

Message from the National COP Chair**Denis J Flores**

Welcome to the first nationally produced edition of TOP (The Organisational Psychologist). The intention is to have a fresh issue produced each quarter, and for the content to reflect the scientist practitioner model.

In this issue, we have a number of firsts. We will be featuring the start of a regular series on how organisational psychologists can make better use of the media to promote and market themselves. We also have the first of a series of articles on professional practice and legislation, in this case we are looking at the topic of competition policy and principals as they apply to psychologists. There is a feature article on integrity testing, which represents cutting edge research on this area. Then we conclude with an important article summing up the emerging hot issues and what competencies organisational psychologists can contribute in these areas.

So far 2005 has been a busy and interesting year for the College of Organisational Psychologists. The developments in 2005 demonstrate that the College of Organisational Psychologists continues to take the lead in so many ways. In brief, 2004 saw the following developments:

The alternative entry process developed

in 2004 is now a reality and College membership via this route is available. A number of applications are under active consideration.

In conjunction with this, the College competency profile has been completed and submitted to the APS working party. Our College was at the forefront of this competency development. COP as well as all other Colleges has now adopted the revised post Masters requirement of 80 hours, comprising 50 hours of Supervision and 30 hours of approved PD, replacing the current 2 years' supervision.

Substantially revised and improved Course Approval Guidelines have been developed and are now in place.

Now that the competency profiles are in place we will be addressing the issue of peripheral qualifications, such as Certificate 4, in regard to employment conditions for organisational psychologists.

The I/O Psychology Conference in early July excelled under very difficult weather conditions, once again bringing an extraordinary range of top quality international and local researchers. We would like to thank Brett Myors and his team again for their efforts. The organising committee for the next I/O Psychology

Conference to be held in Adelaide in 2007, has already decided to adopt an even more strongly international theme by concentrating on inviting increasing numbers of researchers from South East Asia, the UK and the US, as well as showcasing the best minds in Australian Organisational Psychology Research.

NSW College of Organisational Psychologists is commencing a pilot of online professional development programs. We have sought input from all NSW COP members about online content. This is a first for any college, and represents a wonderful professional development initiative that can be accessed by those members with family responsibilities, or those who live in rural and remote regions. If the forum is a success, then the process will be extended to all other states.

Finally, the APS Board continues to conduct a governance review and has accepted our suggestion of including a member of COP on the review panel. I am pleased to see that Dr Nick Reynolds, a past national Chair has been appointed. The Panel will seek input from National Committees, including COP, in due course.

Denis J Flores, October 2005

ARTICLES

Message from the National Chair

Submission Guidelines

Membership matters

Questions for Marion Power about ACER

Invitation to Military Testing Conference

Media Article for College of Org Psychs

Competition Principles

TOP feature article – Workplace integrity testing in Australia

Submission Guidelines

The Chief Editor and Editor welcome all constructive input, articles, letters and ideas from Organisational Psychology College Members. We would just like you to help us out by abiding by some simple house keeping rules:

- **Please ensure that any articles are formatted properly, spell checked and proofed prior to being submitted for publication.**
- **Obtain the Chief Editor's (Denis Flores) approval prior to any articles being written on commercial sponsors.**
- **Please do not submit material that is defamatory, libellous, racist or discriminatory in nature. We will not publish it.**
- **All images, artwork and fonts to be submitted as separate files, Artwork or photos submitted as a part of a Word file will no longer be used. Preference for photos are TIFF or high quality JPG formats.**
- **Please submit all TOP content to Martha Knox-Haly at marthaknox@bigpond.com**

The deadline for material to be submitted for the December Edition of TOP is 29th November 2005.

Membership matters

By Gina McCredie

As the new Membership Secretary, my role is to encourage students, academics and practitioners in organisational psychology to join the College of Organisational Psychologists (COP).

Why join COP?

Firstly, COP is the one and only professional association for all organisational psychologists working in Australia. COP exists to support you in your professional development and career as an organisational psychologist, and to represent the interests of organisational psychologists with key stakeholder groups including Government, business, the media and the community.

COP membership gives you access to

- professional development seminars and workshops covering topics relevant to the practice of organisational psychology (full members get discounted rates)
- networking with others studying and working in organisational psychology at professional development events to keep in touch with peers and colleagues
- the latest news and views in the College e-Zine ,The Organisational Psychologist
- supervision support for those working towards Registration and College Full Membership
- social functions for you to catch up informally with your organisational psychology colleagues
- media opportunities stemming from your inclusion on the COP media register (optional)

- a role on the COP Committee at a State or National level to contribute back to your profession for the good of today and the next generation of organisational psychologists

So if you want to keep in touch with your peers and benefit from updates on the latest research and practitioner developments, read on.

How do I join?

As COP is a sub-group within the Australian Psychological Society (APS), you first need to be a member of the APS. Then you can apply for COP membership by contacting Joan Moore at the APS (details below) and she will send you out the COP application pack.

There are 4 categories of membership of the College:

1. Student Subscriber – for those currently studying organisational psychology
2. Affiliate – for those who wish to become associated with COP but are not eligible to be an Associate or Full Member
3. Associate Member – for those who are in their final year of an accredited organisational psychology program, with their coursework and placements done, and their research component begun.

This category also includes those who have completed their 6 years of study but do not yet satisfy the requirements to become a full member in terms of the required 50 hours of supervision and 30 hours of professional development over a 1 year period.

4. Full Member – includes those who have finished their 6th year of study and done the required 50 hours of supervision and 30 hours of professional development over a 1 year period.

Doctor of Psychology graduates are eligible to become Full Members immediately.

For those who completed their studies some time ago and have since gained significant organisational psychology experience, a competency-based assessment process is available to reach full membership. This “alternate entry” pathway is designed to ensure our more experienced organisational psychologists

can become Full Members without requiring them to meet the current supervision requirements.

