Competence assessment practices in SHL

Dragos Iliescu, PhD
Managing Director,
“42”, The Approved SHL Distributor for Romania

Prepared for International Workshop, Sofia 1-2 November 2012
Project “Development of Competence Assessment System in Bulgaria”
People Intelligence Solutions

- Best in class innovation, assessment source and services to improve business results through superior people decisions.
SHL: Some of our clients
World-class customers

>50% of Global Fortune 500

>40% of Fortune 500

>80% of FTSE

>50% of ASX
The scientific management of human capital

- DEFINE: Critical competencies that characterise high performance
- MEASURE: With accurate and proven objective assessment
- REALISE: True business value, Demonstrable ROI

© SHL 2012
October 29, 2012
Competencies

How can we define and measure competencies?

• “… underlying characteristic of a person which results in an effective or superior performance…. it may be a trait, motive, skill…. body of knowledge”


“..the set of behaviour patterns that the incumbent needs to bring to a position in order to perform its tasks and functions with competence”

Woodruffe (1992)
Competencies

How can we define and measure competencies?

“A competency... is the *repertoire* of capabilities, activities, processes and responses available that enable a range of work demands to be met *more effectively* by some people than by others.”

*Bartram and Kurz (2002)*
Introducing Competencies

Effective Performance
The Full Story

HOW?
**Behavioural Competencies**
- General attributes of the individual that are important for effective performance in a role, that can be measured through behaviour

WHAT?
**Technical Competencies**
- Specific skills and knowledge that are important for effective performance, e.g. product knowledge

WHY?
**Value-Driven Competencies**
- Aspirational attitudes and beliefs that influence the way that people conduct themselves at work. This may be consistent with your organisation’s brand?
## Introducing Competencies

**Effective Performance - The Full Story**

### KEY

<table>
<thead>
<tr>
<th>Behavioural Competency</th>
<th>Technical Competency</th>
<th>Values Driven Competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values driven competencies support organisational imperatives and apply for all roles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behavioural Competency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Competency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Values Driven Competency</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Values Driven Competencies

- Respecting People
- Demonstrating Integrity
- Valuing Customers
- Innovation
- Commercial Knowledge
- Product Knowledge

### Effective Performance

- Risk Management
- Teamwork
- Project Management
- Developing People
- Financial Management
- Problem Solving

### Behavioural & technical competencies can be chosen for specific roles

---

© SHL 2012
October 29, 2012
Applications of Competencies

Integrated People Processes

Performance Management

Recruitment

Development

Tactical

Competencies

Strategic

Succession & Career Planning

Workforce Planning

Promotion

Organisational Culture Change

© SHL 2012
October 29, 2012
Measurement of competencies

- Key point: The measurement approach to competencies should be dependent on their usage in specific decisions
Identify the critical behaviours for success

Universal Competency Framework (UCF):
• Defines critical behaviours for any role
• Firmly linked to observable behaviour
• Built on empirical evidence and extensive scientific research
• A valid predictor of performance

Leading organisations across the world, including GlaxoSmithKline, have built their competency models around UCF.
The Universal Competency Framework
Linking the what, how and potential

1. External/Industry Context

2. Organisation Context

3. “Hard” – Results:
   a. Key Results Areas
   b. Core Accountabilities

4. “Observable” – Competencies:
   a. Behaviour
   b. Skills

5. “Soft” – Potential:
   a. Motive
   b. Personality traits
   c. Cognitive
The UCF Structure – Breadth And Depth

