# Chapter 3

# PUBLIC POLICY IMPLICATIONS OF PRE-EMPLOYMENT HONESTY TESTING

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## POLICY ISSUES CONCERNING THE USE OF INTEGRITY TESTS

American society uses many types of tests to assess individual capabilities and attributes, and to inform screening and selection decisions in education and employment.[1] Aptitude tests measure ability in verbal, logical, or mathematical domains; standardized achievement tests tend to focus on attainment of knowledge in more specific areas, usually with reference to defined educational goals; and personality tests are concerned with affective aspects of behavior, such as emotional adjustment, motivation, interpersonal relations, and attitudes.

Although tests can differ fundamentally in their design and in the underlying constructs they measure, they all share a very basic characteristic: they are ". . . imperfect and therefore potentially misleading as measures of individual performance in education and employment."[2]

This chapter addresses several questions for policy makers deliberating the uses of honesty and integrity tests: effects of integrity test fallibility and classification error, potential discriminatory consequences of integrity test use, and privacy considerations. These negative effects must always be weighed against potential benefits to firms and society at large.[3]

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1. Tests are also used in the biological and medical arena, to provide information on the presence of particular clinical conditions, to forecast future illness based on genetic characteristics, to evaluate the usefulness of a new treatment, and so forth. These tests, like others, are imperfect, and the evaluation of their accuracy and efficacy is critical. For a discussion of one approach to measurement of accuracy and usefulness see, for example, Mark Zweig, "Evaluation of the Clinical Accuracy of Laboratory Tests," Archives of Pathology and Laboratory Medicine, vol. 112, April 1988, pp. 383-386; and for discussion of classification error in AIDS Antibody Testing see Office of Technology Assessment, testimony of Lawrence Miike before the House Committee on Small Business, Subcommittee on Regulation and Business Opportunities, Oct. 19, 1987. Issues pertaining to the accuracy and uses of genetic screening methods are discussed in Dorothy Nelkin and Laurence Tancredi, Dangerous Diagnostics: The Social Power of Biological Information (New York, NY: Basic Books, Inc., 1989).

2. The National Commission on Testing and Public Policy, From Gatekeeper to Gateway: Transforming Testing in America (Chestnut Hill, MA: 1990), p. 6.

3. These benefits include reduced costs of screening and selection, which depend in large part on the tests' predictive accuracy relative to the accuracy of other screening and selection methods; reduced workplace theft and counterproductivity; and, ultimately, increased productivity, which could benefit individual firms and the Nation as a whole. OTA did not evaluate these benefits in detail.

## TEST FALLIBILITY: ISSUES FOR CONSIDERATION

Because all tests are imperfect, projections made from test scores are not necessarily accurate representations of test-takers' future behavior or performance. Such 'classification error" is always a possible consequence of test use. But the effects of classification error from different types of tests are not necessarily the same. For example, most people would probably find it unpleasant to be mistakenly classified as below some standard in arithmetic ability necessary to perform successfully in a job or at school, but both the individual and social consequences of being misidentified as carrying (or not carrying) a deadly disease are surely different. For many people, too, there appears to be something special about the potential for erroneous classifications into categories that suggest they are "honest" or "dishonest." Understanding some of the reasons that misclassification from integrity tests can be particularly onerous can be helpful to policymakers.

### Self Control and the Presumption of Innocence

As discussed in chapter 1 of this Report, there is considerable debate within the psychological community over the relative importance of personality traits and environments (or situations) in determining human behavior. Another question hinges on the extent to which an individual is able to control a given personality trait, assuming the trait exists.

For example, if a person tests positive for the trait called "dishonesty," i.e., is identified as at high risk for committing certain acts defined as dishonest, he or she may still be able to control future behavior and, in a sense, "overcome" the existence of the trait. And this ability to exercise the requisite self control may also be affected by situational variables. This raises a methodological problem, in that the presence of the "self-control" trait would need to be incorporated in research on test accuracy in predicting propensities to commit dishonest or counterproductive behavior. There has not been research in which this aspect of the problem was addressed explicitly.

