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Response to the Psychology Board of Australia's Consultation Paper: Options for the Public Posed by the Inappropriate Use of Psychological Testing

Thank you for allowing SHL the opportunity to respond to the Psychology Board of Australia's consultation paper about the potential for regulation in the use of psychological testing in Australia. In this paper, we aim to outline the context surrounding how we see tests being used in work contexts and our view about how best to proceed with rectifying any misuse occurring by individuals using tests inappropriately.

Background from the Consultation Paper

In the consultation paper, the stated harms of psychological tests arise from either qualified or inadequately qualified individuals choosing inappropriate tests, administering tests inconsistently, or making faulty interpretations of test results. The tests in question involve a range of human characteristics, including intelligence, personality, psychopathology, attitudes, and behaviour.

The consultation paper outlines that competent test users understand test construction; can explain issues of specificity, sensitivity, validation, and reliability; are familiar with measurement, standardisation, and descriptive statistics; can interpret findings and describe underlying theory; and know how to use a range of tests.

Specific to the work context, the consultation paper indicates that tests are used primarily for identifying occupational or vocational potential. For individuals, psychological testing is said to increase self-awareness of strengths and development needs, whereas for organisations, tests provide information that can be used in selection decisions (hiring or promotion).

Although not specific to work contexts, the consultation paper outlines that a potential harm of psychological testing is poorly informed life decisions, as well as threats to pursuing life opportunities and a potential blow to self-esteem with negative feedback. Concern is specifically raised about the rise of unsupervised tests through online technology for occupational purposes.

SHL Response to these Harms

SHL Australia is subsidiary of SHL Group, which is one of the largest psychological test publishers globally. Using our products and services, SHL Group has assessed more than 5 million people in over 160 countries in the last 12 months. We work with 10,000 clients annually, including 60% of Fortune 500 companies and 80% of the FTSE 100. Our team includes 600 employees, of which 200 are occupational psychologists by training. We use assessments across the employee lifecycle, from recruitment and selection to performance management and development in the role.

In regards to the consultation paper, we can only speak towards the elements of the paper that involve the workplace. To this end, we are concerned that the field of occupational psychology is being considered alongside health and clinical psychology, as we believe that the issues we face in the workplace are more mundane and pose a different type of risk than those listed generically in the paper for all types of psychological testing.

Due to the nature of the types of tests being used in workplace, focusing on the fit of an employee to a given job role or organisation, the greatest amount of risk is of a legal nature, where candidates are wrongfully discriminated against in hiring or promotion. Even where psychological tests are used for development purposes, the related tests look at styles of working and behaviour, with the view of aiding employees to improve their personal impact

and relationships with fellow employees. These pursuits are very different than the diagnosis of mental illness or the need for clinical intervention.

The benefits to industry and commerce from psychological testing are real and are put at risk by a tight regulatory regime, damaging how effective Australian companies are at strategic Human Resource management. Recent research by the Aberdeen Group (2010) on the benefits of our products and services reveal that organisations using psychological testing show 15% greater performance in first year retention, 18% greater new-hire performance, 33% higher management satisfaction with hires, 6 times greater increase in organisational revenue per FTE, and 11 times greater increase in profit per FTE.

These findings are not isolated to SHL's clients, as the academic literature has found that strong assessment strategies utilising psychological testing can increase worker productivity, share-holder value, and employee well-being.

If regulation is too tight, we fear that companies operating in Australia will turn to less valid techniques that are not based upon sound job analysis or the scrutiny of other practitioners working in the field. From our experience, co-ordination between test publishers and the professional community is key to limiting the potential harm arising from the misuse of testing in work contexts. Moreover, a healthy Human Resources industry relies upon the availability of tools that can be openly compared for their effectiveness at improving workplace decisions.

SHL's Recommendation – Certifying Competence

As a remedy to professional practice in the use of psychological testing, SHL supports option 4.3 regarding the certification of competence of test users, similar in content and implementation to the BPS/EFPA model. This model differentiates between 3 levels of users, specifically users under supervision (level 1), qualified psychological test users (level 2), and experts in testing (level 3). The definitions underlying this classification are straightforward and easy to communicate to the public.

We believe that competency certification provides a robust vehicle to ensure that users of psychological testing in the workplace meet a minimum level of competence, minimising the risk of harm to the public. Moreover, we have found that such schemes create consistency between test publishers about who is a competent psychological test user, as well as allows for psychologists and HR professionals alike to access tools to improve how people are selected and developed in the workplace.

If Australia were to adopt a certification process as outlined above, practices here would be aligned to the international community, aiding international organisations in understanding their responsibilities and to evaluate the competency of their staff against proven criteria. Similar international schemes have provided added protection to companies in their hiring practices, as certification of test users has been used as proof in tribunal that appropriate safeguards are in place for selection practices.

If you have any questions about our response or our recommendation, please do not hesitate to contact us directly.

Yours Sincerely,

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