

Employment Equity Act Amendments and the Relevance of Assessment Centres in an Emerging Market

BREAKING THROUGH TRADITION: IO PSYCHOLOGY FOR THE 21st CENTURY



SCIENCE

INNOVATION

SIOPSA
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*Systems make it possible...
People make it happen.*

EOH

Main points

We cannot gauge leadership potential in the *same way we did a few years ago* and we also cannot measure it in the *same way in different contexts*.

Adapting *Western Assessment Centre technologies* in emerging markets contains potential pitfalls.

Can the competency model of leadership in emerging markets be a *one-size-fits-all tool*?

An Assessment Centre designed to identify *true leadership* in an emerging economy.

Trait Activation Theory used in Assessment Centre design as an intervention strategy to elicit specific, relevant leadership behaviours.

The impact of the *EE Act Amendments* on Assessment Centre design and practice.

Is it necessary to *register every customised Assessment Centre with the HPCSA*?



1. The *impact on AC performance because of a participant's cultural background* must be taken into account.
2. Where practical/possible the *assessor group should be diverse and culturally representative*.
3. Assessors should receive *diversity awareness training* to moderate bias.
4. *Structured rating forms* should be designed to properly account for *organisational culture and context*.
5. The *process of AC design* should include *multi-cultural representation*.
6. However, these specific cross-cultural considerations must *not be at the expense of the measurement of job inherent requirements*.

Leadership and Talent Management in Emerging Markets **EOH**

Companies must consider talent and HR issues as part of their broader *risk management strategies*

Three programmes are proposed to shape global companies' risk-based strategy to *capturing talent in emerging markets*.

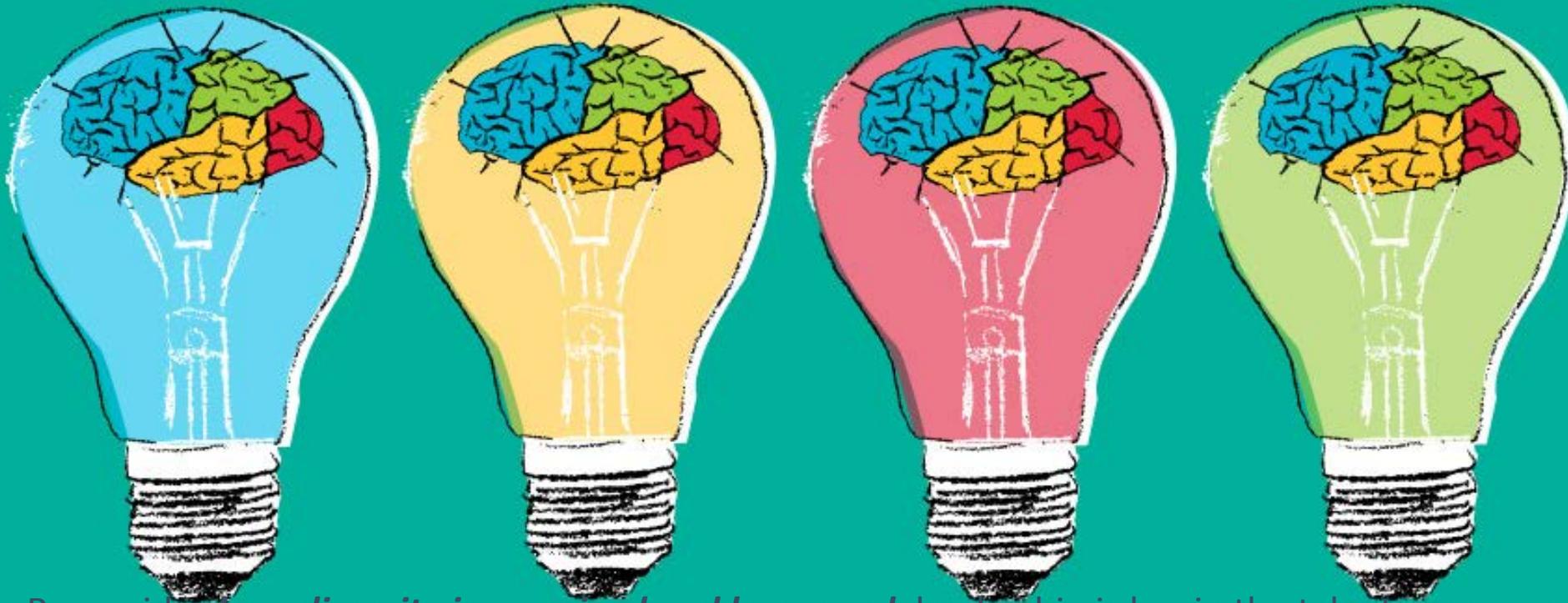
Develop a detailed plan that forecasts changing TM requirements to support growth in maturing, high-potential markets

Recognise that employee priorities are dynamic, especially in maturing workforces of emerging economies.