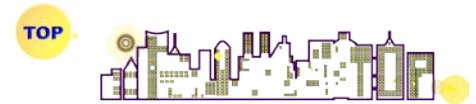
So whether you're an old hand or a new graduate, COP encourages you to join and become a member of your profession's professional association. For more information about membership or to request a membership application pack, please contact Joan Moore at the APS (j.moore@psychology.org.au, 03 8662 3300) or Gina McCredie (gmccredie@myrealbox.com, 0404 024 840).

So what if I'm already a member of COP?

If you're already a member, ask yourself are you in the right category of membership? When Student Subscribers graduate they should notify the APS that they would like to become an Associate. Once an Associate, you should submit a supervision plan and begin working towards full membership. If time has slipped away from you and you've been an Associate for 3 or more years (or a decade!), you should consider taking the 'alternate entry' process of competency-

based assessment to become a Full Member. And if you're a Full Member already, you're in the best position of all, as you can reap maximum membership benefits! Enjoy!

Next edition: **The 'Alternate Entry' pathway to Full Membership explained**



Corporate Strategic Alliances: This is the first of a series of articles showcasing the valuable Commercial sponsorships that support the College of Organisational Psychology. In this first article, Martha Knox Haly interviews Marian Power, Consultant Psychologist with ACER.

Martha Knox Haly: ACER is one of the best known publishers of psychological testing in Australia. Can you describe some of the tests that ACER can offer to Organisational Psychologists in particular?

Marian Power: We have a wide range of paper-based and online assessments. ACER has recently achieved the right to become the Australian Distributor for Sigma Assessment Systems and is currently running a free accounts registration process for Sigma Assessment Systems. This offer will run until the end of the year. To access this, psychologists need to contact, Simone Whitehead, (who is our dedicated online testing customer service officer) on 03 9835 7449. Simone can provide any interested Psychologist with an account number and sign them up for two free administrations of selected tests. Organisational Psychologists who have used this opportunity so far are delighted with the assessments' strengths and the immediacy of return of reports.

Sigma Assessment Systems includes broad human resources assessment tools for employee selection and screening. There is a brief assessment schedule, which examines counterproductive work behaviours such as bogus sick days, drug and alcohol abuse and tardiness. A version has been specifically designed for call centre staff.

There are Sigma surveys for sales professionals, personnel aptitude assessment, leadership skills profiles and reports on leadership development. Leadership skills profiling is especially useful for succession planning and in identifying training needs in employees with management aspirations. Sigma Assessment Systems incorporate work styles as well as a number of personality tests. My personal favourite is the Six Factor Personality Questionnaire. This measures the Big Five Personality Factors with an additional analysis of "conscientiousness" into two facets of industriousness and methodicalness. Sigma Assessment Systems also accommodate personality assessments for adults with literacy difficulties. For example, there is a non-verbal questionnaire with illustrations of personality behaviours. An applicant is shown illustrations of various activities and asked how likely is it that you would engage in this type of behaviour? His/her responses are scored accordingly. There are also career and clinical counselling surveys available in the Sigma Assessment Systems range.



ACER also carries a wide range of abilities and aptitude tests. This covers the whole occupational spectrum from trades, apprenticeships through to senior management. Tests can cover verbal, numerical and spatial skills assessment, sales/customer service ability and security/integrity tests. Then you have a broader range of topics, such as work climate and team based tools, the Myers Briggs Type Indicator instrument, organisational development scales, occupational stress and coping scales, the Coping Scale for Adults, conflict mode measurements, and "burnout inventories". Organisational Psychologists are also able to buy the full range of clinical and occupational personality assessment tools.

Martha Knox Haly: *There are additional value added services that ACER provides to Organisational Psychologists. Could you talk about some of these?*

Marian Power: Psychologists sometimes ring up and say, "I have not tested in "x" area for a long time, what would be an appropriate test to use?" ACER has specialist Organisational Psychologists in Melbourne (Gerard Ferrara and myself) and in Sydney (Melissa McColough) who will provide assistance with selecting a suitable range of tests. ACER's Psychologists work to tailor test selection to the needs of the particular client. This is a critical function and one, which will become increasingly important to help psychologists save time and money. There have been cases in the United States where lawyers, test publishers and practitioners have engaged in fierce debate whether lawyers should be allowed access to raw test data. ACER is 100% behind psychologists retaining such data as well as secure test materials, as the code of ethics for professional practice in general, and test guidelines in particular, are fully respected. This is a recent trend in the United States, and it is not yet occurring in Australia. It should be noted that there have been some instances of alleged discrimination where test publishers have been asked to provide a response about the function of a test. This is why ACER takes the time to talk with psychologists and HR practitioners to ensure test selection is defensible and appropriate to the particular project.

Another value-added service is that ACER's Organisational Psychologists can run tests for clients. ACER will charge recommended retail price for materials, and if required, can provide scoring and reports. Test administration space and time can be negotiated free of charge or at an agreed fee depending on the circumstances.

ACER can provide assistance to student research projects through membership of the Cunningham Test Library which has an extensive range of research data bases. There is also potential for a discounted student purchase rate. Our psychologists may fax or e-mail test reviews to customers when this is likely to assist decision-making.

Martha Knox Haly: *What purchasing trends are you seeing from organisational psychologists?*

Marian Power: At the moment online availability is attractive, particularly for Myers Briggs tools, and the ability to have a report generated electronically and immediately on a range of topics is very welcome. The online MBTI instrument take-up is huge. Sigma products online are very popular, and many organisational psychologists are looking at emotional intelligence measures. Psychologists are returning to the use of appropriately chosen assessment tools for recruitment, organisational development, personality profiling and career planning purposes. They can see the improvement which is then evident in outcomes.

