

Assessment Centres

Evaluate and integrate multiple data points when selecting employees

What is an assessment centre?

Assessment centres are commonly used selection tools that combine a mixture of assessment techniques and exercises to help recruiters test skills that are not easily assessable in other parts of the process. The tests conducted at the assessment centres are used to predict a candidate's suitability for a role, and their fit with the company culture.¹

An assessment centre should have a variety of selection techniques that are based on a clearly defined set of dimensions, criteria, or competencies. These exercises can differ depending on the key selection criteria, but may involve group exercises, ability and personality tests, discussions, presentations, or an interview.² For example, candidates applying for a contact centre role will often participate in roleplays around handling a dissatisfied customer and be tested on their composure and ability to solve problems in a manner that ensures first call resolution. Recruiters often use assessment centres for large amounts of applicants as it is one of the most effective methods for assessing and selecting from a larger pool.

The *International Task Force on Assessment Centre Methods in the Guidelines and Ethical Considerations for Assessment Center Operations*³ outline the following nine elements that must be present in an assessment centre⁴:

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- 1 Assessment-Training, "What to expect at an Assessment Center?"
 - 2 Mason, "Assessment Centres"
 - 3 Rupp et al., "Guidelines and Ethical Considerations for Assessment Center Operations"
 - 4 Collins and Hartog, "Assessment Centers: A Blended Adult Development Strategy," 231-250

Job Analysis

A job analysis identifies the important knowledge, skills, abilities, and other personal characteristics of the job for which participants are being assessed. They also provide information about roles, responsibilities, and critical incidents that drive the development of assessment exercises and simulations.

Behavioural Classification

Evaluations of participant behaviour must be classified into meaningful categories or dimensions that are critical to success. The classifications can be according to assessment exercises, behavioural aspects identified through the job analysis, or both.

Assessment Techniques

The job-relatedness of each exercise needs to be established to ensure content validity. This means clearly outlining the critical task areas and competencies that each activity represents.

Multiple Assessments

This is one of the trademarks of an assessment centre. Multiple assessments or exercises are used to evaluate each of the dimensions assessed. In this manner, there is an overlap in the evaluation so that behaviour can be observed across multiple activities.

Simulations

Assessment techniques should include at least one job simulation, such as roleplay, but can also include other tools such as interviews, tests and business cases.

Assessors

More than one assessor needs to observe and evaluate each participant to enhance the accuracy and the reliability of the ratings.

Assessor Training

Assessors must be appropriately trained on each of the dimensions to be assessed; guidelines on observing, recording, classifying and

evaluating behaviours; the exercises and dimensions targeted; and the avoidance of common rating errors.

Recording Behaviour and Scoring

Behavioural observations need to be recorded and scored systematically to ensure a rigorous, standardised, and reliable process.

Data Integration

Assessor observations of each exercise or activity need to be combined into competency or exercise ratings, and possibly an overall rating.

So why do assessment centres receive a mixed review?

Selection Procedures	Validity	Relative Strength of Procedure	Description
Cognitive Ability Measures	0.65	Very Strong	Relatively inexpensive and generalisable.
Structured Job Interviews	0.58	Strong	Expensive to develop and time consuming.
Assessment Centres	0.36	Moderate	Resource, time and cost expensive. Challenging to standardise and scale.
Personality based EQ	0.32	Moderate	Relatively inexpensive, standardised and useful for development.
Learning Agility	0.30	Moderate	A key measure of high-performance potential.
Situational Judgement Tests (SJT)	0.26	Moderate	Needs to be customised. Excellent for engaging candidates and providing a realistic job preview.
Personality based Conscientiousness	0.22	Moderate	Relatively inexpensive, standardised and a valid personality measurement.
Years of Job Experience	0.16	Weak	Often the same amongst entry level applicants
Years of Education	0.10	Weak	Quickly outdated in a rapidly changing work environment.

Figure 1. Compiled by Talegent; adapted from Schmidt, Oh, & Shaffer, (2016). *The validity and utility of selection methods in personnel psychology: practical and theoretical implications of 100 years of research findings*; De Meuse, Hallenbeck, Dai, & Tang, (2009). *Global talent management: Using learning agility to identify high potentials around the world*.

