



## Why Validate?

by Rosanna Miguel, Ph.D.

Human Resource (HR) professionals are taxed with the job of finding the right people to fill a multitude of roles in their organizations. The challenge becomes defining “right” in a way that that minimizes risk, is legally defensible (e.g., EEOC 1978), aligned with core organizational values and culture, and leads to desirable business outcomes (e.g., retention, productivity, etc.) to demonstrate ROI. The purpose of this white paper is to show how HR professionals can accomplish these goals through proper test validation.

What many do not realize is that according to professional and legal guidelines, any tool an organization uses as part of its selection process is considered a test and is subject to legal scrutiny. Examples include:

- Minimum qualifications
- Job performance ratings
- Interviews
- Knowledge, skills and ability tests
- Personality tests
- Job simulations
- Assessment centers

Before we get into the common myths around test validation, let’s define what it is. Test validation is a process of collecting data for the purpose of meeting the demands of a competitive workforce and complex legal system. There are three main ways to validate a test.

- Criterion validation
- Content validation
- Construct validation

All three of these approaches are professionally and legally acceptable (See APA Standards, EEOC Guidelines, SIOP Principles). Often, a combination approach is used. Criterion validation is probably the most well known and involves the collection of empirical data. This approach can be fairly time consuming and expensive and sometimes dissuades organizations from validation. The good news is that tests can also be validated on the basis of their content as compared to the content of the job. This is a rational approach based on expert judgment and is well accepted both professionally and legally. It typically includes job analysis and the demonstration of the linkage between the test and the job. Time to completion can be fairly quick. The third approach, construct validation, is a bit more complex, often involves comparing tests to each other, and is not typically the sole basis for establishing validity, though it is an acceptable approach.

So why don't organizations validate?

*Myth #1:* Validation is too expensive.

*Reality:* In addition to minimizing legal risk, a validation study within your organization can assist in discovering data-driven insights to creating and sustaining a high performance environment with measurable impact on critical business outcomes that impact profitability, including:

- Productivity
- Employee Retention
- Sales
- Hiring and Training Costs
- Organizational Effectiveness

The ROI, which can be quantified for your organization, outweighs the costs associated with the validation process.

*Myth #2:* Validation is not important when adverse impact isn't present.

*Reality:* The utility is reason in itself for organizations to validate. A local validation study can help identify the most critical predictors of performance as it is defined by *your* organization (e.g., sales success, employee retention). Adverse impact only means that a minority group performs more poorly on the test. It does not tell you anything about the validity or value of the test.

*Myth #3:* The only way to validate is to collect lots of empirical data that our organization does not have.

*Reality:* Content validation is a perfectly acceptable alternative to empirical validation and does not require test or job performance data to complete. The basis for it is job analysis data. When jobs change or are re-aligned this is the best way to add value to the operations because you can hone in on the most important skills for successfully transitioning the roles.

*Myth #4:* Tests do not have to be locally validated.

*Reality:* If your test(s) is challenged, offering up evidence of validity from studies conducted by the test vendor at other locations for other jobs, will not suffice.

There is much to gain, and nothing to fear from validating your selection tests. There is however much to lose from not validating them. We have seen organizations losing vast amounts of money from ineffective testing not to mention what happens when tests are successfully challenged on legal grounds. When organizations validate, risk is minimized and the ROI is undoubtedly worth the initial time and costs associated with the process.