

## Competency Based Interviews

### **What is a Competency?**

Competencies are those behaviours that you demonstrate at work that makes you effective. They are a mixture of knowledge, skills, motivation and personal characteristics. In demonstrating your competence you will be showing the skills and the background knowledge necessary for you to perform a particular task effectively, together with the motivation or drive to make things happen.

### **Why are they used?**

Our individual skills, attributes and behaviours make us unique, they also influence the way we react and respond to events in our lives and so how we perform at work. There is a direct relationship between our skills, attributes and behaviours and our performance at work. It makes sense for interviewers to ask candidates about their competencies and see how they “match” the job requirement. Candidates can assess whether the job matches their competencies so that they would be happy in that role.

### **What is a competency based interview?**

It is an interview in which each candidate is asked the same broad questions which are designed to obtain information about the match between the candidate’s competencies and those required for the job. These questions concentrate on the most important parts of a candidate’s past experience. This enables the interviewer to draw from each candidate his or her ability to demonstrate successful performance in the job.

### **Competency Based Questions**

Competency Based interviewing is the fashion at the moment. Fewer companies use personality tests and those who do place less emphasis on their results.

This type of interviewing is based on gathering objective evidence.

The questions ask for examples and anecdotes to prove you have handled a given situation in a positive way.

The competencies tested tend to be standard but higher or lower scores required for different roles.

Some examples are: -

- **Achieving Excellence**
- **Influencing Others**
- **Effective Communication Skills**
- **Gathering Information**
- **Finding Solutions**
- **Building Trust and Understanding**
- **Developing People and Collaborating for Success**

To be successful you need to understand what skills they are looking for.

**Some Essential Tips:-**

- Examples need to be Specific, Recent, Work- Related, and relate evidence of Achievements.
- AVOID using phrases such as 'WE' and use 'I' when answering. Just talk about your involvement.
- THINK OF THE FOLLOWING POINTS WHEN ANSWERING:

**Answers should always be given using the S.T.A.R Format:-**

**Situation** - (describe the situation you were in - i.e. a colleague was struggling with his performance.)

**Task** - (tell them what you decided to do, i.e. sit down with the colleague to discuss how you could help them.).

**Action** - (describe what you actually did, i.e. gave them examples of how you had improved your performance.)

**Result** - (tell them what happened because of your actions, i.e. improved his performance, and by 'x' amount.)

1. Be prepared for silences when your answers are being recorded. Don't feel pressurised into waffling.
2. Ask "Is that enough information for you?" if in doubt. When gathering evidence they may well stop you when they have enough, this doesn't mean you gave the wrong answer, could be the opposite, you hit the nail on the head!
3. Don't expect feedback, body language or encourage from the interviewer during the questions.

Below are some examples of answers to competency based questions

## **Achieving Excellence**

### **Situation**

After having achieved Competent Advisor Status, I found myself in the situation where after months of studying, I was expected to approach strangers on their doorstep, introduce myself, stay in regular contact with my prospects and then convince them to invest with me - thus achieve the performance target as set by my employer.

### **Task**

The task at hand was to plan and implement a structure to my working day that would not only achieve the required results but to keep in line with my personal drive and ambition, outperform them in the manner that I am used to.

### **Action**

The action I took was five fold. Firstly I obtained a map of my area and the surrounding 5 miles.

Secondly, I visited each of these areas and drew informal maps of the main streets and the minor streets that branched off them and the number of houses in each.

Thirdly, I approached a local estate agent for help, explained to her that I was aiming to create a business profile for each area on my map. She was more than willing to help and we discussed affluence, new developments and the pre and post retirement mix in each area.

The fourth action that I took was to assign each area with a number based on the information gathered.

Lastly, I created a contact plan with a mix of all the areas. Areas with young working families would be approached after 5 in the afternoon and predominantly retired areas would be visited in the mornings.

### **Results**

The result was that in my fourth week I was 212% ahead of my target and I have been ahead ever since.

I have subsequently started a list of accountants and solicitors as recommended by my clients and prospects. I use this list when I develop key referral centres as it is easier to approach business professionals when there is a common ground.

### **Collaborating for success**

#### **Situation**

The situation was as follow... Due to the appointment of a new chairman, John, the local sport club that I represent had changed its financial standing from a club run in debt, to a club with a substantial amount of cash invested in a short term notice accounts. Having obtained a copy of the financial accounts of the previous year, I realised that the club should invest their finances in areas that would attain them a higher return as the real rate of return only amounted to 3.8%.

The fact that the club was a registered charity presented me with a challenge as I had little knowledge of the various laws that regulated charities. As charities was not the mainstream business that my employer deals with, I found the normal sources for information to be insufficient or incomplete.

