Improving Federal Hiring Through Better Assessment

July 2018

In Brief

The Federal Government has spent extensive time and resources trying to reform the overall competitive hiring process. However, little attention has been paid specifically to how agencies assess their applicants. Past research by the U.S. Merit Systems Protection Board (MSPB) indicates that agencies often use assessment tools that are not the best predictors of future performance. In addition, recent hiring reforms have made it easier for applicants to apply, increasing the volume of applicants. MSPB has long recommended that agencies improve their applicant assessment processes and that Congress appropriate funding for Governmentwide assessments. This perspectives brief summarizes MSPB research on applicant assessment and identifies 10 factors for agencies to consider when investing in better assessment:

1	Consider how to improve the process more than merely automate it.
2	Aim for a high return on investment rather than the cheapest assessments.
3	Ensure assessments are valid, reliable, fair, and appropriate to the situation.
4	Develop processes that are applicant friendly, easy to understand, and related to the job.
5	Use a combination of assessments that provide a comprehensive evaluation of applicants' knowledge, skills, abilities, and behaviors necessary to successfully perform the job.
6	Use a set of assessments successively to manage and narrow the candidate pool, thereby making efficient use of agency resources.
7	Ensure the agency has assessments that cover a wide variety of positions and grade levels.
8	Determine the mode of delivery (e.g., computer-based, pen and paper, interactive) that best meets the agency's needs.
9	Determine whether proctored assessments, unproctored assessments, or a combination of the two are most appropriate.
10	Ensure assessments easily integrate with the agency's recruitment and staffing system.

This brief also reiterates the business case for Congress to appropriate funds to the U.S. Office of Personnel Management (OPM) for the development, validation, and administration of Governmentwide applicant assessments, a task made much easier with the development of OPM's USA Hire program.

Introduction

The Federal Government currently operates in a climate of hiring freezes, downsizing, and budget cuts. The President is striving to make Government "lean, accountable, and more efficient," and that will likely include reductions to the size of the Federal workforce.[1] What does that mean for agency hiring?

Agencies still will have critical jobs that need to be filled. However, most agencies likely will be filling fewer positions and will expect the workforce to do even more with fewer resources and staff. Therefore, choosing the right person for the job is especially critical.

MSPB has conducted extensive research related to Federal recruitment and hiring, and we have noted much room for improvement. Recruitment, assessment, managing the hiring process, and making merit-based hiring decisions are all areas that need attention.[2] So where should agencies begin? A good place to start is with the process that helps determine which candidates are likely to best perform the job—applicant assessment.

In MSPB's 2016 Merit Principles Survey, we asked supervisors what their most difficult workforce management tasks are. They reported that getting a pool of quality candidates was the most difficult task. It came ahead of tasks such as creating recruitment plans, getting necessary resources to do the job, and even addressing performance and conduct problems.[3]

The ability to provide hiring officials with a list of highly qualified candidates depends on the agency's ability to accurately assess applicant qualifications. MSPB's research has found that many Federal agencies do not use the most predictive assessment tools when evaluating applicant qualifications, and this is an area that has received much less attention in Governmentwide hiring reform efforts than issues like the length and complexity of the hiring process. What's more, many of the recent hiring reforms may have created new challenges to effective and efficient applicant assessment, which makes it particularly important to address.

The purpose of this perspectives brief is to discuss what good applicant assessment is, summarize the challenges agencies face in doing good assessment, describe steps agencies can take to improve their efforts, and discuss options available to make high-quality assessments more attainable, including OPM's USA Hire program. Our analysis is based on prior MSPB research, literature reviews, interviews with representatives from agencies that have recently used OPM's standard assessment protocols, and interviews with OPM.

What is Applicant Assessment?

The purpose of the Federal Government's merit-based hiring system is to ensure that employees are selected based on their ability to perform the job and not on other non-merit factors, such as political connections, favoritism, or nepotism. Hiring on ability rather than other factors helps agencies carry out their missions in an unbiased way that best serves the public interest. Applicant assessment assists agencies in making those determinations.

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[1] Office of Management and Budget, "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce," M-17-22, April 12, 2017.

[2] For instance, see MSPB, *Reforming Federal Hiring: Beyond Faster and Cheaper*, September 2006.

[3] MSPB, *Addressing Misconduct in the Federal Civil Service: Management Perspectives*, December 2016, pp. 4-5.
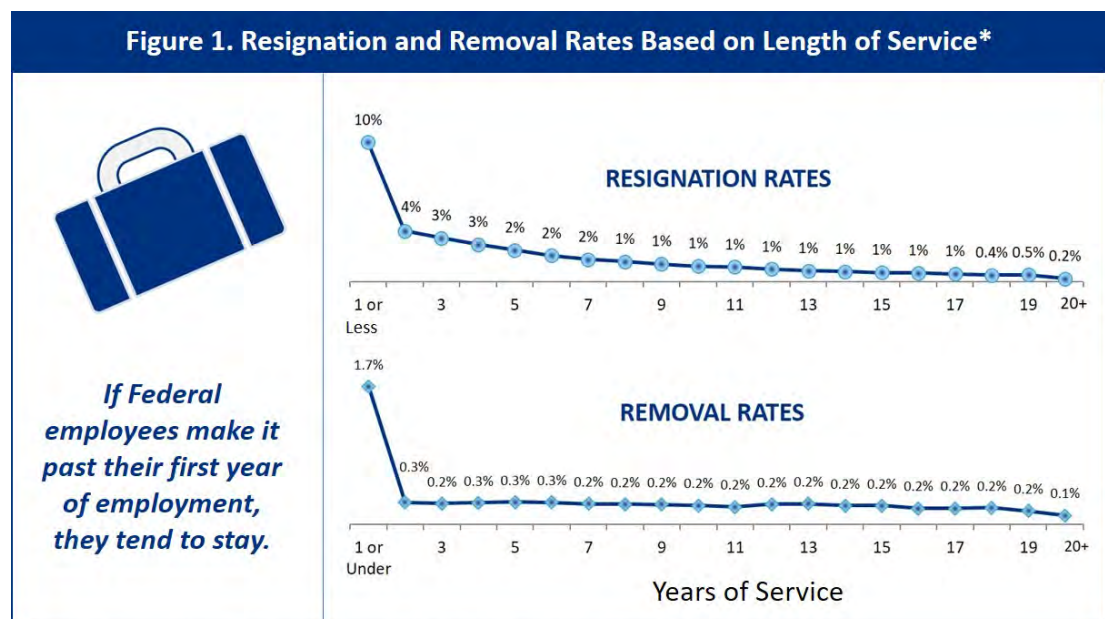
In the Federal competitive service, applicant assessment refers to the systematic process of collecting information about applicants' qualifications for the job, rating that information against known criteria for job success, and comparing applicant scores to determine who will likely perform the job most successfully.