Schmidt and Schmidt's meta-analysis of the validity of assessment centres, which reviewed 26 studies and 27 validity coefficients⁵, suggested as a result of the meta-analysis that a validity estimate of .36+ for assessment centres is conservative and is often affected by indirect range restriction. Indirect range restriction is where only part

⁵ Lievens, "The Validity of Assessment Centres," 405-411.

of a group, such as applicants who pass the initial screening, are used for validation of the system but are not used in the decision-making process. As such, the true validity estimate of assessment centres is likely to be higher; however even a .36 validity coefficient suggests that they can accurately assess candidates and predict future job performance.⁶

Advantages and disadvantages of assessment centres

There are many discussions surrounding the effectiveness of using assessment centres. Some of the advantages of assessment centres are the quality of data and bias minimisation; some of the disadvantages include the resource-intensive nature and the time needed for them.⁷

Advantages:

Hiring manager engagement:

Actively engaging hiring managers, provided they are valid judges of talent, has been shown to improve the predictive inferences for organisational performance.

Candidate engagement:

Positive candidate experiences reflect well on an employer's brand. Using assessment centres minimises candidate drop out, as potential hires have invested time and are prequalified and remain engaged through to offer.

Interactive exercises:

These provide data that can be challenging to assess through traditional measures. For example, actual displays of interpersonal sensitivity are best validated with simulated job performance in a relevant exercise.

Rich candidate data:

Feedback can be provided to managers who are participating as observers of candidate performance, thus enhancing their ability to optimise candidate selection decisions.

⁶ Schmidt et al., "The Validity and Utility of Selection Methods in Personnel Psychology"

⁷ Lievens, "The Validity of Assessment Centres," 405-411.

Minimise gender and racial bias:

Provided the integration session and pre-assessment centre training is administered professionally, assessment centres enable all applicants to be evaluated on the same qualities against the same benchmarks.

Disadvantages:

Time and cost intensive:

This is particularly true if candidate attendance is low and leaders are taking significant time off-site to observe or participate in the assessment centre.

Very resource heavy:

When involving assessors and role players for exercises that are more challenging to prepare for and administer consistently, the amount of resource needed is greater than that of an assessment, which is more standardised and shorter in duration.

Integration of Data:

When not correctly facilitated, data integration can often become 'halo and horns' stereotype sessions reinforced by managers and leaders.

An increasingly important reason for using assessment to gather candidate data earlier in the selection journey is to optimise candidate experience by enabling hiring managers to select candidates for interviews earlier, and with greater confidence. Using this approach early in the process reduces training time and predicts candidate performance more than simply relying on past experience, references, and job interviews.⁸ Traditionally, assessment centres are held in person and at set over a few days; however this can be an expensive and time-consuming undertaking. Some assessment centres can be conducted online with candidates proceeding through individual assessments.

⁸ Ballantyn and Povah, *Assessment and Development Centres*.

Competency models are the foundation of assessment centres

Competencies are the cluster of observable behaviours and actions which can include personality, ability, interests, and motivations etcetera. Competency definitions can draw on some or all of these psychological constructs, and often form a competency model which provides a guideline of necessary behaviours for an organisation.⁹



Part of best practice assessment centre design is ensuring that any assessed behaviours or competencies are both observable and measurable. When a competency is a discreet attribute, such as honesty or maturity, it can be challenging to assess in an assessment centre. The assessments should focus on how people perform set tasks, and the behaviours or competencies required to do so, and not the outcome of them.¹⁰

Why are competency models important in assessment centres?

A well-researched competency model is essential for assessment centre design. It provides a framework for effective job performance and helps create a base for the following:

⁹ Sanghi, *The Handbook of Competency Mapping*.

¹⁰ Leigh et al., "Competency Assessment Models," 463-473.

Choosing assessment centre exercises:

This choice should be focused on those that will provide opportunities to observe relevant behaviours and have high face validity for the organisation's culture.

