Chally's Predictive Talent Assessment Technical Overview

The Predictive Talent Assessment has been used for both candidate selection and employee development for a variety of client-facing and leadership positions for more than 45 years. Chally leverages state-of-the-science techniques to ensure maximum prediction and minimize impact against protected classes. As the following paragraphs describe, the Predictive Talent Assessment is reliable, valid, and EEOC compliant when used in the appropriate context.

Reliability

Reliability refers to the consistency with which a test measures a given characteristic and can be measured using various methods. The reliability of the Predictive Talent Assessment is monitored on an ongoing basis using both test-retest and Cronbach's alpha methods. The Predictive Talent Assessment's reliability estimates are within recommended research guidelines.

Validity

Validity is the extent to which a test measures what it purports to measure. In the case of selection and employee development, validation is the demonstration that the assessments administered are predictive of success on the job.

Chally has completed hundreds of criterion-related validation studies, which have enabled us to develop a comprehensive library of work competencies. Each of our benchmark profiles contains 4-8 competencies that have been independently validated for an individual position, and the total profile has been validated to predict on-the-job success against subjective/qualitative and objective/quantitative criteria.

All validation studies are conducted according to the American Psychological Association's (APA's) Ethical Principles of Psychologists and Code of Conduct, the Standards for Educational and Psychological Testing, the Society for Industrial/ Organizational Psychology's (SIOP) Principles for the Validation and Use of Personnel Selection Procedures, and in accordance with the Uniform Guidelines on Employee Selection Procedures – jointly issued by the U.S. Department of Justice, Department of Labor, Civil Service Commission and the Equal Employment Opportunity Commission (EEOC). [i]

When the Predictive Talent Assessment is used in the recommended manner for a specific sales role, the results are quite accurate in predicting likely performance in that role. Historically, our validity coefficient for sales roles falls between 0.35 and 0.45. According to industry standards, validity coefficients between .21 and .35 are considered "likely to be useful" and coefficient above .35 are interpreted as "very beneficial".

Using the Predictive Talent Assessment for Selection

Following a structured process and using reliable, valid tools such as the Predictive Talent Assessment can significantly improve your odds of avoiding poor hires and making the best possible decisions. However, there is no silver bullet for selecting sales professionals. For this reason, Chally advocates a comprehensive approach that integrates Chally Assessment results with other selection methods. Our "30-30-30-10 Rule" recommends that a hiring decision be based on assessment results, interview results, background/reference checks, and perceived fit with the company's culture.

10% Fit Company Culture
30% Structured Interview
30% Background & Reference Checks
30% Assessment Results
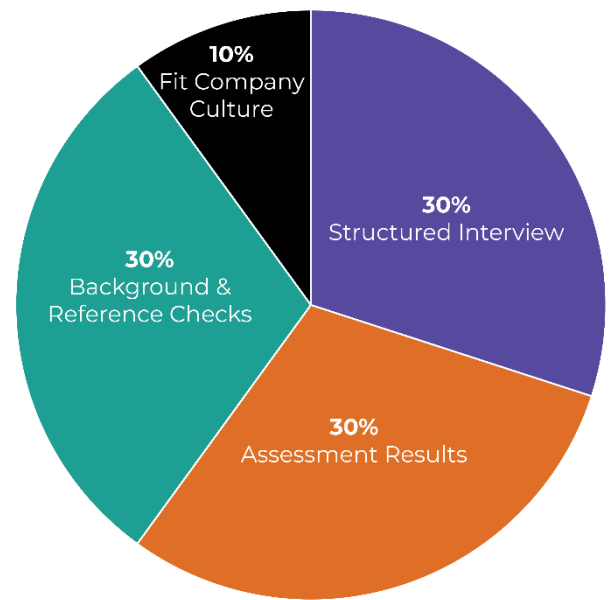
Preventing Adverse Impact

Federal and state laws protect workers against hiring practices that may have adverse impact on them. It is important to note that adverse impact is not a property of any assessment by itself. When it occurs, it results from the intersection of an assessment, a cut score, and a local labor market. An assessment with adverse impact in one labor market may not have impact in another. Results from any assessment can be set up to either demonstrate adverse impact or not have impact by manipulating the passing score. For example, every assessment can be prevented from having adverse impact by setting the pass score so low that virtually everyone passes the assessment, which in turn also removes any value from the assessment.

Chally's research team has made every attempt to minimize the potential for adverse impact and ensure that all profiles are non-discriminatory and comply with the U.S. government's 4/5ths guidelines. The research team conducts adverse impact analyses as part of every validation and routinely follows up with clients to ensure the profile(s) and relevant scales are not adversely impacting protected groups (per Title VII of the Civil Rights Act of 1964 and other relevant legislation). Chally's process for profiling a job provides evidence of "job relatedness". Local validation (or transporting validity) provides the foundation of "business necessity." Clients who use the assessment results within our recommended guidelines are very unlikely to face claims of adverse impact.

---

[i] More information on guidelines and standards is available via the following resources:
APA Ethical Principles: https://www.apa.org/ethics/code/
SIOP Principles: http://www.siop.org/_principles/principles.pdf
APA Standards for Educational and Psychological Testing: https://www.apa.org/science/programs/testing/standards
Uniform Guidelines on Employee Selection Procedure: https://www.govinfo.gov/content/pkg/CFR-2009-title29-vol4/pdf/CFR-2009-title29-vol4-part1607.pdf