

# Cool and Competent

Succeeding in today's world is not just about what you know—it's also about what you do with that knowledge. That's why many companies are moving to competency-based selection strategies.

By Lee Michael Katz

**R**enee Adams, SPHR, first noticed the power of using competency-based techniques for selecting employees when she worked for Devereux Cleo Wallace, a health care organization in Westminster, Colo. One of Devereux's sites had a turnover rate of 60 percent. "It was really bad," Adams recalls.

While she may have been recruiting employees with the right degrees and experience, clearly something was missing. Adams wanted to get beyond people's credentials on paper to gauge which candidates were truly capable of doing the work the positions required, so she implemented a system to define and measure which employees possessed the competencies needed for specific roles. She found this to be particularly important for choosing the staff at psychiatric facilities that treat children and adolescents—where it is critical to hire people with soft skills such as empathy, composure and listening ability. "We could train people on the technical skills," she says, "but it's really hard to teach things like compassion and understanding."

After the competency-based selection process was implemented, the facility experiencing very high churn saw its turnover rate fall to between 15 percent and 20 percent. "It was a huge success," Adams says. ▶







She is now working as an HR supervisor at Colorado Springs Utilities and has become a passionate advocate of competency-based selection, defined as a process of evaluating candidates' behavioral attributes, as well as their skills and knowledge, by using job profiles and structured interviews to determine their suitability for a position. "It's always effective. We wouldn't do anything else," Adams says. "Every position that we hire for has a component of competency-based interview questions."



Renee Adams

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selection, describes it as "probably the most common interview style for *Fortune* 500 companies today."

Small and midsize companies, as well as nonprofits and governments, also have adopted this type of selection method over traditional approaches that rely on standard job descriptions and references.

In fact, it's being used globally. "People contact me from all over the world," Kessler says. She has received speaking invitations from Australia, Nigeria and Singapore.

Competency-based selection is especially prominent in Canada, where it has been embedded in government hiring for decades and aided by publicly supported labor studies. "As a result, we have a lot of really good competency frameworks for whole parts of our economy," says Suzanne Simpson, president and CEO of Human Resource Systems Group in Ottawa, Ontario, Canada.

## A Targeted Approach

Organizations that use a competency-based recruitment process ask candidates to share anecdotes from their professional experience that demonstrate they possess a given trait. For employers, the process involves establishing profiles for specific

positions and job groups and then using those profiles as standards against which candidates are assessed throughout the application, interview and selection process.

The idea of measuring competencies in the workforce started to gain traction in the United States in the early 1970s with the work of psychologist David McClelland at Harvard University. He found that competencies were more likely than traditional hiring methods to determine on-the-job success. McClelland's process focused on the behavioral qualities employees needed to become top performers as well as on an individual's proven abilities and technical skills. Traits, motives and self-image became a critical part of assessing job candidates.

"A competency is simply the ability to do something successfully or efficiently," says Barbara Bowes, president of the Legacy Bowes Group in Winnipeg, Manitoba, Canada, who describes herself as an "ardent believer in the competency approach."

In assessing competencies in the communications area, for example, an organization might evaluate a candidate's proficiency at "asking questions effectively, confronting conflict, telling stories, paraphrasing [and] presenting ideas with clarity," she says. Assessing the competency of "political acumen" might require evaluating candidates on the basis of their understanding of relationships, the dynamics of an organization and other factors.

Competencies can be measured throughout an employee's life cycle—from the time someone answers a job posting through the interviewing and hiring phase, to annual performance reviews and job promotions.

## Worth the Work

A clearly defined competency-based selection process can aid in recruiting, demonstrate fairness, encourage diversity and simplify the process of filling new openings. But creating or refining your selection process requires time and effort.

"The truth is that it is a lot of work," says Mindy Geisser, chief people officer for Colliers International, a global real estate firm employing more than 15,000 people in 63 countries. "We do it to add rigor to our process," she says.

Reducing turnover is another practical outcome. "We find that we tend to lose employees either because of fit or specific behaviors they do on the job that are inappropriate," says Leslie Dotson, HR manager for talent and selection at A-dec, a dental equipment manufacturer in Newberg, Ore.

"If we identify employees in advance for those competencies, we can reduce the chance of a bad hire and enhance the quality of hire. In our case, we look for people who are very customer-service-oriented as well as team players."



Mindy Geisser



With regard to A-dec's entry-level production workers, the benefit has been twofold: "We have had better quality; we've had fewer [workers'] comp claims," Dotson says.

In fact, the company now terminates just one or two people a year during the introductory employment period, she says, noting "That's a good indicator of success for us."

Competency-based selection may also lead to cost savings. It did for Sidney Barrau, North America project manager, global workforce planning, for the French engineering firm Technip. "It costs a lot of money to onboard somebody," he says. "And if you give it three to four months and that person doesn't work out, you've wasted about \$20,000 to \$30,000."

### Practical Steps

To create selection methods that identify competencies, HR professionals recommend taking the following actions:

**Identify the resources you'll need.** Many organizations need help figuring out which competencies to measure for specific positions. Some use a combination of nonprofit and commercial resources, including consultants, print and online competency libraries, assessment tools, and question banks.

The University of California's Berkeley campus brought in a temporary team of classification and compensation experts to assist with its universitywide initiative. "We hired contract staff," says Jeanine Raymond, assistant vice chancellor and CHRO. "You need some of your resident people on the team," she notes, "but they're not going to have the bandwidth to do the whole thing."