Benefits of Good Assessment Practices

Good assessment means that agencies are able to more reliably predict which candidates will perform the job successfully. It should not be surprising that research has shown that good assessment practices can improve the number of new hires who perform well on the job, lead to higher organizational performance, and make more efficient use of hiring officials' time by narrowing the size of large applicant pools.[4]

In addition, good assessment practices reduce the likelihood of making bad hires and the associated costs. This is particularly important in the Federal environment for several reasons. First, by its nature, merit-based hiring takes more time and resources than hiring in a typical private sector company. Under the Government's competitive-hiring process, jobs must be advertised to the general public, all applications must be rated against the job requirements, and applicant qualifications are ranked to determine which applicants are best qualified for the job. These measures help ensure a fair and open process as well as equitable treatment of applicants. Private sector companies often have much more flexibility in how they advertise jobs, review qualifications, and make hiring decisions.

Furthermore, history demonstrates that once an individual is hired into the Federal Government, that person tends to remain in Federal service for a long time. As shown in Figure 1, Federal resignation and removal rates are relatively low over time. Federal agencies can remove most new hires in their first year of employment fairly easily if the new hire is serving a probationary period and does not perform to expectations. However, few agencies use the probationary period to do so.[5] Once employees complete the probationary period, they obtain due process and appeal rights that make it more time consuming to separate them involuntarily.

Figure 1. Resignation and Removal Rates Based on Length of Service*

If Federal employees make it past their first year of employment, they tend to stay.

RESIGNATION RATES: 10%, 4%, 3%, 3%, 2%, 2%, 2%, 1%, 1%, 1%, 1%, 1%, 1%, 1%, 1%, 1%, 0.4%, 0.5%, 0.2%

REMOVAL RATES: 1.7%, 0.3%, 0.2%, 0.3%, 0.3%, 0.3%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.2%, 0.1%

Years of Service

*Central Personnel Data File, Competitive Service Only, Fiscal Years 2013 – 2015.

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[4] For examples of such studies, see MSPB, *Job Simulations: Trying Out for a Federal Job*, September 2009, pp. 5-6.

[5] For more information, see MSPB, *The Probationary Period: A Critical Assessment Opportunity*, August 2005.

Features of Good Assessment

Assessment quality depends on the criteria and methods used to distinguish high-potential applicants from the rest. Although no assessment can perfectly predict job performance, there are several factors that positively influence the ability of the assessment to make important distinctions among the applicants:[6]

Validity. Validity is the degree to which an assessment measures the characteristic which it purports to measure. Specifically, validity demonstrates if the assessment measures a job-related characteristic and how well it measures that characteristic. This is one of the most critical factors in ensuring that an assessment produces the best results.

Reliability. Reliability means that random sources of error are minimized during the assessment so that there is consistency and repeatability. For example, if the applicant were to take the assessment more than once, then the score should be similar each time.

Fairness. The assessment should be as unbiased as possible and not unnecessarily result in adverse impact on individuals of any particular ethnicity, race, or gender. The *Uniform Guidelines on Employee Selection Procedures* help hiring organizations comply with this principle and make proper use of tests and other selection procedures. Using these guidelines helps improve applicant perceptions of the assessment process while also helping protect the organization from unnecessary litigation over selection practices.[7]

Appropriateness. Different assessments are appropriate for different situations. For instance, a job knowledge test that is designed to test an applicant's knowledge of a specific field should not be used for an entry-level position that does not require prior job knowledge or experience.

User acceptance. Part of being fair and appropriate is ensuring that applicants accept the terms of the assessment. Research demonstrates that applicants with positive perceptions of the selection process are more likely to view the organization favorably and are more likely to accept job offers and recommend the organization to others.[8] The best way to reinforce these favorable views is to ensure that applicants understand both the process and how the assessments relate to the job.

Cost and efficiency should be considered in deciding which assessments to use and when, but they should not be the driving forces behind assessment decisions. Quality assessments that are reliable, valid, fair, and appropriate should be viewed from the perspective of a long-term investment in the workforce—not a short-term cost savings.

Assessment Methods Used by Federal Agencies

Years ago, most applicants for entry-level Federal positions completed a "civil service examination" that was developed, administered, and scored by the U.S. Civil Service Commission (and later, OPM). This "exam" went through several iterations, from the Junior Management Assistant test in the late 1940s to the Federal Service Entrance Examination

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[6] For more information related to evaluating the quality of assessment tools, see MSPB, *Job Simulations: Trying Out for a Federal Job*, pp. 6-8, and OPM, *Assessment Decision Guide*, pp. 6-9.

[7] The *Uniform Guidelines on Employee Selection Procedures* can be found at http://www.uniformguidelines.com/. They were adopted by the Equal Employment Opportunity Commission, OPM, Departments of Justice and Treasury, and the Office of Federal Contract Compliance Programs in August 1978.

[8] John P. Hausknecht, David V. Day, and Scott C. Thomas, "Applicant Reactions to Selection Procedures," *Personnel Psychology*, Autumn 2004, Vol. 57, No. 3, p. 639.
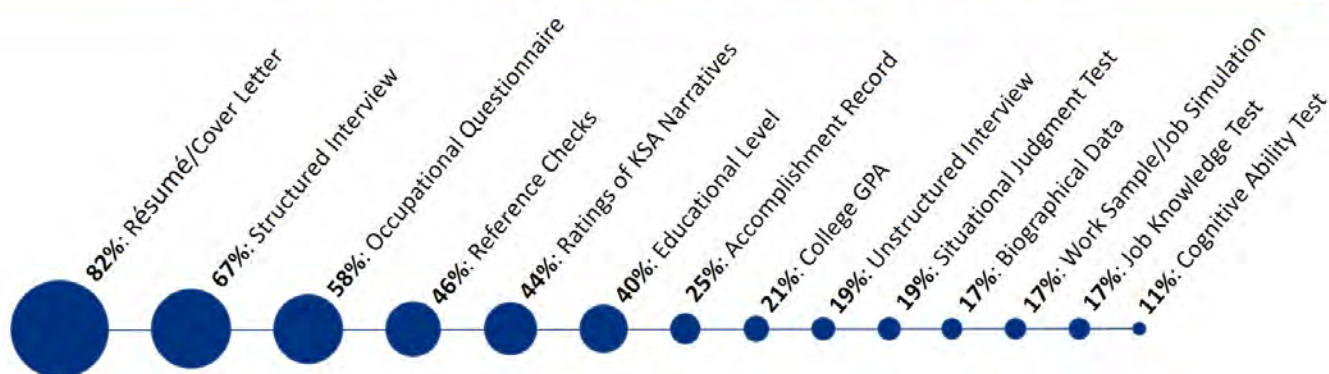
implemented in the mid-1950s, and then the Professional and Administrative Careers Examination (PACE) in the 1970s that covered about 118 entry-level occupations.

A lawsuit ultimately resulted in the termination of PACE in 1981, and the centralized assessment process for these positions was replaced by various special hiring authorities and delegations to agencies. Today, agencies are ultimately responsible for developing and administering their own applicant assessment tools for most positions, including entry- and upper-level positions. Unfortunately, as MSPB predicted as early as 1982, some agencies are doing a better job than others at developing and implementing valid selection procedures.[9]

In 2011, we asked HR offices what assessments their agencies use to determine the best-qualified candidates. The results are presented in Figure 2 and demonstrate that many agencies have not been using the most effective tools to assess applicants. For instance, they have relied heavily on evaluations of training and experience (T&E) to determine applicant qualifications, including résumés, occupational questionnaires, applicant essays, and education level. T&E assessments generally measure what applicants have done and when they did it. Some of these assessments try to gauge the quality of the work performed, usually through information provided by the applicant.

