics:

Numerous research studies has shown correlations between certain personality aspects and AC's.

Personality and Intelligence assessments, which themselves are modestly related, predict assessment centre ratings

For instance: Openness and Conscientiousness has high correlations with AC performance

But also – Openness has also been linked (slightly) to intelligence

Conclusion can be made that many, but not all, AC exercises can be seen as 'assessments of competitiveness'

Diagnose OCB and other characteristics:

Has also been found that assessors who pay more attention to task behaviours showed more valid ratings than those who paid attention to interpersonal ratings – could be an explanation

But this gives way to an entirely new problem

If we can classify AC performance into roughly 3 categories: Interpersonal, Mechanics of management, Influencing others this is what it would look like

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Diagnose OCB and other characteristics:

When you get into it – in essence it can again be broken into two broader personality constructs – interpersonal and conceptual

Both of these are important for managerial skill and performance

What is the difference between these two on a managerial level?

Diagnose OCB and other characteristics:

Interpersonal	Conceptual
Understanding of human dynamics and processes	Think analytically and logically
Communicate clearly	Analyse environment for trends
Establish relationships with others	Solve problems
Recognise others perspectives (empathy)	Planning and organising
	Understanding how changes in internal and external environment will impact the organisation

*Reference list – 13, 14, 15, 16 & 17



Diagnose OCB and other characteristics:

- Main difference between two broad categories?

prosocialness

and

competitiveness

*Reference list – 13, 14, 15, 16 & 17



Diagnose OCB and other characteristics:

- Organisational Citizenship behaviour?
- First mentioned in 1980's
- “individual behaviour that is discretionary, not directly or explicitly recognised by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organisation” (Organ, 1988)

Diagnose OCB and other characteristics:

More definitions:

- “...discretionary employee activity that is not explicitly part of the job description and which tends to promote the organisation...”
- “...anything employee choose to do, spontaneously and of their own accord...not always directly and formally recognised or rewarded by the company...”
- “contributions to the maintenance and enhancement of the social and psychological context that supports task performance”

Diagnose OCB and other characteristics:

Conventional understanding:

‘Going the extra mile’

‘above and beyond’

*Reference List – 22, 23 & 24



Diagnose OCB and other characteristics:

Benefits of OCB for co-workers?

- Good sportsmanship
- Active involvement in professional and social company activities
- General acceptance of the rules
- Team player who maintains goodwill
- Assisting co-workers (for instance working overtime to help others- without expecting any reward)
- Willing to make sacrifices and compromises – are easy to work with

Diagnose OCB and other characteristics:

Benefits of OCB for organisation?

- Positive impact on employee performance and wellbeing
- Tend to receive better performance ratings
- Enhanced productivity
- Lower rates of employee turnover and absenteeism (organisation culture)
- Customer satisfaction

Diagnose OCB and other characteristics:

Types of leaders that promote OCB?

Instrumental Leadership	Supportive Leadership	Transformational Leadership
<p>Facilitates role clarity</p> <p>Supervisor inform subordinates clearly what is expected of them</p>	<p>Concern for employee wellbeing</p> <p>More likely to be reciprocated with altruistic behaviours</p>	<p>Facilitates motivation</p> <p>Inspire and support employees, high (but not unreasonable) performance expectations</p>

*Reference List – 22, 23 & 24



Diagnose OCB and other characteristics:

Two main facets of OCB:

- **Altruism**
- **Compliance**

Diagnose OCB and other characteristics:

- 3 characteristics of a commonly known personality disorder:
 - Positive and inflated views of the self
 - A pervasive pattern of self-regulation that maintains positive self-views – often at the expense of others
 - Interpersonal relationships that lack warmth and intimacy

Diagnose OCB and other characteristics:

Firstly, Narcissism is a very rare disorder classified by the DSM – V

Not Narcissists in the clinical sense – more individuals with narcissistic tendencies (normal population score high on the continuum of narcissism scores)

Diagnose OCB and other characteristics:

Narcissists seem to be **energetic**, socially **extraverted**, socially **confident** and **entertaining**

From previous research - this is what assessors most often note.

Diagnose OCB and other characteristics:

If AC's are primarily a 'competitive test' that looks at competitiveness – or getting ahead

then

AC's might contribute to the advancement of individuals with narcissistic tendencies in organisations

Diagnose OCB and other characteristics:

So is this really such a bad thing?

Do we need to solve this or can we live with the destructive efficiency of these individuals?

Diagnose OCB and other characteristics:

Some characteristics of Narcissistic tendencies in organisations:

- Poor performance ratings,
- Volatile and risky decision making
- Counterproductive workplace behaviour and;
- White collar crime (sometimes)

Diagnose OCB and other characteristics:

So how do we get around this?

If individuals with narcissistic tendencies see relationship forming as functional rather than for intimacy (thus for competitive edge)

You have to measure the interpersonal or prosocialness effectively.

Diagnose OCB and other characteristics:

Go back to the design of the AC

Ensure that the traits that are being activated are those associated with considerations and awareness of others

Not bad to link into competitiveness – but need balance

What we did

- Incorporated trait-activation-theory to improve construct validity
- Trained assessors (FOR) to be able to recognise both interpersonal as well as conceptual
- Used In-basket, Role Play and Presentation
- Combination of interpersonal and conceptual

What we did

Administered questionnaire that looks at various job-related aspects:

- Big five personality traits
- Dark triad of the personality (specifically Narcissism)
- Organisational Citizenship Behaviour (OCB)
- Job characteristics

Job Characteristics

Why look at job characteristics?

- Through the years – ACs claim to have strong resemblance to the workplace
- But we still only have 4/5 formats being used most frequently?

Job Characteristics

Why look at job characteristics?

- Does ACs cater for all job environments or just some?
- Are we designing exercises in a format that favours certain job characteristics?

Outcomes

- What we achieved:
 - 40 candidates through all 3 AC exercises, scored and reported on by December 2013 (project started in June 2013)
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What we found

- For this presentation – did not look at job characteristics (watch this space)

Narcissism:

- Negative correlation with **Persuasiveness in Presentation**, not significant correlation in **In basket**
- Overall **Persuasiveness** rating also **negative** (slight)
- No correlation with **Leading Others in Presentation**, negative correlation in **In basket**
- Was correlation with **Implementation and Control**



What we found

OCB:

- **OAR** negatively correlated with organisational Counterproductive Work Behaviour (**ORG CWB**)
- **Business Acumen** negatively correlated with **ORG CWB** in In basket
 - Working towards bettering the organisation

What we found

OCB:

- **CWB IND** negatively or insignificantly correlated with **Interpersonal Sensitivity (domain)**
 - In presentation – verbal communication and presentation skills were highest correlation (ORG CWB & IND CWB)
- **Role Play** all competencies low correlations with **ORG CWB** and **IND CWB**
 - Interestingly, all dimensions negatively correlate to conscientiousness

Conclusion

What we learnt:

- 80 candidates in one organisation is difficult to obtain – both for researcher resources and partnering organisation – *run smaller centres with more companies*
- Ask for latest performance data and supervisor ratings before AC is administered – *typically more difficult to obtain because of sensitive nature, therefore ensure 'go-ahead' before embarking on project*

Conclusion

What we learnt:

- Research on AC's are extremely important – and when done correctly, not complicated or difficult
- Ensure buy-in from candidates as well as partnering organisation, otherwise project can derail and data can be compromised



Any questions?

Thank you!

Please feel free to contact me at gerdi@jvrafrica.co.za



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