The Complete Guide to Running Competency-based Interviews
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What Happened to Hiring?

Hiring has undergone a fundamental shift in recent years, as companies are finding it more difficult to fill key positions with the right people. Several trends have contributed to this shift. The modern workforce is far more transient than generations past, so organizations are putting more emphasis on recruiting their next great candidate than developing them from within.

It has gotten so out of control, that according to the Bureau of Labor Statistics, 95% of external hiring is done to fill existing positions due to people voluntarily leaving. This shortage of candidates has left HR in a difficult situation.

Talent is likely to be the main driver of business success in the coming years, and HR needs to drive a strategic hiring process that actively seeks out candidates with the right competencies to support the achievement of business goals.

The best way to explore a candidate’s skill set and fit for a job position is by using behavioral or competency-based interviewing techniques.

Read on to find out how competency-based interview questions can help you make better hiring decisions and get the tools you need to hire your next top candidate!
5 Reasons Why You Should Use Competency-based or Behavioral Interview Questions

Before we get into the specifics of running competency-based interviews, here are 5 reasons why you should consider using behavioral or competency-based interview questions:

1. **They focus on job requirements**: With competencies as their foundation, these interview questions are far better aligned with relevant job requirements than a typical interview question. By using these job-relevant questions, interviewers can better evaluate the extent to which candidates’ skills and abilities match those required on the job.

2. **They are defensible**: Because these interview questions are job-relevant, candidates can see a clear link between the interview questions and what is required on the job. They are also less likely to result in claims of unfair discrimination because candidates are assessed based on the relevant job competencies they have (not their gender, ethnicity or attire).

3. **They can help achieve greater consistency**: You can structure your interview process by making sure that all candidates are assessed using the same set of interview questions. By doing this, interviewers can reduce the chances of them failing to acquire the necessary comparative information for each candidate. In addition, candidates are more likely to see the interview process as fair because the administration of questions is consistent across candidates.

4. **They can help assess past behavior**: Past behavior can predict future behavior. Behavioral interview questions are helpful as they require candidates to describe what they did in the past which can help reveal past behavior. Research published in the *Journal of Occupational Studies* and *Personnel Studies* shows that behavior-based interviewing is a stronger predictor of job success than questions that ask interviewees to describe how they think they would respond to a hypothetical situation.

5. **They have higher interview scoring accuracy**: Competencies increase the reliability of interview scoring by providing interviewers with observable benchmarks against which to evaluate interviewees’ responses. These benchmarks help to standardize the interview assessment and ensure consistent evaluation of all applicants.
Competency-based interview questions (also known as behavioral or structured interview questions) are designed to elicit information about the candidate’s experience and accomplishments that relate to the competencies required in the target job.

**Selecting The Right Competencies To Evaluate During A Behavioral Interview**

When selecting the competencies to evaluate during an interview, it is important to consider two factors:

- What competencies are included on the competency profile for the target job?
- What other assessment methods will be used during the selection process?

A competency profile — *the collection of competencies used together to represent the most critical aspects of a job* — typically contains seven to ten competencies covering both the behavioral (soft skills) and the technical requirements of the job.

It can be overwhelming to ask questions addressing every associated competency, so we recommend asking no more than five questions during a standard interview. This means that you will need to select the five most critical competencies to focus on for any structured interview you conduct.

If you will be including other aspects in your interview process, like a simulation or work samples, you may find that technical competencies are more easily assessed by those means.
What Are Structured Interview Questions?

A structured interview question is a competency-based question that is related to the knowledge, skills and abilities required for the job position.

There are two kinds of structured interview questions: **behavioral interview questions and situational interview questions**.

Behavioral interview questions ask a candidate about their prior achievements or experience and such questions usually start with interviewers asking “tell me about a **time** you..”. The way this interview question is framed helps draws on the candidate's experience with the idea that prior experience is a good indicator of future behavior and performance.

Situational interview questions, on the other hand, focus more on a specific scenario/case where the details of said scenario can reveal the candidate's skills and thought process (related to the job opening they applied for).

Here's an example of a situational interview question: “Tell us about a **situation** where you had to solve a problem weighing the advantages and disadvantages of a number of options”.

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**Behavioral Interview Question Examples**

**Competency based interview question for specific job position (example)**

**Job Position:** Customer Success Representative

**Competency Focus:** *Client Focus* (Level 1)

**Interview Question:** Can you tell me about a time when you showed a client or customer that their perspectives were valued?

**Objective of Interview Question:** To ascertain if a candidate is “able to show clients or customers that their perspectives are valued” by giving a behavioral example using the S.T.A.R methodology.
Each interview question applies to the specific competency being evaluated. Follow-up questions are included to help you probe further into a candidate’s past experiences, and behavioral cues are provided to illustrate examples of what to look for in a candidate's answer.