Figure 2. Assessments Agencies Reported Using "To a Great Extent"

82%: Résumé/Cover Letter — 67%: Structured Interview — 58%: Occupational Questionnaire — 46%: Reference Checks — 44%: Ratings of KSA Narratives — 40%: Educational Level — 25%: Accomplishment Record — 21%: College GPA — 19%: Unstructured Interview — 19%: Situational Judgment Test — 17%: Biographical Data — 17%: Work Sample/Job Simulation — 17%: Job Knowledge Test — 11%: Cognitive Ability Test

A review of the résumé was the most commonly used assessment. Résumés generally provide employers with a summary of jobs the applicant has held and tasks they have performed in each job. Some applicants will also include accomplishments they have achieved in those positions. Other popular T&E assessments used were occupational questionnaires, ratings of KSA (Knowledge, Skills, and Abilities) narrative statements, and educational level.

Occupational questionnaires generally attempt to determine whether applicants meet the minimum qualifications for the job in terms of specialized experience by using self-reported information. For instance, a typical eligibility question might be:

Choose one answer that best describes your experience:
☐ I possess at least 1 year of specialized experience equivalent to the GS-13 grade level performing work related to the duties of the position described in the job announcement
☐ I do not meet the requirement as described above

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[9] MSPB, *Report on the Significant Actions of the Office of Personnel Management During 1982*, December 1983, p. 110.

Occupational questionnaires also are used to rate the applicants' relative skills by asking them to rate their expertise level in certain technical and nontechnical areas. For instance, a technical ability question might read:

> What best describes your level of proficiency in processing, manipulating, and analyzing large data sets?
>
> ☐ I have not worked with such data sets
> ☐ I have worked with these kinds of data sets under the direction of someone more experienced
> ☐ I have worked with such data sets independently with minimal supervision
> ☐ I am an expert at working with such data sets and am consulted by others

KSA narrative statements are applicants' written descriptions of their KSAs in a specific job-related area. It gives applicants an opportunity to expand on the qualifications contained in the résumé. These narratives may or may not include applicants' evaluation of how well they performed the tasks. A popular KSA narrative has asked the applicant to "describe your ability to communicate effectively in writing."

Educational level indicates what degrees an applicant does (or does not) have.

MSPB has noted in several reports that agencies commonly use T&E assessments to evaluate applicant qualifications and that those types of assessments have downsides.[10] T&E assessments are commonly used because they are inexpensive to develop, widely available, and relatively convenient to administer. T&E assessments often look at the quantity—rather than the quality—of training or experience that an applicant possesses. They also tend to rely on self-reported information to determine applicants' level of expertise.

Because these assessments focus on quantity of experience and on self-reported evaluations, they are usually less accurate than assessments designed to more directly measure expertise, such as job tests or simulations. Therefore, agencies are often using less valid assessments that are not good predictors of future performance.

A number of agencies report pairing T&E assessments with other assessments that have higher validity, like structured interviews and reference checks. **Structured interviews** provide consistency in the content of the interview, how the interview is conducted, what information is solicited, and how the information is rated and used. When based on a solid job analysis and implemented consistently, structured interviews have been shown to treat candidates fairly, objectively, and with little or no adverse impact. In addition, they make interviews more consistent and guard against interviewer bias.[11]

Reference checks help hiring managers verify that the information applicants provided through résumés, occupational questionnaires, interviews, and other assessments is accurate. A reference check should address pertinent, job-related questions about the applicant's past performance,

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[10] See the section of this brief named "Select MSPB Studies Related to Assessment and Selection" for a list of reports that evaluate aspects of assessment programs, including the downsides of T&E assessments.

[11] For more information, see MSPB, *The Federal Selection Interview: Unrealized Potential*, February 2003.

competencies, and job-related behaviors. In this context, reference checks are a valuable asset in the overall assessment process.[12]

Using a multiple hurdle approach—or pairing T&E assessments with other more valid tools—is a positive step in creating a strong assessment program, provided that the additional assessments are rigorously developed by qualified and knowledgeable staff and administered in a systematic, consistent manner. This, however, may not always be the case.

The Impact of Recent Hiring Reform on Assessment

The Federal Government has made various attempts to reform its hiring process. One of the most recent and extensive efforts was the May 2010 "Presidential Memorandum—Improving the Federal Recruitment and Hiring Process." The memo expressed the need to allow Americans to apply for Federal jobs through a "commonsense hiring process" and to allow agencies to select high-quality candidates more "efficiently and quickly." Efforts to improve the speed and reduce the complexity of the hiring process included actions such as the following:

Hiring reform efforts may have unintentionally made it more difficult for agencies to evaluate applicant qualifications.

- Reduce the time to hire;
- Allow applicants to submit résumés and cover letters instead of lengthy applications;
- Eliminate essays (e.g., KSA narratives) from the initial application;
- Make job announcements shorter and more understandable;
- Notify applicants of the status of their applications in a timely manner; and
- Develop effective pathways into the Federal service for college students and graduates.

These efforts focus largely on reducing the burden on applicants and improving their experience with the hiring process. These are laudable goals but do little to address shortcomings in the way applicants are assessed. Rather, these reform efforts may have unintentionally made it more difficult for agencies to evaluate applicant qualifications.

Increased number of applicants. In media accounts and interviews we conducted, many agencies described a surge in the number of applicants since making it easier to apply for jobs using online systems, the submission of a simple résumé, and eliminating KSA narratives. OPM's data confirms that the number of applicants through USAJOBs—the Federal Government's official job announcement and recruitment website—dramatically increased from 17.3 million in FY 2013 to 22 million in FY 2015 and 21 million in FY 2016.[13] While that may be good news from a recruitment perspective, agencies need to have the resources to assess the qualifications of those applicants. A few agencies have told us that the ease of the application process has greatly increased the number of unqualified applicants, adding to the burden of HR staffs.

Occupational questionnaires and inflated ratings. The 2010 hiring reform also has resulted in a potentially unintended change in the way many agencies assess applicant qualifications. Before the reform efforts, agency HR offices rated and ranked candidates largely based on their KSA narratives. Although these ratings often were not rigorously validated assessments, the narratives gave hiring managers more information than what is available from questionnaires and also deterred those who were not serious about the job from applying. By eliminating those narratives, agencies have begun relying much more heavily on occupational questionnaires.

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[12] For more information, see MSPB, *Reference Checking in Federal Hiring: Making the Call*, September 2005.

[13] The number of applicants dropped back to 17 million during FY 2017 when the Federal Government was under a hiring freeze and posted far fewer job announcements.

As previously mentioned, occupational questionnaires are T&E-based assessments that ask applicants to rate their level of expertise in specific areas. Several agency representatives have expressed concerns that applicants are rating themselves as experts in every category because they have learned that is the only way they will make it to the next phase of the hiring process. These types of inflated ratings obviously would have a negative effect on the agency's ability to make valid distinctions among applicants if sufficient controls are not in place to validate the self-reported ratings. Many agencies just do not have the resources to commit to that validation effort.

