

The Case for Evidence-Based Interviewing



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What is the object of a job interview?

- Predict the candidate who will be most successful in the role.
- Encourage that ideal candidate to accept the job offer.

Most interviews accomplish neither goal.

Interviews play a pivotal role in the hiring decision, but that role may be unwarranted. Extensive research shows that the typical job interview is a **poor predictor of success.** 

No wonder employers are dissatisfied with the uncertainty inherent in hiring. Even when established procedures are followed to the letter, a terrific hire is more of a surprise than a certainty. Consequently, a hiring selection is one of the riskiest decisions managers make.

There are risks in every aspect of the hiring process, but they pile up quickly during the interview. Common interview practices, due to a series of cognitive errors and unexamined biases, are far more likely to repel a top candidate than to predict success on the job. Hiring results are undermined at every turn by faulty opinions rather than supported by solid evidence.

An evidence-based approach to interviewing eliminates the tendency to value opinion over evidence, and intuition instead of data. Relying on evidence in interviewing is similar to the analytical approach that has likely swept through every other functional area of your organization.

## **Building a Case for Change**

Your current interviewing practices may be ineffective, but they are certainly familiar and comfortable to your managers. So how can you change—and improve?

Think of the last five people who either quit or were fired from your organization. Who was blamed for the departures? Most organizations blame the person who left. This reflexive response makes it hard to change practices, because blaming the exiting employee avoids internal accountability for the original hire.

Improvement of the process requires tracking metrics that demonstrate whether your interviews achieved your desired outcomes:

- Did you hire people who were measurably better than their peer group? More competent than others working in similar roles?
- Did your ideal candidates readily accept your job offer?
- How did your hires fare in the long run? Did they stay more than three years? Get promoted?
- Did your hiring results vary by manager or department?

## "Hell is other people."

— Jean-Paul Sartre, No Exit

One interpretation of Sartre's famous line is that we are so afraid of being judged negatively by others that we constantly adjust ourselves to conform to someone else. Since interviewing means putting other people through hell, it sure would be great to know it was worth it.

Sadly, it's not. Research shows that we are poor judges of other people.

When Jack Welch held the top job at GE, he was famous for his "Rank and Yank" employee appraisal methods. Each year, promote the A players and push out the C players. This theory was based on the (deeply flawed and unexamined) assumptions that employee performance can be fairly assessed, and most employees perform at a similar level year-over-year. But when Wharton Professor Peter Capelli explored those assumptions by examining all performance appraisal data from a major U.S. corporation in the course of six years, his research called the entire GE performance appraisal system into question. Capelli found that "...knowing this year's scores explained only one- third of the next year's scores across the same employees."

In short, people who are good performers do not always tend to be good performers, and vice versa.

#### What Predicts Good Ratings?

Now here's the really bad news. Capelli's research also showed that hard work had little to do with performance ratings.

The best predictor of a good rating was the employee's demographic resemblance to the boss. Or as Capelli put it, "how you and your appraiser map onto each other. Are you similar? Then you get higher scores. The more different you are in terms of ethnicity or age or sex, the less well you're going to do."

But the bad news doesn't stop there. As Capelli notes in another article:

"The belief in the A player, B player, C player model is consistent with The Fundamental Attribution Error, a very common bias where we assume that the actions of individuals are caused by who they are rather than the circumstances around them...hence, we see employees performing poorly as being chronically bad employees." Those are some damning conclusions. Managers tend to give ratings keyed to factors unrelated to performance. And employees tend to get credit or blame for circumstances beyond their control. And this research was about how we evaluate the people who already work for us. What does that portend for our ability to interview successfully?

> "We assume that the actions of individuals are caused by who they are, rather than the circumstances around them."



# Most HR Data is Bad Data

Noted business consultant Marcus Buckingham **corroborated** Capelli's research, citing three psychometric studies involving half a million participants.

Buckingham concluded in a Harvard Business Review article, "Neither you nor any of your peers are reliable raters of anyone. And as a result, virtually all of our people data is fatally flawed."

