

ETHICAL ISSUES IN CONDUCTING PERSONALITY ASSESSMENT IN CORPORATE ORGANIZATIONS

Godwin Shima Iorwanev^{1*} & Abubakar Musa Tafida²

^{1,2}Department of Psychology, Nasarawa State University, Keffi, Nigeria

*godwinshima@gmail.com

ABSTRACT: This study explores the ethical issues encountered in conducting personality assessments within corporate organizations. Using a review of relevant literature and practical cases, the paper highlights the significance of personality assessments in areas such as employee selection, leadership development, and organizational decision-making. The research identifies and critically discusses the ethical concerns associated with standardized personality assessment tools, professional competency, data security, and the use of assessments for specific purposes. Particular emphasis is placed on the challenges professionals face in ensuring fairness, confidentiality, and the protection of participants' rights during the assessment process. The findings reveal that while personality assessments are instrumental in improving organizational outcomes, improper handling of these assessments can lead to ethical violations, including bias, data breaches, and misuse of personal information. The study recommends adopting multifaceted evaluation approaches that incorporate situational judgment tests and peer reviews to enhance the accuracy and fairness of assessments. Moreover, the importance of continuous professional training on ethical practices and the establishment of robust data security measures within organizations is underscored. This research contributes valuable insights into the ethical considerations necessary for conducting effective and responsible personality assessments in corporate settings.

Keywords: Personality Assessment, Ethical Issues, Data Security, Corporate Organizations, Competency, Standardized Tools

INTRODUCTION

Personality characterizes an individual's consistent patterns of thoughts and behaviors that differentiate one person from another. Consequently, personality assessments serve as tools to quantify these traits (Hannay et al., 2010). As societal interest in exploring the influence of personality traits across various aspects of life grew, such assessments became indispensable in professional fields worldwide for understanding human characteristics. Historically, astrology stands out as one of the earliest methods of personality evaluation. It classifies individuals into 12 astrological types based on their birth dates, believing that each type corresponds to distinct personality traits. Besley and Hill (2020) noted that astrology remains a popular and influential approach to personality assessment today. However, Lu et al. (2020) contended that the academic community considers astrology an unscientific method for evaluating personality.

Corporate organizations are structured entities recognized as separate legal and financial units from their owners (Homby et al., 2015). These organizations have the capacity to enter into contracts,

own property, sue and be sued, and operate independently. Variations exist among corporate organizations in terms of operational mandates and types. Examples include the Red Cross, Nigeria National Petroleum Company Ltd, Dangote Petroleum Refinery Ltd, African Independent Television PLC, and the Nigeria Railway Corporation. Globally, corporate organizations are classified into four categories: for-profit entities such as Nigeria National Petroleum Company Ltd and Dangote Petroleum Refinery Ltd; nonprofit organizations like the Red Cross, whose profits are reinvested; public corporate organizations including the Nigerian National Petroleum Company Ltd and Nigerian Railway Corporation; and privately owned organizations, such as African Independent Television (AIT) and Flour Mills of Nigeria PLC. This classification underscores the diversity in structure and purpose among corporate entities.

Personality Assessment, therefore, refers to the process of evaluating and measuring individual personality characteristics, which is often utilized in various fields of psychology. These include Clinical psychology, forensic psychology, and organizational psychology. Etc. Personality assessment is used for purposes including the identification and description of personality features among normal individuals and among patients receiving psychotherapy, undergoing forensic evaluations, and receiving treatment, as well as in organizations. The strategies of assessment procedures are derived from the Five-Factor or Big-Five Theory of (McCrae & Costa, 1996) and the Social-cognitive Theory (Bandura, 1986; Mischel & Shoda, 1995). Some of these standardized personality assessment tools, which are classified into objective and subjective types, include the Multiphasic Personality Inventory (MMPI-2)- MMPI- is a scale of personality disorder developed by Morey, Waugh and Blashfield, 1985, Multi-dimensional Personality Questionnaire, Competency assessments test for multiple skills and personal attributes, and amongst the others that are equally relevant in organizational setting.

