



EMPLOYMENT TESTS AND REFERENCE CHECKS

the easy complete guide for employers

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CHAPTER 1 – EMPLOYMENT TESTS

THE ICEBERG MODEL

An iceberg provides a useful image for understanding the added value of employment testing in the selection process. The ice above the waterline represents the performance factors that are visible and easily determined through CVs and interviews.

However, like an iceberg where the majority of ice is below the waterline and not visible, so too in staff selection, the personal attributes and abilities of applicants are not obvious from the CV or interview.

The knowledge and technical skills of applicants can be assessed from the CVs, structured-behavioural interviews, and reference checking. However, employment tests are best for assessing less obvious personal attributes and abilities.

Knowledge and technical skills
Visible



Personal attributes and abilities
Less visible

THE THREE MAIN TYPES OF TESTS

There are 3 main types of employment tests -

- Mental abilities tests
- Personality attributes tests
- Sales tests

Employment tests provide an objective unbiased assessment of personal attributes and abilities. These personal attributes and abilities have been found to be a good indicator of likely performance in a variety of positions. They also provide insights that show where in particular further investigating or checking should be done.

Mental Abilities Tests...

Years of research have shown that a person's mental abilities give a good indication of the person's likely success on the job. There are many mental ability tests, some of which indicate overall intellectual ability, others which indicate a specific ability e.g. numerical reasoning ability.

...And What They Can Tell You

Here are some specific abilities that can be assessed -

- **Critical Reasoning** – measures high level verbal & numerical reasoning ability
- **Abstract reasoning** – measures ability to analyse logical relationships and discover principles underlying those relationships
- **Verbal Comprehension** – measures ability to use and understand the relationships between words
- **Numerical Ability** – measures basic mathematical skill
- **Visual Speed and Accuracy** – measures ability to see details quickly and accurately
- **Numerical Reasoning** – measures the ability to perceive and understand the relationships in a series of figures
- **Verbal Reasoning** – measures ability to analyse information and make valid judgements about that information
- **Work fluency** – measures flexibility and ease in verbal communication
- **Visual Pursuit** – Measures speed and accuracy in visually tracing lines through complex designs
- **Space Visualisation** – measures ability to visualise and manipulate objects in three dimensions from two-dimensional drawings
- **Manual Speed and Accuracy** – measures ability to make fine-finger movements rapidly and accurately
- **Symbolic Reasoning** – measures ability to manipulate abstract symbols and use them to make valid decisions.

Personality tests

Personality tests can be used to assess a range of personality attributes. To be legally defensible the personality attributes assessed must be **relevant to success on the job**.

... And What They Can Tell You

Personality tests can be used early in the selection process to screen-out unsuitable applicants, or used later to screen-in suitable applicants. The level of assessment will vary depending on where in the selection process the test is placed. When there is a large number of applicants it is advisable to screen-out early, on the key personality attributes required for success in the position. If the test is placed later in the selection, it is used to gather in-depth insights on the short-listed applicants for comparative purposes.

Off-the-shelf Personality Tests for Specific Positions

Some commonly assessed personality attributes are –

- | | |
|----------------------------|------------------------------------|
| • Motivation to influence | Service motivation |
| • Listening | Sociability |
| • Assertiveness | Willingness to Confront Opposition |
| • Pace of work | Stamina |
| • Self-confidence | Approach to decisions |
| • Speed of decision making | Responsibility |

- Sensitivity to rules and guidelines Self-discipline

Some personality tests **combine** various personality attributes to provide an assessment of more complex performance factors such as –

- Communication skills Interpersonal Effectiveness
- Initiative Innovation
- Stress Tolerance Teamwork
- Leadership Flexibility/Change
- Planning/Organising Rejection Tolerance:
- Negotiating ability Building Relationships

Personality tests have been developed for various **positions** including the following –

- receptionist
- administrative/clerical
- customer service
- hospitality
- light industrial (production and distribution)
- retail clerks/cashiers
- retail sales associates
- retail store management
- health care
- call centres
- help desk agents
- supermarket store/petrol station associates
- supermarket store management
- personal services
- call centre suite retail combo
- office/light industrial combo

The personality attributes for each of these positions have been found to predict job effectiveness in the position.

Example Personality Attributes for Retail Management

For example the personality attributes predictive of success in an entry-level retail management position are -

- **Positive sales attitude** – a person’s attitude about the customer and sales
- **Leadership** – a person’s inclination to lead others
- **Persuasiveness** – a person’s ability to influence customers
- **Energy** – a person’s activity level and action orientation
- **Good judgement** – a person’s tendency to think objectively
- **Organisation and attention to detail** – a person’s approach to organising work and attention to detail
- **Frustration tolerance** – a person’s ability to remain emotionally positive in spite of frustration

In addition to measuring relevant personality attributes, some personality tests also measure **counter productive behaviours**, such as attitudes to theft, drugs and alcohol; as well as providing a measure of integrity.

COMBINING THE INSIGHTS

Once assessment has highlighted the personality attributes with potential concerns, these have to be explored further. This can be done through a second interview or through reference checking. Some personality profiles will provide you with a set of behavioural questions to use in the second interview, as well as a set of reference questions.

For example, if an applicant for the entry-level retail manager position has been assessed as having low frustration tolerance, a possible follow-up interview question is –

“Describe those aspects of your previous jobs, which have frustrated or irritated you. “

Listen for responses that confirm a low frustration tolerance or a tendency to be easily disappointed or upset.

WORK SAMPLES

Work samples are mini-tasks that a person is required to perform. They are good predictors of future performance on the job.

Obviously using a work sample is not suitable for all positions, but where they can be created it is advisable to do so.

Examples of work samples

Position	Work sample
Bartender	Mixing drinks
Sales Representative	Sales presentation
Receptionist	Answering the call
Customer Service	Dealing with a difficult client

Work samples can provide an accurate and consistent measure of performance factors required for success.

CHAPTER 2 – REFERENCE CHECKING

ACT IN HASTE, REPENT AT LEISURE

Since employment is a long term commitment, it pays to remember that often, when you act in haste, you save enough time to repent at leisure. **Make sure that you do a reference check on an applicant before offering them a position.** The purpose of a reference check is to validate the information that you have gathered on the applicant during the selection process. As this a time-consuming process many employers shortcut the process by not doing a reference check. This can be a fatal and costly decision.

WHAT TO CHECK

Many employers are loathe to give information about past employees.

To increase the accuracy of the information given, structure the references check to –

- Confirm the information provided by the applicant, such as employment dates
- Get the referees' views of the applicants in terms of the essential performance factors e.g. sales ability, attention to detail etc. Ask them to rate the applicant on a scale from excellent to good, fair, and poor.

Other questions you could consider are –

- How did this person perform relative to other people in this position?
- Would you re-employ them if you had an opening?
- Why did they leave your company?
- The applicant is applying for XYZ position; in your opinion is he/she qualified and able to do the job?
- Any other comments that would help us in our assessment?

In view of the Privacy Act, it is always advisable to obtain the **applicant's consent** before approaching referees or other sources. Give the applicant time to contact their referees before you contact them.

If a referee provides CONFIDENTIAL information on an applicant, the applicant does not have a right to see that information.

BACKGROUND CHECKS

In certain positions, for example where large amounts of money are handled, it is also necessary to do other relevant checks, such as credit checks, convictions etc.

The Department of Courts can be contacted for information on previous criminal convictions. There are also specific organisations that will conduct these background checks, eg debt collection companies, private investigators and security companies.