



PRACTICE

The right person for the right role: using competencies in recruitment and selection

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Hiring practices based on the use of competencies are often more cost-effective and efficient than other methods, says Rachel Suff in this guide to competency-based recruitment.

Employers' use of competencies has evolved and spread considerably since its early days. Research conducted last year for this journal (Rankin, 2005a) found that the popularity of competency frameworks is widespread across all types of organisations, including smaller firms. The survey also found that both types of competency – behavioural, which define required attitudes or soft skills, and the more technical or “hard” job-related skills – are now equally common within organisations that have introduced competency frameworks.

Recruitment and selection is one particular area of HR activity where the use of competencies is playing an increasingly strong role. For example, the most recent large-scale survey by the UK's Chartered Institute of Personnel and Development (2005) found that well over half (58%) of the 712 employers surveyed use competency-based interviews, representing their second most widely used method of selecting recruits.

THE VALUE OF COMPETENCIES

Essex County Council defines competencies as “individual characteristics or skills which can be both measured and shown to make a difference to performance” in its Essex Competency Framework (see case study in this article for more details). In line with this description – which mirrors Richard Boyzatis' famous definition first published nearly 25 years ago – a competency approach to recruitment and selection is based on the person, and the behaviour and skills that can achieve superior performance.

There are sound reasons why more employers are introducing competency-based hiring practices. John Milsom, senior consultant with Wickland Westcott – an HR consultancy that specialises in assessment and selection – believes that competencies are still the best and most accurate on which to base assessment. He says: “Competencies capture what really matter because they reflect what

people do in the role. This also means that line managers can appreciate the relevance of a recruitment and selection approach based on their use.”

Competencies are also being used in recruitment because they can help to find people who are aligned to the organisation's core values. For example, the UK's second-largest mutual building society, the Britannia Building Society, has rolled out a selection method that takes account at a very early stage of the process of individuals' attitudes and behaviours. Similarly, Essex County Council plans to undertake further work to align its competencies with the organisation's new key values.

According to Milsom, organisations that adopt a values-based selection approach typically define their assessment criteria in behavioural and competency-related terms. “One of the key success factors in designing a competency framework is to ensure that it reflects the vision and values of the organisation as well as the skills and behaviours required for the job. It is much easier to develop people's competency levels than it is their alignment with the organisation's values,” he comments.

EFFECTIVE FRAMEWORKS

Most organisations that rely on competencies to inform their HR processes have developed competency frameworks to reflect the generic needs of the organisation in terms of behaviour, skills and knowledge. How closely the framework reflects those needs will determine how effectively it is used to recruit and select the most suitable candidate for the role. Milsom says that a competency framework should:

- be written in the organisation's language;
- not be too complicated;
- reflect the diversity and culture of the organisation;
- involve employees in its design;
- be relevant to people;





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- be introduced in an engaging way, with the opportunity for line managers and employees to explore and test out its use; and
- be embedded in the organisation's HR processes, such as performance management and development.

According to Simon O'Hear of the homeless charity Broadway Homelessness and Support, establishing an effective competency framework involves taking into account several considerations.

For example, the management group needs to meet at the outset to determine the key behaviours required of staff, and the definition of these behaviours should be refined through a wider consultation process. The competencies need to reflect the organisation's culture and values. In terms of recruitment and selection, it is vital that recruiting managers have a clear understanding of what tools can be used to assess candidates' performance in line with the required competencies (see the case study later in this article for more detail on Broadway's approach).

The style and language in a framework of competencies will vary from organisation to organisation. In some frameworks, a list of core or generic competencies applies to all roles, while in other cases there is a menu of competencies from which it is possible to select the most relevant ones for a specific job. It is common practice for frameworks to categorise each competency into performance levels. A definition of each competency is typically accompanied by examples of performance that employees are expected to demonstrate for each level involved. For example, Essex County Council's competency headings are supported by a series of measures that inform what behaviour is expected of employees and potential employees.

The definitions and examples provide a rich source of information when organisations put their competencies to use in recruitment and selection. They help recruiters understand the meaning of each competency, and foster a consistent approach between selectors and their assessment of individual candidates. They also provide concrete examples of the application of competencies that help recruiters draft accurate and informative recruitment advertisements and application packs, undertake shortlisting via application forms and CVs, and develop a structure of questions for job interviews.

