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Psychological testing as a reflection of behavioural realities: A case based insight for better Talent Management

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Abstract

“Critical Talent Management” has always been a challenging task for companies all over the world. Especially in today’s times there is an exigency not only to attract and retain talent but also to groom the existing talent-force to scale up to ever increasing demands of superiors and subordinates. The current study which is part of a larger doctoral work aims to examine whether results from Psychometric Tests accurately reflect Leadership behavior as it occurs in the applied setting with all its real life complexities. It also aims to explore ways in which Psychometric test results can be used for better predictions of behaviors and contribute to identification of inputs for executive coaching and counseling. A case comparison of leaders assessed on the Mayer-Salovey-Caruso Emotional Intelligence Test, a performance based measure of Emotional Intelligence and NEO FFI, a Big Five Personality measurement scale. Results clearly reflect high utility of both tools. Implications from the findings point out a need for better alignment between use of Psychometric test findings and Coaching/Counseling activities undertaken.

Key Words: Talent Management, Emotional Intelligence, Transformational Behavior, Leadership Effectiveness

Ever since the phrase “war for talent” was coined by McKinsey in 1997 (Axelrod, Handfield-Jones, & Michaels, 2002), the term “Talent management (TM)” has received immense attention in academic as well applied circles. (Berry, 2007; Birschel, 2006; Powell & Lubitsh, 2007). Talent Management, also known as Human Capital Management, involves critical responsibility of the organization to recruit, develop, deploy, manage and retain their most valuable asset—

talent (Cappelli, 2008). Buckingham and Clifton (2001) points out that talent refers to a natural recurring pattern of thought, feeling or behavior that can be productively applied to the work setting. When talent is augmented with knowledge and skill, the results become individual strengths. One way of capturing natural talent is through Psychometric tests. The main objective of the current paper is to examine whether findings of Psychological tests augment prediction of interpersonal behaviors of the leader. The study compared a Leader with highest score on EI to a Leader with lowest score on EI among a group of 200 leaders assessed using the MSCEIT along the parameters of perception of effectiveness by self and others.

Methodology

Sample

The methodology is designed as a case study approach and involves comparison of a leader with highest score to one with the lowest score from a sample of 200 middle and senior level executives, on two measures: the MSCEIT scale of Emotional Intelligence and NEO-FFI. Mr. P, a 52 year old senior executive working in a multi-national company with 25 years of experience, achieved highest score on the performance measure of Emotional Intelligence. Mr. D, on the other hand, a 49 year old senior executive working in a private organization with 24 years of experience showed the lowest score on the MSCEIT scale.

Measures

Emotional Intelligence (EI)

EI of participants was measured by the MSCEIT V.2 test (Mayer 2002). The MSCEIT is a 141 item scale which yields a Total score, two Area scores and four Branch scores. For the current study **the Overall EI score comparison** was conducted.

Big Five Personality

The Costa – McCrae's Big Five Personality Scale (NEO_FFI) (Costa, McCrae, 1992) version was used in this study. The five personality factors that are measured using NEO_FFI scale are **Neuroticism, Extraversion, Openness to experience, Agreeableness and Conscientiousness.**

Transformational leadership style

Transformational leadership style was measured using the MLQ 5X scale (Bass and Avolio, 2000) which provides scores on five Transformational behaviours namely: **Idealized Influence Attributes (IDA)**, **Idealized Influence Behaviour (IDB)**, **Inspirational Motivation (IM)**, **Intellectual Stimulation (IS)** and **Individual Consideration (IC)**.

Effectiveness and Satisfaction with the leader

Leadership effectiveness and satisfaction with the leader were measured using the outcome variables from the MLQ 5X scale.

Procedure

The MSCEIT V.2 test, MLQ 5X scale and the NEO_FFI scale were administered to the leaders. Simultaneously, the MLQ 5X others forms were administered to their immediate superior, and subordinate to get a feedback on participant's leadership behaviour. The comparison is made with regard to outcome variables such as Leadership style behavior, Self and other perception of Effectiveness and Self and other perception of Satisfaction with the leader.