Some agencies are striving to improve the quality of the occupational questionnaires they use. For instance, the Defense Logistics Agency reported revamping its questionnaires to move from default scales whereby everyone rated themselves at the expert level to customized responses that are based on expertise benchmark levels. However, developing good benchmarks is not an easy task and will take additional skill and expertise from HR and assessment staffs than is needed to develop typical occupational questionnaires.

Category rating can only achieve intended advantages when agencies couple it with good assessment tools that make clear distinctions among large groups of applicants...

Category rating. The reform did attempt to improve assessment and selection by requiring the use of category rating. Category rating provides for selection from among a larger number of qualified applicants than the prior "rule of three" method. The "rule of three" limited managers to selecting from among the three highest scoring applicants. Category rating involves evaluating applicants by using quality categories rather than by assigning individual numeric scores. The agency assesses candidates against job-related criteria and then places them into two or more quality categories. Veterans with hiring preference float to the top of their category and generally have to be selected over nonveterans. Compensably disabled preference eligibles (those veterans with at least 10 percent service-connected disability) are generally placed in the highest quality category.[14]

MSPB has long been a proponent of category rating because it can give managers greater choice while also providing opportunity to qualified veterans, consistent with public policy.[15] However, category rating can only achieve intended advantages when agencies couple it with good assessment tools that make clear distinctions among large groups of applicants, which has not occurred widely throughout Government.

Assessment. The hiring reform memo instructed agencies to "assess applicants using valid, reliable tools" and to train managers and HR staff on how to recruit and hire well-qualified applicants. However, there were no specific actions provided as to how to do that or how to obtain the resources to do it, and there were no measures to hold agencies accountable for achieving these goals.

Improving Applicant Assessment

Improving applicant assessment is easier said than done because Federal agencies do not generally have the time, resources, and expertise to develop high-quality assessment tools. On the positive side, addressing this issue does not require changes to laws, rules, or regulations. Therefore, reform is within each agency's ability to implement.

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[14] For more information on category rating and the "rule of three," see OPM's *Delegated Examining Operations Handbook*, May 2007.

[15] MSPB, *The Rule of Three in Federal Hiring: Boon or Bane?*, December 1995.

There are numerous ways to improve applicant assessment. Agencies could build the internal staff expertise they need. For agencies that do a lot of hiring, it may be a good return on investment (ROI) to build their own assessment programs using internal staff. This typically includes hiring staff with expertise in industrial/organizational (IO) psychology and personnel assessment. Other agencies that do not do a lot of hiring, that hire for a limited number of high-volume positions, or that do not have extensive resources to devote to assessment may find a greater ROI by working with a contractor to develop and implement high-quality assessments as needed.

Previously, there were not many vendors that could provide the types of assessment services that Federal agencies needed. Now, many companies provide those services. The key advantage to hiring a contractor is that there is no long-term resource commitment, as there is when the agency builds its own program. However, that also means that the agency pays for each job announcement or commits to a broader service contract.

Whether developing their own program or obtaining assistance from third parties, agencies will have to expend more resources to improve their assessment programs than if they continue using assessment tools such as résumés and rudimentary occupational questionnaires. However, by doing so, the agency would achieve a higher-quality applicant pool and reduce costs related to dealing with poor performers.

10 Factors to Consider When Developing and Administering Assessment Programs

Whether an agency develops its own assessment program or hires a contractor to develop and administer individual assessments, the agency should consider certain factors when trying to improve assessment practices.

1 **Process improvement.** Improving applicant assessment is not about merely automating the process to make it faster or cheaper. It is about improving the quality of the process so that the agency can hire better-quality applicants. Therefore, agencies should expect to expend some effort and resources upfront, re-envisioning their processes. They also may need to implement change management techniques depending on the current state of their assessment process, including training HR and hiring managers on the importance of good assessment and how to do it.

2 **Return on investment.** The cost of the assessment program should provide the best possible ROI for the agency. This does not mean that agencies should use the cheapest assessments available. The purpose of applicant assessment is to identify those applicants most likely to succeed in the job. Using inexpensive, unvalidated assessments that do not make meaningful distinctions among candidates does not help achieve that goal. Agencies should use rigorous assessment strategies that emphasize selection quality in balance with cost and speed.

This is challenging because some agencies may look at their current practices and note that they are spending nothing now by having their HR generalist generate an occupational questionnaire based on prior job announcements, versus devoting resources to developing valid, reliable assessment instruments. Importantly, what agencies get in the latter option is not an upfront cost savings, but rather more efficiency and higher-quality applicants.

3 **Rigorous development.** Assessments should be (1) based on thorough job analyses, (2) capable of making meaningful distinctions among applicants, and (3) defensible if contested by an

applicant. The job analysis process provides the basis for assessment and selection decisions by identifying the job duties and requirements, the relative importance of those duties, and the competencies or skills needed to perform those duties. That information is then used to develop assessments, and documenting the relationship between the job duties and necessary competencies helps provide the needed defensibility if applicants contest the selection decision.[16] Furthermore, "rigorous development" means that, as discussed earlier, assessments should be valid, reliable, fair, and appropriate to the position, situation, and step of the hiring process.
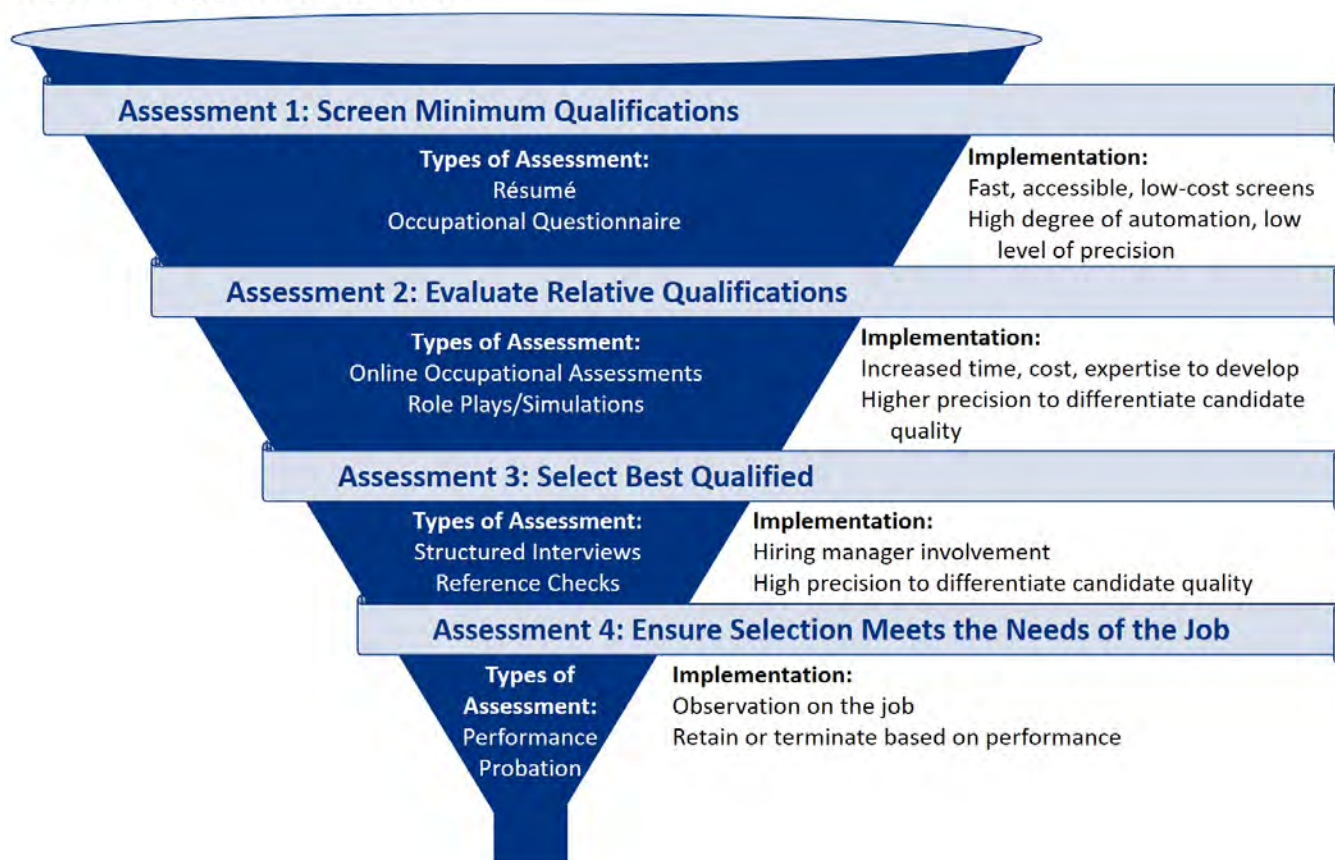
(4) **Applicant focus.** Assessment processes should be applicant friendly and easy to understand, and they should clearly demonstrate a relationship to the job. The key to a good hiring process is not to discourage qualified applicants from applying, but assessments should be able to effectively and efficiently manage the applicant pool and screen out applicants who are not qualified.

