

Niche Update

Special points of interest:

- IQ—Fluid vs Crystallised
- Competency profiling vs Job Analysis
- Combating “Faking”
- New online assessment order form
- Leadership Behaviours predicting Organisational Decline

IQ Testing ~ Predicting On the Job Performance

Recent research by Schmidt & Hunter (2004) found that IQ “predicts both occupational level attained and performance within one’s chosen occupation and does so better than any other ability, trait, or disposition, and better than job experience.”

Schmidt & Hunter’s results in the table below, show that IQ (General Mental Ability) has high predicative validities for both on the job performance and performance in training (although less so for low complexity jobs). For a full explanation of predictive validity go to www.nicheconsulting.co.nz/validity_reliability.htm

Complexity of Job (1=highest & 5=lowest)	Performance Measures (<i>r</i>)	
	On the job performance	Performance in training
1	.58	.59
2	.56	.65
3	.51	.57
4	.40	.54
5	.23	No results

When you consider Hunter and Hunter (1984) found the mean predictive validity of job experience to be only $r=.18$ across 373 studies, you can see the predictive validity of IQ is much higher than this and most other selection methods.

Intelligence can be broadly broken into two types of intelligence as defined below:

- ♦ **Crystallised Intelligence** — involves verbal or language based knowledge that has been accumulated mostly through education and life experiences. It includes a range of general knowledge, vocabulary, and the ability to comprehend oral communication.
- ♦ **Fluid Intelligence** — refers to a person’s flexibility and adaptability to apply themselves to a novel task that may involve both inductive and deductive reasoning. It may include recognising concepts, relationships, patterns, drawing inferences, and comprehending implications.

Researchers have proposed different occupations may require more or less emphasis on one of these intelligences. For example, occupations that are more scientifically based such as a mathematician or scientist may need more fluid intelligence, whereas occupations that are more based on learnt knowledge, such as an accountant or lawyer, may need more crystallised intelligence.

Tests of Intelligence

At Niche we generally recommend one of the following intelligence tests:

1. **Wonderlic Personnel Test** - this test is 12 minutes in length and a combination of verbal items, general knowledge items, diagrammatic items and numerical items. Research has shown the Wonderlic is good at measuring both crystallised intelligence and fluid intelligence (Bell, Matthews, Lassiter & Leverett, 2002).
2. **Raven Progressive Matrices** - this test is 20 minutes in length and all items are diagrammatic in nature. The ravens requires you to think out problems on the spot without a previously learned method of doing so, and as such is a measure of fluid intelligence. It also is excellent for those with English as a second language as a measure of IQ, as there is no written English in the items, and therefore no disadvantage where literacy or a lack of English skills is evident.

Whether you are interested in fluid or crystallised intelligence, intelligence in general as a measure is a strong predictor of on the job performance and as such we recommend our clients include it along with the more traditional verbal and numeric cognitive measures in their recruitment assessments.



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New Online Assessment Booking Form

We have recently added an assessment booking form to our web site to make it easier for clients to email us with psychometric assessment requests.

Just fill in the form and submit it, and we will reply to let you know we have received it as well as action your request ASAP.

A couple of things you may or may not know about our process when you book an assessments with Niche:

- ◆ If you email us or submit this form, we will email a reply to you once we have received your request. This ensures you know we definitely have got your request and are actioning it.
- ◆ For requests received prior to 4pm weekdays, we will endeavour to action the request that day. At a minimum we will have tried to contact the candidate on the phone.
- ◆ Once we have spoken to the candidate, we will email them the assessments to be completed online.
- ◆ If the candidate is doing ability testing, we will inform you of the date and time of testing, once the candidate is booked.
- ◆ Our standard turnaround time for reports is within 2 working days from the time the candidate has completed all the assessments. However, most often we are able to complete reports in a shorter timeframe than this.
- ◆ If you have a date you would like the assessment report by, please let us know so we can attempt to manage the candidate completing the assessments and our workload to achieve this.

We welcome you to try our new booking form, but of course are also happy if you wish to continue to email or phone orders through. The web address for the booking form is listed below or go to our Contact Us webpage :

http://www.nicheconsulting.co.nz/form_booking.htm or http://www.nicheconsulting.co.nz/contact_us.htm

Another update to our website is a special candidate area explaining each different type of test and giving example items for each. This is available at <http://testingcentre.nicheconsulting.co.nz>

The screenshot shows the 'Assessment Booking Form' on the Niche Consulting website. The form is titled 'Assessment Booking Form' and includes a search bar and navigation links (Home, About Niche, The Craft, The Science, Contact Us). The main content area is divided into sections: 'Your Details' (Name, Email, Company, Phone), 'Candidate Details' (Name, Home Phone, Work Phone, Mobile, Candidate Email), 'Details of Request' (Purpose of Assessment, Recruitment/Development/Career Analysis, Role, Purchase order number, Report date), 'Assessments to be Completed' (Assessments required, Ability Tests, Personality), and 'Comments and special instructions'. A 'Submit' button is at the bottom. The footer contains copyright information for Niche Consulting Limited 2009.

How do Leadership Characteristics Affect Organisational Decline?

In a recent article in the Journal of Business Ethics by Carmeli & Sheaffer (2009), they studied leader's behaviours and whether they would predict levels of organisational decline.

