



# The Case for Assessment Centres

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Assessment Centres have a long history and are used across a wide range of organisations around the world. Approximately 50,000 Assessment Centres are currently in operation across the globe (Schlebusch and Roodt, 2008), and a recent survey conducted by **a&dc** and Colorado State University (Hughes et al, 2012) found the Assessment Centre method being used in over 50 different countries, across all continental regions. However, in recent years some commentators have raised questions about the continuing effectiveness of Assessment Centres as an assessment method.

So what is the evidence that Assessment Centres really are an effective method of assessing behaviour? What are their benefits, and why should you use them in your organisation or with your clients?

## What is an Assessment Centre?

Assessment Centres are characterised by the use of multiple simulation exercises to assess job-relevant competencies and behaviours. Whilst the term 'Assessment Centres' is commonly used, the Assessment Centre method is actually applied to a variety of different organisational purposes, ranging on a continuum from pure assessment (ie just a pass/fail decision with no associated development) through to pure development (with no pass/fail).

### 1. Prediction of Performance (Validity)

The prediction of performance (otherwise known as 'validity') of an assessment method is key to justifying its use. Validity concerns whether an assessment measures what it claims to measure. A key way to demonstrate validity is to show that the assessment method can predict performance in a given role. Research has found that Assessment Centres consistently predict job performance (eg Hermelin, Lievens and Robertson, 2007). Assessment Centres have also been shown to have additional predictive power over and above cognitive ability and personality (eg Krause et al, 2006). Therefore the use of the Assessment Centre method alongside cognitive ability tests and a personality questionnaire increases the power of the assessment process to predict performance.

### 2. Fairness and Legal Challenge

While there is evidence that Assessment Centres can be fair, recent studies have still identified the potential for bias in terms of gender, ethnicity and age, and most notably between black and white candidates (Dean et al, 2008). Consequently, Assessment Centre fairness should not be assumed. It is therefore critical that best practice principles are adhered to when designing centres. In particular, consideration should be given to factors influencing fairness, such as the training and profile of assessors and the nature of the exercise demands and competencies/dimensions assessed.

In practice, it appears that Assessment Centres rarely face legal challenges regarding their use. In their global survey, Hughes et al (2012) found that only 2% of reported Assessment Centres had faced a formal legal challenge. In a US context, more research has been undertaken to evaluate litigation relating to the Assessment Centre method. Whilst these reviews still found that the majority of cases ruled in favour of the defendant (ie the recruiting organisation), what is also evident is that use of the Assessment Centre methodology per se is not sufficient, and that the quality of implementation, in line with established guidelines, is key to ensuring the defensibility of the process.

### **3. Perceptions of Fairness**

Related to the point above, one of the primary advantages of the Assessment Centre method is candidates' perceptions about how fair the method is (face validity). Greater perceptions of fairness are likely to result in a number of benefits, including increased likelihood of offer acceptance and reapplying/recommendation, and a decreased likelihood of dissuading others from joining the organisation, and, most notably, of litigation/challenge (Hausknecht, Day and Thomas, 2004).

Perceived job relatedness has been identified as a particularly critical factor influencing fairness perceptions (Gilliland, 1999). Similar to the concept of 'face validity', job relatedness concerns the degree to which a given assessment is considered to be measuring information relevant to the role. Reactions to Assessment Centres are particularly favourable in relation to this criterion, because they comprise a series of exercises that are representative of the role. Assessment Centres also meet another criterion relating to perceived fairness: opportunity to perform. The fact that candidates undertake a number of assessments means that they are likely to feel they have had sufficient opportunity to demonstrate their skills and abilities to assessors and the organisation.

### **4. Stakeholder Involvement**

Assessment Centres provide a unique opportunity to involve key stakeholders in a way that is simply not possible with other assessment techniques. In particular, stakeholders can be involved in the job analysis process, the design of exercises (or selection of exercises, if ready-to-use exercises are used), opening and positioning the Centre and in assessing candidates at the Centre. This level of involvement is likely to enhance their buy-in to the process, and their perceptions of candidates selected as a result of the process.

### **5. Realistic Job Previews and Employer Branding**

An additional benefit of the job-relevance of Assessment Centres is that they provide candidates with a realistic job preview, which can facilitate the process of self-selection. Additionally, if bespoke exercises are used, the exercises can also provide a means by which to communicate key elements of an organisation's brand and values. This can be particularly important for organisations with strong values, or where the organisational context might be relevant to an individual's overall 'fit' with the role, eg if the organisation is in the defence sector (Pritchard and Riley, 2011).

