

ISSUES OF MERIT

July 2007

a publication of
the U.S. Merit Systems
Protection Board,
Office of Policy
and Evaluation

Competency Self-Assessment—You Don't Know What You Don't Know

It's time to stop using competency self-assessment for high stakes decisions. Inaccurate information results in poor decisions.

WHAT'S INSIDE

Director's Perspective:
Future of the
Federal Workforce
Page 2

New Questions
on the 2007
Merit Principles Survey
Page 3

Tools of the Trade:
Writing Good
Assessment Questions
Page 4

Sizing up the
Competition for
Career Entry Hires
Page 5

Work Samples:
Giving Applicants
a Realistic Preview
Page 7

Self-rating is an increasingly common practice in assessing employee competencies. The practice is so widespread, in fact, that few organizations that employ these instruments take the time to evaluate the accuracy of the results. Self-assessment is appealing because it is easy to obtain, promotes employee buy-in through participation, and appeals to our intuitive sense that employees would be good judges of their own competencies.

However, research consistently demonstrates that people do not accurately evaluate their own competencies and self-assessments are both substantively and systematically flawed. People typically are not adept in identifying the limits of their expertise. They tend to significantly overestimate the level of their competence and their self-judgment does not correspond with actual performance. The exceptions are top performers who tend to accurately estimate the quality of their own performance but underestimate how well they perform compared to others. This phenomenon has been verified in numerous studies in the workplace, education, healthcare and sports.¹

Why are most people poor judges of their own level of competence? It is

because the knowledge, abilities, skills or personal characteristics needed to perform competently are the same as those needed to evaluate performance. Employees' lack of knowledge prevents them from understanding what they do not know. It is only the experts in a field who know how much there is to know.

The research evidence clearly points to the need to stop using self-assessments as the primary means to evaluate employee competencies in high stakes situations such as hiring or promoting employees, organizational training needs analysis, workforce planning, and succession planning. If self-assessment is used as the primary basis for making these kinds of decisions, they are likely to be seriously flawed. For example, when a self-assessment tool is used in selecting new hires, it is likely that a large percentage of the applicants are significantly less qualified than their self-ratings indicate. If self-assessment is used in workforce planning to identify competency gaps, the resulting inaccurate data can lead to the wrong decisions being made about the competencies the organization needs to acquire through

continued, page 6

ISSUES OF MERIT

U.S. Merit Systems
Protection Board

CHAIRMAN

Neil A. G. McPhie

VICE CHAIRMAN

Mary M. Rose

BOARD MEMBER

Barbara J. Sapin

Office of Policy and Evaluation

DIRECTOR

Steve Nelson

DEPUTY DIRECTOR

John Crum

Our Mission

The MSPB Office of Policy and Evaluation conducts studies to assess the health of Federal merit systems and to ensure they are free from prohibited personnel practices.

Issues of Merit

We offer insights and analyses on topics related to Federal human capital management, particularly findings and recommendations from our independent research.

Reprint Permission

We invite you to reprint any of our articles. If you do, please include the following attribution: *Reprinted from Issues of Merit, a publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board.*

For More Information

Contact us at:

www.mspb.gov
(select STUDIES page)
STUDIES@mspb.gov
202-653-6772 x1350
1-800-209-8960

V/TDD: 202-653-8896
(TTY users may use the Federal
Relay Service, 800-877-8339)

U.S. Merit Systems Protection Board
Office of Policy and Evaluation
1615 M Street, NW
Washington, DC 20419

DIRECTOR'S PERSPECTIVE

The Future of the Federal Workforce

Agencies need to adapt to ensure they retain the employees needed to accomplish their missions—now and in the future.

In September 2006, 40 percent of permanent full-time Federal employees were 50 years of age or older. About 60 percent of the Federal Government's white-collar employees and 90 percent of the members of the Senior Executive Service will become eligible to retire within the next 10 years. Additionally, approximately 60 percent of Federal jobs are in professional and administrative occupations—fields such as engineering, contracting and information technology that carry out the predominately knowledge-based work of the Government. Relatively few employees are in fields such as sales, service and manual labor. Technology is changing the type of work done by Federal employees as well as how they do it. Taken together, these trends indicate that the Federal workforce is changing and agencies must identify how to address the HR challenges brought about by these changes.

MSPB Chairman, Neil A. G. McPhie recently testified before the House Appropriations subcommittee on Financial Services and General Government about issues and trends that will impact the composition and management of the Federal workforce. This column addresses four specific areas from his speech where agency focus is needed to adapt to these trends and ensure agencies retain an effective workforce to achieve their missions.