Martha Knox Haly: *ACER has had a long relationship with the College of Organisational Psychologists. Could you describe some of the high points of the association and what future developments you would like to see?*

Marian Power: ACER sponsored an event two years ago at Melbourne University on test choice. Another highlight was ACER's recent sponsorship of an event on intellectual property. We have constant engagement with this topic and it is a complex area. At the recent event, discussion occurred both in reference to test development, use, storage and feedback as well as concerns about ensuring that information provided in tenders is not "lifted". ACER is only too delighted to assist with discussions on test topics. We would love to open ACER's premises to host College professional events as we already do this for Myers Briggs assessments functions.

ACER has always been a sponsor of the biennial IOP conference and looks forward to this relationship continuing.

The association between ACER and COP came about because a number of organisational psychologists were approaching ACER for advice. I was keen to become

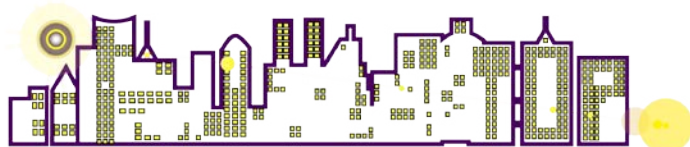
involved with the National Committee for the College of Organisational Psychologists as part of my commitment to creating/promoting sound material to support the practice of organisational psychology. It is very much a two-way process as I am always learning from practitioners. ACER really appreciates the feedback we receive on tests and ideas for improvements and/or new materials. This means that ACER can give feedback to test writers. ACER is also an enthusiastic publisher of books by Australian authors and is always on the lookout for new test proposals and suggested manuscripts.

Late last year, the National Chair of COP, Dennis Flores, wanted me to take particular note of the testing aspects in organisational psychology practice. I also have an ongoing involvement with the APS committee, which is looking at revising the ethics of testing guidelines. I am quite passionate about the value of testing when it is chosen and used well.

The last few years with Denis Flores as the National Chairperson have been very positive. Denis contributes strongly in many areas, and he has the energy to work towards achieving constructive outcomes. The national phone conferences are a wonderful means of networking across states. It is rewarding to be able to work together promoting organisational psychology as a vibrant and exciting specialisation.



Martha Knox-Haly



Invitation to Military Testing Conference

Q65G-4/130

11 Aug 2005

Dear Sir/Madam,

47TH INTERNATIONAL MILITARY TESTING ASSOCIATION (IMTA)

CONFERENCE, 8-10 NOV 2005, SINGAPORE

Applied Behavioural Sciences Dept
Defence Management Group
Ministry of Defence
5, Depot Road, #16-01, Tower B,
Defence Technology Towers
Singapore 109681
Tel: (65) 6373 1551
Fax: (65) 6373 1577

1. We would like to invite you, your staff and colleagues to participate in the 47th International Military Testing Association (IMTA) conference. The conference will be held in Singapore from 8 to 10 Nov 2005.

2. We are honoured to host and bring this event to Asia for the first time. The conference seeks to foster greater interaction and exchange of professional knowledge between military researchers from Asia and the rest of the world.

ABOUT IMTA

3. The International Military Testing Association (IMTA) is a worldwide affiliation of military and civilian researchers/practitioners who are largely from the Psychology, Human Resource and Training domains. The annual conference brings together representatives of many countries to report, exchange and discuss research results, ideas and techniques. Areas of interest are much broader than the name conveys and include occupational analysis, manpower trends, recruitment, selection, training technologies, leadership development, organisational development, human performance, operations support and mental health support.

4. IMTA members comprise military-related agencies from 13 nations. However, individuals and agencies can participate in the conference without being a member. The organisation of the annual IMTA Conference is rotated among the members.

CONFERENCE THEME, GUEST-OF-HONOR AND KEYNOTE SPEAKERS/ PRESENTERS

5. The theme for IMTA Singapore 2005 is "Supporting military transformation and operations in a changing world".

6. The guest-of-honour will be our Permanent Secretary (Defence Development), Dr Tan Kim Siew.

7. The keynote speakers will be Brigadier-General Jimmy Khoo of our Future Systems Directorate and internationally renowned researcher Professor Walter Borman. Other distinguished presenters include Professor David Chan, Professor Steve Kozlowski, Professor Robert Ployhart, Professor Micha Popper and Professor Bill McKelvey.

CONFERENCE VENUE AND PROGRAMME

8. The conference will be held at the Hotel Pan Pacific Singapore. Alternative nearby hotels are also available.

9. The conference programme will include pre-conference workshops on the 7 Nov 2005. Key highlights of the conference include a keynote address, three to four conference tracks, a welcome reception at our tri-service military institute and a formal dinner to close the conference.

FEES AND REGISTRATION

10. Conference fees (per person) are as follow:

Event Date Fee

Pre-conference (optional) 7 Nov S\$130

Conference 8, 9, 10 Nov S\$370 (if payment made before 14 Oct; thereafter, S \$420)

11. Registration for the conference is now open and the deadline will be extended to 1st Oct. Please visit the website at www.internationalmta.org to register and to check for the latest conference details. For queries, please email <IMTA_Singapore@starnet.gov.sg> or <sohstar@starnet.gov.sg>. Alternatively, you may contact me directly at +65-6373-1551.

12. Please help to forward this letter to your colleagues and friends in the military. We look forward to seeing you at the conference!

Yours sincerely,

Lt-Col Soh Star, Ph.D.

(Head Applied Behavioural Sciences Department, Ministry of Defence, Singapore)

Chairman, IMTA 2005 Organising Committee

Email: IMTA_Singapore@starnet.gov.sg

Website: www.internationalmta.org

Getting The Most out of The Media

By Maria Luksich (Corporate Media Communications Specialist)

Have you ever wondered how it is that some people seem to be everywhere you look? Everytime you turn on the radio you can hear them being interviewed, they have a weekly column in the Sunday papers and they are always providing expert opinions to A Current Affair and Today Tonight?

