



Trends in Personality Assessments and Applications

Birkman International® presents solutions for the greatest organizational development needs of 2007

Abstract

Assessment use is increasing among U.S.-based corporations. Corporations have embedded psychometric personality assessments in relevant business processes, such as hiring decisions, leadership development, team building and executive coaching. These same corporations are poised for organizational development success because assessments can discern personalities and propel leadership development and executive training.

It is likely that psychometric personality assessments will become increasingly important in hiring decisions, team building, leadership development and executive coaching in 2007.



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Introduction

This report is the first in a series of papers based on a survey conducted by Birkman International. It is the intention of the authors to: contribute to the business knowledge base concerning psychometric personality assessments, publish research about such assessments and engender dialogue within the business community leading to best practices in assessments.

Methodology

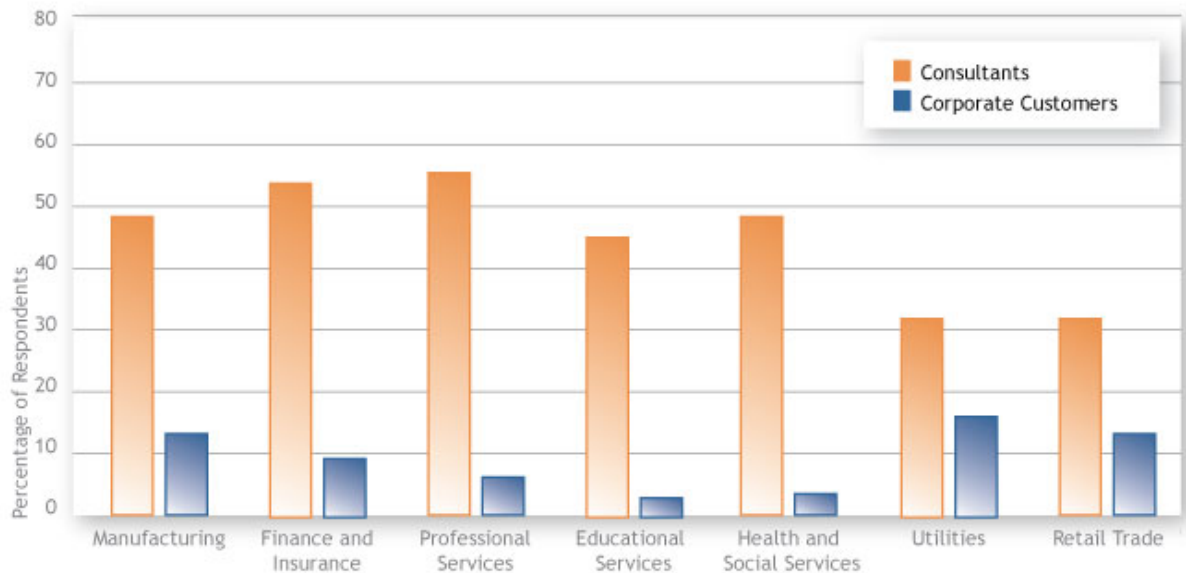
This report consists of data collected by surveys of more than 300 Birkman corporate customers and partnering consultants during Q4 of 2006. Corporate customers are those currently using the Birkman Method and accessing the assessment and interpretive reports directly from Birkman International.

Partnering consultants are independent contractors offering an array of human resources and organizational development services and who use the Birkman Method® and its interpretive reports to deliver those services. Birkman consultants, because they provide a variety of HR and organizational development services to diverse industries, have a broader perspective on the Birkman and its applications, than corporate customers whose perspectives are limited to their business models, their HR processes and their specific use of the Birkman.

The Birkman consultant survey revealed that consultants' practices span a wider variety of industries than corporate customers. (See the following charts for more information.)



Respondent Industries



Personality Assessments Increasing Applicability

Predicted Increase in Use in 2007

There will likely be an increase in personality assessment use among corporations in 2007. Two key trends support this prediction. First, there is an increasing body of research supporting the validity and predictive value of personality assessments in general. Second, the acceptance and application of personality assessments is on the rise in organizations of all sizes.

Personality Assessments are Mainstream

Personality assessments have been used by individuals and psychologists for years to help them understand how a person is likely to act, or react, and how that person can more effectively interact with others. The use of personality assessments in the workplace is on the rise.¹ Organizations' use of personality assessments has increased from 34 percent in 2005 to 65 percent in 2006. These assessments can provide HR professionals with insight into an employee's professional self.