Assessor observations and evaluations:

There need to be clear guidelines around categorising and evaluating candidates' performances. Competency models will assist in reducing subjectivity by defining behaviours to be assessed.

Conducting reviews and validations:

This process will be facilitated more easily as the design and implementation of the centre will have been focused on relevant behaviours. Qualitative and quantitative reviews of how the exercises and assessors worked will also be more targeted.

Uses of assessment centres

Assessment centres can be used for multiple purposes, the most common of which is for hiring or promotion.¹¹ Employers use assessment centres to gain an accurate profile of candidates' abilities, knowledge, personality, and motivations to select the person most suited to the position, or to identify areas for staff development. Studies show that 70% of large organisations and 40% of smaller ones are using assessment centres for graduate recruitment.¹²

The combination of various exercises and assessments are designed to give recruiters a balanced evaluation of each candidate.¹³ Most assessments have a standard rating scale for each candidate and exercise, and a team of assessors consolidates their findings at the end of the session.

¹¹ Rupp et al., "Guidelines and Ethical Considerations for Assessment Center Operations"

¹² University of Canterbury, *Assessment Centres & Psychometric Tests*.

¹³ Byham, *The Assessment Centre Method, Applications, and Technologies*.

Methods of assessment in assessment centres

There are various methods of assessing performance available which are diverse in terms of their style, structure, objectivity, and competencies measured.¹⁴ Some frequently used exercises and techniques are outlined below.

In-tray exercises are situational tests in which candidates are asked to deal with various items in the in-tray that they may encounter while on the job. Using a task like this brings a hypothetical question such as “how would you deal with this request or requirement?” into reality. The idea is that candidates will approach the paperwork in the in-tray as they would on the job itself. These tasks will vary depending on the job and its requirement, but they are intended to assess candidates’ ability to organise and prioritise their work.¹⁵

Role play exercises involve the candidate and assessor adopting roles to act out in a simulation of a job-relevant scenario, such as a sales meeting or a customer call. These situations will change depending on which job is being recruited.

Presentations can sometimes consist of a talk on a subject of the candidate’s choice, or it can be more structured by providing a theme or background data for a presentation on a set topic. This is designed to measure presentation skills, including a candidate’s ability to organise and structure the information, as well as their ability to communicate their points clearly and concisely.

Psychometric tests can objectively measure an individual’s capacity in a specific area under standardised conditions which allow the tester to make a direct comparison between individuals. This can involve a series of assessments and questionnaires that are used to measure a person’s ability, personality, interest, and aptitude.

Aptitude and ability tests

Designed to measure cognitive abilities, these standardised tests are

¹⁴ Monster, “What is an assessment centre?”

¹⁵ Bray, “The Assessment Center and the Study of Lives.” 180-189

comprised of multiple-choice questions. Popular test areas are verbal ability, numerical ability, abstract reasoning, spatial reasoning, or mechanical reasoning.

Personality tests

These standardised questionnaires reveal aspects of a candidate’s character, and their likely workplace tendencies. Personality tests are used to determine what a candidate’s typical reaction or behaviour of a candidate to various situations, such as being part of a team, building relationships with others, handling pressure, or responding to change.

Analysis exercises involve participants analysing and interpreting information, then communicating their conclusions and recommendations to assessors.

Listening exercise

The material is presented orally or on a video, followed by an exercise to test the accuracy of a candidate’s observation and their conclusions are drawn.

Written exercise

Often based on a dossier of documents. The candidate is asked to summarise, reach conclusions, and make recommendations based on the information presented to them.

Fact-finding exercises

A basic brief is provided, and an assessor is available to answer supplementary questions. The candidate is asked to report back on what they found and deliver their recommendations.

Group Exercises, such as case studies and discussions, are used by 75% of assessment centres¹⁶. These exercises are typically designed to measure interpersonal skills such as emotional intelligence, leadership, teamwork, negotiation, and group problem-solving skills.

