

■ ■ ■ ■ ■ ASSESSMENT CENTERS

| | Level of Performance | | | |
|---------------------------|-----------------------------|-----------------------|-----------------------|----------------------------------|
| | Business | Process | Work Group | Individual |
| Performance Change | | | | |
| Establish | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Improve | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Maintain | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Extinguish | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

Definition

An *assessment center* is a process in which several different competencies of potential or existing employees are evaluated by more than one assessor using multiple techniques. These techniques include paper-and-pencil inventories, interview" and role plays and simulations. The results of the assessment center process can be used for employee selection or development.

Description

Assessment centers were originally developed for military purposes, first by the German military and later by the U.S. Office of Strategic Services in World War II. The process was driven by the need to select officers and undercover agents. The competencies required of people entering these jobs were very complex and not appropriately measured by existing instruments.

The goal of the early assessment centers was to measure complex behavior accurately using several different kinds of measures. It was thought that competencies would be more reliably measured if observed more than once and by assessors with specially developed skills.

The key to a valid assessment center is the objective measurement of behaviors. If assessors are not extremely well trained, their assessments might be biased as a result of factors unrelated to performance, such as the attractiveness of the person whose behavior is being assessed.

In 1956, at AT&T, Douglas Bray first applied the assessment center technique in a business setting (described in Thornton & Byham, 1982). It is hard to imagine a more detailed study of individual behavior, attitudes, motivation, and success. More than four hundred entry-level employees participated in the AT&T assessment centers between 1956 and 1960. Five years later their assessment center scores were shown to be strongly correlated with different measures of managerial progress (for example, salary and number of promotions).

There is no such thing as a typical assessment center. However, some practices are more common than others, with 83 percent of assessment centers using in-basket activities, 78 percent using simulated coaching meetings, 70 percent using leaderless group discussions, 70 percent using structured interviews conducted by the assessors, and 68 percent using oral presentations (Kudisch et al., 1998). Nearly 90 percent of the organizations that administer assessment centers use them for employee selection, and 69 percent use them for employee development (Kudisch et al., 1998). A majority of development centers also use 360-degree, or multirater feedback (Kudisch et al., 1998).

When to Use

Implementing assessment centers requires both time and financial resources. Therefore, assessment centers should be undertaken only when there is solid evidence that the organization can achieve a positive return on investment (ROI). The following three situations are appropriate opportunities for using assessment centers.

When Selecting Managers and Supervisors

Using the assessment center technique does add cost to the hiring process. However, Gaugler, Rosenthal, Thornton, and Bentson (1987) demonstrated that across many applications, there is a significant correlation between performance in an assessment center and performance on the job. Also, Cascio and Silbey (1982) demonstrated that even when assessment centers used to select supervisors result in less correlation between the two types of performance than that found by Gaugler et al., the organization can experience a positive ROI. This is because assessment centers can help organizations to hire better performers, even when written

inventories or interviews are already part of the selection process. The performance difference between the new supervisory hires and those who would have been selected without the assessment center more than makes up for the additional cost.

Like any other selection technique, assessment centers should not be the sole source of data used in hiring. When considering the use of an assessment center for employee selection, an organization must consider four factors to calculate the ROI:

- The statistical relationship between assessment center scores and job performance (validity)
- The dollar value of the job performance differences between those who could potentially be selected using the assessment center and those who would have been selected using another method or randomly
- The number of applicants going through the assessment center for a given job opening
- The cost of administering the assessment center

Therefore an assessment center can be an excellent intervention as a selection tool when acquiring a high performer is critical and when the organization can choose among applicants.

When Developing Managers and Supervisors

Many assessment centers are run to give participants feedback about their behavior in critical situations. This feedback is often linked with development opportunities matched to an individual's performance in the assessment center (along with other performance-related data). In most assessment centers, feedback is delivered face-to-face by assessors (Spsychalski, Quinones, Gaugler, & Pohley, 1997), but it is not unusual for the feedback to come in a written form.

The feedback report might cover the following elements:

- The person's actions during the activity (or activities)
- The person's strengths and needs for development
- The recommended training or development opportunities that are likely to improve the person's performance

When Conducting a Needs Analysis

For the assessment center to be an effective needs analysis tool, the following conditions must be present:

- Adequate organizational resources to provide opportunities for training and development
- Management commitment to the development process
- Development goals that are part of performance planning for those who go through the assessment center and for their immediate supervisors

One example of using an assessment center for needs analysis occurs when an organization is implementing a new competency model. The assessment center can be used to benchmark the competence of incumbents. These data can be used to design training and development programs that would be used by the group. As mentioned earlier, participants would also receive specific feedback so that training could be individualized.

