

**SURVEY REPORT ON
FUTURE SCENARIO PLANNING
FOR PEOPLE ASSESSMENT IN
INDUSTRY (PAI)**

NOVEMBER 2001

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SURVEY REPORT ON FUTURE SCENARIO PLANNING FOR PEOPLE ASSESSMENT IN INDUSTRY (PAI)

EXECUTIVE SUMMARY

The aim of this report is to provide a brief overview for People Assessment in Industry (PAI) of how its members view its successes and limitations as well as recommendations for what they view as its possible future strategic focus. It will also outline the identified areas by stakeholders for both the establishment of new partnerships or how best those that exist can be strengthened.

The PAI was established as a response on changing labour market legislation, requiring Psychologists to use culture-fair psychometric assessment instruments. The objectives of the Psychometric Assessment Initiative were to establish a code of Psychometric Assessment for all, to publish criteria for test validation with emphasis on cross-cultural and predictive validity, to do validation studies and to defend findings of the studies on various fora. The idea was that members would be able to have a reference group to assist them in situations where they could be taken to court for not adhering to law. The long-term objective of the PAI was also to provide an advisory service with regard to recruitment, assessment and selection. After three years, the PAI needed to review whether it reached its goals and commissioned survey on this issue. On the basis of its past successes and limitations it is therefore important for PAI to map out a strategy for the future.

A survey was done on the members of the PAI and a few relevant stakeholders just to provide a snapshot understanding of both current and possible future challenges in line with its mandate. The aim of the survey was briefly to:

- Determine from various members the extent to which they are satisfied with the focus and support from the PAI.
- Identify new needs and challenges members are facing and ideas on how to address these and,
- Explore new areas of focus and therefore recommend areas of expansion and stakeholder for the PAI, e.g. Sector Education and Training Authorities and the learnership initiatives in line with the Skills Development Act and the Skills Development Act, 1999.

The results of the survey indicated that most members feel that PAI met its objectives, but that in future the following could be explored:

- The broadening of the scope of the PAI to include all assessments such as Recognition of Prior Learning and Experience.
- Results of legal or ethical disputes should be communicated to members.

- The strong possible roles for the PAI in education, consultancy, lobbying, research and development. Specific examples are provided in the document.
- The restructuring of the PAI to address the new role and how to fund the work. The PAI therefore need to be less conservative in its coverage although the issue of resources could be a challenge.
- Establishment of closer linkages with the CCMA and Labour Courts.
- Communication between the PAI and members need to be improved.
- A more permanent structure albeit small may enable the PAI to leapfrog into a more dynamic organization.

In conclusion the survey provides an opportunity for the PAI to critically confront both its existing and future capacity. Whatever direction the members would like to see the PAI taking, the challenge remains for it to provide quality support and innovations to its members in line with their key mandate in industry.

1. INTRODUCTION

The People Assessment in Industry was established in 1998 with the aim of promoting and strengthening the professionalism in the Industrial Psychology field and specifically to ensure that psychometric assessment is aligned with the requirements of newly promulgated labour legislation.

The Industrial Psychologist is a catalyst in the labour market and is often faced with challenges in the labour market such as equity, efficiency, the role of Sector Education and Training Authorities (SETA's) and learnerships, further development of employees, placement of the unemployed, entrance of designated groups to the labour market, work place skills plans and sector skills planning and aligning of the company's workforce to needs in the work-place. Knowledge of the labour legislation is an indispensable skill for the Industrial Psychologist. The Labour Relations Act, 1995 for example provides information on the rights of workers with regard to collective bargaining, whilst the Employment Equity Act, 1998 has specific clauses relating to the use of culture-fair assessment techniques, and entry and equal participation in the labour market and affirmative action. The Skills Development Act, 1998 and the Skills Development Levies Act provides a framework for skills development of employees and the unemployed, whilst other legislation like the Unemployment Insurance Act and the Workmen's Compensation Act and Occupational Health and Safety Act provide guidelines on other aspects an Industrial Psychologist will have to deal with in his/her work.

