

September 13, 2019

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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Subject: Improving Federal Hiring through the Use of Effective Assessment Strategies to Advance Mission Outcomes

The American people count on the Federal government every day to deliver excellent service. From enabling economic growth and stability, to curing deadly diseases, to developing and delivering the latest technologies for our warfighters, the government must have clear and aligned structures that allow federal programs, staff, and agencies to deliver the services and outcomes the public expects.

The President's Management Agenda (PMA) lays out a long-term vision for modernizing the Federal government to improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. In accordance with priorities established in the PMA Cross Agency Priority (CAP) goal on Developing a Workforce for the 21st Century,¹ this memorandum provides guidance to enable simple and strategic hiring by:

- 1) Analyzing and improving methods of assessing applicant quality;
- 2) Involving subject matter experts in the assessment process; and
- 3) Applying more rigor in determining who may be considered for the position.

Together, these processes should refocus our efforts to emphasize quality first.

The Need for Change

In its 2016 Merit Principles Survey, the U.S. Merit Systems Protection Board asked supervisors to identify their most difficult workforce management tasks. They reported that getting a pool of quality candidates was the most difficult task. It came ahead of tasks such as creating recruitment plans, getting necessary resources to do the job, and even addressing performance and conduct problems². The U.S. Office of Personnel Management (OPM) has also found that across government more than half of all competitive examining certificates do not have a hire made from them. Only 42% of respondents to the 2018 Federal Employee Viewpoint Survey (FEVS) believed that their work unit is able to recruit people with the right skills.³ Most recently, during the 2019 agency strategic review meetings with Office of Management and Budget (OMB), the

¹ <https://www.performance.gov/PMA/PMA.html>

² MSPB, Addressing Misconduct in the Federal Civil Service: Management Perspectives, December 2016, pp. 4-5.

³ 2018 Federal Employee Viewpoint Survey results.

majority of agencies identified hiring top talent as one of the most significant risks and challenges to achieving their mission.

OPM's Employee Services (ES) and Merit Systems Accountability and Compliance (MSAC) divisions and OMB are collaborating with agencies to examine broader reforms to the hiring process. This guidance offers currently available options that agencies can use immediately to improve outcomes in Federal hiring.

Policy Guidance

1. Defining Minimum Qualifications

The OPM qualifications standards are used to determine the education, training, experience and/or other requirements (e.g. licensure) that an applicant must possess in order to be considered for a particular position or occupation. It is critical to an efficient and effective process that agencies write minimum qualification requirements clearly and accurately to enable raters to screen out applicants lacking the minimum experience or education required from further consideration at the outset of the process. At present, most agencies use the occupational questionnaire to screen applicants for minimum qualifications. Screening minimum qualifications using an occupational questionnaire is fine, but a “deeper dive” needs to be taken in order to address the actual competencies needed to perform the work successfully.

Screening an applicant for minimum qualifications is not the same as assessing applicants against the competencies and proficiency levels necessary to perform the job. Typically HR determines if applicants meet the minimum qualifications and specialized experience requirements and any well-defined selective factors to assess and eliminate from rating and ranking applicants who do not possess an adequate level of competencies or special qualifications essential to successful job performance in that position. After determining minimum qualifications applicants may be assessed to make sure they have the required level of proficiency in key competencies to be successful in the position. Cut scores have been effective when using USA Hire Assessments or other valid and reliable assessment instruments to determine the required level of proficiency.

Promising Practice – USA Hire Cut Scores

USA Hire assessments are designed to measure general competencies that are required for the job. Applying cut scores in the hiring process is a promising practice in that it results in referring only applicants who have the required level of proficiency in key general competencies to be successful in the position. Since implementation earlier this year, over 1,300 Job Opportunity Announcements (JOAs) have been advertised using the USA Hire Assessment with a cut score. Inquiries about this process may be sent to the USA Hire email at usahire@opm.gov.

Determining the Best Assessment Method

An assessment tool is any test or procedure administered to individuals to evaluate their *job-related* competencies, interests, or fitness for employment. The accuracy with which applicant assessment scores can forecast successful performance on the job is the tool's most important characteristic, referred to as *predictive validity* (Schmidt & Hunter, 1998).⁴ Selection errors have financial and practical impacts on organizations. The consequences of even a single selection error can create problems for an entire work unit.

Effective applicant assessments are critical to identifying qualified candidates who are actually capable of effectively performing the duties of the position. Using the appropriate assessment will also reduce the degree of error in making hiring decisions. Well-developed assessment tools allow agencies to specifically target and reliably identify candidates who possess the competencies and skills they seek.