The study looked at two aspects of leaders' behaviours as defined by the authors below:

1. **Leadership Risk-aversion**— *“the disinclination of a person to agree to an outcome with a vague payoff rather than another outcome with a more obvious but potentially lower expected payoff.”*
2. **Leadership Self-centredness**— *“(a) ethical egoism—the belief that individuals should do what is in their own self-interest” and “(b) rational egoism—the belief that it is rational to act in one's self-interest.”*



They created a survey measure of organisational decline including items on (1) inadequacy of responses to change (2) lack of timeliness of responses to change (3) lack of competitiveness (4) illegitimate organisational behaviour (5) inability to predict internal or external changes that threaten its survival (6) level of complacency (7) failing to adequately evaluate changes in its environment (8) lack of strategic direction's fit with task environmental conditions and (9) low levels of employee satisfaction.

The survey was given to top management team members. The research found both leadership risk aversion (.48) and leadership self-centeredness (.38) were significantly related to higher levels of organisational decline. This research brings home the importance of selecting the right leaders for the top roles and ensuring they have the right attributes that put the organisation's interests before their own interests.

As Carmelli & Sheaffer (2009) state : *“We are not suggesting organization cannot fall into a period of decline but rather argue that often this situation is caused by leaders' behaviour and actions that violate the moral obligation they have for both the firm and its employees”*. With the recession hitting many industries and organisations, it is easy for top management to blame the recession rather than look at any leadership behaviours that may be impacting on or exacerbating the level of decline felt in a single organisation.

Strategies to Contend with Faking



When candidates “fake” a personality assessment it has ramifications on how we can use the assessment information. “Faking” is detected when a candidate manipulates an assessment to the extent that they make themselves out as a “saint” who has no weaknesses. Test makers of the CPI, state the information is invalid if faking is detected and as such we ask the individual to re-sit the assessment. Alternatively some other test makers just recommend the information is not relied on as it would usually be as an accurate and valid predictor of individual preferences.

Probably one of the most effective ways to reduce “faking” is to warn the candidate in advance of taking the assessment that there are measures that detect “faking” and that there may be a negative consequence if “faking” is detected.

As standard practice Niche personnel inform candidates about the “fake” scale and the need to be candid in their answering. We also inform them that they will be asked to re-sit the questionnaire if faking is detected, which is a negative consequence for them. While this has not completely eradicated “faking”, the incidence level is lower than when we did not stress this to candidates when explaining the assessment process. One of the reasons we like to have a phone number as well as an email contact for candidates is for this very purpose.

Competency Profiling versus Traditional Job Analysis

Finally academics are starting to report what practitioners like us have been saying for years— Competency Modelling (CM) has the potential to fill a void in Traditional Job Analysis (TJA), and in many cases may have overtaken TJA as the preferred foundation for human resource applications. Sanchez and Levine (2009) report on the differences between TJA and CM, summarises below.

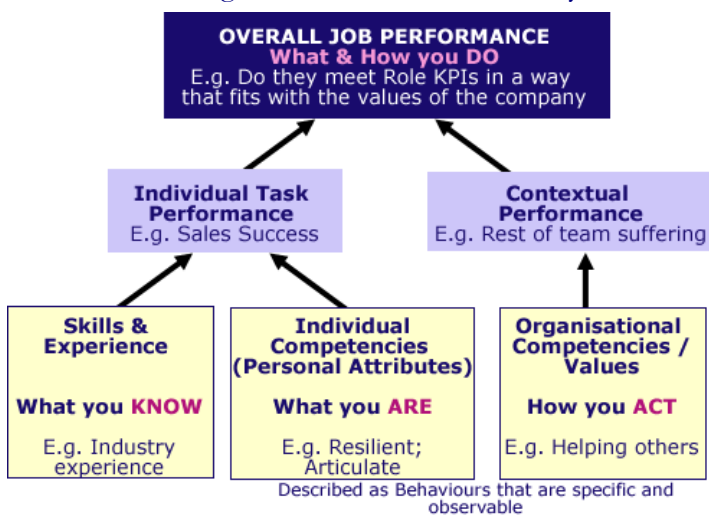
Dimension	Competency Modelling	Traditional Job Analysis
Purpose	Influence Behaviour	Describe Behaviour
View of Job	A role to be enacted	An external object to be described
Focus	Organisation	Job
Time Orientation	Future	Past
Performance Level	Maximum	Typical
Measurement Approach	Clinical Judgement	Latent trait

What is important about CM is its purpose to influence the behaviour of employees, rather than just describing it, which is why it has so many more applications, such as linking into performance management and succession management. In their article they also recommend “short and clearly worded lists of competencies

have the best chance of becoming part of the organisational jargon and thereby influence behaviour”. They also argue that CM has the potential to fill an important void in TJA, specifically the infusion of strategic concerns in day-to-day employee behaviour.

It is also important to have an emphasis on both Contextual and Task performance in your competency model and behaviours you are trying to influence, as the model to the right shows.

Motowidlo & Scotter (1994) found both task and contextual performance contributed to overall performance, however different variables contributed



to these results. Personality variables are more highly correlated with contextual performance than with task performance, and conversely experience is more highly correlated with task performance than with contextual performance, which makes sense.

Niche Consulting has worked with clients to develop their own competency frameworks and for clients who prefer to use a generic framework, we have our own rigorous and ready to use model.

2009 Christmas Hours at Niche

Yes it is nearly that time again with less than 5 weeks to Christmas. Niche Consulting will be closing for Xmas holidays from the afternoon of Thursday 24th December 2009 and re-opening on Monday 11th January 2010.

