

**THE USE OF ASSESSMENT CENTRES BY
MULTINATIONAL AUDITING FIRMS IN NAIROBI**

BY

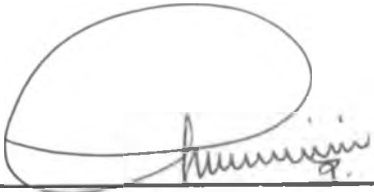
KARIUKI N. ROSE

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE,
FACULTY OF COMMERCE, UNIVERSITY OF NAIROBI.

2002

DECLARATION

This management project is my own original work and has not been presented for award of a degree in any other university.

Signed  _____

KARIUKI N. ROSE

(STUDENT)

Date 28/10/02.

This management project has been submitted for examination with my approval as the university supervisor.

Signed  _____

PROF. PETER K'OBONYO

(SUPERVISOR)

Date 28/10/2002

DEDICATION

I dedicate this research project to the following
persons:

DAD & MUM

❖ Mr. Julius Kariuki Mwangi & Mrs Rachael Kariuki

&

❖ Joannes Lenana

ACKNOWLEDGEMENT

I am grateful to **God** for having seen me through these two years of my postgraduate studies, and this research project.

I am also extremely grateful to my supervisor, **Prof. Peter K'obonyo** for his support, patience and wise academic counsel from the initial stage to the completion of the research project. In the same token, would like to thank my lecturers- Dr. Martin Ogutu and Mr. George Omondi for their academic advice.

I am also highly indebted to **Dad-** Mr. Julius Kariuki Mwangi, **Mum-** Mrs. Rachael Ngina Kariuki, for their moral and financial support. Special thanks also goes to my young brother- Peter Mwangi and sisters- Lydia, Virginia and Margaret. Thanks a lot for your support during this period.

A very special word of thanks also goes to **Mr. Joannes Lenana**, for his support inspiration, time, moral support and academic advise for the better part of my Postgraduate studies and during the research project- 'ASHE OLENG'.

I am also highly indebted to the following persons: Mr. Wanjuki Muchemi, Mr. Samwel Njuguna Kangethe (KTDA Ltd.), Mr. Joseph K. Ngacha, Mr Fred Muchoki, Nyawira Mathenge and Carol Nungari Mureithi for their support during the programme and research project. Big thanks also goes to my classmates, Bill Kinyanjui, Sophia Wanjiru, John Rukunga and Rodgers Mungumi who made the two years including the time for this research project most enjoyable.

Last but not least, my special thanks goes to all those who gave me inspiration, time and moral support for the better part of my postgraduate studies, and during the research project. And to all the respondents and all those people who did assist me in one way or another.

"THANKS SO MUCH AND GOD BLESS YOU ALL"

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The term assessment center has been defined in a number of ways. The term does not refer to a physical place, but it describes an approach. Fowler (1992) defines assessment centers as a process which consists of a small group of participants who undertake a series of tests and exercises under observation as means for assessment of their skills and competencies, suitability for particular roles and their potential for development. Thornton and Byhan (1982) further describe an assessment center as a procedure that uses several different techniques to evaluate individuals on a number of different related dimensions. From the forgoing definitions, it is evident that an assessment center is an approach rather than a physical place and that there is the utilization of different techniques in order to assess various qualities of an individual or a group.

Traditionally, an assessment center consisted of a suite of exercises designed to assess a set of personal characteristics. It was viewed as a formal process where the individuals being assessed had the results fed back to them in the context of a simple yes/no selection decision. However, there is a shift in thinking away from the traditional view of an assessment center to one, which stresses the development aspect that involves the individual actively participating in the process rather than being passive to it. This shift in thinking is consistent with the current movement away from the traditional personnel management to the current human resource management practices.

Thornton and Byhan (1982) trace the present day practice back to the Germany Officer Selection Programme beginning in the 1930s. The general selection practices were known and modeled by the British War Office Selection Boards and then by U.S office of Strategic Service (OSS) during World War II. In all cases, the need was to select large numbers of military personnel to be placed in demanding leadership assignments. However, the single most important contribution to the present day popularity of assessment centers was the Management Progress Study at AT&T. Bray and Grant (1966, 1974) began following a group of 442 managers who joined six Bell System Companies in 1956. From the beginning, Bray and the research team developed multiple assessment procedures to measure the characteristics of the managers that might be related to their successes and adjustments to their jobs at AT&T. The AT&T assessment process has become the model for present day assessment centers.

The concept of assessment centers as a model of selecting Personnel to serve in the military arose initially from the fact that the existing system was resulting in a large proportion of those officers it had predicted would be successful being considered unsuitable. The selection system had mainly relied on interviewing to select officers. The assessment center approach subsequently adopted was an attempt to elicit the types of behavior that an officer was required to display in order to be successful in their jobs. In the United States, assessment centers were initially used to select spies during the Second World War II (Thornton and Byhan, 1982). After AT&T had adopted this process in 1956, other companies followed suit such as Sears, General Electric and IBM followed suit.

Woodruffe (1993) posits that “there were differences between the US and UK approaches which largely stemmed from the original background to their induction. In the UK, emphasis was placed on group exercises whereas in the US, the emphasis was on leaderless group exercises.

Employers use assessment centers to obtain a more three dimensional and objective view of the candidates before deciding whom to appoint. Candidates for assessment centers are those who have come through first interviews and are thought capable of carrying out successfully the jobs on offer.

Assessment centers provide selectors with evidence of technical competencies, scientific knowledge and skills, intellectual capacities and potential strengths, interpersonal and communication skills, problem solving, immediate and longer-term management potentials. On the other hand, candidates use assessment centers to gain more information or background on company, its training schemes, how it motivates, rewards and promotes its staff, and the people one may work with. Thus both the employer and the candidate(s) are in a position to make sounder judgment about job offers and acceptances.