Aside from the measurement problem, this issue of self control raises a more basic question.

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4. This section draws on Mark Kelman, "A General Framework for Evaluating Classification Errors, With Special Reference to Integrity Testing," OTA contractor report, June 26, 1990.

American society does not generally require proof that individuals can exercise control; we rather take that as an implicit assumption. Our society generally prefers to grant people the opportunity to prove themselves as individuals, and shuns prejudgment based on one's identification with a group whose mean level of performance in a given domain (or on a given test) is higher or lower than the mean level of other groups.[5]

A key question, therefore, is whether a trait such as dishonesty is immutable. In the absence of evidence on the immutability of the trait, it can be argued that reliance on an integrity test score could deny an individual's claim to self control, and thus signal a departure from the axiom that society punishes only bad deeds and not bad dispositions. Whether society is willing to tolerate chips in the armor provided by the "presumption of innocence" is a question that Congress will have to consider if it debates policy over the use of integrity tests.

**What Happens to the Misclassified?**

Even if integrity tests were the sole basis for employment decisions, which no one recommends,[6] applicants who do poorly on the test would not necessarily be excluded from all employment opportunities. If the labor market is functioning properly, and if there are some jobs that simply have lower requirements for honest employees, then theoretically it would be possible for individuals who are labeled dishonest to find work eventually.

In general, though, the relatively lower demand for dishonest workers would theoretically drive down wages and employment opportunities for individuals classified as dishonest. The question becomes, then, whether this situation would persist, i.e., whether individuals who score low on an integrity test would systematically be denied employment in the future. Two possibilities warrant consideration: first, if test results are made available in the labor market, in databases, or through other means, then failing even a single test could have longer term repercussions. (The question of information access is discussed below under "Privacy.")

5. Exceptions are made, however, in cases involving public safety and similar concerns.

6. The test publishers caution employers against relying on any single pre-employment screening device. See Association of Personnel Test Publishers, Model Guidelines for Preemployment Integrity Testing Programs, 1st ed. (Washington, DC: 1990).

Second, if integrity tests are reliable (in the sense that individuals who are tested repeatedly do not vary significantly in their test performance), as the test publishers claim, then their use could create a population of persons who are repeatedly misclassified, and who are systematically denied employment without cause. Alternative methods to screen out dishonest job applicants, such as subjective interviews or letters of reference, are also imperfect and can result in erroneous decisions. They are, however, less likely to be as consistently wrong as integrity tests about specific individuals. Assuming even a modest error rate, widespread use of the tests could deny opportunity to a sizable number of persons.

Aside from potential economic loss -- denial of employment -- based on erroneous test scores, use of integrity tests could cause injury because of the stigma of failure. Comparison with cognitive ability tests can again be illustrative: performance on cognitive tests implies no global judgment of a person, but can indicate that he or she is likely to be more or less productive than someone else in certain jobs. There are no jobs, however, for which dishonesty is either required or preferred. Thus, if individuals learn their test results they could suffer from the implied label; and if scores become accessible to potential employers (other than those who administered the test) or to others in the community, the low scorers could suffer a social stigma.[7]

These potentially stigmatizing effects are made sharper by virtue of the tests' scientific imprimatur. Because many employers will want evidence of a test's accuracy before purchasing it, tests publishers have an obvious incentive to provide evidence that their products have been validated in scientific studies. The result is that individuals are not deemed dishonest or counterproductive by "whim" but rather by dint of a psychological instrument that has been proven in repeated experiments. Thus, while some tests might theoretically result in less overall misclassification than other screening methods, the tests could also intensify the effects of misclassification on those who are misclassified.