I may be exaggerating a little, but it is certainly true that the media tend to use the same faces over and over again whenever a psychologist's opinion is wanted. The reason that these people get so much publicity is because they understand how the media works, and how to make the most of a media opportunity. Successful publicity seekers understand that role of the media is to inform and entertain.

If you're not entertaining the public, you don't have a chance of getting your message across no matter how informative you are. And why does it need to be entertaining? Because then the public listen to your radio show, watch your tv program or buy your newspaper – this translates to more advertisers, which equals more money for the owners/corporations. For non-commercial organisations such as the ABC, it's still about influencing people.

If you think that you have a genuinely interesting project, or topic that is worth media attention, you should create your own media plan. Your media plan is your blueprint for getting the most of the media. It should include your strategies to reach your desired outcomes.

To help identify your outcomes, ask yourself the following:

- Why do you want publicity?
- Who is your audience?
- Identify your point of difference – what is it about your project that makes it newsworthy? Why would you or your friends want to find out more about it? Do you think that is a wider audience out there then your immediate circle? Sometimes it is hard to accept that what we have invested a lot of time in may not be of interest to others, so you will need to be realistic.
- Choose your media - research, research, research. Look at the distribution and deadlines. For TV, your story will need to have national interest, for radio it will probably need statewide appeal.

Once you've identified your angle, and got some idea of the media that might be interested in your research, then start making contact with journalists and reporters. Don't waste their time by being unprepared for their questions, and you should have some written material that you can offer to email or fax through to them. If they ask you to call back, make sure that you do, and make sure that any written material is short, has all the facts up front, and at the very least use a spell checker!

Next issue: *The Media Release – what to include and what to leave out.*

COMPETITION PRINCIPLES

By Doctor Philip Webb

Psychologists in the private sector are faced with recurring issues such as unfair dismissal, competition policy, workplace relations and other related management issues. Psychologists in the public sector are subject to government acts and policies such as EEO, but often seem unaware that competition applies to them as well.

A more extreme view is sometimes held that, if a psychologist follows a code of ethics, competition policy is “irrelevant” to what the psychologist does. However, learned bodies and regulating bodies must take competition principles into account or face the legal consequences.

The Australian Competition and Consumer Commission (ACCC) is the public face of enforcing competition principals. The Head of the ACCC recently called for the jailing of executives who were involved in anti-competitive practices. Could this happen to psychologists?

The Commonwealth Trade Practices Act, 1974, was designed to regulate competition between companies. Under Competition Principles in the Act, regulation of competition was extended to the professions. Psychologists are required not to indulge in anti-competitive practices against other professions. For example, psychologists cannot engage in anti-competitive principals against psychiatrists, social workers, rehabilitation counsellors, occupational therapists or human resources staff. This clearly includes circumstances where a particular group of psychologists comes to insist that they have the exclusive entitlement to perform certain kinds of work. The main objective of the Competition Principles is to serve the public interest.

The material covered in this article can be sourced directly from the Internet, but is summarised below.

REFORMING THE PROFESSIONS

The full text on Reforming the Professions can be obtained at www.ncc.gov.au (National Competition Council website). In 1995 (now 9 years ago), all nine Australian State Governments agreed to implement National Competition Policy. The National Competition Council (NCC) which develops competition policy and reports on progress.

The following table has been adapted from their example on page 6 of the NCC report Reforming the Professions to apply to psychologists.

Some Types of Anti-Competitive Restrictions	How They Work ...	Example for psychologists
1. Entry Qualifications	To enter the profession you must have stipulated academic qualifications and experience	Psychologists must have a 4 year psychology degree or other prescribed academic qualification
2. Registration requirements	You must hold a <i>licence</i> to practice (even if you have appropriate academic qualifications)	Psychologists can not practice unless they are registered with the Psychologists Registration Board
3. Reservation of title	Only persons with particular qualifications and/or on the register may call themselves by the professional title	A qualified Bachelor of Psychology who is not registered with relevant Board cannot call themselves a Psychologist
4. Reservation of practice	Certain types of work cannot be performed by anyone other than a specified professional	What can psychologists specify as being reserved solely for psychologists? See below.
5. Disciplinary processes	Professionals may be asked to explain their conduct, and may be disciplined or prevented from practising.	Registration Boards may do this. The jurisdiction of learned societies is restricted to members.
6. Conduct of business	Rules that prescribe ways in which the professionals may or may not conduct their business affairs	Covered in Psychologists Act.

As can be seen, psychologists have a number of anti-competitive restrictions which are sanctioned by the State Psychologists Act. The area in which psychologists have difficulty is in defining (see No. 4 in the table) the types of work which only psychologists carry out. Let us look at two areas - counseling and assessment.

Counseling. Other occupations such as psychiatrists, psychotherapists, counsellors and so on carry out counseling of a psychological nature.

Assessment. Only the interpretation of some personality questionnaires and individual intelligence tests is restricted to psychologists. It is therefore astonishing that the profession largely walked away from advanced assessment in the 1980s and 1990s.

The challenge of defining the profession is obvious, psychologists moved away from the area that they were unique practitioners in. A number of articles in recent issues of American Psychologist debate the content of psychology and have addressed this particular topic.

PSYCHOLOGISTS AND COMPETITION PRINCIPLES

Psychologists are named specifically on www.ncc.gov.au under the publication Reform of the Health Care Professions dated August 2000. The report states:

There are three (3) main areas of professional regulation that could be reviewed to ensure the overall public interest.

1. Any "self-regulation" should be structured so that the professionals cannot abuse their control for their own benefit.
2. Any legislation that unnecessarily restricts competition and that does not directly contribute to patient safety and well being should be reviewed and potentially removed.
3. Professional associations should not be able to determine, without any consideration of the public benefit, who gets trained, where they get trained and how many are trained.