Results

Figure 1 is a graphic representation of the EQ score of the two leaders on the MSCEIT scale. As seen in Figure 1, Mr. P's scores on the MSCEIT sub-scales were in the range of 105 to 125 indicating that scores subsume in the **Strength category** of EI skills. By virtue of this Mr. P would be in a better position to understand emotions of self as well as others, use emotional data to facilitate thought and problem solving, manage emotional dynamics within teams well and understand the interplay of emotions at an individual level as well as team level. In the group tested (N=200) he would be the highest performer along these parameters.

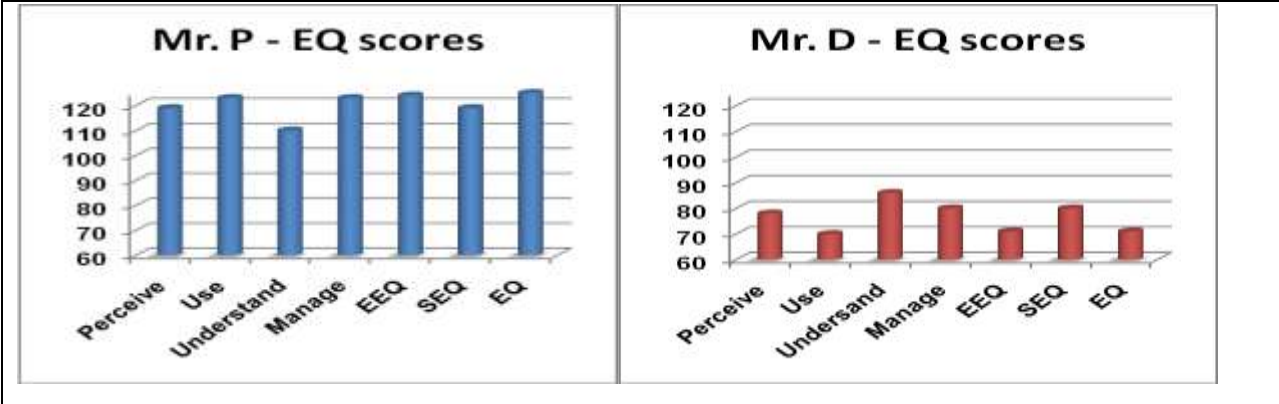


Figure 1: EQ score comparison

On the other hand, Mr. D’s scores were in the range of 65 to 85 indicating that his EI skills fell in to the **Consider Development** category. Thus he may be weak in perception of emotions of self and others, less tuned to people’s emotions and feedback, and may be seen as less effective by superior and subordinate. In the group tested (N=200) he would be the lowest performer along these parameters.