Another potential consequence of integrity test error -- and clearly an unintended consequence from the point of view of employers and test publishers as well as test-takers -- is the possibility that erroneous classification of honest persons as dishonest will be self-fulfilling. If low

7. It is important to note that integrity test publishers advise against informing applicants of their test scores. See below, for discussion of shared data, access, and related privacy issues.

scorers are erroneously denied employment, it can be argued that they are paying an unearned economic penalty; if so, they might rationally conclude that they will be made no worse off -- and possibly be made better off -- by engaging in the behavior for which they have already been penalized.[8] The possibility that use of the tests might lead some people to behave dishonestly -- quite the opposite of their intention -- warrants consideration and research.[9] To date there has been no empirical research to test this proposition.

**What Happens If Pre-Employment Integrity Tests are Not Used?**

A common argument for using integrity tests is that they are "more valid" than other pre-employment screening methods, i.e., that they are more accurate in predicting outcomes of interest. Some test publishers and researchers therefore claim that integrity tests result in fewer classification errors than other selection methods. This claim is not necessarily correct. First of all, most other pre-employment screening methods do not classify people in terms of honesty. They may "misclassify" individuals -- as a poor credit risk or as lacking some skill, for example -- but they do not characterize applicants as not honest. In fact, not all methods result in classification; a random procedure, for example, may reject some individuals without classifying them.

Moreover, where research that compares rates of error of integrity tests with other nonrandom hiring methods has been attempted, it has relied on estimates of the prevailing rate of theft (the base rate) and on estimates of the conditional probabilities (i.e., the frequencies of correctly and incorrectly classified subjects) derived from correlation coefficients reported in other research

8. This reasoning follows in the tradition of the "moral hazard" literature. See, for example, Kenneth Arrow, Essays in the Theory of Risk Bearing (Chicago, IL: Markham, 1971); Mark Pauly, "The Economics of Moral Hazard," American Economic Review, vol. 58, June 1968, pp. 531-537; and Oliver E. Williamson, Markets and Hierarchies (New York, NY: The Free Press, 1975).

9. The fact that tests themselves can stimulate -- and not just measure -- behavior, is a central concern in the educational testing community. See, for example, Edward Haertel, "Student Achievement Tests as Tools of Educational Policy: Practices and Consequences," Test Policy and Test Performance: Education, Language, and Culture, B.R. Gifford (ed.) (Boston, MA: Kluwer, 1989); and A. Collins and J. Fredrikson, "A Systems Approach to Educational Testing," Educational Researcher, vol. 18, No. 9, December 1989, pp. 27-32. Note that neither of these articles addresses integrity tests.

studies.[10] There has been very little comparative research of this type, and it is not possible to draw any firm conclusions.

## POTENTIAL DISCRIMINATORY EFFECTS: ISSUES AND EVIDENCE

An important concern about the effects of integrity tests is whether members of various ethnic, racial, or gender groups could suffer from discrimination in hiring because of test results. This is particularly important with respect to protected groups in society, and much of the research that has been conducted on discrimination has focused on so-called "adverse impact" considerations. Indeed, the framework of civil rights laws is a ". . . key consideration in adopting and maintaining a testing program [and] test publishers can market their products more easily if they can advise potential users that their tests do not require legal validation.'"

Many integrity test publishers have conducted adverse impact research. Their studies report a variety of findings: in some cases no statistically significant differences between groups' average test scores are found, in other cases there appears to be a favorable bias toward protected groups (minorities, women, and the elderly), and in other cases minority groups (i.e., Blacks and Hispanics) appear to do less well than whites.[12] Based on the studies supplied by the authors and publishers of honesty tests, their instruments appear to be free of adverse impact.[13]

Four caveats must be noted. First, as stated earlier, research conducted by test publishers, without independent replication, raises credibility issues. '4

Second, ". . . in some cases, the data used to demonstrate lack of adverse impact was not collected in the employment setting and may not accurately represent the way the test will operate