The issues that call for personality assessment include proper selection processes during personnel or worker recruitment. Organizations such as police and law enforcement agencies, as well as the military, have a clear need for this exercise to meet recruitment standards. Corporate organizations alike utilized this; for instance, NNPC Ltd combined a personality assessment with its computer-based Aptitude test, as reported by Punch Newspaper (Dare, 2025), and Dangote Petroleum Refinery Ltd used an online assessment test for a procurement position early this year, 2025. The test included components that evaluated personality and behavioral traits, with a view to understanding a candidate's fit for the role and the company culture, Guardian newspaper report (2025). The second issue is leadership development; for instance, a Fortune 500 Company used personality assessments to ensure the right promotions and to understand employee effectiveness (PSICOSmart, 2024). The third issue centered on medical concerns. For example, the recent case involving ex-private soldier Ruth Ogunleye, which was investigated by military police, resulted in her dismissal from service. The incident was widely criticized by both the victim and the public, with Hadiza Adamu, founder of the Women and Children Initiative, calling for an independent investigation (Abubakar, BBC News, 2025). The fourth issue pertains to discipline and accountability investigations. For instance, Igbokwe (2023) reported that nine employees were suspended due to ticket-related offenses (Guardian News, 2023). This paper aims to critique and elucidate one of the key aspects of research methodology. It is organized into six main sections: the first provides an overview of methodology and ethical considerations; the second addresses the selection of appropriate instruments and competency in conducting personality assessments within

corporate settings, emphasizing the importance of using valid tools, limitations, and professional requirements; the third discusses the application of assessments and the specific personality traits to be evaluated; the fourth examines referral sources and data security concerns, highlighting legal implications when dealing with human subjects; the fifth considers other pertinent issues related to conducting personality assessments in corporate environments or in general; and the sixth section concludes with recommendations.

Objectives of the study

This study seeks to achieve the following objectives:

1. Provide more understanding about issues that professionals encountered when carrying out personality assessments in organizations.
2. Identify some ethical concerns in conducting personality assessment that are not directly listed in general research ethics.
3. Clarify who should be informed and when consent should be sought to conduct assessments in organizations.
4. Identify needs for privacy and security of assessment data to the individual and organization.

Overview of methodology and review of ethical considerations

Methodology refers to the systematic and theoretical analysis of the methods employed within a specific field of study. Howell (2013) argued that methodology provides the theoretical foundation necessary to determine which method, set of methods, or best practices are appropriate for a particular case. Consequently, methodology encompasses the overarching research strategies that delineate how a research project is to be conducted, including the selection of methods. The methods outlined in the methodology specify data collection techniques, study design, participant selection, and data collection procedures. Additionally, methodology involves the selection of statistical techniques for data analysis and considers ethical issues, such as maintaining participant confidentiality and privacy during and after the research. Ethical considerations include obtaining informed consent, clearly explaining the research's purpose and potential outcomes, and respecting participants' rights to withdraw at any point. Researchers and organizations involved in the study bear the responsibility of safeguarding sensitive participant information (data security) and preventing unauthorized access or disclosure. Conducting personality assessments within corporate organizations presents unique ethical challenges that revolve around these core principles. These issues are systematically addressed in the subsequent sections of this paper.

The standardized instruments and competency in conducting personality assessment

Standardized personality assessment tools are extensively employed in organizational settings for various purposes, including employee selection, team building, training and development, career counseling, and coaching. They are also utilized in addressing disciplinary issues and medical concerns within organizations, as well as handling matters that may impact organizational culture and public perception. In such cases, organizations may consult internal psychologists or hire external experts specializing in personality assessment to evaluate employees, clearly stating the

purpose of the assessment. Psychologists, drawing on a broad spectrum of personality traits, are adept at selecting appropriate assessment tools or test batteries to optimize evaluation outcomes.