First, agencies should increase their emphasis on succession planning. Some of the necessary preparations include workforce planning to project

turnover and identify skill requirements; recruitment of high quality applicants, effective candidate assessment processes, and effective post-hire orientation; and evaluation, and ongoing competency development. These preparations require time, effort and significant capital investments to acquire the necessary systems and expertise.

Second, agencies should focus more effort on retention of employees in key jobs to ensure the agency maintains and transfers critical institutional knowledge. Additionally, agencies may need to use somewhat different strategies to retain these employees depending on the needs of the employee. Flexible work schedules, child care and telework are key attractors for both new hires and current Federal employees; while retention allowances and reemployed annuitant authority may help keep current employees and those that are retirement eligible.

Third, even while having a focus on retention, agencies need to improve their recruitment and selection procedures in order to compete for and likely hire a large number of new employees in the next several years. Agencies should craft vacancy announcements so they are well-written, understandable documents that market the job and the agency to potential candidates. Next, agencies need to improve selection by adopting more effective methods such as structured interviews, reference checks and judicious use of the probationary period. Agencies already have a number of existing flexibilities to help them hire

continued, page 3

Federal Workforce

(continued from page 2)

the best and the brightest including: category rating as an alternative to the traditional “rule of three;” direct hire authority; and the Federal Career Intern Program. Agencies are cautioned to take care in exercising these flexibilities to ensure that they are meeting the merit principle of fair and open competition and not unnecessarily narrowing the pool of applicants.

Fourth, agencies should carefully consider how they motivate and reward employees in order to maintain employee and organizational capability and remain competitive with other employers. Several agencies already have considerable experience with flexibilities beyond the traditional framework in Title 5, including pay systems different than the general schedule. The trend toward pay for performance compensation systems that link performance results and pay—such as those developed by the Department of Homeland Security and Department of Defense—will likely continue. In addition, the new Senior Executive Service pay for performance system requires agencies to have a strong performance evaluation process as a prerequisite to full implementation. Designing and implementing a new compensation system is a major undertaking for

an agency. A clear rationale, as well as communication, training and transparency, are essential elements of an effective and successful compensation system. Employees must understand what is expected of them, have the resources—including training—to do their work, and understand how the pay system works.

The characteristics of the Federal workforce are changing, knowledge-based work is increasing, and technology is altering both the type of work and how the work is accomplished. Agencies can adapt to these changes by using the merit principles as the foundation for protecting the public’s interest in an effective, efficient, and fair civil service system. While some of the strategies mentioned may require support from Governmentwide policy agencies such as the Office of Personnel Management, many strategies require only the commitment and will of agency leaders, managers and HR specialists. Agencies must adapt to these work and workforce changes, if they expect to hire and retain the employees they need to accomplish their missions. ❖

Steve Nelson

Director, Policy and Evaluation

Coming Soon! – MSPB Surveys the Federal Workforce

An opportunity for agencies to meet the annual survey requirement and hear from their workforces about career advancement in the Federal workplace.

For over 25 years, the MSPB has conducted the Merit Principles Survey (MPS) and other periodic surveys as part of our statutory responsibility to assess the Federal merit system. We report our findings to the President, Congress, and key Federal policy decision makers.

We are preparing for two surveys which will permit Federal employees to let agencies know how they view their workplace. This fall we will administer both the 2007 Merit Principles Survey (MPS 2007) and a new Career Advancement Survey to Federal employees.

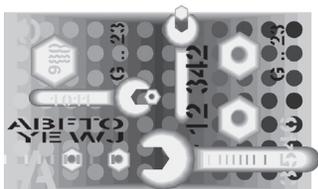
The MPS 2007 will include core questions about the merit principles and prohibited personnel practices. We will also ask about topics that are relevant to the effectiveness of the Federal workforce, such as employee development, performance management, and supervision.

This year the MPS will include the 45 questions required as part of the annual survey requirement (5 C.F.R. 250.301-303). Each agency choosing to meet the annual survey requirement through the MPS 2007 will receive a summary of the survey methods, the survey results, raw data that can be analyzed by agency staff, and a guide to successfully applying survey results.

The Career Advancement Survey (CAS) will also be administered this fall. The CAS examines how Federal employees move through their Government careers and what factors may help or hinder their career advancement.

For information on the MPS 2007 and CAS, please view MSPB’s web site at www.mspb.gov and click on the “Studies” tab. You may also email MSPB’s survey support team at Survey2007@mspb.gov.

