

## Testing for the Right Fit

*Firms are using formalized tests to evaluate new hires, find the best personality type for a position, to help select the next managing partner, and to confirm a merger candidate.*

By **Jeff Stimpson**

(May 1, 2007) - Hansen, Jergenson, Nergaard & Co. in Minneapolis has used a firm of industrial psychologists to assist in testing potential employees for more than 25 years, according to Mark Kraft, a partner with the accounting firm. Applicants invited back for a second interview for an entry-level staff accountant position are given a series of five-minute aptitude tests, as well as a national interest/personality test (currently the California Psychological Inventory). Time for the testing is typically 90 minutes. "This will include general feedback on what we could expect from the candidates if they become an employee, concerns with certain tendencies showing up on the tests for the applicant versus the type of person we're looking for, and other general feedback," Kraft says, adding that as HJN is a firm of 22 employees. "This information is not the deciding factor and the personal interview is still given the largest weight in the decision, but it does provide additional questions to ask, and helps confirm things we may have found in the interview."

Sarah Johnson, marketing and recruiting director for Chicago-based John R. Waters & Company, thinks most firms can benefit from testing in the recruiting process, and in the management of their employees. "If they struggle at all with finding and qualifying good candidates, effectively and efficiently utilizing and training their employees, or are acquiring/merging with another firm, they can benefit," she says.

"Some tests are standardized with a specific goal of identifying a certain outcome or level of competency, like how many words per minute someone types. These tests typically assess technical skills. Other tests aren't standardized, meaning there is no specific outcome. These types of tests typically assess traits and behavior," Johnson says. "There's room for both types by accounting firms."

### **When and How to Test**

"There are many uses for using testing effectively in a firm," says Sandra Wiley, COO and senior consultant with Manhattan, Kan.-based Boomer Consulting, who adds that her company has been using the Kolbe Index (kolbe.com) as a testing tool for nearly eight years, and that she has been a Kolbe-certified consultant for six. "Start with the hiring process. Many firms skip the important step of discovering what is expected of staff before they start the search process. Using the Kolbe C, a test that supervisors take to profile the 'perfect' candidate, is an important first step. Once the profile is complete, the top candidates take the Kolbe A index, a test that will identify the unique capabilities of the individual. When the Kolbe C and Kolbe A are compared, the firm can make a decision based on the supervisor's expectation and on the candidate's capabilities.

"The decision to hire should never be based solely on any test," Wiley stresses. "This is only a tool that gives additional information that should be coupled with the candidate's cognitive skills and motivation criteria."

Don Scholl, consultant and distributor of the Predictive Index survey to the accounting profession in North America, says there are several rationales and times for doing an assessment. "One is for help in making recruitment decisions. Other times include to assess an individual when you're thinking about moving them from one type of work to another, for example to supervisory activities, or if an individual appears to have trouble fulfilling your expectations."

### AICPA Testing Tool

The AICPA offers a competency assessment tool to help managers measure their organization's overall skills and proficiency levels. More information is at [www.aicpalearning.org/profdevcat.asp](http://www.aicpalearning.org/profdevcat.asp).

Says Johnson, "If we're hiring entry-level staff, we use the exam as the last step of the process, or in conjunction with an offer. We aren't necessarily using it to make a decision for these positions, but to determine how to best work with the individual to make them part of our team. It does play a larger role in our decision-making for more experienced candidates. It's usually given at the stage we perform reference checks, and is reviewed carefully to determine how well the candidate's skills and characteristics match the job description."

Happi Anderson-Gallaher, director of HR at Hancock Askew & Co., Savannah, Ga., says her firm administers an accounting aptitude test and personality profile assessment as part of the interview process for all positions. "We don't administer to our current staff, but I do think it could be beneficial to test everyone every five years. As people mature and develop personally and professionally, their initial results could change somewhat," she notes.

### Depth and Costs

At HJN, job applicants also complete a short writing sample, either a short story or an essay, on what they've learned about the firm in the interview process, Kraft says. "For experienced job applicants, we'll go one step further," he adds. "When we've narrowed our applicants to a small group of those we would consider acceptable, they'll go through a formal interview with the firm of industrial psychologists. From this interview we will get significantly more feedback, including additional input on whether that firm thinks the candidate would work out well for us."

"Too much testing can become cumbersome and ineffective," Johnson warns. "A firm must make sure that the tests are serving the purpose for which they're designed, whether testing a skill set or assessing skills and behavior."

