

An Exploration into the Intrinsic aspects of the Use of Competency Models in Psychometric Testing across Various HR Functions

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ABSTRACT

The extent of use of psychometric testing in the field of HRM has increased manifold over the past decades. Though it is a concept that is met with skepticism, the benefits that can be reaped have gained recognition in the contemporary corporate world. A substantial amount of research has been carried out pertaining to the use of psychometric testing in HRM, with more emphasis at its use in the recruitment process. This paper is an attempt at highlighting the use of competency models in psychometric testing across different HR functions. The comparative benefits and challenges of the same have been discussed. Additionally, recommendations for overcoming the challenges have been put forward.

1. Introduction

Psychometric testing comprises of standardized tests employed to assess the capabilities, aptitude and personality of a prospective candidate in conjunction with a vacancy in an organization. Their primary purpose is to assess if a person is suitable for the particular job role based in terms of his/her personality traits and abilities. They aim to uncover the skills which cannot be precisely identified through the traditional hiring interviews. When combined with the traditional hiring methods, they yield better results in the recruitment process. Another notable fact about psychometric testing is that HR professionals around the world have come to discover its benefits when employed across various HR functions ranging between recruitment and the exit of an employee from the organization. It provides information that could significantly fasten and improve the decision-making process.

Research shows that in addition to the assessment of personality and attributes, psychometric testing is useful in organizational development, guidance etc. Psychometric tests may also be employed for assessing (but not limited to) the following:

- Values
- Situational judgment
- Emotional Intelligence
- Person-job fit
- Culture-fit

Furthermore, psychometric tests can also quantify many other natural and innate aspects of a person such as his/her response to stress, leadership traits, emotional stability, level of sociability, interpersonal relationships, learning abilities, thought process, motivational factors etc.

2. Objectives

- 1) To ascertain the significance of the use of competency models in psychometric testing.
- 2) To analyze the benefits and challenges of using competency models in psychometric testing.

3. The science behind the use of Psychometric Testing in HRM

The concept of psychometric testing has been ever-present and its presence dates back to as early as the 20th century. Alfred Binet was the person behind the use of the first-ever intelligence test in the year 1905. Psychometric tests have since been in use in the selection procedures of several organizations.

Psychometric testing influences all forms of measurement and the way they are validated. It can be applied for many other purposes such as evaluating consumer behavior in market research. It can be carried out in several forms ranging between questionnaires and hypothetical simulations and provides objective insights into different inherent facets of an individual. A scoring system is used for quantifying specific traits and aptitudes they measure.

The accomplishment of competencies that have come to become a vital component of both individual and organizational strategies has become an essentially integral phenomenon in the modern corporate world. Psychometric testing provides an optimum solution for ascertaining, nurturing and further developing such essential competencies among employees within an organization.

4. Validity of Psychometric Tests

Gauging the importance of psychometric testing is of great significance. Several measurement theories and statistical models are employed in the process of scoring psychometric test results. The purpose in doing so is to validate the tests. Validity refers to the consistency of results when employed on subjects across different sets of populations over time. Validating a psychometric test through the use of a scientific process is both time-consuming and expensive. It involves the comparison of individual results to that of the population to ensure the accuracy of the conclusions. A psychometric test may be deemed valid when it precisely measures what is to be measured and the information derived is genuine.

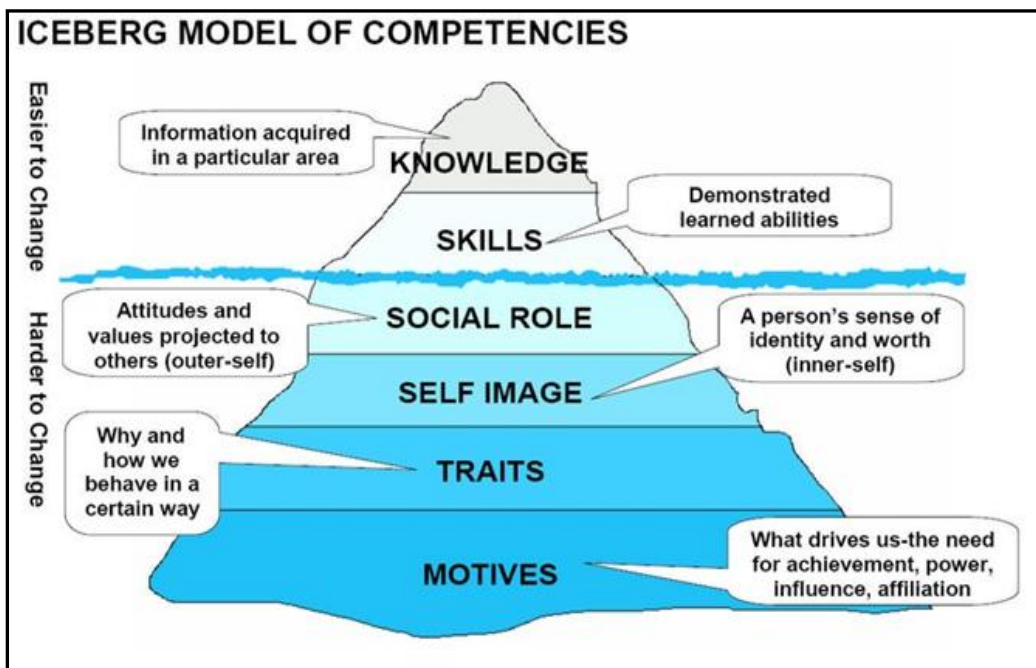
Consequentially, the reliability of a psychometric test is determined if the results are similar when administered repeatedly at regular intervals. This, in turn, confirms the consistency of the results.