This behavioral interview question structure can be used as a guideline when creating quality interview questions. Our interview question structure includes the following:

- Definition and name of competency being evaluated
- Job specific question
- Probes to help draw out more quality responses from candidates
- Behavioral indicators to look for the specific competency at the required level of proficiency
- Proper rating scale

**Question 1: Creativity and Innovation — Level 3**

Generating viable, new approaches and solutions.

**Question:**

Describe the most complex problem that you were faced with and how you generated a new approach or explanation or solution.

- What was the problem?
- What was complex about it?
- What new approach or explanation did you come up with?
- What was new about it?
- How did this benefit your work (or the work of others)?

What to look for:

Identifies new approaches.

- Creates new ideas, solutions or approaches to ongoing challenges.
- Uses unconventional areas as sources of inspiration and insight into new options and solutions.
- Solves complex problems through developing new explanations or applications.

**Rating scale (See Appendix A for details):**

1. Well Below Standard
2. Below Standard
3. Meets Standard
4. Above Standard
5. Well Above Standard

*Example of HRSG competency-based interview question structure*
The Goal of Competency-based Interview Questions: Behavioral Examples

Knowing a candidate's actions is of little use if you do not understand the circumstances surrounding the actions and the results produced by those actions.

To fully understand a candidate's past behavior, make sure to explore the following three components in order to make an informed judgement about whether the candidate has displayed the level and quality of behavior required.

This can be done by using the **STAR (Situation, Task, Action & Result)** methodology:

- The **Situation or Task** in which the candidate was involved;
- The **Action** which the candidate took to complete the task or address the situation; and,
- The **Result** of the candidate's action.

When the information provided by a candidate addresses all three areas, then the information is called a **behavioral example**.

You may need to ask follow-up questions to gain additional context or clarify any examples given by a candidate. Your follow-up question can focus in on any of the 4 sections of the STAR methodology: (Situation, Task, Action & Result).

It is advised to take notes on the candidate's responses so you have as much information as possible on to help with your selection (post-interview).

Once the interview is over, give the candidate a chance to ask any additional questions they may have about the next steps in the selection process or job specific queries.
Analyzing Candidate Responses to Competency-based Interview Questions

A key part of analyzing candidate responses is understanding how to properly evaluate and classify competency-based or behavioral examples provided by candidates.

When interviewing candidates, be careful not to let candidates provide false behavioral examples, which can be misleading as they focus on aspirational or vague statements instead of concrete examples outlining experience and accomplishments.

A true behavioral example would follow the S.T.A.R methodology by indicating the Situation/Task, Action and Result based on the candidate’s actions.

There are three common types of false behavioral examples to look out for:

**Feelings or Opinions:**
These statements are simply an individual’s emotional reaction to a situation or event, and provide no insight into past behavior.

**False Behavioral Example:**
“I am really good at teaching myself new software packages.”

**True Behavioral Example:**
“When I joined ACME Corp, they used a CRM that I had never used before. With no internal resources available to train me, I was able to learn the tool using online tutorials and videos. I became so well versed in the product, I ended up the go-to internal expert.”

**Theoretical or Future-Oriented Statements:**
These statements indicate what a candidate thinks they would do, not what they have done, and provide no information about past behavior.

**False Behavioral Example:**
“I would make sure the client received the support needed to ensure on-time delivery.”

**True Behavioral Example:**
“The client needed extra support to ensure their shipment arrived on time. To help with this, I made sure I understood when the shipment was required, I coordinated with the production and shipping departments on my end, and as a result, everything was delivered on time.”
Vague Statements:
These are typically summaries or descriptions of several past actions reported in a general way, requiring you to probe further.

False Behavioral Example:
“I always had the customer’s best interest in mind and never got pushy or argumentative.”

True Behavioral Example:
“As an Implementation Specialist, I always had the customer’s best interests in mind. In one situation, a client was feeling pressured to purchase an upgrade. I stepped in to ensure our team understood the client’s needs. Although the Sales Rep was angry with me for stepping in, I explained the client’s perspective and got everyone on the same page. Three months later, the client upgraded anyway.”
How to Evaluate a Competency-based Interview

All the energy and effort devoted to capturing good job-related information during the selection interview will be lost if this information is not evaluated consistently for all candidates. Use the following instructions to evaluate candidate information from a behavioral interview.

**Step 1: Classify All Behavioral Examples**

Each behavioral question is designed to elicit information relevant to a specific competency. However, candidates may provide information that goes beyond the specific competency, resulting in one of the following situations:

- A question will be asked focusing on one competency area, but the candidate provides a behavioral example that demonstrates another.
- Examples are provided that relate to more than one competency area.
- Examples that relate to the required competencies will be provided during the introductory phases of the interview, or during the close of the interview.

The whole interview should, therefore, be reviewed carefully for evidence of the competencies being assessed.

