

Welcome to the Autumn edition of the HC Newsletter. We have some great content in store for you this month so please take the time to flick through this issue.

Firstly, we explore the issue of motivation and satisfaction in the workplace and discuss why salary may not be as important motivator as you think. We also identify the most common pitfalls managers make when conducting Employee Opinion Surveys (EOS) and launch our exciting free online EOS offer.

Also in this issue, we look at the importance of whistleblowing policies and give you some tips for implementing a whistleblower policy in your workplace. We are also pleased to include an article by guest contributor Darren Nelson, and hear his thoughts on the Nation's skills shortage crisis.

Finally, we also weigh up the use of Social Networking Sites to conduct reference checks and give managers some tips for handling self-reported psychometric test results.

## INSIDE THIS ISSUE:

Non-monetary motivators in the workplace 2

Common Employee Opinion Survey mistakes 4

Special Offer: Free Employee Opinion Survey 5

The importance of Whistleblowing Policies 6

Reference checks and social networking sites 7

The Skilled Labour Crisis 9

Self reported test results : 11

A dangerous new trend

## EDITORIAL

This newsletter signals a significant advancement in the way that HC intends to engage with its customers and readers. After receiving a number of complements about our past publications and requests for these to come out more frequently we have relented! Not only are we now committed to producing one complete newsletter per quarter, but since December, we have been quietly posting a range of additional blog-style articles (in addition to our regular newsletters). We're hoping that you'll find our additional blogs just as stimulating as our past newsletters with the added benefit of them coming out a little more regularly. HC will continue posting regular blogs but given the increased frequency of these publications, we do not intend to send out email notifications each time that one of these has been updated. So, if you want to keep in touch with our business, you'll have to make sure that you keep coming back to the site regularly to check on the latest stories, alternatively you may choose to follow us on Twitter (@HCpsych) or subscribe to the RSS feed (by clicking on the "subscribe" button on the left hand side of any news article).

In addition to more frequent blogs and newsletters, we have also been working hard to make our communications more interactive. Most of our articles now incorporate interactive polls and surveys. These are an exciting new development that enable you to provide feedback and join in our conversation anonymously. All of our articles also include a comments section for you to ask questions or share your perspectives.

We truly value the expertise of our business partners and customers and for the first time we have included an article by a guest contributor from Global People Solutions in this edition. In the future, we intend to publish more articles by guest contributors in an attempt to share with our readers increasingly diverse opinions about a broad range of people-related topics. If you are interested in being a guest contributor then please do not hesitate to let us know.

You can also now read our newsletter in an increased variety of ways as HC's news site has gone mobile! Wherever you are, or whatever device you use to read our publications, you'll notice that our articles are now optimised for easy viewing. Katrina has also been working on a range of additional, behind the scenes, changes that we hope will make the site more navigable and engaging for all our customers and readers.

Over the past 3 months we have not focussing on our newsletter at the expense of our core business. The labour market has definitely heated up and this has translated into strong growth in demand for our exit interview and engagement survey services. Caroline has been working hard to analyse all the extra data that has been pouring in and has now completed a major upgrade of our exit interview and employee opinion survey benchmarks. If you are an existing survey customer then ask us how you can begin to reap the benefits of these developments immediately!

Thanks to all readers for their continued support and I hope that you enjoy our Autumn newsletter.



*Matt Henricks is the Director of HC. He is an Organisational Psychologist with 10 years experience working in HR or related fields. Matt has consulted with many of Australia's largest and most successful businesses across a broad range of industries.*