THE EARLY STAGES

Competencies can be used to inform the recruitment and selection process from when the post first becomes vacant. Our most recent

competency benchmarking survey (Rankin, 2005b) indicated that employers rely heavily on competencies when drawing up both job descriptions and person specifications (66.9% and 66.1% use them for these purposes, respectively). Using competencies in this way helps to provide more insight into what is required to perform in the role, beyond the typical listing of tasks and duties. Both job descriptions and person specifications can then form the basis for deciding the most appropriate design and content for any subsequent selection techniques.

Staying with recruitment, our 2005 benchmarking survey revealed that just over half (53.1%) of employers incorporate competency-related information in their recruitment advertisements. This technique is common practice at Essex County Council, where recruiting managers typically highlight the job's required skills and behaviours in their recruitment advertisements. If care is taken in drafting the job advert, and there is specific reference to the competency requirements of that particular role as well as the organisation's values and culture, this approach can help to convey a more rounded impression of the role.

Armed with this information, job-hunters can make better-informed decisions about whether they would or would not be suited to the role and find it personally rewarding. Recruitment can shift from being high-volume to high-quality in nature.

Including competency-related questions in application forms is the area where employers are least likely to make use of competencies (26.1%, according to our survey). This approach requires applicants to give written evidence of examples where they have demonstrated the required competencies in the past. It may help to develop a tailored application form for each vacancy, as a generic form for all types of vacancies cannot hope to capture competency-related information that is specific to particular role.

Two years ago, the Student Loans Company – the government body administering the UK's higher education student loans scheme – introduced a competency-based approach to selection (Suff, 2006). Following in-depth work with the assessment consultancy SHL to determine the profile of a high-performing customer service adviser, the organisation identified the key competencies for the role and developed a questionnaire for applicants. This forms part of the application form, and Student Loans is thus able to assess, at the outset, whether someone can demonstrate competency in the necessary core qualities.





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This early evaluation has proved to be very effective in helping to recruit the right people for the jobs, and has prompted a reduction in the company's staff turnover from 40% to 25%.

The information provided on application forms can also be used as the basis for further prompting if the recruiter uses competency-based interviews further down the line.

THE SCREENING STAGE

The material supplied by applicants can provide the basis for an organisation's initial screening and shortlisting processes. The evidence given in the application form should be matched against the required behavioural indicators. For example, each applicant could be given a rating on each competency according to pre-determined criteria. Well over half (58.5%) of respondents to our 2005 benchmarking survey made reference to competencies as part of their pre-selection approach.

The NHS has recently introduced a sophisticated online assessment tool to screen candidates for its Gateway to Leadership recruitment scheme (Suff, 2005a). The scheme aims to recruit and develop talented managers for senior roles in Europe's largest workforce. Candidates are measured against three "super" competencies, with an online exercise being designed around one competency. For example, one competency is "interpersonal skills" and the relevant exercise is designed to assess qualities such as "leading and managing", "communication and influencing" and "working with others".

The e-exercises were designed following in-depth analysis of the competencies needed to be effective NHS managers. According to the NHS team that was responsible for developing it in partnership with Capita Resourcing, the competency-based screening tool provides a consistent and objective approach at the early sifting stage of recruitment.

ASSESSMENT CENTRES

Assessment centres – a process involving the multiple application of different tools such as role play, presentations and group exercises – are widely considered to be the most effective approach to hiring new staff. It was in this area of recruitment and selection that competencies made their debut in the UK, and they continue to form the core of many assessment centres run by employers. Our latest benchmarking survey found that 45.4% of employers apply competencies in this way.

At both telecommunications company Vodafone and Broadway Homelessness and Support, the selection tests are designed in line with the competencies required to perform in the job. The competencies can also be weighted according to the skills and abilities required for each specific role, and this will be reflected in the assessment of the exercises.

There have been some interesting developments with regard to the use of competency-based exercises in assessment centres. Previously, it was assumed that different exercises provided distinct opportunities for candidates to exhibit relatively stable competencies, with the expectation that each competency would be marked relatively similarly across exercises. Studies have since shown the opposite to be the case, with the same competency often producing quite different scores in different exercises. This phenomenon has become known as the "exercise effect".