The criteria which employers apply when viewing candidates include an employer’s checklist of skills, abilities and competencies against which they rate each of the exercises. The assessment could also include the following areas;

- Problem solving
- How to get things done

- Communication skills
- Independent mindedness
- Capacity to work as a team
- Ability to adapt and quickly fit in the environment
- Ability to influence and persuade others
- Technical understanding
- Initiative, etc.

Employers will usually record their comments on a 1-5 scale with notes on examples of what they have seen and heard while observing the candidate.

A typical programme at an assessment center will include: presentations by senior members of the company and an opportunity to mingle with the candidates. Selection activities may include;

- Two or more interviews
- Group exercises such as discussion, work simulation or business games.
- An in-tray exercise
- Psychometric tests e.g. verbal and numerical reasoning, technical test

Assessment centers are most often used for the selection of managers and graduate trainees (IRS, 1991a). The IRS survey further shows that assessment centers are most likely to be used by large employers (over 5,000 employees). Thus it will be important to find out whether this is the case with Multinational Auditing Firms in Nairobi, given the fact that most of their parent companies and headquarters are based in North America and Europe where this concept emanated from, and the fact that, to the best of my knowledge no such study has been conducted and documented in Kenya.

1.2 STATEMENT OF THE PROBLEM

Research has shown that assessment centers are important in the selection process for management candidates especially in terms of its validity (IRS 1991a). The approach leads to better recruitment and selection. However, several firms in Kenya are just in the process of adopting this new approach to selection. The Private sector in Kenya as represented mainly by Multinational Companies is moving fast towards using the modern approaches not only in selection process but also in their entire Human Resource practices.

Although assessment centers are increasingly becoming popular, very little research has been done, particularly in developing countries such as Kenya to gauge the extent of its application and usefulness. The purpose of the proposed study is to fill this gap in knowledge

1.3 OBJECTIVES OF THE STUDY:

The main objectives of this study are:

1. To determine the extent of usage of assessment centers by Multinational Auditing Firms in Nairobi.
2. To find out the relative weighting given to assessment centers vis a vis other methods of selection.

1.4 IMPORTANCE OF THE STUDY:

It is envisaged that the findings of this study will be of importance to the following group of person(s):

- **Human Resource Managers-** the study will help them to appreciate the importance of assessment centers in the selection process.
- **Multinational and Local Firms -** to sensitize the management of these Firms of the value of assessment centers in selection, promotion and appraisal of employees.
- **Academicicians-** the findings of this study will lay a foundation for futher research in this area, especially to researchers in the field of Human Resources.

1.5 ORGANISATION OF THE STUDY

Chapter One contains the background and overview of the study. It also addresses the research goals and objectives. It also gives the statement of the problem, the objectives of the study and lastly the importance of the study.

Chapter two gives the Literature review on assessment centers. It focuses on literature on the use of assessment centers process. The methodology of the study is dealt with in chapter three where the population of the study,

Methods of Data collection and the techniques for data analysis are discussed.

Chapter four deals with the findings of the study, while chapter five discusses the findings and gives the summary and the conclusion of the study. Limitations and recommendations are discussed in this last chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Human resource management is defined as the process of attracting, optimally utilizing and discharging the human factor back to the society in an ethical and socially responsible manner. In this study, the concern is that of attraction of employees, which entails the procurement of personnel. The first step in a personnel or human resource program is to obtain personnel to carry out organizational tasks (Flippo E, 1984). Thus procurement of personnel is the process of bringing employees into the organization so that they may carry out organizational tasks, which will enable the organization to provide goods or services and thus meet its goals.

In the procurement process, some recruitment and selection methods are used. Recruitment has to do with trying to establish contact with the potential candidates but selection takes place once the contact has already been established. The focus in this study is therefore on selection. Beardwell and Holden, (1997) identify five major selection methods. These are interviews, tests, assessment centers, job simulation and references. It is worth giving a brief description of each of these methods before focusing on the assessment center method as the core of this study.

Firstly, interviews are considered to be the most popular selection method not only in Kenya but also in other countries as shown in table 1, and are described as a controlled conversation with purpose (Torrington and Hall,

1995). Interviews especially in Kenyan organizations are usually conducted on face-face basis. The number of interviews involved in the selection process is usually determined by the status of the vacancy. If the vacancy is managerial in nature, the number of interviews is usually more than that of vacancy of a low cadre employee. A study carried out by Robertson and Makin (1993) in European countries revealed that the use of interviews is averaged at 93%. Thus even with the increasing popularity of sophisticated methods such as psychometric tests and assessment center technique, these methods have been largely used to supplement interviews.

Testing is the other selection method. The main purpose of testing is to achieve objectivity or rather to reduce subjectivity in selection decision-making. The main types of tests are: aptitude tests, intelligence tests and personality questionnaires. Aptitude and Intelligence tests are common in Kenyan organizations although personality questionnaires are also gaining popularity. Aptitude tests usually apply to verbal reasoning and numerical ability. Intelligence tests give an indication of overall mental capacity (Beardwell and Holden, 1997). Personality questionnaires allow quantification of characteristics, which are important to job performance. However, there is a debate as to whether personality can really be measured.

Assessment centers consist of a group of participants who undertake a series of exercises and tests under observation so that their skills and competences can be assessed. This method is mainly used by large organizations that have enough resources, as it is costly. The method is also used mainly to select individuals for managerial positions. This selection method is gaining

popularity among many organizations. A detailed discussion of this method is made later in the study since it is the core of the study.