# Non-monetary motivators in the workplace

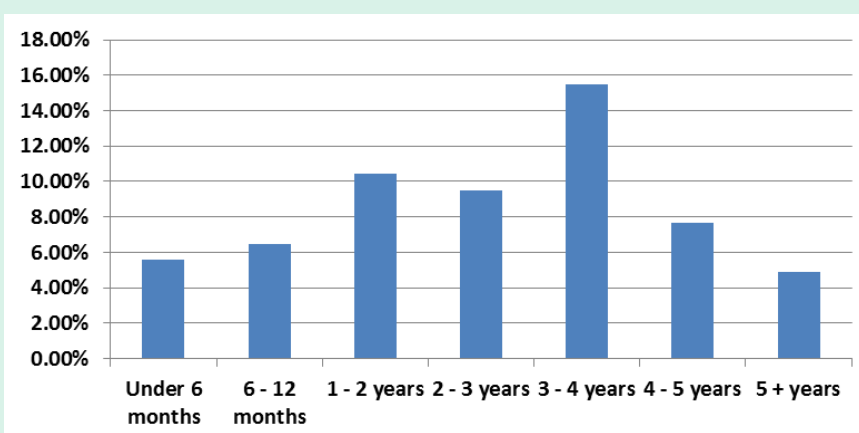
Over 50 years ago, Frederick Herzberg proposed a new theory of job satisfaction. According to this theory, there are a number of underlying needs in the workplace that, when satisfied, cause job satisfaction, while a separate set of needs, when not satisfied, causes dissatisfaction.

Herzberg referred to these two sets of factors as 'Motivator factors' and 'Hygiene factors' (summarised in the table below).

Motivator Factors	Hygiene Factors
<ul style="list-style-type: none"> <li>• Achievement</li> <li>• Recognition</li> <li>• Work Itself</li> <li>• Responsibility</li> <li>• Promotion</li> <li>• Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Pay and Benefits</li> <li>• Company Policy and Administration</li> <li>• Relationships with co-workers</li> <li>• Supervision</li> <li>• Status</li> <li>• Job Security</li> <li>• Working Conditions</li> <li>• Personal life</li> </ul>

The first part of the theory, contrary to popular belief, was that 'hygiene factors' such as pay and benefits do not motivate staff at work. They can however, de-motivate them. The second part of the theory was that there was no point focusing on the 'motivator factors' unless you had first ensured that an employee's basic, hygiene needs were met. To invest resources in motivational strategies is a complete waste of time and money, in an environment where staff do not have their basic needs met already.

Despite increasingly overwhelming evidence, many employers continue to ignore Herzberg's theories. In my own experience it still appears that when companies are faced with increased staff turnover they normally commission expensive remuneration benchmarking exercises and invariably increase base salaries. However, our own exit interview research clearly shows us that money is not as important as many of us think. In a recent exit interview study, we found that only a relatively small percentage of exiting staff nominated remuneration as a reason for leaving and that this proportion was even lower for staff that had either been with the organisation for a particularly short or long period of time (See Figure 1 below).



**Figure 1:**  
The percentage of employees in each tenure category that nominated remuneration as a reason for leaving

Far from becoming less relevant over the last 50 years, evidence to support Herzberg's theory is increasingly obvious in a modern world. In the dot.com world, people are increasingly applying their expertise for little or no monetary rewards:

- ◇ **Wikipedia:** Wikipedia is a free, online encyclopaedia that collates voluntary contributions for other people. People expend huge amounts of effort writing articles for the site, but they do it for free.
- ◇ **Shareware:** refers to software that is distributed on a honour system. Shareware is produced by programmers usually for free or small charge.
- ◇ **Free source code:** free source code websites let programmers submit their web-based codes for free use by others.

To further illustrate the point, I recently came across a great YouTube video called "Drive: The surprising truth about what motivates us". This video provides an interesting perspective on the subject of employee motivation and performance. Daniel Pink, the creator of the video, agrees with Herzberg's theory on motivation:

***"If you don't pay people enough, they won't be motivated. However, you only need to pay people enough to get the issue of money off the table. That is, pay people enough so they're not thinking about money..."***

According to Pink, monetary rewards don't always work. Instead, he identifies 3 factors that lead to better performance and higher job satisfaction:

1. **Autonomy:** this is our desire to be self-directed. According to Pink, if you give people more autonomy and empower them to act, you increase the chances of them delivering more.
2. **Mastery:** the more we feel we master an area of expertise, the more satisfied we are.
3. **Purpose:** People want to feel as though they are doing something important with our lives, so it is important to emphasise a sense of purpose within the organisation.