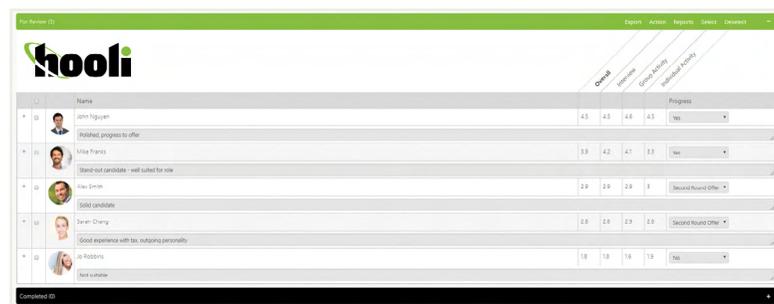
¹⁶ Assessment Day, “Assessment Centre Guide”.

A competency-based interview is one of the most widely used methods for selection. The challenge with unstructured interviews is that interviewers cease collecting data ten seconds after the interviewee takes a seat. Research demonstrates that these ten-second ratings of candidate potential correlate significantly with the final evaluation of the interview by the interviewer.¹⁷ If the interview is structured, with a consistent set of questions and clear criteria to assess the quality of responses, they are more effective.

Assessment Centre Matrix

An assessment centre matrix incorporates assessment results which allow assessors and recruiters to maintain an objective and consistent selection process. Talegent’s assessment centre matrix (ACM) is a paperless and self-administered system designed to minimise human error and maintain reliable record keeping. It reduces the number of platforms required, automating and integrating various touchpoints. The Talegent ACM is designed to decrease the time and cost to hire while increasing the quality of hire. It does this by increasing the objectivity and scalability of the recruitment process.

Talegent’s ACM provides multiple views to better monitor and assess candidate performance:



Recruiter summary view

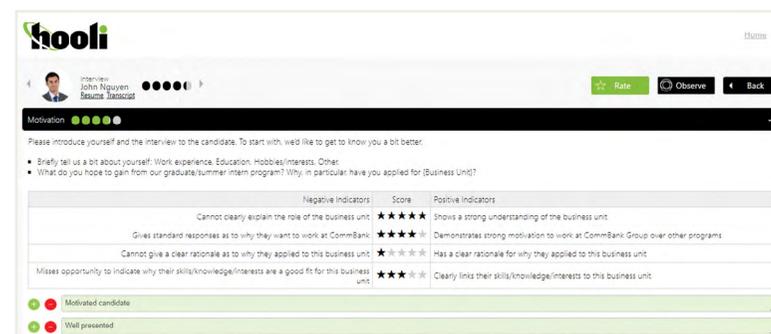
The recruiter summary view allows recruiters to compare candidates across all assessments and exercises. This assists them in selecting which candidates should progress as they can easily see how candidates are ranked in each section.

¹⁷ Prickett et al., “The Importance of First Impressions in a Job Interview”.



Recruiter detailed view

This enables recruiters to look at individual results in detail, which can be helpful when deciding between two or more high performing candidates.

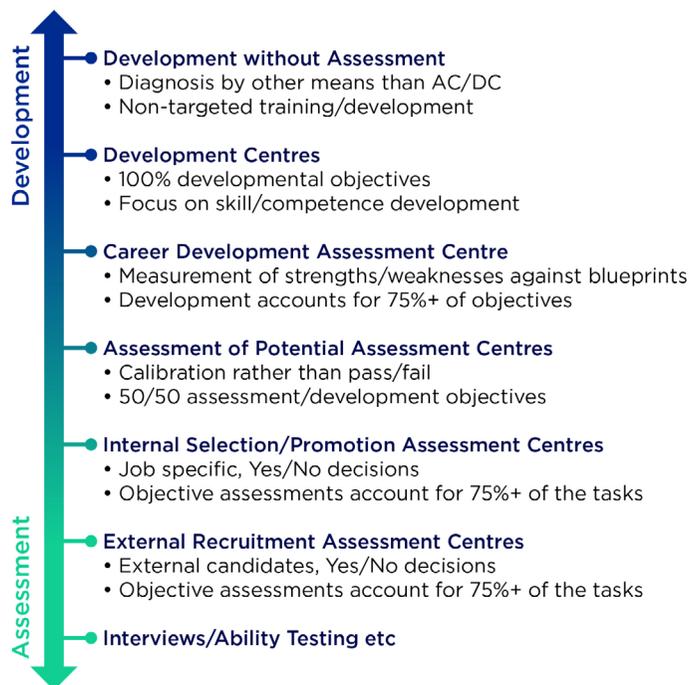


Assessor view

The assessors view on the ACM makes it easier for assessors to view all the information they need during the assessment centre in one paperless system. Assessors are able use specific assessor rating forms for each exercise. The ACM also provides the assessment centre timetable, including room allocations and scheduling.