Additionally, the selection and application of personality tests often consider the specific situational context to ensure relevance and accuracy. For example, PSICOSmart (2024) reported that in 2018, a leading recruitment firm conducted personality assessments for clients, including a technology startup eager to attract innovative thinkers. The findings indicated that several candidates exhibited low emotional intelligence, which caused the hiring team to overlook potentially exceptional individuals.

However, subsequent demonstrations of leadership by these candidates in a Hackathon revealed that the initial personality assessments were misleading. Similarly, a Fortune 500 company incorporated personality tests into its leadership development program to sustain a robust leadership pipeline. Nonetheless, they found that results varied substantially depending on the context in which the tests were administered—under stress versus in relaxed environments. This misinterpretation led to the promotion of individuals who performed well in calm settings but struggled under pressure. To mitigate such errors, organizations should adopt a multifaceted evaluation approach that combines personality testing with situational judgment tests and peer reviews. This strategy enhances the accuracy of assessments and fosters an organizational culture of open dialogue regarding personal strengths and weaknesses, ultimately supporting more informed talent management decisions. As previously noted, assessment tools used in organizational contexts are typically grounded in trait models identified by psychologists as relevant for workplace settings (Woods & Anderson, 2016).

Personality inventories utilized in organizational contexts frequently encompass the Big Five personality domains. To better align assessment outcomes with job performance metrics, certain assessments are configured to integrate scores from various scales into work-related composites (Woods & Anderson, 2016). Some instruments explicitly evaluate job competency, such as the Hogan Personality Inventory. In response to concerns about faking, psychologists have developed techniques to mitigate this issue. For example, Forced-Choice response formats, designed to favor social desirability and limit deception, have demonstrated validity in predicting job performance (Salgado & Trauriz, 2014). However, experimental research indicates that inducing faking is complex and may not produce improvements beyond those achieved with Likert-scale formats (Huber et al., 2021). Given the diverse range of personality traits and the various assessment tools developed by different experts, it is crucial for professionals responsible for conducting these assessments to possess adequate competence and expertise.

Proficiency in operating test tools requires the professional to undergo specialized training and to acquire expertise from the test developer, enabling the accurate administration, interpretation, and application of results. To maintain this competency, practitioners must stay current with the latest research, best practices, ethical guidelines, and professional standards, including the APA Ethical Code, as they relate to personality assessment. The training also educates professionals about the limitations of specific assessment tools, including potential cultural biases and the influence of socio-economic factors. Nevertheless, professionals should remain alert to the possibility of test bias, recognizing that even well-validated instruments can inadvertently favor certain groups,

leading to unfair or discriminatory outcomes. Adhering to these principles helps prevent the misuse of personality assessments within organizational contexts.

The Purpose of use and aspects of personality traits to be assessed

The purpose of conducting personality assessments within organizational settings centers on four key areas. First, it involves understanding individuals' strengths, weaknesses, and preferred modes of interacting with the world—referred to as self-awareness. Second, assessments can guide individuals toward careers aligned with their values, interests, and skills. Third, they highlight the significance of interpersonal relationships by examining how individuals interact within organizations, thereby aiding in relationship building and conflict navigation. Fourth, personality assessments support organizational objectives by evaluating how well a candidate's traits match specific job requirements and company culture, facilitating team building and fostering more cohesive, productive teams. Additionally, these assessments provide insights into employees' strengths and developmental areas, informing performance management strategies. It is important to note that the use of personality assessments may extend beyond these areas, especially when mandated by external entities such as medical or disciplinary boards, which may commission assessments to address particular concerns. Ultimately, the application of personality assessments depends on the context and the individual being evaluated. Whether for self-understanding or organizational development, selecting the appropriate assessment tool, interpreting results accurately, and applying findings ethically are essential.