The role of the People Assessment in Industry vis-à-vis the challenges mentioned above could be to embody member organizations to come up with solutions for difficult situations facing the Industrial Psychologist, to be the trendsetters in the Industrial Psychology field, to do research on the application of techniques and to take various legislative and policy initiatives. This report provides an overview of results obtained by means of a semi-structured interview amongst members of the PAI and also contains proposals for future scenario planning for the PAI.

2. BACKGROUND

PAI was established as a response to "a poor track record of psychometric practice and other psychological assessments" in the past. The broad category of assessments included interviews, reference checks, performance appraisal and assessment centres. The promulgation of the new Labour Legislations Acts, i.e. the Labour Relations Act 1995 and the Employment Equity Act 1998, required that psychological assessment had to be conducted in a way that it is sensitive to the cultural environment of South Africa. The understanding was that if used properly, assessment instrumentation and procedures would not only enhance objectivity in assessment for both selection and development generally, but that it could also ensure more effective selection for affirmative action in particular, and therefore contribute towards redressing past imbalances in the country.

The PAI saw itself as contributing towards the ideals of the Government and of the Health Profession Council and the Professional Board for Psychology, and thereby promoting and strengthening the key facets of the profession. Best practices within the profession were to be promoted, and unethical practices discouraged. They therefore realised the importance of supporting their members by sharing and exchanging information that would enable them to demystify psychometric assessments, and to find ways of reaching out to all relevant social partners and stakeholders beyond the profession including human resource managers, organised labour, employees, employers and Government. The Mission Statement of the PAI is therefore to:

- Establish a code of psychometric practice acceptable to all.
- Establish, codify and publish criteria for test validation in industry with particular emphasis on cross-cultural validity and predictive validity.
- Engage in validation studies in industry by evaluating measures of cognitive abilities and potential, personality and for these measures to be applicable at various organisational levels.
- To publish the findings where they can be subjected to peer reviews and public scrutiny.
- To defend the findings in various fora including courts of law.
- To codify and publish codes of psychometric practice for industrial / organisational application.
- To engage government, labour and industry, to inform and promote proper psychometric practice and
- In the longer term provide advisory service to industry in areas such as selection, development, battery construction and validation.

The PAI has made some major strides in achieving some of its key objectives, and these are briefly, the establishment of a code of practice that is acceptable to all, and the establishment and publication of the criteria for test validation in industry. One of the key areas of focus has been around a) the identification of potential to learn and to develop people, while another has been on the b) reflection on the talent and capacity required to cope effectively with highly complex situations in senior managers. The extent to which the PAI can significantly assist its members effectively to align to the Skills Development and Skills Development Levies Acts, while one of the issues on the agenda, has not been sufficiently explored. This relates mainly to how best PAI can leverage its expertise to contribute to issues of new Learnerships and to support their respective SETA's in meeting their targets in line with the National Skills Development Strategy. This would be a major contribution towards the alleviation of unemployment and addressing equity targets.

The PAI is therefore at the point where it wishes to develop a sense of the needs that members might have identified, given the new challenges that exist in the country. Whereas Employment Equity remains the major tenet underlying the effective use of assessments, the challenge is there for PAI to find new meanings

to assist in improving the quality of learning and unemployment in the broader sense. It is therefore within this context that this survey was conducted.

3. SURVEY REPORT

3.1 AIM OF THE SURVEY

The aim of the survey was to:

- Determine from various members the extent to which they are satisfied with the focus and support from the PAI;
- Identify new needs and challenges members are facing and ideas on how to address these and
- Explore new areas of focus and therefore recommend areas of expansion and stakeholders for the PAI, e.g. Sector Education and Training Authorities and the learnership initiatives in line with the Skills Development Act, 1998 and Skills Development Levies Act, 1999.

3.2 METHODOLOGY

3.2.1 Survey

It was decided that a survey would be done by means of a semi-structured interview format. It was anticipated that 50 people would be interviewed, and that interviews would last for half of an hour (1/2hr). A qualitative analysis of the responses was done in order to identify key issues.

