Evidence-based Perspectives on Talent Management

Personality Assessment: The Secret to Hiring High Quality Employees

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We have all experienced situations where someone known to be a technical expert did an overall lousy job. How many times has a telephone technician fixed your phone correctly, but showed up hours after the scheduled appointment, tracked mud into your house and rudely handed you the correct bill? Or think about your employees who take unannounced “vacations” on a whim and argue with you about it when they return? Examples such as these are not uncommon in organizations. Fortunately, new research can help identify and weed out candidates with such annoying characteristics even before they are hired.

Organizations are increasingly realizing that an employee’s conduct at work is every bit as important as how well they do their assigned tasks. Do they come to work on time, follow the rules and procedures of the organization, maintain collaborative relationships with co-workers, deal pleasantly with customers, and refrain from unethical behaviors such as theft and vandalism? These sorts of behaviors are key drivers of important organizational outcomes such as customer satisfaction and profitability.

Traditionally, organizations have used ability tests such as general mental ability or mechanical ability to select candidates who can do the job. Ability assessments help identify employees who can do the work but it does not guarantee that they will be loyal, pleasant, reliable, and cooperative. This is because ability tests are not designed to screen for these other desirable qualities. Recent research on personality has identified clear patterns between certain individual characteristics and dimensions of job performance. Now it is possible to screen candidates who are efficient, effective and good team players. When organizations use personality tests in combination with ability tests, they can achieve a more accurate prediction of job performance.
Dimensions of Job Performance

Traditionally, good performance was measured by how accurately and efficiently the job was done which is called task performance. For example, suppose our employee, Anita was rated a ‘top performer’ because on an average she sold 50 units a week. In contrast, co-worker Mary is considered a ‘low-level performer’ because her sales averaged only 20 units a week.

But there’s more to Anita’s top performance than just her ability to sell. Efforts to better understand what distinguishes good performers from bad performers led experts to see that the old notion was narrow and do not encompass the entire gamut of behaviors that contribute to job performance. They found that good performers conduct themselves differently on the job. Anita was not only highly knowledgeable about the products (a skill associated primarily with task performance) but also efficient in closing deals. She developed and maintained good rapport with her clients. Clients felt that their best interest was protected and frequently reached when they followed Anita’s advice.

Mary, on the other hand, knew the product manuals at the back of her hands but failed to engage effectively with her clients. According to current views, job performance consists of task performance and contextual performance (Borman & Motowidlo, 1993).

Contextual activities refer to voluntary behaviors that are intended to promote the overall welfare of the organization. They may involve behaviors such as staying late to meet deadlines, speaking positively about the organization to others, following rules and procedures, being polite and friendly to customers and co-workers and refraining from unethical behaviors. Contextual activities may or may not lead to higher task performance, depending on the task, but do contribute to overall organizational effectiveness. An employee’s willingness to provide courteous service, voluntarily helping...
coworkers and loyalty to the organization are some of the behaviors seen as directly or indirectly contributing to organizational effectiveness. The role of contextual performance is particularly critical for the service sector where customer service is important. When associates who respond to customer requests go beyond the call of duty they are more likely to contribute to customer retention and generate new business.

**Personality**

Research over the last decade using employees in real organizations show that personality predicts contextual performance and some task performance. Personality is the set of characteristics that cause individuals to respond in a consistent manner across situations. For example, an extroverted person is more likely to be friendly and talkative during social interactions compared to a person who focuses their energy on internal thoughts. The most widely used personality framework is the ‘Big Five’ (Costa & McCrae, 1991). As the name suggests, the model has five factors that can be remembered by the acronym OCEAN, which stands for Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. These factors have been successfully identified in large samples across different cultures and found to be stable and consistent over time. See Table 1 for a description of each factor.

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**“Big Five” the Five Factor Model of Personality**

- **Openness to experience**
- **Conscientiousness**
- **Extraversion**
- **Agreeableness**
- **Neuroticism**

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<table>
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<th>Table 1: The “Big Five” measure of personality</th>
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<td><strong>Descriptors</strong></td>
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| **Openness to experience** | Unconventional, open to new ideas and experiences, enjoys thinking of new ideas, curious and imaginative | Sales Potential  
Sales effectiveness |
| **Conscientiousness** | Focus on the thoroughness of work and attention to detail; a strict adherence to work ethics, following instructions, working hard and being loyal; as well as engaging in behaviors that lead one to be trusted by others. | Counter productive behavior  
Law abiding behavior  
Team work |
| **Extraversion** | Active and energetic at work, talkative and asserting one's opinions, comfortable in social situations | Customer service-orientation  
Sales Effectiveness |
| **Agreeableness** | Cooperative and concerned of other’s welfare, helpful and trustworthy | Customer service-orientation  
Sales Effectiveness |
| **Neuroticism (also known as Emotional Stability)** | Taking a calm and relaxed approach to different situations, being emotionally controlled and demonstrating maturity in considering advice or criticisms. | Customer service-orientation |
What Do Personality Measures Predict?

Just as cognitive ability predicts task performance, personality measures have been found to predict contextual performance. Employees who score high on the conscientiousness dimension are more likely to follow instructions, have lower absenteeism records, and less likely to engage in unethical behaviors (Barrick & Mount, 1991, Ones, Vishweshwaran, & Schmitt, 1993). Employees low on conscientiousness may engage in theft, file bogus worker compensation claims, and stay away from work without notice. Agreeable employees are more cooperative and considerate of their coworkers, whereas those who score low on this dimension are likely to be self-centered and unhelpful. Similarly, employees assessed as emotionally stable are better able to handle stress and maintain calmness when faced with a crisis or challenging situations such as dealing with irate customers. Less emotionally stable employees are likely to have emotional outbursts and feel incapacitated when faced with challenges. Conscientiousness, emotional stability, and agreeableness have been found to be predictive of job performance across various job types (e.g. sales personnel, customer service positions, police officers, managerial positions, skilled and unskilled workers). Employees assessed to be extraverted are more energetic, persuasive, and out-going. Employees who score higher on this dimension have been found to be most successful in sales and managerial positions. Research on openness to experience shows that this dimension is most predictive of performance in Sales positions.