Personality traits encompass a wide range of characteristics that influence individuals' patterns of thought, feelings, behavior, and style. The referral source may be concerned with specific traits of an employee in relation to particular requests from boards, such as medical assessments or disciplinary actions. The responsible professionals possess the expertise to select appropriate testing instruments to ensure accurate and meaningful report findings. Failure to consider these aspects carefully can lead to misleading organizational decisions and unjustly impact the individuals involved. Psychologists must maintain professionalism and remain impartial, avoiding influence from organizational pressures, personal biases, or motivations that could compromise the reliability of their assessments.

Referral source and data security

Referral refers to the act of directing an individual in need of professional assistance to an appropriate person or facility capable of providing such support (Hornby et al., 2015). The referral source is defined by Hornby and colleagues (2015) as the individual or entity that initiates the referral, guiding the individual to a suitable service provider. In this context, the term "referral source" specifically pertains to the origin of the request for a personality assessment. Corporate organizations, particularly boards such as medical, disciplinary, and human resources departments, periodically commission personality assessments for employees or prospective candidates. The key considerations, such as who should receive the assessment report and the purpose of the assessment, significantly influence the process by shaping the assessment's scope and focus. Providing excessive contextual information can, however, introduce potential bias. Professionals have specific reasons for recommending assessments, which inform the formulation of questions and

objectives within the process. At times, professionals may face pressure from referral sources to produce particular outcomes, but psychologists are mandated to adhere to ethical standards established by the American Psychological Association (APA) and should operate within these guidelines. Collaboration between the professional and the organization is essential to ensure data security and ethical compliance throughout the process.

Data security pertains to safeguarding participants' privacy and their information. Both professionals and organizations hold the responsibility to protect employee confidentiality and the security of assessment data, thereby preventing unauthorized access or disclosure. Achieving this requires transparency in the process, whereby participants are fully informed about the purpose of the personality assessment, data usage, access rights to results, and potential consequences. A core concern is that some professionals and organizations neglect or intentionally compromise these ethical standards, causing harm to employees or the organization. For example, PSICOSmart (2024) reports that in 2018, Cambridge Analytica, a political consulting firm, gained infamy for its unethical use of data collected from Facebook users without consent. This data was allegedly used to influence voter behavior in a US presidential election. The scandal raised significant questions about privacy rights and the ethical implications of data collection practices. Similarly, the National Network of Abortion Funds faced a severe challenge when a data breach exposed the confidential information of supporters and beneficiaries. The incident prompted approximately 75% of donors to express concerns about their privacy. To address such vulnerabilities, organizations must revamp their data security protocols, including implementing end-to-end encryption and conducting periodic security audits.

Other Issues

Emotions: Emotion encompasses the thoughts, feelings, and behaviors expressed within a given situation. Hornby et al. (2015) define emotion as a component of an individual's character comprising feelings that are typically intense, such as love, fear, or anger. It results from the interplay of various factors within the physical environment, cognition, and behavior, which collectively influence a person's actions. These factors include external stimuli, biological processes involved in sensory perception, and psychological reactions—such as anxiety, depression, trauma, altered self-concept, and internal imbalances—that can modify normal behavior. During assessment processes, emotions preceding an event within an organization may lead participants to narrow their focus to specific information relevant to the assessment, potentially impairing their memory of the exercise. The weapon-effect study by Pickel (1998) exemplifies this phenomenon. Emotions related to potential psychological harm are particularly relevant when exploring sensitive or distressing topics. Practitioners must therefore investigate the causes and extent of psychological harm to manage the assessment process effectively. Such harms can originate from psychological factors related to individual cognitive processes—including perceptual differences, memory functioning, and problem-solving—as well as innate personality traits such as temperament, which influences mood, activity level, and emotional reactivity. Additionally, experiences gained through reinforcement, social learning, and observational learning contribute significantly to personality development and behavioral traits. Given these considerations, practitioners of personality assessment must execute these evaluations with care and expertise, recognizing that personality traits are malleable and influenced by situational, social, and environmental factors.