TOOLS OF THE TRADE



Asking the Right Questions

A structured interview or training and experience assessment is only as good as its questions.

Increasingly, Federal agencies are using automated hiring systems to help fill jobs. With that shift, agencies are using questionnaires instead of written statements of knowledges, skills and abilities (“KSAs”) to evaluate applicants. Questionnaires can work—for both applicants and agencies—but only if the questions are effective. This article provides a few tips for developing good questions (and avoiding ineffective questions).

What is a good assessment question?

A good question is, of course, job-related and meets legal requirements. However, the primary test of a question’s effectiveness is not its compliance with legal and regulatory requirements; it is the question’s ability to distinguish among applicants—in particular, to identify qualified candidates, or to identify those candidates who are most likely to be high-performing employees, if hired.

Here is one question and rating scale that OPM offers as a “better assessment question.” This example illustrates some characteristics of good questions.

Sample Question

I have experience analyzing the following (Choose one option):

- Federal and/or state Medicaid laws and/or regulations
- Federal and/or state Medicaid laws and/or regulations that relate to health insurance programs other than Medicaid
- Proposed federal and/or state legislation related to Medicaid
- None of the above

Source: U.S. OPM, sample screening questions from the “Hiring Toolkit,” available at <https://www.opm.gov/HiringToolkit/docs/samplescreening.pdf>.

What are some characteristics of effective questions?

Focus. An effective question has a clear purpose and focus—it does not attempt to do too much. In the past, agencies used a handful of KSAs to evaluate applicants, and a single KSA often covered quite a bit of ground. (One example is the often-used KSA “ability to communicate effectively in writing.”) Such broad KSAs were workable when applicants responded with narratives. They are not workable when applicants can only “check one” or “check all that apply.” Note that the sample question in the blue box asks about experience related to Medicaid—rather than a construct such as “knowledge of public health insurance programs.”

Clarity. An effective question is easy to understand and easy to answer. Effective questions do not contain jargon or terms that may be unfamiliar to even qualified applicants. Effective questions also use response options that are easy to interpret and apply. Response scales should use concrete terms instead of abstractions, and minimize reliance on subjective judgments. Note that the sample question is concise, and that applicants can respond based on the facts of their experience, which is much easier than determining whether that experience required (for example) the “application of expert knowledge” or “analyzing complex laws and regulations.”

Attention to essentials. Effective questions are not just job-related; they focus on those characteristics that are of enduring value and importance to the organization. Accordingly, questions should emphasize attributes that are not readily trainable. Thus, for an administrative assistant position, it may be better to ask about experience with planning and scheduling trips than to ask about experience in using a particular travel planning system. For instance, when recruiting for an HR specialist, agencies may do well to emphasize the underlying competencies—such as knowledge of HR principles and practices or analytical ability—over an encyclopedic knowledge of many specific Federal personnel rules.

Integration into an assessment strategy. Even a well-written question has no value if used out of context. For example, a question on HR policy is unlikely to help identify the best candidates for an accountant position. The best way to place questions “in context” is to integrate them into an assessment strategy—a plan that describes the attributes (such as competencies) to measure and how those attributes will be measured. We’ll provide some suggestions for developing and implementing such a plan in a future *Issues of Merit*. ❖

Attracting Career Entry Hires: Sizing Up the Competition

Are Federal career entry new hires really looking for a job with the Federal Government—or are they just looking for a job?

The Federal Government is one player in a never-ending contest to attract high quality, career entry talent. To win, we must know who the competition is.

MSPB has recently conducted a study of Federal career entry new hires. We surveyed almost 2,000 new GS-05, -07, and -09 employees to find out who they are, why they came to the Federal Government, and what the Government can do to attract more of them.¹ We also asked questions to learn more about the Government’s chief competitors—at least in the eyes of new hires.

We found that a large portion of Federal new hires actually set out to obtain a Federal Government job. When asked to describe their employment goal at the time they applied for their first Federal job, 31 percent of new hires reported that they were trying to obtain a job with the Federal Government. This answer was particularly popular among new hires working for the private sector at the time they applied—potentially indicating that they were looking for greener pastures in the Federal sector. Another 22 percent were looking for a job with a specific agency. Combining these two groups means that over 50 percent of new hires were specifically looking for a job with the Federal Government.

Though a large portion of new hires were seeking a Federal job, the Government still faces competition from other sectors for talent. To learn what types of organizations the Federal Government competes with, the survey asked new hires what other organizations they applied to when they were seeking their first Government jobs. The results are displayed in Table 1.