Cost of testing varies. Johnson's firm uses a behavior and traits survey, OAD, which costs \$250 per test. "As a small firm, we manage this cost by managing where in our process we use this," she explains, adding that small firms, when determining how to use testing and when to make the investment, "look at what it would cost them to make a bad decision. Selection errors in the recruiting process can have negative long-term effects on employee moral, management and partner time, result in decreased productivity, and result in wasted time. When you compare the numbers, a \$250 investment is a very minimal cost."

The Kolbe Index can be taken online for \$49.95, Wiley reports, but "unless someone in the firm is certified and knows how to read the Kolbe, or any other test they might use, the results aren't effective or worthwhile. A Kolbe-certified consultant will be able to not only explain what the Kolbe means, but also how to use the results." The typical cost of a professional consultation is \$200 per staff member, she adds, and involves a Web conference with the firm, and reports.

Predictive Index users pay an annual "maintenance fee" and are required to send one or more firm members for two-day analyst training, for which there is a charge, plus expenses, per person. "The head administrative person or, if the firm is big enough, the HR leader surely needs to be trained," Scholl says. "I'd also hope that the managing partner would go through

training. Too few do, but it's not just an HR activity." For smaller firms, he adds, is the small business version of the Predictive Index, by which client organizations render the survey and send it in for scoring and interpretation. Anderson-Gallaher says prices for personality tests can range anywhere from \$25 to \$99 per person, and that some companies have specialty pricing available for groups of employees. "Even the smallest of firms should be able to afford some type of personality testing," she notes.

## Using the Results

Testing shouldn't be overly complicated or time-consuming, Anderson-Gallaher says. "Our personality profiling system tests for comprehension speed, factual judgment/commonsense ability, and empathic judgment, and takes approximately an hour," she says.

Practitioners should follow the Ethical Principles of Psychologists and Code of Conduct, according to CPP, a Mountain View, Calif.-based publisher and provider of products and services for individual and organizational development. Among CPP's brands and services are CPP Professional Services and the Myers-Briggs Type Indicator, Strong Interest Inventory, the Thomas-Kilmann Conflict Mode Instrument, and the California Psychological Inventory, among others. The code contains, among other stipulations, that results should be given directly to respondents, and are strictly confidential; respondents should be informed of the nature of the test before taking it, and must take it voluntarily; and test data is usually not released to any person, third-party payer, or institution without the informed consent of the test taker.

"Supervisors have a tough job in the work environment within the firm. They must get to know staff members individually, and identify how to motivate them. Using a one-size-fits-all method of motivation simply doesn't work with today's diverse and highly educated staff," says Wiley. "Kolbe A can give a new look at the staff members that report to you. By finding the unique capabilities of how a person really would like to perform the tasks in their job, the supervisor can insure that their staff is motivated." Noting that one of the most effective ways to increase productivity and build a team dependent on each other is to choose staff members with a variety of natural skills, Wiley adds that Kolbe A results can aid in choosing individuals with complementary skills.

Johnson's firm started using testing five years ago to gain insight "into our people and to find a better way to manage them and leverage their management skills. About three years ago, we decided to evaluate our interviewing process. We were finding it more and more difficult to gauge our candidates' fit, especially for entry-level positions. The first thing we did was analyze the tests all our employees had performed over the last few years. We looked at both successful and unsuccessful employees. Based on our analysis, we came up with a list of qualities we were looking for in our interviewing process for entry-level candidates. Based on these qualities, we developed a set of situational- or behavioral-based questions to help us assess each candidate.

### Check Out Those Resumes

According to "Employment Screening: Best Practices Among Professional Service Firms," a white paper from RAI, candidates lie on resumes because there's no penalty for getting caught. Of the more than 100 falsified educations uncovered, according to the paper, "Harvard MBA" led the list. Other falsely claimed institutions include Case Western Reserve, Columbia, The London School of Economics, MIT, Stanford and Yale.

Several sites and companies offer services to verify and sort information on resumes using keyword searches, among them Trovix ([trovix.com](http://trovix.com)) and VCG ([vcgsoftware.com](http://vcgsoftware.com)).

"Now," Johnson adds, "skill-set requirements for the position may change, but the same concepts still apply. Situational- or behavioral-type questioning has given us the ability to apply the concepts of the assessment test without the costs. We still use the assessment tests, because they're designed to examine skills at a deeper level, but at least we can streamline our candidate pool."