10. See, for example, S. Martin, "Estimating the False Positive Rate for Alternative Measures of Integrity," Journal of Business and Psychology, vol. 4, No. 3, spring 1990, pp. 385-389.
11. R. Michael O'Bannon, Linda A. Goldinger, and Gavin S. Appleby, Honesty and Integrity Testing: A Practical Guide (Atlanta, GA: Applied Information Resources, 1989), p. 93.
12. For a summary of the specific studies providing data on adverse impact see ibid., pp. 94-99.
13. OTA did not independently review all the adverse impact studies. One team of reviewers that did concluded that ". . . a large number of honesty test authors have supplied studies demonstrating lack of adverse impact of their instruments. Many of these studies appear to meet the necessary research standards for this type of research." Ibid., p. 99.
14. "Currently available adverse impact studies do not escape the criticism of some detractors that the majority of research on honesty testing is conducted or sponsored by the testing companies.

with job applicants. Other studies simply provided no information at all about how the data was gathered. A second issue is the size of the samples used. Some studies included only a small number of participants. . . ."[15]

Third, most of the adverse impact research relies on application of the "4/5th rule," a convention suggested by the Equal Employment Opportunity Commission[16] and widely used by employers in evaluating their hiring and promotions practices. This rule of thumb stipulates that a hiring rate for a minority group that is less than 80 percent of the rate for the majority will be regarded as evidence of adverse impact of the hiring system. While the research conducted by integrity test publishers suggests that the tests do not violate this standard, there is debate over its appropriateness as the sole criterion in making judgments of discrimination. Indeed, the Uniform Guidelines note the possibility that ". . . smaller differences in selection rates [than would constitute discrimination under the 4/5th rule] may nevertheless constitute adverse impact, where they are significant in both statistical and practical terms. . . ."[17]

The courts have relied largely but not exclusively on the 4/5th rule approach. "In one case a trial court declined to follow the 80-percent rule where the acceptance rate for minorities was 81.55 percent of that of majority candidates, but there was expert testimony that the disparity nevertheless was statistically significant. At the other extreme, another trial found a clearly 'significant discriminatory pattern' of selection from a test which eliminated about one-fourth of female applicants but only about one percent of male applicants."[18] If the courts shift their stance toward more stringent statistical criteria, more research will be necessary to resolve the question of adverse impact. 'g

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Suppliers attempting to market their tests have a vested interest in sharing favorable research but may be unwilling to report studies which show adverse impact." Ibid., p. 101.

15. Ibid., p. 93.

16. U.S. Civil Service Commission, Department of Labor and Department of Justice, "Uniform Guidelines on Employee Selection Procedures," Federal Register (Washington, DC: U.S. Government Printing Office, Aug. 25, 1978), pp. 38290-38315.

17. Ibid., p. 38297.

18. David Cathcart and R. Lawrence Ashe (eds.), Five Year Supplement to Schlei and Grossman's Employment Discrimination Law, 2nd ed. (Washington, DC: Bureau of National Affairs, 1989), pp. 39-40.

19. Even if the 4/5th rule is the criterion of choice, research problems remain. Sackett et al., for example, point out that in studies they reviewed, ". . . in no case does the black/white passing rate approach the .80 value used as a rule of thumb for adverse impact determination." But, they add, ". . . the presentation of data at different cut scores does illustrate the difficulty in attempting to compare white/black pass rates across tests. . . ." P. Sackett, L. Burris, and C. Callahan, "Integrity Testing for

Finally, this issue is further complicated because it is not entirely clear whether adverse impact can refer to test scores alone or whether there must be evidence that the scores lead to differences in hiring. Evidence on the precise role of test scores in hiring does not exist in the aggregate, and there have been no individual cases decided in which plaintiffs argue that an integrity test per se was the basis of discrimination.

Because of the questions raised in this discussion, OTA concurs with the finding that while currently available studies may be reassuring to employers, ". . . it cannot be fairly said that the coast is clear."[20] Additional research is required in order to inform policy deliberations concerning discrimination and adverse impact of integrity tests.