#### **Task**

The task at hand was to obtain enough information to enable me to make the best possible recommendation to the club. The club had three trustees looking after its interests and I would need to book an appointment with them and convince them of the benefits of agreeing to invest with me.

As the investment would amount to substantial sum of money, I knew that I would need to approach as many senior investment representatives as possible to draw on their collective experiences. This would provide me with the information and credibility that was needed to justify the investment.

### **Action**

The action I took was to make contact with 5 local segment five investment representatives. As a result of the conversations I found that two of them, Paul and Cliff had dealt with similar situations before and I visited them at their offices to discuss my specific circumstance and requirements.

I managed to book an appointment with the three trustees and I invited Cliff to attend the presentation and to assist with the meeting.

The investment presentation went very well and we were able to answer all questions that were asked.

### **Results**

As a result of the collaboration, the trustees contacted me 1 week later and agreed to do the investment with me. The final paperwork is being prepared as we speak.

## **Communication**

### **Situation**

The situation was as follow... Vincent, a sales manager and higher rate tax payer, and his wife Catherine, a nurse, recently inherited £75k. Having originally met them on the doorstep and with only three subsequent contacts, they set up an appointment to discuss some investment strategies.

After presenting some growth and income investments, and as part of the fee disclosure, I informed them that my company has an initial set up charge of 3.25% in addition to the 1.5% annual management charge. At this stage they informed me that they have obtained financial advice from Halifax plc who did not charge a set-up fee though they had a 1.5% annual management charge as well. They were very reluctant and I felt the sale starting to unravel.

### **Task**

The task at hand was to effectively communicate the fact that the 3.25% initial setup charge was in fact part of an overall investment decision that would ultimately prove to be very smart and pay for itself through individual, personalised service.

## Action

The action I took was to ask them for the written version of the Halifax advice and pointed out the following...

Though the funds that Halifax presented for investment was named, the paperwork contained no reference to the overall history and track record of any of the funds, the investment philosophies of the fund, the name of the fund manager/ess, the launch date of the funds, etc. In short the document lacked transparency and the parts most relevant to the investment decision was either vague or written in financial jargon.

I informed them that the 3.25% would be paying for services such as regular reviews, up to date market information, immediate access to me as their financial advisor, direct access to the stock exchange, consolidated tax statements and tax vouchers, etc

## Result

The result was an initial £25k investment into the presented mutual funds and a subsequent £30k into Capital Investment Bonds four weeks later. I am currently in the process of a complete portfolio review and initial and Vincent seems to be a prime candidate for a SIPP.

## Influencing

### Situation

The situation was as follow... as the manager of the Retail Lending department at my previous employer it was my responsibility to make sure that my team achieved the performance targets as set by our operations manager Donna. During a conversation with the manager of one of our retail clients, he let it slip that we were only third on their list of preferred providers.

I probed him for the reasons of this. He admitted that it was as a result of our application process that took up to 7 minutes to complete where as our competitors took only 3 to 4 minutes. This was important to them as they were a direct marketing company selling beds and often had a field representative waiting for an answer in the prospective client's home. He also informed me that due to the exceptional personal service that they were getting from my team, he would seriously consider reviewing our provider status if I could rectify the time restraints.

## Task

The task at hand was to look into the possibility of making sufficient system alterations to enable speedier processing of credit applications. Should the alterations be possible, I would need to present the solution to both Howard Kenworthy my managing director and the client's management.

I would need to contact our IT and Compliance department, and Scorex, the outsourced company that developed our bespoke software to discuss the abilities and limitations of our system and procedures.

## Action

The action that I took was to collate the information from all the parties and I realised that it was indeed possible to shorten our application process. I created two slide shows with the relevant information and proposed action plan. One for Howard and Donna and another for the client's management.

I presented my findings and suggestions to my management and included a timescale and a rough cost analysis. I suggested that we would be able to obtain an approval within one minute, dependant on the application details to follow being of sufficient standard. They tentatively agreed to the changes dependant on the outcome of our meeting with the client.

Both my managing director and I attended the presentation with our client who had all the managers present from all 7 their internal departments. They were sufficiently impressed with my efforts to accommodate their specific need and agreed to a trial period of increased business as soon as the changes had been made.

## Result

The planning, testing and implementation resulted in a succesfull trial-month and they increased their business expenditure with us from £60k per month to a constant £300k over the next three months.

## Inspiring

### Situation

The situation was as follow... I started with my current employer in January of this year and of the 32 Investment Representatives that started in my group, 4 remain. Matthew, Andreas, Rebecca and

myself. Matthew and I have been friends from day one and as he is 37 and have worked for the same employer for 15 years, he found the initial studies and concepts extremely challenging.