Combining the Three Uses

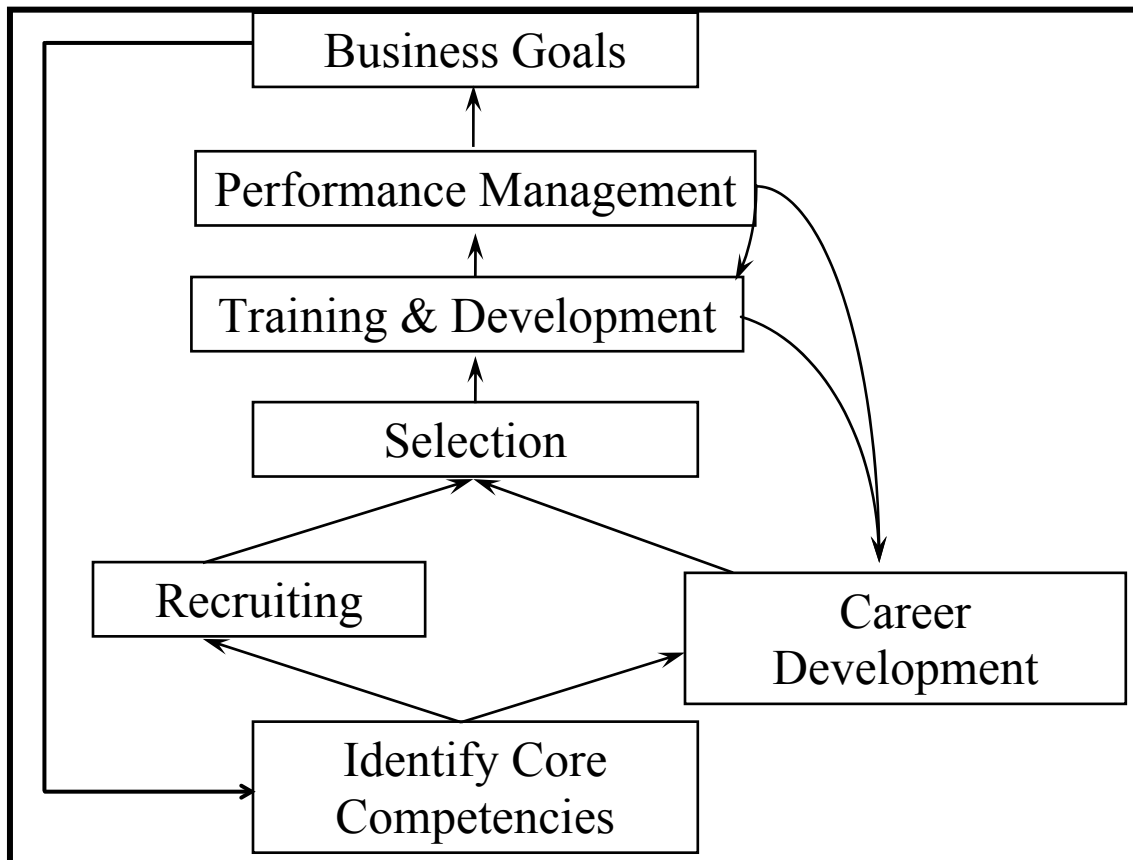
The three uses of assessment centers just discussed are not necessarily independent from one another. An organization can use all of the information from the assessment center to determine current training needs as well as to identify areas in which future development will be needed to meet competitive demands. Both successful external and unsuccessful internal candidates who participate in assessment centers for selection should also receive feedback. Successful candidates can use the feedback to construct development plans to be implemented as soon as possible. Unsuccessful internal candidates can use the feedback to improve their skills so that they will be more competitive the next time they apply for a promotion. In both cases, employee skills are strengthened by the assessment center experience, thereby raising the bar within the organization.

Case Study

Human resource development (HRD) initiatives do not occur in a vacuum. They must be planned as part of an overall strategy. Figure I illustrates how different HRD programs fit into an overall organizational strategy, and the following case study shows how an assessment center is integrated into an overall strategy.

The telecommunications industry was being deregulated, and as a result one telecommunications company changed its business strategy. This company decided to expand its core business to include cable television, cellular phones, and so on. This change altered the critical skills and abilities needed by supervisors and managers to make the business successful. In particular, supervisors and managers needed to improve their performance in the areas of customer service and team-

FIGURE 1. HOW HR SUPPORTS ORGANIZATIONAL STRATEGY



work. The company decided that one way to improve performance in these areas was to implement an assessment center.

The assessment center was seen as an appropriate solution because the company needed to accomplish two goals:

- Assess the skill levels of current supervisors and managers in order to create individual development plans for incumbents
- Ensure that future hires (and internal employees who were promoted) possessed the desired skill levels.