Dr Charles Woodruffe is managing consultant at Human Assets, a firm of business psychologists, and is also author of a standard work on assessment centres (Woodruffe, 2000). On the exercise effect, he says: "This can be understood as a genuine reflection of both candidates' variation in performance across exercises and the relative sameness of their performance across dimensions in any particular exercise. For example, a candidate might perform well on all competencies during a presentation but could equally score poorly on some of the same competencies in a group exercise. The practical implication of this is that, if they are to work properly, assessment centres must be comprehensive samples of the role that the candidate will be doing. With so much variation across exercises, it is absolutely vital that the exercises fully reflect the role." (Suff, 2005b)

Milsom cautions that it is important to understand why the exercise effect happens. He explains: "When people design competencies, they are balancing best practice with what will be practical to use. This means that one competency can sometimes cover more than one skill, and different exercises can tap into different aspects of the same competency. For example, one exercise may focus on the 'analysis' part of 'analysis and decision-making', while another exercise may focus on the 'decision-making' part of the same competency. Both skills need to be tested, but we know that people who are stronger in analysing information are not always the most decisive, therefore situations like this can lead to the exercise effect."



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He adds that several factors can help to overcome any problems this might cause. For example, having expert input into the design of the exercises ensures the competencies are reliably and thoroughly tested, and using a personality questionnaire helps interpret the data. As a final rule of thumb, each competency should preferably be tested in at least three different assessment centre exercises, and each exercise should be observed and rated by at least two trained assessors.

SELECTION INTERVIEWS

The use of competencies is becoming widespread in a number of distinct recruitment and selection activities, but the extent to which they are relied on to inform the hiring process varies from one activity to the next. Selection interviewing is one area where competencies achieve their greatest depth of use, both by having the potential to greatly improve the validity and reliability of the process and by exerting a major influence over the final appointment decision.

More than two-thirds of respondents to our competency benchmarking survey use competency-based questions in their selection inter-

views. These employers will have had at their disposal two main choices in determining how to frame their competency-related questions: situational or behavioural-based approaches to interviewing.

Milsom points out that it is now widely acknowledged that past performance is the best predictor of future performance. It is for this reason that behavioural interviewing – where it is also competency-based – scores highly on the reliability scale. “By asking a candidate to show how they have demonstrated specific competencies in their previous role means that they are providing direct evidence of their behaviour,” he says. “Another competency-based approach is situational interviewing. That can be useful if the candidate group has no relevant previous experience – for example, graduates – as these kinds of question are hypothetical.”

At Broadway Homelessness and Support, its “targeted” interview questions focus exclusively on actual events or “critical incidents” in the candidate’s past. Interviewers have a prompt sheet to help them probe for in-depth evidence of how candidates have demonstrated behaviour in line with the competencies.

CASE STUDY: ESSEX COUNTY COUNCIL

Essex County Council is a major local authority in England, administering the region to the east of London as far as the North Sea coast. It employs around 39,000 people and its Essex Competency Framework (ECF) applies to approximately 15,000 of its workforce. The framework has been in place for around five years and is described as “the glue” that holds together the various parts of the council’s people management strategy. “The ECF was developed to reflect the behaviours, skills and abilities needed to deliver our services, and it is directly related to the requirements of jobs within the council,” says Yvonne Skingle, strategic HR manager. “It was designed for use in recruitment, selection, performance management and staff development, and ensures that we take a consistent approach to resourcing.”

The framework is reviewed at regular intervals to keep it up to date with the council’s strategic objectives and aligned with national government requirements. Skingle explains that the ECF has been refreshed at least four times so far. She says: “The longest we find you can go without updating a competency framework is around

18 months: as the council’s priorities shift, so do its required skills and behaviours.”

THE COMPETENCY WHEEL

The competency framework itself is shown graphically as a wheel, with the 11 generic headings and one “professional/technical” category depicted as the spokes (see document extract 1). Although the framework applies to all employees, not all the competencies and their various measures will apply to any one individual. For example, some – such as “leadership” and “managing and developing people” – will apply only to those with a management role. It is for the manager who is responsible for drawing together the job profile of a particular role to determine the competencies that are relevant to it.