Great 8
Factor level

20 Dimensions
Competency level

112 Components
Behaviour level
## Universal Competency Framework

<table>
<thead>
<tr>
<th>1</th>
<th>Leading &amp; Deciding</th>
<th>1.1</th>
<th>Deciding &amp; Initiating Action</th>
<th>1.2</th>
<th>Leading &amp; Supervising</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Supporting &amp; Cooperating</td>
<td>2.1</td>
<td>Adhering to Principles &amp; Values</td>
<td>2.2</td>
<td>Working with People</td>
</tr>
<tr>
<td>3</td>
<td>Interacting &amp; Presenting</td>
<td>3.1</td>
<td>Relating &amp; Networking</td>
<td>3.2</td>
<td>Persuading &amp; Influencing</td>
</tr>
<tr>
<td>4</td>
<td>Analysing &amp; Interpreting</td>
<td>4.1</td>
<td>Writing &amp; Reporting</td>
<td>4.2</td>
<td>Applying Expertise &amp; Technology</td>
</tr>
<tr>
<td>5</td>
<td>Creating &amp; Conceptualising</td>
<td>5.1</td>
<td>Learning &amp; Researching</td>
<td>5.2</td>
<td>Creating &amp; Innovating</td>
</tr>
<tr>
<td>6</td>
<td>Organising &amp; Executing</td>
<td>6.1</td>
<td>Delivering &amp; Meeting Expectations</td>
<td>6.2</td>
<td>Following Instructions &amp; Procedures</td>
</tr>
<tr>
<td>7</td>
<td>Adapting &amp; Coping</td>
<td>7.1</td>
<td>Coping with Pressure</td>
<td>7.2</td>
<td>Adapting &amp; Responding to Change</td>
</tr>
<tr>
<td>8</td>
<td>Enterprising &amp; Performing</td>
<td>8.1</td>
<td>Achieving Goals &amp; Objectives</td>
<td>8.2</td>
<td>Entrepreneurial &amp; Commercial Thinking</td>
</tr>
<tr>
<td>9</td>
<td>Presenting &amp; Communicating</td>
<td>9.1</td>
<td>Presenting &amp; Communicating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Entrepreneurial &amp; Commercial Thinking</td>
<td>10.1</td>
<td>Entrepreneurial &amp; Commercial Thinking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Formulating Concepts &amp; Strategies</td>
<td>11.1</td>
<td>Formulating Concepts &amp; Strategies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Planning &amp; Organising</td>
<td>12.1</td>
<td>Planning &amp; Organising</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Competencies to Attributes

1. Leading & Deciding → Need for Control
2. Supporting & Cooperating → Agreeableness
3. Interacting & Presenting → Extroversion
4. Analysing & Interpreting → Cognitive Ability
5. Creating & Conceptualising → Openness to Experience
6. Organising & Executing → Conscientiousness
7. Adapting & Coping → Emotional Stability
8. Enterprising & Performing → Need for Achievement

Behavioural Measures
- 360
- Simulations
- Behavioural Interviews
- Situational Interviews
The SHL Great 8 Factors

Leading and Deciding

Takes control and exercises leadership. Initiates action, gives direction and takes responsibility.
20 Competency Dimensions

Deciding and initiating action

(A) Makes prompt, clear decisions which may involve tough choices or considered risks

(B) Takes responsibility for actions, projects and people

(C) Takes initiative, acts with confidence and works under own direction

(D) Initiates and generates activity

1 of 2 LEADING AND DECIDING 1.1
112 Components

Making decisions

(A) Identifies urgent decisions
(B) Makes decisions quickly when necessary and demonstrates the ability to do so on the basis of incomplete information
(C) Makes tough decisions
(D) Makes decisions under pressure

1 of 6  DECIDING AND INITIATING ACTION  1.1.1
The 4 Sets of Competency Card Sorts

- **IMPORTANCE SORT**
  - Competencies that are ESSENTIAL or CRITICAL for job success

- **FREQUENCY SORT**
  - Competencies that are FREQUENTLY DEMONSTRATED

- **ASSESSMENT SORT**
  - Competencies that are an OUTSTANDING STRENGTH

- **COMPLEXITY SORT**
  - Competencies that are HIGHLY COMPLEX or VERY DIFFICULT
**Objective assessment**

Objective assessment provides a better prediction of a candidate’s likely job performance

<table>
<thead>
<tr>
<th>Perfect prediction</th>
<th>Source: Mike Smith, UMIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1</td>
<td></td>
</tr>
<tr>
<td>+.65</td>
<td>Assessment Centres</td>
</tr>
<tr>
<td>+.45</td>
<td>Ability Tests/Job Samples</td>
</tr>
<tr>
<td>+.40</td>
<td>Group Exercise/Personality Composites</td>
</tr>
<tr>
<td>+.35</td>
<td>Structured Interviews/In-Tray Exercises</td>
</tr>
<tr>
<td>+.30</td>
<td>Biodata</td>
</tr>
<tr>
<td>+.15</td>
<td>Employment Interviews</td>
</tr>
<tr>
<td>+.10</td>
<td>Educational Qualifications</td>
</tr>
<tr>
<td>0</td>
<td>Graphology/Astrology/Phrenology</td>
</tr>
<tr>
<td></td>
<td>Random prediction</td>
</tr>
</tbody>
</table>

