

# Competency-based Structured Interviewing

## at the Buckhead Beef Company

Buckhead Beef used structured interviews to select bright prospects to expand its already successful sales staff.

BY MICHAEL A. WARECH

In summer 1999 the Atlanta-based Buckhead Beef Company merged with Sysco Systems, the well-known food-service purveyor. While Buckhead Beef remained a stand-alone entity after the merger, its senior managers determined that Buckhead Beef's sales force would need to extend its reach to provide national coverage. Consequently, the sales force would have to be expanded considerably and quickly. This article explains how Buckhead Beef accomplished that feat by using competency-based structured interviews.

In the 15 years prior to the merger, Buckhead Beef Company's managers worked hard to make the company a successful "center of the plate" purveyor. With sales offices throughout the southeast, the company became the largest privately owned meat purveyor in the United States. President Howard Halpern explains that the company achieved that position by keeping in touch with suppliers, with its own line people, and with customers' demands for taste and

quality—all the while maintaining a commitment to providing the highest-quality products at the lowest possible price.

### Challenges of Combination

To counter the potential for mediocre performance due to the rapid pace of expansion, Buckhead Beef was provided access to the ranks of Sysco's sales force. Specifically, the Atlanta firm would first turn to Sysco for potential sales specialists who would be asked to sell Buckhead Beef products. The challenge, however, still centered on how best to rapidly increase the number of salespersons without compromising the original staff's quality and stability. Contrary to his former hands-on approach, Howard Halpern clearly would not have the time to actively recruit, select, and mentor the legion of salespersons who would be required for the prospective national

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sales effort. For Buckhead Beef the question was clear: How could it replicate its recipe for regional success across a nationwide base? In answering that question, the company needed an approach different from the personal style that spelled its early success.

### Developing a Competency Model

Buckhead Beef Company's senior managers enlisted my firm's services as an organizational-performance consultant to help them devise a selection strategy and process, along with the corresponding tools. The solution needed to be practical and cost-effective, while it helped the organization to (1) make fair and valid hiring decisions, (2) reduce the likelihood of turnover, and (3) build a productive and competitive work force. To identify a large pool of applicants from across the country, the company needed to develop a clear understanding of the qualities that embody an effective salesperson. To that point, the necessary constellation of KSAs (knowledge, skills, and abilities), motivations, behavior, and personality attributes had never been put down on paper. Instead, Halpern had carried those KSAs in his head. That is, he had a solid mental picture of the perfect applicant. However, to achieve the objective of large-scale hiring, that information had to be translated into a success profile, or competency model, that others could apply.

### Spelling Out the Profile

A competency model explicitly articulates the work-related behavior that represents the KSAs and motivation that predict success for a specific position in question. People who demonstrate this behavior or employ these competencies are more effective in their jobs than are those who do so to a lesser degree or not at all. Developed through properly conducted job-analysis techniques (e.g., critical-incident analysis), a competency profile helps employees understand how to achieve excellence in individual performance.<sup>1</sup>

<sup>1</sup> For example, see: J.V. Ghorpade, *Job Analysis: A Handbook for the Human-resources Director* (Englewood Cliffs, NJ: Prentice Hall, 1988); and R.J. Harvey, "Job Analysis," in *Handbook of Industrial & Organizational Psychology*, Vol. 2, ed. M.D. Dunnette and L.M. Hough (Palo Alto, CA: Consulting Psychologists Press, Inc., 1991), pp. 71-164.

**"There is a moment of truth for every restaurant beyond the decor, beyond the courtesy of the wait staff; more important than any amount of dollars spent on ambience or furniture or lighting. It is the moment, in the center of the plate, when the sharp edge of the knife slices through the meat as smooth as drawn butter. Is the slicing tender? Do the juices run freely? Does a satisfied sigh slip out at the first bite? Does the customer savor every taste of the morsel?"**

— Howard I. Halpern, president of the Buckhead Beef Company

Competency models are typically used for multiple purposes, including assessment of incumbents, identification of potential employees, and assessment of training and development needs. Moreover, such models can serve as the basis for reward-and-recognition programs.

