



**Psychometric Assessment:
A Valuable Business Tool
Second Annual OPG Survey
December 2019**

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Introducing the OPG and its work

The Occupational Psychology Group has worked with clients to provide business psychology and leadership consulting solutions since 1993.

Psychometric assessment is a key part of our work and we conduct hundreds of assessments and projects each year, mostly using bespoke feedback and reports.

The OPG is pleased to present the results of our second annual psychometric assessment survey, which was carried out in October 2019.

Executive Summary

Working with multiple hypotheses that all support the broader utilisation of psychometric assessments, the OPG surveyed 43 HR and businesspeople in 2019 on their use of such tools. We then compared this data with the findings of the 2018 survey of 58 comparable subjects.

The key finding is that, although psychometric assessment is readily applied by recruiters and trainers who clearly have every confidence in it, its potential as a tool in high-stakes decision-making (particularly in performance-management and restructuring) is still far from optimally-exploited.



85%

of respondents find psychometric assessment to be reliable and useful

Organisations overwhelmingly value the use of psychometric assessment as a business-tool, with 85% of respondents finding assessment to be both reliable and useful. This finding is consistent over both years – 2018 and 2019.

The main use of psychometric assessment is in recruitment and selection, with more than 70% of surveyed leaders using assessment as part of their selection process both in 2018 and in 2019. This is followed by a similar percentage of organisations using psychometric assessment for learning and development.

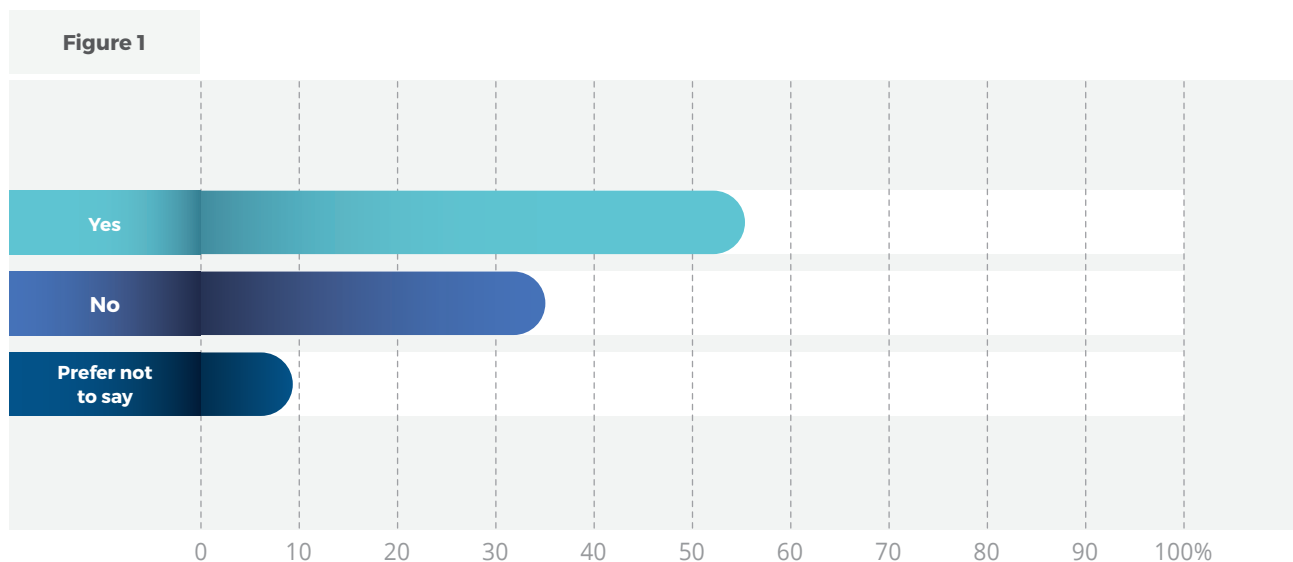
Our survey also reveals some fascinating data around how psychometric assessment may be under-used for applications such as restructuring and performance management despite 78% of respondents saying that psychometric assessment helps improve their decision-making about people.

Do you ever engage business psychologists/ leadership consultants for executive/ leadership assessment/appraisals?

The OPG asked respondents to describe how they administer a psychometric assessment and provide feedback, declaring whether consultants are engaged to deliver assessments.

“55% of respondents use consultants to deliver assessment.”

Our 1st hypothesis is that organisations which engage experts to deliver feedback derive the best value from psychometric assessments because bespoke reports are better at contextualising the data.



We then asked whether consultants deliver feedback and, unsurprisingly, the figures were similar to the numbers that use consultants to administer assessment. So ordinarily feedback is provided, but not by experts.

