




Assessment Center Evaluation in Indonesia: An Exploratory Study

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Received: August 26, 2024

Revised: August 27, 2024

Accepted: August 28, 2024

Online: September 11, 2024

Abstract

Although assessment center practice continues to spread to Asian countries, no published study exists that evaluates the quality of AC within the largest populous country of Indonesia. Therefore, this study aims to determine the quality of assessment center methodology in Indonesia. Then, the result is compared to a prior benchmarking of the BACDi-instrument. The results indicate no differences between Indonesian and German assessment centers' overall development and post-processing quality phases. The difference between Indonesian and German assessment centers was found in conduction quality. The assessment center practice has to consider the context of other aspects that could lead to its methodology improvement in future practice. This study is the first detailed and standardized representation of assessment center methodology quality that adequately explains every phase within the assessment center in Indonesia, and more widely, is discussed.

Keywords: *Assessment Center, Quality, Employee Development, Indonesia*

INTRODUCTION

The mismatch between employees and requirements can lead to job dissatisfaction, high staff turnover, and a financial impact on the individual and the organization (Andela & van der Doef 2018). A commitment to employee selection helps organizations, through human resources (HR) departments, to predict the later performance of potential employees who are qualified for the job requirements (Noe et al. 2014; Jepsen & Grob 2015).

Among the selection and development methods, an Assessment Center (AC) is widely used in organizations because of its predictive validity to help evaluate individual competencies and predict job performance and also for personnel development (Moses & Byham 2013; Schmidt et al., 2016). An AC is a method that consists of multiple different behavioral exercises, with multiple trained assessors measuring the behavior of participants according to characterized criteria/dimensions (Dewberry & Jackson, 2016). However, various studies have reported the decline of AC predictive validity among the selection methods used over the past 20 years (Jansen et al., 2013; Schmidt et al., 2016; Silvia et al., 2017). Therefore, it is important to ensure the predictive validity of AC methods and apply it as a relevant evaluation indicator to enhance its quality in HR practices,

AC quality mostly depends on the development, conduct, and evaluation in organizational practice (Hoffman et al., 2011). Although AC utilization is time-consuming, expensive, and complicated (Schoelmerich et al., 2011; Thornton et al., 2014; Dewberry & Jackson, 2016), AC utilization is continually spreading in Asian countries (e.g., China, Japan, Singapore, South Korea, and Indonesia) (Povah & Thornton III, 2011). However, no empirical study has determined AC quality in the Asian region, including Indonesia. Therefore, the primary objective of this study was to identify AC quality in Indonesia.

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Multiple studies have exposed AC practice variety between cultures (Krause & Gebert, 2003; Eurich et al., 2009; Krause et al., 2011, 2014; Thornton & Porter 2016). The secondary objective of this study is to compare the results with a previous study in Germany using BACDi-instrument, to explore the difference in the quality of an AC overall, and its phases between countries. By acknowledging these differences between both countries, this study bridges the gap between research and practice, not only for both countries but also for the general suggestions on the applicability of AC methodology. Given that the research of AC methodology evaluation in Indonesia is still in its very early days, this study uses exploratory research.

LITERATURE REVIEW

The Cultural Differences in AC Practices

Nowadays, an AC method is most commonly applied for prediction purposes (i.e., for personnel selection or promotion), and development purposes (i.e., as a training intervention) (International Taskforce on Assessment Centre Guidelines 2015). In Indonesian AC, the primary objective is personnel development with the following crucial subgoals: promotion to a higher position or identifying individual potential, HR planning/succession planning, and diagnosing personnel development or training urgency (Krause et al. 2014). Globalization has boosted competitiveness among ASEAN members, impacting every sector in Indonesia. Consequently, the Indonesian government set up an AC as a new set of regulations for personnel selection and promotion for high-level management in civil servant institutions, as well as in every state-owned company (Indonesian State Law 2014; Rencana Strategis Kementerian BUMN, 2015; Siregar, 2016; Satrijono, 2016). In this sense, this study aimed to evaluate the quality of AC methodology in Indonesian organizations. Furthermore, the cultural values associated with certain individual attitudes and behavior exist in the workplace and consequently affect HR practice (Hutnek 2016; Andreassi et al. 2014), as well as AC practices across countries (Eurich et al., 2009; Krause et al., 2014, 2011; Krause & Gebert, 2003; Krause & Thornton, 2009; Thornton & Porter, 2016). Therefore, this study is interested in examining the overall quality, development, conduction, and post-processing phases within AC methodology in Indonesia.

