Around 70 per cent of UK companies with over 50 employees use psychometric tests, often in recruitment, sometimes in developing skills. Use is increasing, yet ‘psychometrics’ still sounds like a black art and ‘testing’ gives people flashbacks to sweating over exam papers.

Some nuts and bolts of testing in organisations

By Ian Florance

BC TV’s programme ‘Test the Nation’ seems to suggest that testing looks at what you know; that a test is something you pass or fail. Yet your existing knowledge is only part of what you bring to life - at school, at work or at home. Given how quickly the world changes, it might seem better to find out what and how easily you can learn different subjects.

What are often known as ‘softer’ factors are increasingly seen as important in success - for instance, how well you understand and get on with people; your ability to lead; how far you follow rules or come up with your own unique solutions; your ability to cope with stress. Testing is as much about these as about being a ‘know-it-all’.

As service orientation grows, the old saying ‘people are our most important resource’ becomes more relevant. They’re also an organisation’s biggest cost and single most complex aspect of organisational success and failure. Next to recruiting and managing a workforce, putting in a new intranet is a doddle.

So, what are the basics of testing? What do psychometric tests measure and what are they used for?

If you’re a parent, your children take them at school in between examinations to check their progress and predict their results. They sometimes highlight particular strengths and areas that need more teaching. If you’ve entered work on a graduate recruitment scheme, you’ve probably taken one during the milk round. And you may well have sat one when you went for your first or subsequent jobs.

Psychometric tests provide an MOT of what goes on under the human bonnet. They compare one individual’s performance with that of other people, or show what are the relatively strong and weak areas within one person. True psychometric tests look at three basic areas:

- **Ability**: peoples’ capacity to work with numbers, words, diagrams and systems;
- **Attainment**: what people actually know about an area;
- **Personality**: how people are typically likely to act. This covers a huge range of aspects from peoples’ motivations and values to how they characteristically react to authority and their honesty or integrity.

Mix and match these and you get dedicated tests of areas like emotional intelligence, trainability, leadership, customer service orientation and how people think - areas that are directly related to...
Psychometric testing

particular jobs. Assess lots of people in your company and you can get an organisational profile: how well your teams work; what particular skills you lack; who’s going to fit in.

Tests are used to recruit new staff; identify people with the potential to be promoted and developed; counsel staff who are under-performing; put teams together; coach senior managers; identify stress factors in an organisation; decide on the best organisational structure; create incentive programmes that really motivate - any decision about people individually or people in groups.

So, what exactly is ‘psychometrics’?
This could get long and complicated! Put simply, psychometrics is a set of techniques used to ensure, among other things, that;

• You’re actually testing what you think you’re testing. A written test of mathematics should be testing maths not writing for instance;
• That your test gives the same results if it’s given to the same person twice or administered by different people;
• That it’s fair to everyone;
• That you know how accurate the measure is and how far you can depend on it.

No measure - whether of your height or your profit is 100 per cent accurate (just ask an accountant about the latter). Sometimes this can be significant (in the latter case ask the taxman!). Psychometrics allows you to weigh up the accuracy of your decision.

I use interviews and other methods; why should I replace them with tests?
You shouldn’t! Tests provide part of the picture; interviews, for instance, provide information tests can’t reach.

But research shows that interviews, references and application forms are very bad at predicting whether people will succeed. Interviews are particularly dangerous because you will be hugely influenced by your prejudices, likes and dislikes without you realising it. If you think back, you’ll remember the great candidate who proved to be a complete disaster. You might even recall the exciting company which employed you and which you left as quickly as you could. Let’s not forget that recruitment is two way!

What are the business benefits of testing?
Psychometric tests sound rather academic but they’re actually ways of making hard headed business decisions. They will increase your bottom line. They’ll decrease staff turnover, identify talent, create a more efficient organisation.

