

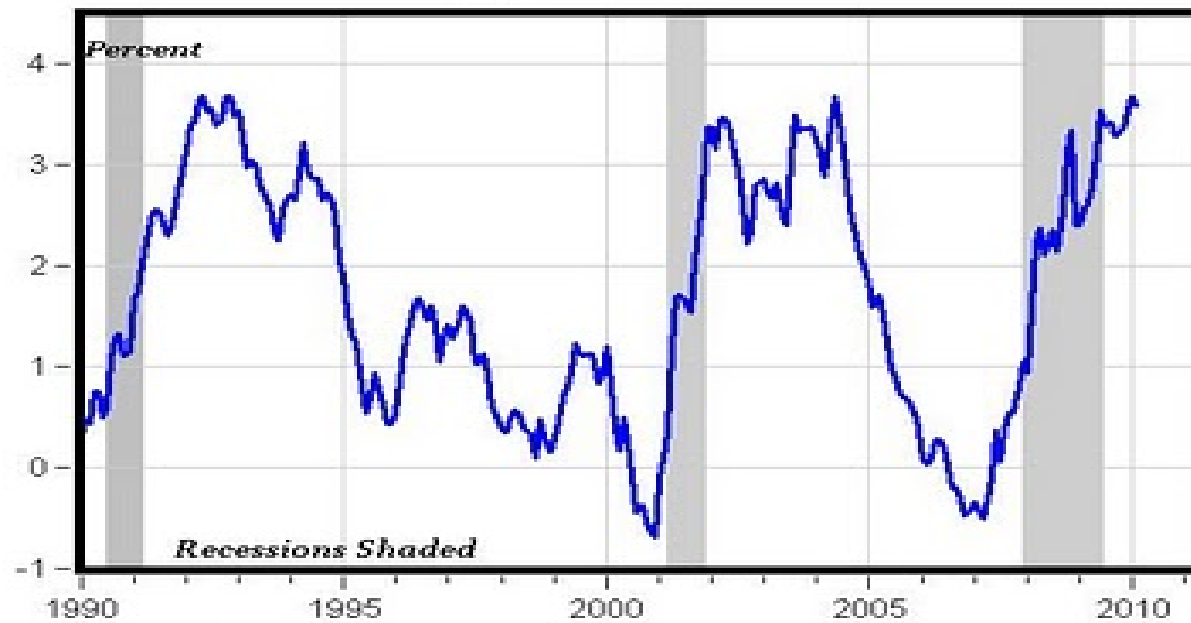
# **The Assessment Center as an HR management tool**

Especially in financially tight  
times...

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# The “Double dip” Economy

**Treasury Spread  
10-Year Minus 3-Month Yield  
Jan. 1990 to Feb. 2010**



Source: NY Fed

# The “Double dip” Economy

- The financial crisis and its on-going impact on the job market:
  - a. Fewer offers (especially for currently unemployed).
  - b. Tougher competition on each job opening.
- Shifting selection and hiring policies by employers: back to being “Gate keepers”.

# More Candidates than Openings:

## Implications for selection and training

- A valid selection instrument is even more important than the usual.
- Select and train at the same time:
  1. Save resources
  2. Begin socialization as early as possible
  3. “Sell” the organization
- Maintain high face validity and perceived relevance of selection processes in the eyes of prospective candidates.

# Organizational Changes: Implications for selection and training

- In financially tough times organizations change to become 'Lean & Mean'.
- Implementation of changes is typically frustrating, costly.
- ACs can be effectively used to both serve within-organization selection and placement as well as training, and implementing change.

# The Assessment Center method: The answer to all our needs?

- Since the 1940s a prominent method with some beguiling drawbacks.
- Main critique:
  1. Construct validity questionable.
  2. Not cost-effective.
  3. Inconsistent predictive validity indices.

# The Current Study:

Addressing the main critique points against the use of ACs in organizations

- Examining the construct & content validity of custom designed ACs.
- Examining the predictive validity of ACs against varying criteria to address:
  1. Training effectiveness.
  2. Prediction of Performance.
  3. Prediction of turnover.

# The Current Study: Settings and Methods

- A LARGE tele-communication services organization, International HQ based in Israel.
- ACs used at 2 levels:
  1. Corporate and Management training.
  2. **Selection of call-center reps.**
- ACs run by I/O psychologists (a team of two – one psychologist and one company rep).
- Groups range 6-12 in sizes. Candidates are quite homogeneous, ages 19-28, high school education, typically single (students, discharged soldiers etc.)



# Study I:

## Sample and instruments

- 102 Candidates who passed an AC for Call-center rep positions. 68 Women and 34 men. Mean age = 22.5 ( $sd=3.75$ ).
- Custom designed AC consisted of the following tasks:
  1. A group “in-box” simulation.
  2. Sub-group competition (for a new product design).
  3. Role play dyads.
  4. Group interview: Focusing on motivation bases, personal strengths & weaknesses.
- Three trained observers (one - corporate).

# Study I:

## Sample and instruments

- AC Ratings:
  1. Service orientation.
  2. overcoming hardships/ obstacles.
  3. Job oriented motivation.
  4. Effective learning.
  5. Pragmatic problem solving.
  6. Verbal effectiveness.
  7. Emotional resilience.
  8. Conformity.
  9. Responsibility taking.
- Criterion measures:
  1. 3 course grades from the entry level training program.
  2. Supervisors assessment of performance 3 months on the job.