### Structured Interviews

Competency-based structured interviewing has a rich history in personnel selection.<sup>2</sup> On the surface, it operates as an interview like any other: the applicant responds to a series of work-related questions (e.g., past situations, future work-related scenarios). However, the competency-based structured interview's strength lies in the fact that the questions are formulated to elicit responses that allow the interviewer to measure

<sup>2</sup> For example, see: M.A. Campion, E.D. Pursell, and B.K. Brown, "Structured Interviewing: Raising the Psychometric Properties of the Employment Interview," *Personnel Psychology*, Vol. 41 (1988), pp. 25-42; R.D. Gatewood and H.S. Field, *Human Resource Selection* (Fort Worth, TX: Dryden Press, 1994); R.R. Reilly and M.A. Warech, "The Validity and Fairness of Alternatives to Cognitive Tests," in *Policy Issues in Employment Testing*, ed. L. Wing and B. Gifford (Boston, MA: Kluwer Academic Publishers, 1993), pp. 131-224; and W.H. Wiesner and S.F. Cronshaw, "The Moderating Impact of Interview Format and Degree of Structure on the Validity of the Employment Interview," *Journal of Occupational Psychology*, Vol. 61 (1988), pp. 275-290.

the applicant against the competency profile established for the position in question.

The two primary forms of structured interviewing are behavioral and situational. Both have been the subject of numerous research studies.<sup>3</sup> Behavioral interviews consist of a set of standard questions about how an applicant handled past situations similar to those that might happen on the prospective job. The responses to those questions might involve past actions that represent one or more of the needed competencies. By contrast, situational interviews pose hypothetical, future-oriented questions about what the individual might do in a given situation. The responses are again measured against the behavioral-competency standard. In both instances, the job applicant's answers are compared to predetermined scoring guides or templates, allowing the hiring agents to make reliable and valid inferences regarding the candidate's future job performance.

The interview's content should be structured to ensure its reliability and validity (to the extent possible). This can be done by taking the following steps.

- (1) Base the questions on a properly conducted job analysis.
- (2) Ask the same questions of each applicant.
- (3) Limit (or avoid) prompting, follow-up questions, and elaboration on questions.
- (4) Use questions that pose work-related hypothetical situations or that require answers that describe past actions and demonstrate job knowledge.
- (5) Make sure that the interview comprises a sufficient number of questions and has an appropriate duration to cover all necessary skills.
- (6) Control the use of ancillary information.
- (7) Do not allow the applicant to ask questions until after the structured portion of the interview is completed—if at all.

The evaluation process should also be structured, using the following steps.

- (1) Rate each answer individually.
- (2) Use detailed, anchored rating scales.

<sup>3</sup> For example, see: T. Simons, "Interviewing Job Applicants," *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 36, No. 6 (December 1995), pp. 21–27.

- (3) Employ multiple interviewers for each applicant.
- (4) Use a small pool of interviewers.
- (5) Avoid discussing applicants or their answers between interviews (because such processing of data may interfere with subsequent information gathering by coloring the later material).
- (6) Provide extensive training for all of the interviewers.
- (7) Finally, use mechanical prediction (i.e., systematic application of empirically based decision-making rules) rather than clinical prediction (i.e., application of gestalt or more subjective judgment).<sup>4</sup>

### The Project—Phase I

In the following sections I describe the practical, easy-to-follow, yet rigorous approach used by the Buckhead Beef Company to develop and validate (1) a salesperson-competency model; and (2) a competency-based structured-interview process that incorporates many of the aforementioned recommendations.

**Form an advisory committee.** To start the project the company formed an advisory committee that comprised an internal human-resources employee, two lead salespersons, the external consultants, and Howard Halpern himself. This group was responsible for decision making, communicating the initiative, and designing, developing, reviewing, reworking, and implementing the process and associated materials.

**Clarify project objectives.** The advisory committee started by establishing and reviewing the project goals. As stated above, the objectives were to develop a salesperson-competency model and a competency-based structured-interview process for hiring large numbers of salespersons. The consultants explained to the other members of the advisory committee the approach needed to meet the project's objectives. In addition to outlining the theory behind competency modeling, this involved a discussion of competency measurement, structured interviewing, and the benefits of behaviorally based decision making.

<sup>4</sup> M.A. Campion, D.K. Palmer, and J.E. Campion, "Structuring Employment Interviews to Improve Reliability, Validity, and Users' Reactions," *Current Directions in Psychological Science*, Vol. 7 (1998), pp. 77–82.