The other selection method is job simulation or work sampling. This method is said to be a key component of assessment center. This method involves designing an accurate representation of performance in the job itself. The candidate is usually placed in a situation akin to the real job itself or a situation that they are likely to face if they were selected.

The use of references in selection of candidates is basically for purposes of obtaining additional information from previous employers, academic tutors or any other relevant referee. Factual information such as nature of previous job, salary and academic achievements are essential.

The forgoing descriptions of the common selection methods show the context in which assessment centers as a selection method falls. In table 1 below, the usage of selection methods is shown from different countries.

Table 1: Percentage Use of Selection Methods in Six Different Countries.

METHOD	A	B	C	D	E	F	G
Reference	92	97	95	84	93	93	93
Interviews	74	39	23	30	-	49	43
Cognitive Test	11	33	21	-	25	21	22
Personality Test	13	38	6	-	16	-	18
Graphology	3	2	-	2	2	24	13
Work Sample	18	16	13	-	13	5	13
Assessment Centres	14	8	10	3	10	-	8
Biodata	4	1	8	1	8	-	4
Astrology	-	6	-	1	-	-	2

KEY

- A. U.K B. FRANCE C. GERMANY
D. ISRAEL E. NORWAY F. NETHERLAND
G. ALL COUNTRIES

Source: Robertson and Makin (1993).

2.2 GENERAL OVERVIEW OF ASSESSMENT CENTRES

As earlier defined, an assessment center is not a place but rather a process which consists of a small group of participants who undertake a series of tests and exercises under observation in order to assess their skills and competencies, their suitability for particular roles and their potential for development (Fowler 1992). Defined in a more practical manner, assessment centers can be said to involve a one to five day's experience in which the candidates perform realistic management tasks such as making presentations under the watchful eyes of expert appraisers who assess the candidate for a managerial position. The assessors could be psychologists or senior company managers. This depends on the vacancy to be filled.

This study utilizes these two broad definitions but it also includes the use of assessment centers in the selection of new employees such as fresh graduates. Therefore, the focus is not solely on the use of assessment centers for selection of managers to be promoted within the organization.

The increasing popularity of assessment centers can be traced to a debate that exists which tries to resolve the question of whether to consider the job first or the people. In trying to select the right employees, two approaches could be used: Job first approach or the People oriented approach. In the job first approach, or task-oriented approach, the requirements of the job are first identified in the job descriptions and the necessary personal characteristics. Van Zwanenberg and Wilkinson (1993) refer to this approach as the "job-first person later" approach. The main problems associated with this approach are that writing job descriptions is time consuming and there is

need to gain information from many parties, while regular updating of the job description is also necessary. Due to these problems, a potentially more flexible alternative is to replace the traditional approach with the “person oriented approach”, (Iles and Salaman, 1995). The focus here is on the generic qualities and behaviors required by the organization rather than those determined by a specific job.

This latter approach is compatible with the human resource management initiatives such as flexibility, team working and multi-skilling. Organizations nowadays try to match people’s personalities with their jobs and not the qualifications as such. What organizations are moving towards is an end where a combination of the task oriented and people oriented approaches may be adopted in order to select people who not only do the job but will also fit well into the organization- the use of assessment centers represents this, (Beardwell and Holden 1997). From this observation, it is evident that assessment centers act as a selection method that brings a compromise between the two approaches. This then makes this method favorable and popular among many organizations.

2.3 THE USE OF ASSESSMENT CENTRES IN INDUSTRY

The growth of the use of assessment centers in the UK has been rapid. Robert and Makin (1986) reported that more than a quarter of organizations who employed 500 people or more in the UK in 1986 used assessment centers. Further, companies employing more than 1000 people tended to have a higher rate of use of assessment centers. Woodruffe (1993) also found that assessment centers were used widely in private and by large organizations.

In the African setting, and specifically in Kenya, no literature exists as to the extent of usage of this selection method. However, from the popularity of this method in UK companies, it is very likely that the multinational corporations in Kenya have adopted this approach. This is what this study seeks to establish.

2.4 FUNCTIONS AND CHARACTERISTICS OF ASSESSMENT CENTRES

Boyle et al ([http:// www.ase-solutions.co.uk/html/asecons/consult.htm](http://www.ase-solutions.co.uk/html/asecons/consult.htm)) explains that assessment centers serve various crucial functions. One of the functions is assisting management in making selection decisions by enabling them assess candidates potential for a managerial position. With the use of assessment centers, the assessors are able to determine if the candidates match the culture of the organization. This is established by making observations as the candidates are exposed to different situations.

Secondly, assessment centers help in identifying strengths and weaknesses of candidates. With the identification of strengths, the assessors will be able to know how to optimally utilize those strengths. However, when weaknesses are identified, the assessors will be able to know which aspects to address and enable the employee to be more effective.

Assessment centers also give candidates a better feel of the organization, its values and the kind of people he or she would be working with. This in turn enables the candidate to make decision of whether or not he or she would fit into the organization.

Another function of assessment centers is to collect information about the individual's behavior in the work situation. Sometimes, the use of techniques such as tests or interviews may not give a clear insight into the candidate's behavior. For instance, during a test, the candidate may answer the questions in a way he or she thinks would please the assessor. Using assessment centers will lead to an examination of the candidate's actual behavior especially during work situations.

Along with the functions of assessment centers, it is worth examining its characteristics. One of the characteristics is that assessment centers mainly focus on behavior. Looking back to the history of assessment centers, they were used in the selection of army officers in Britain and U.S.A. It emerged due to the earlier failure to select qualified military officers. The main problem thus was the earlier methods had not focused on behavior of the candidates and hence an improvement in the selection process was required.