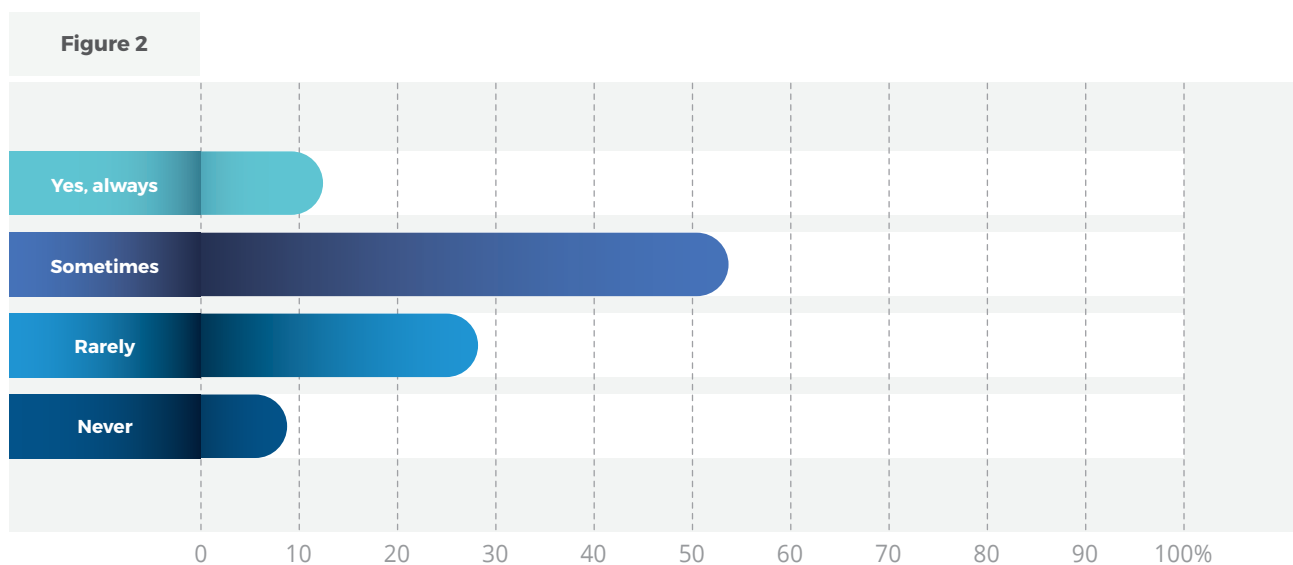
During the 2020 survey we will explore this area further and ask the following:

1. Does your 'in house' user have level 1 and 2 qualifications from The British Psychological Society?
2. How do consultants add value to your assessment process?

Do you use consultants to deliver feedback to candidates either by telephone or face-to-face?

“At least 65% of respondents use consultants for feedback and report-writing at least some of the time.”

The data supports the hypothesis that consultant-delivered psychometric feedback adds value both in terms of depth of expertise and in contextualising the data when reporting the information.



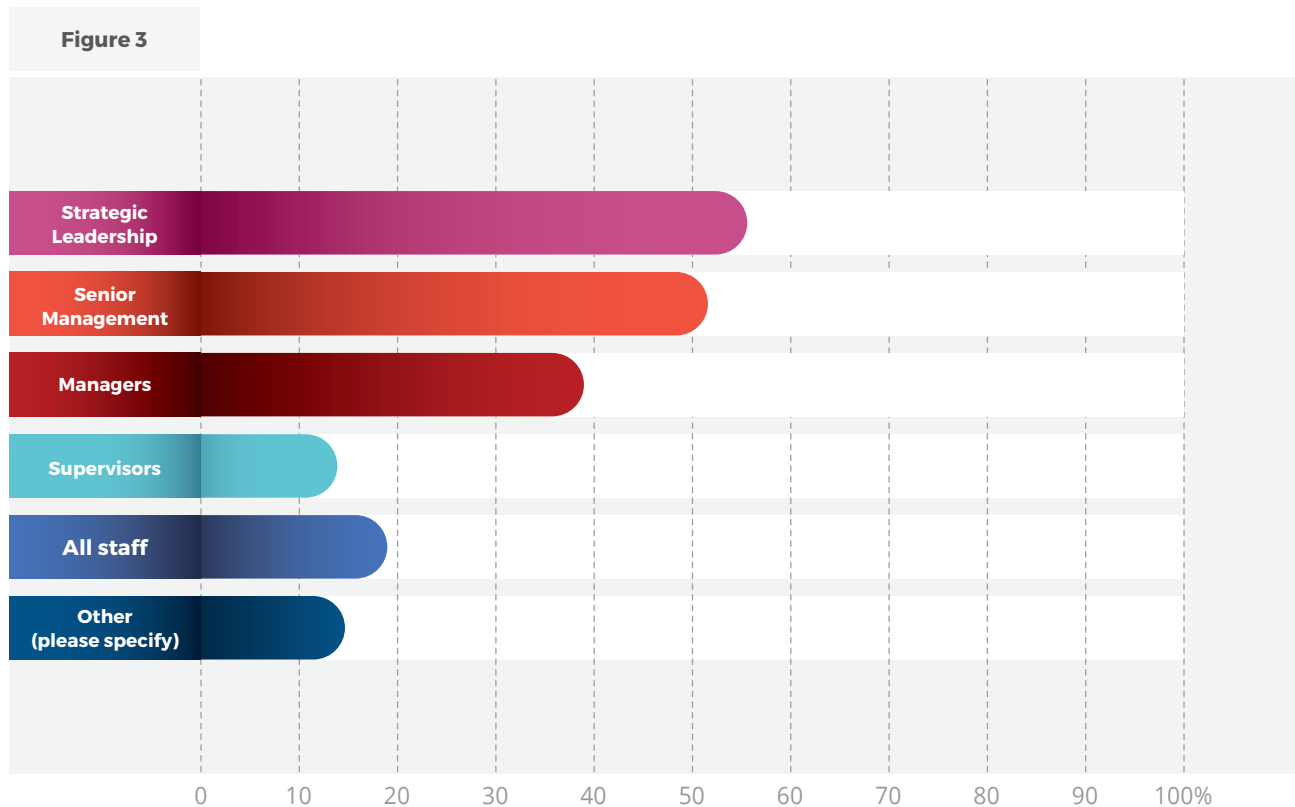
Context is a vital element of assessment as effective feedback provides a depth of insight beyond the constraints of assessments. This feedback can be delivered in-depth either face-to-face or through teleconferences/video-conferences.