**Tip**

When reviewing a behavioral example given by the candidate, make clear notes alongside the example the competency actually demonstrated.

This can then easily be cross referenced in the section of the Interview Guide devoted to that competency.
Step 2: Weigh the Behavioral Examples

The next step is to weigh each example in terms of its overall contribution to the rating for each competency. This is not simply a process of averaging all the positives and negatives to arrive at an overall rating. The following factors should be accounted for:

- **Significance**: The importance of the examples provided should be carefully considered. If the candidate provides two examples, one from a trivial situation, and one from a situation that had significant impact, the example with greater importance should be considered more significant.

- **Recency**: The more recent the behavior, the better it predicts future behavior. If the candidate provides several negative examples of a competency earlier in their career, but also provides several more recent positive examples, then the recent examples should be given more weight in the overall rating of the competency, other things being equal.

- **Trends**: Consistent with the concept of recency, examples which show a trend either positively or negatively should be taken into account. It is likely that a trend would continue if the candidate were selected for the target position.

- **Job-Relatedness**: How closely related is the behavioral example to the job that they are interviewing for? In cases where the candidate gives more than one example, the most relevant behavioral example to the job they’re interviewing for should be considered most significant.

**Tip**

When assessing relevance, carefully consider the situation.

A candidate may provide good examples of team building skills in volunteer situations involving children, but a number of negative examples with adults on the job.

Although volunteer experience is perfectly acceptable, the latter examples must be given more weight if the candidate is expected to demonstrate this skill with adults on the job.
Step 3: Assign a Rating to Each Competency

The next step is to assign a rating to each competency based on the candidate's demonstration of the relevant behavioral indicators.

**Tip**

When running a panel interview, have each interviewer complete a summary interview rating sheet to save time when reviewing results.

A summary rating scale is provided in Appendix A.

**Interview Guide Rating Scale**

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well Below Standard</td>
<td>Falls significantly below requirements. Evidence of candidate’s demonstration of the competency is far from adequate in all or most respects.</td>
<td>1</td>
</tr>
<tr>
<td>Below Standard</td>
<td>Below expected requirements. Evidence of candidate’s demonstration of the competency is inadequate in key respects.</td>
<td>2</td>
</tr>
<tr>
<td>Meets Standard</td>
<td>Meets requirements. Evidence of candidate’s demonstration of the competency meets expectations and reflects an adequate ability to perform; candidate may have demonstrated minor weaknesses in some aspects of the competency, but none of major significance.</td>
<td>3</td>
</tr>
<tr>
<td>Above Standard</td>
<td>Exceeds requirements. Evidence of candidate’s demonstration of the competency is above average and reflects more than an adequate ability to perform; all or most aspects of the competency are demonstrated at an above average level.</td>
<td>4</td>
</tr>
<tr>
<td>Well Above Standard</td>
<td>Significantly exceeds requirements. Evidence of candidate’s demonstration of the competency is exceptional and reflects superior ability to perform; all aspects of the competency are demonstrated to a high degree.</td>
<td>5</td>
</tr>
</tbody>
</table>
8 Helpful Tips for Running A Competency-based Interview

1. Structure the interview process by making sure that all candidates are assessed using the same set of interview questions.

2. Involve at least two other colleagues in the decision-making process: one who holds a similar role in the company, and one whose role is different, but requires interaction with the role to be filled.

3. Keep social and small talk to a minimum. This can help an interviewer to avoid biases triggered due to something said by a candidate.

4. Evaluate both “soft” and hard skills by asking the right competency-based interview questions.

5. Avoid hypothetical questions. These types of question may test a candidate’s knowledge but they do not tell you anything about their past behavior.

6. Prepare structured follow-up questions (after each competency interview question) to draw out deeper responses from candidates.

7. Place more weight (based on a scoring mechanism such as a 1-5 sliding scale) on interview questions that are tied to critical competencies for the job position.

8. Avoid talking with other interviewers about current candidates until all the interviews are completed and scored.
How Competency-based Interview Software Can Help

If you are conducting interviews for multiple job openings at your organization, you can be more efficient by using the right competency-based interview software.

With the right software, you should be able to quickly create a competency-based interview guide based on the job description which you have advertised as a job posting to attract suitable candidates.  

*Example of interview questions in an interview guide created using competency-based interview guide software*

The interview guide should draw from a warehouse of interview questions available on the software and these questions should relate to the specific job requirements you are interviewing for.
On the interview guide should be some best practice interview techniques, rating scales, and introduction and conclusion scripts so you can reflect your organization well and amaze your candidates.
Conclusion

Preparation and asking the right questions are important when assessing candidates for any job openings at your organization.

Hopefully, this guide has given you some knowledge to help you with running your next competency-based or behavioral interview.

All the best on interviewing your next candidate!

Are you looking to create multiple interview guides? Click the button below to see how we can help.

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