### **6. Feedback Quality, and Feed-in to Development and On-boarding**

Another major advantage of the Assessment Centre method is the level of detailed feedback that can be obtained. The provision of rich feedback like this can have a number of advantages. Firstly, it can give unsuccessful candidates specific, behavioural information about their strengths and weaknesses, and taking the time to provide this information will enhance candidates' perceptions of a potential employer. Secondly, for successful candidates, the feedback obtained can be used to help with the 'on-boarding' process, and can assist in directing new employees to development resources/opportunities from the moment they join the organisation. This level of feedback compares very favourably to the limited developmental feedback available from ability testing, for example, or even that could be obtained from an interview in isolation. This advantage is also the reason why the methodology is used extensively for development purposes.

## 7. Coaching and Faking

A major concern in relation to assessment generally is the extent to which an individual's performance can be faked or coached. Research has considered whether Assessment Centre performance is subject to faking. There is limited research in this area, but a study considering impression management in Assessment Centre exercises compared to structured interviews found that candidates were less likely to impression manage in a roleplay exercise (McFarland, Ryan and Kriska, 2003). It is speculated that this is because they simply do not have the psychological resources available to concentrate simultaneously on playing a role and impression-managing their behaviour.

## 8. Assessing Potential Over Performance

Assessment Centres provide a means to effectively assess potential. Whereas Competency-Based (Past Behaviour) Interviews can provide evidence of what an individual has done in the past, Assessment Centres allow you to put candidates into situations that they may not have experienced before. This is particularly useful where applicants are unlikely to have had relevant experience, a prime example of this being individuals applying for Graduate roles, who may not have had previous work experience. It is also useful if you want to assess the potential of your existing employees to perform at more senior levels.

## 9. Flexibility and Integration with Other Tools

The flexibility of the Assessment Centre method has already been mentioned in the context of reflecting the current working environment. Assessment Centres can also be flexible in terms of including technology and integrating other forms of assessment with incremental benefits (such as cognitive ability, personality and interviews).

## 10. Return on Investment (Utility)

The utility or return on investment of an assessment centre is, at its most simple level, a comparison of the cost of the process weighed up against its benefits. While Assessment Centres can be more expensive than other forms of assessment, the utility of the Assessment Centre method has been demonstrated on a number of occasions across a number of contexts (eg Thornton and Potemra, 2010; Tziner et al, 1994), as has the incremental utility of the Assessment Centre method over other methods. Additionally, whilst other methods (such as cognitive ability tests) may have higher validities and lower costs, when the implications of the lower adverse impact of the Assessment Centre method are taken into account, Assessment Centres come out favourably.

At a more qualitative level, recent surveys have asked respondents to indicate what they view as the return on investment of their Assessment Centres. The recent survey undertaken by **a&dc** found that 97% of respondents felt that the return on investment for their centre was positive (Hughes et al, 2012).

## Comparison between Assessment Centres and other Common Selection Methods

The table below provides an overview of the benefits of Assessment Centres over other commonly used selection methods:

	Features	Benefits of the Assessment Centre method
<b>Competency Based Interviews</b>	<ul style="list-style-type: none"> <li>Based on past experience</li> <li>Typically only involve one interviewer</li> <li>Can be faked</li> </ul>	<ul style="list-style-type: none"> <li>Based on actual performance</li> <li>Involve a number of assessors</li> <li>Hard to fake</li> </ul>
<b>Cognitive Ability tests</b>	<ul style="list-style-type: none"> <li>May not be viewed as job relevant</li> <li>May not be perceived as fair</li> <li>Feedback is limited</li> <li>Substantial adverse impact</li> </ul>	<ul style="list-style-type: none"> <li>Viewed as job relevant</li> <li>More likely to be seen as fair</li> <li>Extensive feedback can be provided</li> <li>Adverse impact is limited</li> </ul>
<b>Personality Measures</b>	<ul style="list-style-type: none"> <li>May not be perceived as job relevant</li> <li>Based on self-reported preferences/behaviour</li> <li>Can be faked</li> <li>Measures stable traits</li> </ul>	<ul style="list-style-type: none"> <li>Viewed as job relevant</li> <li>Based on actual performance</li> <li>Hard to fake</li> <li>Can measure stable traits or developable skills</li> </ul>

*Adapted from Thornton and Rupp (2006)*

## Summary

This paper has provided information about the benefits of the Assessment Centre method, dealing directly with some of the challenges that have been made to the method in recent years. Key points uncovered are:

- Assessment Centres have the potential to be highly valid and cost-effective predictors of job performance.
- Assessment Centres are perceived as fair and relevant by candidates, show lower adverse impact than other methods, and are less susceptible to participant faking.
- Assessment Centres can be used to enhance your organisational brand by providing key information about your organisation, and allowing for both successful and unsuccessful candidates to be provided with detailed developmental feedback.
- Assessment Centres need to be designed and delivered effectively to ensure that their benefits are maximised. A key point running through this paper is that these should not be assumed or taken for granted. The benefits of the Assessment Centre method will only be fully realised if a Centre has been designed using best practice principles.
- The Assessment Centre methodology is hugely flexible, and has the potential to evolve alongside developments in organisations and the requirements of job roles for years to come.

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