**Collect data and conduct a job analysis.** The consultants developed an interview protocol and conducted face-to-face interviews with the company president and six lead salespersons. The interviews covered the future business environment, marketplace trends, major work responsibilities and tasks, and requisite KSAs. The consultants analyzed and summarized those interviews for the committee.

The interview findings were then used to structure a focus-group guide. Consultants facilitated a focus group comprising eight high-performing salespersons. These respondents were asked to review, discuss, and confirm the content analysis from the interviews regarding future trends, major work responsibilities, and tasks, as well as provide specific examples of competency-related behavior.

**Develop a preliminary competency model.**

The consultants used the focus-group data, existing research, and their own insights from previous consulting engagements to construct a preliminary salesperson-competency model.<sup>5</sup> The draft model included a lengthy list of competencies with definitions; sub-competencies with definitions; and some 200 behavioral indicators or examples of competency-related behavior. To make the competencies and the corresponding examples more meaningful, behavioral indicators included actual task and organizational-relevant language. As examples, Exhibit 1 shows a sub-competency and behavioral indicator for a customer- and quality-focus competency.

**Validate the model.** The consultants next translated the draft model into a competency questionnaire, which was administered in individual and group sessions to all of Buckhead's 45 incumbent salespersons. The questionnaire asked respondents to review and rate each competency, sub-competency, and behavioral indicator. The sales employees were asked to provide three separate ratings:

- (1) Frequency with which the competency or sub-competency is used or the behavior is performed as part of the sales job;

### EXHIBIT 1

#### Sample competency, sub-competency, and behavioral indicator

<i>Competency:</i>	Customer and quality focus
<i>Sub-competency:</i>	Maintains a customer-service-driven organization
<i>Behavioral indicator:</i>	Actively researches and analyzes industry (e.g., conferences and meetings, trade publications), customer, and other relevant data sources (e.g., menus, applications) to obtain a detailed picture of customer requirements.

- (2) Importance to overall successful sales performance of using the competency or sub-competency or performing the behavior; and
- (3) Extent to which successful application of the competency, sub-competency, or behavior differentiates exceptional performers from average performers.

From that rating, the consultants computed a *multiplicative* composite score of the three independent ratings for each competency, sub-competency, and behavioral indicator. The final model was developed by retaining those competencies, sub-competencies, and behavioral indicators with the highest composite scores. In some instances, when individual behavioral indicator composite scores warranted selection, but the sub-competency failed to meet the cut-score requirement for retention, the indicator was retained and moved to another sub-competency.

The advisory committee reviewed the results for rationality, length, and content validity. As a result of the final review, a number of behavioral indicators originally eliminated were restored to the model, even though their numerical score did not support inclusion. Advisory committee members felt strongly about including certain indicators to be consistent with and support the future sales role. On the other hand, some indicators were removed from the model even though their numerical score suggested otherwise. The completed model comprised nearly 90 items representing 12 competencies (listed in Exhibit 2, on the next page), plus 12 items that constituted a functional-and-technical component (consisting of basic knowledge, such as government regulations; industry standards and market conditions; business drivers of the hospitality industry; ware-

<sup>5</sup> See: R. Boyatzis, *The Competent Manager* (New York: J. Wiley, 1982); and L.M. Spencer and S.M. Spencer, *Competence at Work* (New York: J. Wiley, 1993).

## EXHIBIT 2

## Buckhead Beef's 12 sales competencies

- (1) Builds partnerships with customers
- (2) Builds relationships
- (3) Communication
- (4) Customer and quality focus
- (5) Demonstrates a desire and ability to learn
- (6) Drives for results
- (7) Influence skills
- (8) Interpersonal skills
- (9) Mobilizes internal networks and resources
- (10) Performing and managing work
- (11) Problem identification and solving

housing, pulling, and loading procedures; and credit and risk principles).

### Phase II: Developing the Interview Tool

The questions for the competency-based interview derive from the competency model outlined above. The next step in the process was to create and test the questions.

**Identifying behavioral indicators.** The team members identified individual behavioral indicators that they believed would capture each competency in the course of an interview. Advisory-committee members then selected the behavioral indicators that they believed were appropriate for interview questions. In determining whether to include a given interview item, the most salient criterion that committee members applied was whether a potential applicant could reasonably be expected to provide a satisfactory answer.