How is psychometric assessment used?

The survey shows that the overwhelmingly psychometric assessment is used both in recruitment & selection and in learning & development. It is also used extensively in leadership assessment. The data further revealed lost opportunities for using psychometric assessment for organisational development, restructuring and other 'high stakes' assessment solutions.

Who in your organisation is assessed?

“The survey shows that psychometric assessment is effective at all levels and not just for leaders and managers.”

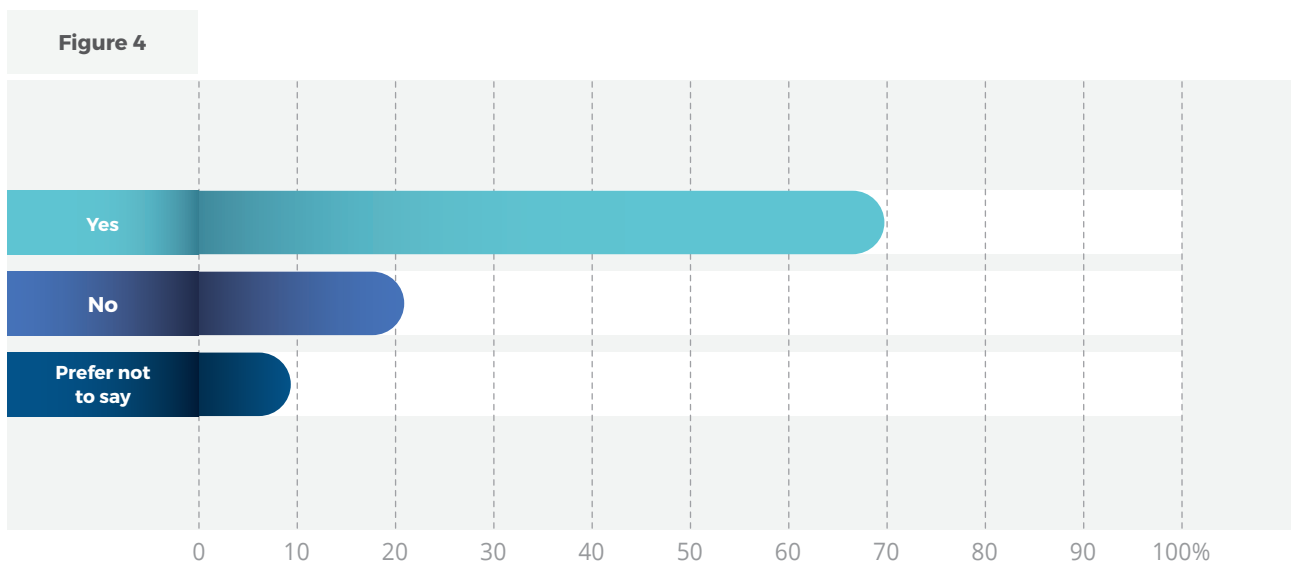


Psychometric assessment is considered by many to be best utilised for managers and leaders. However, Figure 3 shows that the reality is different, with 17% of respondents utilising psychometric assessment at all levels and an additional 14% for supervisors.

Do you use psychometric assessment in recruitment?

“70% of surveyed organisations use psychometric assessment for recruitment and selection.”