(5) **Multiple hurdles.** A multiple hurdle approach uses multiple assessments successively to manage the candidate pool and narrow the field of qualified candidates. In general, the order of assessments is based on cost of administration and benefit. Methods that are less costly to administer or that can easily handle a large volume of applications should be used toward the beginning of the process while more resource-intensive assessments should be saved for the applicants deemed to be qualified. Research has shown that this type of approach increases the hiring manager's ability to narrow the candidate pool and ultimately select better employees. It also has been known to result in a high drop-out rate for applicants who are either not qualified for or not actually interested in the job. Figure 3 outlines what this approach entails.

Figure 3. Multiple Hurdles in Action

Assessment 1: Screen Minimum Qualifications

Types of Assessment:
Résumé
Occupational Questionnaire

Implementation:
Fast, accessible, low-cost screens
High degree of automation, low level of precision

Assessment 2: Evaluate Relative Qualifications

Types of Assessment:
Online Occupational Assessments
Role Plays/Simulations

Implementation:
Increased time, cost, expertise to develop
Higher precision to differentiate candidate quality

Assessment 3: Select Best Qualified

Types of Assessment:
Structured Interviews
Reference Checks

Implementation:
Hiring manager involvement
High precision to differentiate candidate quality

Assessment 4: Ensure Selection Meets the Needs of the Job

Types of Assessment:
Performance Probation

Implementation:
Observation on the job
Retain or terminate based on performance

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[16] For more on job analysis, see OPM, *Delegated Examining Operations Handbook*, May 2007; MSPB, *Issues of Merit*, "Tools of the Trade," January 2002 and April 2002.

6 **Comprehensive evaluation.** Collectively, the assessments should provide a comprehensive evaluation of the applicants' KSAs and behaviors that are needed to successfully perform the job. These success factors could include employment history, technical skills tailored specifically to the occupation, and general competencies that cut across different occupations and demonstrate necessary cognitive and social abilities (e.g., interpersonal skills, problem-solving, teamwork, and communication).

7 **Coverage for different positions.** Use assessments that cover a variety of occupations and grade levels. This requires identifying general and technical competencies that contribute to high performance across a number of jobs and benchmarking those competencies to the needs of the specific occupation and grade, as identified in the qualification standards and job analyses. Having easy-to-access, validated assessment libraries for multiple occupations and grade levels eases the amount of work HR and hiring officials will need to complete at the front end of the hiring process, increasing hiring efficiency.

8 **Mode of delivery.** The agency should evaluate what mode of delivery is appropriate for the situation. Assessments can be administered using several delivery mechanisms, including pen and paper, computers, video/digital technology, or more interactive exercises that are scored in person by trained staff. In recent years, computer-based assessments have become increasingly popular because of their advantages:

- They can be scored immediately;
- They generally use fewer resources to score and administer;
- They can use computer-adaptive technology so that the assessment questions the applicants see are based on the answers the applicant previously provided, offering a more precise measurement of the applicant's abilities; and
- They can more readily deliver needed accommodations for those applicants with disabilities, such as hearing or sight impairments.

On the other hand, computer-adaptive tests do take more resources to develop, and computer-based assessments could disadvantage applicants who are not comfortable with that type of technology.

9 **Testing environment.** As agencies determine the mode of delivery, they also will need to determine whether the assessments will be administered in a proctored or unproctored setting. This decision is more relevant when considering computer-based assessments, but also could come into play with other types of assessments.

A proctored assessment requires a third party be present when the applicant takes the assessment. Typically, the applicant will go to a specific place at an assigned time, check in with the administrator, present identification, sit down at a work station set up by the test administrators, and have a designated amount of time to complete the assessment. Unproctored assessments are unsupervised and are generally administered online. The applicant gets a notification with a link to the assessment and is told to complete it within a certain timeframe. There are advantages to each approach, as identified in Figure 4, below.

Figure 4. Advantages of Assessment Types

Proctored Assessments	Unproctored Assessments
Reduce Cheating Applicants cannot solicit outside help when completing assessment.	**Administration Ease** Applicants are sent an email which directs them to an online platform to take the assessment.
Improve Test Security Less chance for assessment content to be "leaked" to other applicants.	**Speed** Assessments are available to applicants shortly after their application is submitted.
Accessibility Applicants are provided with the equipment needed to take the assessment.	**Flexibility** Applicants can complete assessments at a time/place convenient to them.
Assistance Availability Help is available to applicants in case of technical difficulties.	**Resources** Agencies do not need to commit any resources to overseeing the administration.

When unproctored, online testing was first introduced, it was quite controversial in the assessment community because of the possible cheating and test security issues it presented. However, agencies can take steps to mitigate some of these issues. Agencies can build controls into the latter stages of the process to ensure that the applicant was actually the one who completed the assessments. This can be done through conducting additional work samples, structured interviews, or even shorter proctored versions of the assessments that touch on material similar to what was covered in the unproctored assessments.

(10) **Integration.** Ideally, assessments would easily integrate with the agency's recruitment and staffing system. There are several advantages to integration:

- *Applicant experience.* It makes the application experience seamless and user friendly because all communication comes from and goes to the same source, reducing potential applicant confusion.
- *Speed.* When assessments are integrated with the overall application system, there are fewer delays sending assessments to the applicant, scoring the results, and sending the scores to the agency—ultimately making the hiring process faster.
- *Efficiency.* Integration reduces delays caused by the need to develop workarounds or do rework to exchange information between nonintegrated systems.
- *Assessment integrity.* Integration helps ensure that assessments are delivered, administered, scored, and protected consistently using specified procedures, ensuring the integrity and defendability of the process.