1. Control for benefit

An example of this is the legal profession using clients' money to regulate their profession. This is a current topic of reform.

2. Patient safety criterion

Legislation and interpretation of legislation by the Psychologists Registration Board which attempts to implement policies which do not have a clear public safety aim are invalid. The public safety involved must be clearly stated in writing and not exist solely in the regulator's head. Concerns around patient safety should also be evidence based.

For example, restricting the type of training of psychologists because of the sexual misconduct of certain clinical psychologists is invalid. These clinical psychologists are such a small minority that generalisation to other fields of psychology, eg, organisational psychology, is not relevant.

3. Restriction on numbers

Surgeons have been accused of restricting numbers in order to drive up their pay through restrictions on the numbers of surgeons who can carry out certain types of medical procedures.

Likewise, psychologist registration boards and learned societies can not introduce regulations which are aimed to restrict the number of practising psychologists.

For example, lobbying for a 6 year psychology degree in order to compete with psychiatrists or to increase student numbers attending university must show clear public benefit. The public benefit must be clearly stated in writing and not exist solely in the heads of regulators and committees of learned societies.

Psychologist Registration Boards can not restrict who can be trained as psychologists by refusing Provisional Registration to applicants in other professions, eg, nurses, police officers.

SUMMARY

There is no doubt that a certain number of psychologists believe that their livelihood may be protected by restricting other professions or by restricting the number of practising psychologists or restricting training opportunities. However, this is a dangerous illusion, contrary to Competition Principles, and not sanctioned under the Psychologists Act,

FEATURE ARTICLE by Assaf Semadar (University of Melbourne)

Workplace integrity testing in Australia: It's about time ... and money!

Ask the CEO of any large company if they have had a major case of fraud or theft in their company in the past year. Chances are that 75 per cent will say 'yes' (KPMG Marwick, 1993). Ask them further if they would like to see every new employee undergo a polygraph test to ensure the recruitment of honest and trustworthy employees. The answer, again, is most likely to be 'yes'. Unfortunately, the use of polygraph assessments as selection tools in organisational settings was outlawed in 1988. However, their next-of-kin - pre-employment integrity tests - are out there, and they are thriving.

The cost of employee theft in organisations world-wide, including theft of money, merchandise and intellectual property, is measured in the billions of dollars every year. Not surprisingly, given the economic benefits that might be realised, integrity tests are immensely popular in both the U.S. and Europe. According to Ones and Viswesvaran (1998), "Even by most conservative estimates, millions of people in the US have been tested using integrity tests". In contrast, integrity testing is almost nonexistent in Australia.

This article seeks to present the case for the use of integrity testing in the Australian workplace. It does not seek to present a balanced comparison of integrity testing versus other selection tools but rather to draw attention to a gap in Australian pre-employment selection practices. The article begins with a literature review of the extent and magnitude of theft by employees in organisations. This provides the rationale for the need of employers and recruiting companies to measure employees' integrity. Next, a profile of the typical 'employee thief' will be outlined. An 'employee thief' is the type of person that

integrity tests aim to identify and screen out. Then, the field of integrity testing is introduced together with a discussion of its underlying assumptions, the behaviours it predicts, and the empirical support for its predictive validity. Finally, the applications, caveats and the key features of a good integrity test are discussed.

The need for integrity testing

A review of the recent literature into the extent and magnitude of theft and fraud within organisations reveals that this phenomenon is incredibly widespread. Touby (1994) estimated the cost of theft in organisations in the U.S alone to be \$US200 billion a year. More recently, the Association of Certified Fraud Examiners (ACFE, 2002) had tripled this figure, estimating the cost at \$US600 billion. As a comparison, this figure is 150 times the cost of street crime against organisations (Baucus & Baucus, 1997), and 40 times the total economic loss to victims of personal and property crimes (Bureau of Justice Statistics, 1999).

Workplace theft has been shown to severely affect the financial performance of organisations. Researchers have demonstrated that this type of theft can cost up to six per cent of annual sales (Hogsett & Radig, 1994; ACFE, 2002). More importantly, employee theft has been blamed for 30 to 50 per cent of all business failures (Bullard, & Resnik, 1993). Emshwiller (1993) and Lipman, & McGraw (1988) have shown that these figures do not stem from a few isolated cases of grand theft but from accumulation of repeated instances of minor theft.

Research surveys in the U.S report that 75 per cent of employees have stolen from

their employer at least once (McGurn, 1988) and that many engage in work theft routinely (Delaney, 1993). Two surveys (Hollinger & Clack, 1983; Slora, 1989) which examined the prevalence of employee theft by market segments revealed that 42 per cent of retail, 32 per cent of hospital, 26 per cent of manufacturing, 62 per cent of fast-food, and 43 per cent of supermarket employees admitted to repeated theft (more than once) from their workplace when asked anonymously. In a study of the retail industry (Randle, 1995), it was found that employee theft averaged \$US513 per case, while consumer shoplifting averaged only \$US64.24 per case. A more recent study suggests that the problem is getting worse (Washburn, 1997). Consequently, the ability to minimise workplace theft has become a potential source of competitive advantage and improved financial performance for organisations (Schnatterly, 2003).

Assisting organisations in achieving a competitive advantage through improving performance has been the *raison d'être* of organisational psychologists (Organ & Paine, 1999). In Australia, organisational psychologists usually focus on 'positive' ways in which they can assist organisations to increase performance (e.g., leadership development, team-building etc.), while the 'negative' side of performance - counterproductive behaviours - is not typically addressed. Perhaps, the question organisational psychologists need to ask is - what can we do to minimise the incidence of theft in organisations? To begin to answer this question we first need to understand what employee theft is and what the defining characteristics of a typical employee thief are.

What is employee theft?