The Talegent ACM can be configured to suit individual recruitment processes by providing automated assessment data to refer to during the assessment centre, such as psychometric scores or video interview results. Having individual candidate profiles with candidate data like transcripts and résumés available during the assessment centre assists recruiters in their decision making by making all the information they need at their fingertips.

How assessment centres differ from development centres



The difference between a development centre and an assessment centre boils down to their purpose. Assessment centres are programmes seeking a “yes/no” answer for recruitment, whereas development centres focus on identifying skills for learning and development with current employees. Often an assessment centre is undertaken towards the end of a recruitment process, while a development centre is used at the start of a training process to assess and develop skillsets.¹⁸ A fundamental difference for participants is that they will actively be involved in assessing themselves in a development centre. They are given detailed feedback on their results and what they mean for their future development and will be expected to ‘own’ the requirements as part of their continuous professional development.¹⁹

¹⁸ Ballantyn and Povah, *Assessment and Development Centres*.

¹⁹ Psychometric Success, “What is a Development Centre?”

A development centre is held over one or more days to identify key strengths and weaknesses in order to diagnose areas that require training. In a development centre, participants are actively involved in the assessment of their behaviours as part of their professional development. There are two main types of development centres: identification centres and diagnostic centres. Identification-based development centres aim to assess people with high potential to enable rapid advancement. Diagnostic-based development centres aim to improve current performance and employee motivation.²⁰

Case Study

As assessment centres can be very time-intensive, it is crucial to be able to make them as effective as possible. One way to do this is with an assessment centre matrix. These can help make assessment centres more efficient by collating all relevant information in one place.

Talegent created an assessment centre matrix for a large Australian financial organisation, to use within their graduate & intern recruitment. The key goal for the tool was a paperless assessment centre, to streamline process, remove friction and promote brand to hundreds of candidates involved annually. Enhancements were also targeted to minimise the time requirements from the business, and ensure objective decision-making was as easy as possible.

The fully configured ACM solution was specific to the activities, competencies, and scoring rubric of the existing AC process. This allowed rapid implementation and delivery of the solution and created a platform to facilitate continuous improvement.

Having individual candidate profiles with candidate data such as transcripts and résumés available during the assessment centre assisted recruiters in their decision making by having all the information they need at their fingertips. By increasing the objectivity and scalability of the recruitment process, the Talegent ACM is designed to decrease the time and cost to hire while improving the quality of hire. When using

²⁰ Ballantyn and Povah, *Assessment and Development Centres*.

the Talegent ACM, alongside a review of the assessment methods, the financial organisation was able to massively reduce their elapsed time of assessment centres from five weeks to five days.

The flexibility of the tool allows adaptation and change with needs of the business. Specifically, ensuring the right competencies are measured in the right way at the right time. This enables businesses to audit their recruitment journey, focus on competencies which predict success and shorten the process where there is “over-measurement”. Enterprise expansion of the tool can also reduce the number of platforms the recruitment team utilises, as well as automation of user touchpoints.

Key Points

- Assessment centres are designed to measure the key capabilities required for on-the-job performance in an interactive manner.
- An assessment centre should have a variety of selection techniques that are based on a clearly defined set of dimensions, criteria or competencies.
- As part of an assessment centre it is important that any assessed behaviour or competency is observable and measurable.
- An assessment centre matrix incorporates assessment results which allows for assessors and recruiters to maintain an objective and consistent selection process.
- Assessment centres are programmes seeking a “yes/no” answer for recruitment and development centres focus on learning and development.

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