The largest portion of survey participants sent applications to the Federal Government. It is interesting that most participants sent only one to five applications to the Federal Government. This may indicate that those who were successful in the Federal hiring process had a good idea of the job they wanted and did not find it necessary to flood the Government with resumes.

Several recent studies found that the non-profit sector is becoming an increasingly important competitor with the Federal Government because many Americans feel non-profits provide an even

Table 1. Percent of Survey Participants Sending Applications to Each Employment Sector

	1-5 applications	6-10	11 or More
Federal	73%	8%	8%
State/Local	34%	3%	3%
Non-Profit	17%	3%	3%
Private	37%	13%	15%

greater opportunity to impact society than does a governmental agency. However, almost 80 percent of our survey participants sent no applications to the non-profit sector. State and local governments proved to be only slightly greater competition, with 40 percent of the participants sending applications to this sector.

This seems to indicate that Federal new hires, first and foremost, were determined to get a job with the Federal Government, which is good news for agencies. Considering that this research focuses on those who were successful in their Federal job search, we cannot accurately say what percentage of all applicants are interested in obtaining a Federal job. However, it is also plain that the Government’s primary outside competition for high-quality talent comes from the private sector. This finding supports the premise that the Federal Government needs to ensure that it is competitive with the private sector—whether through pay, benefits, work flexibilities, or other means—to attract and hire the best candidates. ❖

1. “Career entry new hires” are defined as those in General Schedule and GS-Related Grades-05, -07, and -09 employees who were appointed into full-time, non-seasonal, permanent positions in Executive Branch professional and administrative occupations.

Competency Self-Assessment

(continued from page 1)

hiring or developing current employees. The organization will not achieve the desired results and millions of dollars may be wasted on misguided programs.

Some competency assessments employ a combination of self-assessment and supervisor ratings, perhaps averaging the employee and supervisor ratings to compute a final rating. Although this practice is an improvement on self-assessment alone, it still suffers from the perils of considering employee self-ratings to be a good source of information. Averaging employee and supervisor ratings assumes they are of equal validity and obscures differences between the two. For example, if an employee gives himself the highest rating and if his supervisor gives him the lowest rating, the overall rating will be mid-level proficiency. This rating is not necessarily an accurate reflection of the employee's actual competency level. If the ratings computed in this fashion are aggregated across many employees, they will not accurately identify competency gaps for use in making decisions about training needs, workforce planning or other programs.

There are some situations when self-assessment is both useful and appropriate. For example, it is helpful as a preliminary step in development planning. The employee and supervisor can discuss the employee's self-ratings, the supervisor can provide his or her perspective, and together they can identify the competencies the employee should focus on developing. Self-assessment can also be valuable in introducing employees to the concepts of competencies and competency profiles. In this case, employees would need to be informed that for an accurate gauge of their competencies, they need to collect information from additional sources.

The most accurate assessments of employee competencies are based on multiple sources of information and multiple methods of collecting that information. As in any data gathering endeavor, the collection of information from several different perspectives using a range of assessment tools brings us closer to the truth. In addition to supervisor ratings, other good data sources include ratings from peers, team members, customers, and for supervisors, their employees. For example, in a recent survey, 92 percent of managers said they were an excellent or good boss but only 67 percent of their employees gave them a favorable rating.² If the organization had collected data only from the managers, they might have had an overly positive

view of their managers' leadership skills. More sound options for competency assessments are work samples, portfolio reviews, observations, assessment centers, and well-designed performance and written tests. These provide actual demonstrations of employee competencies through tangible products or directly observable behavior which offer a much higher degree of validity and objectivity, and therefore, accuracy, than ratings obtained from the employee's subjective perspective. ❖

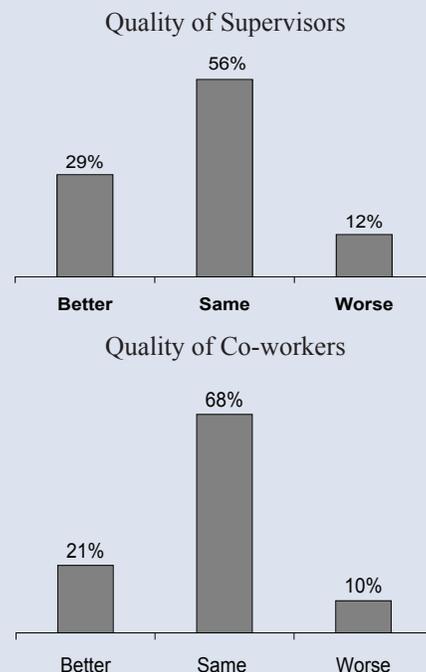
1. Dunning, D., Heath, C., & Suls, J.M. (2004). Flawed self-assessment: implications for health, education, and the workplace. *Psychological Science in the Public Interest*, 5(3), 69-106; Dunning, D., Johnson, K., Ehrlinger, J., & Kruger, J. (2003). Why people fail to recognize their own incompetence. *Current Directions in Psychological Science*, 12(3), 83-87.

