



SHEFFIELDHAWORTH

WHO'S USING PSYCHOMETRICS?

A review of senior HR professionals in financial services, technology, and consulting and professional services

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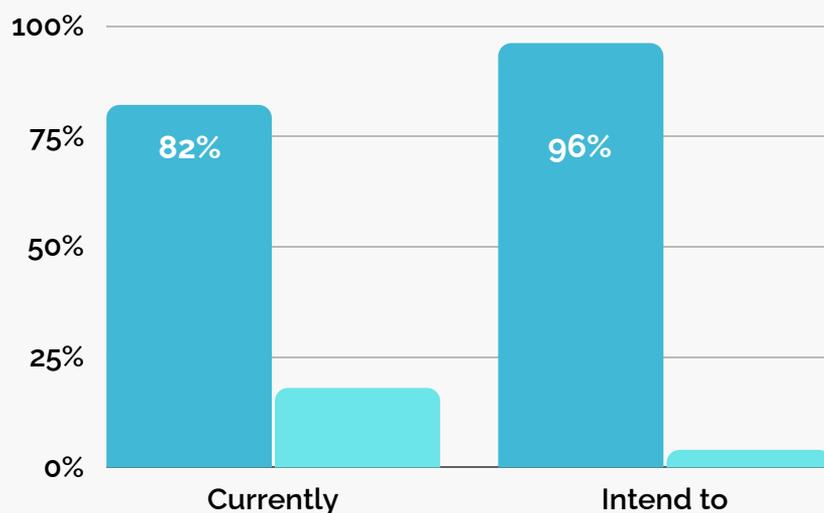
INTRODUCTION

In a rapidly changing business world facing multiple challenges, leadership roles and business needs are evolving at breakneck speed. Using psychometrics can be a great way of assessing capability and performance potential in the context of a specific role, team, or company culture. But how popular are they and how are organisations using them?

To find out, we conducted a small piece of research with some of our clients, primarily senior HR leaders in the financial services, technology, and consulting and professional services industries in May 2022. More than 80% of the respondents worked for businesses with a headcount of 250 or more, and almost all were multinational firms.

SECTION 1: WHO USES PSYCHOMETRICS?

Use of psychometrics now and in the next 12 months



Psychometrics are already relatively popular with our respondents. 82% said they were currently using them. This is set to increase to 96% over the next 12 months.

We followed up this question by asking companies that hadn't been using psychometrics for the reasons why. "Awaiting business maturity" was cited as a reason for delaying the use of more sophisticated approaches until now. Other barriers to usage mentioned were:

- The perceived ability of candidates to manipulate the outcomes
- General credibility issues
- Costs and time
- Lack of follow through
- Some also said they "felt safer" keeping this type of tool away from selection decisions, concerned by the risk of having the recruiting manager "focusing too eagerly on the negatives".

WHAT DO THEY USE?

Of those responding, 91% use personality questionnaires, with 43% using ability tests and 29% using broader assessment exercises.

The tools used most frequently by respondents, in order, were:

- The Hogan Suite of assessments
- Myers Briggs Type Inventory (MBTI)

The Hogan tool is one of the most recognised and validated personality assessments, used for recruitment, selection and development purposes.