For each competency, the consultant drafted several questions, which the advisory committee reviewed and revised. The selected questions were then read to five salespersons for clarity and reasonableness, and to determine whether the question would, in fact, differentiate among applicants' performance abilities. Finally, the set of remaining questions was pre-tested on a sample of incumbent salespersons who were known to be low, average, and high performers. The committee either rewrote or dropped questions that turned out to be unclear or that failed to differentiate among the performance levels.

The final questionnaire generally included two questions to test each competency. For example, the following are the questions designed to demonstrate an applicant's customer and quality focus:

- Tell me about a time when you found a creative way to satisfy a customer of yours. What was the customer's problem or concern? Why wasn't the normal or standard solution appropriate? How did you finally develop and implement the solution?
- Tell me how you would seek out valuable opportunities to learn first-hand about products, customer operations, and applications.

## Develop Behavioral Checklists

In addition to using the pre-test responses to gauge the questionnaire's effectiveness, the consultants audiotaped those interviews for subsequent use in developing behavioral checklists. The salespersons' responses were transcribed, reviewed, clarified, and (in some instances) rewritten for this purpose. The advisory committee and five salespeople reviewed the resulting list of responses to each question and categorized each response as being positive or negative. As shown in the example in Exhibit 3, positive responses were those that would demonstrate that the individual had the expertise in question, while negative responses (or the absence of those responses) would indicate that the individual lacked that particular knowledge or skill. The committee members' assessments were analyzed to produce a final behavioral checklist for each question.

To strengthen this interview approach, one would make available to the reviewers a list of the behavioral indicators constituting each competency (as measured via a set of interview questions). The interviewers could then refer to this list during the conversation to evaluate applicant performance on the spot.

A behavioral checklist's strength lies in the fact that it formalizes and standardizes relevant behavioral responses for a given competency (assessed via an interview question). By virtue of their design, checklists force interviewers to focus on a prescribed set of content- or face-validated behavioral indicators for a particular competency.<sup>6</sup> Checklists minimize the need to take detailed notes, a practice that can distract both the interviewer and the applicant. Interviewers and other observers can simply check off or note modifications to responses from the checklist as they are observed during the interview (or during the tape replay if an interview is tape-recorded).

## Question Scoring and Data Analysis

The team next developed rating-anchor profiles to score responses to each interview question.

<sup>6</sup> See: P.E. Meehl, *Clinical vs. Statistical Prediction* (Minneapolis: University of Minnesota Press, 1954); and J. Sawyer, "Measurement and Prediction, Clinical and Statistical," *Psychological Bulletin*, Vol. 66 (1966), pp. 178-200.

### EXHIBIT 3

#### Sample behavioral checklist

##### Customer and Quality Focus

*Question:* Tell me how you would seek out valuable opportunities to learn first-hand about products, customer operations, and applications.

##### *Positive responses*

- Read professional publications and trade publications
- Use vendor publications or products
- Learn from fellow employees and buyers
- Talk with chefs concerning products they use
- Research the competition
- Attend product seminars
- Walk around coolers and freezers to look at products; spend time in the company warehouse
- Dine with your customers
- Look up menus on the internet
- Talk and work with vendors in food-show booths; walk the show
- Visit customers often
- Read newspaper and magazine reviews
- Review want ads for new players on the way
- Use Chamber of Commerce sources

##### *Negative responses*

- Failed to mention attending seminars
- Failed to mention researching the competition
- "I never learn anything from my customers."
- "I know as much as I need to know about the food business."
- Failed to mention spending time with the customers (e.g., chefs; kitchen managers)

These profiles are definitions or benchmark descriptions of various performance levels, ranging from strength to unsatisfactory. The rating scale used for evaluation is a five-point Likert-type scale in which 5 equals strong, 3 is satisfactory, and 1 is unsatisfactory.

A rating of strength, or 5 on the scale, indicates that an individual provided responses of exceptionally high quality. In general, a rating at this level shows an applicant who put forth consistently excellent, positive responses in connection with a given competency. The candidate may also earn such a rating by offering additional positive responses that are not on the checklist but which clearly go beyond what would be necessary for acceptable performance. Finally, this rating also indicates that an applicant put forth few, if any, negative responses. If an applicant approaches but does not quite attain that top standard, she or he would earn a 4 rating, while persons who cover the basic standards would be given a 3.