Making Quality Assessments More Accessible

It is, of course, easy to tell agencies to spend more money to develop better assessments. It is less easy for agencies to find the money or resources to do that. As stated above, there are many

contractors and professional organizations that specialize in developing and administering high-quality applicant assessments. As long as agencies do their due diligence to ensure that whatever company they work with can meet their assessment needs, then organizations exist that can assist them, for a fee. Therefore, good assessment tools are available to agencies—they just might not be accessible.

MSPB believes there is a more optimal way to ensure that agencies have access to high-quality assessments. In 1999, we explicitly noted, "Agencies vary widely in their ability to develop and apply good…assessment instruments. Agencies with little in-house expertise in this field, and little or no discretionary money to pay OPM or anyone else for the needed expertise, are at a distinct disadvantage."[17] To even the playing field, Congress could provide OPM with appropriated funds to centralize the development and validation of high-quality assessment tools that agencies then could acquire at little or no additional cost, particularly for Governmentwide and high-volume occupations. As many of MSPB's studies over the last 20 years have pointed out, agencies should have better access to the best selection tools regardless of internal expertise or financial capability to develop them.

Several agencies also have told us that providing nonreimbursable assessment support would be beneficial and help the Government achieve greater economies of scale.[18] We recently asked Chief Human Capital Officers what OPM can do to improve the capacity of Federal HR offices, and one respondent replied:

> Providing resources, such as USA Hire assessments and other strategic support, on a nonreimbursable basis would benefit the Federal [G]overnment holistically and foster better consistency, efficiency, and effectiveness of the HR lines of business.

Thanks to a developing program at OPM, this goal is no longer out of reach.

USA Hire[SM]

OPM's USA Hire program office already is developing validated assessment tools that can be used for a multitude of occupations at most grade levels and that are administered through an online assessment platform available to all Federal agencies. Agencies can use off-the-shelf assessments, tailor the USA Hire assessments to their needs, or use the platform to administer agency-developed assessments. Assessments also can be delivered in proctored or unproctored settings.

USA Hire appears to address most of the 10 factors we have identified as important for agencies to consider when developing and administering assessment programs, as discussed more in depth in the "A Deeper Look at USA Hire" section of this brief. USA Hire uses validated assessments, may be used as part of a multiple hurdle approach, covers a wide range of occupations and grade levels, uses applicant-friendly technology and processes, and provides a more holistic view of the applicant than many of the assessments agencies currently use. Through consultation with OPM staff, the agency is involved in planning and implementing the assessment program. Finally, based on customer-satisfaction surveys, agency-level evaluations, and anecdotal feedback from

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[17] MSPB, *Assessing Federal Job Seekers in a Delegated Examining Environment*, February 2002, p. 31.

[18] Agencies expressed this viewpoint anecdotally in several forums, including recent interviews of USA Hire users and questionnaires MSPB sent to Chief Human Capital Officers regarding the supervisory probationary period and the HR workforce.

hiring managers, OPM has found that customers appear satisfied with the quality of the applicants they receive.

Other private and nonprofit vendors provide similar services. Notable is that USA Hire was developed using appropriated and nonappropriated Government funding. If Congress were to fund USA Hire through appropriations rather than agency fees, more agencies would be able to use it to help make better hiring choices.

The Missing Piece

While USA Hire meets many of the needs agencies might have for using quality assessments that are able to differentiate between candidates, a key drawback is the additional cost. USA Hire is available to agencies on a reimbursable basis, but it was developed using a small amount of appropriated funding as well as a larger portion of agency fees.

OPM indicated that in total, it invested $11.2 million to procure an online assessment platform, develop assessment content, and initially implement assessments across Government. Of the $11.2 million, $1.5 million was acquired from OPM's congressionally-appropriated funding. It was applied to the planning and analysis work required to determine the best approach for building the new online assessment program that would be scalable across occupations and meet Federal requirements. The remainder of the funding has been obtained from OPM's reimbursable program.[19] MSPB has long held that if Congress provided OPM with the appropriated funding needed to develop and administer assessments for Governmentwide and high-volume occupations, then those assessment tools would be available to all agencies and not just those that have the resources to spend money for these tools.

OPM explained that it did consider a centralized, nonreimbursable approach in the early phases of USA Hire and discussed it with the Office of Management and Budget (OMB). However, after piloting the assessments for the initial 12 job series, OMB determined that the best approach for implementing these assessments over time would be through OPM's reimbursable program. Staff reasoned that this would allow agencies more flexibility in coordinating with OPM to address their greatest needs. OPM further indicated that the reimbursable program provides OPM a greater opportunity to conduct more dynamic, ongoing needs assessments to determine demand for specific types of assessment tools and specific jobs while still maintaining the efficiencies inherent to a centralized assessment program. OPM also pointed out that the demand for USA Hire services has grown each year, indicating the success of this approach.

MSPB acknowledges that a fee-for-service structure provides some flexibilities that may not be available through a more standardized program. However, the issue remains that many agencies cannot afford to pay for these services. This lack of affordability creates inequities across Government where resource-rich agencies can afford to use strategies to hire the best potential candidates while resource-strapped agencies cannot—even though they may be hiring for the same occupation. To improve hiring in the Federal Government, we need to ensure that agencies have the tools necessary to adequately assess the qualifications of Federal applicants.

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[19] For more information on OPM's revolving fund, which serves to fund the reimbursable work, see "Statement of Charles D. Grimes III, Chief Operating Officer, U.S. Office of Personnel Management," before the Subcommittee on Federal Workforce, U.S. Postal Service & Census, United States House of Representatives on the Office of Personnel Management's Revolving Fund, June 5, 2013.

Final Thoughts

Before the PACE was abolished, agencies relied on the Civil Service Commission (and later OPM) to develop and administer standard tests for Governmentwide occupations. While this approach achieved economies of scale for the Government, it also resulted in longer, inflexible processes that did not meet agency-specific needs. Since that time, OPM has largely delegated assessment responsibilities to agencies to give them greater flexibility to meet their specific requirements.

That flexibility has been used to varying degrees, with mixed results. Now, some agencies have the resources and expertise to devote to good assessment practices while others do not. This system divides agencies into the "haves" and "have-nots," causing an imbalance in the quality of assessment tools being used throughout Government. We do not think this is what anyone had in mind when the Civil Service Reform Act of 1978 gave OPM the authority to delegate personnel responsibilities.

If the Government truly wants to improve hiring, it needs to focus on applicant assessment and ensure that agencies have access to assessment tools that will help them (1) efficiently manage the applicant pool, (2) make valid distinctions among applicants, and (3) identify the applicants most likely to be successful in the job.

Ultimately, agencies are responsible for their own hiring processes and how they use their resources to support those processes. Whether an agency invests in quality assessment instruments is a business decision that the agency's leadership must make after weighing all agency priorities. In making that decision, we encourage agencies to consider the research that demonstrates that good assessments increase the organization's ability to hire good employees and reduce the costs associated with bad hires.