The finding that money isn't the most important motivator will not be surprising to many well trained HR professionals. However, this continues to run in the face of common practice. As with many topics, sometimes the oldest insights are actually the best. Rather than search for the next management fad or buzz-word, many managers and HR professionals would be well advised to "brush up" on basic theories of motivation and ensure that these are applied with excellence.

Staff surveys, such as Employee Opinion Surveys (EOS) or employee engagement surveys, can be powerful tools for obtaining feedback from your staff. Such surveys enable managers to assess how their staff are coping with change, monitor prevalent attitudes, determine employee acceptance of new initiatives, measure the level of engagement or satisfaction and much much more. Utilised correctly, a well-designed EOS can assist an organisation to engage and retain its workforce and improve its overall effectiveness. It can also be a valuable input for your annual business planning process.



Administering a large-scale EOS is now standard practice for many organisations (both large and small). However, there are a number of common pitfalls that can prevent companies from getting the most out of the process. This article aims to identify some of the most common EOS mistakes:

## 1. Questions

There is no hard and fast rule about how many questions to include in an EOS, but generally quality is more important than quantity. It is sometimes easy to slip into the pattern of using items with ambiguous wording, which leaves the question open for misinterpretation. As a general rule, try to avoid using words or phrases that have double meanings and try to be as specific as possible about what you are asking.

A recent case-study on a US-based insurance company, Allstate, illustrates the importance of asking clear and unambiguous questions in an EOS. Their research found that different employees responded to questions relating to management in a number of different ways. For example, some employees considered 'management' to be the Vice President, others thought it referred to the director and some considered it to be their immediate supervisor, making data very difficult to interpret. This example highlights the need to be specific in your wording. In this instance, it would be beneficial to say "I trust my immediate Supervisor" rather than "I trust management".

## 2. Question Type

Another common mistake is to only include quantitative items i.e. questions that are answered on rating scales such as "strongly agree" to "strongly disagree". Many people assume that qualitative questions, such as open-ended questions, are too hard to analyse or interpret. Depending on what is being assessed, open-ended or free response questions can often yield much more information and get the respondent to engage at a higher level. Ultimately, a good EOS should contain a balance of both quantitative and qualitative questions.

## 3. Survey Frequency

Many organisations make the mistake of conducting a one-off survey. The problem with this is you can never evaluate with confidence whether managers have heeded the messages within the survey. If you are considering an EOS as a once off initiative, we would always recommend conducting at least a second EOS to see if any improvements have occurred.

It is also important not to conduct a follow-up EOS too prematurely. Employees tend to become reluctant to complete surveys if they are asked to participate on multiple occasions in a short amount of time, a phenomenon known as survey fatigue. Generally, administering an EOS bi-annually will prevent employees from becoming fatigued, but will still yield a significant amount of information for analysis.

## 4. Communication with employees

It is always a good idea to communicate with your staff reasons for conducting the survey, what will happen to the results, and what you hope to gain from the whole process. It is also important to address privacy concerns in relation to the survey process. Management should always inform employees who will have access to the data, how it will be stored and how their confidentiality will be maintained. Employees will be more likely to participate if they know what to expect and can anticipate how their feedback will be used.

According to the HR Leadership Council, it is often a good idea to send a 'heads up' email to employees prior to launching the survey. This is a good opportunity to communicate the survey aims, timeframes and privacy concerns to your staff. The Council also suggests that it is beneficial to send a memo to managers prior to the survey launch, to encourage them to promote survey participation among their direct reports.

## Common Employee Opinion Survey mistakes

### 5. Results and Reporting

Not only do you need to be able to actually use the data you collect, you need to communicate the survey findings to your employees. If results are not communicated with employees, they begin to think their opinions don't matter and will be less likely to participate in any future surveys.

