

STAFFING **ADVISORS**

The Case for Competency-Driven Hiring



Preparing for the Future of Work

From the remote and hybrid revolution to the [widespread adoption of AI-driven technologies](#), the world of work is evolving rapidly. Amid this wave of change, one thing is sure: organizations need to build high-performing teams that are agile, flexible, and capable of achieving continued impact regardless of what the future holds.

Always in high demand, top-performing candidates are looking for forward-thinking organizations that embrace a broad spectrum of ideas and prioritize innovation and professional growth. But typical hiring practices often fail to attract these candidates.

If you're willing to do things a little differently, you can more consistently hire exceptional employees and build more effective teams.

Competency-driven hiring is how you get there.

Browse Sections

Here's a quick guide to what you'll find inside. Click any menu item below to jump to the section you're most interested in.

- ▶ **What Makes Teams Effective?**
- ▶ **Outdated Hiring is Holding Us Back**
- ▶ **Building a Case for Change: Traditional Hiring Pitfalls**
- ▶ **The Results Based Hiring® Process**
- ▶ **Our Why**
- ▶ **How To Get Started Now**



What Makes Teams Effective?

When teams have a wide range of perspectives to draw from, they work harder and smarter—that's what drives business results. Diverse teams are more likely to challenge assumptions, consider all sides of a problem, and develop more creative and innovative solutions to the unique challenges an organization may face.

It can be helpful to think about diversity as bringing in perspectives your team doesn't already have. This spans cognitive styles, industry or sector experiences, educational backgrounds, political affiliations, or factors like race, gender, socio-economic status, and more.

Significant research, including [seminal work by Dr. Katherine W. Phillips](#), Columbia Business School professor and world-renowned expert on diversity in the workplace, shows the causal link between diversity, organizational agility and stability, and the bottom line.

- Diversity in management teams is [correlated with positive financial outcomes](#).
- Board diversity has [been linked to firm innovation](#).
- Diverse and inclusive companies are [rated more favorably](#) by employees and job seekers alike.

Dr. Phillips asserted that "the key to understanding the positive influence of diversity is the concept of informational diversity. When people are brought together to solve problems in groups, they bring different information, opinions and perspectives. This makes obvious sense when we talk about diversity of disciplinary backgrounds ... the same logic applies to social diversity. People who are different from one another in race, gender and other dimensions bring unique information and experiences to bear on the task at hand."

As she put it, diversity jolts us into cognitive action in ways that homogeneity does not. The research shows that diversity itself should be considered a qualification, an inherent advantage some people bring to the job.

So, if adding diversity makes teams smarter, leads to financial growth, and boosts innovation, what's stopping us?



Outdated Hiring Is Holding Us Back

There's a jarring disconnect when employers say they want to hire top performers and build more diverse teams but rely on outdated hiring practices that achieve neither goal.

Traditional hiring practices:

- Prevent us from objectively evaluating candidates for essential job-relevant skills.
- Limit our thinking about who can do the work.
- Discount unfamiliar career paths that might prepare people for success on the job.

When we favor candidates from familiar backgrounds, we risk overlooking highly qualified candidates who may be more capable of delivering results.

But even worse, we miss the opportunity to strengthen the cognitive diversity of our organization.

Biases—any preference for familiar elements in someone's background that do not correlate to greater success on the job—are pervasive in traditional approaches. And they are the primary source of error in hiring.

“The fact is that if you want to build teams or organizations capable of innovating, you need diversity.”

— Katherine W. Phillips



Building a Case for Change: Traditional Hiring Pitfalls

The data-based strategies proven to attract top-performing candidates are the same practices that reduce bias and welcome a broader range of backgrounds and experiences. But traditional approaches, however ineffective, are comfortable for hiring managers.

So, how can you build a case for change?

Think of the last five people who either quit or were fired from your organization. Who was blamed for the departures? Many organizations mistakenly blame the person who

left rather than examining their internal practices. Improving your process requires tracking metrics to assess whether your approach achieves the desired outcomes over time.

If your process isn't working, it's likely due to some basic human tendencies that are baked into traditional hiring and evaluation practices.

In the next few sections we'll look at some of the most common pitfalls of traditional hiring approaches.



Quick Hiring Assessment

- Do you hire people who are measurably better than their peer group and more competent than others working in similar roles?
- Do your ideal candidates readily accept your job offers?
- How do your hires fare in the long run?
- Do they stay more than three years? Get promoted?
- Do your hiring results vary by manager or department?