Another characteristic of assessment centers, “exercises are used to capture and simulate the key dimensions of the job, (Graham and Bennet 1995). The methods used such as role-plays and group exercises serve to capture the key job aspects. The theory behind this is that if one wishes to predict future job performance, then the best way of doing it is to get the individual to carry out a set of tasks, which accurately sample those required in the job.

Another characteristic of assessment centers is that it is used as supplements to the other selection methods. In spite of the increasing use of assessment centers, they are usually applied after individuals have undergone testing and interviewing. Therefore, they supplement and add value to the other methods. Another peculiar characteristic of assessment centers is that assessment is done using several dimensions in terms of competencies required to achieve the target level of performance in a particular level in the organization. The use of different dimensions helps to enhance the objectivity involved in the selection process. Also in assessment centers, several candidates are usually assessed together. This enables interaction among the potential employees. This makes the exercise more open and participative. Apart from these general characteristics, the Task Force on Development of Assessment center Standards in UK specified a number of conditions, which must be met in order for an assessment technique to be classified as an assessment center. These are (Beardwell and Holden, 1997,p 226):

- i) Multiple assessment techniques must be used, including the use of simulation, which is an accurate representation of performance in the job itself.

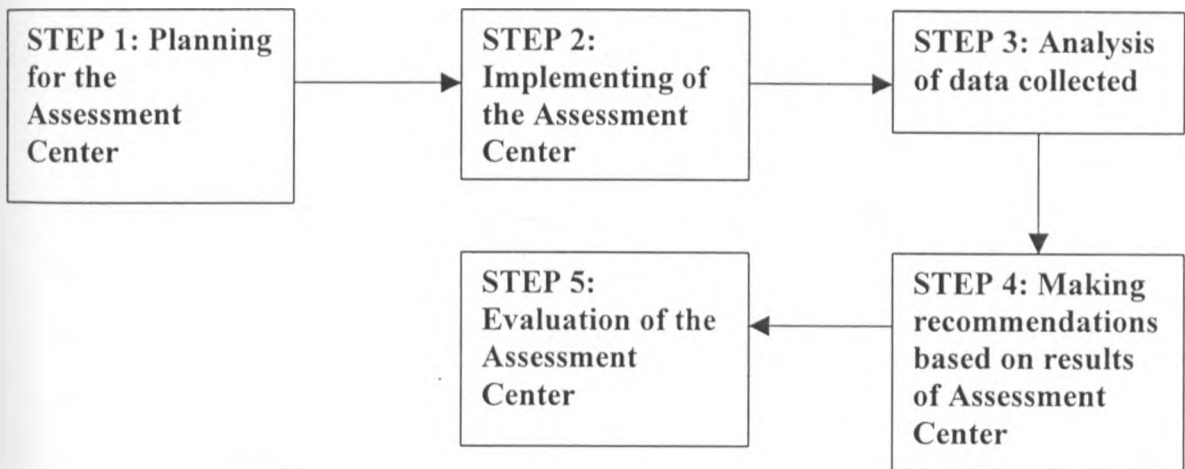
- ii) Multiple assessors must be used and they must receive training before participating in the center.
- iii) Judgments resulting in outcome must be based on pooled information from the assessors.
- iv) The assessors must make an overall assessment of behavior at a separate time from the observation of behavior.
- v) Simulation exercises are used. These exercises are developed to tap a variety of predetermined behaviors and have been pre-tested prior to use to ensure that they provide reliable, objective and relevant behavioral information for the organization.
- vi) The techniques used in the assessment center are designed to provide information, which is used in evaluating the dimensions, attributes and qualities previously determined.

Although these standards mainly apply to assessment centers in European firms, the characteristics of assessment centers as used by Companies in Kenya are likely to be similar to those of European and America firms since the principles are basically the same. As most Kenyan multinational Companies are increasingly adopting the Human Resource Management approach, it is possible that they have adopted the assessment selection technique.

2.5 ASSESSMENT CENTER PROCESS

It is important to note that there does not exist a specific laid down procedure of carrying out the assessment center process. There are thus as many different processes involved in conducting assessment centers, as there are organizations that carry it out. It is however important to take into consideration the critical guidelines within assessment centers, if the exercise is to be successful. Decenzo and Robbins (1988) summarize the assessment center process. A general process of conducting assessment centers would include the steps as shown in figure 1 below and discussed thereafter.

Figure 1: Summary of Assessment Centers Process



Step 1: Planning for Assessment Center

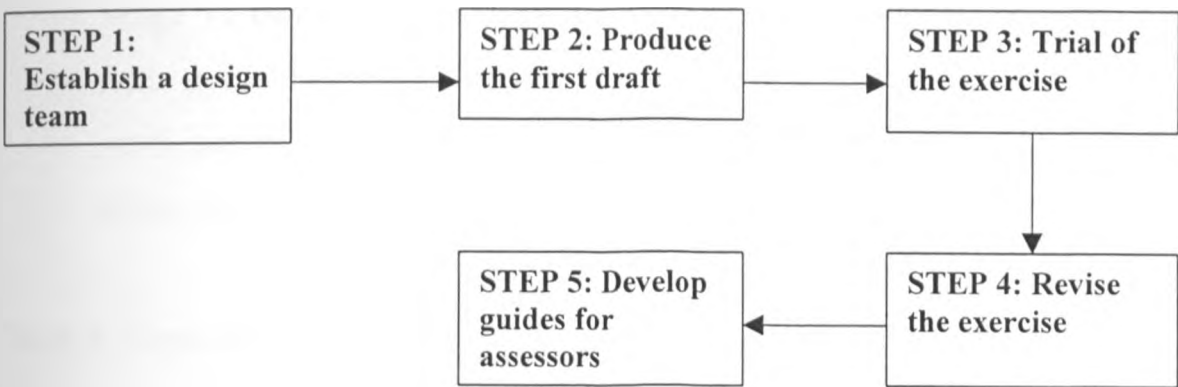
Graham and Bennet (1995) elaborate on the issue of planning for an assessment center. At this stage, they note that all the preparations to carry out the assessment center are done. These include the following: -