The purpose of the studies was to achieve Competent Advisor Status and with a total of 5 regulatory exams ahead of us, he was concerned about returning to studying. After failing both his initial Securities and Regulations exam and with his confidence extremely low, he approached me for advice.

### **Task**

The task at hand was to find a way of assisting, tutoring and inspiring Matthew to pass the relevant exams in order for him to remain with the company.

### **Action**

The first course of action was to ascertain the areas or circumstances that needed addressing so as to force improvement. I found that as a father of three young children under 4 he was very distracted and his studytime in the day was fractured by constant interruptions. I suggested the use of his local library to study and I also made some suggestions on the notes that he was taking.

The second course of action that I took was to implement a refresher hour at 9 o'clock every evening to discuss the information that we had studied for during that day.

### **Result**

As a result of the actions implemented by me, Matthew and I have both passed the rest of the required exams without any problems and we both have our Competent Advisor Status.

An unexpected result was that the other two members of our group – Andreas and Rebecca now regularly contact me for advice on various matters. Three weeks ago I was explaining Corporate bond laddering to Andreas. I emailed him a five year bond cycle that I had prepared for one of my clients to explain financial implications and actual bond structure. He has since circulated it and various other investment representatives have asked for my permission to use it in their presentations.

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**Below are a few more examples of typical competency based questions, try thinking up some answers for these as a practice.**

- Show how you can demonstrate your communication skills - give a situation, how you dealt with it, and what followed on?
- Give an example of when you had a serious problem - how did you deal with it, and what other people were involved?
- Give an example of helping another member of staff with a problem - did you take control, and how did you measure if you were successful?
- Would you consider yourself a Sales-Person?
- What was your best achievement in your life? What did you get out of it? What did others get out of it?
- What did you do to inspire & influence others, and what was the result?
- How in a meeting did you inspire others, and what was the outcome?
- What would you do to influence a Sales Manager to help you?
- What did you do to improve business volumes?
- Tell me about a piece of work or project that you were given complete responsibility for.
  - How did you manage it?
  - What was the result?
- Describe a time when you instigated an improvement to a process.
  - What prompted you to take that action?
  - How did your colleagues react to your suggestions?
  - What was the outcome?
- What are your personal goals?
  - Can you describe a time when you failed to reach a goal?
- Describe a difficult situation involving customers where it was important for you to gain support.
  - What was your approach?
  - What was the result?
- Tell me about a time when you were able to gain the support of others for 'Your' point of view.
  - What was your approach?
  - What was the end result?
- Describe a time when you were in conflict with others.
  - What did you do about it?

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- What was the outcome?
- Describe a time when you have had to encourage other people to achieve goals.
  - What was your approach?
  - What was the result?
- Tell me about a time when working in a team you were able to influence the outcome.
  - What was your approach?
  - What was the end result?
- “When the going gets tough the tough get going” is a well-known phrase. Can you think of a time when this related to your circumstances?
  - What did you do about it?
  - What was the outcome?
- What two things are you hoping will be better at this job than where you are at present?
  - Is there anything else?
- What is the hardest part of your present job?
  - What is the easiest?
- Have you ever had to make a speech or presentation?
  - How did you approach this?
  - What was the outcome?
- Tell me about a situation where you had to get information by asking a lot of questions of several people.
  - Why was this necessary?
  - What was your approach?
  - How did you know when you had enough information?
- Tell me about a problem that you have needed to solve where it was important to give careful thought to the outcome.
  - Why was this so?
  - How did you approach this issue?
  - What was the outcome?
- Tell me about a time when you had to resolve a difficult problem.
  - How did you resolve it?
  - Was this the only solution?
- Tell me about a time when you had to take a risk. How did you weigh up the options?
  - What was the outcome?
  - In hindsight what would you have done differently?

- How do you react to change?
  - Is all change for the better?
  - Can you give me an example in your career where you dealt with significant change
  - What disturbs you about change?
- How do you measure your own success?
  - What do you do if you identify a personal skills gap?
- Can you give me an example of you undertaking new learning using your own initiative?
  - What learning methods did you use?
- Have you ever performed the role of a coach?
  - How would you describe your coaching style?
- What skills would you like to develop further?
  - How do you intend to achieve this?
  - How will you know how you are doing?
- Give me an example when you have encouraged a team approach to a task or project.
  - How did you approach this?
  - How did those involved react?
  - What was the result?
- Tell me about a time when you had a problem requiring the help of someone in another department or office.
  - What was the problem?
  - What action did you take?
  - What happened?

**Do not repeat questions back – as this is considered as ‘buying time’ to think of an answer!**

For more information regarding Competency based questions, please contact us. One of our experienced consultants would be happy to help you.