## PRIVACY

Whether questions on pre-employment tests represent an invasion of privacy is not a new issue.[21] In 1965 the Senate Subcommittee on Constitutional Rights of the Committee on the Judiciary, chaired by Senator Sam Ervin, and the House Special Subcommittee on Invasion of Privacy of the Committee on Government Operations, chaired by Representative Cornelius E. Gallagher,[22] held hearings to determine whether the questions asked on psychological tests used by the Federal Government were an unjustified invasion of the respondent's psyche and private life. The Subcommittees also investigated the validity of these tests and the due process issues involved in test administration. The reactions of the press and public were very critical of the types of questions asked

Personnel Selection: An Update," Personnel Psychology, vol. 42, 1989, p. 498.

20. O'Bannon et al., op. cit., footnote 11, p. 101.

21. See Myron Brenton, The Privacy Invaders (New York, NY: Coward-McCann, 1964); M.L. Cross, The Brain Watchers (New York, NY: Signet, 1963); Vance Packard, The Pyramid Climbers (New York, NY: McGraw-Hill, 1962); Vance Packard, The Naked Society (New York, NY: D. McKay Co., 1964); and William H. Whyte, Jr., The Organization Man (New York, NY: Simon and Schuster, 1956).

22. Rep. Gallagher proposed the study which resulted in the 1964 hearings on "Use of Polygraphs as 'Lie Detectors' by the Federal Government" by the House Committee on Government Operations, Subcommittee on Foreign Operations and Government Information (See House Committee on Government Operations, Report No. 198).

on these psychological tests.[23] Congressional hearings and media attention generated increased involvement by psychologists and the American Psychological Association in public debates and in drafting guidelines for test construction and test use.[24]

In 1967, the Office of Science and Technology of the Executive Office of the President established a panel to examine the issue of privacy and behavioral research, and to propose guidelines for those engaged in behavioral research. The panel defined the right to privacy as". . . the right of the individual to decide for himself how much he will share with others his thoughts, his feelings, and the facts of his personal life."[25]

A critical question, then, is what information a test should try to obtain. In order to protect the privacy of the individual, psychologists maintain that the information must be relevant to the stated purpose of the test.[26] Most psychologists agree that, to ensure that an individual's right to privacy is not violated, ". . . there must be valid psychological reasons for having the particular information sought in making the assessment."[27]

But even a valid psychological reason must be weighed along with social and ethical concerns to determine the appropriate balance between the individual's right to privacy and the employer's right (or need) to choose employees who will not commit certain acts. Each of these competing interests must be analyzed.

Publishers of paper-and-pencil integrity tests argue that applicants do not find taking the test to be offensive. In some cases, the evidence test publishers offer is based on responses to a test question (that is not scored) asking whether the respondent resented answering the questions. One

23. Alan F. Westin, Privacy and Freedom (New York, NY: Atheneum, 1970), especially ch. 6, "Probing the Mind: Psychological Surveillance" and ch. 10, "Prove That You're Adjusted."

24. See, for example, "Special Issue: Testing and Public Policy," American Psychologist vol. 20, No. 11, November 1965, in which testimony from the Senate and House hearings was reprinted, as well as statements by a number of prominent psychologists on the professional responsibilities of psychologists.

25. Executive Office of the President, Office of Science and Technology, Privacy and Behavioral Research (Washington, DC: U.S. Government Printing Office, February 1967).

26. Anne Anastasi, "The Use of Personal Assessment in Industry: Methodological and Interpretive Problems," Personality Assessment in Organizations, H. John Bernardin and David A. Bownas (eds.) (New York, NY: Praeger), pp. 7-10.