Employee theft is one of the general class of counterproductive behaviours in organisations. Greenberg (1997, p. 86) defined employee theft as “any unauthorised appropriation of company property by employees either for one’s own use or for sale to another”. Theft differs in terms of degree or consequences; it may range in scale from ‘pinching’ home office supplies to selling intellectual property on technological innovations. Usually, when employee theft is discussed in the literature it is concerned with non-trivial and repeated theft. A one-off appropriation of copy paper or pens for non work related use, for instance, is viewed much differently from the repeated and regular theft of computer accessories (Niehoff & Paul, 2000).

The profile of employee thieves

Several criminologists have developed profiles of employee thieves. According to Hollinger and Clark (1983), the sort of employees who are prone to engage in theft are characteristically young, face economic difficulties, and are emotionally unstable. Frank (1989) added that individuals with limited ties to the organisation or community are more likely to steal than those who are more connected. Research has also found employee thieves are generally new to the organisation, work part-time, and are unmarried (Murphy, 1993). Hollinger and Clark (1983) suggest that theft is more common in low-paying, low-status jobs. However, Ones, Viswesvaran and Schmidt (1993) found that theft was also common in high-status jobs, due in part to employees at this level having less direct supervision. The excitement derived from the act of stealing has been suggested as the prime reason behind theft in high-status jobs (Hogan & Hogan, 1989).

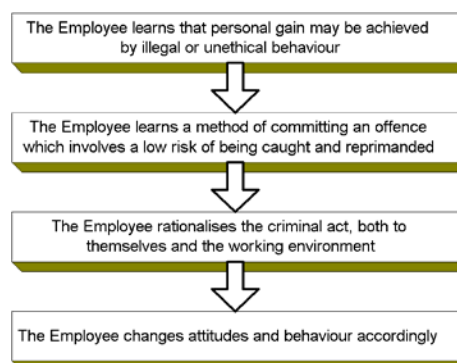
Research has also looked at the behavioural predictors of employee thieves. Hollinger and Clark (1983) argued that employee thieves are likely to be involved in other deviant behaviours such as alcohol and drug abuse and gambling. ‘Rule breakers’, ‘dare devils’ and those who enjoy forbidden activities are also more likely to steal (Hogan & Hogan, 1989). Experts from the security field further argue that a history of deviant behaviour tends to be repetitive and related - for example, people who pass bad cheques are more likely to steal (Weintraub, 1998). Not surprisingly, individuals who associate closely with thieves, are also more likely to steal (Paajanen, 1988).

Interestingly, employee thieves usually think of themselves as honest and reliable individuals; maintaining this image is important to them. For this reason, the employee thief develops a mechanism of justification or rationalisation for their criminal acts. Some typical rationalisations by workplace thieves are:

- “Everybody does it”
- “I didn’t cause any harm to anybody”
- “They owe it to me - I put in much more than I got from them”
- “This is not an offence - the regulations and norms are twisted”
- “The biggest waste of money is caused by bad managers and nobody cares”
- “The company should protect its property better”
- “The big bosses steal big time”

Employee thieves are usually quite adept in their professional area and know the organisational procedures and routines inside-out. The offences they commit are predominantly carried out in an area under their jurisdiction. Employee thieves typically identify an opportunity or a loophole in the system that is easily accessible to them and that has a low chance of their getting caught and punished. Figure-1 describes the process by which the behavioural pattern is acquired.

Figure 1. The Acquisition Process of Offensive Behavioural Pattern



While a substantial difficulty in discovering theft within organisations exists, bringing employee thieves to justice appears to be even more difficult. It has been noted that the damage of theft is usually not discovered in ‘real time’ but is only uncovered following a sequence of events. Further, security experts also point out the legal difficulties that the organisation faces in making a case against the employee thief; as well as the frequent reluctance of organisations to press charges for fear of bad publicity and subsequent damage to the corporate reputation. As a result, cases of employee theft have a low conviction

rate and are usually resolved with a ‘slap on the wrist’.

The financial effect of theft in organisation as described above, together with the difficulty of identifying and convicting employee thieves, suggests that prevention is the preferred way to deal with this problem. That is precisely what pre-employment integrity tests aim to achieve.

What is an integrity test?

Integrity testing is a preventative procedural strategy that can be applied to the selection and recruitment process, i.e. by testing candidates prior to or during the interview process. Also known as ‘tests of honesty, trustworthiness and work ethics’, integrity tests were specifically developed to measure attitudes or personality characteristics that are predictive of dependability, integrity and honesty, and, inversely, dishonest or counterproductive work behaviours. They operate by assuming a profile of individuals who are prone to steal (Murphy, 1993).

The underlying assumption of integrity tests is that perceptions on what behaviours count as dishonest vary between individuals (Ryan et al., 1997); dishonest individuals, for example, tend to perceive themselves as behaving according to normative behaviour in a ‘dishonest world’ (Bernarding & Cooke, 1993), and are, therefore, more likely to see dishonest or questionable behaviours as acceptable (Joy, 1991).

There are two main classifications of integrity tests – overt tests and personality-based tests (Sackett et al., 1989). Overt integrity tests, also known as clear purpose tests, are designed to directly evaluate an individual’s attitudes regarding dishonest behaviours. Some overt tests specifically ask about an individual’s previous illegal and dishonest activities. Personality-based measures, also known as disguised purpose tests, focus on a broad spectrum of counterproductive behaviours at work including absenteeism, tardiness, aggression, disciplinary problems, drug abuse, as well as theft. Research has shown that overt tests usually have stronger predictive validities (Ones, Viswesvaran, & Schmidt, 1993). In recent times the distinction between overt and personality-based measures has somewhat blurred, as tests are increasingly borrowing elements from both classifications. Figure-2 describes the factors typically measured by integrity tests.