A sizable proportion of research has focused on understanding service professionals. Across several studies it has been found that individuals who are customer service oriented are more likely to be resilient and even tempered;
cautious, goal-directed, and thoughtful; willing to cooperate and defer to others; willing to adhere to strict standards of conduct; interested in helping others and providing service (Costa & McCrae, 1985, Costa, McCrae, & Dye, 1991; Hogan & Hogan, 1992). These dimensions have been successfully predicted using measures of Conscientiousness, emotional stability, agreeableness, and extraversion. Cognitive ability measures, which are frequently used for candidate assessment, have been largely unsuccessful for predicting service orientation (McDaniel & Frei, 1994). According to experts, personality measures offer unique advantages for selecting employees into positions that require contextual performance.

A few critics have questioned the organizational importance of contextual performance; especially because it is easy to see how higher task performance is linked with higher productivity and organizational profits. Such linkages are less apparent for contextual performance. The research that has begun in this area is affirming. One study found a sizeable (.33, p<.05) correlation between contextual behaviors such as helping customers with their problems and courtesy and sales performance of the stores included in the study (George & Bettenhausen, 1990). It is not difficult to see why this would be the case. Customers who feel they were treated poorly and did not get the service they deserved are likely to take their business to the competitor who has better service. Satisfied customers, on the other hand, are more likely to return for future services and also bring in new business through favorable referrals. In summary, all evidence point toward the positive benefits of assessing and selecting for contextual performance and such practices are highly recommended by experts.
Side Benefits of Using Personality

In addition to predicting important work criteria, personality measures have many other benefits. One of the most critical benefits relates to the issue of adverse impact. Research shows that personality measures have a less adverse impact compared to cognitive ability tests. It is well documented that African Americans score the lowest in cognitive ability tests compared to other ethnic groups. The appropriate combination of cognitive ability test scores with personality test scores can result in a fair and legally defensible selection system. It can also help organizational diversity goals, by identifying minorities who are likely to be excellent performers but may have been overlooked by considering only cognitive ability.

Another important benefit is that assessing for contextual performance has a wide range of applicability. Unlike task performance, which requires specific ability assessments to achieve a more targeted match of the candidate with the job, contextual performance is less likely to vary across jobs. Even as the job changes the characteristics for which employees were originally selected can still be relevant for performance in future jobs. When personality measures are used to select employees, the hiring system is likely to do a better job of predicting future job performance than job-specific knowledge tests. The long-term benefits of selecting candidates based on personality assessment are numerous.

Organizational Uses of Personality Measures

Given all this evidence, why have many organizations steered away from using personality measures for selection? One reason may be that historically, personality measures were found to be weakly associated with job performance, hence, they
were rarely used. However, recent advancements in the conception and measurement of personality factors, as well as, job performance have dispelled previous concerns. As discussed above, there is a growing body of evidence that supports the predictive ability of personality measures.

Another concern relates to intentional distortion of responses and its influence on predictive validity. Most personality instruments rely on a self-descriptive report for their assessment. One problem with self-descriptors is that individuals may misrepresent themselves to appear more favorable. This tendency may lead to an inaccurate assessment. However, for well-validated personality instruments such distortions in responses have not been found to reduce the predictive ability of the measures (e.g., Ones, Vishveswaran, & Schmitt, 1993; Hough, Eaton, Dunnette, Kamp, & McCloy, 1990; Christiansen, Goffin, Johnston, Rothstein, 1994).

Some have raised concerns on the job relatedness of the items presented in personality scales. The reason for this is that initial use of personality instruments in the workplace leverages tools developed for general purposes. At the surface level, many of the items in those scales (e.g., Prefer reading non-fiction to fiction) seemed to bear no relevance for work settings. Additionally, personality was believed to have a weak relation to job performance. As a result, there weren’t many researchers developing work-related personality measures. It was only in the early nineties, that advances in measurement science and computing power allowed Industrial and Organizational Psychologists to identify meaningful and statistically significant relationships between personality and workplace behaviors. Since then several globally validated and work related scales have been developed. This work has been primarily undertaken by consulting firms specializing in recruitment/selection work and can be purchased for commercial use.
Conclusion

Using a personality test for selection decision can have an impact on the quality of employees hired as well as on organizational effectiveness. First, personality assessment helps identify characteristics critical for contextual job performance. Contextual performance is the most critical driver of customer service quality. Employees who engage in contextual activities are not only high performers but collectively, their performance contributes to customer satisfaction, loyalty, and economic value creation. Second, personality measures have a less adverse impact compared to cognitive ability tests. Combining personality testing with cognitive ability testing (tool most predictive of task performance) can lead to a fair and legally defensible selection processes. By reducing the chance of adverse impact against minorities, organizations reduce the likelihood of being flagged for legal compliance. Moreover, as institutions improve their ability to identify successful minority candidates they can contribute to positive social change.

On the deployment side, organizations should be careful in the selection of an appropriate instrument. It must be validated and relevant for work settings. Additionally, each organization should conduct a person-oriented job analysis to show job relevance of contextual activities and also conduct an in-house validation study. Such practices can ensure legal defensibility as well as justify the time and expense associated with the selection process.
Bibliography


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