¹ This information is from Rocket-Hire's fourth annual survey of Electronic Recruiting Exchange (ERE) readers to examine their use and opinions of online screening and assessment tools.



Based on our research, the most commonly used personality assessments (not in order of utilization) are:

- **Myers-Briggs Type Indicator (MBTI)** is based on Carl Jung's typology of the functions of the human psyche.
- **Insights Discovery System** is a model based on the personality profiling work of Jung.
- **Profiles XT Assessment** is billed as a "total person assessment." This assessment measures behavioral traits, occupational interests and thinking styles.
- **The Hogan Personality Inventory (HPI)** measures normal personality, predicts employee performance. It was developed specifically for the business community.
- **The DiSC Assessment** explores four domains: dominance, influence, steadiness and conscientiousness.
- **16PF (Pearson Assessments)** have been commonly used for a variety of applications, including support for vocational guidance, hiring and promotion recommendations.
- **The Birkman Method** focuses on five domains: productive and stress behaviors, underlying needs, motivations and organizational orientation.

The Birkman's Five Perspectives

- **Productive Behavior**—an individual's effective behavioral style of dealing with relationships and tasks
- **Stress Behaviors**—an individual's ineffective style of dealing with relationships or tasks
- **Underlying Needs**—an individual's expectations of how relationships and social situations should be governed in the context of the relationship or situation
- **Motivations**—an individual's expressed preferences
- **Organizational Orientation**—a perspective in which an individual views problems and creates solutions relating to organizational goals

Personality assessments are generally used to understand the connection between people's personalities) and their performance. While personality assessments are intended to measure personality traits, personal styles and behavioral inclinations, not work performance, these assessments can be used to explore how a person may perform in the workplace in certain situations.



Despite best practices emerging in the use of personality assessments in the workplace, Birkman's survey indicates that no standard assessment or manner of use has been established. Depending on which assessment is used, the most common functional applications of these assessments are:

- team building
- career guidance
- conflict resolution
- executive coaching
- succession planning
- employee retention
- hiring and selection
- leadership development
- organizational alignment
- competency development

Assessments are generally used to understand the connection between people's personalities and their performance.

Reliability and validity are essential characteristics of any business tool. So, how reliable are personality tests? According to a 2001 study by the American Psychological Association, psychological tests, although not clinical in nature, are just as effective at predicting outcomes as are medical tests². This study is just one example of the growing body of research that supports the validity and value of personality assessments. Evidence such as this will serve as a contributing factor to the increased use of these assessments this year.

In-depth personality assessments offer more insight into a person's behavioral style than do more simplistic assessments that provide a brief, general understanding. According to Warren Birge and Deborah Dorsett, executive consultants with Personalysis Corporation, an instrument that measures instinctive dimensions as well as rational and social ones should be used to gain a deeper understanding of one's personality.³ Instinctive elements in a personality test measure inherent traits, rational elements disclose how employees solve task problems and accomplish task work and social elements show how they interact with others. Some standard personality tests—those that offer series of initials or a paragraph description—may not be enough for an accurate predictor of workplace performance.

Reported Positive Results from Use

The use of personality assessments, especially when this use is engrained in the organizational development strategy and consistently applied to relevant business

² APA's Psychological Assessment Work Group and published in the *American Psychologist*, Vol. 56, No. 2, pages 128-165.

³ "Diversity is more than Skin Deep", *Management World*, November/December 2006.