Figure 2. Factors Typically Measured by Integrity Tests

Factor	.. the likelihood that the individual will
Honesty	.. not distort reports
Theft	.. not steal from work (cash or Merchandise, IP)
Bribery	.. resist bribe temptations
Norms	.. follow norms, rules & regulations
Client Orientation	.. be courteous and cooperative with customers and co-workers
Drug Use	.. not use illicit drugs on the job

Do integrity tests really work?

The bottom line is whether integrity tests can effectively predict theft and other counterproductive work behaviours. The answer is a resounding 'yes'. Integrity tests have been under the scrutiny of academic research for the past two decades, resulting in hundreds of published articles and conclusive results. Ones and Viswesvaran (1998) assert that integrity tests are perhaps the most researched scales in the occupational literature. The wealth of data points to the effectiveness of such testing.

Four large-scale, meta-analytic studies (O'Bannon, Goldinger, & Appelby, 1989; Ones, Viswesvaran, & Schmidt 1993; Ones, Viswesvaran, & Schmidt, 2003; Sackett et al., 1989) reviewed hundreds of pieces of published empirical research and concluded that integrity tests have substantial generalisable validities. Figure 3 summarises the behaviours found to be strongly predicted by these tests.

Figure 3. Factors Predicted by Integrity Tests

Counterproductive Behaviours	Performance
~ Termination of Theft	~ Training Performance
~ Property Damage	~ Productivity (Production Records)
~ Accidents on the Job	~ Overall job performance
~ Inventory Shrinkage	
~ Rule-Breaking	
~ Violence	
~ Aggression	
~ Voluntary Absenteeism	
~ Tardiness	

Sources: Ones, et al. 1993; Ones & Viswesvaran, 1998

While the main aim of integrity tests is to predict counterproductive work behaviours, research has found them also to be excellent predictors of job performance, more so than any other form of broad personality assessment (Ones & Viswesvaran, 1998). In Australia, it is a common practice for recruitment companies to use tests measuring broad personality dimensions (e.g., 16PF, NEO PI) hoping that these will predict an individual's future job performance. But whilst personality measures

undoubtedly assist the recruiter in understanding the broader characteristics of the job incumbent, research has not substantiated a strong relationship between broad personality dimensions and job performance (see Organ & Ryan, 1995 and Borman et al., 2001 for major reviews). However, Ones and Viswesvaran (2001), after comparing the predictive validities of some of the commonly used personality measures with the predictive validities of integrity tests found integrity tests to be superior in predicting job performance.

Integrity Tests - Applications

The use of integrity tests is not limited to specific business sectors or occupations; 'integrity' is almost a prerequisite for any new employee. Having said that, there are a number of industries that treat the integrity test as an integral part of their screening procedure for all new employees. Integrity tests are most commonly used when recruiting for entry-level positions that involve the direct handling of and responsibility for money and merchandise. Financial institutions, retail chains, supermarkets, hospitality and fast-food chains are good examples (and big consumers) of the sorts of organisations who extensively use integrity assessments.

However, the main niche for the use of integrity tests is in the recruitment of employees to 'sensitive' positions where such testing is combined with industrial security background checks. These include, for example, the testing of casino personnel, bank employees and security personnel.

A 'best practice' recruitment strategy for more senior positions (e.g., professionals and middle to senior management) is to obtain a broad perspective on the job incumbent. Therefore, the inclusion of integrity tests within a larger assessment battery (e.g., together with mental ability and broad personality evaluations) is recommended. Integrity tests can then be used as an additional source of information to be considered during the recruitment interview.

Shopping for an Integrity Test?

There are a number of key factors an organisation should consider when deciding on the sort of integrity test to adopt. Niehoff and Paul (2000) suggested that care must be taken in order to select tests that have been carefully validated, as there are many integrity tests, but few have rig-

orous reliability and validity. In addition, tests differ substantially in their degree of sophistication; some tests use such measures as 'lie scales', internal consistency analysis, social desirability scales, and even a measure that detects hesitations in responding. As professionals, it is important for organisational and occupational psychologists to ask more about the test's validation criteria and the internal mechanisms used to detect dishonest responses.

When applying integrity tests in this country, it is important that they are configured to the Australian-English language and jargon. To date, with the exception of few, most integrity tests do not offer a version specifically configured for Australia. Furthermore, as most integrity tests come in a computerised form, it is recommended that the chosen test will have a function that adapts to the individual literacy level of the test taker. This quality increases the accuracy of the test results as it minimises biases resulting from allowing examinees' too much time to think of the 'right' answer.

Another important consideration is the utility of an internet-based version of the test, as on-line integrity testing offers significant advantages. Firstly, it allows a quick turnaround, which means that testers or their clients can view the results immediately after the administration of the test. Secondly, it requires no downloads, no implementations and no maintenance from customers. As such, the internet-based integrity test can be administered from anywhere (including remote locations) at anytime with unlimited locations being used concurrently, as access to the test is not limited to the location of the computer(s) where it has been installed. Finally, an internet-based version also means that the price is more cost-effective because there are no tangible costs such as printing, data entry, couriers, etc.

A final consideration to take into account when choosing a test is its track record. Ask the provider for a list of clientele and for permission to contact them. It is also important to 'feel' the test in a trial run, ensuring that it is user-friendly and that the results, reports and narrative make sense. Figure 4 summarises the requirements of good integrity tests.



Figure 4. The Requirements from an Integrity Test



Conclusion

This article has addressed some of the problems that organisations face with respect to counter productive behaviours in the workplace, such as employee theft, along with the difficulties associated with identifying such behaviours. Prevention, through pre-employment integrity testing, has been put forward as an effective strategy for dealing with this problem. As these tests have been shown empirically to be effective in predicting theft, as well as a broad range of counterproductive (and productive) work behaviours, they have come to be used in almost every business sector in the Europe and the U.S. - so shouldn't Australian businesses, too, align themselves with this best-practice!



