PURPOSE OF THE ESQ2 USER'S GUIDE

The ESQ2 User's Guide was designed to provide important information on the use and interpretation of the ESQ2; an exceptionally powerful assessment used to select dependable, hard working, and committed employees. The User's Guide addresses a number of important questions that are critical to the successful interpretation and understanding of the results.

Note: It is extremely important that all persons interpreting the ESQ2 read and understand the contents of the ESQ2 User's Guide. SIGMA assumes no liability for any consequences associated with the failure to read and follow these guidelines.

QUESTIONS ABOUT THE USE OF THE ESQ2

Question #1: Why should I use the ESQ2?

SIGMA understands that organizations not only seek to hire employees who abstain from undesirable behaviors such as theft and loafing, but also those who are productive and committed. As such, the ESQ2 was developed to allow employers to identify superior job candidates and screen out those who tend to be less dependable and less productive. Also, the ESQ2 is unique among selection measures in that it is resistant to faking (e.g., responding to questionnaires in the most desirable manner possible).

Research indicates that when used properly, the ESQ2 outperforms the average job interview, references, grades, interests, and several other criteria for predicting employee behavior. In fact, it is potentially the best, most effective predictor of integrity and dependability. The ESQ2 will help you make better hiring decisions when dependability, integrity, work ethic, customer service, and a freedom from disruptive behaviors are qualities/skills that are important for the positions you wish to fill.

That is not to say that the ESQ2 should be used as a stand-alone hiring tool. The report was designed to be used in conjunction with other information gathered during the applicant screening process. Final hiring decisions should be based on a combination of the results reported in the ESQ2 and other sources, such as the applicant's job knowledge, past experience, specific skills and aptitudes, and performance during a job interview.

Question #2: As a trial, can I give the ESQ2 to my current employees?

No, it is not appropriate to use the ESQ2 with current employees. Consider the following points and refer to the examples given below:

1. Current employees tend to provide different response patterns than job applicants when completing assessments. Since current employees already have the job, they will usually be less motivated than applicants to make a good impression.

2. ESQ2 results are determined by comparing an applicant's scores with scores from other job applicants who have taken the ESQ2 in the past. This is not an appropriate comparison group for current employees.

3. The validity of an assessment is determined using a very large sample of job applicants. A handful of people will not yield meaningful results.

Example 1: Altered Response Patterns

Consider the following example. Imagine asking a colleague some personal questions in order to get to know him better. The conversation is recorded, and there is mention neither of an evaluation, nor of a reward or punishment resulting from the conversation. A colleague who trusts you will probably discuss aspects of his life and character that are positive, as well as some negative information.

Now, imagine asking several job applicants to do the same, and recording the conversations. The job applicants will tend to give you positive information. If an outside observer were to read the transcripts of all of these conversations, they might think that your colleague is "the worst of the bunch." A similar result might occur from comparing a current employee's score to a job applicant's score on an employment test.

Because of differences in test-taking motivation, sometimes a high performing current employee will get low scores on various dimensions of the ESQ2. Such results could lead you to question whether this employee should remain with the organization. SIGMA strongly recommends against terminating employees based on the results of the ESQ2, or any personality-based selection assessment. This is an inappropriate use of personality testing. Neither SIGMA, nor its partners, nor its Affiliates will be held liable for any resulting legal claims made by former employees terminated as a result of their ESQ2 results.

Example 2: Comparison Groups

Scores on the ESQ2 are determined by comparing an applicant's scores with a large sample of job applicants who have taken the ESQ2 in the past. This comparison results in applicants receiving scores based on how they perform relative to the applicant "norm group."

Now consider that if current employees were to take the ESQ2, their scores would also be compared to job applicants' scores. This comparison group is not relevant because of the differences in response patterns explained above. Current employees' scores will usually be somewhat lower than job applicants' scores.