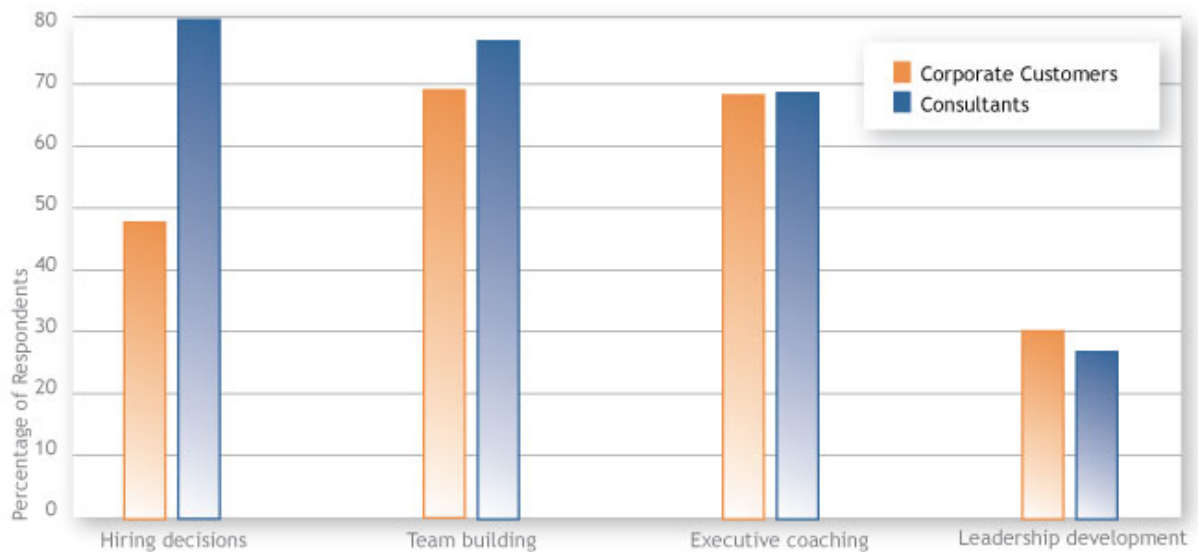


processes, can have a positive impact on the corporate user. For example, in pre-employment settings, one study showed that of HR professionals who applied metrics to their pre-employment assessments, 89 percent said these assessments have had a positive impact on their company.⁴ According to the same survey, 63 percent of assessment users felt the instruments added value to their company.

Personality Assessment Utilization in Business

Pre-employment assessments, team building, executive coaching and leadership development rank highly in importance to both corporate users and independent consultants in their work or their consulting practices.

Importance of Key HR Issues to Primary Research Groups



⁴ This information is from Rocket-Hire's fourth annual survey of Electronic Recruiting Exchange (ERE) readers to examine their use and opinions of online screening and assessment tools.



Pre-employment Assessments

Data collected from surveys of Birkman corporate customers and consultants indicated that both corporate customers and consultants consider advice concerning hiring decisions a very important part of their job. The Birkman corporate customer and consultant surveys revealed that 28 percent of corporate customers believe their organizations are very effective at making hiring decisions, while only 12 percent of consultants share the same evaluation of their client base. These surveys also revealed that 28 percent of corporate customers and 40 percent of consultants currently use the Birkman Method for hiring-decision purposes.

Personality assessments are one aspect of the pre-employment screening process, and their use is increasing because of their low cost and time savings. Personality assessments may be better than skill tests for matching a candidate's strengths with the job's responsibilities.⁵ Further, it has been stated that companies who use personality assessments in pre-employment screenings are three to five times more likely to hire the right person for the job the first time.⁶ This finding is evidence of the growing amount of research that substantiates the effectiveness of personality assessments.

The jobs for which these types of assessments are used spans all levels of the organization, but the numbers are highest for lower- and middle-level management. Assessing personal styles at all levels within a company is becoming best practice, replacing the old trend of assessing only upper-level employees.⁷ This supports the assertion that there will be an increased utilization of personality assessments throughout organizations of all sizes and at all levels during 2007.

⁵ According to Roberta Neault, president of Life Strategies Ltd. recently quoted in "Job Seekers Face Personality Tests", *The StarPhoenix*, December 23, 2006.

⁶ According to HR consultant Dinah Bailey, principal at HR ByDESIGN, recently quoted in "Pre-Employment Assessments", *The Brampton News*, December 12, 2006.

