

## The Value of Creating Benchmarks When Using Employee Profiling

Over the next two weeks, my HR Tips Letter will address a question I get often, “When we have an assessment that has a cut-off score to benchmark, what should the cut off score be?” Hmmm, how long is a piece of string?

Cut off scores are reliant on a good benchmarking. The most reliable benchmark is one constructed through a concurrent validity study, that is, we have tested high and low performers and statically analyzed what specific measures discriminate between these two groups. However, there is another mediator that comes into play here; how confident are we that we have correctly allocated employees into each performance group?

The most common job performance criteria rating used in validity studies is a simple rating of overall performance based on a 1 to 5 rating scale. Although a very simple measure of job performance, this type of rating process often lacks the objectivity required to generate the solid metrics needed to prove validity or return on investment (ROI), particularly where the sample size is small, less than a hundred participants.

Our Prevue Internal Validity/ROI program recommends the following process be implemented to identify relevant job performance criteria:

1. Outline the general expectations and/or performance objectives of a position including organizational goals. These may be contained in job descriptions or competencies that have been developed for the specified position.

*Example – Customer Service*

2. Then, develop job performance criteria by identifying and ranking the most important specific measures of performance or productivity for the position based on the following three types of performance data:

a) *Objective data* – this relates to productivity in job tasks such as number of units produced, sold or delivered. The number of errors/mistakes, new account generation or average telephone call time etc.

*Example –* The employee received no negative feedback on or customer service survey.

b) *Personnel data* – does not directly measure productivity but rather reflects workplace behaviour that includes organizational effectiveness as well as counter-productive behaviours that produce lower rates of productivity such as absenteeism and disciplinary warnings etc.

*Example –* The employee was always on time and showed promptness when serving customers

c) *Subject ratings* – typically supervisor review ratings and 360 degree feedback ratings (if available) that are more subjective.

*Example* – the employee was always appreciated by boss, peers and colleagues as helpful and cheerful.

Unfortunately, I find most employee ratings to be very subjective and the literature is full of studies explaining the bias factors that come into play here. Likewise, it is also a failure to base decisions on objective ratings alone. For instance, a sales person may be the number one biller, but be so difficult to manage and clean up after; the dollars they generate above the average performer may not be worth the constant management hassle.

Benchmarking against current performers will always add more power to your assessment results, but it's important to understand how these benchmarks were constructed in the first place.

Irrespective of the cut-off score, I always encourage clients to check two specific scores first up. These are the mental ability and conscientious scores. Once again, the scientific literature is convincing that these two measures are the best predictors of workplace performance. It goes without saying that a person who is a poor problem solver and a slow learner, coupled with poor planning, organising and follow through would struggle to deliver quality work.

So, a candidate may score very high against the benchmark, but if their cognitive (mental abilities) and conscientious scores were low, this would wave a big red flag. Once again, I always like to stress that psychometric assessments are very good at showing you the “oophs” (red flags) but not necessary good at identifying the stars.

In my next HR Tips Letter I want to continue this discuss and address the construction of benchmarks based on a Job Description Survey. This is the second benchmarking option available in the [Prevue Selection](#) Assessment.

Would you like to take a free test drive of the Prevue Benchmarking system? Just email me.

**Rob McKay MA(Hons) is a Director of AssessSystems Aust/NZ Ltd**  
He can be reached at [rob@assess.co.nz](mailto:rob@assess.co.nz)  
[www.assess.co.nz](http://www.assess.co.nz)