

HIRE RIGHT - COMPETENCY MODEL-BASED CANDIDATE SELECTION AT AURORA WATER

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The 2018 Global Leadership Forecast asked 1,000 C-level executives worldwide to choose from 28 issues to identify the ones they expect to command their attention for the upcoming year. And though serious issues like ‘outdated/insufficient infrastructure’ and ‘cyber-security’ may be in consideration, the top two are: ‘developing “Next Gen” leaders’ at 64% and ‘failure to attract/retain top talent’ at 60%. This research clearly indicates the urgency and importance of choosing top talent and effective leaders to position their organization for success and sustainability.



It seems to reason that an organization cannot effectively tackle any other challenge without getting the right people in the right roles all driven towards an inspired vision and plan to get there. Each and every hire becomes a crucial piece of the tapestry woven into a company’s capabilities, performance, and brand. And an integrated talent management strategy aligns with the organizational goals and creates a more engaged, skilled, and productive workforce, all traits that lead to measurable impact.

As Amazon CEO Jeff Bezos, one of the most impressive corporate value creators in recent history, put it in 1998, “Setting the bar high in our approach to hiring has been, and will continue to be, the single most important element of [our] success.”

Good hires are the capital of every organization. Hiring mistakes not only seriously affect operational processes and the productiveness of employees, but also cause significant loss of trust in management and the bottom line. According to The Work Institute’s 2018 Retention Report, it costs employers 33% of a worker’s annual salary to hire a replacement if that worker leaves. Replacing supervisory, technical, and management personnel can cost from 50% to several hundred percent of the person’s salary according to Society for Human Resource Management in 2017.

Organizations increasingly lost new employees in 2017, as 40% of all turnover last year is attributed to employees who quit their jobs in their first year of employment, up from 34% in 2016. Moreover, first-year turnover is at the highest point in the past eight years. The rise in first-year turnover is a sign of the job market, as employees can easily go elsewhere if a job doesn’t meet their needs and expectations.

- Retention Report, Work Institute, 2018.

With the unemployment levels at a 50 year low, it’s a job seekers market, so attracting and selecting the right candidate is more important than ever. TAP Resource Development Group has long championed an integrated approach to workforce hiring and development, and it all begins with competency modeling. As we’ll illustrate below, Aurora Water has incorporated competency modeling as part of their strategic planning process to stay ahead of the curve and prevent time-consuming and costly mis-hires.

COMPETENCY MODELS

A well-thought out identification, or modeling of the behaviors or competencies required for a given position is very helpful to an organization. Modeling leadership and management competencies in particular, helps the organization identify and understand the specific behaviors required for particular positions or types of positions such as Supervisor, Superintendent, Division Manager, etc. As Aurora Water found, it aligns with their strategic plan and serves to set the stage for expectations. This has proved beneficial to the hiring team and the applicants as they move through the selection and hiring process.

It's critical, at these high level positions, that we get someone that's going to have some longevity and leadership intelligence.

-Dan Mikesell
Director of Operations, Aurora Water

COMPETENCY MODEL-BASED SELECTION PROCESS

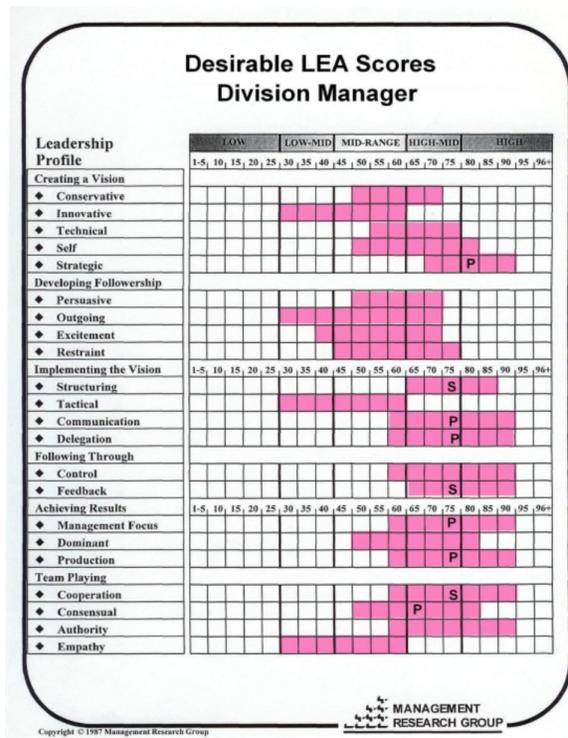
Aurora Water is the 59th largest utility in USA with 450 employees, 320 of which are in operations. Aurora Water is a cost of service utility consisting of two enterprise funds: water and wastewater and the mission to enhance and protect the quality of life for Aurora citizens by providing safe, dependable and sustainable water, sewer and stormwater services, today and in the future. They see their workforce development as an integral part of their sustainability pledge and have been working with TAP Resource to implement leadership development using the Leadership Effectiveness Analysis (LEA) processes for over ten years.

About 6 years ago, when looking at hiring a crucial engineering leadership role, they decided to reach out to TAP Resource to begin implementation of the competency based hiring process. Dan says he thinks of it as a useful tool in the toolbox, "In today's world, leadership of the utility is critical. There are a lot of critical decisions that are made on a daily basis and helping to understand how to hire and hire right is important. It's a good tool to use for that." The process consists of the following steps.

1. Aurora Water's leadership team completes an instrument that asks what leadership and management behaviors are most important for success in the specific position based on the job description and alignment with organizational strategy.

Dan notes, "It's basically an extension of the leadership effectiveness analysis, which we were already using in developing our leaders, but now we can use it for the major hiring decisions within the utility... to be able to get a good understanding of a candidate's tendencies, where they spend their energy and where they spend their time in the multiple leadership traits. And it allows us to evaluate where those competencies are based upon where the utility feels those competencies should be."