Psychometric tests sometimes look expensive. A good test might cost you £50 to administer and interpret. But since it may cost you £10,000 in direct costs if you recruit the wrong senior manager (and a lot more in indirect costs) this doesn’t seem too high a price.

Tests will also help companies defend against legal challenges to HR decisions, which might end up in expensive tribunals and court cases. It’s illegal to discriminate on grounds of gender, race, disability, sexual orientation or religious belief. It will soon be illegal to discriminate on grounds of age. Test results are defensible evidence in court, whereas interviews are open to all sorts of challenges. And, of course, using them will ensure that you are being objective, building a successful, effective, motivated organisation.

Good recruitment and development practice are part of a company’s marketing and brand development. Even a rejected candidate will speak well of a company that’s taken the time to create a professional recruitment process which gives valuable feedback. Tests provide that.

How can I tell a high quality test
From a ‘quiz’?
There are thousands of tests on the market. It’s a real growth area and, as with any product or service, it’s sometimes difficult to work out the cowboys from the cavalry.

Tests are particularly difficult in this respect. What defines a good test is the research and data behind the questions, just as the design of a computer says nothing about the quality of the software or the processor. Internet-delivered tests are a particular problem since the ‘sexiness’ of their design is beguiling, but many of them provide no evidence that they’re any good.

A good psychometric test will be absolutely transparent to you as a user. It will state how it was developed, how many people it was tried on, where it should be used and where not and, most importantly, how much you can trust the results.

Psychometric tests provide an MOT of what goes on under the human bonnet

Do we have to be a big company to use tests?
Not anymore. Once upon a time the costs of training and of buying the materials seemed prohibitive. The internet, centralised testing centres and the number of trained consultants available, means even the smallest company can get the benefits.

There’s a strong argument that smaller companies need to use the technique even more than larger ones. A rogue senior manager in a 30,000 staff company can do damage; in an SME, with 10 employees, he or she can literally destroy the business. Every recruitment decision in a small business is high stakes!

I don’t know anything about the subject: where do I start?
Talk to staff at the Psychometrics
Centre. They’ll be more than happy to advise you. If you decide to go ahead you’ll need to train.

Tests are used to make complex and costly human decisions. You’ll either need to train, or employ/contract a trained test user if you’re going to use a good instrument. Training ensures you get the most out of them, in the same way that you need to train to get the most out of a new software programme. The training will also introduce you to lots of people issues which will make you a better manager and recruiter.

Don’t people dislike tests?
Far from it; people actually like doing tests because tests tell them about their favourite subjects; themselves. If handled the right way, tests used with existing staff can cause a buzz.

Who can administer the tests?
Human resource professionals need to be specially qualified in order to administer psychometric tests. Both psychologists and non-psychologists can obtain these qualifications.

A level A certificate is required for the administration of ability tests, and a level B certificate for personality testing. The Psychometrics Centre at Cambridge Assessment, a department of the University of Cambridge, offers five day training courses at London and Cambridge leading to both of these qualifications (issued by the British Psychological Society).

Careers in psychometrics
The Psychometrics Centre also offers advanced training full time and part time in psychometrics through MPhil and PhD programmes.

Both of these are suitable for numerate and highly motivated human resource professionals, as well as for graduates with a good science degree who wish to follow a career in psychometrics.

Ian Florance is director of Only Connect Ltd and a consultant at the Psychometrics Centre. He works with a number of organisations, offering experience and expertise in business management, marketing, publishing, creativity, public relations, communications and human psychology. Ian has worked for over 25 years in the area of human potential. Prior to his role as managing director, Ian was business development director, marketing director, international development manager and assistant director of publishing at NFER-NELSON. Ian has a professional and intellectual interest in the area of human psychology. Dedicated to maintaining quality standards in testing, Ian was publishers’ representative on the BPS (British Psychology Society) Test Standards Committee, a member of European working parties on testing, and secretary and past president of the European Test Publishers Group. He is company secretary of the Business Test Publishers Association.