Accuracy and validity of personality assessment: The issue of accuracy and validity in personality assessment has been highlighted on multiple occasions, particularly concerning faking behaviors. Individuals may attempt to present themselves more favorably during personality tests, leading to distorted results—phenomena known as social desirability bias or impression management (self-deception and impression formation). For example, personality inventories are often criticized for their susceptibility to response styles such as social desirability and acquiescence, which can undermine measurement validity. Saar et al. (2012) argued that there is a general consensus on which items are deemed desirable. This shared perception influences the average ratings of certain items and increases the likelihood of respondents intentionally or subconsciously responding in a manner that aligns with group norms or personal interests. To address this challenge, it is recommended to rewrite test items to be more neutral and less indicative of popularity within a population. Peabody (1967) proposed methods such as incorporating content-related and desirability-related components, as well as employing sophisticated techniques on a valence-balanced set of items, to mitigate issues related to social desirability and response bias.

Digital Technology: Recent advancements in digital technology have challenged traditional assessment methods. Technology-enabled personality measurement tools have gained popularity in recruitment and selection, but their validity and potential biases require further investigation (Song et al., 2020). The broad application of digital assessments allows for rapid adaptation to various organizational and evaluative contexts, often necessitating sophisticated online platforms that can quickly score and report results to practitioners. As a result, psychologists have somewhat deviated from conventional assessment formats, driven by vendor marketing efforts (Hickman et al., 2021). However, limited literature exists evaluating this measurement approach. Among the available studies, one provides validity evidence for using automated video interviews to infer personality traits based on extracted behaviors, though ethical concerns such as fairness and measurement accuracy remain. Advances in digital technology facilitate dynamic and process-oriented personality assessment through repeated measurements over time. Conversely, Oswald (2020) noted that collecting incidental measurement data can be burdensome for employees, as it often requires access to smartphones or laptops, which may exclude certain demographic groups lacking the necessary resources or time. It is also important to recognize that relying on incidental data—collected in a largely unplanned manner without a predefined construct—raises issues related to construct validity from a psychometric perspective.

Conclusion

Based on the study's findings, implementing personality assessments within organizations shows significant promise for management decision-making, employee profiling, and strategic planning. It is essential for professionals and organizations to be aware of the ethical considerations associated with the assessment process. In an era characterized by data-driven decision-making, safeguarding privacy in personality assessments has become increasingly critical. For instance, reputable corporations such as Fortune 500 companies and ACME Corporations have incorporated comprehensive personality assessment data into their hiring processes. While these tools initially provided valuable insights into candidates, it subsequently emerged that sensitive data were mishandled, resulting in lawsuits costing millions and eroding employee trust. To mitigate such risks, organizations should invest in specialized training in personality assessment practices,

establish transparent communication strategies, obtain informed consent from participants, and clearly inform candidates about data storage and usage policies.

Recommendations

In view of the findings of this study, the following recommendations were made;

The primary aim of personality assessment should be to support individual and organizational development rather than to inform decisions unsupported by data or to produce unfair outcomes. Organizations must establish clear policies and procedures to ensure the ethical application of personality testing, and regularly review and re-evaluate their assessment practices to maintain ethical standards and effectiveness. It is important to recognize that personality assessment tools possess inherent biases related to cultural differences, scope limitations, and situational variables. To mitigate the risk of misleading results from reliance on a single test, a multifaceted evaluation approach should be adopted. This approach may include integrating personality assessments with situational judgment tests and peer reviews, thereby enhancing the accuracy of results and supporting more informed decision-making. Additionally, organizations should conduct regular privacy training sessions for employees involved in recruitment and assessment processes, providing clear guidelines on data usage to uphold trust and integrity within the workforce.

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