Typical Interviews Are Poor Predictors of Performance

Interviews require a high degree of structure, yet, in the rush of a busy workday, we often still treat them as everyday conversations—and think that works. Economist and Harvard Professor Iris Bohnet [noted that the problem persists](#) because “unstructured interviews consistently receive the highest ratings for perceived effectiveness from hiring managers.”

Skilled researchers pored through [85 years of scientific literature](#) to identify which employee selection methods were the best predictors of job performance. Of the 19 methods studied, unstructured interviews came in 9th.

That’s because you can’t glean enough information about how a candidate’s experience relates to the new challenges they’ll face from a casual, free-flowing discussion. And the lack of structure prevents you from being able to compare candidates by the same criteria.

Bohnet asked the obvious question, “Why do we stick with a method that so clearly does not work, when decision aids, including [work sample] tests, structured interviews, and a combination of mechanical predictors, substantially reduce error in predicting employee performance?”

“It’s very hard to eliminate our biases, but we can design organizations to make it easier for our biased minds to get things right.”

— Iris Bohnet

We Are Bad at Evaluating Others

Research shows that we think we are better judges of other people than we are.

When Jack Welch held the top job at GE, each year, he promoted the A players and pushed out the C players. His [“rank and yank” method](#) was based on the flawed assumption that most employees perform at a similar level year-over-year.

When Wharton Professor Peter Cappelli examined performance data from a major U.S. corporation, his research challenged the assumptions of Welch’s approach. [Cappelli found that](#) “...knowing this year’s scores

explained only one-third of the next year’s scores across the same employees.” People who are good performers do not always tend to be good performers.

We make similar incorrect assumptions as we evaluate candidates throughout the hiring process. We believe that success in a previous role guarantees success in a completely different environment without considering the specific challenges and requirements of the new job.

Research also shows that, in general, our ratings of others are inaccurate. Marcus

Buckingham, a noted business consultant, [corroborated Cappelli's findings](#), citing three studies that involved half a million participants. "Neither you nor any of your peers are reliable raters of anyone. And as a result, virtually all of our people data is fatally flawed."

Buckingham emphasized the impact of the idiosyncratic rater effect, "My rating of you on a quality such as 'potential' is driven not by

who you are, but instead by my own idiosyncrasies—how I define 'potential,' how much of it I think I have, how tough a rater I usually am. This effect is resilient—no amount of training seems able to lessen it."

"61% of my rating of you is a reflection of me."

— Marcus Buckingham

Fast Thinking Can Sabotage Decision-Making

In his book, [Thinking Fast and Slow](#), Daniel Kahneman, Princeton professor emeritus and recipient of the Nobel Prize in Economics, describes two systems of thinking—fast and slow. We use fast mode most of the time, with intuitive thinking that guides our daily decisions. We use mental shortcuts, follow patterns, and lean into familiar feelings that feel right even if they aren't.

But when it comes to interviewing, fast thinking often leads to failure. Let's explore some fast-thinking defaults that can derail hiring decisions if left unchecked.

Fast Thinking Default: Focusing on Attributes Rather Than Skills

When hiring managers describe the ideal candidate, they usually list a series of abstract attributes, such as strategic thinker, hard worker, or politically savvy. It's a natural tendency to focus on these characteristics because they are familiar. They also provide a way to talk about a candidate's soft skills, which are highly important to any team.

The problem is that without a clear job-specific definition, attributes tell you very little about a candidate's ability to do the actual work. Interviewers tend to define attributes based on their personal experiences, so their evaluations of candidates will be inconsistent.

The research backs this up. Marcus Buckingham and Ashley Goodall [shared in their work on the feedback fallacy](#), "Over the past 40 years, psychometricians have shown in study after study that people don't have the objectivity to hold in their heads a stable definition of an abstract quality, such as business acumen or assertiveness, and then accurately evaluate someone else on it."



Fast Thinking Default: Failing to Check Our Personal Preferences

When thinking fast, personal preferences can have undue influence on our decisions—it's a type of unconscious bias. Here's an example of how a seemingly harmless personal preference can lead to a hiring misstep.

Without realizing it, a hiring manager who graduated from Penn State may give more attention to candidates from their alma mater, overlooking potentially higher-performing candidates from elsewhere. Interviews could veer into chatting about shared experiences, and that camaraderie results in giving Penn State grads the benefit of the doubt when asking job-specific questions. If the organization hires those alumni without rigorously testing their competencies, some will likely struggle to meet performance expectations six months in.

This preference presents a hiring risk that could easily be avoided. Yet most managers naturally demonstrate this slight preference for the familiar when hiring. And when it doesn't turn out well, teams are left wondering what went wrong.

Fast Thinking Default: Ignoring Universal Cognitive Biases

Cognitive biases can significantly affect our ability to evaluate candidates fairly and accurately, but because they are part of normal human psychology, we typically don't know it's happening.

The Halo Effect, for example, can lead a hiring manager to generalize positive or negative impressions of a candidate to unobserved areas. If an interview is going well, the hiring manager might skip a key evaluation point,



assuming that the candidate will be competent in that area because they demonstrated skills in others.

When we ask candidates to rate their abilities, the Dunning-Kruger Effect can impact their responses. Less skilled candidates tend to exhibit the most confidence in their abilities because they don't know what they don't know. For instance, when asked to rate their proficiency with Excel on a scale of 1-10, those with limited experience may evaluate themselves highly, while those with extensive experience may provide a more accurate, often lower score.

And due to the fundamental attribution error, as [demonstrated in Cappelli's research](#), we may attribute someone's successes to an inherent personal trait rather than considering the context of their achievements. "We assume that the actions of individuals are caused by who they are rather than the circumstances around them."

The Results-Based Hiring® Process

To slow down our thinking, we need a system that consistently refocuses candidate assessments on the competencies required to succeed and nudges us away from fast-thinking defaults.

That's why we developed the Results-Based Hiring® Process. This approach includes strategic decision support to avoid the pitfalls of traditional hiring and reduce the potential for error. We've successfully supported

clients with Results-Based Hiring® for over a decade across over 900 searches with over 200 different employers.

It comes down to making minor adjustments in how you think about touchpoints with candidates and decision points with your colleagues. And you can use this framework to inform your future practices with or without our team's support. Here are the key elements.

1. Define the results you want your new hire to achieve. Dive deep into the work on their desk, the challenges they might face, who they will work with, and how their performance will be measured.
2. Identify the 3-5 job competencies most likely to deliver those results. These competencies drive the search and interview sequence from start to finish.
3. Create compelling job advertising that clearly communicates key job competencies and performance expectations.
4. Engage in inclusive recruiting and outreach practices.
5. Invite candidates to complete a written "blind" first interview to share job-relevant experience in key competency areas.
6. Interview candidates with structured, competency-based questions and work sample testing to assess competencies in a simulated real-world context.
7. Gather structured feedback to objectively inform the hiring decision.
8. Complete competency-driven reference checks.

We designed each step of Results-Based Hiring® to give you measurable, objective data about which candidates have the skills to do the job best. This frees you to expand your thinking about the many paths one could take to develop those skills. For a full overview, read [What Makes Results-Based Hiring® Effective](#).

When you start with the broadest pool of the most skilled—not most relatable or most familiar—candidates, you can choose the best out of a larger number, and the pool of candidates is likely to be much more diverse.

Our Why

The ripple effects of competency-driven hiring extend far beyond any single role. We see clients continue to use this approach on their own because it works. It is our privilege to serve organizations that are making a positive difference in the world, and we are ethically obligated to support them in the most efficient, effective way possible. That's our short-term why.

Our longer-term purpose is to enable every mission-driven organization to hire this way into the future. We love to imagine the potential impact if more hiring teams embraced competency-driven practices.

We could see a significant shift in the workplace landscape, with teams that are more innovative, agile, and resilient. Employees would feel valued for their unique skills and experiences, leading to greater job satisfaction and retention. And as more diverse talent is hired and empowered to succeed, organizations could better reflect and serve the communities in which they operate.



Get Started Now

We developed a library of resources to help you implement elements of Results-Based Hiring® on your own. Here is a sample to get started. You can find a [full set of resources on our website](#) or [contact our team](#) for more detailed information.

- ▶ Read our [Guide To Effective Job Advertising](#) to learn how to develop a compelling message that clearly communicates key job competencies and performance expectations. These are the same basic principles we use when developing recruitment messages and position overviews for our clients.
- ▶ Read [SA Perspectives: Inclusive Hiring Practices](#) to see how we help clients adopt more inclusive practices at every stage of the search.
- ▶ For tips on how to integrate a competency-driven approach while interviewing, read our [Employer Guide To Interviewing](#).
- ▶ If you're curious about strategies to implement more skills-based assessments, read [SA Perspectives: Work Sample Testing](#) with step-by-step instructions and examples from real searches with clients.
- ▶ For a framework to slow down your thinking about attributes and effectively evaluate soft skills with a competency-driven approach, read [How To Evaluate Soft Skills in Interviews](#).



STAFFING ADVISORS

1-888-884-0573
info@staffingadvisors.com
staffingadvisors.com