

PREDICTING THE FUTURE SUCCESS OF TALENT

It is probably not a surprise that “attracting and retaining skilled staff” again was named one of the most important issues by 251 executives in six countries surveyed across all industries in the 2006 Accenture High Performance study. Even if you can cultivate a high-performance engagement culture, you still need to identify and select high-potential talent to be competitive.

Ambiguity about exactly how to define “high potential” or what it looks like makes identification and selection quite a challenge. Understanding which assessment methods are most predictive for job performance and success across industries and job levels is important for organizations that implement integrated talent management systems.

Based on several recent surveys (e.g. Aberdeen Group and Rocket-Hire), the use of assessment tools for pre-employment selection and promotion is about 60 percent to 70 percent across all industries.

Of those using pre-employment assessments across job levels, the most popular approaches continue to be evaluation of work history, candidate interviews, skill and aptitude tests and personality inventories. Which approach to measuring key aspects of potential talent’s knowledge, experience and competence actually does a good job of predicting future success and performance?

Many practical and important observations can be made by looking at the relative average predictive validities (correlation coefficients) ranging from the highest to the lowest reported in the surveys.

- No specific assessment approach is statistically very strong in predicting success or performance, although work sample simulations, cognitive ability tests for entry positions and more structured interviews are the strongest.

- Interests are quite poor at telling us much about future performance or competence (just watch “American Idol,” and you can see this in action). Interests, however, are strong predictors of job satisfaction and turnover, so it is important to get a sense of what will maximally engage talent.
- Reference checks have legal restrictions that minimize their

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usefulness, but in concept, they should be pretty revealing (if you can get previous colleagues, peers and employers to share information), given the predictive power of peer and supervisory ratings.

- Those who demonstrate cognitive ability seem to learn more rapidly and assimilate information. Cognitive ability tests are known for potentially adverse impacts, so they often are viewed negatively by prospective candidates. At higher levels, there is a compression of mathematical-logical intelligence, making these types of assessments less useful.
- It’s not how smart you are but how you are smart. Interpersonal competence, self-awareness and social awareness (ingredients of emotional intelligence) are probably better predictors of who won’t succeed than who will. Organizations should be wary of overstated claims about the pre-

dictive power of emotional intelligence on job performance.

- Personality measures are modest predictors of job success, with two universal or “generalizable” factors: conscientiousness (being driven, dependable, organized, achievement-oriented, responsible) and emotional stability (being self-confident, even-tempered, adaptable, resilient, emotionally well-adjusted).
- Other specific personality factors appear to be more predictive according to the situation. For example, when job performance depends on leading and influencing, as in sales and managerial



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positions, extroversion is a significant predictor. For customer service positions, “agreeableness” factors appear most strongly associated with success. When creativity and innovation are required, a factor often referred to as “openness to experience” is quite predictive.

There isn’t much argument that selecting and promoting the best talent is a strategic competitive advantage. So, choosing which approach to use for “human handicapping” is an important decision. When companies introduce specific assessment methods for pre-employment hiring and promotional decisional making, most are significantly better than chance, and some are certainly better at increasing the odds of predicting high performers. **TM**