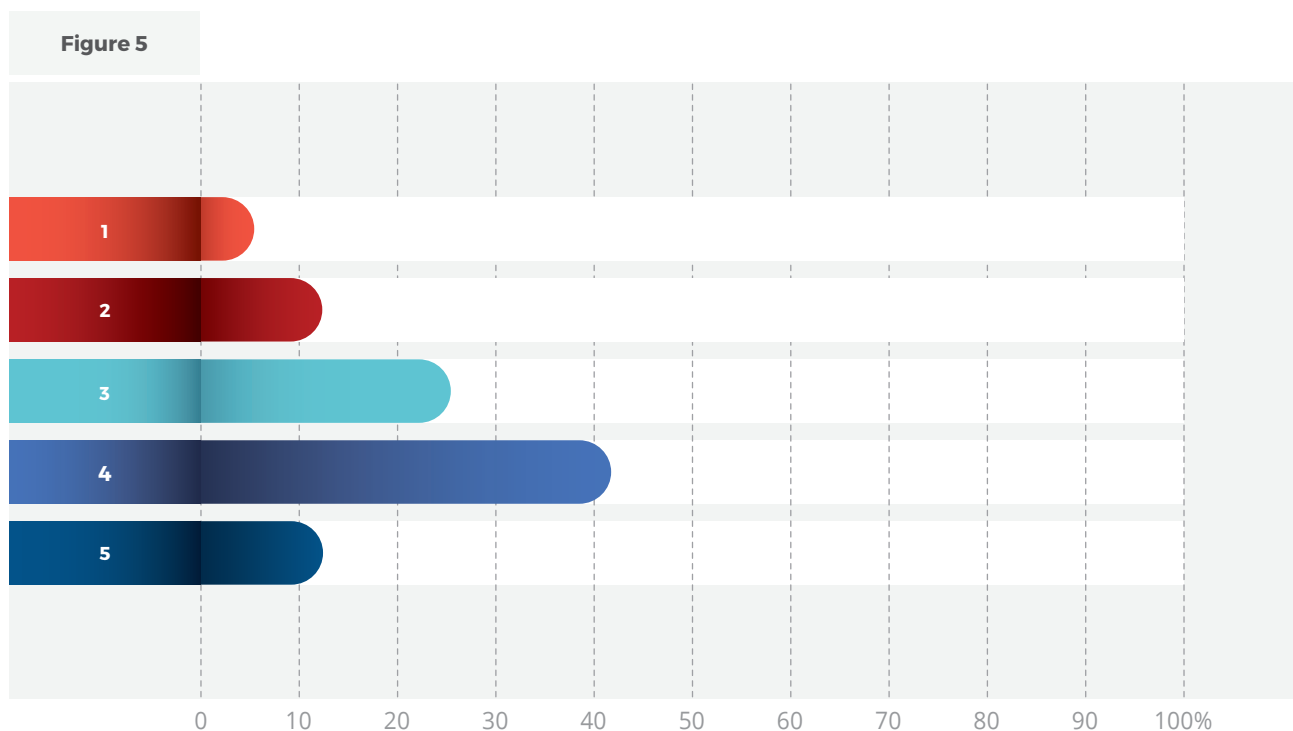
70% of respondents use psychometric assessment to help them assess candidates for recruitment and selection. This is, perhaps, the least surprising finding of the research.



This figure is in line with previous research by other parties and suggests that, when used properly, psychometric assessment is effective in helping clients to make hiring decisions. The consensus amongst researchers is that this is because hard data adds objectivity to the hiring process and provides a more reliable measure of suitability than unstructured interviews. Meanwhile hirers have, in psychometric assessment, a measure that allows candidates to be treated equally. Moreover, records of the process and decision-drivers (always useful when the need to be answerable is omnipresent) can be kept.

On a scale of 1 to 5 (1 being low) has psychometric assessment helped identify development needs amongst your teams?

“A growing use of psychometric assessment is for learning & development, an activity which is valued by over 78% of the respondents in our survey.”



A growing use of psychometric assessment is in learning & development. Learning & development itself is valued by over 78% of the respondents in our survey.

Our 3rd hypothesis is that effective feedback adds value. Indeed, the OPG uses psychometric assessment as a fundamental part of the development planning and executive coaching which we provide for our clients.

