

# Assessment Centers: Benefits and Shortcomings

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## **Abstract:**

**A**ssessment center is a modern method of performance appraisal and performance appraisal is an activity of Human resource management for assessing the performance of the employees in an organization. Through this paper, an effort has been made to comprehend the methodology behind the assessment centre and how it can be implemented in the organization. Various advantages and disadvantages of introducing this method into organization have also been listed down. The accessible literature presents an overview concerning how this method is useful in increasing the overall efficiency of the employee as an individual and the firm as a whole, consequently improving the performance which in turn leads to real opportunities for promotion within the company.

**Keywords:** Performance Appraisal, Assessment Centers, Organizational objectives, Individual Development, Individual Objectives

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## **I. INTRODUCTION**

Assessment Centre is an important instrument in the selection process. It is mainly in-depth interview session which is taken after initial stage of selection process. It incorporates standardized assessment of conduct which is based on manifold inputs. The main purpose for conducting the assessment centre is to find out how candidate acts in typical management situations. With the help of this method, employees get a wider outlook and review of the performance which makes him able to understand his own stability and deficiency. An assessment center involves a number of elements such as Psychometric Test, Business games, Case study, Group discussion and In tray exercises which are designed to assess the competency areas that are essential to perform a job.

### **A. Why Assessment Centre is Required**

With globalization, the market is getting increasingly demanding and competitive. Organizations need to line up their strategic aim with the market requirements to survive in this competitive environment. It is a more accurate and standardized process which is used, chiefly by medium and large organizations nowadays. It provides an opportunity for candidates to show their suitability for a role in different ways and enables them to obtain a practical preview of what the employer expects from their employees. It is one of the best methods to predict the future work performance of the candidate.

### **B. Brief Description of Assessment Centre**

Assessment Centre process was first used sometime between the two world wars. The Treaty of Versailles, which ended the First World War, prevented Germany from rearming and thus the traditional approach to the selection of officers, which was of observing their performance in war or in exercises, was denied to them. German psychologists then devised this method which involved a combination of tests, simulations and exercises to identify the potential of officer candidates. The British Army used this methodology in the early days of Second World War when they established the War Office Selection Boards (WOSBs), again for the selection of officer candidates. However, it was brought into the private sector only in 1956 after AT&T used it for selection of high potentials for managerial positions.

Assessment centers methodology is known to have been used or recommended at least 1500 years ago in India as mentioned in Kautilya's Arthashastra. Different methods of assessing a candidate for ministerial positions have been spelt out in the Arthashastra including: observation, performance appraisal, assessment by those who knew him, interviewing, and other forms of testing. Assessment centre certainly helps in making employee promotion and placement decisions more scientific.

## **II. BENEFITS AND SHORTCOMINGS OF ASSESSMENT CENTRE**

Assessment centre facilitates individuals to get a comprehensive point of view of how others observe them and thus it stimulates them to improve on their skills and work harder towards achieving organizational goals. It improves accuracy as they allow a broader range of selection methods to be used during the process. It also facilitates an assessment of existing performance as well as helping to predict future job performance. Some of the benefits are as follows:

### **Benefits:**

#### **A. Objective:**

This method provides **objective**, uniform information to organizations about employees' managerial abilities. Teams of trained executive assessors observe candidates in multiple simulations. Behavioral observations are then systematically incorporated to arrive at ratings for appropriate managerial competencies.

**B. Employee Development:**

According to Dr. Charles Woodruffe, assessment centers are of value to employees: "Participants receive high-quality feedback and the chance to discuss and build a development plan." He cautions that an assessment center for promotion and a developmental center for employee development should not be combined into one event, although, he says, "data from an assessment center can be used to construct development plans for specific employees regardless of whether they were promoted or not." The follow-up for those promoted can assist in getting them started on the right foot in their new position; similarly, those who do not promote can improve in their current position and prepare for promotion later.

**C. Fair Opportunity:**

Research has found that applicants tend to find that Assessment centers are more face valid than other assessment methods (Macan, et al, 1994). Thus, applicants believe that they have been given a fair opportunity to display their skills and find that the exercises in an Assessment center are more representative of the target job than a pencil and paper test or assessment.

**D. Improving performance of an organization:**

With the help of Assessment center the firm can use the data to scrutinize expected patterns and areas of deficiencies of employees within the organization. Thus, the top management can conduct and arrange the more useful and appropriate training programs to overcome the weak areas. This will enhance the performance of different departments in the organization and subsequently, the overall performance of the firm goes up. It's an efficient way for big companies to quickly sort the wheat from the chaff and that's why assessment centers have become so widely used.