- Determine the scope of the assessment center.
- Establish the objectives of the assessment center. An assessment center must have clearly defined objectives and these objectives should relate to the achievement of the organizations objectives. Clarity of purpose is important because it helps shape the type of assessment center and will have a significant influence on many designs and procedural issues
- Establishing the provisions for Assessment center in the Human Resources Policy and Institutional Framework (this framework provides guidance in the actual process of conducting assessment centers as it supplies information on the organizations policy on how the process of assessment centers should be carried out, especially in the areas of resources and time allocation
- Develop all the required assessment center instruments that will be required in conducting the assessment center. These include instruments for conducting the in basket exercise, group discussions, simulations, individual interviews, business games and so on. Job descriptions and job specifications, which are products of Job Analysis are also examples of instruments required for the assessment center process for the following purposes: -
 - i) To identify the criteria for successful job performance
 - ii) To establish the situations in which the criteria are typically expressed so that appropriate simulations can be designed.

- iii) To identify task content so that simulations reflect the nature of work at the target job level

The development of an assessment center also involves a number of aspects. These aspects are identified by Burack (1982). The following stages represent an effective process for developing assessment center exercises: -

Figure 2: Summary of Stages Involved in Developing an Effective Assessment Center Process



- a) **Stage I: Establish a Design Team-** the design team should include the line managers and external consultants or in- house Human Resource specialists who will lead the design team
- b) **Stage II: Produce the First Draft-** the design team produce the first draft, usually in consultation with the team leader who might provide examples of typical exercises of a particular type to assist with ideas for content and format.
- c) **Stage III: Trial of the Exercises-** once the first draft of an exercise is believed to be in suitable form, then it is time for trial run. This is

important because it provides an opportunity to check that instructions are clear and appropriate, to gauge whether the exercise is set at the right level of difficulty, to establish whether the exercises elicit behavior relevant to the criteria being assessed, to determine whether the exercises enable participants to display varying levels of ability, to establish a possible benchmark standard and to check on the timing of the exercise. Ideally the exercises should be tried on a group of people at the same level in the organization as the target jobholders.

- d) **Stage IV: Revise the Exercises-** this involves amending the exercises to correct and eliminate any problems noted at the trial stage.
- e) **Stage V: Developing Guides for Assessors-** this involves coming up with guidelines for assessors that will assist them in marking the participants exercises (marking guides, crib-sheets and model answers).

Step 2: Implementation of Assessment Centers

This involves the actual operationalization of the assessment center using the instruments developed in the first stage. This can take one to five days and during this time, participants complete various standardized exercises, are interviewed extensively and may undergo psychological tests and fill out biographical forms. Trained professional evaluators called assessors observe, record and evaluate how a candidate performs in simulated job situations

Step 3: Analysis of Data Collected.

This involves analyzing the data so collected in step 2, so as to interpret it. This analysis will more importantly look at the following major skills and dimensions: -

- Oral communication
- Organizing and planning
- Decision making
- Problem analysis and evaluation
- Human relations
- Leadership skills
- Written communication

Step 4: Making Recommendations

After the collected data has been analyzed and interpreted, the panel of assessors then makes recommendations on who should be employed for which position.

Step 5: Evaluation of Assessment Centers

This is the stage at which the objectives and plans that were made in step 1 are compared with the results achieved by the assessment center exercises. It involves finding out whether or not the exercise has achieved what it was intended to achieve.

2.6 ISSUES TO BE CONSIDERED WHEN PLANNING FOR ASSESSMENT CENTER.

a) The Variety of People to be Brought Together

There is need to coordinate a number of people fulfilling a variety of roles for the assessment center. There is thus a need to identify persons who will fulfill the role of administrators (to manage the whole process which involves chairing the wash-up process and quality control during the process), assessors, role players, resource persons and participants.

b) The Number of Persons Involved

Although there are exceptions, most assessment centers will involve participants, assessors and an administrator. The number of assessors required is a function of the number of participants, which of itself is a function of the exercises used. The minimum number of participants to make assessment center practical is normally six.

c) Scheduling Activities

The final element to consider before constructing a master timetable is the schedule of the exercises. The matrix of criteria by exercises merely tells the administrator you have fulfilled one of the key designs considerations that each criterion is measured on a number of occasions. Elements that the administrator should seek to combine here include starting the assessment center programme with a group exercise, avoid putting exercises of the same type together, allowing some flexibility in timings, avoiding excessive hours and ensuring that assessors write ups are done immediately after the exercises have been done

d) The Master Schedule

Once the number of assessors, participants and others are identified, it is convenient for the administrator to combine these into master schedule.

e) Room Allocation

It is important to ensure that there are adequate numbers of rooms with sufficient space for all involved in the exercises.

f) Equipment Needs

The provision, hiring, or checking that all necessary items of equipment according to the precise needs of the exercises are available is extremely important. These may include overhead projectors, Polaroid cameras, videotapes, players and cameras, photocopiers, computers and many more.

g) Services at the Facility

Whether a hotel, conference room or an in-house facility is used, certain services should be made available. These include, meals and refreshments, secretarial etc.

h) Briefing Procedures

Before an assessment center takes place, all persons involved need to be reminded In writing about the venue, their timing commitments, travel arrangements billing procedures, notes on recreational activities where appropriate and dress code. It is also important to provide written briefs to assessors, participants and line managers so that everyone involved may know what to expect of them.