2. Pomeroy, A. (November 2006). To see ourselves as others see us. *HR Magazine*, 51(3), 16.

Focus on the Facts

Belief: The Federal workforce is less capable than that of other employment sectors.

Fact: New employees hired in 2005 at the GS-12 to 15 grade levels are likely to rate their Federal agencies better than or equal to their last employers on workforce capabilities.



Assessing the Assessments: An Introduction to Work Sample Tests

A proven assessment strategy that will help identify applicants who can do the job.

The key purpose of a merit-based hiring system is to systematically identify the best person for the job. To do this, the hiring official must be able to make distinctions among the candidates—based on relative ability—to identify those who are the potential “superstars” and those who are not. There are a number of assessments available to agencies that will help make these distinctions, including work sample tests, structured interviews, general cognitive ability tests, and job knowledge tests. In this article, we begin a series that explores quality assessments agencies should consider using. Here, we look at work sample tests.

What is a work sample test?

A work sample test evaluates the applicant’s job-related skills using a specific activity or exercise that simulates work actually performed on the job.

How is it administered?

A work sample assessment for a customer service representative might involve conducting a role play between the applicant and an angry customer. For an editing position, the applicant might be given an article

Fast Track—Work Samples in Action

Here are some resources to get you started using work samples for hiring in your agency.

Work Sample How-to Guide:

www.hr-guide.com/data/G316.htm

Examples of Work Sample Assessments:

www.osds.uwa.edu.au/about/publications/worktests

Some Agencies That Have Used Work Samples:

Internal Revenue Service
Customs and Border Protection
Transportation Security Administration

or series of articles to edit. An applicant for a clerical position could be instructed to type a memo, create a spreadsheet, or correspond with a customer using email.

What are the advantages to this approach?

- Work samples can have high validity, meaning that they can be particularly good predictors of future job performance.
- They typically have low adverse impact, which means minorities are not disadvantaged by the nature of the assessment.
- Applicants are less able to “fake” proficiency.
- Applicants are more likely to view them as fair because they can see the relationship to the job.
- Work samples provide applicants with a job preview to better inform their decision about whether or not they want the job.

What are the disadvantages?

- Work samples are less able than some other assessments to measure aptitude or future potential.
- They are limited in scope and only measure the competencies needed for the specific activity carried out during the test.
- They are useful for tasks that can be completed in a short period of time, but are less practical for tasks that take longer to complete.

What else should I to consider?

As with any other assessment, work sample tests should be based on a thorough job analysis and validated to ensure that there is a direct relationship between the assessment and job performance. Because they are limited in scope, work samples are best when used in conjunction with a multiple hurdle approach to assessment—successively using good assessment procedures that measure a variety of competencies. ❖



U.S. Merit Systems Protection Board
1615 M Street, NW
Washington, DC 20419

FIRST CLASS MAIL
POSTAGE & FEES PAID
MSPB 20419
PERMIT NO. G-113

ISSUES OF MERIT

July 2007

Volume 12 Issue 3

IN THIS ISSUE * IN THIS ISSUE * IN THIS ISSUE

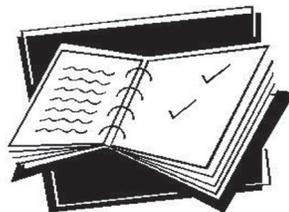
Competency Self-Assessments.

What is wrong with them and what assessments should we use instead? (Page 1)

Director's Column. *How agencies can ensure they have the human capital to accomplish their missions in the years to come. (Page 2)*



Tools of the Trade. *Good Assessment questions must be job-related. What other characteristics should they have? (Page 4)*



The Surveys are Coming! *The MPS 2007 is here—with a few changes to help agencies meet annual survey requirements. The new Career Advancement Survey asks employees about how they advanced through their careers. (Page 3)*

Career Entry Hires. *Attracting new talent on the job market—who is the Federal Government's primary competitor? (Page 5)*

Focus on the Facts. *New hires report on the comparative quality of the Federal workforce. How do we measure up? (Page 6)*

Assessing the Assessments. *What are work sample tests and why are they effective? (Page 7)*