In our 2020 psychometric assessment survey we will ask:

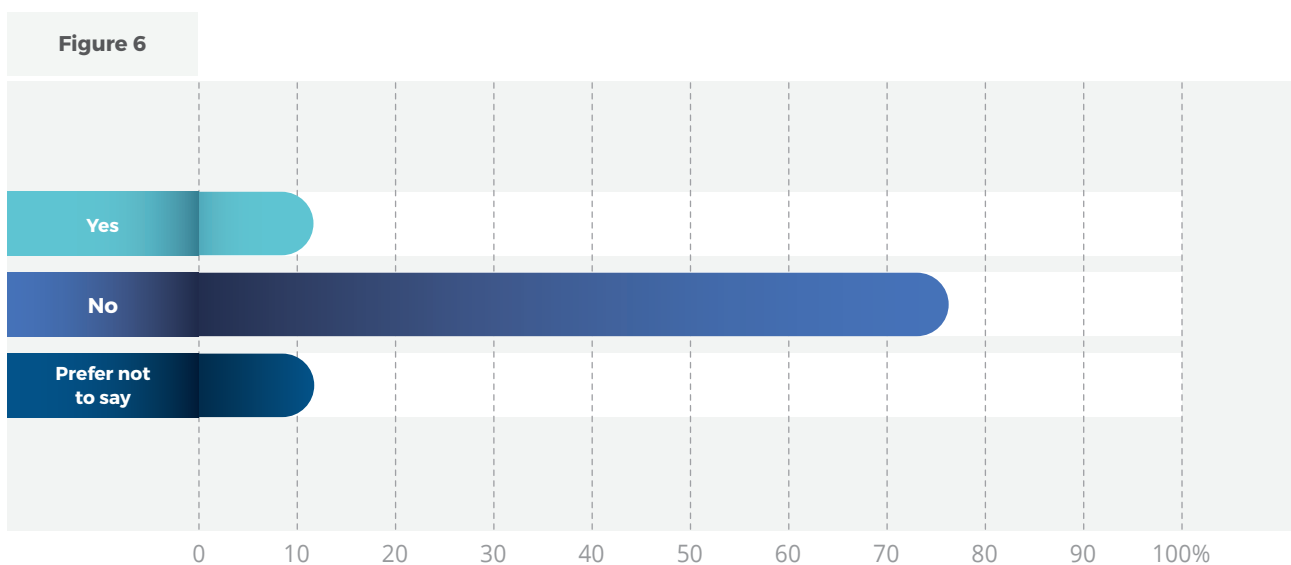
1. What makes psychometric assessment work in learning & development?
2. If you do not think it works then why not?

Do you use psychometric assessment as part of your performance management process?

In our survey we asked respondents to state whether they used psychometric assessment for more specialist applications.

Surprisingly, psychometric assessment is used much less outside recruitment and selection as it is with learning & development.

Figure 6 shows that only around 12% of respondents use objective assessment in their performance management cycle.



“Our view is that effective performance management is about helping participants to develop their capabilities as well as assessing past performance and current attainment. “

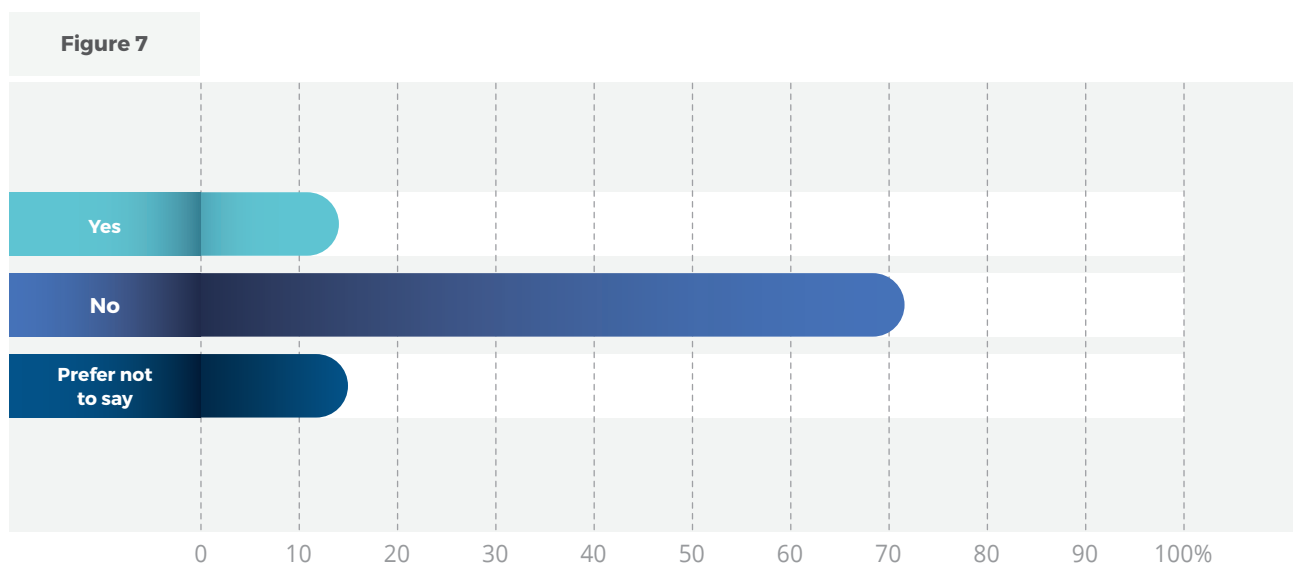
This is a surprising finding as the same survey last year revealed a much higher uptake in the use of psychometric assessment for learning & development.