Currently, there are many vendors that can work with HR offices and hiring officials to develop and implement high-quality assessments. We do not recommend one over another. Instead, we have pointed out a set of factors agencies should consider when they either hire a vendor or set about developing their own assessment programs.

However, one of the most important steps the Government could take in helping agencies improve their hiring is to make good assessment tools more accessible for all agencies. OPM's USA Hire program does have the ability to help agencies even the playing field, particularly for Governmentwide, high-volume, and hard-to-fill occupations—but only if assessments are made more freely available to agencies through congressionally-appropriated budgeting.

That does not mean that we should go back to the old model—i.e., reestablishing a formal test requirement and mandating that agencies use OPM's assessments. Some agencies already have developed good practices and strong vendor relationships outside of OPM. The important thing is having a set of high-quality, valid assessments for Governmentwide occupations that are accessible for all agencies. The ultimate goal is to ensure that the Government hires the best quality workforce available.

A Deeper Look at USA Hire

Background. USA Hire started under the 2010 hiring reform initiative and was initially called USAJOBS Assess. In developing the USA Hire standard assessments, the goal has been to bring agencies a range of better assessments for mission support occupations that go beyond just training and experience. The program office reasoned that many agencies already had done extensive work in developing assessments for agency-specific mission-critical positions, so the bigger return on OPM's investment would be to address occupations that cut across agencies and attain efficiency across Government.[20]

Here, we discuss how USA Hire seems to fare under the factors agencies should consider when investing in better assessment to demonstrate that the program is a good candidate for centralized funding to meet this goal.

Occupations covered. The program started with 12 Governmentwide job series commonly filled across Government, such as Accountant. Currently, OPM has developed off-the-shelf standard assessments for 120 occupations.

Grade Levels. The standard assessments span multiple performance levels, from entry-level (GS-3) to full performance (GS-15). This required identifying general competencies which contribute to high performance across a number of jobs and benchmarking those competencies to the needs for the specific grade, as identified in the qualification standards.

Assessments. For the USA Hire standard assessments, OPM offers pre-determined assessment batteries—a mix of multiple assessments based on Governmentwide job analysis and individually designed to measure specific general competencies needed for the occupation being advertised. These assessment batteries are immediately available to agencies. The applicant scores for each individual test are retained by USA Hire for 1 year before the applicant can take it again.

Types of use. USA Hire is used for rating and ranking applicants, not for screening minimum qualifications, which is still handled by agency HR offices. OPM is currently piloting the implementation of minimum cut scores for two job series used widely across Government—HR and IT Specialists. OPM plans to roll out cut scores for 10 additional commonly-filled job series by the end of FY 2018. The minimum cut scores will be used as part of an evaluation of minimum qualifications for the target job.

The standard assessments evaluate general competencies needed for the position being advertised. If agencies have identified needed technical competencies for these mission support occupations, they can couple the USA Hire assessments with their own technical assessments. USA Hire can be used for both delegated examining (i.e., the competitive-hiring process used when considering candidates from outside the Federal workforce) and merit promotion (i.e., the internal hiring process when considering only eligible Federal applicants or specified preference eligibles).

Test development. Except for agency-developed assessment content, most of the USA Hire assessments were developed and validated by OPM staff (largely IO psychologists) in conjunction with their contracting partner, PDRI. The staff feels that this collaboration provides the technical and IO expertise needed to develop the assessments and host the platform. OPM staff indicated that they evaluate the assessments delivered on the USA Hire platform on an

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[20] OPM's USA Hire webpage provides additional information and guidance at www.opm.gov/usahire.

ongoing basis with input from both OPM and PDRI IO psychologists, to include revision and improvement of existing assessment content or implementation of new content.

OPM staff explained that the 120 standard assessments are based on Governmentwide, competency-based job analyses, and agency partners are asked to do local verification before implementing the assessments as part of their hiring process. OPM used subject matter experts (SMEs) and HR representatives to help evaluate competencies measured for the first 12 occupations and then panels of IO psychologists reviewed Governmentwide job analysis data to establish standard assessment batteries for the remaining job series covered. OPM chose the job series that it would include under the USA Hire standard assessments using input from agencies on interest and need.

OPM indicates that it stands behind the USA Hire assessments from a legal defensibility standpoint and will assist with legal challenges and other inquiries as appropriate. However, agencies must follow the procedures and protocols set forth by OPM and must be prepared to defend their own use of the assessments as part of their hiring processes.[21]

Mode of delivery. USA Hire uses computer technology, including computer-adaptive tests, to implement and score the assessments. It also uses online simulations and avatar-based assessments that the staff feels improve the applicant experience. Most of the assessments delivered on the USA Hire platform were designed to be delivered online in an unproctored setting, but many could be used in a proctored setting as well.

Agency involvement. When an agency expresses interest in using USA Hire, OPM staff will consult with them to determine what is needed. They also use this time to educate agencies about what goes into a good assessment.

Although USA Hire is an automated system and OPM and its contracting partner have developed the assessments and administer the platform, the hiring process still belongs to the agency. Therefore, there is still a need for HR and SME involvement in making key decisions about the process. They should be involved in defining minimum qualifications for the position, verifying competencies needed to perform the job well, determining what competencies should be weighted more heavily (such as technical vs. general competencies), determining the scores or benchmarks that will be used to place applicants in the appropriate quality category (e.g., best qualified, qualified), and developing the certificate of eligibles (i.e., the list of the highest rated candidates to be considered by hiring officials). Because of the work agencies need to put into the process, OPM encourages them to start gradually, perhaps addressing one occupation at a time.

Integration. Not surprisingly, USA Hire is fully integrated with OPM's automated talent acquisition system, USA Staffing, which is also available to agencies on a reimbursable basis. However, USA Hire cannot be used with other talent acquisition systems. If an agency is not using USA Staffing, it still can use USA Hire in the following two ways: (1) contracting with OPM's Staff Acquisition Group on a per job announcement basis, letting them post an

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[21] OPM reported that it utilizes content and construct validation approaches to provide evidence of job-relatedness (i.e., validity) for the USA Hire standard assessments as they complete plans to gather criterion-related validation evidence. Moving forward, OPM will pursue criterion-related validation studies supported through partnerships with agencies. For more discussion on the types of validation approaches in personnel assessment, see OPM's *Assessment Decision Guide*.

announcement on behalf of an agency and implement USA Hire assessments; or (2) by investing in both a select number of USA Staffing licenses and implementation of USA Hire assessments.

Both options could provide a solution for agencies that wish to implement USA Hire assessments for a select number of targeted positions. However, the process is more complicated to administer and more expensive for agencies that do not currently use USA Staffing. This lack of integration with other automated application systems is an issue that MSPB believes would need to be addressed if USA Hire were made more widely available to agencies through congressional appropriations.

OPM expressed concerns about integrating with systems outside of USA Staffing. First, USA Hire staff stated that the business processes that OPM has developed over the past several years to ensure efficiency and quality delivery of the assessments are complex and rely on secure and effective capabilities in both USA Staffing and the vendor platform. Establishing interconnections with other talent acquisition systems would prove extremely difficult. Second, OPM representatives believe that integration of USA Hire assessments with other talent acquisition systems beyond USA Staffing would significantly increase liability and weaken control of the assessments from a legal defensibility standpoint given the broader use of the assessments in diverse environments.