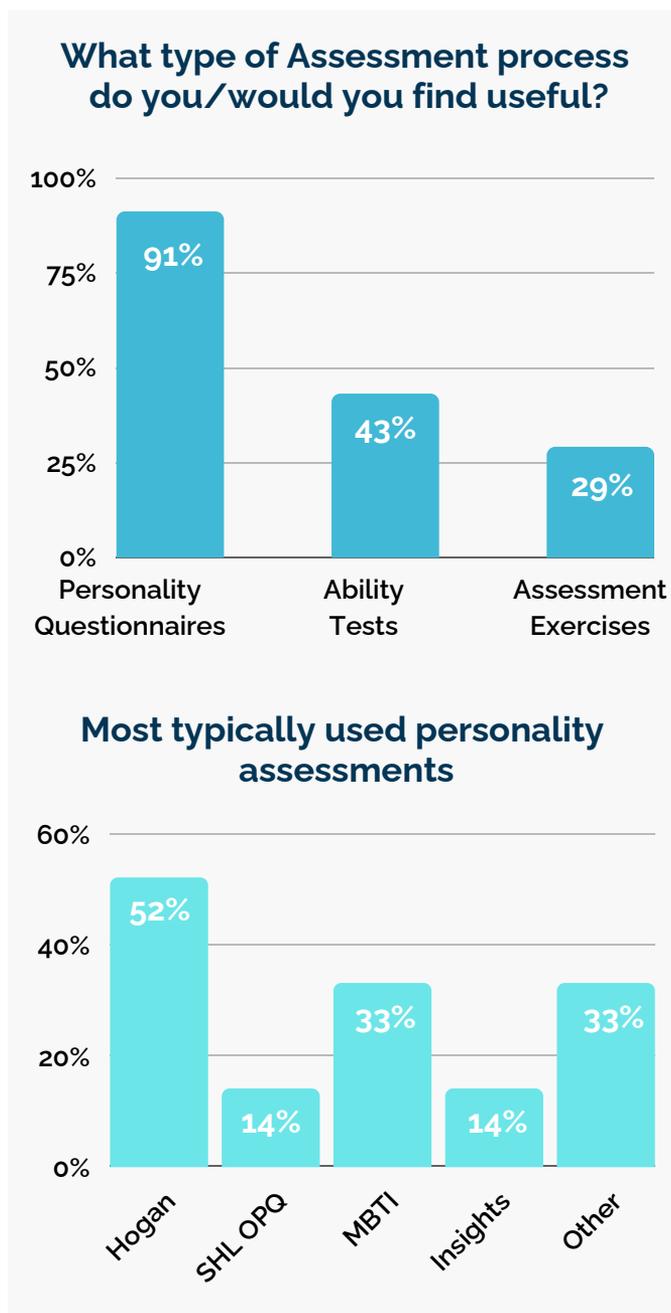
The Association of Executive Search Consultants (AESC) recently announced that they entered a partnership with Hogan to help establish quality standards in recruitment and leadership development.

The MBTI is hugely popular and recognised globally, but not suitable for selection purposes and so is used for personal and team development.

SHL's OPQ personality questionnaire and the Insights tool were also favoured by a few respondents, while around a third of those who replied named tools that only they used. One respondent suggested the need for "simple tools – with greater fit for purpose in a fast-moving world". Another explained that they would consider different tools depending on the seniority of the cohort in question.

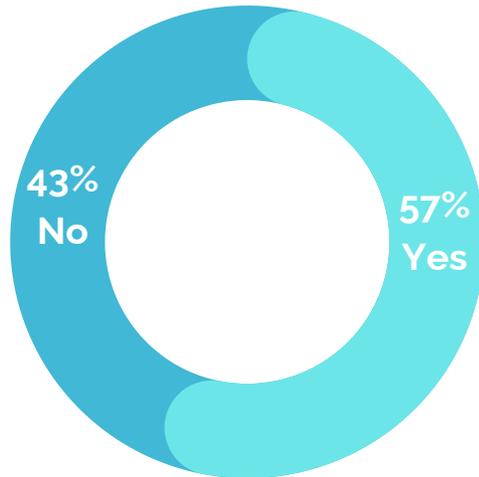
We followed up by asking users of psychometric assessments what kind of tools they would prefer to use. The majority responded by saying they wanted access to more technology enhanced tools, although many also wanted to retain access to a hybrid model that allows for expert human intervention from the test publisher or the assessor they are using.

One of our respondents explained: "Our providers are great at the technology side. It would be really helpful to have better support interpreting the results from a psychological perspective; however, they are more sales orientated."



INTERNAL ASSESSMENT VS EXTERNAL ASSESSMENT

Do you use external assessors?