One issue he investigated was the Idiosyncratic Rater Effect, finding:

"My rating of you on a quality such as 'potential' is driven not by who you are, but instead by my own idiosyncrasies—how I define 'potential,' how much of it I think I have, how tough a rater I usually am. This effect is resilient—no amount of training seems able to lessen it. And it is large—on average, 61% of my rating of you is a reflection of me."

The more an evaluator grows in a particular skill, the worse others will rate. (This is often referred to as a "Shifting Baseline.")

Buckingham ponders, "...if we thought for one minute that these ratings might be invalid, then we have to question everything we do to and for our people. How we train, deploy, promote, pay, and reward our people, all of it would be suspect."

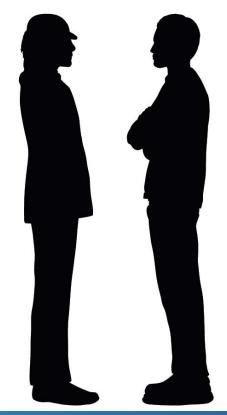
Again, this makes the interviewing dilemma even more daunting. How can we rely on bad data to make good decisions?

In hiring, your information is incomplete. You don't know much about a candidate's work environment and how it compares to your own. You must actively struggle against the structure of the interview conversation itself, more awkwardly stilted and uncomfortable than a normal conversation. (With no shared context, interviewer and candidate find it far too easy to misinterpret each other's meanings.) Your colleagues might join you in the interview process, creating **complicated group dynamics** that rarely result in better decision-making.

Beyond the candidate questions, there might be problems with the design of the job itself. Defining the performance expectations, understanding what competencies drive impact, assessing those competencies, and then forecasting how the job might change in the future are complex cognitive tasks. Each element is crucial to successful hiring, but often hard to define. (We offer some assistance **here**.)

Yet, despite the obstacles, you can still **engineer a hiring sequence that works**. You just need to slow down your thinking.

# "...61% of my rating of you is a reflection of me."



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# Think Slower. Hire Better.

And speaking of rating people, the folks who award Nobel prizes have a pretty strong track record of success (and the benefit of waiting decades to select winners).

One Nobel recipient wrote a particularly relevant book on judgment and decision-making. In *Thinking Fast and Slow,* Daniel Kahneman, Princeton professor emeritus and recipient of the Nobel Prize in Economics, describes the two systems of thinking everyone uses—fast and slow.

Most of the time, we are in fast mode. Life is random, and necessitates the quick processing of much information. To make sense of ran-

domness, we all use simple procedures—mental shortcuts or heuristics—to help us find adequate, though often imperfect, answers to difficult questions. It's how we manage to get through our days. We recognize patterns, and lean into familiar feelings, because they feel right, not because they are right. (This explains why a

lie begins to seem true when it is repeated often enough.)

This is a function of evolution—we continually assess our world through these heuristics or guesstimates based on intuition. When the outside world was dangerous, this ability to think quickly made sense. You could quickly determine a threat vs. a major opportunity.

Our brains still work this way, even though our need to react quickly to sabretooth tiger attacks has disappeared. We have intuitive feelings about everything that comes our way. We like or dislike people long before we know much about them; we trust or distrust strangers without knowing why.

Whether stated or not, we often have answers to questions that we do not completely understand, relying on evidence that we can neither explain nor defend. We're wired to jump to conclusions on very thin evidence and to find consistency and coherence where there is none.

In other words, we're rarely stumped. That old adage, "Often wrong, but never in doubt" is far too accurate. As Kahneman puts it, "When faced with a difficult question, we often answer an easier one instead, usually without noticing the

substitution."

Think about when a hiring manager goes off track in the interview, or when a charming candidate comes up with fast, confident answers to interview questions. Or when an interview gets off to a great start, and you ease off the tough questions. All can lead to

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interview failure, because all rely on this superficial, fast thinking. Performance in this type of interview will not predict performance on the job.

