

How banks can assess employee "fit" before it becomes an issue

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We often find ourselves saying "They had the skills yet somehow they just didn't fit." But what exactly do we mean by fit? Is it style? Is it personality? Is it values? As it turns out psychologists have ways of measuring fit and those methods can be valuable to banks in hiring and developing people.

When we talk about fit we are usually contrasting that to skills and experience. You can imagine a loan officer who is smart, well-educated and has several years experience, yet never performs to your expectations. In this case the problem is likely that his personality does not fit the role.

In other cases someone does perform reasonably well, but despite your best efforts he never seems happy in the job and before long he has handed in his resignation. Here again it is not a matter of ability, it is a matter of fit.

We can measure fit by assessing a few core psychological traits. Take for example the trait psychologists call "conformity." People high in conformity are real sticklers for rules. These are the people who won't cross the street on a red light even if there are no cars for miles around. On the other hand people low in conformity are inclined to "just do it"; they have little interest in dotting the i's and crossing the t's.

If a loan officer is low on conformity then she will dislike the rules and detailed processes the job requires. She may have the skills to do the work, but she will probably cut corners or else simply be unhappy in the work, and unhappiness leads to turnover. If you are hiring a loan officer, you probably need someone who is relatively high in conformity.

How can you assess someone's traits? Once again we turn to psychologists for help.

Personality tests work

The most common way of assessing a personality trait is through a questionnaire. A questionnaire probes for someone's personal preferences. For example, the Drake P3 questionnaire asks candidates questions about themselves like:

"My behavior is usually an expression of my true inner feelings, attitudes, and beliefs." (true/false)

“At parties and social gatherings, I do not attempt to do nor say things that others will like.” (true/false)

The P3 questionnaire also asks people to rate which words—such as “Spirited,” “Daring,” and “Steady”—best describe them.

Anyone can come up with a list of questions about personality traits, but what makes the professional assessment tools different is that they have been proven valid by testing. A vendor of products used to assess people in hiring should be able to show you reputable studies demonstrating the effectiveness of the technique. Once you have a reputable test, you can reliably assess a candidate’s core personality traits.

Administering a questionnaire is pretty straightforward. Some people use pencil and paper forms but more and more people are using web-based applications. It is true that some tools are labor intensive and some tools require expert interpretation, but you’ll find there are many assessment tools on the market that are fast, easy to use, and affordable.

Fitting personality with the job

When hiring you should have a good idea of what personality traits lead to success. Sometimes these are self-evident; you want managers who are willing to take charge so there has to be a certain amount of the “dominance” trait. However, the best thing to do is to assess the personality traits of your existing high performers and create a “top performer” profile. If you compare candidates to the profile of your top performers, then you’ve got a good shot at hiring a high performer who will fit the job and your company culture.

Understanding personality can also help when you are making organizational changes. One Midwestern bank wanted its tellers to sell additional products and services to customers. Strategically, it seemed a smart move, but it didn’t work out well in practice. Tellers started making more mistakes. Also, the relationship with customers suffered as tellers stumbled uncomfortably into sales pitches. The problem was that tellers’ personality did not fit the new role. A study by industrial psychologist Dr. William Wiesner showed that traditionally the best tellers were high in conformity and patience, but these traits were not suitable for the new sales role.

If it had just been a matter of skills then the bank might have tried to train the tellers. But upon realizing it was dealing with core personality traits the bank decided to take a different tack. Rather than try to make tellers do a job that didn’t fit their personality it created a separate customer service position and got tellers to refer people to that person instead of trying to do the sales themselves.

Do people fake their responses?

If you are going to use information from a personality assessment as one of the factors in making a hiring decision then you have to wonder if candidates will try to fake their answers. In practice, experience has shown this in not much of a problem. People are usually honest when asked about their personality. Moreover, the tests generally have various

internal tests to flag results that look like they were faked.

One issue people may honestly struggle with is whether to answer with “this is the behavior that is most natural for me” or with “this is how I actually behave on the job.” A good assessment questionnaire will make clear to the candidate which is being asked for. In the case of the Drake P3 both are asked so that you can get a sense of how much the person can flex their behavior in response to the demands of the job.

It also deserves mention that organizations never use personality assessments as the only method when making hiring decisions. Interviews, resume screens, and reference checks all remain essential parts of the hiring process.

Helping people flex

One thing that people don’t like about personality assessments is that it can make people feel they are being locked into a narrow mold. However, we know that people can and do flex. In fact the Drake P3 explicitly asks people to make a distinction between how they really are and how they behave at work. The introvert will often rise to the occasion when extroversion is required. The person low in dominance will step forward when they see people are counting on them to take charge.

What is important is for individuals and their managers to know how much they are being asked to flex. Simply understanding that your job requires a certain trait that does not come to you naturally can be a great relief. If a teller knows that their natural tendency towards extroversion means they tend to spend too long chatting to customers and not enough time processing transactions then it is easier for them to flex in the right way.

Hiring decisions are important to banks. You ought to assess formal qualifications, skills, experiences, and competencies. Most banks do. But you should also assess fit using an assessment tool, which is where many banks fall short. This is an easy step to take that will improve the quality of staff, reduce turnover and pay for itself many times over.
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