There is a relatively equal split between those using and not using external assessors. Of those who do not use external resources, most have their own internal qualified users. Other reasons cited by respondents who did not use external assessors were:

- The perceived additional time involved
- Lack of understanding of the purpose or added value of external services

Of the 57% who did use external assessors, they followed up by saying they valued external assessors for their:

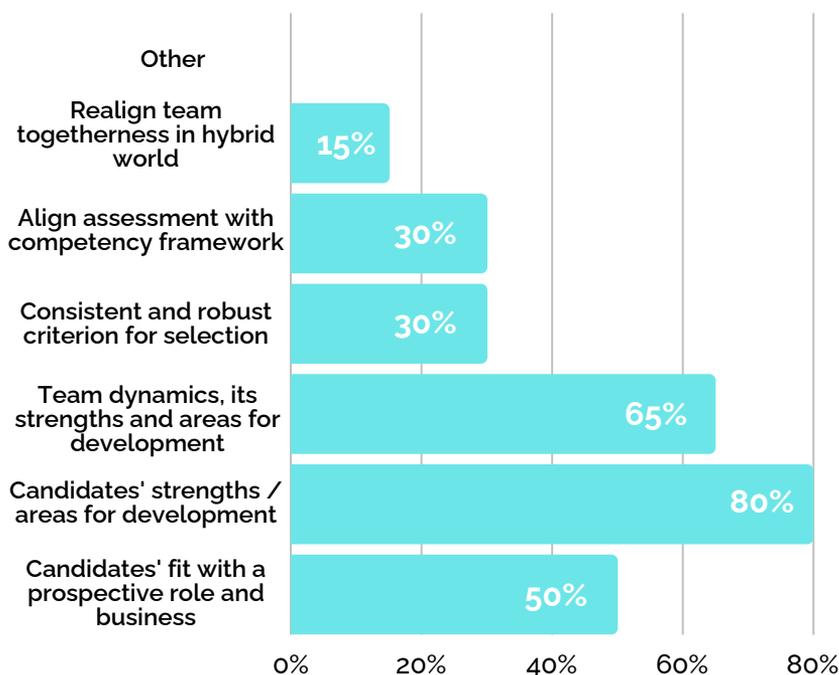
- Qualifications and accreditations to use specific tools
- Unbiased feedback
- Richer discussion of the results
- Help to build useful development plans for use with candidates
- Transparency and rigour when feeding back their findings

As one HR Director commented: "Brutal feedback is what I need to help me with the way forward. It is about truly understanding the personality of the candidates to make sure we make the best of what we will get".

SECTION 2: WHAT ARE PSYCHOMETRIC TOOLS USED FOR?

Although respondents use psychometric tools for multiple purposes, development is the most popular, being used by 86% of respondents, and 67% using them in the specific context of team development. 71% of respondents used psychometrics to complement their coaching, and 52% used them for recruitment and selection.

What is your aim when using psychometric instruments?



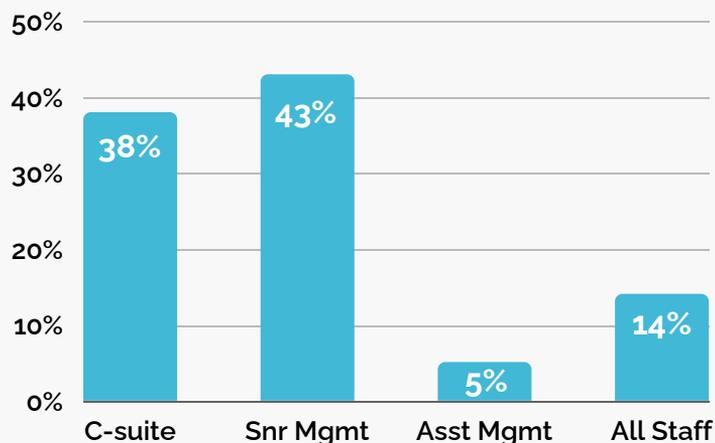
Drilling down further, in most cases, respondents use personality assessments to dig deeper into individuals' traits and gain a better understanding of their strengths, development needs, and potential dynamics between individuals. This is more prevalent at an individual rather than team level.

Half of the respondents said they used the tool to help ensure a good fit between a successful candidate and a role within a business.

81% of respondents use psychometrics to assess their senior management employees and above. Very few (less than 20%) used these tools for employees below this level of seniority.