3.2.2 Issues covered in the survey

Issues covered in the survey were the following:

- The understanding of “assessment” for members.
- The purpose for which assessments are used their organisation e.g. development, recruitment, retrenchments etc.
- The forms of assessments used e.g. Personality, Cognitive, Interest Inventories and Other Assessment methods and to give an indication of the types used.
- Individuals who administer the tests or assesses.
- Challenges / problems with regards to the usage or processes of assessments.
- Areas of support members receive from PAI.
- Identified gaps in terms of the support needed.
- Alignment of existing practices to the National Skills Development Strategy;
- The relationship with the SETA and the implications for Learnership entrants into the industry.
- Identification of a possible role for the alignment of these assessments to the Recognition of Prior Learning (RPL).

- Identification of the other stakeholders that are important to members and
- Finally to outline anything that PAI could do to assist in reaching out to identified stakeholders.

3.2.3 The sample

The sample that was used to gather the data was:

- Members of PAI (Coverage was all members)
- Psychological Society of South Africa
- Employers, Organised Labour representatives and Universities
- A sample of SETAS (3)
- Department of Labour
- National Youth Commission
- Professional Board for Psychology (The Psychometrics Committee)

3.3 *SURVEY RESULTS*

3.3.1 Introduction

The survey results will provide a summary of the responses to the PAI survey. The overall response was only 30% of the identified sample. All the questionnaires were fully answered and this report is a summary of responses to the questions asked. The main aim of the survey is to determine from various members the extent to which they are satisfied with the focus and the support of PAI; identify new needs and challenges they are facing; give ideas on how to address these challenges; explore new areas of focus and therefore recommend areas of expansion and stakeholders for the PAI in line with the Skills Development and Levies Acts as examples.

Respondents were asked to respond to three main questions i.e.

The evaluation of the PAI Support

- The aim of the PAI and the benefit it is supposed to have offered their members.
- The extent to which the objectives were met or not met and
- Recommendation on how things could have been done differently.

Assessments

- The respondents were asked if there were any assessments undertaken in their companies and for what purpose.
- The number of employees assessed in their companies/ industry in a year.
- If there were any concerns on the usage of the assessments the employees and

- If there were any concerns and to indicate the kind of assistance PAI can offer in this regard.

Learnerships and SETA's

- What is the key identified areas for the training and / or the learnerships distribution for the companies of the members?
- What were the implications of their assessments?

3.3.2. Analysis of data

3.3.2.1 Stakeholders

With regard to the first question the respondents (stakeholders) showed that they understand PAI's objectives differently. Some respondents viewed the PAI system as too sophisticated a system to use especially in rural areas; they feel that its services are neither meeting their needs nor accessible to them. They also expressed the opinion that the PAI system reaches 95% of the high profile employees.

Other stakeholders feel that the PAI system can infuse professionalism into the process of assessments and they believe that assessments that were used in their companies or organizations have not been successful when they look at their purpose of being to support Employment Equity Strategies.

There were some respondents who see the PAI's role as not only to focus on psychometric assessments support but also to explore further support related to the National Skills Development Strategy.

3.3.2.2 PAI Members

Most of the PAI members tend to agree that the basic purpose of the PAI is for psychological testing as a value adding and ethical practice. Most members mentioned that PAI is an initiative by industry for industry, to enhance understanding, skill and resource of user companies and professionals in the area of psychological assessment.

Some members feel that the PAI also creates a forum for promoting the ethical use of the tests and their legal defense. Other members see the PAI as guidelines to employers and the management on culture fair non-discriminatory assessment practices.

There are some members who responded by saying that PAI is used to conduct validation studies within communities and in industrial areas apart from validation data from the Professional Board and Psychometric

Committee. Some see it as an instrument used to evaluate if personnel are in their rightful positions.

Other members feel that the PAI was established in an attempt to get commerce and industry to comply with the provision of the Labour Relations' Act, and especially with Section 8 of the Employment Equity Act. The idea was that PAI would advise and provide research methodological assistance, information where available, commission/fund relevant research and would assist in the building of defenses in cases in which the assessment procedures had been used fairly, and the instrumentation complied with the requirements demanded by the Employment Equity Act.

Further the PAI would provide the upgrading of skills of people in industry who make use of any kind of assessment procedure as envisaged by the Employment Equity Act.

Some members feel that their other aims are to encourage members to pool resources and co-operate in the establishment of appropriate and relevant norms, to communicate trends and development in assessments to stakeholders.