Nevertheless, MSPB still maintains that this is an issue that should be further discussed and considered. Due to the reimbursable nature of USA Staffing and the additional resources its use would require for some agencies, the present inability to integrate USA Hire into non-USA Staffing platforms present a barrier to the wider use of USA Hire Governmentwide.

Application Process. Once an agency has completed the up-front work to ready the position to be announced to applicants, the typical application process using USA Hire is about 10 steps, outlined below. The steps align with the merit system principles and prohibited personnel practices by helping ensure fair and open competition, equal opportunity, advancement based on ability, and veterans' preference.

Typical Application Process with USA Hire

Step 1	The agency HR office announces the job opportunity, generally through USAJOBS, to ensure that public notice requirements are met and that competition is fair and open.
Step 2	Applicants submit their résumés and supporting documentation regarding their eligibility and minimum qualifications for the job. Eligibility and minimum qualifications information is generally provided in the occupational questionnaire and is initially scored electronically, using on the applicant's answers to the questionnaire.
Step 3	USA Hire sends an email to applicants who report meeting minimum qualifications. The email includes a link to the USA Hire assessment battery and instructions on how and when to complete it.
Step 4	Applicants complete the assessments.
Step 5	USA Hire sends agencies the applicant scores.

Step 6	Category rating is applied for competitive positions that are open to non-Federal applicants. The agency HR office assigns candidates to the appropriate quality category based on USA Hire scores and any other initial assessments performed by the agency (e.g., scores of technical or agency-specific competencies from the occupational questionnaire). The HR office also applies veterans' preference to ensure that veterans' employment rights are protected. For merit promotion positions (e.g., open to only Federal employees or others with hiring preference), the agency merit promotion plan will determine how applicants are sorted.
Step 7	The agency HR office verifies—generally through a résumé review—that the applicants placed in the highest quality category actually possesses the minimum qualifications and other job requirements.
Step 8	The agency HR office develops the certificate of eligibles and forwards it to the hiring manager.
Step 9	Depending on agency policy, hiring managers can then complete additional assessments, such as structured interviews and reference checks.
Step 10	The hiring manager makes the final selection.

Some might consider the number of steps in the process to be excessive, and there may in fact be ways to reduce the number of steps and maintain merit in the system. For instance, some hiring experts say that the résumé review may soon be a thing of the past and that technology, online assessments that measure skills and potential, and even automated interviews to reduce biases could be the wave of the future.[22] In the meantime, the Federal Government may be able to streamline to the process with more traditional strategies, but we must keep in mind that as we make it easier to apply, the volume of applicants is likely to increase—as it has done in recent years. Therefore, the ability to make distinctions among applicants through good assessment is critical.

Customer reactions. The USA Hire program office indicates that it has developed a long-term program evaluation strategy, to include feedback on the online assessments from applicants, HR professionals, hiring managers, and agency senior leaders. OPM currently conducts regular surveys of applicants and agency customers regarding their experience with USA Hire assessments and reports that the results have been largely positive. OPM also has coordinated with agencies that have conducted their own evaluations and currently solicits anecdotal feedback from HR staffs and hiring officials, which has also been largely positive.

MSPB interviewed representatives from four agencies about their experiences using USA Hire and talked with OPM about customer-service data. Customers reported the following positive aspects of the USA Hire assessment program:

Comprehensive evaluation: The assessments go beyond just evaluating technical skills and measure general competencies needed for the job that were hard to assess through the typical T&E assessments they had been using.

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[22] For instance, see Oliver Staley, "The Resume Of The Future Will Tell Employers Who You Are, And Not Just What You've Done," *Government Executive*, April 18, 2018.

Meaningful distinctions among candidates: USA Hire scores have been more normally distributed—with scores tending toward the middle—as opposed to occupational questionnaires in which scores tend toward the top of the scale.

Ease of implementation: USA Hire leverages automation to streamline administration and scoring processes.

Applicant friendly: OPM staff has surveyed applicants since 2011 and reported to us that 94 percent agreed that the USA Hire online assessment process was user friendly and 86 percent were satisfied with the process, based on data collected through 2017.

Reduced burden on agency HR specialists: As previously mentioned, the ease of the current application process has anecdotally led to increased numbers of unqualified applicants and those who are not serious about taking the job. The USA Hire customers we interviewed reported that many of those applicants choose not to complete the assessment. OPM reported to us that data from 2011 through 2016 demonstrated that 43 percent of applicants opted out of the assessment process. Provided that it is unqualified applicants dropping out of the process, this trend not only helps improve the quality of the applicant pool but also significantly reduces the burden on HR staffs.

Better candidates: OPM's evaluations, which are based on anecdotal feedback, indicate that hiring managers, HR specialists, and applicants have generally responded favorably, and some managers have indicated that they are receiving higher-quality applicants. The customers we interviewed largely agreed.

Satisfaction with OPM: Customers were largely satisfied with the support OPM provided through USA Hire. We did receive some mixed reviews on a couple of issues. Although most of the customers were satisfied with the timeliness in getting the list of best qualified applicants, one agency pointed out that USA Hire actually adds a few days to the process because of the extra time provided to applicants to complete the assessment battery and for the contractor to deliver the scores to the agency. OPM pointed out that implementing the USA Hire standard assessments does require agencies to add a fixed 48-hour window of time after the official close of the announcement to allow all applicants a reasonable and fair opportunity to complete the assessment battery.

Cost: OPM could not quote a specific cost for using USA Hire because a lot depends on what the agency's specific needs are, whether the agency uses USA Staffing, how many occupations and grades are advertised, whether the agency uses off-the-shelf assessments or tailored assessments, and several other factors. Program office representatives said USA Hire could cost as little as $2,000 per vacancy, depending on the answers to some of those questions. The customers we interviewed did not have any concerns about cost, mostly because they either did not know the overall cost, they already had money in their account with OPM, and/or they felt the cost was worth the benefits. However, as pointed out earlier, this is a challenge for some agencies that do not have resources for assessment.

MSPB's research demonstrates that agencies would be able to improve hiring by using better assessment tools. Providing agencies greater access to OPM's USA Hire program could help achieve that goal.

Select MSPB Studies Related to Assessment and Selection

The Impact of Recruitment Strategy on Fair and Open Competition for Federal Jobs, January 2015

Evaluating Job Applicants: The Role of Training and Experience in Hiring, January 2014

Job Simulations: Trying Out for a Federal Job, October 2009

Reforming Federal Hiring—Beyond Faster and Cheaper, September 2006

Reference Checking in Federal Hiring: Making the Call, September 2005

The Probationary Period: A Critical Assessment Opportunity, January 2005

Identifying Talent through Technology—Automated Hiring Systems in Federal Agencies, August 2004

The Federal Selection Interview: Unrealized Potential, February 2003

Assessing Federal Job Seekers in a Delegated Examining Environment, February 2002

The U.S. Office of Personnel Management in Retrospect –Achievements and Challenges After Two Decades, January 2001

The Role of Delegated Examining Units: Hiring New Employees in a Decentralized Civil Service, August 1999

The Rule of Three in Federal Hiring: Boon or Bane?, December 1995