**E. Predictive validity:**

Predictive validity is one of the major attributes of the Assessment center technique. While there are concerns regarding construct validity, many research scholars have found that ACs utilizing The Guidelines (A document titled Guidelines and Ethical Considerations for Assessment Center Operations was published (Task Force on Assessment Center Standard, 1989) expressly for this purpose. In the Guidelines the structural components of an assessment center are outlined, and variables are identified that the task force considered likely to affect the validity of the method. Steps for developing an assessment center are specified. First, a job analysis is necessary to determine the dimensions of job performance that are critical to success in the job. Assessment center activities must be designed to measure these dimensions. Multiple exercises will be needed for the assessment center, mainly because the jobs for which the assessment center is useful are likely to be quite complex. Second, multiple assessors must be retained to observe and assess candidate's performance in the activities. Assessors must be trained on what to observe and evaluate and how to prepare a written assessment of a candidate's performance. Also, a valid procedure is needed through which to integrate the multiple assessors' evaluations on each candidate. Third, assessment center should be pretested, and rating of candidates needs to be evaluated for their reliability and validity in predicting a criterion measure (Lilly M. Berry, 2003). It has good predictive validity (.37 to .41) in comparison to other selection devices (Arthur, et al., 2003; Howard, 1997; Meriac, et al., 2008; Moser, et al., 1999; Schmitt, et al, 1984; Spychalski, et al., 1997). Additionally, the AC method has been found to be linked to job retention in both male and female applicants (Anderson & Thacker, 1985).

**F. Effective HR decisions:**

One aspect that instigates to positive reactions is administering inputs to applicants about how they have performed on an appraisal. Feedback consists of a verbal review of the findings and the recommendation regarding appraisal. Soon thereafter the participants receive a brief written report of the assessment results. The feedback given is not detailed. It simply lays down the decision making process, the decision criteria, and how the candidates scored on relevant criteria. This is referred to as Decision Feedback.

Candidates not only want feedback on their performance, but they are also desirous to know how they could have performed better. While many candidates wish for as much information as possible about their capabilities on job assessments, organizations need to take a systematic approach to the feedback they provide. Undoubtedly, it is reasonable to let applicants know how they scored on an assessment, and it can also be useful to provide normative data about how they scored compared with others who were assessed or hired and thus, it make HR decisions qualitative.

**Shortcomings:**

**A. It is a costly procedure:**

There is a significant cost associated with assessment centers, including labor, physical space, and a large amount of people's time. It costs much more than traditional testing programs. One can plan that, on an average, it may cost an agency up to \$2,000 for each candidate to manage an assessment center. While this cost can be diminished if it is done in "in-house" without using a consultant, or if one can obtain assessors at no or little costs, this is not always possible.

**B. It's a lengthy process:**

It is a more time consuming process which consumes a lot of productive time of employees which can be utilized for other constructive areas. It conducts multiple exercises to assess the candidate and select the suitable candidate as

required. It takes one and a half day to complete the assessment. It varies from half-a-day to two full days. The higher the position of an employee in an organization, the more time-consuming is the assessment task. Each exercise at an assessment center will assess one or more of the competencies like (leadership skills, Verbal and written communication skills, analytical skills, working under pressure and teamwork) in order to build up a complete picture of each candidate's abilities in relation to the job applied for.

### **C. Difficult to manage:**

Assessment centers have been criticized for being cumbersome and very difficult to manage. Large number of staff is required to conduct an assessment center. There is a mixture of support for the use of different procedures for observing, reporting, and combining behavioral observations. At the same time, assessment centers are very complex undertakings, often difficult to develop and maintain. Multiple assessors are used, typically from upper management, HR, or from outside the organization. To sum up, it is important to understand the challenges entrenched in the use of assessment centers.

## **III. SUGGESTIONS**

One important question is whether assessment centers are designed and conducted according to accepted professional practice. This was the focus of a survey of assessment center developers and administrators (Spsychalski et al., 1997). The survey showed that most assessment centers had been designed by consultants and, for the most part, the 1989 Guidelines had been followed. Almost all the organizations (93 percent) have used job analysis to develop the assessment center, and most (80 percent) reviewed the center periodically to maintain its job relevance.

For the organization to be successful, active involvement of top management is mandatory. They should be engrossed in designing the assessment criterion to evaluate the assessment reports. They should make sure that the several exercises contain important points and cover the authentic experiences of the employees. Selecting and using effective assessment methods can greatly enhance the quality and productivity of an organization's workforce.

## **IV. CONCLUSION**

Currently, assessment centers are used widely by different organizations and in various industries, such as manufacturing, service, banking and government (Spsychalski, et al., 1997). Various public sector organizations, including the military and police and fire departments, have developed assessment centers for hiring and/or promoting employees. For example, a survey of federal, state, and local government agencies reported in 1982 that 44 percent were using assessment centers at that time (Fitzgerald and Quaintance, 1982). Another survey also documented that 44 percent of metropolitan fire departments were using assessment centers (Yeagr, 1986). Data collected in 1992 showed that at least one assessment center was regularly being administered (Lowry, 1996). Nearly 30% companies seek assessment center services while moving an employee from executive position to managerial position. 20% companies said they use the center's services when seeking a position on senior management level. As per the Tjinsite (2012), the premium research website promoted by Timesjobs.com survey, more than 80% of the surveyed employers predict an increased use of assessment centers in near future because of their expertise and unbiased behavior in assessing an individual. The biggest limitation comes from the lack of skilled assessors to perform the assessment task effectively. Estimates indicate that as many as 2000 organizations now use assessment centers for human resource purposes.

After writing this paper and after examining the available research and literature, I can arrive at a conclusion that Assessment center is the finest and fairest method to select the appropriate candidate for the position as well as promotion and placement. Attainment of innovative object depends on the acceptance by the people who are going to use it. In the same way, the success of assessment center depends on the member of staff and management and on how they perceive it and it can be achieved only if it is followed by desirable action of providing advanced training.

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