3.3.2.3. Results of the PAI system

Considering responses on the PAI system most of the PAI members acknowledged that the PAI has met most of its objectives because they have established a website and training. However more efforts should be made to present this training to member companies and they must conduct a few studies in order to make sure their methods are acceptable. Some knew for a fact that some research has been commissioned and training has been developed and presented. There are some members who feel strongly that a lot has been done in giving the direction of legislation and development of code of conduct, but less in terms of answering the question of "what tests are relevant according to the legislation requirements". There are a few members who feel that PAI has not met its objectives because there are lots of retrenchments and the staff members are not sure of their positions in their employment.

3.3.2.4 Assessments

With regard to the second question respondents showed that there are different kinds of assessment tools used in different professional settings.

- **Verifying qualifications and job performance systems** - These are administered by the company psychologists and are mainly used as a retrenchment tool by many companies instead of companies using it as

a tool to evaluate if personnel are in their rightful positions, whether their jobs are still interesting to them and create more opportunities for employees that have reached their ceiling.

- **HSRC studies assessments theory** produces and validates various instruments for professionals who use them. These instruments are used by outside professionals like psychologists, in private practice, education and industry and outside consultants. The only concern about these instruments are that they stay within fair labour practices as defined by the various Employment Equity and other acts, pointing to a lack of validity studies.
- **Personality and intelligence learning potential tests** - This is used by industrial psychologists for managerial, development and bursary selections.
- **Recruitment testing- (MMPI, APIL B, CPA, Wechsler) and competency assessments.** Internal and external psychologists and registered assessors use these. The employees seem quite pleased with these instruments.
- **SAWAIS, OPQ, OPP, Myers-Biggs, 16PFI, Belbin interplace, CPA, IRIS and SCT.** Psychologists administer these instruments mainly as an aid to executive selection/ promotion decisions. In some cases full assessments and CPA's were outside the context of full selections. They are quite happy with all the instruments.
- **Exams and Tests.** Lecturers and Education Psychologists use these in formal educational settings. These instruments help the Education institutions to use results without fear of litigation.
- **Potential, RPL and interview assessments** – Practitioners having BA and B.A honors degrees in psychology administer these supervised by registered Psychologists. The above assessments are used for placements in training programs and learnerships, placement in work, career guidance/ employment counseling and selection for placement in vacancies at Department of Labour for the unemployed.

3.3.2.5 Relevance with regard to SAQA

The last question has shown that respondents feel that the Learnership and SETA's are not applicable in the case of Private/Group practice and in education settings. There are also a few respondents who do not have any idea of what learnerships and SETA's are; they think that they are involved in the enhancement of high-level research and research management, collaboration of skills and solid foundations with regard to collecting and analysis of data.

Few respondents see learnership as introducing people to the labour market. And most respondents see a learnership as a program that can provide employees with an opportunity to be skilled in various areas thereby improving their chances of finding employment. They also

acknowledge that it is not a guarantee that one can get employment. On the other hand some respondents understood learnership as an institution that improves employee's theories in a practical situations. Insofar as assessments for learnerships are concerned some SETA's stated that the Department of Labour was to determine both the tools to be used as well as the standard under which assessments must take place for them.

Respondents identified the following as key areas for training and/or learnership for companies:

- Finance and Management
- Kitchen and Front office skills
- Production operators and supervisory management
- Computer literacy
- Training in sales and marketing.

3.3.2.6 The role of stakeholders as changing insofar as assessments are concerned including the PAI

- The PAI will have to broaden its base from psychological testing to assessment in general. Companies will have to make an effort to be aligned with the SAQA system.
- The PAI should lobby, discuss, persuade, and offer training on how tasks can be undertaken by a group of people.
- Open opportunities, even if personnel have reached ceilings and invite interns to get working experience and keep them on contracts within the company.
- Help facilitate expansion of the country's infrastructure and expertise to utilize the benefits of assessment.
- Develop training programs for the Union leadership and play a stronger role in the endorsement of tests with proven validities and reliabilities studies.

3.3.2.7 Recommendations for the PAI and assessments in general

- Respondents recommend that the PAI should conduct more studies on different assessment tools and their purposes.
- Establish some bureaus on the subject of assessment in South Africa
- Communicate outcomes of disputes or legislation to members.
- Get experts to go on road shows to inform the members of development.
- Professionals need to be trained to use and validate tools beyond the first basic work done by developers and a systematic structure for the validation of any tool required.