For the contextual differences between countries, cultural dimensions of House (House et al., 2004) were used. In House's GLOBE study, cultural attributes were measured according to cultural practices that indicate the way things are, and cultural values that show the way things should be, in societies and organizations within societies. The following section will explain the contextual difference between cultural dimensions and how they influence AC practices through people's behavior in both countries.

Performance Orientation

Performance Orientation reflects the extent to which a group/organization encourages and rewards members for performance improvement, standard, and excellence. Indonesia is considered lower in performance orientation than Germany. This is likely to have an impact on overall AC quality. For instance, Krause et al. (2014) indicated that only a few Indonesian companies performed an adequate application of their AC method, with concerns about whether their AC identified the right person for the right jobs. So, the designers of ACs in Indonesian organizations need to adapt to AC standards and to provide an appropriate framework for better and more responsible AC services (Ginting, 2016; Purwono, 2023; Rahayuningsih, 2022). Based on these arguments, *research question 1*: What is the difference between Indonesian organizations and German organizations in AC overall quality?

Future Orientation

Future Orientation reflects the extent to which individuals engage (and should engage) in future-oriented behaviors such as planning, investing in the future, and delaying gratification. This cultural value is lower in Indonesia than in Germany (House et al., 2004). For example, the variety of job analysis techniques, such as competency models, is low in Indonesian organizations compared with Germany (Krause et al., 2014). Moreover, the utilization of psychometric tests (both in intelligence and personality) in AC design is lower in German ACs (Krause & Gebert, 2003; Benit et al., 2014) than in Indonesian ACs (Krause et al., 2014; Satrijono, 2016). However, according to Thornton and Porter (2016) cultures with high Future Orientation, such as Germany's, tended to incorporate alternative tests into their practices. Additionally, German ACs (with high Future Orientation but low in Gender Egalitarianism culture) were more likely to incorporate cultural adaptations in their AC exercises. Reflecting the above assumption. *Research question 2: What is the quality of AC development in Indonesian organizations compared to German organizations?*

Humane Orientation

Humane Orientation reflects the extent to which a collective encourages and rewards (and should encourage and reward) individuals for being fair, altruistic, generous, and kind to others. This cultural value is lower in Germany than in Indonesia (House et al., 2004). *Power Distance* is the degree to which the community accepts and endorses authority, power differences, and status privileges. Both cultures possess a high value in Power Distance. In contrast, *Assertiveness*, which reflects the extent to which individuals are (and should be) assertive, confrontational, and aggressive in their relationship with others, is lower in Indonesia than in Germany. For example, the duration of use of ACs in Indonesian organizations was designed to be longer (lasting up to four days or longer) than in other countries (lasting up to two days) (Krause et al., 2014; Utami, 2015). Indonesian HR departments require sufficient time to receive legitimation and to make a valid and reliable decision for a personnel recommendation. Additionally, Chandrawati (2016), stated that Indonesian assessors need to improve their knowledge and ability, to align with AC standards. This reflects a generation gap between superiors and subordinates in societies with low Assertiveness but high Power Distance, such as Indonesia (Lange, 2010; Handayani, 2015). Thus, it is likely that in Indonesian culture, which emphasizes power distance and preference for hierarchy, people will not argue against the structural aspect of the formal characteristics of the assessment process. Concerning this, in a collectivist culture, arguing against top management decisions might be seen as unethical and may disturb group harmony (Aycan, 2005). In contrast, giving arguments and voicing opinions is common in individualistic and low power distance societies. Based on the assumption that cultural values are manifested in professional AC practitioners, *research question 3: What is the quality of AC conduction in Indonesian organizations compared to German organizations?*

Uncertainty Avoidance

Uncertainty Avoidance reflects the extent to which society, organization, or group relies on (and should rely on) social norms, and rules to alleviate the unpredictability of future events. These cultural values and practices are reflected in the post-processing phase within ACs. For instance: only half of the Indonesian organizations reported that there were written documents describing the evaluation of their AC and pre-tested the exercises before implementation (Krause et al., 2014). Cultures with high Uncertainty Avoidance, such as Germany, have a strong tendency toward formalizing their interactions with others, documenting agreements in legal contracts, being orderly, formalizing procedures and policies, verifying verbal communication in writing, and taking moderately calculated risks to cover situations in their daily lives. In the workplace, they believe

more in experts than generalists. In contrast, in Indonesia, with its low Uncertainty Avoidance culture, they are less concerned with orderliness and the maintenance of records. Following this assumption, *research question 4*: Did the quality of AC post-processing in Indonesian organizations differ from German organizations?