**Seek managerial input.** Meeting with the hiring manager is critical, Raymond says. "You need input from managers in each occupational area," she says, when writing the criteria against which each competency will be judged.

**Create a panel of top performers.** Gaining input from top performers is an effective way to define competencies. Whether they're termed "rock stars" or "exemplars," these are people who know their job inside out and excel at it. "We ask an organization to tell us who are your best people in that job or role—and [then] work with them to develop a competency profile," says Bernadette Allen, a consultant who leads The Competency Group in Charlottetown, Prince Edward Island, Canada. "They can tell you what it takes to do a great job."

**Focus hiring managers on the task.** Get hiring managers to understand the critical competencies needed for the position. For example, a customer service employee may need empathy in certain situations, such as dealing with a customer facing a utility shut-off, Adams says.

**Facilitate the discussion.** For organizations that use in-person panels, the process may involve gathering everyone in one room or a virtual meeting space. Joseph Ilvento, who conducts online competency panels as worldwide director of talent development for Oceanport, N.J.-based software firm CommVault

Systems Inc., recommends using on-screen editing to allow real-time edits and changes to profiles. "This speeds the review, editing and consensus process," he says.

**Reduce the scope to a manageable level.** Narrow down the competencies to be evaluated. "Less is more," Geisser advises. "Be focused. There is never a need for more than eight com-

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petencies." Another potential stumbling block is defining the competencies. "Keep it simple," she says. "Definitions should always be very straightforward and easily understood."

**Develop competency-based interview questions.** Competency-based questions should be open-ended if they are to help identify behavioral attributes. A common way to create questions is by providing examples of how a given competency might be exhibited, Geisser notes: "For example, if you were trying to determine if someone was 'action-oriented,' you might ask, 'Tell me about a time when you had to work on a project or task that you were dreading. How did you get started?'"

Some organizations structure interviews around online and print guides developed in-house or by consultants, which can be tailored to a specific position and industry. "We can customize what questions we want," Dotson says. "Each competency has 10 questions that can help elicit information. The guide tells you negative and positive things to look for, and then you decide whether the person is meeting the requirements."

**Conduct a competency-based interview.** Competency-based questions ask candidates to navigate hypothetical scenarios and explain or demonstrate what they would do in certain circumstances.

Lisa Eby, SPHR, health and human services HR director for Buncombe County, N.C., regularly seeks social workers who are skilled at conducting interviews, so she often turns



Joseph Ilvento





### What Organizations Stand to Gain

Using competency-based selection strategies can result in a number of benefits. Here are just a few:

**A competency-based question bank can be used again and again.** Developing a competency-based question bank makes the interviewing process easier the next time a position needs to be filled. One caveat is that, in a cutting-edge industry, you may need to update the questions frequently. "Make sure the profile you are creating is not for the role you have hired for in the past, but the role and the skills you'll need in the near future," says Joseph Ilvento, worldwide director of talent development for CommVault Systems Inc.

**Competency-based selection favors diversity.** By focusing on behavior, competency-based selection can ensure that people of all ages and backgrounds receive consideration, regardless of the length of their formal experience or other factors.

To achieve diversity in hiring, start by appointing diverse panels to decide on competency-based selection factors. "If you're thinking of hiring a diverse and inclusive workforce, it's really important to have people who don't all look the same and all think the same on these committees," says Lisa Eby, SPHR, health and human services HR director for Buncombe County, N.C.

**Competencies can identify transferable skills for new hires and existing employees.** For example, when the federal government needed to fill acquisitions positions, it turned to military veterans, many of whom gained purchasing experience during their service even if it wasn't their primary job function.

affect a protected class of workers "based on disability, race, religion," Adams says.

### No Size Barrier

Even small companies can benefit from applying competency-based selection methods.

At Marlin Steel, a 32-person metal manufacturing firm in Baltimore, Md., Molly Flax is being trained in competency-based selection to lead HR operations and help the company maintain its competitive edge. "Competency-based selection and creating a culture that values continuous learning is very important to ensure we have the best people working here, solving problems," she says.

Marlin Steel President Drew Greenblatt says the process has proved to be phenomenally predictive: "It shows candidates' attributes, for example, if they're mechanically inclined or tend to be more creative."

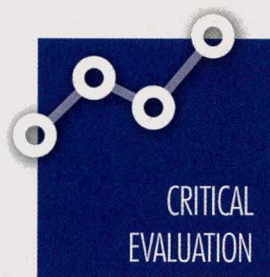
The process also allows for job-based specificity. While independence is a trait needed for a salesperson in the field, a factory floor worker should be able to take direction.

Measuring competencies has helped Marlin Steel remain competitive, despite cheaper foreign labor costs, according to Greenblatt. "We have to do it right the first time," he says. "These systems give us the best talent." ■

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the tables on candidates and asks them to pose questions for a hypothetical case. "That gives us a real-life way of judging somebody's competency to interview and gather information," she says.

**Follow up with fairness in mind.** Competency-based selection systems offer flexibility not only in asking situational questions but also in allowing follow-up responses from hiring managers. But make sure to train managers as to which questions are appropriate to avoid questions that are illegal or that could



This article relates to one of the nine competencies on which SHRM is basing its new certification. To learn more, visit [www.shrmcertification.org](http://www.shrmcertification.org).