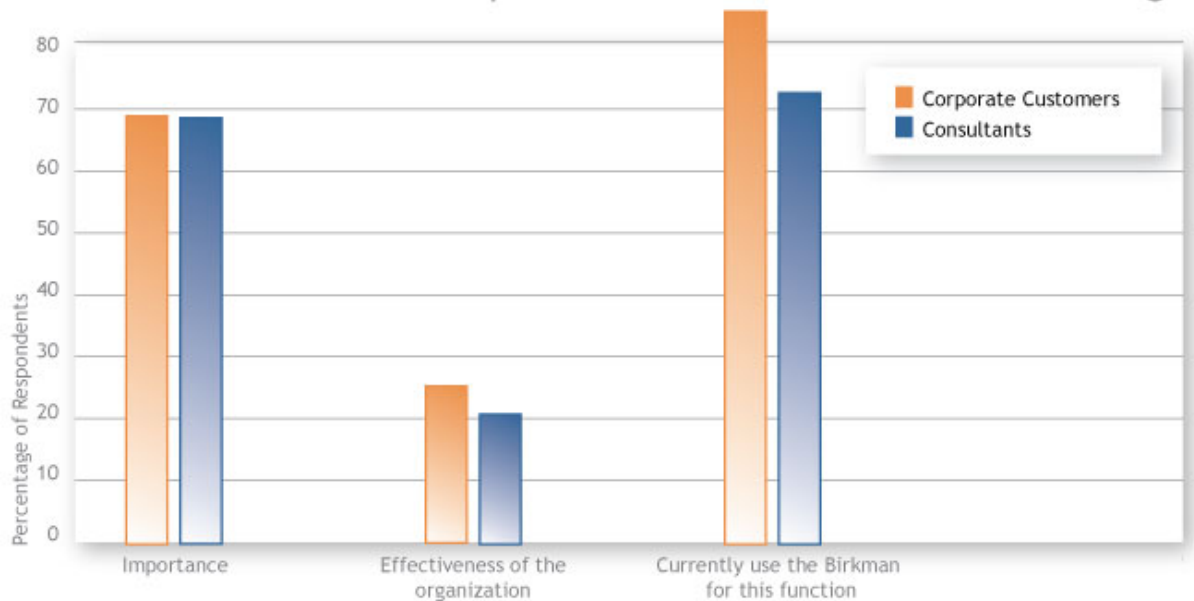
⁷ According to Roberta Neault, president of Life Strategies Ltd., recently quoted in "Job Seekers Face Personality Tests", *The StarPhoenix*, December 23, 2006.



Team Building

Team building appears to be a key functional area in which assessments will be used for both corporate customers' organizations and consultants' client base in 2007. The Birkman surveys revealed that 68 percent of both corporate customers and consultants consider team building to be a very important aspect of their work, but much smaller percentages of both groups believe their companies and client bases are very effective in this area. Birkman's survey shows that a majority of corporate customers and consultants currently use the Birkman Method for team-building purposes.

Respondents' Evaluation of Team Building



Leadership Development

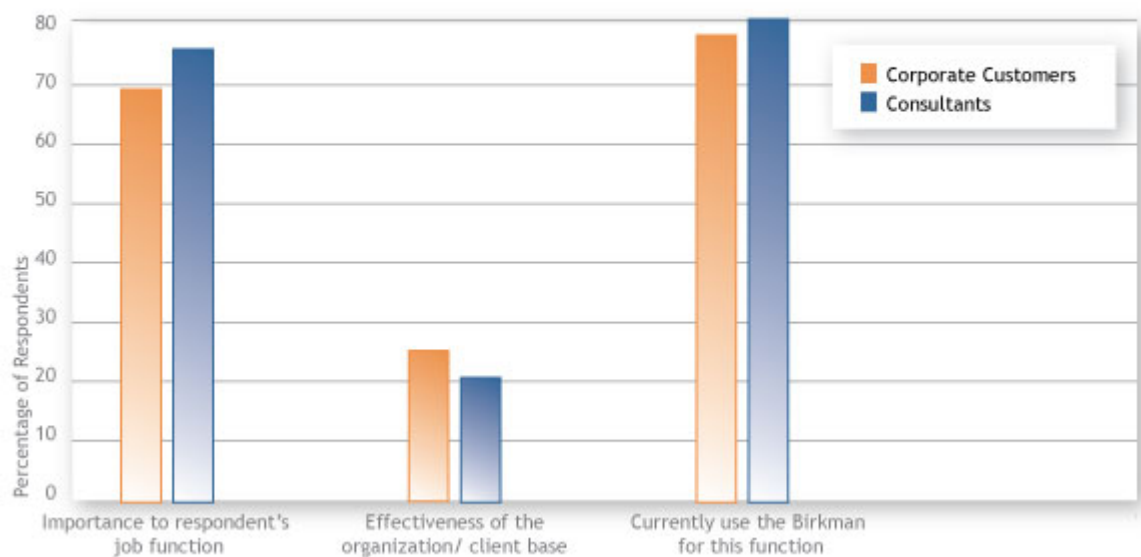
In-depth personality assessment is a powerful tool for promoting leadership development. Effective assessments allow potential leaders to see in which areas they are strongest and in which areas they are weakest, thereby allowing them to focus on effectively using their strengths and managing the places where they need improvement. Additionally, an assessment program like the Birkman Method can identify systemic deficits in groups of leaders or leadership development programs that reduce their effectiveness. Birkman's surveys of corporate



customers and consultants revealed that a vast majority of both groups currently use the Birkman for leadership-development purposes.