Each competency is broken down into sub-divisions that reflect the skills and behaviour required for the job, and is further supported by a series of measures that inform what is expected of employees. Using “self-awareness and control” as an example, its measures look at





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whether the employee:

- demonstrates awareness of own personal strengths and development needs, understands the impact of these on others, and takes action to modify own behaviours accordingly;
- manages time and prioritises work in an effective and productive way;
- manages own stress, remaining objective and stable in stressful situations, and accepting constructive criticism;
- displays tenacity in coping with setbacks and perseveres in the face of adversity;
- maintains high ethical standards both personally and professionally; shows integrity and is reliable and trustworthy; and
- observes and implements the information security and communication policy, standards and procedures.

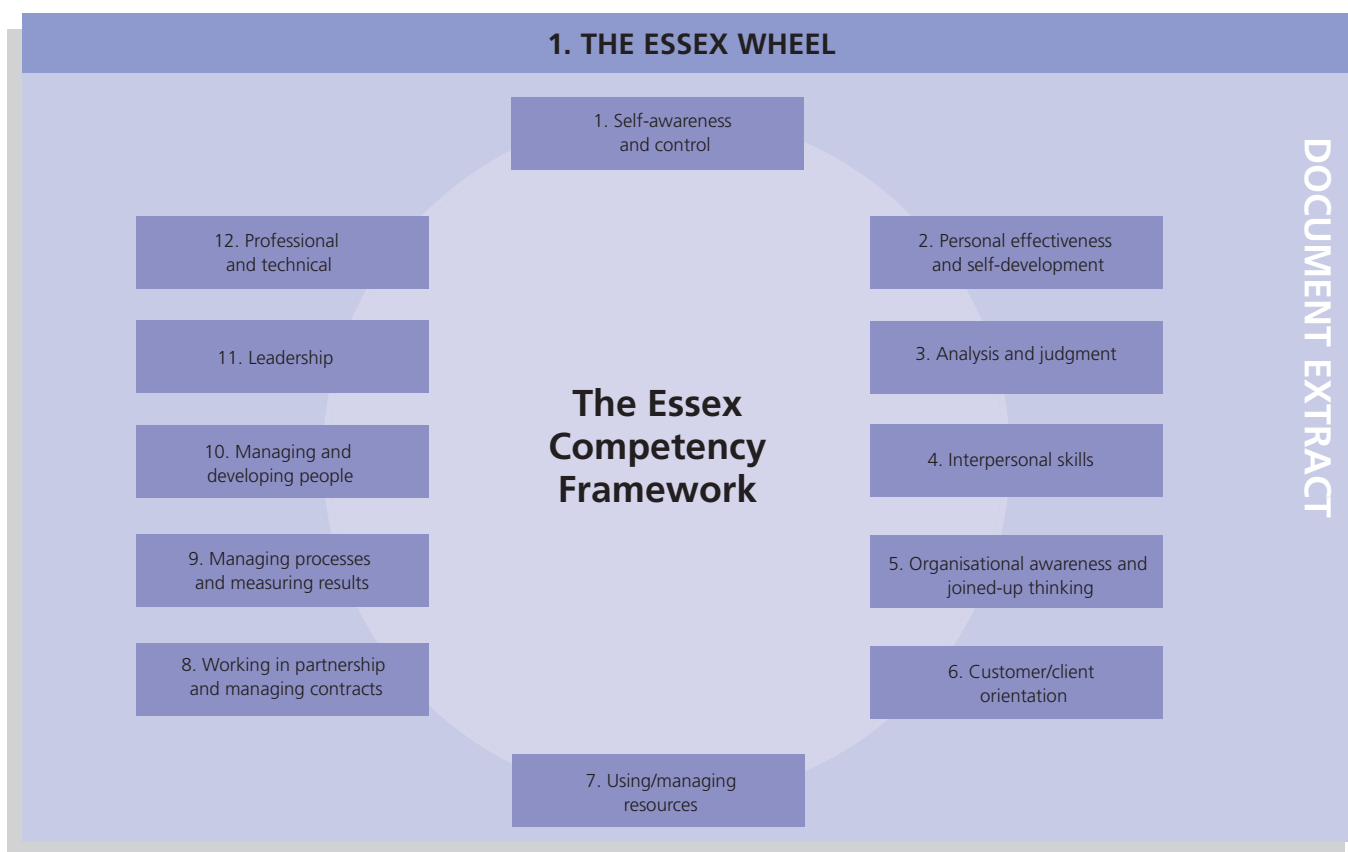
A RECURRING THEME

Competencies represent a key element of Essex County Council's recruitment and selection process, from start to finish. Job profiles and