## **'Soft Skills' Question**

Testing for "soft skills" is becoming critical as sales and marketing assume greater roles in firms, and "is all about building the expectations and finding the candidate that meets those expectations," Wiley maintains. "We spend a lot of time in our industry hiring clones of ourselves, when the reality is that we want different from us. We have to be clear on what we want, and then we can be more successful about finding the candidate who will do that."

"A behavior and traits survey can help you identify if the person has the traits necessary to be able to develop the skills," Johnson says. "From there, use a variety of methods to assess competency, such as situational scenarios or standardized tests. Depending on the experience level of the candidate, you'll want to tailor your questions to the expected level of skills for the position. For example, a partner or senior manager may be expected to participate in marketing and business development at a higher level than an entry-level staffer.

"The other thing firms might want to keep in mind when testing for soft skills is to be open. Someone might not be the high extrovert that can go out and bring in tons of business, but they may be great at developing the client relationship and leveraging their knowledge of the client to cross-sell additional services, Johnson points out.

Predictive Index tends to deal with the soft skills, Scholl says, looking at four major areas of personality: dominance, empathy, patience, and "detail," the latter being the willingness to take risks or the need to have the maximum amount of information in-hand before making a decision. Scholl is also working with the Boomer organization to develop Performance 3 Training Program, designed to enhance soft such skills of middle management firm members as leadership, communication, problem solving, and motivation.

## **Higher, Practical Applications**

"I've seen many success stories in firms that have used Kolbe, but one of the most rewarding was when I helped a firm determine their new managing partner," Wiley recalls. She had each of the current partners take the Kolbe C to insure that their expectations were in alignment. "They were not!" she says. "I then worked with the partner group to come to a consensus on their expectations for this leadership position." Once the Kolbe C profile was established, Wiley had each partner complete the Kolbe A to determine personal profiles. She then explained, partner by partner, how their profile fit with the expectations of the firm. "In the end," she says, "a managing partner was chosen who knew exactly what expectations were in place for them."

Scholl stresses need to keep the instrument output private, but one firm he knows has results of the Predictive Index posted outside the offices of staffers, a move billed as better preparing firm members to communicate with each other.

Some firms might also be tempted to turn to testing before an M/A, to head off potential conflicts. "I don't know that testing alone can be used as a sole indicator for people problems in a merger, but I do think testing can be used as part of the assessment process for making a decision to merge," Johnson says, adding that testing can help answer key questions regarding redundancy, capacity, and who on your executive team can execute a specific strategy. "If you are going to use testing in a merger scenario, I'd highly recommend working with a well-trained consultant to help you assess your people and answer the questions above. Using the test results alone won't help you predict success or failure, but it can help you manage it," she says.

Wiley again recommends the Kolbe C to develop expectations before a potentially troubled merger. "This will help align partners, and determine if there are challenges that need to be addressed. A professional consultant can work through these initial challenges before the

remainder of the staff is pulled into the mix. Once owners are on the same page, testing the rest of the staff is important to match the expectations with the combined staff. Two things will happen. One is that the firm can insure that their staff is in alignment with partners' needs, and second, test results can educate other team members about each other."

"'Culture' is not quite the same thing as 'personalities,'" Scholl points out, "but I encourage clients to do PIs when they're looking to merge. It can give you important data as to whether these two groups will be able to co-habit comfortably. It may also point out an individual or two who might be a problem."

### **Closing Caution**

Testing should also be used consistently for all positions, Wiley says. "Using it only for certain positions and for only one or two staff members could leave the firm open to discrimination charges. Testing should be used on the entire group, or, better yet, the entire firm."

"Tests must be job-related, and non-discriminatory," Johnson stresses. "If the test you're administering isn't being used to identify a skill set and for example is asking medical-related questions, it could potentially result in a lawsuit. If you're considering using an assessment test in candidate selection, have your employment attorney review it."

"Make sure the instrument you're going to work with meets all federal regulations. I think most of the national instruments do," Scholl advises. "Use the instrument consistently, and make sure you are fully trained and competent in dealing with the data the instrument produces."

"Use testing in conjunction with other communication methods, never as a stand-alone tool," Wiley advises. "Don't be afraid to use the testing tools to develop new processes in your firm, and use a certified professional who understands the testing method and the industry you work in."