Our view is that effective performance management is about helping participants to develop their capabilities as well as assessing past performance and current attainment. Why would psychometric assessment not be used to help guide the participant on their developmental journey? That’s a question for 2020, perhaps?

Another area where psychometric assessment is underutilised is in restructuring. Just 15% of respondents said that they used objective psychometric assessment for restructuring despite the fact that they overwhelmingly acknowledged its potential for providing objective and defensible capability data. See figure 7 on the following page.

Do you use psychometric assessment for restructuring?

The OPG's experience is that, when properly administered and fed back, psychometric assessment adds significant data for strategic decision-making. But that's only when it is used in conjunction with other performance and organisational data. Indeed, psychometric assessment adds defensible levels of information that the OPG's clients find invaluable.

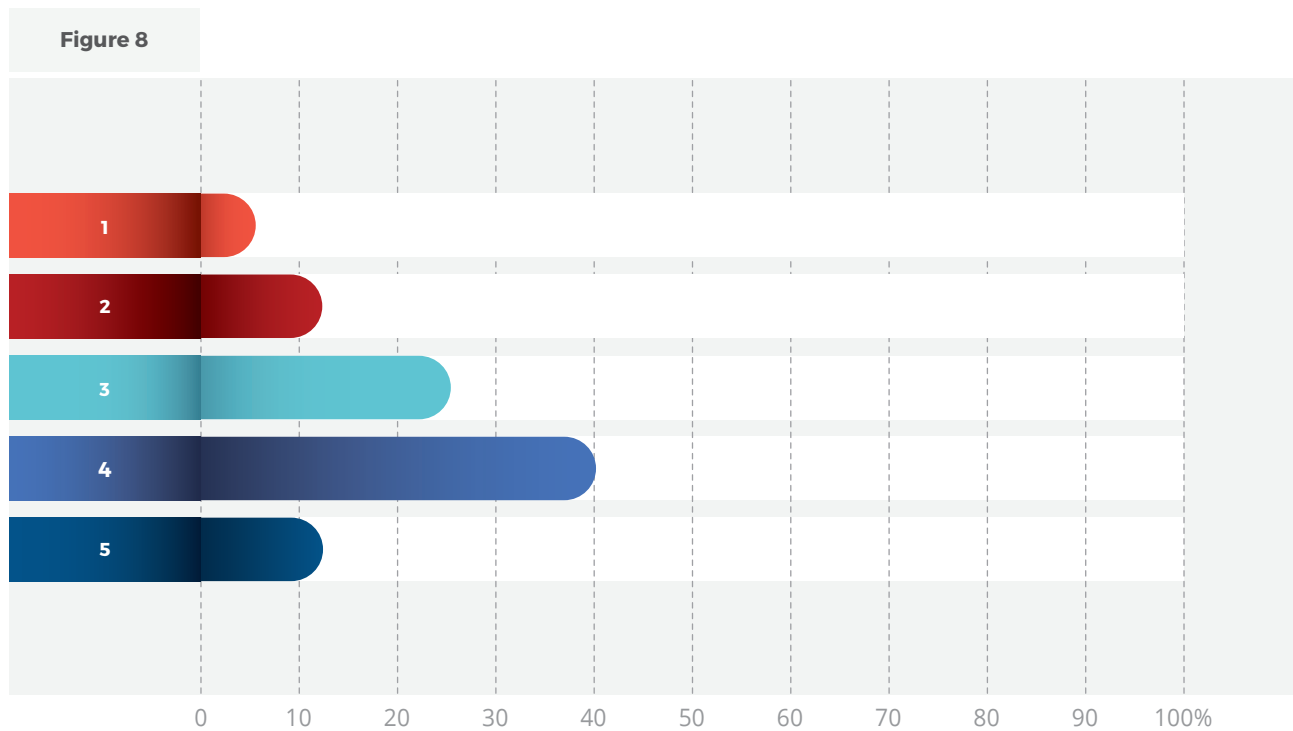


“The OPG’s experience is that, when properly administered and fed back, psychometric assessment adds significant data for strategic decision-making.”

Typically, the OPG deploys psychometric assessment with in-depth feedback interviews to identify areas around readiness-for-change, leadership potential and how the candidates both manage data and plan workloads. These essential skills for modern organisations cannot easily be assessed using conventional methods as past performance is not necessarily a reliable guide to future success in a role.

“Past performance is not necessarily a reliable guide to future success in a role”.

On a scale of 1 to 5 how much has psychometric assessment helped your staff when they're making decisions?



Given that more than two thirds of respondents find that psychometric assessment helps in decision-making, it seems strange that such tools are not more widely deployed in performance-management and restructuring situations.