person specifications are built around competencies, and these documents are used as the basis for hiring new recruits. For example, recruiting managers will frequently highlight the required skills and behaviours in recruitment advertisements. Candidates are expected to give practical evidence of how they meet the competency requirements for the role in their application form, and this information is used for shortlisting. All subsequent stages of the selection process, such as psychometric tests and interviews, are also designed with close reference to the competencies and measures considered pivotal to the job. Competency-based questioning is used in behavioural interviews, with supplementary questions designed to probe for evidence of how specific behaviours have been demonstrated in the past (see document extract 2 for an example interview guide). The council's close reference to competencies in selection does not stop here: all feedback given to candidates, whether successful or not, is competency-based.

LEAD BY EXAMPLE

Essex County Council's competency framework is well regarded in the





2. EXAMPLE INTERVIEW GUIDE

[Essex County Council: example interview guide of using competencies in the selection process for a technology strategy manager role.]

2. Competencies – interview questions

Personal effectiveness and self-development (2): Tell me about a time when you worked particularly hard.

- Which aspect of the situation motivated you?
- Which aspect of the situation demotivated you?
- What feedback did you receive on your performance?

Interpersonal skills (4): Tell me about a time when you got people working together in a supportive way.

- What worked well?
- What would you do differently next time?

■ How did the others respond to you?

Customer/client orientation (6): What sort of service standards have you had to work towards in the past?

- Why were they important?
- What difficulties did you encounter maintaining them?
- How did you ensure that others also complied with these standards?

Managing and developing people (10): Give an example of when you have had to delegate responsibility.

- Why did you need to do this?
- How did you go about this?

Source: Essex County Council.

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local authority sector, and is providing the impetus for other councils to develop similar frameworks. For example, a competency toolkit has been developed as part of its strategic HR partnership with other Essex councils, and Essex County Council is also providing consultancy support to several local authorities in Devon. The ECF continues to

evolve and more work will be undertaken to align the behavioural competencies with the council's new key values. According to Skingle, the framework provides a solid base on which to develop future work, and continually proves itself useful in helping to recruit the right people to work for the organisation.

CASE STUDY: BROADWAY HOMELESSNESS AND SUPPORT

Broadway Homelessness and Support is a London-based homeless people's charity that provides services to more than 2,800 people annually who are homeless or vulnerable and at risk. The organisation was formed nearly three years ago following the merger of homeless agencies Riverpoint and the Housing Services Agency. It employs 180 staff and 70 volunteers. It won an award last year as one of the *Sunday Times* 100 Best Small Companies to Work for.

Broadway introduced its competency framework around six years ago to enhance its recruitment process. Rather than taking a narrow focus in recruitment that was based solely on experience, it was envisaged that introducing a competency-based resourcing strategy would provide a fuller and more accurate picture on which to base selection decisions. "An individual could have several years' experience in a given area, or several qualifications, but competencies allow us to take into account people's skills development and behaviours, which is a far more relevant approach," says

Simon O'Hear, HR manager. "Recognising people's skills and knowledge first and foremost enables us to widen the applicant pool, which is also beneficial considering the tight labour market in the voluntary sector."

THE FRAMEWORK

Broadway's competency framework has been incorporated into its mainstream HR activities within the organisation, and is at the core of its performance management and staff development systems. O'Hear says that competencies were introduced not only to get the best out of recruitment, but also to get the best out of existing employees as well. The framework comprises four levels to reflect the different employee groups in the organisation:

- staff trainees;
- coordinators/team leaders;
- managers; and
- senior managers.



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There are between 12 and 15 competencies within each of the four sets, with a core of around 10 competencies – for example, “creativity and innovation”, “personal effectiveness” and “managing self and relationship with others” – that are common to all four. To differentiate the level of performance expected under each level, each competency is accompanied by a set of around 10 “effective behaviours” and “ineffective behaviours”. For example, the level of behaviour that a senior manager is expected to demonstrate under “proactivity and initiative” is considerably higher than that expected of a staff trainee, or even a team leader.

Each set of competencies is tailored to meet the needs of a specific employee group. For example, some competencies are amalgamated at the more senior level. “The ‘self-development’ competency is incorporated into ‘personal effectiveness’ at the managerial level as it is hoped that, by that stage, managers will know how to take care of their self-development in order to reach that level,” O’Hear explains. Other competencies are relevant only to specific levels, such as “strategic thinking and planning”, an area of competency expected of managers rather than staff.

