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Profiles International: A Multifaceted Approach for Assessing Talent

About the Author



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Introduction

Throughout the process of talent management (e.g., recruiting and selecting candidates, assessing performance and potential, developing people, and implementing rewards programs), there is a common and critical thread – the need to assess people. Thanks to extensive research and many innovative solution providers, the market for assessment tools has exploded. Today, companies are using a wide variety of assessment tools to screen and assess candidates, uncover strengths and weaknesses, determine job fit¹ and leadership potential, and identify specific development needs that drive success.

Profiles International, a world leader in selecting and developing high-performance workforces, offers a comprehensive suite of employment assessments that help companies gain a competitive advantage by selecting, hiring, retaining and developing great talent. Continually validating and updating its assessment products, Profiles serves many of the largest companies in 122 countries around the globe.

Types of Assessments

There are many different kinds of assessments on the market today, including competency, personality, potential and team effectiveness. Assessments can be conducted on paper or online, and are completed via self-assessment or multirater.

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¹ "Job fit" refers to the assessment of current knowledge, skills, competencies and other key qualifications of an individual against the requirements of a specific role, current or future.

Two of Profiles's flagship assessments are:

- **Profiles's "Checkpoint 360™"** – Multirater feedback process that assesses employees against 18 competencies grouped into eight skill clusters; and,
- **Profiles's ProfileXT™** (assess job fit, job interests and potential):
 - o Measures thinking style, behavioral traits and occupational interests,
 - o Compares candidates to job-specific patterns to predict future success,
 - o Improves quality of hire, and
 - o Provides a foundation for ongoing employee performance management.

The Application of Assessments

The application of assessments in talent management programs is varied. In the following sections, we briefly highlight the function of assessments within each of the core talent management processes.

- **Recruitment and Selection** – To maximize talent investments and "upgrade" the talent pool, organizations need to rethink their current strategies – and make the necessary changes to not only reduce costs, but improve the accuracy and quality of hires. Assessments can be fully integrated into a recruiting solution, so that candidates are screened before they are brought in for an interview.
- **Performance Management** – Each year, managers must go through the difficult process of assessing employees' performance against a set of performance goals, as well as required or desired skills and capabilities. Often done via a 180- or 360-degree assessment, these tools indicate standards against which to measure employees. Skills



KEY POINT

Potential assessments are used most often for senior leaders and executives, by 22 percent and 29 percent of companies, respectively.²

² For more information, *Leadership Development Factbook® 2009: Benchmarks and Analysis of Leadership Development Spending, Staffing and Programs*, Bersin & Associates / Kim Lamoureux and Karen O'Leonard, October 2009. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/ldfactbook.



KEY POINT

Companies use job fit and potential assessments to evaluate employees against future roles.

gaps are identified and development plans are put in place to close these gaps.

- **Career Management** – Career management addresses the career goals of employees. Companies employ assessments, such as job fit and potential assessments, so that employees are able to measure themselves against future roles.
- **Succession Management** – Succession management is a critical part of any talent management strategy. Companies use assessments to predict the future capabilities and potential of its employees. With this information, companies create succession plans and build a leadership pipeline³ that will enable the company to endure through the retirement, departure and termination of its leaders.
- **Leadership Development** – In a recent study of more than 350 companies⁴, we found that 360-degree feedback, leadership style and personality are the three most common assessments for managers, regardless of level. Overall, assessments are more frequently used for senior-level leaders, likely due to associated costs. Assessments help define the critical skills necessary to drive organizational performance.

Conclusion

Assessments are no longer just for executives. Companies are using a variety of assessments for every level of employee and at all key phases of the employee lifecycle. These tools help employees to become more self-aware and enable employees to develop career goals that are obtainable. For companies, assessments help leaders make better selection decisions, uncover skills gaps to drive learning priorities and build capabilities necessary for long-term sustainable growth.

³ “Leadership pipeline” refers to an organization’s ongoing need to have a pool of talent that is readily available to fill positions at all levels of management (as well as other key positions) as the company grows. At each level, different competencies, knowledge and experiences are required, and (to keep the pipeline filled) the organization must have programs designed to develop appropriate skills sets. (Also known as the “leadership bench.”)

⁴ For more information, *Leadership Development Factbook® 2009: Benchmarks and Analysis of Leadership Development Spending, Staffing and Programs*, Bersin & Associates / Kim Lamoureux and Karen O’Leonard, October 2009.



Appendix I: Case Study

Regus: Using Assessments to Build a Workforce Equipped for the Company's Future

Company Overview

Regus, a leading global provider of innovative workplace solutions, enables companies of all sizes to work wherever, whenever and however they deem necessary. The company's worldwide presence includes more than 1,000 business centers in 450 cities in 85 countries.⁵

Regus's product offerings include fully furnished, equipped and staffed offices – as well as world-class business support, conference and meeting rooms, and a large network of videoconference rooms. In addition, the company supports mobile and home-based workers with such services as virtual offices (which provide dedicated business addresses), mail and call-handling services. In airports and other commercial hubs, Regus business centers exist to serve clients wherever they find themselves.