The Allstate case-study suggests that management should ask four questions in relation to communication of results:

- ◇ *Have leaders reported the results?*
- ◇ *Have Employees had a chance to provide feedback?*
- ◇ *Have Action plans been created?*
- ◇ *Have Action plans been implemented?*

### 6. Piloting the survey

A simple step that many organisations forget to take when conducting an EOS is piloting the survey. Testing the survey before launching it allows you to check for any obvious errors in terms of spelling, grammar, or layout. A pilot survey should also be used as an IT system check, to make sure firewalls won't stop employees from receiving the survey, and that it won't be marked as junk mail or spam.

### 7. External Benchmarks

It is a fact that staff tend to respond in different ways to different questions. Trying to interpret quantitative EOS results without having robust external benchmarks can be difficult and in some instances impossible. That is because, without external benchmarks you have no way of knowing how people typically respond to any given question and as such have no way of knowing if something is a relative strength or weakness. In order to obtain robust external benchmarking data usually a company will need to engage an external consultancy, such as HC, to administer its survey. However, there may also be some companies that are willing to sell their external benchmark data at a once off fee. This enables a company to still administer its own survey, but also to compare results against other companies. The downside of such an approach is that the benchmark data is rarely going to be as valid as data that is updated on a regular basis.

### Interested in administering an EOS?

Our Psychologists specialise in designing and administering best practice staff surveys. By outsourcing your EOS to HC your organisation will benefit from a superior quality product with a faster turn-around time. This should also free up your managers and HR department to focus on interpreting results and action planning. We have invested heavily in developing an efficient, best practice, online survey platform so that you don't have to!

## Special Offer - Employee Opinion Survey

With the end of the financial year fast approaching and many clients about to begin their business planning processes, now could be the perfect time to conduct an Employee Opinion Survey (EOS).

For a limited time only HC is offering **free tailoring and administration of an Employee Opinion Survey**.

### Key features of our online EOS:

- Fully tailored survey based on your organisation's needs
- Include unique items to assess specific initiatives or changes in your company
- Compare your organisation's results against robust internal and external benchmarks
- Include a balance of quantitative and qualitative questions
- Compare results across divisions or demographic groups
- Analyse trends in data over time



If you are interested in this special offer or would like to receive more information about our employee opinion surveys, please email us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com).

Whistleblowing is the act of exposing some act of misconduct within an organisation. Whistleblowing can occur in any organisation whether it is large or small, public or private, government or non-governmental. Whistleblowers often face an uphill battle to be heard in large organisations (especially where the misconduct they are attempting to expose is wide-spread or systemic) and without the protection of robust whistleblowing policy, can often face significant reprisal from within the organisations that they seek to serve.

Although it's too early to state this definitively, you could say that the 2010 - 2020 decade is shaping to be the decade of the whistleblower. New websites such as wikileaks (currently found at the following website: <http://213.251.145.96/>) have risen to prominence by providing whistleblowers a vehicle to distribute information. In addition to this, social networking sites like Facebook, have been partially credited with enabling whistleblowing and organisation of protests on such a scale that it has led to the displacement of multiple governments in North Africa: <http://www.globalpost.com/dispatch/africa/110126/protests-riots-tunisia-egypt-lebanon-middle-east-north-africa>)

I do think that it is a fair assessment to say that Whistleblowing is not only here to stay but the implications of it are increasingly significant for organisations; large and small. Further, that if organisations, do not provide an internal vehicle for their staff to whistle blow, they will seek to find such a vehicle externally. Once this occurs, and a complaint goes public, not only can companies suffer reputational damage via the ensuing "Trial by Media" but they can also lose the ability to carefully investigate complaints (since most external whistleblowing is done anonymously).