The surveys also showed that a large majority of corporate customers and consultants consider leadership development to be a very important aspect of their job. Smaller percentages of both groups believe their organizations and client bases are very effective in this functional area. These results show a definite focus on leadership development in all organizations as well as the need for improvement in this area.

Respondents' Evaluation of Leadership Development



Executive Coaching

Executive coaching appears to be a vital area for personality assessment use this year. Birkman's survey revealed that while both corporate customers and consultants consider executive coaching very important, the percentages vary for each group. Eighty percent of consultants ranked executive coaching as very important to their work, compared to only 48 percent of corporate customers. The percentages of corporate customers and consultants who believe that their organizations and client bases are very effective in executive coaching are more closely related, with 19 percent of corporate customers and 26 percent of consultants sharing this belief. The reason for this discrepancy merits some investigation. It is possible that consultants consider executive coaching to be so much more important because it is a primary area of opportunity for their consulting practices. Corporations often rely on outside, third-party consultants



for executive coaching assignments in order to overcome issues of hierarchy (VP and C-level executives may have issues with being coached by HR managers), confidentiality and internal corporate politics. However, these results suggest that executive coaching is an area for improvement for both groups.

Fifty-seven percent of corporate customers and 86 percent of consultants indicated that they use the Birkman Method for executive-coaching purposes. A measure of the Birkman's effectiveness as applied to executive coaching is a statement by Robert T. DeFilippis who wrote, "Birkman has developed the most reliable and practical assessment tool available to applied behavioral science today. The Birkman Method has helped me to separate the behaviors that are based on constructs that won't change and those that will... I will not take a coaching assignment if I cannot use Birkman."

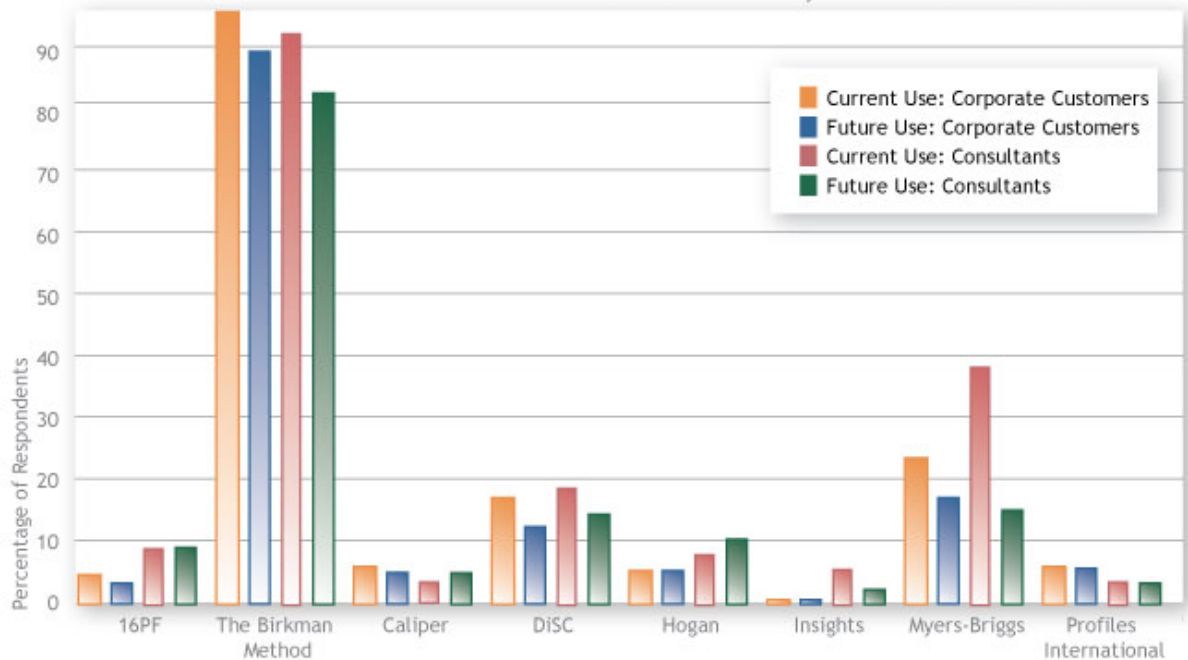
Use of More Than One Assessment Tool

Of non-assessment users, 62 percent said they will utilize at least one in the future. Of those, 25 percent are considering using a personality measurement, and another 25 percent are considering an assessment of an employee's "fit" with the company.⁸ Additionally, Birkman's survey indicated that both corporate customers and consultants are currently using and actively considering for use in the future more than one assessment tool. **However, the survey demonstrates that those who use The Birkman Method anticipate more than twice as much increase in Birkman usage as the next most used instrument.**