Build a local workforce that responds to sophisticated local buyers.



EOH HCS recognises the need for leaders to work more effectively to attract, engage, develop and motivate diverse talent in a dynamic, complex global environment.

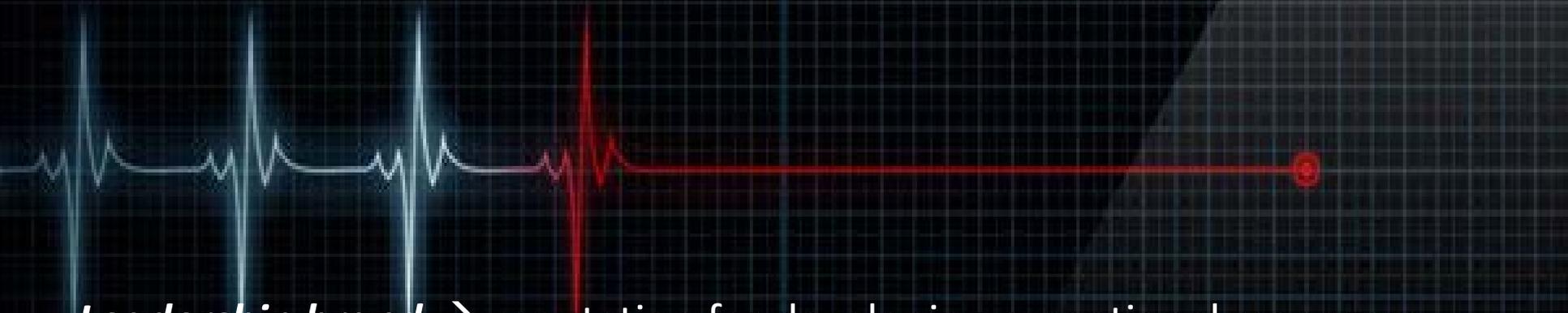


- Reconsider ***how diversity is perceived and leveraged***: leadership is key in the talent process and has a disproportionately large impact on the performance, motivation, engagement and retention of employees
- If leaders are making assumptions about, or misreading ***the needs of critical talent***, performance and retention rates will be suboptimal

Many firms rely on a **competency model** that identifies a set of **generic traits – vision, direction, energy, and so on.**

➤ A focus on desired traits of *individual leaders* → *generic models.*

Vanilla competency models generate vanilla leadership.

A stylized ECG (heart rate) line is overlaid on the slide. It starts with several regular, light blue pulses on the left side. In the middle, there is a single, sharp red pulse. Following this, the line becomes a flat, horizontal red line that extends to the right, ending in a small red circle with a white cross inside, resembling a medical marker or a pulse point.

Leadership brand → reputation for developing exceptional managers with a distinct set of talents, uniquely geared **to fulfil key stakeholder expectations.**

- ✓ Strengthen a leadership brand by translating what the organisation represents in the marketplace into a set of **managerial behaviours.**
- ✓ Expanding the competency model to **include an external focus** allows companies to offset the risk.

EOH HCS enables clients to build their Leadership Brand



Nail the prerequisites of leadership.

Connect your executives' abilities to the reputation you're trying to establish.

Assess leaders against the statement of the leadership brand.

Let the customers and investors do the teaching.

Track the long-term success of your leadership brand efforts.