In the wake of the well publicised Stern Hu case, Rio Tinto have recently launched an initiative to ensure that their staff are aware of their whistleblowing policy. It appears, on the basis of the article found below, that Rio has recognised that investigating allegations of bribery and corruption can be approached in a more careful, considered and controlled manner when such an investigation is conducted away from the prying eye of the media. For more detail on the changes Rio has made to its policy please see the following link: <http://www.smh.com.au/business/all-ears-for-whistleblowers-20110316-1bxbf.html>

This recent article got me thinking. Not all companies are as big as Rio Tinto and we probably don't all have the same risk profile in terms of international scandals. However, in the "Decade of the Whistleblower" all companies should consider putting in place at least a basic policy and process. There are many benefits of doing so, just some of which include:

1. Provide protection to the people in your own organisation who have the courage to speak up about matters that concern them
2. Avoid unwanted publicity in the event that some of your staff are engaged in unscrupulous behaviour
3. Generate positive publicity from social responsibility perspective
4. Reinforce a culture of values-based leadership and senior management accountability
5. Increase confidence in the quality of leadership being demonstrated across all locations in the company (especially in companies that operate across a geographically diverse area)

As with all People Processes, the difference between a good and great policy is often found in the detail. However, here are some tips on developing and implementing a whistleblower policy at your organisation:

1. Ensure that the procedure enables whistleblowers to remain anonymous if possible
2. Design the process in such a way that it minimizes or eliminates the risk of detrimental action or reprisal against whistleblowers
3. Ensure that there are clear processes in place for dealing with complaints that are found to be unfounded or untruthful
4. Consider utilising independent companies to administer the process (to ensure that complaints could be made about all employees irrespective of their seniority in the organisation)
5. Ensure that you embed reporting processes that enable you to track the performance of your organisation over time
6. Be clear on the "scope" of the policy. The types of issues that should be raised via this policy should be very clear. General grievances and complaints should not normally be dealt with via a whistleblower process.
7. Ensure that you also have a robust "fair treatment" and "EEO complaints" procedure in place. If you fail to do so, you may find that your whistleblower process will uncover a range of complaints that are more effectively investigated via another process
8. Ensure that your process clearly lays out roles and responsibilities
9. Since a whistleblower policy is often opened up to public scrutiny it would also be valuable to benchmark the investigation process against external best practice and to potentially engage an external consultant to conduct an independent review prior to launching



At HC, we firmly believe that policies and processes are just one tool that you can use to shape your desired organisational culture. There is no point introducing a whistleblower policy that is not tailored to the specific needs of your organisation. It is also a fraught exercise to introduce such a policy if it is inconsistent with other practices within your organisation. If you would like HC psychologists to conduct an independent review of your whistleblower policy (or any other associated policies) then please do not hesitate to ask.

## Reference checks and social networking sites

The internet provides a wealth of information. One can use Google to look up almost anything, including information about people's private lives. Many employers have capitalised on this opportunity by using the information they find on social networking sites (SNS) to make recruitment decisions. However, a recent article in the Journal of Business Ethics has cast doubt over this practice.

An increasing number of employers have recently begun using SNS, such as Facebook, to provide background checks to job applicants. These sites allow users to create a personal webpage that displays information about the user for other people to see. Facebook, for example, reportedly has over 500 million active users making it a very rich source of personal information for employers. Apart from the convenience, another benefit of these sites is that they are completely free.

There are however, also a number of arguments against using SNS for background checks. From an empirical perspective, there is limited or no evidence to support the validity of SNS screening. It may seem defensible to rule a candidate out of contention on the basis of a dubious comment or photo on Facebook. However, I can't emphasise clearly enough that I know of no valid peer reviewed research available that would help to justify such an approach. If anything, the vast majority of scientific research available explores and confirms the validity of more traditional selection methods such as testing for general mental ability, structured interviews, personality profiling and reference checking.

Aside from the absence of empirical support for the approach, Clark and Roberts (2010) raised two other ethical considerations which are summarised on the following page:

Continued over the page



## Privacy

There is no general consensus on the definition of privacy but most would agree that it entails a natural right to keep some personal information from being known to others. Prior to sharing or utilising personal information, it is the norm within Australia for a company to obtain what is termed "informed consent". This means that a person consents not only to provide personal information, but that they do so whilst being completely aware of the way that this information is likely to be used.