In evaluating people for a job, without noticing it, almost everyone pivots from talking about competencies—the skills actually needed to do the job—to talking about the attributes and personal qualities they want to find in a person. That's because attributes are easier to think about. A properly designed interview process will keep the right information, right in front of you, the entire time.



# **Cognitive Biases**

Beyond false assumptions, idiosyncratic rater bias, and errors caused by fast thinking, there is another issue to recognize when interviewing. Beware of nearly universal cognitive biases that may lead you to overestimate someone's abilities.

## The Halo Effect

There is a quick tendency to like (or dislike) everything about a person—especially for traits or competencies you have not observed or evaluated. You expect to see (or not see) something, and through confirmation bias, believe there is evidence when there might be none.

In hiring, this often plays out when an interview is going well. The hiring manager might skip a key

evaluation point, making the assumption that the candidate will also be competent in it, due to other competencies already established.

#### **Blindspot Bias**

You can fail to see the impact of your personal biases on your judgment.

A recent research study asked 661 adults whether they are more biased than the average person. Only one admitted to more bias than average. As one of the researchers concluded, "Whether a good decision-maker or a bad one, everyone thinks that they are less biased than their peers."

### The Dunning-Kruger Effect

Candidates who are least competent will act (and probably believe) themselves the most confident in their abilities.

In hiring, this is most relevant to the self-evaluation. For example, if you ask candidates to rate their ability to use Excel on a scale of 1 to 10. Those who have used it lightly will often evaluate themselves very highly. Those who are expert or have used it extensively will rate themselves more accurately, which often means they will pick a lower score. This is because experts know how much they don't know. Less-skilled candidates, blind to the what they don't know, will demonstrate undeserved confidence.

#### **Fundamental Attribution Error**

As Professor Capelli noted, this is when "we assume that the actions of individuals are caused by who they are rather than the circumstances around them...hence, we see employees performing poorly as being chronically bad employees."

This is a crucial bias to understand. If we assume someone's successes are due to an inherent personal trait, and do not consider the context surrounding the achievement, we then often believe that success is transferable to a new environment. Rarely is this the case.





# **Evidence-Based Interviewing**

In the face of these all-too-human challenges, what kind of interview sequence will consitently result in identifying and attracting top performers?

What is needed is an evidence-based hiring approach that replaces easy, fast, rule-of-thumb thinking, with what Daniel Kahneman calls deep, slow thinking—a system that has facts at the forefront and diminishes the role of opinion and bias.

Here are a few components of an evidencebased interview process:

# **Deciding Who Will Decide**

Before the first interview is scheduled, decide which people in your organization will participate, and which will have decision-making power. Be sure they all have input in the evaluation criteria, and make certain that disagreements are resolved.

## **Prepared Evaluation Criteria**

The best evaluations consider competency, not opinion. We recommend at most five or six prerequisites for success in the position. They should be as independent from one another as possible. Design questions that can evaluate each competency, and ensure all interviewers agree what a very strong, or very weak answer would look like for each skill.

# Follow-up Questioning

The best interview questions are supplemental inquiries that delve into how the work was actually done. Ask candidates "How did you do that? With whom? What was the outcome? What did you measure?"

# Work Sample Testing

The best predictor of whether someone can do the work is **having them do work**.

## **Structured Debriefing**

In hiring, opinions abound and facts are scarce. It is quite common for people to present personal opinion about a candidate as factual. Be sure you ask the right questions to ascertain facts. When someone has presented an opinion, such as, "The people who work at that organization are all bureaucrats," consider asking them, "How would we learn if that's true for this candidate?" Or "How can we better understand how that might relate to their performance in this role?" A well-structured, evidence-based interview process helps you hire more quickly and mitigates the risk of hiring the wrong person. The right process has the additional benefit of establishing performance expectations long before your new employee shows up for the first day of work

**Our Employer Guide to Interviewing** provides the step-by-step details of how to integrate an evidence-based approach into your current interview process.

Visit our **website** to learn more about Evidence-Based Interviewing.





1-888-884-0573 info@staffingadvisors.com staffingadvisors.com