2.7 ADVANTAGES AND DISADVANTAGES OF ASSESSMENT CENTERS

Advantages

Graham and Bennett (1995) identified some advantages and disadvantages of assessment centers. The advantages include:

- i) They offer assessors with far more information about candidates than is available from conventional interviews. This information can be useful in the selection of the kind of employee that the organization is looking for.
- ii) They present suitable environments for the evaluation of candidates' interpersonal skills. Such skills may include persuasiveness, assertiveness, and ability to cope with stress and communication skills.
- iii) In assessment centers also, candidates have time to settle into the assessment process and thus will not be as nervous as otherwise might be the case.
- iv) Another advantage is that, when assessment centers are used, there is a higher probability of selecting the right candidate rather than when any other selection method is used.

Disadvantages

- i) One disadvantage of assessment centers is that they are expensive because they must be carefully designed to suit the Company's requirements. It is also time consuming. The reason why large companies use them is because they have the resources and that the people they recruit need to be performers for those large companies to be competitive.
- ii) The personal characteristics examined through assessment center exercises (many of which have a psychological base) cannot be measured accurately even over a period of 3 or 4 days.
- iii) Assessors may not be fully familiar with the details of the work that candidates will have to undertake hence the wrong qualities may be assessed.
- iv) Assessment of a candidate's personality may depend on the assessors' subjective value judgments.

With these few advantages and disadvantages, it is worth mentioning briefly about recruitment in multinational companies. It is becoming increasingly important to understand international differences in recruitment and selection. Hall (1995) notes, "Almost without exception, faced with mature developed markets, major companies are turning to Eastern Europe and Asia as the source of their future growth. If they fail

to find ways to work in these very different cultures, the most significant opportunities of the next 20 years will be lost to them.”

It can therefore be noted further that the expansion is not only to Eastern Europe and Asia, but also, Africa has been a major target. From this literature review, it is evident that very little literature exists on the use of assessment centers in Kenyan Companies. Similarly, there is no known elaborate research of the use of assessment centers in multinational corporations in Kenya. This study therefore seeks to provide this information and fill this research gap.

CHAPTER THREE

METHODOLOGY

3.1 Population

The population of concern is the multinational auditing firms that have their head offices located in Nairobi. A list of these firms was obtained from the Companies directory. The reason for choice of multinational auditing firms based in Nairobi is that, most of these firms carry out their recruitment and selection in their Head offices. Therefore, obtaining responses will be easier.

The population is suitable for studying the use of assessment centers because the trend is such that most of these auditing firms have adopted the Human Resource Management approaches more than other firms.

A census was carried out among all the multinational-auditing firms in Nairobi. Therefore, no sampling of the firms was required. It was necessary to study all of these firms to get an exact position of their use of assessment centers.

The target respondents were selected using the non-probabilistic method of purposive sampling. A total of thirteen (13) employees were interviewed from each firm. These 13 employees were selected from the different occupational categories. In each firm, the researcher collected data from the following:

<u>Personnel</u>	<u>Number</u>
Partners	1
HR Manager	1
Departmental Managers	3
Team leaders/Supervisors	2
Lower cadre employees	<u>6</u>
TOTAL	<u>13</u>

The choice of the partners and the Human Resource Manager is justified in that they are concerned with selection of employees in the firm and would therefore provide relevant responses on the use of assessment centers and also gave a chance to crosscheck the information given. The choice of departmental managers is justified in that assessment centers are used mainly to fill managerial positions. Therefore, obtaining their experiences was important. With respect to team leaders/ supervisors, and the lower cadre employees, their views were important because the general trend is such that they joined the firms more recently. It was also expected that they would join managerial positions as they advanced in the organizational hierarchy.

3.2 Data Collection

The primary method of data collection to that was used was a questionnaire (See Appendix B). The questionnaires were administered using the drop and pick method.

The questionnaire contained both structured and unstructured questions. The use of unstructured questions enables further exploration of the responses. The choice of the questionnaire method is justified in that the employees did not have time for interviews.

3.3 Techniques of Data Presentation and Analysis

Both qualitative and quantitative responses were obtained. The raw data was checked for errors and completeness. The quantitative data was then coded and run using the software package: statistical package for social sciences (SPSS). The outputs from the computer were presented in frequency distribution tables, percentages and cross tabulations.

CHAPTER FOUR

FINDINGS

4.1 INTRODUCTION

This chapter deals with the presentation of the results of the statistical analyses of the responses from the various questionnaires obtained from the respondents. Presented are the percentages of usage of the various selection methods by the different auditing firms.

4.2 Profile of the study population

The study obtained fifty-two (52) completed questionnaires from all the four multinational auditing firms. In terms of the occupational categories of the respondents, the majority of the respondents worked at the operational level. This constituted 48.1% of all respondents. The departmental managers constituted 25%, while the supervisory level and partnership level respondents constituted 19.2% and 7.7%, respectively. Table 2 below shows this:

Table 2. Profiles of study population

Category	Frequency	Percentage
Operational level	25	48.1
Departmental Managers	13	25.0
Supervisors	10	19.2
Partners	4	7.7
Total	52	100

All respondents from all the firms in all job categories said that interviews were used to select them to join their respective firms. In terms of the use of cognitive tests, only 7.7% had been selected using cognitive tests. Most of these were departmental and supervisory level managers. The use of personality tests is also unpopular because only 38.5% of the respondents had been selected using them. The greater proportion (61.5%) was not selected using that method.

In terms of assessment center usage, 88.5% had not been selected using assessment centers. Only 11.5% had been selected using this method. Majority of these were from KPMG Peat Marwick Kenya. In PriceWaterhouseCoopers, no case of assessment center usage was reported.