Source: Mike Smith, UMIST
Assessment solutions across the range

• Sifting and screening solutions
• UCF Interview Guide
• Ability testing
• Personality testing
• Multi-rater feedback (360)
• Assessment and Development Center exercises
Quicksift: Scorable Application Forms

**Cost/time effective:**
Less than 15 minutes to complete

**Easy to use:**
Scored in less than 5 minutes!

**Greater standardisation**

**Objective:**
Best when based on thorough job analysis and validated against job performance

**Higher quality selection:**
SAF’s can be as effective as predictors of performance as structured interviews
Talent Screener: Situational Interview / Situational Judgment Test as a new sifting methodology

• What is it?
  ◦ New technique to sift a large volume of applicants
  ◦ Multiple-choice, job relevant, scenarios-based attitudinal questions
  ◦ Measures key success behaviours
  ◦ Tailored to assess fit to corporate culture and values

• What does it look like?
  ◦ At a team meeting, you discover that the nearest store to your own has had a record taking last month. Your store performed steadily last month, how do you feel?
    • a. Pleased for the other store
    • b. Frustrated that your store did not have a record taking month
    • c. Relieved that your store is maintaining it’s current level of sales

  ◦ Which do you prefer when you are at work:
    • a. To know a little bit about a lot of areas
    • b. To concentrate your knowledge in just one area
SHL’s 360 Model...
Personality testing - OPQ32

The Revolution in Personality Assessment
New scoring, new format

Application of ‘Item Response Theory’ has enabled a precise measure of information provided by each questionnaire item

- Reduction in number of statements for candidates to evaluate
- Questionnaire format changed from blocks of four statements to three
- New scoring approach delivers a highly accurate profile of an individual, more directly and effectively
# Reporting power

Wide range of report options providing meaningful interpretation for HR managers & business line managers

- Highly targeted & user-friendly
- Detailed, highlighting potential strengths & areas for development
- Most are designed for direct use by line managers
- Clear graphical summaries of performance against job competencies

## examples:

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Selection</th>
<th>Development</th>
<th>Career Guidance</th>
<th>Team Building</th>
<th>Suitable for untrained users</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGER PLUS REPORT</td>
<td>★</td>
<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>CANDIDATE PLUS REPORT</td>
<td>★</td>
<td>★</td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>UNIVERSAL COMPETENCY REPORT</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>SALES REPORT</td>
<td>★</td>
<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>TEAM IMPACT REPORT</td>
<td>★</td>
<td></td>
<td>★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>MANAGEMENT COMPETENCY REPORT</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>TEAM TYPE &amp; LEADERSHIP STYLES REPORT</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>PREMIUM REPORT</td>
<td>★</td>
<td></td>
<td></td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>EMOTIONAL INTELLIGENCE REPORT</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td></td>
<td>★</td>
</tr>
<tr>
<td>DEVELOPMENT ACTION PLANNER</td>
<td></td>
<td></td>
<td></td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>LEADERSHIP POTENTIAL REPORT</td>
<td></td>
<td></td>
<td></td>
<td>★</td>
<td>★</td>
</tr>
</tbody>
</table>
Ability tests: The Verify
The SHL Verify approach
Assessment & Development Centers: MAS & MAP
MAS & MAP

• Over 100 exercises on various industries and job levels
  ◦ In-trays
  ◦ Group Exercises (assigned and unassigned role)
  ◦ Analysis Presentations
  ◦ Role Plays (coaching, negotiation etc.)
  ◦ Fact Find exercises

• All based on the Universal Competency Framework
• Designed by experienced consultants
## MAS: Multiple Assessment Series