## Corporate Social Responsibility

Most large companies now take their social responsibilities very seriously indeed. As good corporate citizens, Clarke and Roberts argue that all employers have a responsibility to also consider the impact of their actions on the SNS medium in general. SNS are increasingly becoming a critical part of the way that individuals relate with and to their local community and if employers misuse such sites they have the potential to cause irreparable harm to this medium in general:

*"Blanket acceptance of this practice destroys the utility and positive impact of this new communication medium"*

Source: Clark & Roberts, 2010

Clark and Roberts therefore argue that there is a real risk that misuse of SNS by employers could lead to people not being able to communicate honestly with each other via this medium.

## Implications for HR practice

If your company is still intent on utilising SNS screening in its recruitment processes, you should think very carefully about the policies and processes you put in place to ensure that the approach is not abused. As a starting point, company guidelines should incorporate the following considerations:

- ◇ Consistency with government privacy guidelines (visit the following website for access to Australian guidelines: <http://www.privacy.gov.au/>)
- ◇ Incorporation of informed consent
- ◇ Provision of a reasonable notice period to the employee prior to the background check being conducted
- ◇ Ensure that outdated information is not used
- ◇ Take steps to minimise intrusion into unnecessary personal information
- ◇ With a process like this it is especially important that you seek independent legal advice about whether what you are proposing is fair and lawful.



At HC, we pride ourselves on being science-based practitioners. That means that, wherever possible, we only recommend strategies that have been tried and tested in controlled empirical studies. In the absence of sound empirical support for the use of SNS sites, and given the range of reliable and valid selection methods already at our disposal (e.g. structured interviews, psychometric testing), HC would advise against the use of this kind of HR practice.

For further information on this article and how to perform fairer background checks using SNS, please refer to:

*Clark, L. A., & Roberts, S. J. (2010). Employer's use of social networking sites: A socially irresponsible practice. Journal of Business Ethics, 95, 507-525.*

**Does your company need assistance in the selection and recruitment of talented workers? HC can provide your company the appropriate tools to objectively assess and reliably select the ideal candidate for a given role. Contact us for more information.**



Much is made in the Australian media about the best way to address our Nations' growing skills shortage crisis. Although, it has become a hot topic politically, it is clear that skilled migration must form at least part of the nation's response to this challenge. The following article explores the benefits of skilled migration relative to other strategies available. In future contributions I intend to provide more practical advice about how to implement a skilled migration strategy whilst avoiding some of the most common pitfalls.

## Solutions for the Skilled Labour Crisis

Skills shortages can be mitigated using a variety of techniques. In the short term, wage increases can be implemented to attract workers from similar occupations or other industries. However, this measure only works for the targeted occupations and doesn't address the underlying problem.

## Training as a solution

One medium to long-term solution to skills shortages is increasing access to training for occupations that face shortages. This can lead to a larger pool of labour supply as some people who are not in the labour force elect to be trained and join the workforce. However, increases in training can also lead to occupation swapping, which may simply transfer a skills shortage from one occupation to another. For example, a shortage of auditors may prompt an increase in auditor education and training, which may attract accountants. The end result may be a reduction in the shortage of auditors, but a shortage of accountants.

Much has been made of the value of training as a means to alleviate demand for skilled labour. However, there is a significant lag (13 years to train a doctor, 4 years for an apprenticeship, 6 years for a masters qualified engineer) for candidates to gain their qualifications and enter industry. Even when they do eventually enter the workforce, they do so with limited practical or industry experience and require close support and further training.

### In addition to this delay, there is a significant dropout rate with all forms of training:

- ◇ Less than 50% of trainees complete their qualification
- ◇ Only 60% of traditional apprentices complete their qualification
- ◇ Between 20-25% of university students do NOT complete their degree

Source: *Australian Vocational and Training Statistics*

### Qualifications in demand by 2015

The growing skills shortage has been forecast in detail by DEEWR. The skills they anticipate will be most in demand by 2015 include;

- ◇ Occupations that require a bachelor degree or higher are expected to grow by 440,200.
- ◇ Occupations that require a Skilled VET qualification are expected to grow 93,500.
- ◇ Occupations that require a Certificate II & III is expected to grow 301,400.