# Study I: RESULTS

- Factorial structure of the AC:

Table 3. The results of an EFA on the main measures in Study I.

ITEM	FACTOR I	FACTOR II	FACTOR III
Service	-.17	.40	<b>.77</b>
Coping	.39	-.17	<b>.82</b>
Motivation	-.43	<b>.67</b>	.05
Learning	<b>.92</b>	.10	.00
Efficiency	<b>.81</b>	.07	.28
Verbal	.41	-.28	<b>.71</b>
Resilience	.26	.13	<b>.76</b>
Conformity	.22	<b>.89</b>	-.16
Responsibility	.23	<b>.70</b>	.05

\* Loadings at the .60 or higher were considered when attributing an item to a factor.

The result show the analysis after Varimax type rotation.

# Study I: RESULTS

- Predictive validity of the AC scores:

Table 4. Associations between the AC indices and the course performance.

Factorial grade	Beta
Factor I	.03
Factor II	.09
Factor III	.38 **
Final recommendation (Psychological)	.20*
Statistical recommendation (Mean of items)	.33*

\* Significant at the  $p < .05$     \*\* Significant at the  $p < .01$ .

# Study II:

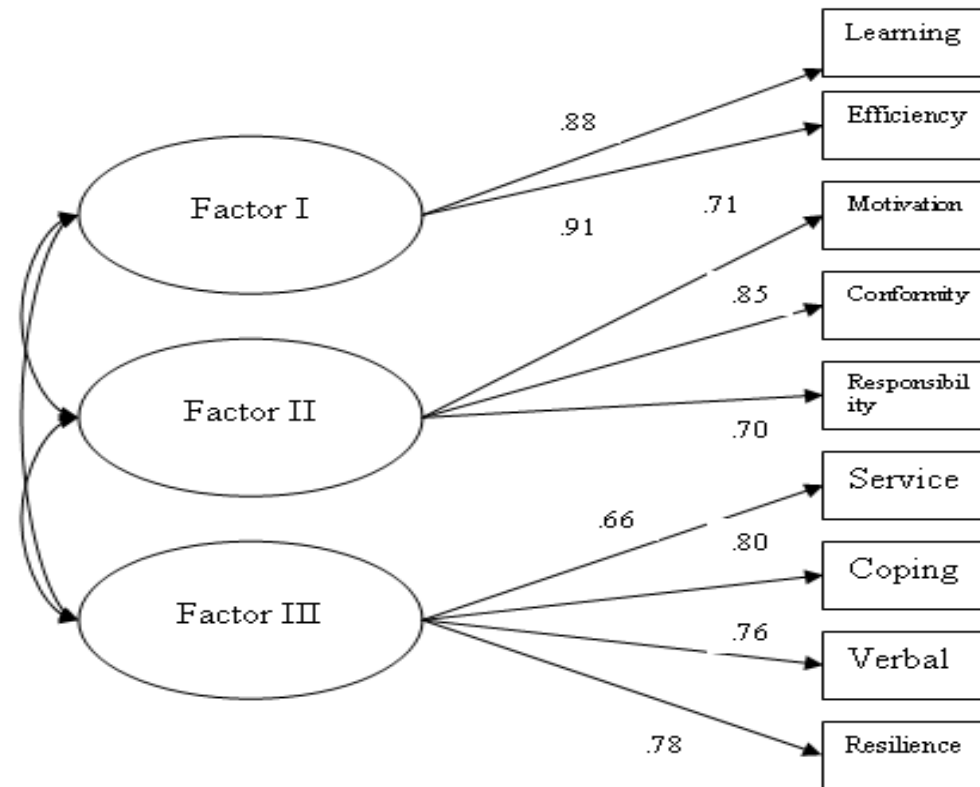
## Sample and instruments

- 77 Candidates, equivalent to the sample in Study I.
- Study II measures and procedure were identical to those of study I.
- We added Length of stay with the company as a new criterion in addition to the course grades.



# Study II: RESULTS

- Confirmatory Factor Analysis Results:



Chi Square = 110.30; df=16;  $p < .01$ ; NFI = .94; RMSAE = .06

# Study II: RESULTS

- Predictive validity of AC scores:

Table 6. Association indices of the AC products (including factorial grades) with the performance criteria.

Factorial grade	Course performance (Beta)	Length of stay (Beta)
Factor I	.54**	.12
Factor II	.20*	-.08
Factor III	.59**	.55**
Final recommendation (Psychological)	.20*	.18
Statistical recommendation (Mean of items)	.39*	.35*

\* Significant at the  $p < .05$     \*\* Significant at the  $p < .01$ .

# A sort-of-A Discussion:

- When specially designed with the job description as the main guide AC scorers and scores may:
  1. Show consistent construct validity.
  2. Offer good to high predictive validity.
- What does predictive validity mean to us?
  1. Choosing the best future employees.
  2. using the AC as the “first training session”.
  3. Cutting down turnover.



# A sort-of-A Discussion:

- Why do we get inconsistent results at times?
  1. Using generic tasks and contents.
  2. Absence of organizational reps.
  3. Untrained observers.
  4. Lack of applied research.
- The AC as an investment that pays back.

