



Principles of Assessment

Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



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“No duty the Executive had to perform was so trying as to put the right man in the right place.”

-Thomas Jefferson

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Presentation Overview

- Assessment: Defining the terms
- The importance of effective personnel assessment
- Assessment principles: Reliability & Validity
- Benefits of good assessment
- Key steps to effective personnel assessment



Assessment: Defining the Terms

- **Personnel Assessment:** a systematic approach to gathering information about individuals
- **Personnel Assessment Tool:** any test or procedure (for example, ability test, structured interview, work sample) used to measure an individual's employment or career-related qualifications and interests

U.S. Department of Labor, *Testing and Assessment: An Employer's Guide to Good Practices*, 1999

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The Importance of Effective Personnel Assessment

- Employees who possess the right competencies are more likely to contribute to an agency's success
- It is critical for agencies to identify and promote employees with the competencies needed to contribute to the agency mission and objectives

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The Importance of Effective Personnel Assessment

“The cumulative effects in wise hiring decisions can result in substantial increases in average performance levels and productivity. Consequences of unwise decisions can range from inconvenience to disaster.”

Robert Guion, 1998, *Assessment, Measurement, and Prediction for Personnel Decisions*, p.4.

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The Importance of Effective Personnel Assessment

- Increases our ability to accurately predict the relative success of each applicant on the job
- Results in hiring, placing, and promoting greater numbers of superior performers
- Results in reduced turnover

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The Importance of Effective Personnel Assessment

- Decreases the likelihood of a bad hire
- Results in enhanced job satisfaction for new hires and a more cohesive work group



Use the Best Assessments

- Federal managers have the same assessment tools available to them as their private-sector counterparts
- A key component to ensuring Federal managers have equal opportunity to recruit top talent is to educate them on basic assessment principles and processes

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Assessment Principles: Reliability and Validity

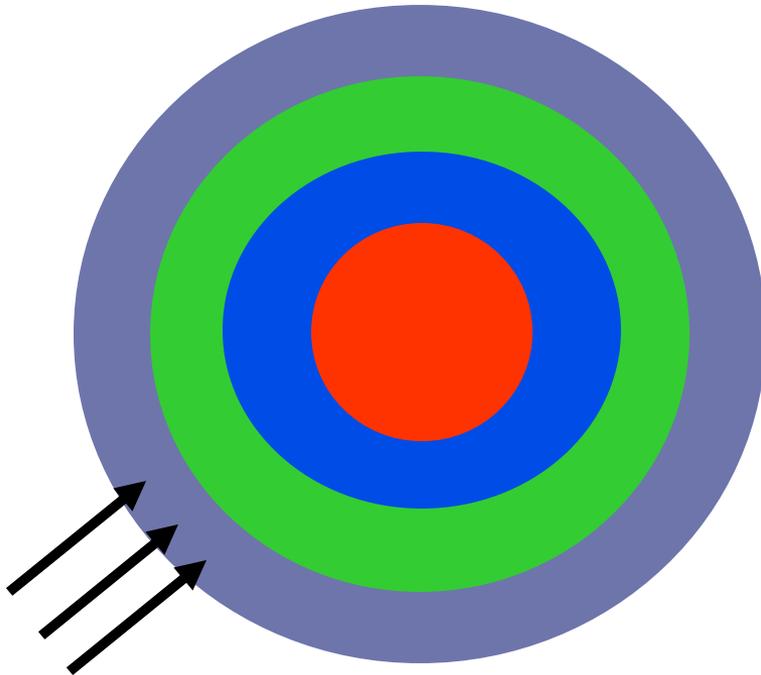
- **Reliability:** the extent to which an assessment tool is consistent or free from random error in measurement
- **Validity:** the extent to which an assessment tool measures what it is intended to measure

U.S. Department of Labor, *Testing and Assessment: An Employer's Guide to Good Practices*, 1999

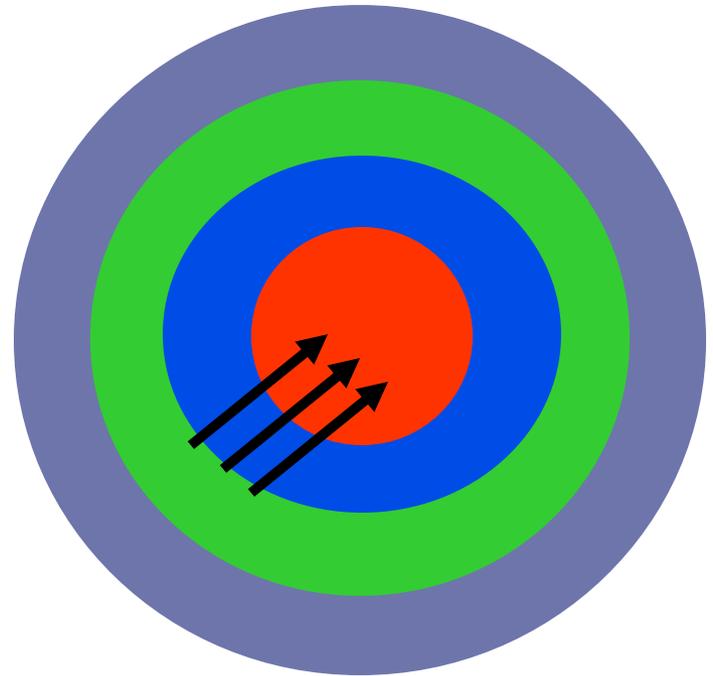
Reliability and Validity: An Example

High reliability is a necessary condition for high validity,
but high reliability does not ensure validity

Reliable, but not Valid



Both Reliable and Valid



Validity of Various Assessment Tools

Validity coefficients quantify the relationship between scores on a selection device and job performance. The higher the coefficient, the better we can predict job performance.