### Industry Growth by Sector to 2015

Skills Australia predicts that Australia will have 9.3 million additional job openings by 2025. 4.8 million by economic growth and 4.4 million as a result of workers leaving the workforce. DEEWR has forecast specific industry employment growth over the next four years and has identified the following requirements:

- ◇ Health Care and Social Assistance is expected to increase by 211,500 positions.
- ◇ Construction to increase by 120,800 positions.
- ◇ Education and Training will increase by 119,000 positions.
- ◇ Professionals, Scientist and Technical Services will increase by 111,200 positions.
- ◇ Retail will increase by 106,600 positions.
- ◇ Accommodation and Food Services will increase by 79,000 positions.
- ◇ Transport, Postal and Warehousing will increase by 67,000 positions.
- ◇ Public Administration and Safety will increase by 45,200 positions.
- ◇ Financial and Insurance Services will increase by 33,300 positions.
- ◇ Mining will increase by 28,400 positions.

## The Skilled Labour Crisis (continued)

Some of these additional jobs may be filled by reskilled or upskilled workers. However, it is clear that with our aging population, the nation is simply not going to be able to meet the growing demand for skilled labour detailed in the forecasts above. As such, over the past decade, Australia's migration policies have increasingly emphasised the importance of attracting skilled migrants. By attracting skilled migrants, the pool of skilled labour is increased, and this also relaxes some of the upwards pressure on wages that has existed in pockets of the Australian labour market.

### Why skilled migration?

Skilled migration provides considerable benefits and clearly must play a significant part in our response to labour market shortages:

- ◇ It helps the nation respond quickly to fill shortages while training programs are implemented.
- ◇ Helps achieve a better balance between experience and skill, energy and diversity.
- ◇ Removes labour market bottlenecks created by localised booms.
- ◇ Lifts productivity and increases labour flexibility.

Skilled migration helps provide the right workers at the right time and right place. If Australia is to continue to prosper up until 2015 and beyond, it simply must be a part of the nation's strategy to address skills shortages.

*For Further Reading:*

<http://www.smh.com.au/business/putting-all-shoulders-to-the-wheel-20110314-1bugf.html>

<http://www.theaustralian.com.au/national-affairs/nbn-will-need-migrant-workers-as-skills-shortages-increase-communications-union-says/story-fn59niix-1226021393721>



This article was written by a guest contributor, Darren A Nelson. Darren is the Managing Director at Global People Solutions P/L.

[darren.nelson@globalpeople.biz](mailto:darren.nelson@globalpeople.biz)

[www.globalpeople.biz](http://www.globalpeople.biz)

## Self reported test results : *A dangerous new trend*

When administered and interpreted correctly, psychological testing provides standardised and objective information about whether or not an individual will be likely to perform well in a job. In fact, psychometric assessment (in particular assessment of general mental ability) has been shown to be the single best predictor of future performance.

With the growing number of employers using psychological assessments (estimated at more than 25%), the number of employees and job candidates who have been assessed is also increasing. Interestingly, we have noticed a recent trend where many of these individuals are choosing to showcase their test results in the public arena to impress prospective managers, clients and colleagues. People are not only listing their intellectual abilities on their CV alongside their employment history and work profile, but also on Facebook, LinkedIn and other social media outlets. We recently even came across a LinkedIn contact that lists his intelligence results as a 'specialty'.

There are a number of reasons why candidates may do this. From a marketing perspective, presenting such results (especially if they are good news stories) is obviously an attractive strategy for job seekers. Beyond this, although Psychologists will always attempt to make the assessment process as painless as possible, it would be rare that people found testing enjoyable. It is therefore not surprising that many people proactively present test results in an attempt to avoid future testing.