Example 3: Validity

Determining how well a test predicts job performance is a complex process that often incorporates data from hundreds or thousands of respondents in order to produce meaningful results. Strength is in numbers - it would not be meaningful to draw conclusions based on the test results of only a handful of people.

Consider the following example. Recently a colleague flew Skywest Airlines for the first time, and his flight was delayed. Because of this, he incorrectly thought that Skywest is *usually* late, and vowed to not fly with them again. But Skywest has one of the best on-time records in the industry. He has since faithfully returned to his previous carrier with an inferior record, and will now spend more time waiting as a result of delayed flights. This is the effect random chance has with small sample sizes.

Question #2.5: If I can't trial the test with my current employees, can I take the ESQ2 myself and/or give it to some of my colleagues, friends, or family?

This is also not an appropriate use of the ESQ2, as it lacks credibility and objectivity. It would be a disservice to allow companies to engage in these types of trials. Our reasons for this are the same as those mentioned above about the use of the ESQ2 with current employees. There is another issue that is explained below.

Objectivity (and Defensiveness)

Most people are not able to keep their objectivity intact when it comes to their own test results, especially with some of the sensitive issues predicted by the ESQ2. This is a result of the way we tend to process information about ourselves and is referred to as the "better than average" (BTA) effect. The BTA effect refers to the tendency for most individuals to evaluate themselves as "better than average."

As a result of this, people tend to only accept their own ESQ2 results if they're higher than average. By definition, most people will not score above average. Therefore, many people will not like their ESQ2 scores and will be unhappy with their results.

Imagine your company is thinking about using a new job interview technique. Before being adopted, this new interview technique is evaluated. The interviewer asks the job applicant several questions. The applicant responds, and the interviewer makes notes. Some of these notes discuss positive observations and impressions, and some are negative.

What would be the best, most fair way to evaluate the quality of the new interview technique? Give the applicant the interviewer's notes, and ask him how much these

notes agree with his self-image? Certainly not. Due to a serious lack of objectivity, this would not be a valid, credible approach.

When decision makers or their colleagues receive low scores on the ESQ2, they may feel attacked and become defensive. Some people are more inclined than others to respond in this way. This process unfairly creates critics of the ESQ2.

Question #3: What does the ESQ2 measure?

The ESQ2 measures personality traits, and based on these traits, predicts whether applicants are likely to engage in a range of productive and counterproductive work behaviors. Certain personality dimensions are predictive of various behaviors. For example, people who are less responsible and less self-controlled will tend to engage in counterproductive behavior more often, all other things being equal. On the other hand, individuals who are accommodating, even-tempered, extroverted, good-natured, hard working, and dependable tend to provide excellent customer service.

Question #4: What does the ESQ2 NOT measure?

The ESQ2 was only designed to predict whether or not a job applicant is likely to engage in productive or counterproductive behaviors on the job. It is not meant to replace performance evaluations for current employees. Do not use it with current employees. SIGMA has other solutions designed for development and appraisal purposes.

Also, ESQ2 scores should be interpreted as probabilities and not certainties. Human behavior cannot be predicted with 100 percent accuracy. For example, consider a doctor predicting a patient's risk of heart disease. When determining the patient's risk level, doctors look for various risk factors that include family history, smoking habits, alcohol consumption, activity level, weight, blood pressure, and diet. Research has shown that, in general, people with more of these risk factors are at a higher risk for heart disease than people with none of these risk factors. But there are no guarantees that somebody with all or many of these risk factors *will* develop heart disease. On the other hand, there are no guarantees that someone with none of these risk factors *will not* develop heart disease.

This example illustrates that doctors cannot predict with certainty who *will* develop heart disease; they can only assign risk. The ESQ2 works much in the same way – it measures personality dimensions that are related to work performance and, based on these personality dimensions, predicts whether individuals are likely to engage in a range of productive or counterproductive work behaviors.

Over the long run, the ESQ2 will increase the net productivity, accuracy, and quality of customer service in your organization, while minimizing your risk of hiring an applicant who is likely to engage in counterproductive work behavior.

