

## ***Employment Testing In Banks And Credit Unions***

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### ***This Month's Subject: How to use test results to improve performance, not just "eliminate candidates"***

One of the most common objections that we hear to using employment tests, especially for entry-level hourly employees, is that the test results seem to eliminate otherwise qualified candidates. This is a significant problem in a competitive job market, particularly in low population areas. And we have all been in the position of knowing, in the words of an acquaintance of mine, "I've got to have *someone* in that position. I don't get enough applicants to have the luxury of eliminating anyone!"

### **Hire the Right Person, Not Just Any Person**

As important as it is to quickly fill a vacant position, it is more important to fill it with the right person -- that is, with a person who has the skills and attitudes necessary to perform the job well. For any given job, it is tempting to simply assume that "everyone knows how to (fill in the blank)." However, simple observation of people on the job quickly deprives us of that assumption.

People are all different and that means that the main duties of any job, from teller to bank president, are such that some people are naturally suited to perform those duties well. It also means that other people, with different skills and experience, will have a steeper learning curve to climb. And, alas, there are some people whose skills and experience are limited enough that they are not suited for the job.

How are you supposed to know if the applicant sitting in front of you has the skills and experience required by the job? You can verify the experience with a phone call or two. To evaluate the person's skills, you need a psychological test; there are two types of such tests, depending on what you want to measure.

### **What Do Employment Tests Measure?**

Employment tests measure two things: skills and attitudes. Skills tests, sometimes called aptitude tests, measure a person's level of proficiency at a defined skill, or the level of knowledge of a defined body of information. Attitude tests measure a person's internal attitudes, preferences, or assumptions in specific situations.

The test developer is responsible for doing the research to ensure that the test measures what it claims to measure, a process called validation. Proper test usage requires, in addition to the requirement that the test be valid, that the particular test used measures skills or attitudes that the job requires. This is called “job relevance.” Job relevance can be indicated by showing in the job description that the job requires certain skills.

While an employment test helps you evaluate applicants, that’s not all it can do. It can also be used to make training, development, and promotion decisions.

## **How To Use Employment Tests To Improve Training Efforts**

Because employment test results give a snapshot of the test-taker’s skills or attitudes, they can also provide information that can be used to improve those skills. Test results are *a valuable source of information for training and development*. If, for example, a test-taker’s level of proficiency on a skills test is low, this points to specific training needs. Instead of thinking of a marginal test score as a “cut-off” that eliminates a person from further consideration, think of it as an indicator of how best to train that person.

Let’s look at a concrete example: our TELLER TEST measures the ability to manipulate monetary denominations to perform routine banking transactions. Scores range from 100 (perfect score) to 0 (no correct answers). From our research, we know that individuals who score less than 60 on the TELLER TEST will tend to make significantly more errors handling money on the job, and will tend to learn more slowly and work more slowly, than individuals who score above 60. That does not mean, however, that we recommend against hiring anyone with a score below 60, as the person may be able to perform adequately in jobs that don’t require handling money. Information from the TELLER TEST results will allow you to adapt training and supervision to fit the individual’s needs.

## **A Final Note**

Employment tests are the starting point for training and development on the job, and not a hurdle that must be cleared before an applicant can be considered. We strongly recommend that employment test results be used *in addition to* all other information that you gather about an applicant. Test results should be just one factor in the hiring or promotion decision, and then used to increase the effectiveness of training and development.

## ***A FREE Consultation***

If you have any questions about how to use employment tests, give us a call for FREE consultation about your specific testing and training needs.

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**The Reason For This Newsletter** is to provide a review of basic issues about how to use employment tests in your bank or credit union *to help you select, hire, and train more effective employees*. We have over 25 years of experience in helping banks and credit unions use employment tests. Please visit our website ([www.helmtest.com](http://www.helmtest.com)) to learn about the tests that we offer for financial institutions.

## **Please share this News Bulletin with others who are interested in these subjects!**

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### **About Us**

Kurt G. Helm, Ph.D., is the founder and president of Helm and Associates, Inc. He is an industrial psychologist who has been working with organizations and businesses since 1975, helping them assess personal work-related performance preferences in manager and executive applicants. In addition, he has developed and validated many industry- and job-specific employment tests that do not require a psychologist’s interpretation.

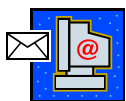
Barbara Otto is the vice-president and director of test program implementation and research for Helm and Associates, Inc. She designs and manages scoring procedures and customer service for tests, and conducts validation studies and concurrent statistical analyses of test data. She joined Helm and Associates, Inc. in 1981, and has extensive private and public sector experience in program development and management.

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## Statement of Principle

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Helm and Associates, Inc is dedicated to the proper use of tests to make the hiring, placement and promotion process fair and objective. It is our belief that both organizations and their employees benefit most when there is a good match between the job and the person who fills it.

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### *Tests for the Financial Services Industry:*

**TELLER TEST** – Measures a bank teller applicant's general competency by focusing on the core teller competency of counting money accurately under time pressure.

**BANK RELY TEST** – Measures work ethic, attitudes toward punctuality, attendance and initiative. Instruct/trains for a good work ethic.

**BANK CUSTOMER SERVICE SURVEY** – Measures People Orientation, Cross Selling Ability and Complaint Handling Ability. Instructs/trains for improved customer service.

**CREDIT UNION MEMBER SERVICE SURVEY** – Measures People Orientation, Cross Selling Ability and Complaint Handling Ability. Instructs/trains for improved member service.

### *Tests for Sales, Management, Executive and Professional Positions:*

**PERFORMANCE PROFILE** – Measures fifteen job-relevant personality and performance characteristics, and includes the General Information Appraisal and the Work Attitude Questionnaire. Instructs/trains for improved managerial effectiveness.

**SALES SUCCESS PROFILE** – Measures 12 critical selling skills. Instructs/trains for improved sales effectiveness.

### *Tests for the Employment Services Industry:*

**RELY FOR TEMPS TEST** – Measures work ethic in Temp applicants, attitudes toward punctuality, attendance and initiative. Instructs/trains for a good work ethic.

### *Tests for the Retail Industry:*

**COIN TEST** – Designed for cashiers or any position involving the handling of money. Measures the ability to count money accurately under time pressure. Available in industry-specific versions.

**JOB APPLICANT SURVEY** – Measures service attitudes (helpfulness, dealing with rude customers, sales), work ethic (attendance, punctuality, initiative, reaction to authority) and risk attitudes (theft, drug use, violence).

**QWIK-RELY TEST** – Measure work ethic, attitudes toward punctuality, attendance and initiative. Instructs/trains for a good work ethic.

### *General Employment Tests:*

**GENERAL INFORMATION APPRAISAL** – Measures general knowledge and thinking skills. Appropriate for all jobs and employment levels.

**WORK ATTITUDE PROGRAM** – Measures attitudes toward theft, substance abuse on the job, workplace violence, and sexual harassment. Instructs/trains in appropriate workplace behavior.

**RELY-PLUS TEST** and **QWIK-RELY TEST** – Measure work ethic, attitudes toward punctuality, attendance and initiative. Instructs/trains for a good work ethic.

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