

TATA Strategic study envisages adoption rate of psychometric instruments to be 87% by 2016

Tata Strategic Management Group launches report on '*Psychometrics in Indian Organisations*'

Tata Strategic Management Group conducted a study "Psychometrics in Indian Organisations" to detect if organisations in India recognise the need to study traits and behaviours while assessing and moving people in organisations either during the hiring, rotation, appraisal, development or succession planning stage

Mumbai, February 18th, 2014: Tata Strategic Management Group (TSMG), the largest Indian-owned management consulting firm, today, presented the study on '**Psychometrics in Indian Organisations.**' Through this study, Tata Strategic finds that organisations are progressively employing psychometric instruments for addressing behavioural changes to support decisions for talent processes like recruitment & selection, leadership development, succession planning, high performance identification, team allocations etc. The survey, conducted by TSMG, suggests adoption rate of psychometrics could increase to 87% by 2016 in the Indian organisations.

This report aims at drawing specific conclusions from usage of psychometric instruments across industries and its relevance in talent management decisions. 52% of organisations are currently using psychometric instruments- which facilitates objective people decisions and reduces subjectivity.

Key Highlights of the Study:

- 52% of organisations are currently using psychometric instruments
- 74% of non-users intend to use these instruments within the next 1-3 years
- Our sample survey suggests that adoption rate could reach 87% by 2016.
- 49% of organisations utilize MBTI, followed by Hogan (25%) and Firo-B (24%)
- 88% of organisations will utilise psychometric instruments for recruitment & selection followed closely by 76% using outcomes for leadership development
- Contemporary instruments (e.g. Hogan, PAPI, SHL, Thomas Profiling etc.) are becoming increasingly popular
- CXOs are demanding benchmarks for behaviours across industries and roles – validated in the Indian context.

There is however a large number of organisations that have not yet been exposed to the concept of measuring behaviours and utility of psychometric instruments. These organisations recognize the need to develop leaders – however, they are not entirely aware of instruments that facilitate the process of measuring behavioral and psychological transition of individuals.

The report assesses the pulse of psychometric instruments in the Indian market and is the first ever study conducted in India, covering a variety of parameters on the usage of psychometric instruments. India will see a new trend emerging in the use of psychometrics instruments.

Though traditional instruments (e.g. MBTI, FIRO-B) are holding ground, contemporary instruments (e.g. Hogan, PAPI, SHL, Thomas Profiling etc.) are becoming increasingly popular as

they measure specific workplace behaviours, display clear linkages to competencies and generate a variety of reports. Hogan Assessments, a late entrant in the Indian market is the second most widely used tool and is gaining popularity over the others which have been there longer in the market. CXOs are also demanding benchmarks for behaviours across industries and roles – validated in the Indian context. This will create demand for new instruments like Jombay.

Commenting on the study, **Mr. Raju Bhinge, Chief Executive Officer, Tata Strategic Management Group** said, *“Organisations must have well-defined talent management processes and a clear competency framework to identify essential behaviours. With the introduction of simple and easy to interpret instruments, adoption rate of psychometrics will increase dramatically. Our sample survey suggests that adoption rate could reach 87% by 2016. Organisations have started integrating behavioral aspects into their analytical framework which helps analyze behaviours that drive high performance within an organisation”*

Mr. Rohan Chopra, Principal & Head – Organisational Effectiveness, Tata Strategic Management Group, said, *“The report highlights a significant increase in the number of organisations using psychometric instruments especially in service sectors like retail, education & consulting. It has been observed that 75% of the organisations that are not using psychometric instruments, have expressed their keenness to learn more, gain insights on industry trends and implement psychometric instruments in their talent management processes”.*

The study highlights that organisations see benefits across the talent value chain in making key people decisions. Psychometric instruments can't be force fitted into an organisation's context. Market trends and individuals comfort in using certain instruments dominate the selection of instruments today. The focus must be to evaluate what is relevant to the organisation's context as well as relevant across levels. Hence the purpose and behaviours that can drive the purpose within the organisation need to be identified before selecting an instrument. There is no one size fits all.

About Tata Strategic Management Group

Tata Strategic Management Group is the largest Indian owned Management Consulting firm. It addresses top of the mind issues of Business Leaders in the areas of growth, new market entry, organisation effectiveness and overall performance improvement. Over the past few years, Tata Strategic has partnered with FICCI, CII, Chemexcil and other industry associations to publish numerous industry reports. The company has also worked with the Chemical Task Force – Govt. of India to help develop India Chemical Vision 2020 and formulate the National Chemical Policy.

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