Work Sample Tests	.54	} Validity Coefficients
Structured Interviews	.51	
Job Knowledge Tests	.48	
Assessment Centers	.37	
Biodata Instruments	.35	
Reference Checks	.26	
Training & Experience Point Method	.11	

Schmidt, F., & Hunter, J. (1998). The Validity and Utility of Selection Methods in Personnel Psychology: Practical and Theoretical Implications of 85 Years of Research Findings. *Psychological Bulletin*, 124, 262-274.

Costs of Hiring the Wrong Person

Type of employee	Estimated Cost
Entry-level full time employee (FTE)	\$5,000-\$7,000
\$20,000/FTE	\$40,000
\$100,000/FTE	\$300,000
Note: Costs include wasted salary, benefits, severance pay, headhunter fees, training costs, and hiring time	

Corporate Leadership Council, Literature Review, *Employee Selection Tests* Catalog #070-198-213, Washington, DC, March 1998, p.2. Cited in U.S. Merit Systems Protection Board Report, *Assessing Federal Job Seekers in a Delegated Examining Environment*, 2002.



Benefits of Good Assessment

Proper assessment can help to eliminate:

- Adverse Impact – occurs when the selection ratio in one group is less than 80% of the selection ratio in the other group
- Disparate Treatment – evidence a candidate from a protected group is treated differently from other candidates in the employment process
- Negative Applicant Reactions – job applicants are more likely to pursue grievances when they feel the assessment process was not fair or valid



Key Steps to Valid Assessments

**Step 1: Identify job-relevant
competencies**

**Step 2: Design the assessment
strategy**

Step 3: Identify assessment tools

Step 1: Identify Job-relevant Competencies

Do you have job analysis/competency data?

IF NO

- Conduct a **job analysis** – A study of what job holders do on the job, what competencies must be employed to do it, what resources are used in doing it, and the conditions under which it is done
- Why do a **job analysis**
 - It forms the basis for applicant assessment tools
 - It helps provide legal defensibility
 - It makes good business sense
 - It enhances the validity and utility of human resource products



Step 1: Identify Job-relevant Competencies

Do you have job analysis/competency data?

IF YES

Proceed to the next step

Step 2: Design the assessment strategy



Step 2: Design the Assessment Strategy

- One or more assessment options can be used to determine a person's ability to successfully perform a job
- The appropriate assessments for a given situation will depend on a number of factors, such as:
 - Number of applicants
 - Volume of hires
 - History of litigation
 - Degree of customer contact
 - Turnover
 - Diversity issues
 - Job stress



Step 2: Design the Assessment Strategy

Other considerations

- Resources
 - Budget available for assessment
 - Time available for development and implementation
 - Staff available to administer assessment
- Job-relevant competencies to be assessed
- Tools used to assess these competencies



Step 2: Design the Assessment Strategy

Questions to Address

- 1) Is the assessment tool reliable and valid?
- 2) How are the assessments scored?
 - Formula to combine assessment scores
 - Setting of passing scores
 - Veterans' preference



Step 2: Design the Assessment Strategy

Questions to Address (cont.)

3. In what order will applicants take the assessments?

One common model:

- Hurdle 1: Screening
- Hurdle 2: Performance-based Assessment
- Hurdle 3: Interview



Step 3: Identify Assessment Tools

Hurdle 1: Screening tools may be used to narrow large candidate pools

Examples:

- Accomplishment Record
- Biographical Data Questionnaire (Biodata)
- Cognitive Ability Test
- Job Knowledge Test
- Personality Test
- Situational Judgment Test (SJT)



Step 3: Identify Assessment Tools

Hurdle 2: Performance-based assessments measure an applicant's ability to perform job-related activities (best used when a limited number of applicants is expected)

Examples:

- Assessment Center
- Work Sample
- Writing Assessment

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Step 3: Identify Assessment Tools

Hurdle 3: Structured interview should be used as a final assessment method or when the applicant pool is moderate or small in size

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Other Considerations

- To use assessment tools properly, you must be aware of both the benefits and limitations of any assessment strategy
- Agencies can develop and administer some of these methods independently. However, some of the options require a high level of technical expertise to develop and implement



One Final Thought

“Hiring decisions have long-term consequences for an organization’s productivity and performance. Therefore, quality—not speed—should be the primary measure of the success of hiring decisions and the underlying hiring process.”

Identifying Talent through Technology – Automated Hiring Systems in Federal Agencies. U.S. Merit Systems Protection Board, August 2004.