SELECTION FOCUS

Competencies are used to inform Broadway’s selection process at every stage. This holistic approach starts with the design of the person specification, where grids outline the competencies required for the role, accompanied by full sets of expected behaviours. Interestingly, the organisation used to ask candidates to supply competency-based experience on the application form, but found that this prompted “reams of not necessarily relevant information”. The preferred approach now is to undertake more accurate assessment of competency-based behaviour by administering selection tests designed to closely reflect the job. This is supported by the use of competency-based interviews and personality questionnaires that help to interpret and inform the other selection techniques that are used.

Work-related tests assess the level of the candidate’s already acquired skills and knowledge as accurately as possible – in Broadway’s case, the tests are designed in line with the competencies that are required to perform in the job. These tests provide a sample of behaviour that can be used to predict future performance in a similar work situation, and are widely accepted as potentially

the most effective type of ability test. The tests involve the practical application of skills and provide the recruiter with objective information about the person’s suitability to perform the tasks needed for the post.

It is for this reason that Broadway uses this type of psychometric test widely within its selection process. “Basing the tests on the competencies for the role, and the actual activities they will perform in that role, enables us to make a valid judgment on the candidate’s suitability,” O’Hear says. “For example, for ‘client focus’ we may design a role-play exercise where the candidate has to interact with a client and deal with the resistance and other reactions they may encounter in that part of the job.”

CRITICAL INCIDENT INTERVIEWS

Selection interviews at Broadway are also closely based on the competencies required for the role. The organisation uses behavioural questioning, rather than a situational approach that involves hypothetical questions, in all its interviews. The questions focus exclusively on actual events or “critical incidents” in the candidate’s past to enable the interviewer to hear evidence of how the individual demonstrated the behaviours and skills considered essential to the post. “Interviewers draw up targeted questions based on the required competencies for the role, which enables them to validate how candidates’ past experience equips them for the job,” O’Hear explains.

The interviewer will also have a prompt sheet to help them find in-depth evidence of how candidates have demonstrated behaviour in line with the competencies. When questioned, interviewees will often supply quite a broad description of a past incident. If this is the case, the interviewer needs to ask supplementary questions to probe for more detail about how the candidate behaved.

WELL PREPARED

Broadway believes that it is well worth investing the time and resources involved in setting minimum standards, and training line managers in competency-based selection techniques. Managers cannot take their place on an interview panel until they have received adequate training, and HR staff are on hand to validate the design of any interview schedules or psychometric tests.



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VODAFONE USES COMPETENCIES IN ITS ASSESSMENT CENTRES

Telecoms company Vodafone UK runs assessment centres as part of its selection procedure for retail and call centre staff and graduates. All exercises included in the design of each centre are based on the company's core generic competencies or, as Vodafone terms them, "performance drivers". The company has developed six competencies to support its corporate strategy and these are applied throughout the business. They are:

- communicating for impact;
- delivering results;
- managing a changing environment;
- making a personal difference;
- performing through our people; and
- putting customers first.

While the competency framework on which each assessment centre is based is therefore a common one, the competencies are weighted according to the

skills and abilities required for each specific role, and this is reflected in the assessment of the exercises. The centres primarily aim to predict candidates' potential to perform in future employment, rather than looking at present performance alone, although current ability is the main focus in the case of centres involving technical posts.

Vodafone makes use of the full range of tests and activities on offer for use in a centre, such as role plays, in-tray exercises and psychometric tests. A competency-based interview is a common ingredient for all centres. According to Andy Hill, UK resourcing manager, the key to the effective system at Vodafone's centres lies in the weighting of the competencies and their scoring. This means that, although almost the same exercise could be used for two different roles, the competencies could be weighted very differently because different skills and behaviours are more crucial for one role than the other.

Source: Rachel Suff, "Centres of attention", *IRS Employment Review* 816, 28 January 2005, pp.42–48.

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According to O'Hear, recruiters are very supportive of the competency-based approach to selection, seeing it as more "rounded" and transparent. He comments: "Drawing on the competencies for selection decisions enables recruiting managers to focus on the specific type of behaviour and skills needed, and sets those expectations from the beginning. We can then apply the competency model throughout their employment to set performance standards and encourage development, so it is a consistent approach."

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