27. James Neal Butcher, "Personality Assessment in Industry: Theoretical Issues and Illustrations," Personality Assessment in Organizations (New York, NY: Praeger, 1985), p. 281. See also S.R. Hathaway, J.C. McKinley, and James Butcher, MMPI-2: Minnesota Multiphasic Personality Inventory-2 -- User's Guide (Minneapolis, MN: National Computer Systems, Inc., 1989).

study conducted by employees of an integrity test publishing company found that 82 percent of 224 job applicants who responded to an open-ended question reported no objections to taking the pre-employment honesty test. In a companion study, 11 percent agreed that this type of questionnaire was an invasion of privacy, while 69 percent disagreed. Three percent resented being asked to answer such a questionnaire, while 78 percent did not. Five percent thought that administering this type of questionnaire reflects negatively on the company, while 82 percent thought that it did not. Unfortunately, these results are not conclusive: one cannot rule out the possibility that respondents who have an interest in "passing" the test and being hired are not entirely candid in their answers.

Similar research has involved the reactions of a sample of college students, 84 percent of whom had work experience in industries where honesty tests were common, to taking a paper-and-pencil integrity test. This group was generally more strongly negative. Forty-two percent agreed, either strongly or somewhat, that such a test was an invasion of privacy, while 44 percent disagreed. Twenty-six percent said that they would resent being asked to take such a test, while 49 percent said that they would not. Thirty-three percent thought that administering this type of test reflected negatively on the company, while 43 percent thought that it did not.[28]

Although there is variation in what individuals consider personal, there are some questions that are generally regarded as invasive. There are also other questions about one's personal status that legally cannot be asked, either because they may have a discriminatory effect, e.g., prior arrests, or because the information is not considered relevant or reliable, e.g., religious affiliation.

This leaves a large gray area into which some individuals may feel that some of the attitude and admissions questions asked on integrity tests fall, e.g., "do you always tell the truth?;" "how many people do you like?;" "how strong is your conscience?;" "do you ever feel guilty?;" "do you ever treat people unfairly?;" "do you think your conscience would bother you if you cheated someone who cheated you?;" "how often do you blush?;" "how often have you been so upset that you wanted to leave home?" In addition, open-ended questions, e.g., "tell us what you dislike about yourself," that appear on some tests may also elicit information that individuals would not want to divulge.

28. Ann Marie Ryan and Paul R. Sackett, "Pre-employment Honesty Testing: Fakability, Reactions of Test Takers, and Company Image," Journal of Business and Psychology, vol. 1, No. 3, spring 1987, pp. 253-254.

In pre-employment screening, the individual's right to privacy must be balanced against the employer's (and society's) need for employees who will not steal or otherwise be counter-productive.[29] If it were necessary to demonstrate this need in court, employers might be asked for evidence on the magnitude of the employee theft problem. Additionally, they might be asked if there were other techniques available to screen employees or to monitor workers that posed less of a threat to privacy.

Perhaps the central reason that the privacy debate is difficult to unravel is that although privacy is a fundamental value in our society, it is not well conceptualized and is difficult to define. Three central aspects of privacy do recur, however, in regard to integrity testing.

First, there is the notion that certain types of information are inherently private. Second is the concept of a boundary between the individual and others; people should know the boundary between themselves and others and understand what information is crossing it. The third conceptual issue is the responsibility of organizations with regard to personal information.

Are the test questions themselves invasive? Are they necessary to determine whether a person is honest? Next, and perhaps most important, is the interpretation of the answers. An applicant may believe that his or her answers to a question or series of questions is legitimate, but if the answers are then interpreted to make specific conclusions about propensity for future behavior, the applicant may feel that his or her privacy has been invaded.

With regard to the use of and access to test answers, it maybe useful to consider the code of fair information practices developed in 1973 by an Advisory Committee to the Secretary of Health, Education, and Welfare on automated Personal Data Systems. These principles serve as the basis for information privacy legislation, including the Fair Credit Reporting Act, the Privacy Act, the Financial Privacy Act, and the Video Privacy Act. They are:

- there must be no personal data recordkeeping system whose very existence is secret;

29. The guidelines for use of the MMPI-2, as noted in ch. 1, are explicit on this point, reserving tests that invade privacy for situations of potential pubic hazard. See Hathaway et al., op. cit., footnote 27.