References

- Association of Certified Fraud Examiners. (2002). Fraud statistics web page. <http://www.cfenet.com/media/statistics.asp>.
- Baucus M. S., Baucus D. A. (1997). Paying the piper: an empirical examination of longer-term financial consequences of illegal corporate behavior. *Academy of Management Journal* 40(1), 129-151.
- Bernardin, H. J., & Cooke, D. K. (1993). Validity of an honesty test in predicting theft among convenience store employees. *Academy of Management Journal*, 36(5), 1097-1108.
- Borman, W. C., Penner, L. A., Allen, T. D., & Motowidlo, S. J. (2001). Personality predictors of citizenship performance. *International Journal of Selection and Assessment*, 9, 52-69.
- Bullard, P., & Resnik, A. (1993). SMR forum: too many hands in the corporate cookie jar. *Sloan Management Review*, 24, 51-56.
- Bureau of Justice Statistics website. (1999). National Crime Victimization Survey. <http://www.ojp.usdoj.gov/bjs/abstract/cvusst.htm>.
- Delaney, J. (1993). Handcuffing employee theft. *Small Business Report*, 18 (7), 29-38.
- Emshwiller, J. (1993). Corruption in bankruptcy system injures firms in need. *Wall Street Journal*, p. B1.
- Frank, R. F. (1989). How passion pays: Finding opportunities in honesty. *Business and Society Review*, 20-28.
- Greenberg, J. (1997). The steal motive: Managing the social determinants of employee theft. In R. Giacalone & J. Greenberg (Eds.), *Antisocial behavior in organizations*, 85-108. Thousand Oaks, CA Sage Publications.
- Hogsett, R. M., Radig, W. J. (1994). Employee crime: the cost and some control measures. *Review of Business* 16(2), 9-14.
- Hogan, J., & Hogan, R. (1989). How to measure employee reliability. *Journal of Applied Psychology*, 74, 273-279.
- Hollinger, R. C., & Clark, J. P. (1983). *Theft by employees*. Lexington, MA Lexington Books.
- Joy, D.S. (1991). Basic psychometric properties of pre-employment honesty test: Reliabilities, validity and fairness. In J W Jones (Ed.) *Preemployment honesty testing: current research and future directions*. New York: Quorum Books.
- KPMG Peat Marwick. (1993). *Fraud survey results 1993*. New York KPMG Peat Marwick.
- Lipman, M., & McGraw, W. (1988). Employee theft: A \$40 billion industry. *Annals of the American Academy of Political and Social Science*, 498, 51-59.
- McGurn, T. (1988). Spotting the thieves who work among us. *Wall Street Journal*, p. 164.
- Murphy, K. (1993). *Honesty in the workplace*. Belmont, CA: Brooks/Cole.
- Niehoff, B. P. & Paul, R. J. (2000). Causes of employee theft and strategies that HR managers can use for prevention, *Human Resource Management*, 39(1), 51 - 64
- O'Bannon, R. M., Goldinger, L. A., & Appleby, G. S. (1989). *Honesty and integrity testing*. Atlanta, GA: Applied Information Resources.
- Ones, D., Viswesvaran, C., & Schmidt, F. (1993). Comprehensive meta-analysis of integrity test validities: Findings and implications for personnel selection and theories of job performance. *Journal of Applied Psychology*, 78, 679-703.
- Ones, D. S., & Viswesvaran, C. (1998). Integrity Testing in organizations. In R. W. Griffin, A. O'Leary-Kelly, & J. M. Collins (Eds.), *Dysfunctional behavior in organizations: Vol. 2. nonviolent behaviors in organizations*. Greenwich, CT: JAI Press.
- Ones, D. S., & Viswesvaran, C. (2001). Personality at work: Criterion-focused occupational personality scales (COPS) used in personnel selection. In B. Roberts, & R. T. Hogan (Eds.), *Applied personality psychology* (pp. 63-92). Washington, DC: American Psychological Association.
- Ones, D., Viswesvaran, C., & Schmidt, F. (2003). *Personality and Absenteeism: A Meta-Analysis of Integrity Tests*. *European Journal of Personality*, 17, 19-38
- Paajanen, G. (1988). The prediction of counter productive behaviors by individual and group variables. Unpublished doctoral dissertation, University of Minnesota.
- Organ, D. W., & Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organisational citizenship behaviour. *Personnel Psychology*, 47, 775-802.
- Organ, D. W., & Paine, J. B (1999). A new kind of performance for industrial and organisational psychology: Recent contributions to the study of organisational behaviour. *International Review of Industrial and Organisational Psychology*, 14, 338-368.
- Randle, W. (1995). When employees lie, cheat or steal. *Working Woman*, 55-56, 76.
- Ryan, A.M., Scmit, M.J., Daum, D.L., Brutus, S., McCormick, S.A., & Brodke, M. H (1997). Workplace integrity: Differences in perceptions of behaviours and situational factors. *Journal of Business and Psychology*, 12, 67-83.
- Sackett, P. R., Burris, L. R., & Callahan, C. (1989). Integrity testing for personnel selection: An update. *Personnel Psychology*, 42, 491-529.
- Schnatterly, K. (2003). Increasing firm value through detection and prevention of white-collar crime. *Strategic Management Journal*, 24, 587-614
- Slora, K. B. (1989). An empirical approach to determining employee deviance base rates. *Journal of Business and psychology*, 4, 199-219.
- Touby L. 1994. In the company of thieves. *Journal of Business Strategy* 15(3), 24-35.
- Washburn, D. (1997). Study shows rise in employee theft in 1996. *Home Improvement Market*, 234 (8), 22.
- Weintraub, A. (1998). Close the steal mill: 12 surefire ways to stop wayward employees from swiping your profits. *Success*, 45(8), 24-26.

T.O.P. the official Quarterly Newsletter for the College of Organisational Psychologists has been illustrated and designed by:

