

Introduction

Assessing competence is a key skill for anyone involved in managing people and forms the basis for decisions about:

- recruitment and selection
- succession planning
- managing performance
- staff development and career planning.

The consequences of making poor decisions in these areas are significant. Anita Holbrow of REC (the Recruitment and Employment Confederation) recently claimed that out of a total Recruitment industry market value of £26Bn, £12Bn is wasted on hiring the wrong people. It is not surprising that interest in the use of assessments to inform decisions in these areas is high. However the use of assessments is also highly sensitive. There are legal requirements for assessment to be objective, fair and for the process to be transparent. Many people suffer high levels of anxiety associated with assessments of any kind, and the consequences of decisions made as a result of assessments for the purposes above can be career and life changing for those affected, so the decision about when and why to use assessment, what type of assessment and how the results will be used are always critical. How can we go about improving the assessments we make?

‘I’m not sure what I’m looking for, but I’ll know when I find it.’

Key issues in assessment are Validity and Reliability. Does the assessment actually assess what it claims to assess, and how reliable are the results? Would the result be the same if the person took the assessment on a different day or administered by a different person?

The first challenge is to establish clear criteria.

For assessments to be effective they generally need to focus on a few, well defined criteria. Including too many criteria in a test tends to result in long tests which are less practical to implement, and the results are more difficult to interpret.

Competence frameworks are useful as a basis for setting assessment criteria. They provide definitions of the common skills, knowledge and behaviours that an individual needs to perform their work activities and they generally have behavioural indicators already defined, which you can use as a basis for defining assessment criteria. There are also many well validated assessments already exist aligned to many of competencies, and combinations of competencies. However the language used in competence frameworks is likely to be generic and may appear somewhat abstract or removed from the day-to-day reality of the work. To make them easier to use as assessment criteria and to make it easier to interpret and use the results of an assessment, you need to be prepared to tailor your competence framework to reflect the language used in the business, and to define indicators that will be more readily recognised and understood by those using the assessment and interpreting the results.

When you start to define competencies for a role you are likely to identify far more than it is practical to assess. There are a number of things to consider to which can help you focus on the most important ones.

It helps to form a focus group including individuals in the organisation with a proven track record and reputation for being successful in the role, operational and strategic managers and other key stakeholders. In consultation with these people, consider which competencies are related to activities that have the greatest impact on successful performance in the role and which distinguish the role from the responsibilities of other related roles.

- Ask them to pick out the competencies they would regard as being key indicators, and to explain why.
- Look for patterns in the performance reviews of those already in the role. Are there any competencies that are frequently strengths of the people who are most successful in the role and/or weaknesses of those who are least successful in the role?
- Ask them how they see the role developing over time. Which activities will become more important and which less important? Consider which competencies would enable this transformation and prioritise those which are required for the activities that are expected to be more important in the future over those which less important.
- Consider which competencies are hard to develop. Most competencies can be developed, but some competencies are very hard to develop. For selection purposes these are useful indicators as a good candidate would need to demonstrate strength in these areas.

Refer to our [previous article](#) for more information about analysing and defining competencies for roles.

Select the right sort of assessment for the purpose

This article is not intended to provide a comprehensive overview of assessment types and their applications, rather a brief overview of the characteristics of a few, with some indications of factors that affect their validity and reliability and strategies to improve their use.

Self-assessment with Manager review

This is the most commonly used assessment method used for job review and performance management, and it is frequently linked closely with performance appraisals process. Individuals are asked to rate their ability against a definition of competencies required for the role. Their manager performs a parallel review, the results are compared and a final rating is agreed. The output is then used to create a personal development plan.

These are some key factors to consider when using this type of assessment.

- There is a risk that individuals will assume there is a link between this type of assessment and their appraisal, even if there isn't one, affecting their salary review or bonus payment.

- Clearly this introduces a risk of bias in the assessment. The relationship between the competence assessment and performance appraisal needs properly positioned and if there is an intended link, controls need to be applied to address bias in the assessments.
- The questions used in the assessment (normally behavioural indicators) need to be clear and relevant. It is common for these assessments to be based on a single set of competencies used across the whole company, which means that for some it may feel somewhat removed from the day-to-day work and they have to work harder to relate them to their role. This may make the results less informative and useful. The value for individuals and groups can be significantly increased by tailoring the competence profiles to focus on role specific competencies, and by regularly updating the questions used in the assessment to reflect changes in the roles.
 - If all your ratings are getting compressed into the middle of the rating scale, it becomes difficult to interpret as it is hard to distinguish areas of strength or weakness. If this is happening to you, review the rating scale you are using. It is common for individuals to avoid using the extreme ends of a rating scale, or to go for middle values on items they are not really clear about. Using a longer rating scale, providing clear guidance on how to apply the scale, avoiding using definitions at the extreme ends that would infrequently if ever be relevant and providing a clear briefing and guidance are all approaches that can help.
 - When interpreting the results it is common for managers and individuals focus on weaknesses and filling gaps, however some of these competencies may not be easy to develop, and by doing so managers may be overlooking the opportunity to build of strengths that would compensate. Focussing on where an individual performs exceptionally can be more effective than addressing deficits. Make sure the tool you use identifies strengths as well as weaknesses, and develop the skills of managers to interpret results, in particular how to focus on building on strengths in a development plan. If gaps or deficits are undermining effective performance in the role and cannot be compensated for by an individuals strengths they clearly do need to be addressed.

360 degree review

360 degree review, or multi-rater feedback is another widely-used assessment method that overcomes some of these problems. Feedback is sought from groups of people surrounding the individual. Typically these include a manager group (manager/supervisor/team/project leader), peers and subordinates/direct reports, but can also include internal or external partners, customers and suppliers. With multiple reviewers in each group, each person may receive feedback from between seven to eleven people.

By capturing feedback from a larger number of people and from a variety of perspectives 360 degree review provides much better coverage than manager review or 180 degree review, and it evens out distortions caused by a single individual's viewpoint. It provides the opportunity to gather feedback from people who are in the optimum position to observe an individual's performance, providing much richer feedback to the individual. In our 360 degree tool (Talent 360) we have introduced a concept of identifying, in the final reports, reviewer groups who are especially well positioned to observe specific behavioural indicators, which helps accurate and insightful interpretation of the assessment results.

360 degree reviews are still prone to problems with people interpreting the questionnaires and rating scale differently, and to variable quality of feedback provided by different reviewers, although the effect of this is 'smoothed out' by having more reviewers. These factors can be reduced further through good questionnaire design and careful briefing of reviewers.

With so many people being asked to provide reviews, 360 degree reviews programmes need to be carefully managed to avoid the programme stalling and to avoid other practical issues such as some individuals getting overloaded with requests to provide reviews. They also generate a very large amount of data which needs to be consolidated and reported. These factors mean that it is really essential to use a well designed on-line system.

Attention needs to be given to the information provided through the reports, the interpretation of results and how the information can be used for personal development.

For more hints and tips relating to conducting 360 degree reviews see you previous article '[Introducing 360 degree reviews - keys to success](#)'

360 degree reviews for succession management

360 degree reviews are most commonly used to provide developmental feedback for individuals; however, with appropriate positioning and controls in place they can also be used for higher stakes applications such as selecting candidates for inclusion in a high potential programme as part of a succession management programme. Talent 360 is currently being used for such a programme at Hertfordshire Constabulary. Building on their job review and development programme, managers are invited to nominate individuals for inclusion in a leadership development programme. The nominated candidates are given the opportunity to participate in a 360 degree review using a questionnaire focussed specifically around leadership competencies. To overcome the potential for bias in such a programme, the process of selecting reviewers is moderated by an independent manager. The results of the 360 degree review are used to provide developmental feedback for all the participants and as an additional source of information by the succession management selection panel, along with other relevant information including their service performance records, relevant qualifications and selection panel interview data.

Job simulation and assessment centres

Job simulation exercises, such as those used in assessment centres are designed around a set of key activities that can be simulated and which provide rich opportunity to observe key competencies. Well designed role play assessments provide the opportunity to assess multiple competencies in combination with each other, and they can simulate some the conditions affecting performance, such as having to make decisions under pressure and in real-time.

Normally professionally designed and conducted by professional assessors, the quality and consistency of the assessment is high, as is the interpretation of the results and feedback given. The cost and practicalities of organising assessment centres restricts their use.

Increasingly on-line assessments are being created, which make these types of assessment available to much larger groups and over an extended period of time, compared with running assessment centres. Examples you may have experience of include 'in-tray' exercises where you are presented with an 'in-tray' containing memos and meeting requests and you are assessed on the actions you take relating to each of the items, and Situational Judgement Tests.

Situational Judgement Tests

On-line Situational Judgement Tests (SJTs) are becoming increasingly popular as they have proved to be remarkably good at distinguishing between good and poor candidates for a role within recruitment campaigns. SJTs present candidates with situations that are highly representative of those faced in the role with a range of genuine response options. Candidates are required to distinguish between effective and ineffective responses.

Like assessment centres SJTs allows multiple competencies to be tested in combination, and sometimes in conflict with each other. The candidate's responses are very revealing about how they would prioritise conflicting values in different challenging situations and the types of choices they would make. The results of the assessment not only help identify stronger or weaker candidates, but identify areas that could be further investigated through other techniques such as competence-based interviewing.

As the situations used in these tests are modelled on the role itself these tests have very high face validity. This helps the business interpret the results of the assessment accurately. It means they also provide a 'job-preview' for candidates. As a result of this greater insight into the nature of the role, candidates are in a better position to self-select out, earlier in the recruitment process.

The cost to design a bespoke test is a consideration as there are very few generic SJTs available.

SJTs are increasingly being used as on-line assessments early in a recruitment campaign. They tend to have a better predictive validity than CV sifting resulting in fewer interviews being required, with better qualified candidates.

In this article we have looked provided some tips for focussing assessments on key competencies and some things to consider when using a few of the different assessment methods. Please contact us if you would like more information or to talk to us about implementing or improving an assessment strategy.