RESEARCH METHOD

In this study, the BACDi instrument was used to evaluate the quality of AC methodology which possesses a high overall inter-rater reliability (.84) and validity (Schoelmerich et al., 2011). Participants were expected to need approximately 40 minutes to complete the instrument.

In this study, the English version of BACDi-instrument was translated into Bahasa Indonesia. The back translation procedure was performed by two bilingual scholars. The requirements for the sample are first: an experienced HR professional who participates in the running of the AC of their company; second: the HR professional works in a company with more than 500 employees. The data was collected from LinkedIn and an Indonesian consultancy in Surabaya. As a result, 398 HR professionals were contacted by email and an individual message via LinkedIn, containing an invitation to participate in the prior study, and the benefits of the BACDi-instrument. If they were eligible and interested, a video-call appointment was arranged. ACs in Indonesian organizations were evaluated by 22 HR professionals from 22 different organizations. Out of 22 HR professionals, 14 HR professionals completed the BACDi-instrument in a period of three months.

FINDINGS AND DISCUSSION

To determine the AC quality difference between organizations in both countries, the analysis of the BACDi-instrument scores was conducted using SPSS version 23 and the effect size was measured to interpret the strength of different effects in both cultures. Cohen's (1992) conventions are used to explain the effect size. A correlation coefficient of .10 is thought to represent a small effect; a correlation coefficient of .30 is considered a medium effect, and a correlation coefficient of .50 is believed to represent a strong effect. Additionally, G*power was used to estimate the statistical power (Faul et al., 2007). Means, standard deviations, and effect sizes are presented in Figure 1.

Based on the results in Figure 1, the overall quality is relatively the same in organizations from both cultures with a small effect size and a power of .096. In the AC development quality, the findings showed that Indonesian and German organization is relatively the same with a small effect size and a power of .057. Furthermore, the result showed that there was a significant difference with a small to moderate effect size in the score of conduction quality for both countries and with a power of .498. In which, AC Conduction quality in Germany is higher than in Indonesia. Regarding the post-processing quality, there is only a small and non-significant effect size with a power of .057. Meaning that no difference between Indonesian and German organizations.