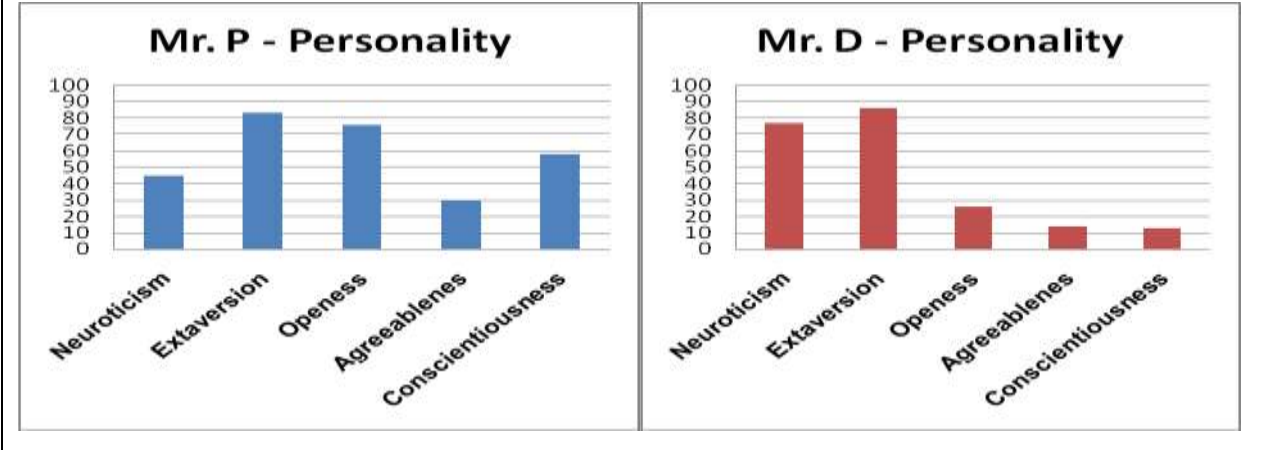


Figure 2: Comparison on the Big Five model of Personality

Figure 2 depicts the differences in the personality patterns of the two leaders as measured by the NEO_FFI scale. AS seen in Figure 2, Both Mr. P as well as Mr. D were found to be about equally high on Extraversion indicating that both loved networking and being with people, and also that differences along the agreeableness dimension, although present, were not large. Mr. P showed a greater Openness to experiences, was highly Conscientious and systematic in his approach and low on Neuroticism, anxiety and stress. This indicates that he can be expected to more calm composed and open-minded, yet adequately assertive and task focused. This would also mean that subordinates and superiors would be more satisfied with the leader and find him

effective. One possibility could also be that there would be lesser discrepancy between self rating and others' rating since a high EI person is more tuned to the feedback of others and can use it well for self analysis.

On the other hand Mr. D was very low on Conscientiousness and Openness to experiences indicating that he is likely to be very rigid, conventional in his approach and may not have a very systematic working pattern. He seemed to be very high on Neuroticism, indicating that he would be very nervous, anxiety prone and possibly irritable with people. Thus, his co-workers may find him less in control of the situation and anxious during critical moments. He may at times have difficulty to keep a task focus. Hence, based on the differences in the Personality and Emotional Intelligence, following predictions can be made;

- 1) The difference between self rating and others rating would be greater for Mr. D than Mr. P given the greater openness and perceptibility of the latter than the former
- 2) Mr. P is more likely to exhibit Transformational behavior skills than Mr. D. This is also likely to get endorsed by others more often than in the case of Mr. D
- 3) Others would perceive Mr. P as more effectiveness and be satisfied with his leadership style than Mr. D
- 4) In sum Mr. P would show a greater potential to influence others and hone talent as compared to Mr. D, yielding him to be a better agent in talent management than Mr. D

A comparison is made on the basis of self ratings and the ratings given by immediate superior and subordinate using the MLQ 5X scale. The focus of the comparison was exhibition of Transformational Leadership behavior, Effectiveness perceptions (by self and others) and Satisfaction with Leadership style. All these predictions are possible based on paper pencil test results, and the aim of the study is totally them with actual ratings to establish whether such prediction is reasonably accurate, and hence independently reliable.

Figure 3 is a comparative analysis of Idealized Influence aspect of Transformational behavior exhibited by the two Leaders. Ratings provided by immediate superior as well as subordinate are also depicted in the figure. Both Mr. P's and Mr. D's self report as far as use of Idealized Influence as a Transformational leadership style seems to be high. However the use is endorsed by others to a greater degree for Mr. P than Mr. D.

Idealized Influence attribute denotes the Charismatic component of Transformational Leadership. This indicates that Mr. P shows a greater charismatic appeal and would be in a greater position to influence followers than Mr. D. This has important implications in managing others from a leadership role. The discrepancy in the self and others rating poses challenges for the effective operation of Mr. D in the leadership role as he already believes that he has a high Charismatic appeal for followers but in reality may not be able to exercise the same control on followers.

The same trend continues in case of Idealized Influence Behavior, where the discrepancy between self and others rating is substantially high in case of Mr. D.

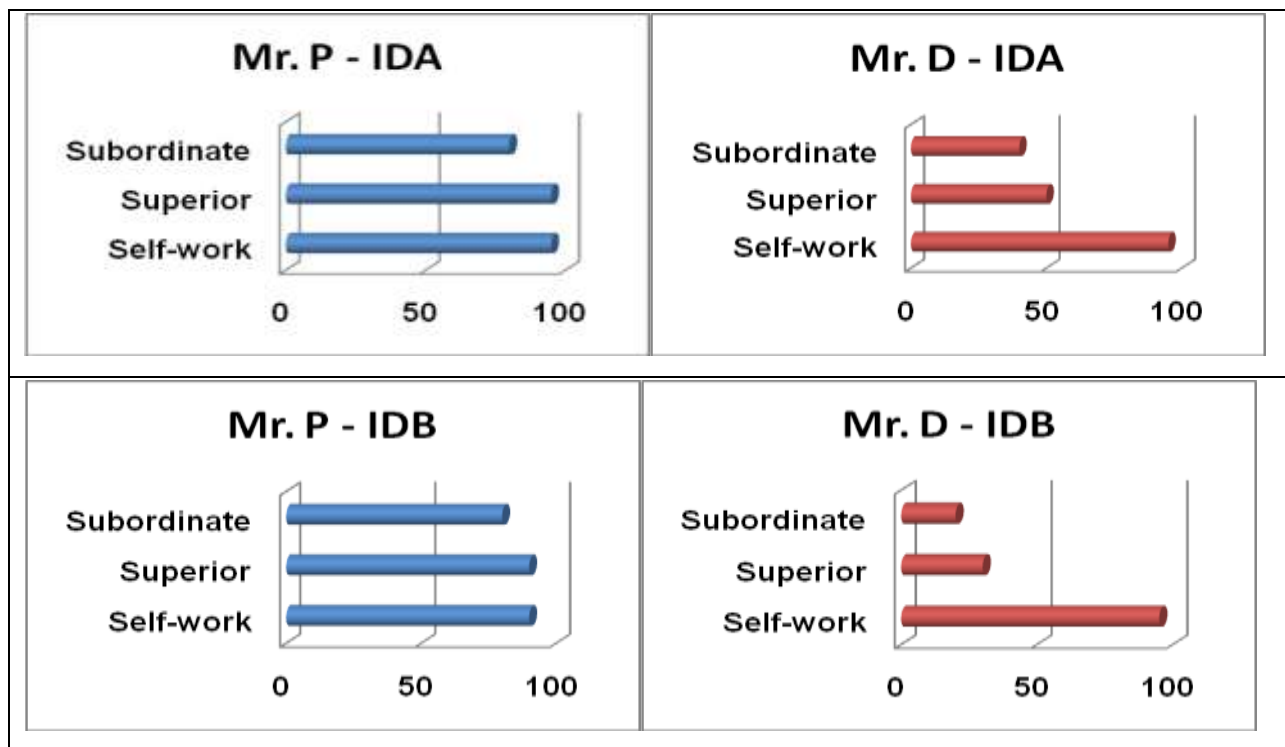


Figure 3: Comparison on Charismatic appeal of Leaders - Idealized Influence

As seen in Figure 4, on the Inspiration Motivation component, Mr. P seems to be in a better position to motivate followers and align them with the organizational vision as compared to Mr. D. Mr. P's self assessment, too, is pretty much in line with that made by superiors, but not so in Mr. D's case. However, the relative gap between self and others' ratings for Mr. D is slightly less for the IM dimension, thus showing slightly better insight.