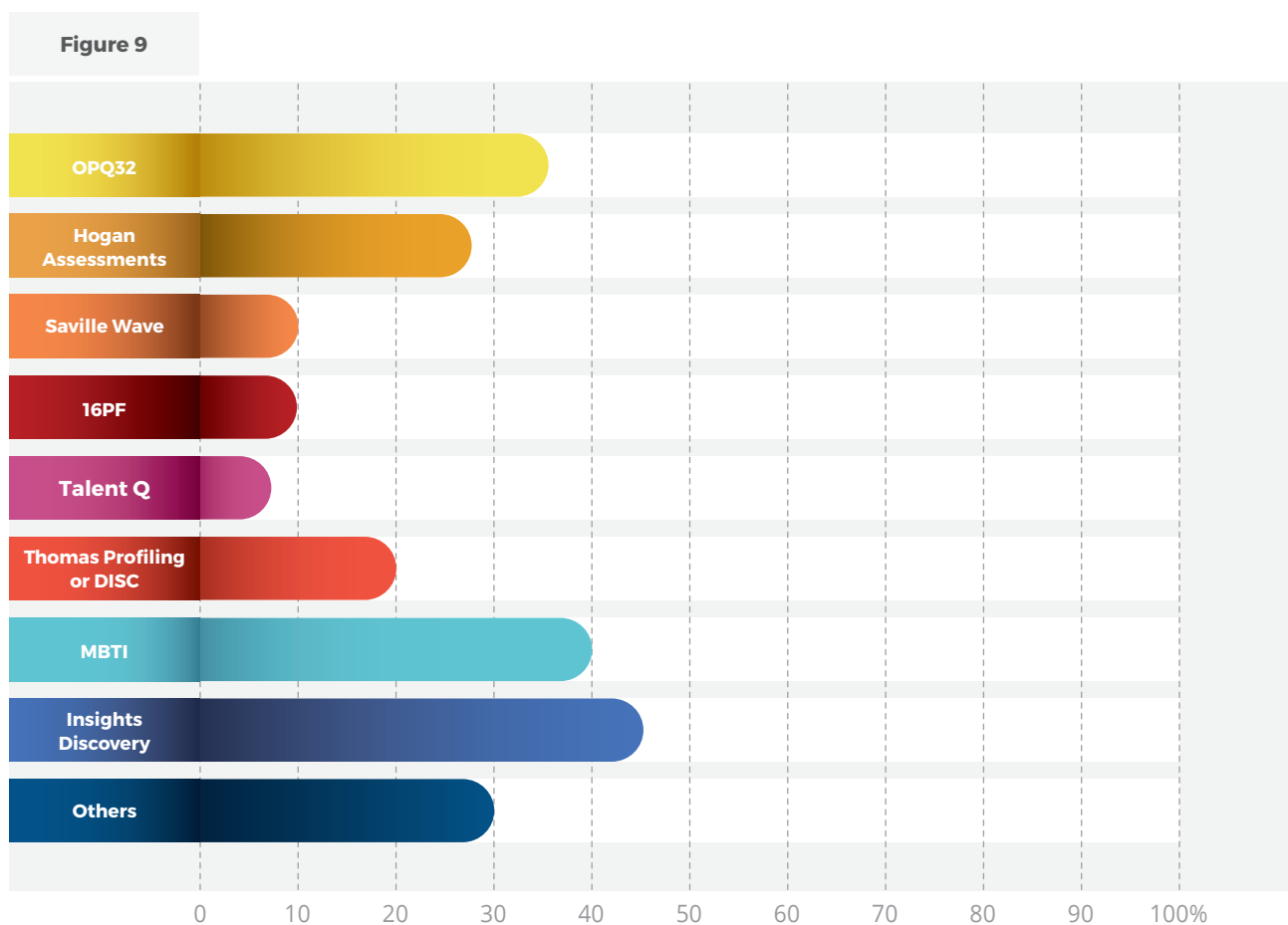
‘More than two thirds of respondents find that psychometric assessment helps in decision-making’.

In 2020 we will look further into these areas.

Which psychometric tools do you use?

Test choice and BPS accreditation

Figure 9 shows findings that are in line with other surveys. Popular assessments include the market-leading OPQ32 from SHL. The Hogan Assessment Suite and, to a lesser extent, Wave and Talent Q are also popular. Once the unchallenged market leader, the 16PF appears to have declined significantly over recent years with just 10% saying that they used it.



Popular development-focused tools (which are not strictly psychometrics) include MBTI which is used by 40% and Insights which is used by 45% of respondents.

Interestingly a significant minority of clients choose tools which do not require British Psychological Society accreditation. 2020 research will focus on why a particular assessment is used.