Question #5: Is the ESQ2 available in any other languages?

The ESQ2 is available in English, French, and Spanish. Please note that applicants taking the ESQ2 in English must be proficient in the language. The results of this assessment will only be valid under these conditions.

QUESTIONS ABOUT THE INTERPRETATION OF THE ESQ2

Question #1: What is a percentile? Is it the same as a percentage?

A **percentile** is a value that can range from 0 to 99 and indicates the percentage of people in a comparison group who obtained a score that is equal to or lower than the applicant's score. For example, if an applicant scored in the 66th percentile on a selection test, 66% of the comparison group of applicants received the same or a lower score than this job candidate. In other words, that applicant achieved a score that is equal to or higher than 66% of the comparison group of job applicants.

It is important to not confuse percentile scores with **percentage** scores. Percentile scores allow you to compare an applicant's scores with a large group of other people who have taken the ESQ2. Percentage scores simply reveal the number of items that were answered out of the total number of items (i.e., 15/20 is 75%). In the case of the ESQ2, percentile scores are reported indicating that the applicant's scores are compared to a relevant group. This comparison group is called the normative group.

The 50th percentile is an average percentile score and indicates that half of the people in the comparison group received the same or a lower score than the applicant. **Thus, an applicant scoring in the 50th percentile on the "Theft" performance dimension of the ESQ2 <u>does not</u> indicate that the individual has a 50% chance of engaging in theft. Rather, scoring in the 50th percentile means that 50% of the people in the comparison group of job applicants received a score that was equal to or lower than the job candidate. That is, the candidate is no more likely to engage in theft than the average person in the comparison group.**

Question #2: What do high and low scores mean? Is it better to have a high score or a low score?

In the ESQ2 report, the meaning of high or low scores depends on which portion of the ESQ2 you are looking at. That is, whether you are interpreting the section of the report that measures (a) the applicant's likelihood of engaging in positive work behaviors including the Overall Hiring Recommendation, or (b) the applicant's risk of on-the-job delinquent behaviors.

Positive Work Behaviors

> **For all of the positive work behavior dimensions, <u>higher percentile scores</u> are more desirable.**

On these dimensions, higher percentiles indicate that the candidate is likely to perform better than a large proportion of the comparison group. For example, an applicant scoring in the 75th percentile on the "Accuracy" dimension is likely to demonstrate more care and attention to detail and be more organized when performing the job than 75% of the comparison group of job applicants.

Risk of On-the-job Delinquent Behaviors

For all of the negative work behavior dimensions, <u>lower percentile scores</u> are more desirable.

On these dimensions, lower percentiles (e.g., below the 50th percentile) indicate the applicant has a lower risk of engaging in negative work behaviors than a large proportion of the comparison or norm group. Recall that the 50th percentile is an average percentile score and indicates that half of the people in the comparison group of job applicants received a score that was equal to or lower than the job candidate. Thus, scoring in the 50th percentile for the negative work behaviors means that the candidate is no more likely to engage in negative work behaviors than the average person in the comparison group.

Consider the following scores for two candidates on the "Theft" dimension. The first candidate scores in the 25th percentile and the second candidate scores in the 75th percentile. Scoring in the 25th percentile on the "Theft" dimension indicates that the candidate is less likely to engage in theft than the average applicant in the comparison group. On the other hand, a score in the 75th percentile indicates that the candidate is more likely to engage in theft than the average candidate in the comparison group. So, in comparing these two candidates in terms of their risk of theft, the first candidate is more desirable.

Overall Hiring Recommendation

The Overall Hiring Recommendation provides a summary of all of the dimensions predicted by the ESQ2. It is based on combined scores for all positive work behaviors and all risk behaviors. The Overall Hiring Recommendation should be used to determine the overall quality of the applicant as measured by the ESQ2. When interpreting the Overall Hiring Recommendation, **higher percentile scores** are better.