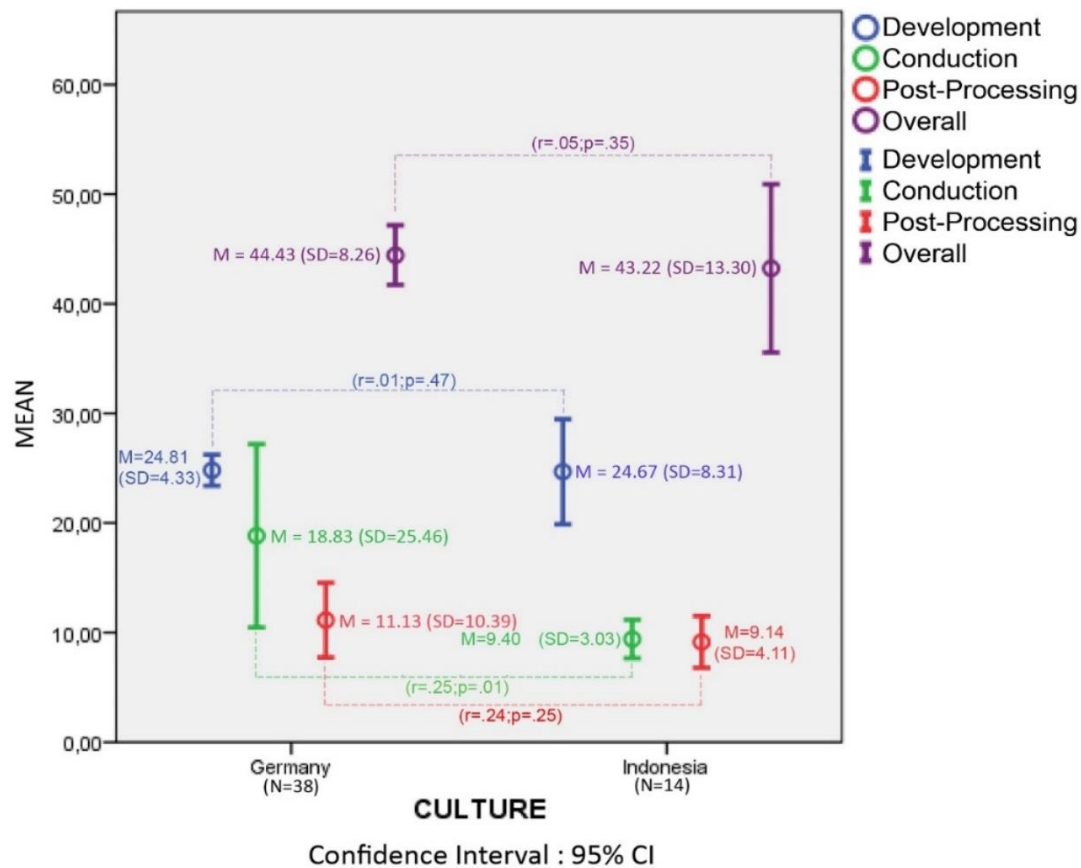


Figure 1. Indonesian overall, development, conduction and post-processing means score, German overall, development, conduction and post-processing means score, Standard Deviation, Effect Size (r), and p-value. *p-value is significant at the 0.05 level (1-tailed)

Discussion

This study's goal was to determine the quality of AC methodology in Indonesian organizations and it compared the result of the BACDi-instrument with the previous study in Germany. Our results revealed that there was no difference between Indonesia and Germany in AC overall, development, and post-processing quality. However, in conduction quality, there was a difference between Germany and Indonesia. There are several possible explanations for these results. First, the small sample indicates that there is only a small chance of finding significant differences between the two groups due to low statistical power. Secondly, the difference in AC experience refers to 40 years in Germany versus 20 years in Indonesia. However, globalization across the ASEAN countries requires Indonesian organizations to adapt to the high demands promptly. By adopting standardized practices in HR organizations, a sustainable competitive advantage is established for them in the global environment (Schuler et al., 2011), which is applicable within AC practice. Moreover, this finding is contrary to previous studies by Krause et al. (2014), which have suggested that Indonesian HR professionals need to improve and use sophisticated techniques in job analyses. Emphasis on selecting the right person based on competencies for the future job, a standardized exercise in ACs, is equally required in both cultures. In designing ACs, both dimensions and exercises are the requirements of ACs (Hoffman & Baldwin 2012). Therefore, the potential influence of difference in specific cultural values may be mainly not significant within this particular context.

Another possible explanation is the difference in the size of the companies in both countries. The majority of the organizations in the Indonesian sample are medium-large companies (with >

500 employees/organizations). In comparison, the variety of organizations in Germany's sample is spread from small to large companies. Large organizations may have more resources to hire experts to develop valid selection tests to improve hiring practices and also to use employee surveys that give insight into developing retention programs (Benit et al., 2014; Lodato et al., 2015; Saddam & Mansor, 2015). There were arguably more similarities than differences between the two countries, so the cultural context in AC practices should not be overstated.

CONCLUSIONS

While interpreting and discussing the current results, some limitations are worth noting. Bearing in mind that our study did not measure but only inferred cultural values, future studies may uncover important variables in AC practice such as measuring differences in cultural values. Moreover, Germany and Indonesia are not only different in culture but also in other aspects such as the average size of companies, the quality of HR education, and the AC research-practice gap. Therefore, future studies should address these issues, which could lead to improving AC methodology in the future. Another possible limitation one must consider is the sample size. The small sample size limits statistical power and inhibits the detection of effects in complex research designs (Koopman et al., 2015). In addition, taking into account the fact that the unequal sample size included 14 Indonesia organizations and 38 German organizations, a reduction in statistical power was probable. As for the Indonesian companies, a proper large sample can enable standardization in AC quality amongst Indonesian companies. Therefore, future studies should address this issue.

LIMITATION & FURTHER RESEARCH

Although this is initial research on AC methodology quality in Indonesia, the research expands on essential AC practices within the country. For example, Indonesian HR professionals are encouraged to gain sufficient information based on scientific evidence to maintain an AC methodology quality that is suitable for the Indonesian context. Future research is encouraged to further investigate the findings of the study in years ahead to evaluate changes in AC practices within Indonesia.

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