The assessment center exercises were based on competencies identified in the job analysis as critical. In the new environment, teamwork and customer service were criteria for successful job performance. The situations in the exercises were developed from critical incidents described by job experts in order to identify behaviors associated with the critical job dimensions, especially the new ones. Four exercises were developed:

- *In-basket*: In this exercise each participant responded to in-basket correspondence from customers, peers, subordinates, and his or her manager. Information in the in-basket was relevant to the other exercises.

- *Coaching*: In this exercise each participant resolved performance issues with a subordinate.
- *Angry Customer*. Immediately after the coaching exercise, each participant proceeded to this exercise, in which he or she had to resolve a service issue with an upset customer.
- *Task force*: In this exercise all the participants interacted to solve an organizational problem.

In addition, a paper-and-pencil inventory assessing decision-making ability was completed by each participant.

A different trained assessor observed the participants in each of the four exercises. Each assessor also wrote narrative feedback for each participant assessed. The feedback included a summary of what the participant did during the exercise and a list of strengths and no more than three development needs. A copy of the feedback was also sent to each participant's direct supervisor. Subsequently, each participant and his or her supervisor created a plan to enhance the participant's skills and abilities in the areas that had been identified as needing development.

The data from the incumbents who participated were then used to set passing scores for the assessment center so that the center could be used in hiring and promoting future supervisors and managers. The same four activities were used for this purpose.

The impact of the assessment center has been felt in many ways. For example, the results from the incumbent participation served as an effective needs analysis; the assessment center identified the gaps between expected and actual performance levels in critical skills and abilities. This allowed the company to focus its training and development programs on these gaps. Previously, management training courses were arranged on request, rather than to fill gaps between actual performance and business needs.

The use of the assessment center for selection has also helped to move the company away from its entitlement mentality. Previously, the employees with the longest tenure expected to be promoted; now they have to demonstrate that they have the skills to do the job.

This change is particularly important. Like many companies, this one professed to appreciate the difference between the skills and abilities required to be an effective hourly associate (for example, lead technician) and those required to be an effective supervisor. However, in making decisions about whom to promote, the company often relied on past performance on a job that required completely different skills. Now that this practice has changed, those who want to become supervisors know that they must develop supervisory skills before going through the

assessment center. The company has assisted these people by providing career development services.

The addition of new selection techniques meant that fewer people were successful during the hiring process, so it became necessary to have a larger pool of applicants to fill the same number of positions. Consequently, the use of the assessment center made the company rethink its recruiting tactics. It moved from relying on passive methods of recruiting to aggressive pursuit of qualified applicants.

The assessment center also affected the company's performance management system. Because the assessment center defined new critical skills and abilities and raised the bar in terms of current expectations, the performance management system had to reflect these changes. In addition, it had to account for the managers' responsibility of ensuring that people who went through the assessment center (either for selection or for development) received the necessary development so that their performance would improve. Without appropriate follow-up, many of the benefits of the assessment center would have been diminished.

In the end the change in business strategy affected how the company recruited, hired, developed, and managed its people. These changes were made so that HRD could support a new business strategy and add value to the organization.

Resources and References

- Bobrow, W. S., & Leonards, J. S. (1997). Development and validation of an assessment center during organizational change. *Journal of Social Behavior and Personality*, 12(5), 217-236 (a special issue, edited by R. E. Riggio and B. T. Mayes and titled *Assessment Centers: Research & Applications*).
- Cascio, W., & Silbey, V. (1982). Utility of the assessment center as a selection device. *Journal of Applied Psychology*, 65, 135-138.
- Gaugler, B. B., Rosenthal, D. B., Thornton, G. C., III, & Bentson, C. (1987). Meta-analysis of assessment center validity. *Journal of Applied Psychology*, 72(3), 493-511.
- Kudisch, J. D., Rotolo, C. T., Avis, J. M., Fallon, J. D., Roberts, F. E., Rollier, T. J., & Thibodeaux, H. F., III. (1998, May). *A preliminary look at assessment center practices world-wide: What's hot and what's not*. Paper presented at the 26th annual meeting of the International Congress on Assessment Center Methods, Pittsburgh, PA.
- Spychalski, A. C., Quiñones, M. A., Gaugler, B. B., & Pohley, K. (1997). A survey of assessment center practices in organizations in the United States. *Personnel Psychology*, 50, 71-90.

Thornton, G. C., III. (1992). *Assessment centers in human resource management*. Reading, MA: Addison-Wesley.

Thornton, G. C., III, & Byham, W. C. (1982). *Assessment centers and managerial performance*. Orlando: Academic Press.

Intervention Author

Warren Bobrow, Ph.D.

President

All About Performance, LLC

5812 W. 76th St.

Los Angeles, CA 90045

Phone: 310 670-4175

Fax: 614-423-0019

E-mail: warren@allaboutperformance.biz