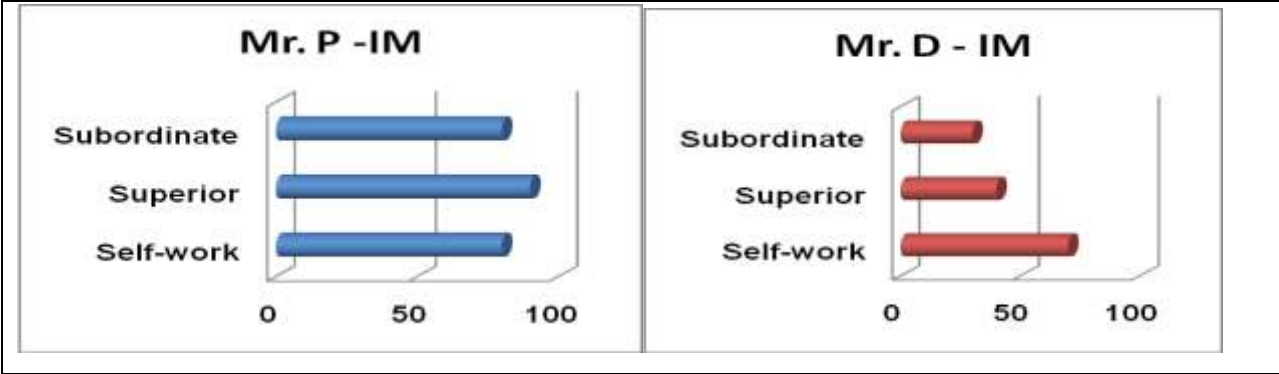


Figure 4: Comparison on Inspirational Motivation

Mr. P seems to exhibit a greater ability to hone problem solving skills of followers in the form of Intellectual Stimulation as indicated by Figure 5. In fact, it is clear that Mr. P seems to estimate his own ability along the IS parameters slightly lower than his superior assesses it, with a completely opposite trend seen in Mr. D’s graph.

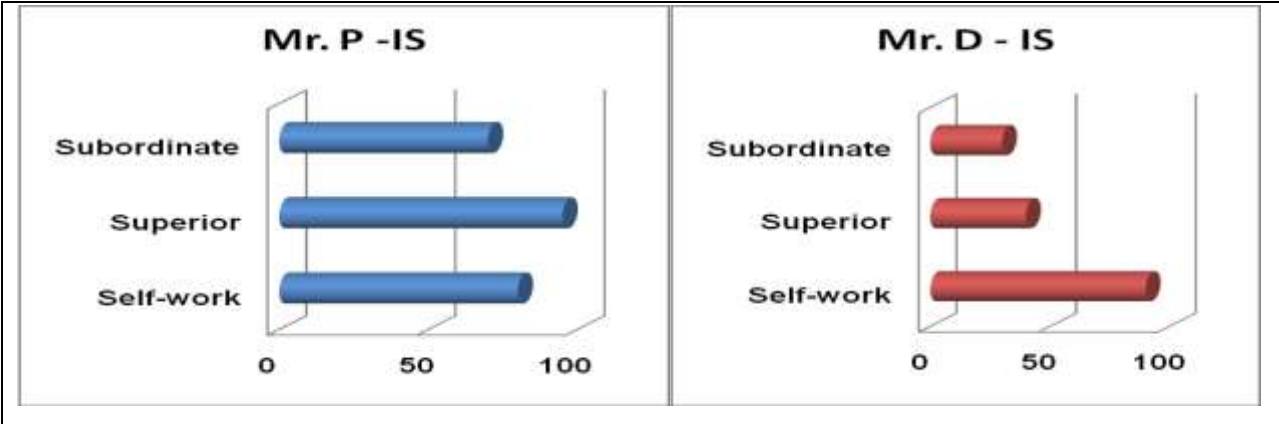


Figure 5: Comparison on Intellectual Stimulation

Figure 6 is a graphic representation of perception of degree of Individualized Consideration provided by both the leaders. Openness to Experience and High EI skills may have equipped Mr. P with a better ability to consider individual needs of the followers and dealing with them empathically. On the other hand Mr. D while rating himself above average on the ability to show Individualized Consideration does not seem to get perceived in the same light by others.