- **there must be a way for an individual to find out what information about him or her is in a record and how it is used;**

- **there must be a way for an individual to prevent information about him or her that was obtained for one purpose from being used *or* made available for other purposes without his or her consent:**

- **there must be a way for an individual to correct or amend a record of identifiable information about him or her; and**

- **any organization creating, maintaining, using, or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take precautions to prevent misuses of the data.**[30]

**Confidentiality**

**Although related to the right of the job applicant to decide what information to disclose, confidentiality is distinguished in that it involves the responsibilities of those to whom the applicant has disclosed information. This entails restricting third party access to the information and protecting the security of the information from unauthorized access.**

**The Equal Employment Opportunity Commission's (EEOC) Uniform Guidelines on Employee Selection Procedures (29 CFR Part 1607.1) require an employer to keep documentation, including the records of the component process, for selection procedures that may arguably have an adverse impact. For this purpose, most employers would be likely to retain information on test results and copies of the tests themselves. EEOC general regulations also require an employer to retain**

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**30. U.S. Department of Health, Education, and Welfare, Records, Computers and the Rights of Citizens (Washington, DC: U.S. Government Printing Office, 1973).**

applications and supporting material for 6 months; States often have similar requirements. Another EEOC regulation (Form 100, Employer Information Report EEO-1) requires employers to keep information on race, sex, and ethnic background in a separate file from personnel records. There appear to be no legal restrictions on employers retaining integrity test results, and/or copies of the tests themselves, in an employee's personnel file.[31] Some reviewers have expressed concern that extensive files on individuals' minor offenses (gleaned from test answers) could be kept in centralized databanks.

With respect to third-party access to information, the Standards for Educational and Psychological Testing state that:

> Test results identified by the names of individual test takers should not be released to any person or institution without the informed consent of the test taker or an authorized representative unless otherwise required by law. Scores of individuals identified by name should be made available only to those with a legitimate, professional interest in particular cases.[32]

The Model Guidelines of the Association of Personnel Test Publishers suggest that test publishers be consistent with this standard, i.e., that the employer (test user) has an obligation to maintain the confidentiality of the test answers, and that the test results cannot be provided to a third party without the applicant's written permission. However, this policy may not always be communicated to those responsible for administering the test or to test applicants. A review of several guides or manuals for test administrators revealed that confidentiality policies were not stated for the test administrator. A review of the applicant agreement forms on several tests indicates that some include a statement that test results will not be revealed without the permission of the applicant, while others do not. Additionally, there may be no review or audit to ensure that these general policies are being complied with by test users.

Interviews with several test publishers revealed that what happens to the completed test booklet depends on how it was scored. If the test was mailed to the test publisher for scoring, then

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31. See, however, Association of Personnel Test Publishers, Model Guidelines for Preemployment Integrity Testing Programs, 1st ed. (Washington, DC: 1990), p. 15.

32. Committee to Develop Standards for Educational and Psychological Testing of The American Educational Research Association, The American Psychological Association, and The National Council on Measurement in Education, Standards for Educational and Psychological Testing (Washington, DC: American Psychological Association, 1985), Standard 16.3, Primary, pp. 85-86.

the test publisher kept the booklet. if it was scored by the test user, then the booklet was kept by them. It is not known whether test results or test booklets become part of an employee's personnel record.

Related to the question of third-party access to test results is the issue of non-authorized access to those results. This involves safeguards for the security of test results, especially while being communicated through online telecommunication linkages and stored in computerized databases. The Standards for Educational and Psycholoaical Testing state that:

> Test data maintained in data files should be adequately protected from improper disclosure. Use of time-sharing networks, data banks, and other electronic data processing systems should be restricted to situations in which confidentiality can be reasonably assured.[33]

Some integrity test publishers do maintain computerized databases with information on tests that have been administered. In most cases this information is kept for research purposes. In all cases the information is retrievable by an individual identifier -- in some cases not by name, but by social security number.

