

# Linking AC to Supervisor-Rated Employee Performance: A Multi-Method Study in an Emerging Country Context

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# Introduction

- Due to increasing competition, companies find it challenging to attract and retain their talented employees.
  - One of the strategic tools that help companies to deal with employee recruitment and talent management in overall is assessment centers (ACs.)
  - Critical managerial decisions such as promotion and recruitment are facilitated via the use of ACs (e.g.. Ripamonti and Scaratti. 2012; Lievens and Thornton. 2005).
  - As an emerging market there is an increasing demand in ACs in Turkey especially for identifying high potentials and the ones who will promote to managerial positions.

# Introduction

- There is evidence for the link between ACs and job performance and various employee outcomes (e.g. Hattie and Timperley, 2007; Krasman, 2010; Lee, 1997; Povah and Thornton, 2011; Griffin, Neal and Parker, 2007)
  - Nevertheless, in business life companies request to see that link in regard to their data obtained from their performance management systems.
  - The main challenge is that their performance management systems are based on subjective evaluations of supervisors and are not validated. In such a case, it becomes hard to explore the link between ACs and job performance through well-known statistical approaches.

# Research Goals

- We carried out this research with two goals:
  - Our first goal was to examine the relationship between AC and performance based on supervisor ratings.
  - Our second goal is to examine whether AC findings form meaningful groups among participants in terms of performance.

Method

# Participants

- We conducted our research on bank employees (N=96) who participated in ACs run for promotion for Branch Manager position.
  - 65% male
  - 88% bachelor graduate
  - Mean age 31.2

- The AC
  - 3 different exercises were used: Group Discussion, Analysis Exercise, and Role Play. Personality inventory or ability test was not used.
  - Each participant was assessed by two highly-qualified and trained external assessors through the exercises.
  - Nine competencies which were identified based on the job analysis carried out for branch manager position were assessed. Each competency was assessed in two different simulations by different assessors.
    - Problem Analysis, Customer Orientation, Relationship Building, Achievement Orientation, Knowledge Management, Communication, Influence & Persuasion, Managerial Skills, Trustworthiness

- Performance criteria
  - Performance data was obtained from the company's performance management system which was carried out annually and based on the ratings of supervisors to ten competencies.
  - Supervisors rate their employees on 5 point scale (3 for expected level) for each competency in regard with the definition of the competency.
  - Company calculates an overall grade by calculating the average of the points given to those competencies.
    - Since the performance data is obtained from the company's performance management systems, there is evidence for the validity and reliability of these ratings.



Results

# Results

- To test the relationship between AC and performance, we conducted multiple regression analyses. Findings offered no support.

	Unstandardized Coefficients	Std. Error	Standardized Beta Coefficients	t	p
(Constant)	75.04	5.09		14.75	.00**
Problem Analysis	-1.30	2.49	-.12	-.52	.60
Customer Orientation	.49	2.32	.04	.21	.83
Relationship Building	-3.76	2.33	-.28	-1.61	.11
Achievement Orientation	3.75	2.53	.33	1.48	.14
Knowledge Management	-.34	2.09	-.03	-.16	.87
Communication	-1.20	2.38	-.09	-.50	.62
Influence & Persuasion	3.10	2.01	.29	1.54	.13
Managerial Skills	-1.41	1.97	-.10	-.71	.48
Trustworthiness	-.23	2.34	-.01	-.10	.92

$R^2=.08$   $F=.81$   $p=.61$  \*\* $p<.01$

# Results

- We carried out a Two Step Cluster analysis to see if our participant formed meaningful groups in terms of performance and AC results.
  - Results showed that two clusters emerged. The first cluster (N= 59) was composed of employees who scored high in AC, whereas the second cluster (N= 37) was composed of employees who scored low in AC.
  - Additionally employees who had high AC scores in the first cluster showed high performance ratings, compared to the second cluster.

	Cluster 1 (N=59)		Cluster 2 (N=37)	
	M	SD	M	SD
Problem Analysis	3.05	.55	1.95	.39
Customer Orientation	3.09	.47	2.21	.41
Relationship Building	3.04	.42	2.13	.41
Achievement Orientation	3.14	.44	1.92	.35
Knowledge Management	2.68	.57	1.74	.50
Communication	3.16	.41	2.28	.51
Influence & Persuasion	3.18	.54	1.97	.43
Managerial Skills	2.65	.55	1.97	.43
Trustworthiness	3.12	.38	2.51	.51
Performance Ratings	3.10	.49	2.74	.71

# Results

- In order to examine whether these two clusters were significantly different in terms of performance ratings we ran t-test.
  - Results confirmed that two clusters were statistically different from each other.

	Cluster 1 (N=59)		Cluster 2 (N=37)	
Performance Ratings	3.10	.49	2.74	.71

t=2.95 p=.00 <.01

Conclusion

# Conclusion

- Our results show that AC might not predict employee performance based on supervisors' subjective ratings.
  - Research on AC (e.g. Putka and Hoffman, 2013) have started criticizing the use of supervisor ratings of performance.
  - Moreover, recent research have emphasized the decreasing link between AC and performance (e.g. Speer, Christiansen, Goffin and Goff, 2013).

# Conclusion

- Instead of investigating linear relationships, different analytic tools may be used. Such tools might provide more holistic information about the participants.
  - Our findings showed that there was no linear relationship between the AC and subjective performance, but employees who achieved high and low performance ratings revealed similar characteristics within their clusters.

# Suggestions

- Business life professionals request to investigate the link between ACs and performance regarding their own data mostly based on supervisor ratings rather than using academic evidence.
  - When the relationship between AC results and performance outcomes is not direct and linear, using different analytic tools such as cluster analyses may be useful for investigating the relationship.



Thank you.