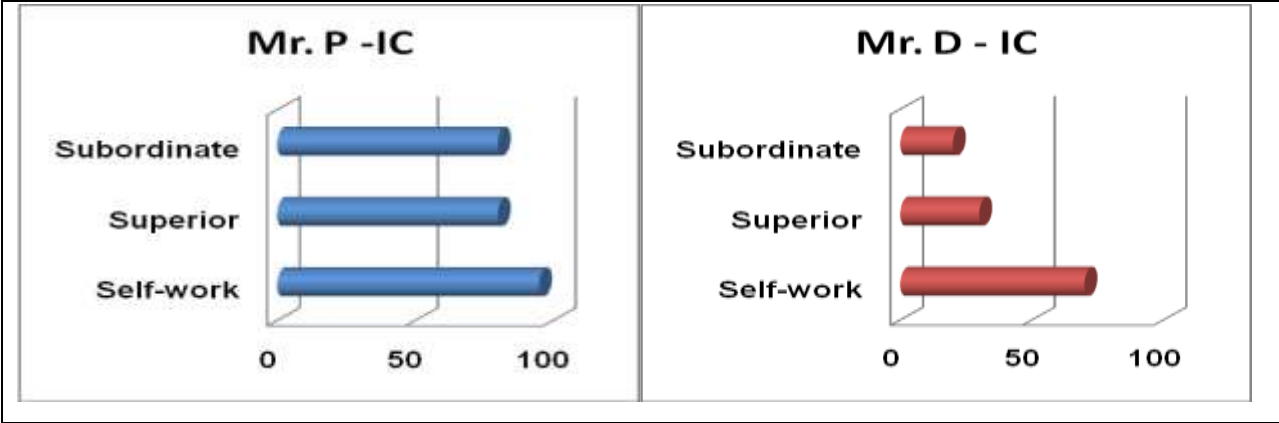


Figure 6: Comparison on Individualized Consideration

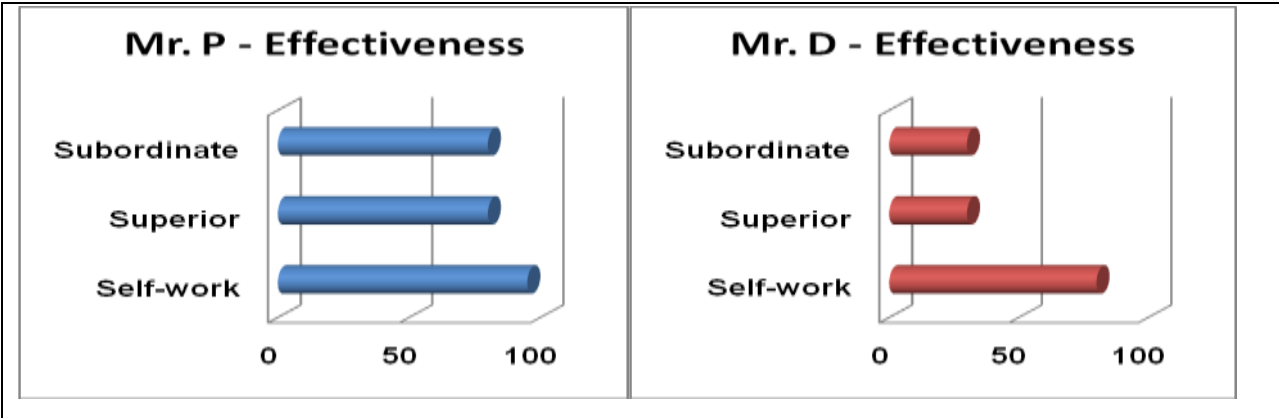


Figure 7: Comparison on Effectiveness ratings

One measure of effectiveness of a Leader in the given role is an independent judgment given by his followers as well as superior. The most revealing difference for the leaders under consideration lie on the Effectiveness scores, as indicated by Figure 7, where there is high discrepancy in the self rating of Mr. D and his superiors as well as followers, while there is a good consensus in the ratings between Mr. P and his superiors as well as followers.