- They should develop tools that will be able to evaluate if personnel are in their rightful positions.
- Guidelines should be developed on target population, norms validation and deliberates of tests in use.
- Assessments procedures should be changed from being an arbitrary process.
- The PAI should endorse all assessment procedures and tools in different companies.
- PAI should consider service personnel with good track records.
- PAI should lobby for the cause, perhaps commissioning from subscriptions and research on important and widely used instruments. They should also facilitate debate and set priorities.

3.3.2.8 Proposals for the future strategy as emanating from the survey

- A strong office should exist with lobbying, consultancy and research capacity, or at least a solid co-coordinating capacity to ensure that the three functions mentioned are exercised in a coordinated and integrated way with continuity.
- PAI should start caring for their members, and intensify communication with them.
- The PAI should have close links with industries, CCMA and Labour Courts. Its inputs should be sought by institutions that develop and decide on syllabi for training of HR practitioners, psychologists; etc The PAI should be goal-oriented and active.
- The PAI members and personnel should be skilled in terms of SAQA.
- PAI should be a body advising the industrial psychologists on all aspects that matter to them – recruitment, assessment, selection, placement and legal issues.

3.4 FUTURE SCENARIO PLANNING FOR THE PAI

3.4.1 Mission statement

Whereas the PAI originally had as mission:

- Establishing a code of psychometric practice acceptable to all;
- Establish, codify and publish criteria for test validation in industry with particular emphasis on cross-cultural validity and predictive validity;
- Engage in validation studies in industry by evaluating measures of cognitive abilities and potential, personality and for these measures to be applicable at various organizational levels;
- To publish findings where they can be subjected to peer reviews and public scrutiny;
- To defend the findings in various fora including courts of law;

- To codify and publish codes of psychometric practice for industrial/organizational application.

It is proposed that the PAI proceed with the work they have done, but also broaden their scope to include the roles as specified under 3.4.1.2.

Reformulation of the Mission would be necessary.

3.4.2 Roles identified for the PAI

The following roles are identified for the PAI for the future vis-à-vis the stakeholders in the field:

- **The development of assessment instruments for Social Development Initiatives and other job creation initiatives (Non-Formal Employment)**

It is quite possible that there would be a need for more practical assessment center type of on-the-job assessments that would not need registration as a psychometric assessment instrument for assessing potential for income-generating opportunities in Social Development Initiatives and other job creation opportunities such as Kickstart (an SAB project). Social Development Initiatives are job creation opportunities aimed at social upliftment and building the community, projects that include shorter or longer periods of training in skills and temporary and sometimes sustainable employment opportunities. Examples are Department of Water Affairs projects (cutting out alien trees), disaster relief, Public Works programmes, Eskom, micro entrepreneurs, projects specifically meant for target groups such as youth, women and people with disabilities. These assessment instruments must be such that they could be applied in a group setting, do not take long and do not need registration as a psychometric assessment instrument. (Possibly assessment on the job, e.g. a fork lifter could do a simulation exercise). The challenge for the PAI would be to assist with developing models for assessment beyond the formal sector of employment to the informal sector and other types of job creation initiatives (even small businesses run by micro entrepreneurs).

- **Education and training around Recognition of Prior Learning assessment**

The applications of RPL assessment in the recruitment, selection and placement process is not clear. The role of the Industrial Psychologist in relation to RPL, the relationship between RPL and psychometric assessment and the role of RPL in the recruitment, selection and placement process should be debated in the PAI. A suggestion is that a booklet could be written on this issue and sold to augment the income of the PAI and the Society for Industrial Psychology. A course could also be offered to Industrial Psychologists around the issue of RPL. A short feasibility study (telephone survey) on whether Psychologists would find such a booklet and/or training course relevant could be done.

