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Picking the Perfect Personality: Assessment Tests Grow in Popularity

By Heather O'Neill

Personality assessments have been gaining popularity in the past decade, with a May 2011 study finding that more than 80 percent of the companies it surveyed employ some type of assessment either during the hiring process or when making talent management decisions internally.

When Vail Resorts Inc. added an online application to its website last year, more than 20,000 people from all over the world applied with the Broomfield, Colorado-based luxury mountain resort management company. It became clear quite quickly that its hiring process would need to be revamped.

While the company was thrilled to have so many applicants to choose from—annually it hires more than 10,000 seasonal employees—there were far too many applications for its small human resources department to examine individually. Vail Resorts needed a tool to help its overwhelmed HR staff quickly and easily identify the best candidates for further review. The company opted to use personality assessments to narrow their search.



“We wanted something that would help us measure the competencies and values that are really important to our business,” says Rebecca Borden, director of talent acquisition at Vail Resorts. “Customer service is a huge part of what we do, and we wanted a way to get clear information on that early in the process.”

Since implementing personality assessments into their applicant screening process last year, Borden says guest satisfaction at the resort has improved and preliminary evaluations indicate that the hires brought on since the addition are performing at a much higher level.

Personality assessments have been gaining popularity in the past decade, with a May 2011 study by consulting firm Aberdeen Group finding that more than 80 percent of the companies it surveyed employ some type of assessment either during the hiring process or when making talent management decisions internally.

Mollie Lombardi, Aberdeen's research director of human capital management and author of a recent study on the subject, says that the increased availability of such tests online has widened their use while lower costs make them affordable.

But, according to Lombardi's report, *Assessments 2011*, the driving factor behind the increased popularity of personality assessments is the pressure for companies to carefully grow in a still-rugged economic climate.

Many companies can't afford to significantly increase their staff in order to grow, Lombardi says, which means every new hire counts like never before, and those employees must be able to deliver results quickly.

It is much harder teach someone how to fit into an organization that does not mesh with their personality, Lombardi says.

"The biggest reason organizations use a personality assessment is that success in hiring all comes down to fit," Lombardi says. "Skill is important but skill is something you can teach. I can test whether or not you can use the widget machine but I can also probably teach you to do it if you don't know how."

Vail's management found that U.K.-based talent management software firm SHL Group's personality assessment met its needs to make successful hires.

"We wanted something that would help us measure the competencies and values that are really important to our business," says Borden, who noted they use SHL's Dependability and Safety Instrument software. "Customer service is a huge part of what we do and we wanted a way to get clear information on that early on in the process."

Vendors like SHL and Menlo Park, California-based CPP Inc. offer multiple personality-assessment products. Some tests are designed for the pre-hire stage, while others are designed to be used for talent development later in an employee's career.

Ken Lahti, vice president of product development and innovation at SHL, says the company offers the menu of personality assessment products because some tests are better suited for entry-level hires vs. manager roles.

"Some tests provide a comprehensive view of all work-related competencies, while others are very brief and targeted at just a few key aspects of personality and yet others are modular personality assessment systems that can easily be combined with other test types within a typical recruiting process," he says.

The personality tests provide employers with information on candidates' soft skills to help improve hiring decisions, Lahti said. By using valid personality tests in the recruiting process, employers can get advance insight into candidates' likely performance in areas such as reliability, rule-following and safety orientation; customer service; drive, initiative, and ability to influence others; teamwork, collaboration and relationship-building; coaching and leadership; and even motivation and fit with company culture and values.

CPP's Myers-Briggs Type Indicator is more of a true personality test used for employee development purposes, while its California Psychological Inventory products are designed for use in the hiring process.

According to CPP research scientist Michael Anderson, the company's assessments measure multiple dimensions of a person, including their leadership ability and amicability, as well as broader workplace personality characteristics such as self-control, ability to maintain emotions and self-confidence.

St. Luke's Hospital & Health Network, based in Bethlehem, Pennsylvania, has seen a staggering change since incorporating CPP's personality assessments into its recruitment and managerial strategy.

The organization, which has 7,200 employees, began using the CPP's CPI 434 personality assessments in 2004 when it discovered that it had a 41 percent annual managerial turnover rate. Two years after implementing the assessment, which St. Luke's uses to compare candidates after an exhaustive interview process, the turnover rate dropped to 10 percent. In 2010, the turnover rate was at 2 percent.

"It is well-documented that a managerial vacancy in any industry, not just in health care, can cost that company anywhere between 1.5 and four times that position's salary," says Bob Weigand, director of workforce development for St. Luke's. "After just two years, we were saving well over \$600,000 a year on paper. And that is a conservative estimate. The return on investment we have seen is huge."

The cost of assessment tests vary, depending on the volume of testing and whether they are purchased individually. St. Luke's pays under \$39 a test to administer roughly 120 assessments a year, Weigand says. Borden, of Vail Resorts, says that because her company has an agreement that allows for unlimited use of the tool, it pays just a few dollars per test.

Dallas-based American Airlines, Inc. on the other hand, which has 77,000 employees, administers "thousands or tens of thousands" of personality pre-employment assessments each year. William Mitchell, American's managing director of leadership planning and performance, says the company has a multiyear contract with Assess Systems in Dallas, though he wouldn't divulge what the airline pays for its assessments.

"If used correctly pre-employment assessment is incredibly valuable," says Mitchell, who delivered a presentation titled "Strategic Leadership Development Takes Flight: The American Airlines Story" at the annual Society for Human Resource Management conference in June in Las Vegas. "Where its value comes from is that it is an objective measure of the innate personality traits and competencies of the candidate. That is not to say that an interview is completely subjective but hiring managers are human. This is at least one objective measure that we have going into the process."