5. The ICEBERG Model

The word “competence” is of a broad spectrum nature as it includes the ability of transferring skills and knowledge in accordance with new circumstances that arise in the day-to-day work life.

According to Meyer and Semark (1996), competency, its nature, acquisition and maintenance is emerging into a dimension that is central to the concept of human resource development in the recent times. Furthermore, competencies may be considered as individual units of contribution to the organization and add value to the human contribution to the organization when mapped into a competency framework (Wheeler and Wheeler, 1999).

Psychometric testing helps in decision-making pertaining to culture-fit, job-fit, promotions, succession etc. within an organization. This necessarily involves assessing not only a person’s candidature in terms of abilities, skills and personality but also the hidden traits that could significantly influence the person’s performance and response to different situations within the organization. The culture within an organization is a critical component that not just determines an organization’s success but also affects the intrinsic aspects of the organization such as employee motivation, commitment, performance etc. Therefore, determining culture-fit is not restricted to merely identifying the compatibility of an employee with the organization, but refers to ascertain the employee’s probable response to different situations. Psychometric tests of different types are applied at different stages of an employee’s life cycle within the organization with the aim of delving into the two trait layers of an employee: Discernable Trait Layer and Indiscernible Trait Layer. The process of employee evaluation is incomplete if both the layers are not taken into account.



Source: <https://exeqserve.com/iceberg-need-build-competency-model-ed-ebreo>

The Iceberg model portrays the visible and invisible layers of a person. The visible (discernible) layer that consists of knowledge and skills can be modified easily as compared to the other elements of the invisible (indiscernible) layer which directly affect a person’s attitude and are difficult to modify.

The Discernible Trait Layer comprises of the clearly visible elements of culture that can be determined through various levels and forms of interaction.

The Indiscernible Trait Layer, on the other hand, consists of cultural elements that are invisible and are difficult to percept under regular conditions, though they are highly relevant to the employee and influence his/her performance.

The most efficient way to define the Iceberg Model is through competencies that are displayed through observable employee behavior. Psychometric tests are an attempt at

measuring all the necessary aspects of an employee, yet may not necessarily detect all that is necessary. Hence, defining competencies and then developing concepts as to how they work for an organization is imperative.

Competencies may be essentially categorized as following: Threshold Competencies and Differentiating Competencies.

Threshold Competencies are essential characteristics that an employee possesses to be minimally effective for an organization and do not qualify as competencies that differentiate between average and superior performers.

Differentiating Competencies, as the name suggests, are those competencies that help employees to stand out as superior performers within an organization.

6. Benefits of the Competency Models

It is vital for an organization to identify, nurture and develop competency models to stay ahead of its competition. Additionally, competency models confer the following benefits for an organization:

• Distinction in performance management

Standardization of the development criteria leads to the performance management function becoming more coherent and improved.

• Confederacy between business units and corporate culture

In corporate decentralized environments, companies employ competency models through the utilization of culture for the purpose of unifying employees.

• Identification of training needs and planned employee development

Comprehensive plans for identifying training needs and learning and development activities that cater to a broad-spectrum of learning platforms can be formulated.

• Improved recruitment

The recruitment process that matches candidates with job positions within an organization can be enhanced through the use of data analytics.

Competency models are aimed at identifying what an individual needs to possess in order to substantially contribute to the desired success of the organization. They possess a significant position in the human resource practices of an organization.

7. Challenges in the use of the Competency Models

Though the development of competency models has several benefits, there are certain challenges in the process of usage of competency models. Following are some of the common challenges that are part of competency model usage process:

Competency models cannot be used as a stand-alone solution that influences recruiting, appraisal or training decisions.

In the process of developing competencies, the personal and/or psychological processes of developing and employing skills are not taken into account. This implies that, not all the aspects that contribute to an individual's performance, are considered.

There is always a possibility where staff that aptly fit the competency model are selected. This leads to missing competencies through not hiring people who do not fit the

competency model, which in turn, leads to not addressing possible gaps in the current model.

8. Recommendations for Overcoming Challenges in the use of Competency Models

In spite of the challenges, competency models provide a means for improved decision-making within an organization. Following are some recommendations that assist in overcoming the challenges in the path of the usage of competency models:

- Identifying the core competencies necessary for building the desirable culture and thereby developing the competency model is highly essential for setting in motion the process of acquiring the right skills and habits that cater to improved performance.
- A clear distinction between competencies that are essential at the hiring stage and those that can be developed in a prospective employee through training on joining the organization needs to be made. This creates a better and more precise connection between the hiring process that is competency-based and the performance management strategies.
- The attributes at the bottom of the iceberg are comparatively difficult to modify. Hence, a clear inclination of what discernible competencies are needed for the job performance to be done efficiently need to be indicated and have to be non-negotiable at the time of hiring.
- It is a common, though not openly accepted, fact that, the absence of sufficient motivation influences an employee's performance more as against the lack of knowledge or skills. Therefore, it is necessary that training programs address specific aspects that promote the art of self-mastery among the employees.

A strong and well-defined competency model helps to create a guiding map for hiring and developing the overall performance and success of the organization.

9. Conclusion

An attempt at providing an insight into the fundamental meaning of competency models and feasibility in terms of their employability in psychometric testing, benefits and challenges has been made. Additionally, the science behind the use of psychometric testing in the field of HR and its validity has been discussed. Recommendations with an aim to put forward possible ways by which the challenges faced in the use of competency models in psychometric testing have been presented. Competency models, when developed on par with realistic expectations and applied in psychometric tests with proper training can make an organization highly competitive in terms of the human factor and lead to enhanced organizational planning process and growth.

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