- **Education and training around ethical psychometric assessment**

The Department of Labour's role is critical in the recruitment, assessment and selection of the unemployed for placement in income-generating opportunities. Often people at elementary level need to do assessments and support from people linked to industry will be contributing to professionalism in the whole process of recruitment, assessment and selection. Three aspects can be mentioned here:

- 1) Develop a training framework for the Department of Labour and other Government Departments and/or the industry in ethical assessment. This should not only include theoretical training, but also applications of assessment in practice. The current course in Ethical Assessment should be adapted to include practical assessment situations with assessment instruments and feedback given on performance. It is suggested that the current course be written in outcomes-based format and that it includes practical work as well even if in a simulation situation on other Employment Services Practitioners. Certain suggestions are being made to the HPCSA to enable the DoL to control the psychometric assessment and selection services better, inclusive of formatted recommendation forms to the employer and standardized selection criteria forms. If practical training in ethical test usage could be added, this would be a huge advantage. Liaison should be done with the Standards-generating Body for Psychology, SAQA and the Health Professions Council of South Africa in this regard, to ensure that the course is developed in the outcomes-based format according to standards and that it will be accredited a Continued Professional Development course. The course should be submitted to SAQA for recording it as a Short Course.
- 2) A mentoring relationship with the DoL in assessment could be established.
- 3) The Department of Labour is currently drawing up the Regulations for private employment agencies. Standards will have to be written and monitored for the work (inter alia recruitment, assessment and selection) done by private employment agencies. A training course in ethical assessment could act as a control measure to ensure that assessments done by these agencies are done in an ethical manner. PAI could form a partnership with the Society for Industrial Psychology and charge companies for training assessment practitioners in ethical assessment.

- **Research and development with regard to assessment instruments for people with disabilities.**

According to the Employment Equity Act, people with disabilities should receive equal access opportunities to work and training. Few or none culture-fair instruments exist to measure their potential in a fair manner taking into consideration their disabilities. It is proposed that PAI could contribute by developing:

- 1) A guideline and include examples of best practices with regard to recruitment, assessment, selection and placement of this category of people;
- 2) Psychometric assessment tools for people with disabilities.

- **Research and development with regard to culture-fair assessment**

- 1) The Department of Labour and the Health Professions Council of South Africa will be drafting a Code of Good Conduct for Culture-Fair assessment. PAI can play a role in developing this Code as work has already been done in this area.
- 2) Partnerships could be established between the PAI, the Health Professions Council of South Africa, the Human Sciences Survey Council and industry to develop culture-fair assessment tools.

- **Contributing to Continued Professional Development**

- 1) Publishing articles on all aspects related to recruitment assessment, selection and placement (new techniques for SA use) in journals.
- 2) Acting as a reference group for psychometric assessment for the Standards-generating Body for Psychology.

3.4.3 Proposed change in structure of the PAI

The current stakeholders of the PAI are as follows:

- Industry
- Department of Labour
- Professional Board for Psychology
- Test publishers
- Organized labour
- Universities
- Psychological Society of SA
- HSRC
- Institute for Personnel Management
- SA Board of Personnel Practitioners
- Black Management Forum
- Organized Business

It is proposed that the current stakeholders of the PAI be kept as is, but that stakeholders be extended on a needs basis.

It is proposed that the structures and their roles be changed to the following:

Managing Committee of PAI:

To include the Chairperson and a full-time Co-coordinator to drive the PAI and manage issues such as funding and strategic planning

Technical team

Does Research and development (policies as well as assessment instruments), validation criteria, test selection, conceptual model, acts as expert witnesses in defenses

Education and training team

Develops training materials and forms partnerships with psychologists in training of industry-based psychologists and assessment practitioners

Publications Committee

Develops publications and articles on areas of interest

Marketing team

Engaging stakeholders, promoting good practice and understanding and recruit new members.

3.4.4 Funding

It is proposed that the PAI keep its current methodology of income raising, but that other avenues of funding also be investigated, e.g. contracted research, publication and education and training. Some work would have to be done as part of a social responsibility though.

4. CLOSURE

In closure, it could be mentioned that the survey report shows that most respondents feel that PAI has reached its goals, but that it should adjust its scope to address the real needs in the country, e.g. to reach the unemployed in rural areas, by developing more practical assessment instruments.

A huge education and training, research and development task lies ahead of the PAI and it is foreseen that it would easily be able to reposition itself to execute this task. In order for PAI to master more support and commitment from its members, the present communication strategy must be intensified and must extend beyond the existing boundaries while at the same time ensuring a continuous focus on its membership.