In 1989, the company's founder and CEO launched Regus after noticing how many businesspeople were struggling with makeshift work environments while traveling. Today, organizations of all sizes, including more than one-half of the *FORTUNE* 500, turn to Regus to reduce costs – and to remove the burden of property ownership and office management, while gaining cost-efficient access to customized operations and amenities.

The company is publicly traded on the London Stock Exchange (LSE:RGU) and follows an aggressive growth strategy. Recent milestones include the 2004 acquisition of HQ Global Workplaces, the leading business center operator in the U.S. For the year ending December 31, 2009, Regus revenues exceeded £1 billion.

The learning and development (L&D) function at Regus includes a global network of trainers and employee development efforts that run the gamut from topics of sales and operations to customer service and leadership development.



ANALYSIS

The way in which a company manages its talent has become a critical business lever and will provide companies with competitive advantage.

⁵ For more information, <http://www.regus.com/aboutus/default.htm>.





KEY POINT

Companies use assessment tools to screen and assess candidates, uncover strengths and weaknesses, determine job fit and leadership potential, and identify specific development needs that drive success.

The Company's Assessment Goals

Regus sought a relationship with Profiles International in 2008 to improve its hiring criteria and processes, and began using the Profiles XT⁶ tool in 2009. Specifically, ideal profiles were developed for the positions of area sales manager and center manager.

Some organizations view the PXT as a tool primarily for reducing employee turnover by ensuring a better initial job match. It is worth noting that, while turnover improvements were certainly welcome, the company's aim focused more on the future and ensuring employees' long-term value.

Regus has experienced a growth spurt in recent years and company leaders expect similar change in the years ahead. During times of growth, companies often place greater importance on consistency in their decision-making criteria and processes because standards must be communicated to more people in more dispersed locations. Leaders at Regus believe an assessment-guided approach to hiring is helping to ensure that consistency. Without it, hiring decisions might be based too much on incidental variables, such as the rapport between a particular candidate and interviewer.

Also, the PXT offers a framework for discussing how the set of desirable traits for a particular job might evolve over time. That could conceivably lead to different hiring choices than if a job description were expected to remain static.

Finally, assessments can be considered not only in terms of the job being sought today, but also in view of subsequent roles that an applicant might be suited for down the line. In that way, pre-hire assessments can also be valuable in terms of succession management and the continued development of employees at all levels.

⁶ For more information, *Profiles International: A Multifaceted Approach for Assessing Talent*, Bersin & Associates / Kim Lamoureux, January 13, 2010. Available to research members at www.bersin.com/library.



Change Management

Development of ideal profiles at Regus required assessments of current employees in the positions of interest, with special attention to those viewed as top performers and those seen as among the poorest performers. Leaders of the effort did not intend to force participation, but they knew poor participation could compromise results.

It is wise for organizations that do employee assessments to pause first and consider natural, fear-driven questions that might drive resistance. *Will the results be used against us? Will we be cast unfairly as liabilities to this company, losing opportunities for promotion or even being fired?*

Regus opted not to let such concerns become an issue. For nearly two months, company leaders explained honestly to the targeted members of the workforce that assessments would be used to guide hiring, but that they would not be used in any way to weed out current employees from the organization. The success of this communication effort might be gauged by the fact that 110 people (about 90 percent of the targeted employees) did complete assessments, providing plenty of information to create the two benchmark profiles – for the positions of area sales manager and center manager.

Regus's global director of learning and development remarked,

“What we committed to, for our employees when they completed this, was that we would use it as a development opportunity – a way that they could learn more about themselves, areas that they could get better at, as well as things they did very well that they may not have been aware of ... there was no hidden agenda. We were open. We were honest. We shared what we were doing.”

Assessment results have continued to guide employee development efforts since Regus implemented the PXT implementation as part of its pre-hire screening process. Results may or may not be shared with individual subjects once hired; however, managers routinely mine the results for insights on how best to onboard a particular employee and

★ BEST PRACTICE

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then how best to manage performance. Also, the training team reviews the profiles before new team members attend onboarding training and use the information to work with individuals throughout the training.

If we look at the profile that was created for Regus's area sales manager role in Figure 1, we see 20 characteristics based on thinking style, behavioral traits and occupational interests. For each characteristic, individuals are scored against a range of ideal values to determine job fit⁷. Employees might fall under, within or above this range.

Figure 1: Job Match Pattern Ranges for Area Sales Managers

	Low Value	High Value
Thinking Style		
Learning Index	5	8
Verbal Skill	6	8
Verbal Reasoning	4	8
Numerical Ability	4	6
Numeric Reasoning	5	9
Occupational Interests		
Enterprising	8	10
Financial / Admin	6	8
People Service	7	9
Technical	5	7
Mechanical	1	3
Creative	4	6
Behavioral Traits		
Energy Level	7	9
Assertiveness	7	9
Sociability	6	9
Manageability	5	8
Attitude	3	5
Decisiveness	5	7
Accommodating	4	7
Independence	4	7
Objective Judgment	7	9

Source: Profiles International, 2010.