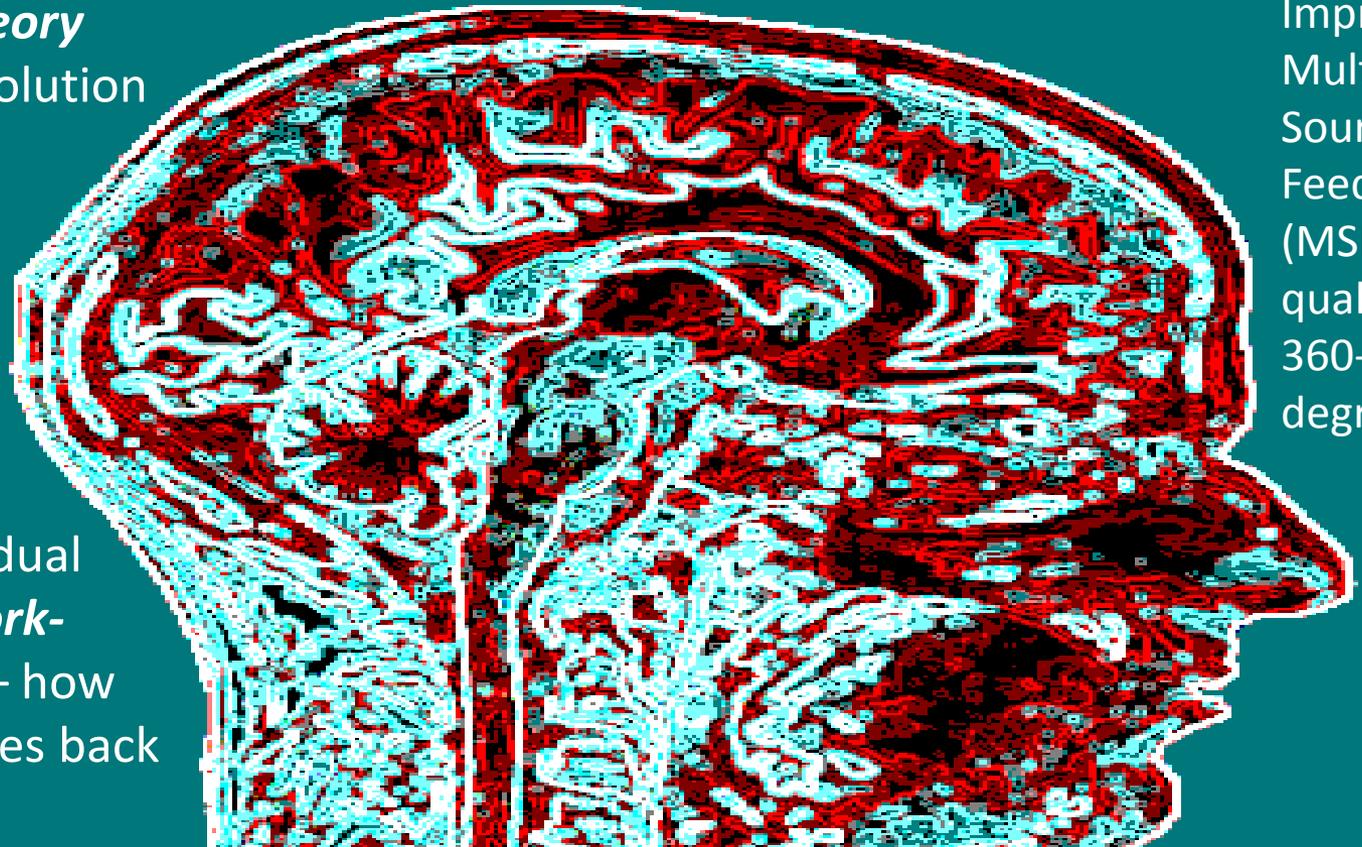
AC exercises = different situations = different psychological demands

- What if exercises fail to target the correct dimensions (competencies)?
Can the decision for selection still then be seen as valid?
- Correct competencies need to be targeted and displayed in the AC

Trait Activation Theory (TAT) is a possible solution to this dilemma



Explains how individual traits express as ***work-related behaviour*** – how this behaviour relates back to performance



Improves Multi-Source Feedback (MSF) quality (eg 360-degree)



Practical Value of TAT

- 1 Latest Assessment Centre technology and design applications
- 2 Trait Activation Theory enables bespoke Assessment Centre solutions
- 3 Distinguishes between top, medium and low talent levels
- 4 Enables minimisation of replacement costs – Right 1st time approach
- 5 Permits improved Talent Management decisions and actions

- As a ***selection device***, ACs automatically fall under the auspices of the EE Act → it must be ***valid and reliable***, must be ***applied fairly to different groups***, and must ***measure inherent requirements of the job***.
- AC designers must rely on ***job analysis and collated job-related information*** to create a documented ***evidence portfolio*** of the analysis process to inform validation.
- When the AC method measures ***behaviour*** by means of ***work-related behavioural simulation exercises rather than psychological constructs***, the requirement for certification of behavioural simulation exercises with the HPCSA is irrelevant.