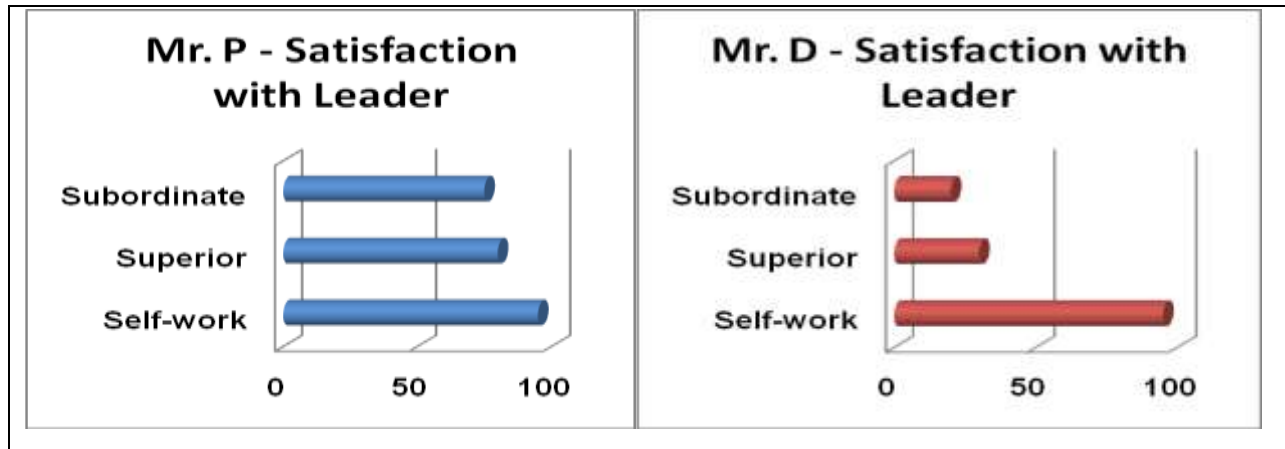


Figure 8: Comparison on Satisfaction with Leadership

Similarly, as seen in Figure 8, as far as Satisfaction with the leader is concerned, Mr. P as well as his followers seems to be adequately satisfied with his leadership style. Same trend is seen with respect to ratings from the superior. On the other hand, there is a very high discrepancy between the ratings provided by Mr. D and his followers. In spite of this discrepancy, it is apparent that Mr. D’s self satisfaction with leadership is the same or perhaps higher than that expressed by Mr. P, in spite of all the indicators discussed above.

Discussion

Talent management entails grooming the star talent (Groysberg et al, 2004) of the organization. While innate qualities cannot be recoded by mere training, behavioral concomitants of these innate talents can be honed by appropriate feedback mechanism, coaching and adequate skill based training. Psychometric testing thus provides quick and easily accessible estimates of talent parameters without indulging in expensive 360 degrees feedback exercises, interviews or other individual one to one means of evaluation, which are time and personnel intensive.

On occasion, the organization and top management is skeptical about the use of Psychometric testing due to a belief that the results are more a function of statistical and quantitative jargon than a reflection of behavioral realities. Since the early 1990s, estimates of the validity of personality measures have inched upward. This may be largely due to the resurgence of factorial approaches, which have consistently found what have come to be known as *the Big-Five personality factors* that seem to reoccur as core elements of personality across many studies.

The current study brings forth the fact that a right choice of Psychometric tests not only provides robust scientific data of the Human Capital but can also be a good prognostic tool of strengths and areas of concern that can emerge for the High potential group target for better talent management of the organization. The comparison between High scoring Leader and Low scoring Leader indicates that certain significant test scores can help the HR practitioner anticipate specific behavioral patterns of Leaders, identify Leadership challenges and forecast on their ability to in turn nurture talent. Such data can then be used judiciously during executive coaching or one-to one counseling sessions.

Some conclusions that can be drawn from the comparisons are as follows;

- Test such as EI measures and Personality tests can assist in predictions of leadership styles quality of interpersonal interaction of leaders with their subordinates.
- Openness to Experiences may make people more amenable to feedback improving their ability to use this feedback positively.
- High EI skills may posit a more realistic perception and understanding of impact of one's behavior on the surroundings and others, thereby, leading to a realistic estimation of self

These findings have important implications in diagnosis and anticipation of how leaders may operate in real time and what impact they may have on followers. Such scores may also become indicators of gaps in self and others' perception and assists in the counseling and coaching of executives for better people management.

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