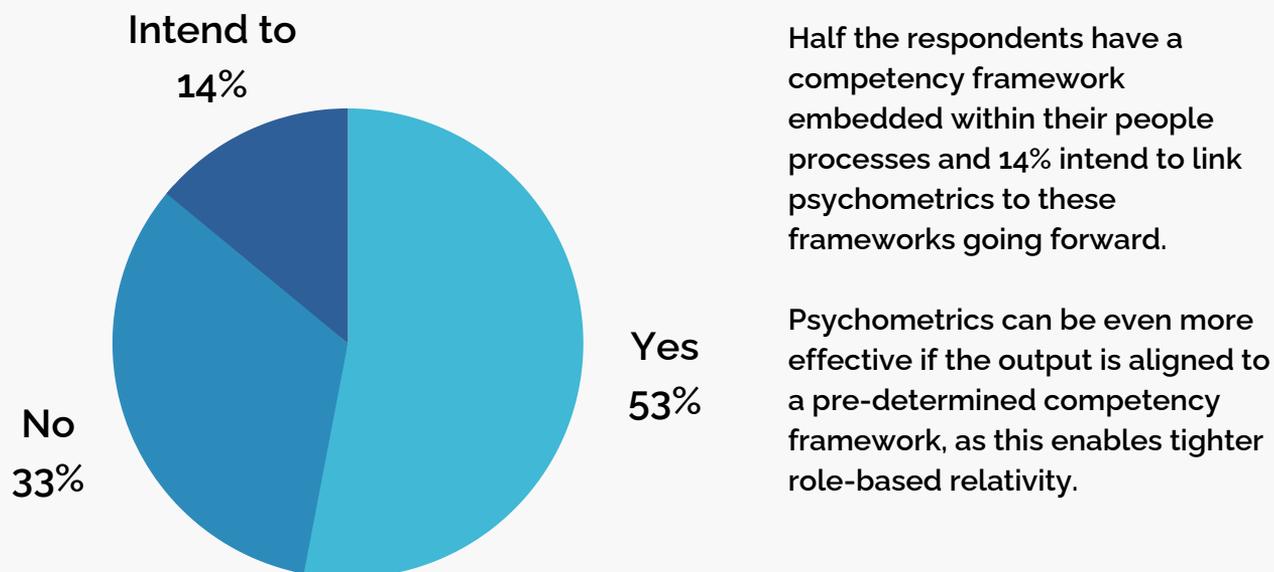
Personality profiling is more popular with our respondents than ability testing at senior level, with the impression from our respondents being that candidates' intellectual and technical ability has already been established prior to the use of psychometrics.

What level of candidates do you / will you typically assess?



COMPETENCY FRAMEWORKS

Have you integrated competency frameworks into your people processes (recruitment, development etc)?



One respondent, a chief people and culture officer, explained: "Nothing is stable anymore." The work environment and roles are becoming more complex every day, he said, adding: "HR Directors have a massive opportunity to help with change. At more senior levels, it is irrelevant where you went to school and your earlier career history – what is key is what you do now and how it aligns to the competency framework for that particular role, team and business culture'.

DISPELLING THE MYTHS AROUND PSYCHOMETRICS

This survey brought to light a number of common myths surrounding psychometrics. Here, Associate Business Psychologist, Sue Colton responds.

MYTH 1: Candidates can fake their answers and manipulate psychometric tools

REALITY: It is true that most assessments measure inputs based on candidate responses, and candidates might try to present themselves differently to who they really are.

However, the most reputable test publishers build in multiple validation mechanisms that help to ensure the results are credible and which highlight consistent or questionable results. So, it is better to use questionnaires and tests that have gone through these rigorous processes, and to use behaviour assessors who are qualified and registered by the British Psychological Society or the equivalent.

MYTH 2: Psychometrics are expensive

REALITY: The cost of professional, qualified assessment services is a fraction of the cost of search fees, salaries and other costs associated with hiring the wrong person, which could potentially run into millions for key senior roles.

At Sheffield Haworth we have a range of assessment packages to suit different needs and budgets, whether for selection, development or coaching purposes and with individuals or teams. We use only accredited tools and are fully qualified and registered with The British Psychological Society.

