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NEWSWORTHY

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From the Team

This year we've talked about candidate assessments (February) and about helping employees plan a career path within your company (May). In this newsletter, we're stepping back to address a more fundamental question. What are the characteristics and traits you should look for when hiring talent? The answer is anything but simple.

Proponents of looking at an individual's strengths and potential will argue that companies must plan for the long game. But we've seen the statistics about retaining Millennials and don't believe a talent-based hiring philosophy alone is the best approach. (CNN.Money says four job changes by the age of 32 is the new normal.) Screening for credentials and experience ensures that an individual has proven performance and the appropriate degree. But will that education and prior experience transfer to a new role in a new organization?

Another option is competency-based hiring, which evaluates an individual's ability to perform the specific requirements of a given job and also considers fit to the company culture as well as his or her knowledge. Many Fortune 500 companies, like Coca-Cola, Disney, Johnson & Johnson, and American Express use this approach. It's also the model we use to evaluate and recommend top candidates once we've screened their credentials to determine a possible fit. Does it work? Our clients say "yes." We'll tell you why we do what we do and share some how-to insights.

Do you use one or some combination of all of these models? We'd love to hear what works for your company. And as always, we're happy to answer questions or brainstorm solutions with you. Just give us a call!

The Welsh & Associates Team

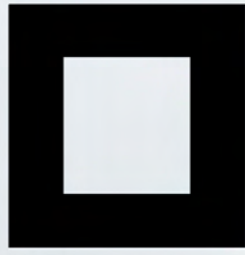Your ideal candidate is just a click away:
http://welshandassociates.net/employers.html

THE COMPETENCY-BASED INTERVIEW

Why we use competency-based interviewing

By Sheri Welsh

I'm a natural networker. The Gallup Strengths Finder tells me that Woo (winning others over) is in my top five strengths — and so is Relator. The two combined have given me an incredible edge in developing and maintaining my network. But let's assume I am applying for a job at your company. Knowing I've got Woo doesn't tell you whether I'd be a good fit for the position or your organization.

Whether or not I'd be a good hire depends on the job I'm applying for and what I'll do in that role. It depends on what it's like to work at your company and whether my attitude and the knowledge I bring to the table are a good match. At Welsh & Associates, we believe assessing a candidate's fit is best achieved with a behavioral-style interviewing process commonly called competency-based hiring. This approach asks candidates to answer questions about their past work in a way that screens for the qualities considered essential for success in a given job at a particular organization.

Why talent alone isn't enough

Understanding an employee's core strengths is always helpful. A strong learner is likely to be eager to develop new skills and gain a deeper knowledge of your organization. But that doesn't guarantee that he or she will have the basic skills to succeed at the start, if ever.

Let's take a basketball player, for example. If you've made three-point shots at a rate of 33% throughout your career, you're likely to continue making three-point shots at that rate even on a new team. If you've never made three-point shots, but you're an awesome center, and you make amazing dunks, and we think you have the mechanics to develop into a three-point-shot star, well you might. But we know that won't happen right away. And it's possible it will never happen. If we really need a three-point shot maker on our bench, we should look elsewhere.

Like basketball, there are certain indispensable competencies that you must have to succeed at human resources, engineering, accounting, finance, and in any specialized profession. We think these must form the basis of any good hiring decision. It's hard to make a hiring mistake if you're using a competency-based approach. There's just no better predictor of future success than past performance.

What is a competency-based HR model?

Harvard University psychologist David McClelland introduced the idea of measuring workforce competencies to predict hiring success in the early 1970s. He focused on identifying and measuring individual qualities rather than technical skills. Experts agree that skills are the most trainable quality an employee can have.

Today, competency-based models have been applied to all aspects of human resource management, from recruitment to employee development, training, and promotion. The approach begins with the creation of a framework or catalog of the knowledge, skills, traits and behaviors workers use to do each job.

Used for hiring, a candidate's past experiences are the starting point. They indicate whether or not they've exhibited the skills necessary for a particular job. A competency-based interviewing process draws out information about how the candidate might apply that experience to future challenges.

Companies who use competency-based models cite positive outcomes:

• The model reduces subjectivity because job requirements are defined and standardized and employees are assessed against that framework.
• It provides a clearer idea of skills people need — or need to develop — to perform their job.
• When employees know what skills are needed to move up, it provides a standardized blueprint across the organization.
• This blueprint enables self-development among employees.
• It ties learning and other HR processes together.
• It's applicable company-wide, across global divisions.

Top 4 competencies to look for

According to a 2012 study by Leadership IQ, fewer than one-in-five employees achieve unequivocal success in a new job. More disheartening, nearly half fail within 18 months. The reason — based on this research — is rarely technical aptitude. And most managers admitted missing trouble signs during the interview. Not only is it helpful to develop a competency model, but managers must be good at interviewing this way. Here are the top reasons for new-hire failure, according to the study. Look for these competencies to increase your chances of a successful hire.

1. **Coachability** – 26% couldn't handle feedback
2. **Emotional Intelligence** – 23% lacked the ability to understand their emotions or the emotions of others
3. **Motivation** – 17% lacked motivation
4. **Temperament** – 15% weren't suited to the job or the work environment

How to develop a competency-based interview process

CPS HR Consulting in Sacramento, California says there are four basic steps to developing a competency-based or behavioral style of interviewing for new hires. Although CPS focuses on public-sector hiring, their website offers tools and templates you can download and adapt to your organization's specific needs.

1. Identifying which job competencies to focus on during interviews.
2. Developing and asking the right interview questions.
3. Scheduling and managing interviews.
4. Scoring and evaluating behavioral interviews.

You can often find question banks online as well. Search online by industry or job title and include keywords like "question bank," "behavioral interview questions" and "competency-based hiring."

Common competencies you can measure and assess when hiring.

☐ Communication
☐ Organization
☐ Emotional intelligence
☐ Decision-making
☐ Motivation
☐ Temperament
☐ Creativity and innovation
☐ Coachability

☐ Work standards
☐ Leadership
☐ Risk taking
☐ Integrity
☐ Planning/organization
☐ Adaptability
☐ Problem solving
☐ Reliability

Screening for experience and credentials

Recruiting based on education and experience offers a baseline from which to develop a more nuanced recruiting strategy. Make sure that experience will transfer to a new role in a new organization. And don't always overlook failures. As author Malcolm Gladwell advises, "People who have failed have learned lessons that will make them more successful in the future." Applying competency-based interviewing techniques can uncover what those lessons entail.

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