⁷ "Job fit" refers to the assessment of current knowledge, skills, competencies and other key qualifications of an individual against the requirements of a specific role, current or future.

Figure 2 shows the percentages of Regus's top performers and bottom performers who fall within the ranges that the new area sales manager profile recommends as ideal. You can see that a much lower percentage of bottom performers scored "within pattern." When employees score "below pattern," it simply means that they are not as good a "fit" for this role as those who score "within pattern." However, the selection of individuals is not based solely on this assessment. Some individuals may be selected even if they fall out of range on a handful of characteristics or traits. The tool's primary benefit lies in the way it systematically draws managers' attention to areas for which immediate employee development might be needed. Profiles International recommends weighting the assessment at 33 percent of the overall hiring criterion.

Figure 2: Top and Bottom Performers against the Area Sales Manager Profile

Thinking Style and Behavioral Traits Scales	Top Performers			Bottom Performers		
	Below Pattern	Within Pattern	Above Pattern	Below Pattern	Within Pattern	Above Pattern
Learning Index	0%	100%	0%	13%	75%	13%
Verbal Skill	13%	88%	0%	0%	75%	25%
Verbal Reasoning	0%	100%	0%	13%	88%	0%
Numerical Ability	0%	63%	38%	13%	50%	38%
Numeric Reasoning	13%	88%	0%	38%	50%	13%
Energy Level	25%	75%	0%	25%	63%	13%
Assertiveness	25%	75%	0%	63%	38%	0%
Sociability	0%	100%	0%	0%	63%	38%
Manageability	0%	100%	0%	13%	88%	0%
Attitude	0%	75%	25%	25%	0%	75%
Decisiveness	13%	75%	13%	38%	13%	50%
Accommodating	0%	100%	0%	50%	25%	25%
Independence	0%	75%	25%	0%	75%	25%
Objective Judgment	25%	75%	0%	88%	13%	0%

Source: Profiles International, 2010.

Validating the Profiles

Leaders at Regus recognize that the use of assessment tools and the makeup of ideal profiles must evolve to be effective. For that reason, assessment results are revisited periodically. These second looks help to strengthen the tool's accuracy in forecasting individual candidates' success on the job.

For example, leaders might recheck the assessment of a hire who went on to become a top performer. If assessment results are found to have aligned closely with the ideal profile, the profile's validity as a predictor of good performance grows. If, however, that top performer's assessment results deviated significantly from the ideal, there might be reason in hindsight to recalibrate the importance of certain traits.

Under the same premise, rechecking the assessment results of employees who leave the company can reveal that certain traits merit more attention as red flags. This has turned out to be the case with low assertiveness scores for sales candidates. The trait is now seen as more important than many of the others that are measured.

Results

The financial impact of the company's new hiring processes is difficult to gauge because current challenges in the overall economy complicate numerical comparisons with the past. From a qualitative perspective, however, leaders at Regus feel their use of assessments has helped to keep hiring decisions grounded, as compared with the impulse-based decision-making that hard times can sometimes breed.

For example, one regional vice president noted that, during a past recession, leaders had convinced themselves that Regus needed sales associates with higher salary requirements. Such additions to the sales force increased costs, but ultimately did not necessarily improve results. Through the more recent economic downturn, Regus has based hiring decisions more on candidates' compatibility with the company's selling style. Leaders feel the shift in emphasis has helped to reduce the time it takes for new sales team members to begin delivering consistent results. The faster ramp-up time for a sales team member is critically important to Regus and the team member.

Next Steps

Regus plans to continuously improve all aspects of its assessment-guided hiring processes. Currently, for example, the company is adding a requirement that any manager who wants to make an external hire first receive mentoring from Profiles International on how to make the most of the PXT assessment tool.

Also, Regus is looking at ways to further pin down the meaning of specific scores on specific traits. While a theoretical percentage match with the overall profile offers valuable insights, leaders want to go deeper and understand, for instance, what different scores on a given characteristic might suggest about two applicants' future performance, comparatively.

Finally, Regus wants to increase its use of assessments to guide employee onboarding and development, and for hiring from within the company. Plans include the creation of ideal profiles for more positions.

Lessons Learned

Leaders at Regus have found the PXT to be a great tool for helping to ensure that hiring decisions propel the organization toward its goals in a focused way. For other organizations that might want to use assessments similarly, the company offers the following pieces of advice and points to keep in mind.

- **Expect a Dynamic Process** – Ideal profiles are a moving target. Job descriptions evolve and so must the tools used to identify the best job candidates.
- **No Assessment Tool Can Do It All** – The tool is an asset, but it is the way in which you apply and integrate the tool with other tools and talent processes (e.g., performance management or succession planning) that will determine whether your organization achieves its goals.
- **Be Open to What the Assessments Tell You** – Sometimes organizations look for information to reinforce that they already do the right things or that a change they have already decided upon is the correct choice. That mindset is not ideal for mining the full value from a good assessment tool.



KEY POINT

Leaders at Regus have found the PXT to be a great tool for helping to ensure that hiring decisions propel the organization toward its goals in a focused way.





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