MYTH 3: Psychometrics can be used to discriminate against under-represented groups

REALITY: It is essential to think about any potential discriminatory areas when measuring behaviour or ability. Providing access to the process is open to all, any disability issues are factored in, and any language barriers are overcome, then the risks associated with the actual completion of the assessments would not be deemed discriminatory if you are using highly credible tools. So, we would say stick to the BPS (for the UK) accredited test publishers as they all should have catered for the above potential risks. Obviously, discrimination could be a factor in the interpretation of the results but if you layout clear and transparent criteria for measuring and comparing the output, then that will help remove any form of bias or discrimination. We would always be happy to discuss this if it is a concern.

MYTH 4: Psychometrics take too long

REALITY: If used in the context of recruitment, it is true that assessments add time to the selection process. This averages two weeks from start to finish when assessing two to three candidates. However, clients consistently tell us that it adds depth, robustness, and value and that the extra time is more than worth the investment.

MYTH 5: Psychometrics don't genuinely predict performance

REALITY: Actually, the more robust assessments have proven very accurate at predicting future performance, which is why only the most credible, validated tools are worth using.

Test publishers carry out huge amounts of research to validate the instruments, evidence of which can be found in their comprehensive manuals. We are happy to share more about reliable tests and what to look for if this would help.

MYTH 7: Psychometrics can be misused

REALITY: It is always possible that candidates can try to manipulate psychometric tools. However, the most credible tools are designed to mitigate such attempts, while using a properly qualified and accredited assessor will also help prevent any risk of misuse when the data is interpreted.

That said, no single test should be the sole decision-making factor in any selection or development process. The output from these tools provides a richer amount of data to augment other information already gleaned.

MYTH 6: Psychometrics don't do anything more than just confirm what I already know

REALITY: Over the years, we have found that assessments help clients feel more confident in the decisions they make, as well as increasing their awareness of the behavioural traits of candidates.

For development, using these tools helps open up conversations about how candidates respond to certain situations, how they react to stress, and which areas of development and support could enable greater success in the future.

These outputs tend, on the whole, to be highly informative for candidates, and be revelatory for clients, offering a range of new insights they couldn't have got otherwise.

MYTH 8: Hiring managers focus too much on the negatives

REALITY: This is a fair comment but that should not happen. If only presented with a report or a set of data, there is a big chance managers will not have a chance to understand the full extent of the information that is presented. This highlights the need to include a debrief session as part of the process. When providing feedback to clients and candidates, we make sure we spend time highlighting the strengths and positive attributes whilst also recognising potential limitations and stress factors. We can also recommend where coaching support would help individuals going forward, enabling them to perform in a balanced way on a daily basis.

KEY TAKEAWAYS



Almost all respondents see value in using psychometric tools, with more than 4 in 5 already using them.



Personality questionnaires are by far the most popular kind of psychometric assessment, and they are primarily used for senior management level and above.



Hogan is the most commonly used tool for selection amongst our group of respondents, with the Myers Briggs Type Inventory proving popular for both team and individual development.



Using psychometrics for team and individual development is more popular than for selection.



Regardless of purpose, respondents indicated that they use psychometrics to better understand their candidates' strengths and areas for development.



Slightly more than half of respondents use external assessors, citing their expertise and objectivity as the main benefit.



Only half the respondents use competency frameworks – with another 14% intending to do so going forward. We believe that aligning candidate behaviour against a competency framework is an invaluable aid to measuring performance as well as potential.

ABOUT SHEFFIELD HAWORTH

Sheffield Haworth is a global consultancy founded in 1993. We have a history of placing executives in high impact roles year after year, giving clients a competitive advantage in a fast-changing world.

Our vision is to be the leading global consultancy in people and transformational change. We specialise in executive search and interim placements, leadership advisory, change management, and information and data services. Clients benefit from deep industry insights, our wide-ranging networks and high standards of delivery from our global team. We work with private and public companies across financial services, professional and business services, high-growth technologies, and multinational corporates.

Sheffield Haworth has undergone significant growth and expansion since inception, now employing over 200 professionals in 12 global offices throughout the Americas, Europe, Middle East and Asia Pacific regions. We are proud to be an equal opportunities and disability confident committed employer.

Our Global Offices



200+

employees globally

1993

Sheffield Haworth
was established

12

global offices

30%

gender diversity
across global
placements

10,000+

global assignments
and projects
completed across
Sheffield Haworth



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