In terms of promotion, at least half of the respondents (53.7%) have been promoted since they joined their respective firms. The most popular method used for promotion is the interview since 21.2% of those who had been promoted had been through the use interviews. Performance appraisal had also been used in the case of 17.3% of those who had been promoted. 48% of the respondents had not been promoted at all since they joined their respective firms. Most of those who had not been promoted joined their firm relatively recently. Moreover, only one respondent had been promoted using the assessment center method.

A general overview of the usage of interviews, referencing, cognitive tests personality tests, assessment centers and performance appraisal in the respective firms revealed that interviews were the most commonly used method, with 90.4% of the respondents confirming that. The use of

references is also popular although to a lesser extent than the use of interviews. 60% of the respondents had references used in their firms. This consisted mainly of the employees at the operational level. This is further shown in Table 3.

Table 3. Percentage of usage of the various employment selection methods

Selection method	Percentage
Interview	90.4
Reference	60
Cognitive test	10
Personality tests	50
Assessment centers	15.4

Cognitive test usage appeared to be very unpopular. 55.8% of the respondents viewed cognitive tests as least used. Only 10% said these tests were used. Personality tests are averagely used as 50% of the respondents reported that it had been used in the firms. All the firms also made least use of assessment centers. 48.1% of the respondents had had least used assessment centers compared to 19.2% who had not used it at all and 15.4% who had used it. The 15.4% consisted mainly of the respondent from KPMG Peat Marwick Kenya.

All firms used interviews more than any other selection method. The reason for this is that they are easy to interpret and are also flexible. Reasons for the

unpopular use of cognitive tests and personality tests were because of the high costs involved in administering such tests. Performance appraisals also have results that are easy to interpret, although they were used less frequently compared to interview. A notable trend among the respondents is that most of them did not know whether some methods were not used because they were costly. Only partners and departmental managers were aware of such information.

60% of the respondents said that the same method was not used for all employees. However, 40% of the respondents could not establish whether that was the case.

15.4% of the respondents reported that assessment centers were mainly used for partners. Interviews were also used to a large extent among partners. Performance appraisal was also used to some extent, according to 11.5% of the respondents.

According to 19.2% of the respondents, performance appraisal was the main instrument used for selection of departmental managers. Interviews and personality tests usage was reported by 17.3% of the respondents. References are least used for the selection of departmental managers.

Interviews were mainly used for the employees at the supervisory level (17.3%). Performance appraisal followed (11.5%). Reference usage was third (9.6%) while personality tests and assessment centers were least used (7.7%).

36.5% of the respondents indicated that the main tool used for selection at the operational level were interviews. This was followed by tests, which were mentioned by 13.5% of the respondents. Performance appraisals were least used according to 7% of the respondents. The use of reference of the respondents for the selection of employees at the operational level was mentioned by 30% of the respondents.

The rankings of the use of the selection methods by the respondents are presented in Table 4.

Table 4. Usage of the selection methods

METHOD	DEGREE OF USAGE	PERCENTAGE
Interview	Mostly used	98.1%
References	Often used	81%
Personality tests	Averagely used	50%
Assessment centers	Less used	40%
Cognitive tests	Least used	14%
Work samples	Least used	14%
Biodata	Less used	44%

As shown in table 4, interviews are the predominantly used method of selection (98.1%). This is followed by references (81%), personality tests (50%0, assessment centers (40%), Biodata (44%), samples (14%).

A cross tabulation of the method of selection and the job categories generally revealed the following results as shown in Table 5.

Table 5. Selection method per job category

SELECTION METHOD	JOB CATEGORY			
	PARTNERS	DEPARTMENTAL MANAGERS	SUPERVISORS	OPERATIVES
Interview	80%	75%	71%	98%
References	17%	55%	51%	76.9%
Personality tests	13.5%	55%	73%	53%
Cognitive tests	11.5%	32.7%	7.7%	13.5%
Assessment centers	30.8%	30.5%	23.1%	13.5%

Table 5 contains the ranking of the selection methods by job category. It is clear from the table that interviews are the most commonly used techniques of selection for all employees in all the four categories of jobs (partners, departmental managers, supervisors and operatives). References (76.9%) are predominantly used for the selection of operatives. This is followed by departmental managers (55%), supervisors (51%) and partners (17%) in that order. Personality tests have their greatest use in the selection of supervisors (73%). This was followed by departmental managers (55%), operatives (53%) and partners (13.5%) in that order.

From the foregoing percentages in the table 3,4 and 5, it is evident that the extent of interview usage is high compared to the other selection methods.

References are least used among partners but more used among operational level employees. Personality tests are mainly used among supervisory level employees and cognitive tests are mainly used for departmental managers. Assessment centers usage stands on an average scale but they are mainly used for partners and departmental managers.

Assessment centers were moderately used in the selection of partners and departmental managers (according to 30.8% and 30.5% of the respondents, respectively). The least used method of selection by all categories tests, except in the case of departmental managers where the use can be described as moderate since it is mentioned by 32.7% of the respondents. The frequency of use of cognitive tests as a selection tool for the other categories of jobs is mentioned by less than 15% of the respondents in each case.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary And Conclusions

This study focused on the use of assessment centers by multinational auditing firms in Nairobi. Data was collected using questionnaires administered to the employees of the four multinational auditing firms in Nairobi. Data was analyzed mainly using frequencies, percentages and cross tabulations.

The first objective of the study was to determine the extent of usage of assessment centers by multinational auditing firms in Nairobi. This extent of usage of assessment centers was determined by examining the number of auditing firms using this selection method. The extent was also determined by examining whether it is used in all areas (i.e. for all the job categories). The usage of assessment centers was also compared with the use of other methods to determine its popularity.