⁸ This information is from Rocket-Hire's fourth annual survey of Electronic Recruiting Exchange (ERE) readers to examine their use and opinions of online screening and assessment tools.



Assessment Use, Current and Future



How Birkman Is Ahead of the Curve

With the trend toward the acceptance and implementation of more in-depth personality assessments in addition to skill testing, Birkman users are ahead of the curve because they are already utilizing an in-depth, sophisticated personality assessment that reveals individuals' motivations and needs as well as their productive and stress behaviors.

Since they are already users, they are equipped to handle the increasingly sophisticated demands of 2007, such as:

- pre-employment assessments
- leadership development
- executive coaching
- team building

Pre-employment Assessments

A company's most important asset is its employees. However, many times people will hire in their own image instead of the person who is actually the best



candidate for the job. The Birkman Method saves employers time and money by helping them make informed decisions about the people they are looking to hire and enabling them to hire the person who closely matches the job requirements. The Birkman provides an equitable means for making hiring decisions when coupled with other hiring mechanisms. It allows employers to verify information obtained in interviews and gain a more complete picture of the potential hire and how well they might fit within the organization.

Team Building

Gaining the competitive edge in today's global market requires building a team where the strengths of each team member are focused in a collaborative effort. How a team plays as a whole is what determines success. In other words, a team that communicates and works well together achieves better results than individuals working alone. With the Birkman Method, companies can learn more about how each individual works effectively within the team setting. Through understanding the strengths and weaknesses of each individual, companies can match team members for each job and in turn, increase productivity and the bottom line.

Leadership Development

Leaders can be developed and leadership skills can be learned. The Birkman provides concise, reliable data for identifying an individual's strengths and providing definitive prescriptives. Moreover, diversity is recognized and encouraged, and the profile of the leader is matched with the culture and requirements of the organization. The Birkman allows for in-depth understanding that can lead to direct, positive results.

"Achieving immediate results is imperative to the success of my coaching and consulting company," said Robert A. Rausch, Ph.D., CEO of 1 Executive Energy. "Leaders demand it, I expect it, and Birkman provides the method to accomplish it. The Birkman Method has become critical to the confidence my clients have in my work and achieving the results they expect."

Executive Coaching Applications

Using the Birkman

- leadership styles
- self management
- personal strengths
- career/life balance
- management styles
- stress management
- succession planning
- career development
- conflict management
- communication styles
- decision making styles
- performance management



Executive Coaching

The reality of today's business world is that, more than ever, leaders need to be on top of their game. Competition is aggressive, and the stakes are high. This is why having the right coach with the right tools is of the utmost importance. Armed with the Birkman Method, an experienced coach can provide a fresh viewpoint and help executives:

- identify strengths and weaknesses
- evaluate and assess their lives in and out of work
- make career changes and plan careers that fit them
- create plans to improve personal effectiveness and satisfaction

The Birkman is unlike most assessments in that it provides more insight than a series of letters or paragraph descriptions—it provides an in-depth analysis of an individual's personality and behavioral style.

"A few letters or style descriptions are not enough to predict someone's total capabilities," said Douglas G. Stark, director of organizational development at the University of Texas Medical Branch at Galveston. "Birkman is drastically different from that. It provides a VERY deep assessment on all aspects of someone's life. Many of the people that I have worked with have found the assessment life changing. I have had people change jobs and others revise relationships. Very few assessments have that impact."

About Birkman International

The Birkman Method® has been in use for more than 50 years and has been used by more than 2 million people and 5,000 organizations worldwide, including corporations, not-for-profit organizations, governmental agencies and individuals. The assessment accurately measures social behaviors, underlying expectations of interpersonal and task actions, potential stress reactions to unmet expectations, occupational preferences and organizational strengths. For more information visit their [website](#) or call 1-800-215-2760.