2. A workshop is conducted for the leadership team to discuss the results from the instrument, the position's job description, and any other data that may be available related to the position. Based on the discussion, a Leadership Competency Model is prepared that is specifically related to the position being filled. Figure 1 presents a sample competency model for a hypothetical upper management position. The competencies are ranked by primary (P) and secondary (S) importance. (Figure 1 below)



This process is guided by TAP Resource and can be quite illuminating, as General Manager Marshall Brown noted, “the process of going through an understanding of what our people in leadership position’s expectations are for a specific position the candidates are applying for has also provided a lot of value. Making sure that we fully understand all the expectations going in, and are able to then design the process to capture that understanding so that it’s clear to the candidates. It helps avoid surprises.”

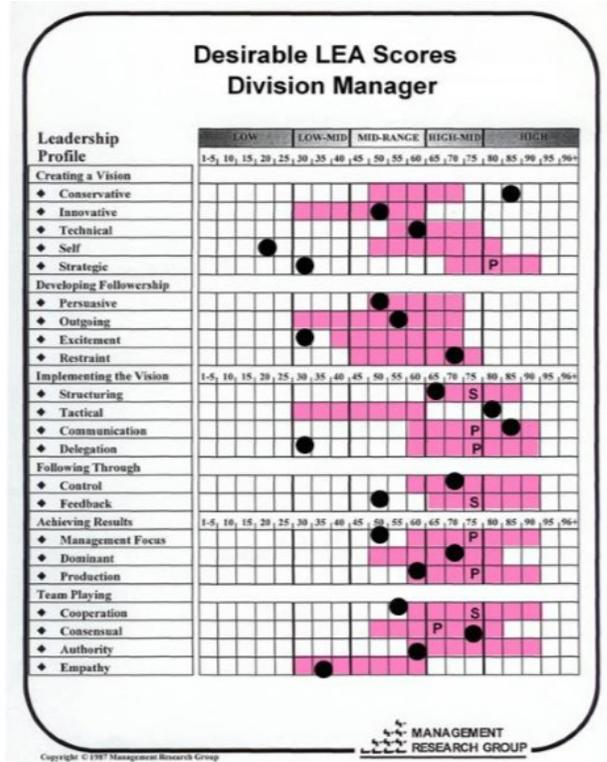
3. Then Aurora Water narrows the list of applicants for the position down to a short list of between three and six applicants.

4. Each applicant on the short list is asked to complete the Leadership Effectiveness Analysis (LEA) Self instrument in order to ascertain the energy and attention each short-list applicant applies toward the 22 leadership and management behaviors that make up the Competency Model.

5. Then, the LEA Self instrument results are reviewed by Aurora Water and TAP Resource, compared to the Leadership Competency Model, and specific discussion areas identified for each shortlist candidate. The results of this process provide a guide that enables the hiring team to customize each interview to provide information that will assist them in determining the candidate’s fit with the position’s job description and with the Aurora Water’s mission, vision and culture. (See Figure 2)

Dan, Marshall and the team analyze the answers from the LEA Self instrument and have a facilitated discussion to come up with questions to help fill in context. Dan states that while, “our intent is always to develop our own (internal candidates) if possible,” the tool is especially useful with external candidates. “Oftentimes we can’t assess a candidate in a hour, hour and a half interview, in and of itself. Because you’re not able to explore those multiple leadership traits that are the most important for the job in such a short period of time.” And for internal candidates, it gives them an opportunity to discuss the creation of a development plan even if they are not selected.

TAP Resource also provides expertise and perspective to help mitigate biases, ensure the right issues are addressed, and the process moves along expeditiously. (Figure 2 below)



6. Final interviews are completed with the candidates using the individualized analysis developed in step 5 above, and a selection made based on a candidate’s ability to accomplish the requirements of the position and on the candidate’s fit with the organization.

Marshall notes, “It puts a structure around the process that you go through for all your interviews. It helps streamline and expedite it so that it’s a little more efficient. It also makes sure you’re having the right conversations with the candidate to see if they’re going to be a good fit for the organization from their perspective and from the organization’s perspective.”

The Competency Model-based selection process enables the hiring team at Aurora Water to more clearly select an applicant for a given position through a process that is aligned with the Job Description and the needs of their organization for that position. This process allows them to customize the hiring process

so that candidate selection is based more on the candidate's ability to apply the behaviors needed for him or her to excel in the position, and assist in accomplishing the organization's mission and goals.

Marshall has experience with other tools but notes that likes their current process best.

One the advantages of Tap Resource is the familiarity that Richard has with the utility world and being able to translate this tool to the water utility. There's a lot of value there and we appreciate that value.

-Marshall Brown
General Manager, Aurora Water

This process is a crucial piece in Aurora Water's comprehensive workforce development and leadership succession planning. It clarifies the components of effective leadership for the various management positions within their organization. The Competency Model approach provides valuable information for people at different levels of Aurora Water to understand the behaviors they might need to focus on in order to prepare themselves for higher-level positions.

Marshall explains that when they use this tool, "the people we've selected for the positions have been happier and they've been a better fit for the organization. We find a lot of success in matching candidates with the expectations of the work. Both the candidate and the organization have been happier in the long term."

Competency assessments are a valuable tool during and after the hiring process. During pre-hire, organizations most often use them to improve quality of hire and 76% of those that use them saw an increase in that metric when implementing a standard process, according to Brandon Hall Group's 2018 Assessment Practices Study.

Leadership development – created in alignment with business needs and focused on the correct competencies, skills, capabilities and attributes – can and does work. Organizations cannot afford to waste these opportunities with high potential candidates. There is too much at stake.

Call us at (303) 561-3788
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to make your organization more effective.