Thus, with respect to third-party access to test results and security of test administration and results, it appears that appropriate standards exist for integrity test publishers and test users. However, the extent of adherence to these standards is unknown and there is no mechanism to enforce compliance.

## INFORMED CONSENT

Basic to the notion of the fairness of a test or test procedures is the principle that the individual should give his or her informed consent to the test. A critical question is what the individual needs to consent to in order for there to be informed consent. Standard 16.1 of the Standards for Educational and Psychological Testing, which established a general policy of requiring informed consent, exempts those situations in which ". . . consent is clearly implied (e. g., application for employment or educational admissions.)"[34] This exemption assumes a broad concept of "implied

33. Ibid., Standard 16.5, Primary, p. 86.
34. Ibid., Standard 16.1, Primary, p. 85.

consent." One testing expert argues that the individual ". . . should certainly be informed about the purpose of the testing, the kinds of data sought, and the use that will be made of the scores."= She recognizes that in order for the test to be effective, the individual should not know the ways in which responses to specific test items will be interpreted, or be shown test items in advance:

> if an examinee is told in advance that a self-report inventory will be scored with a dominance scale, his or her responses are likely to be influenced by stereotyped (and often erroneous) ideas he or she may have about this trait, or by a false or distorted self-concept.*

Broadly consistent with this advice, the integrity test publishers expect test users to inform applicants about the test and its role in the hiring decision.[37] Not as consistent are some test instructions, which tell employers that job applicants are to be told that the purpose of the test is to gather information on various personal qualifications, attitudes, opinions, and background.

A related question is whether the individual has a choice in whether or not to take the test. Although taking the test is technically voluntary, it is probable for most pre-employment screenings that, if an applicant refuses to take an integrity test, his or her chances of getting that job are significantly reduced.

## FURTHER THOUGHTS

This report has challenged some of the basic premises underlying the use of integrity tests in the workplace. In particular, OTA found that integrity testing is based on the belief that workplace behavior is determined largely by individual attributes. However, some researchers concerned with management's interest in limiting workplace counterproductivity suggest a broader view: "It is critical for supervisors to appreciate the complex interrelationship between theft and other forms of non-larcenous counterproductive behavior at work. . . . The factors that influence theft are often the same which generate other manifestations of counterproductive activity. . . . This means that theft and

35. Anastasi, op. cit., footnote 26, p. 8.
36. Ibid.
37. Association of Personnel Test Publishers, op. cit., footnote 31, p. 13.

dishonesty are management problems, not solely the concerns of security or law enforcement personnel."=

If these and other social scientists are correct, and dishonest behavior is largely influenced by workplace environments, then predictive validity studies that do not account explicitly for interactions between individual behaviors and environmental factors are an inadequate basis for assessing the utility of integrity tests. While business managers are of course free to make decisions based on any information, they may wish to press test vendors to clarify the limitations of the available research.

An issue that OTA did not address is whether pre-employment screening in general, and integrity tests in particular, are more efficient than increased investments in detection and security. More research would be required to address this question, which is primarily of interest to business establishments weighing their options.[39]

To the extent that problems of cost and relative effectiveness primarily affect private business decisions and productivity, they are not necessarily public policy matters. Presumably, firms considering investments in various alternatives would weigh their costs and benefits. But it is the Government's role to stay aware of the societal consequences of business decisions, and to share information on the potential risks and benefits of various mechanisms marketed as productivity-enhancing tools. OTA believes that the potentially harmful effects of systematic misclassification, possible impacts on protected groups, and privacy implications of integrity tests combine to warrant further governmental attention.

38. Richard C. Hollinger, Dishonesty in the Workplace: A Manager's Guide to Preventing Employee Theft (Park Ridge, IL: London House Press, 1989), p. 36.

39. One question that would need to be considered is the effect of various pre-employment screening devices on the level of effort made by companies to detect theft. If firms using integrity tests become more complacent about their workplace monitoring, more counterproductivity could result.

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