How our survey is adjusted

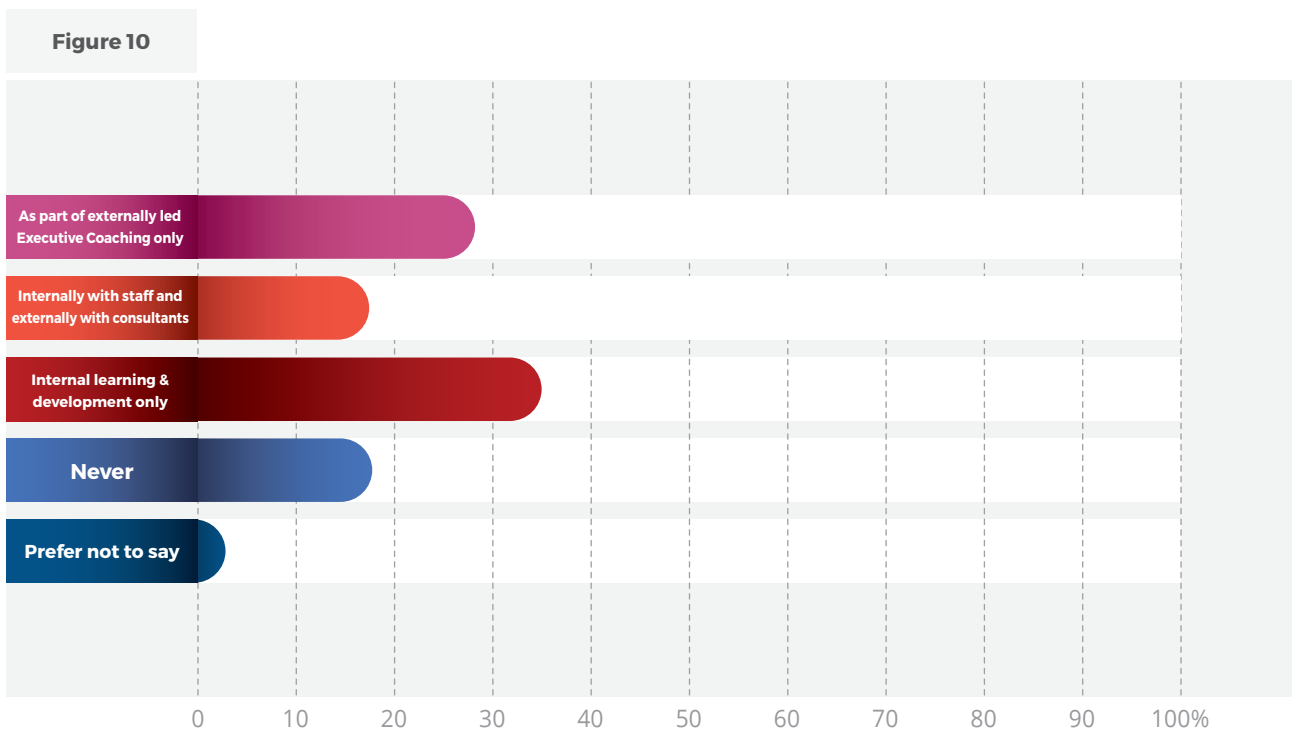
The 2018 survey investigated which learning & development applications attracted psychometric assessments. The same question was not asked in 2019 in order to keep the survey brief. Clearly further adjustments will be made in 2020 and beyond to encourage participation and guarantee relevance.

Do you use psychometrics in learning & development?

What motivated the use of psychometric assessment in conjunction with learning & development?

There was an even split between consultant and internal usage when it comes to learning & development.

When a year-on-year comparison was made of the first two years of our research, i.e. 2018 and 2019, most of it was consistent.



Conclusions

Psychometric assessment is consistently rated highly by over two thirds of respondents for its value in providing objective data for decision-making.

Overwhelmingly, psychometric assessment is used in recruitment and selection as well as in learning & development.

Psychometric assessment is frequently used to assess at all levels of staff, not just leaders and managers.

Perhaps surprisingly, organisations are less inclined to use objective psychometric assessment as part of their performance management process. This will be further researched in 2020.

Restructuring is not currently a major use area for psychometric assessment. Further research as to why this is so, especially given the data's high utility, is needed.

The hypothesis for testing further is that potentially many organisations could make even better use of psychometric assessment if it were deployed in high-stakes applications such as performance management and prior to restructuring decisions.

Since 1991 The OPG has worked with clients to maximise business performance and improve employee effectiveness.

Our work ranges from online psychometric assessment solutions and complex organisational development projects to leadership consulting and 360 feedback.

A hand is shown typing on a laptop keyboard. The laptop is silver and the keyboard is black. The background is a wooden surface. A dark red semi-transparent circle is overlaid on the keyboard, containing white text. To the right of the laptop, a spiral-bound notebook is partially visible.

If you'd like to learn more about our work please email Matthew Davis, medavis@theopg.co.uk with your name, title, function and organisation. We'll then add you to our mailing-list. In keeping with our obligations under data protection legislation, your details will not be shared with any 3rd party.



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