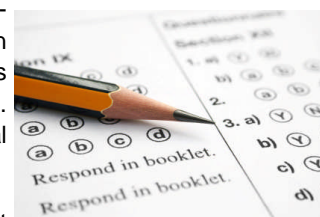
These motivations are completely understandable from a candidate's perspective. However, this does not mean that accepting such results is the right thing to do as an employer. The main four reasons that employers should be wary of self-reported psychometric results are summarised below.

### 1. Results are not standardised across tests.

There are a number of different companies that publish ability-based assessments. However, different test publishers provide different types of tests. These tests will not only vary in terms of the specific questions they ask, but may also differ in terms of the degree of difficulty. For this reason, results obtained from one company and on one particular test, cannot be directly compared to results from another. If your company currently uses a particular psychometric assessment as part of their recruitment process you cannot be certain that a score at the 30th percentile on your standard assessment tool is equivalent to a score at the 30th percentile on another abilities assessment. This lack of consistency completely undermines the objectivity and defensibility of your selection process.

### 2. Often, you don't know what population the results are being compared against.

A 'comparison group' is a large random sample of test-takers within a particular population. By comparing an individual's results against a comparison group we can anticipate in an objective way how an individual is likely to perform in their future role, relative to most people. The problem is, that prior to interpreting a test result, a Psychologist will always consider the most appropriate 'comparison group'. For some, senior or complex roles, we may choose to compare results against a comparison group of people that have at least finished a university degree. Whereas, for more basic roles we may choose to compare results against the general population.



So far, we have not seen any employees quoting the specific comparison group that was used in obtaining their particular test results. This is probably based on misunderstanding, not malice. However, the fact remains that it is simply not possible to interpret such results in a valid way.

### 3. Test results are often presented in ways that can be easily misinterpreted.

Psychometric test results are designed to be interpreted by a trained Psychologist. Terms such as Percentiles, Stens and Raw Scores are frequently used to summarise results amongst trained interpreters. However, to those that are not trained these terms can be at best confusing and at worst misleading. Misinterpretation of key terms can often lead to a candidate presenting their results incorrectly, or explaining them to a hiring manager in the wrong context.

#### 4. You don't know the authenticity of the results or if the test provider is reputable

Most people will not include details about the test provider when they present their scores on their CV or on Facebook. Without knowing details of who published the test it is impossible to verify the accuracy of the results being presented. Additionally, with the wealth of psychological assessments now available on the internet, anyone can easily take a test online and publish their results (or worse still - entirely fabricate them).

HC would always advise against the utilisation of self-reported psychometric testing results. However, we also understand that sometimes time constraints and other pressures make accepting such results attractive. As such, we've provided a number of guidelines to help minimise the risks associated with this approach (if you are still tempted to utilise it):

- ◇ Always ascertain the tests administered, the comparison group utilised and the test publisher who administered the assessment.
- ◇ Before you contact the publisher, obtain a privacy disclosure / release form from the candidate, authorising the test publisher to provide you with their results.
- ◇ Always confirm with the test provider independently that the individual did in fact complete the tests, and verify that they are reporting their results correctly.
- ◇ Confirm with the test provider all the details about the test results. You may need to engage this testing provider formally to do so as debriefing you on results may take some time and is usually an expensive exercise.
- ◇ Inquire with the test provider as to whether or not the tests administered can be fairly compared to any other assessments that you have conducted with the other applicants for the role.

Although guidelines above might seem complicated, by taking the time to verify self-reported results, you are increasing your chances of hiring a successful candidate and saving yourself in terms of time and money in the long run.

**If you need some assistance with verifying a candidate's results, or would like more information about psychometric assessment in general, please contact us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com) or call us on (02) 8084 4284.**



**If you have any questions or would like to provide feedback about this newsletter:**

*[www.henricksconsulting.com](http://www.henricksconsulting.com)  
[info@henricksconsulting.com](mailto:info@henricksconsulting.com)*

*Phone: (02) 8084-4284*

*Fax: (02) 8569-2309*

*Address: 112 / 243 Pyrmont Street  
Pyrmont, NSW, 2009*