To return to Exhibit 3's example of "customer and quality focus," the question was: "Tell me how you would seek out valuable opportunities to learn first-hand about products, customer operations, and applications." A candidate would earn a strength rating with answers such as the following:

- Consistently underscoring the importance attached to staying abreast of the latest information regarding product, competition, and customer base;
- Mentioning a myriad of techniques, methods, and steps that one could take to learn about products, customer operations, and applications. Those techniques might include reading professional and trade publications, using vendor publications regarding products, learning from fellow employees and buyers, conversing with chefs and kitchen managers, researching the competition, and attending internal and external seminars;
- Talking about working and walking food shows, and walking company and client coolers and freezers to view product; and
- Dining with potential customers and looking up menus via the internet.

**Level playing field.** Because the interview has been carefully structured, the ensuing evaluation process involves reviewing a completed behavioral checklist for each applicant and assigning a numerical value to his or her responses to each question. Thus, the assessment is based on documented competency-related KSAs. To enhance the accuracy and consistency of the observation and evaluation process, it is essential that all interviewers rely on common standards and apply those standards consistently to each applicant. The use of behavioral checklists and rating-anchor profiles ensures that all interviewers have the same frame of reference for evaluating applicants' responses.

It has long been recognized in the fields of psychometrics and applied psychology that judgments that are based on a statistical or mechanical process such as the one described above consistently outperform those made in strictly a clinical or gestalt fashion.<sup>7</sup> With this in mind, the scoring process developed for Buckhead Beef reflected a statistical-data-combination approach. First, the interviewers recorded a performance rating for each applicant on each question. Next, the team calculated a competency score, which is the average of the ratings for all questions on a given competency. This calculation results in a series of competency scores that, in turn, are averaged to yield a final overall score. (Some companies might give different weights to the various competencies or questions used in the interview process to emphasize certain skill sets.) In those cases where more than one interviewer is involved, scoring is conducted independently and then the results are shared for discussion and finalizing. In this instance, the advisory committee set a cut-off score of 3.50 for candidates who would be considered for employment, because committee members felt it was important to seek salespersons who were better than merely satisfactory. The applicants who met or exceeded that cut-off score were invited back for a personal interview with Halpern.

<sup>7</sup> R.R. Reilly, S. Henry, and J.W. Smither, "An Examination of the Effects of Using Behavior Checklists on the Construct Validity of Assessment-center Dimensions," *Personnel Psychology*, Vol. 43 (1990), pp. 71-84.

## A Structured-interview Training Workshop

Training interviewers is probably the most common step taken by organizations to improve the reliability and validity of their selection process. Indeed, Buckhead Beef conducted an interview-training workshop that was developed specifically for this purpose. The training program included the following topics, among others: establishing rapport, understanding the job requirements and competencies, asking questions, observing and recording responses, evaluating responses, avoiding rating errors, following scoring protocol, and ensuring equal employment opportunity. The workshop employed diverse training techniques, including lecturing, modeling, role-playing, and debriefing.

### Outcomes and Lessons

This article recounts the story of a company that recognized a need to change one of its long-term procedures—in this case, how it hired sales associates. Unlike most companies, however, this organization took the steps of developing a strategy and accomplished its stated business objective. Buckhead Beef revised its entire selection process so that it could hire large numbers of competent salespersons in a quick, but reliable and valid fashion. Effective though he was, Halpern could not possibly have screened the volume of applicants needed for the company's expansion. Instead of one person who "knew

what he needed," the process had to be structured based on competencies so that a number of managers could screen sales candidates. The introduction of structure and uniformity and the reliance on job-relevant competencies ensured that others could make speedy, but effective personnel choices.

While this process has been operational only for a few months at this writing, the success rate is striking. Individuals hired via the structured interview are all excellent performers. Several have consistently broken weekly sales records, and not a single new hire has left the company. While this level of success admittedly will be difficult to maintain, the company expects the new approach to significantly outperform its traditional selection model. I attribute the success to the fact that hiring decisions are now based on behavioral information gathered as part of a valid, competency-based, structured-interview process.

**Continuous improvement.** As side benefits of having a competency inventory, each salesperson can create an individual development plan and the company can introduce a performance-management system that is based on the salesperson-competency model. Furthermore, the company is considering designing a competency-based training-needs-assessment questionnaire to help assess the current skill level of the existing salespersons so that they, too, can learn more about their job through a competency-based training curriculum. ■



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