From the research findings, the usage of assessment centers in the multinational auditing firms is generally low. KPMG was the only firm that widely used assessment centers. PriceWaterhouseCoopers, Deloitte and Touche and Ernst and Young used assessment centers to a less extent compared with other methods. The main reasons for these firms not using assessment centers is because they consider them to be time consuming, costly and also it is a relatively new method.

Assessment centers are also not used for all employees in all these firms neither are they used in all areas such as for promotion. However, in some firms it is used to assess individuals who are to be promoted to the partnership level. KPMG also uses it to a large extent to select employees at the operational level.

The second objective of the study was to find out the weighting of the assessment center method given the other methods of selection. The research findings show that assessment centers have a lower weighting. Assessment centers usage runs almost in the same rank with cognitive and personality testing. In spite of this, assessment center usage is still low because of the high cost, time consumption and it being a new method that most of these multinational auditing firms have not adopted.

5.2 Limitations of the Study

Due to time and resource constraints, it was not possible to incorporate non multinational auditing firms, as such firms are many and spread all over the country. Future researchers may target this group of firms.

5.3 Policy And Research Recommendations

This research reveals that the extent of assessment center usage in multinational auditing firms in Nairobi is generally low. The reasons for lack of its usage have been given (that it is costly and time consuming). Contrary to its being costly and time consuming however, it has the advantages of accuracy. Auditing firms should therefore weigh the cost of using this method against its benefits to arrive at a more rational decision on whether or not to use it.

Future research on the use of assessment centers could go further to include multinational companies in other sectors. It was due to resource and time constraints that this study did not include those other companies. Inclusion of these firms would give a clearer picture on the usage of this selection method generally among multinational companies and not in the auditing firms only.

Secondly, further research should also be done to compare the performance of specific companies that use assessment centers and those that do not. This would enable researchers to understand whether there could be a relationship between those two variables if any. This information would also be useful in human resources management.

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APPENDIX A: LETTER OF INTRODUCTION

Dear Respondent,

**RE: RESEARCH OF THE USE OF ASSESSMENT CENTRES IN
MULTINATIONAL AUDITING FIRMS IN NAIROBI.**

I am a student at the University of Nairobi pursuing a Masters Degree in business Administration (MBA). I am undertaking the above named research project as part of the academic requirements.

It would be my pleasure if you kindly spared some of your time filling the questionnaire and answering the questions as honestly as possible. The information you give, shall be treated with utmost confidentiality, and will be solely used for the research. However, the findings of this research can be availed to you upon completion of the research on request.

Upon completion of the questionnaire, kindly enclose it in the envelope provided, and it will be picked from your place of work. Incase of any question or clarification pertaining the research do not hesitate to call me on **02-331053 Ext 434/ 0722-282450/ 0733-703919** or e-mail me at **rkariuki@ktda.co.ke**

Thanking you in advance,

Yours faithfully,

KARIUKI, N. ROSE

CANDIDATE

PROF.P.'OBONYO

SUPERVISOR

APPENDIX B: QUESTIONNAIRE

SECTION I: (SPECIFIC INFORMATION)

1. Name of the firm _____

2. Ownership

Foreign owned []

Locally owned []

Joint venture []

3. If foreign owned, which is the mother country of the firm?

4. In case your firm is joint venture between foreign and local investors, what is the proportion of ownership?

Largely locally owned []

Largely foreign owned []

Equally owned []

5. Which occupational category do you belong?

Partnership []

Departmental management []

Supervisory level []

Operational level []

6. When did you join the firm? _____

SECTION II

7. Which method(s) of selection was or were used to select you?

Interviews []

Cognitive tests []

Personality tests []

Assessment centers []

Other _____

8. Since you joined the firm, have you ever been promoted?

Yes [] No []

9. If the answer is "Yes" in question 8 above, what method was used to assess your suitability for promotion?

Interview []

Testing []

Simulation []

Assessment centers []

Other (specify) _____

10. What is the extent of usage of the following selection methods in your firm?

Mostly Used Less Used Least Used

- a) Interviews
- b) Referencing
- c) Cognitive test
- d) Personality test
- e) Assessment centers
- g) Any other (specify) _____

SECTION III

11. For what reasons do you use the method(s) in question 10?

- a) Accurate and reliable []
- b) Easy to understand and apply []
- c) Less costly to develop and administer []
- d) Easy to interpret the results []
- e) Flexible (gives more information) []
- f) Others (specify) _____

12. Do you use the same method for all employees?

Yes [] No []

13. If the answer is **No** in question 12, specify the methods used for each category of employees.

- a) Partners _____
- b) Departmental Managers _____
- c) Team Leaders _____
- d) Lower cadre employees _____

14. For the methods not commonly or never used in your firm, what are the reasons for this?

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

15. Please rank the following selection methods used in your organization starting from the most used to the least used. (1-7).

- a) Interviews []
- b) References []
- c) Personality tests []
- d) Assessment centers []
- e) Cognitive tests []
- f) Work samples []
- g) Biodata (e.g. Age) []

16. Please tick the method(s) used in your firm to select the following Employees.

METHODS OF SELECTION	TYPE OF EMPLOYEE			
	Partners	Departmental Managers	Team leaders	Operational level employees
Interview				
References				
Personality tests				
Cognitive tests				
Assessment centers				

17. What problems do you encounter when using assessment centers?

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

THANK YOU FOR YOUR CO-OPERATION.

APPENDIX C

LIST OF MULTINATIONAL AUDITING FIRMS IN NAIROBI

- 1 Deloitte and Touché
- 2 Ernst and Young
- 3 KPMG Peat Marwick
- 4 Price Water House Coopers