<table>
<thead>
<tr>
<th></th>
<th>Strategic</th>
<th>Tactical</th>
<th>Operational</th>
<th>Customer Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-Trays</strong></td>
<td>• Boom Duval</td>
<td>• Bruger Kent Finance</td>
<td>• HMF Financial Services</td>
<td>• Organising</td>
</tr>
<tr>
<td></td>
<td>• Hexagon Taps</td>
<td>• Denford Council</td>
<td>• Sovereign International Executive Conference</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Grenville Masters Group</td>
<td>• Hobson Brothers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improvit Superstores</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Intertrans</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Jubilee Bank Plc</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group Exercises</strong></td>
<td><strong>ASSIGNED ROLE</strong></td>
<td><strong>ASSIGNED ROLE</strong></td>
<td><strong>ASSIGNED ROLE</strong></td>
<td><strong>ASSIGNED ROLE</strong></td>
</tr>
<tr>
<td></td>
<td>• Amalgamated Baths</td>
<td>• Anglo-Arabian Airlines</td>
<td>• Jason's of Chelsea</td>
<td>• Influencing</td>
</tr>
<tr>
<td></td>
<td>• The Strategic Plan</td>
<td>• The European Question</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>UNASSIGNED ROLE</strong></td>
<td>• Midhampton District Health Authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Douglas Bradshaw Travel</td>
<td>• Beyond the Merger</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Nord Gas</td>
<td>• Jubilee Bank Plc:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Beyond the Merger</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Jubilee Bank Plc: Network Link</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Royal Borough of Thamesbridge</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Analysis Presentations</strong></td>
<td><strong>Nord Gas</strong></td>
<td><strong>Diamond Savings</strong></td>
<td><strong>Celisol Corporation - Strategic Siting</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Jubilee Bank Plc: Beyond the Merger</td>
<td>• Mowbray McDonnell</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Sovereign International Prime Position</td>
<td></td>
</tr>
<tr>
<td><strong>Fact-finding Exercises</strong></td>
<td><strong>The Complaint</strong></td>
<td><strong>The Training Request</strong></td>
<td><strong>The Dissatisfied Customer</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Taraco</td>
<td></td>
<td>• Sovereign International Quality Concerns</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The Training Request</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Role Plays</strong></td>
<td><strong>Express Bank</strong></td>
<td><strong>Enjoy Holidays</strong></td>
<td><strong>4P's Marketing</strong></td>
<td><strong>Complaint Handling</strong></td>
</tr>
<tr>
<td></td>
<td>• Sharrock Associates</td>
<td>• Handl Stores</td>
<td>• Sovereign International Key Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improvit Superstores</td>
<td>• Sports Town Construction</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## MAP: Multiple Assessment Portfolio

<table>
<thead>
<tr>
<th></th>
<th>Level 1 Administrative</th>
<th>Level 2 Graduate</th>
<th>Level 3 First line manager</th>
<th>Level 4 Middle manager</th>
<th>Level 5 Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Analysis</strong></td>
<td></td>
<td></td>
<td>Hexagon Screen Plex</td>
<td>Legacy Papillon Drinks</td>
<td>Wayside</td>
</tr>
<tr>
<td><strong>In-tray</strong></td>
<td></td>
<td></td>
<td>Clockwork Events</td>
<td>Manzi-Portland</td>
<td>Passel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Manzi-Westbarton</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Passel Beech Valley</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Legacy Manzi-Hadden</td>
<td>Let Us Help</td>
<td>Teletravel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Passel</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Legacy Manzi-Marleigh</td>
<td>Safe and Sound</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Passel Beech Valley</td>
<td></td>
</tr>
<tr>
<td><strong>Fact Find</strong></td>
<td></td>
<td></td>
<td>Screenplex</td>
<td>Legacy</td>
<td></td>
</tr>
<tr>
<td><strong>Negotiation</strong></td>
<td></td>
<td></td>
<td>Puzzled Customer</td>
<td>Curaco - Doctor</td>
<td>Webster and Gill</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Curaco - Pharmacist</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Daydream Holidays</td>
<td></td>
</tr>
<tr>
<td><strong>Group (Unassigned)</strong></td>
<td></td>
<td></td>
<td>Screenplex</td>
<td>Legacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The Launch</td>
<td></td>
</tr>
</tbody>
</table>
Questions?