Previous efforts to improve hiring focused on making it easier for individuals to apply for Federal jobs and streamlining the hiring process. For example, OPM eliminated, at least up front, the Knowledge Skills and Abilities (KSA) narratives in 2010. Since this time agencies have largely not relied on highly-effective applicant self-rated occupational questionnaires as an assessment instrument. In the 2015 Hiring Manager Satisfaction Survey, nearly 20% of Federal hiring managers rated the questionnaire/rating tool used to assess candidates as "poor."⁵ Given the possible response distortion or applicant inflation when using self-rated occupational questionnaires, it is difficult to use this assessment tool solely to determine who can actually perform the duties of the position or, further, to make meaningful distinctions among candidates.⁶

Consequently, it is important to reassess process and outcome metrics to determine their effectiveness. No matter what type of assessment is used, agencies are encouraged to take the critical first step of reexamining available assessment techniques and methods, and identifying the best tools in the toolkit to assess applicants to make meaningful distinctions and determine highly qualified talent. Agencies should refer to the Assessment Decision Guide <https://www.opm.gov/policy-data-oversight/assessment-and-selection/reference-materials/assessmentdecisionguide.pdf>, which includes information on assessments, assessment methods, and assessment strategy design.

2. Subject Matter Expert Involvement

A common myth about assessments is that determining minimum qualifications and rating and ranking applicants can only be done by Human Resources (HR) staff. In fact, OPM guidance indicates that it is entirely appropriate – *and encouraged* – to use Subject Matter Experts (SME)

⁴ Schmidt, F. L., & Hunter, J. E. (1998). The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, 124, 262-274.

⁵ Chief Human Capital Officer Hiring Manager Satisfaction Survey (2015).

⁶ OPM's Delegated Examining Operations Handbook recommends combining an occupation questionnaire with another assessment tool; and discusses which assessment tool can be used to achieve the agency's hiring need. https://www.opm.gov/policy-data-oversight/hiring-information/competitive-hiring/deo_handbook.pdf (page 2-25).

outside of HR, with diverse backgrounds and relevant experiences, to work with HR to perform determinations of whether applicants are qualified. For example, SMEs can conduct structured interviews and determine the most highly qualified candidates, as long as these SMEs are not the selecting officials.⁷ SMEs may also work with HR to identify and document the competencies and proficiency levels required to perform the essential functions of a job – a process commonly known as job analysis. Agency Industrial/Organizational (I/O) Psychologists and/or HR Specialists with measurement expertise may use these job analyses to develop and validate assessments, including those like SME structured interviews. Using these assessment methods, SMEs and HR can partner to identify and refer only the applicants demonstrating the required competencies and proficiency levels, screening out the candidates who do not possess them.

Agency HR practitioners should collaborate with their HR policy office and hiring managers/supervisors to determine the appropriate types of positions and stages of the hiring process in which to involve SMEs.

Promising Practice **Subject Matter Expert Qualifications Assessment (SME-QA)**

In March 2019, the United States Digital Services (USDS) and OPM partnered to pilot a Technical Subject Matter Expert (SME) Hurdled Assessment process prior to the category ranking of applicants and placement on the selection certificate. The primary objective of this pilot was to enhance the quality of hires through a partnership between the agency hiring manager, human resources specialist, and SMEs using a documented multiple hurdle assessment process.

The first two agencies to participate in this pilot were the U.S. Department of Health and Human Services (DHHS) and the U.S. Department of the Interior (DOI). The SME Qualification Assessment used subject matter experts (SMEs), in partnership with HR specialists, to conduct resume review and structured interview assessments before determining an applicant was qualified and applying veterans' preference. This process was recommended for GS 12+ technical positions (not limited to IT) with at least five vacancies for the same role and where applicant volume may be limited to 100-200 applicants. OPM will be issuing further guidance on this process; however, agencies can implement this process in advance of that guidance and agencies are encouraged to work actively with OPM to implement this process.

Agency and OPM Actions, Tools, and Resources

1. Agency Call to Action:

- A. Assess efficacy of existing assessment methodologies.
- B. Revamp the hiring process by completing a job analysis to identify essential duties and competencies for inclusion in the job opportunity announcement. The job analysis should identify a job's tasks, responsibilities, and competencies and which of those competencies are required upon entry to the job.

⁷ Mythbusters: OPM's Myths vs. Facts with the Federal Hiring Process

- C. Reduce agency overreliance on self-rated occupational questionnaires by expanding assessment strategies and utilizing other effective assessment methods like structured interviews, knowledge tests, situational judgement tests, USA Hire Assessments, or writing samples.
- D. Involve SMEs who possess expert knowledge about the competencies and proficiency levels that are essential in successfully performing the job. Agencies should involve SMEs not only in conducting job analyses, but also in reviewing resumes and conducting structured interviews to screen out applicants not possessing the required qualifications.

2. OPM Actions to Improve Assessment Strategies

- A. Issue guidance on the effective use of the Subject Matter Expert Qualification Assessment (SME-QA) process for technical positions.
- B. When regulations have been promulgated and the mandate to use category rating has been eliminated, the 2017 National Defense Authorization Act can be implemented to provide greater flexibility in determining which qualified individuals are available for selection (based on numeric scores) rather than being restricted to the top 3 qualified candidates.
- C. Issue the *Guide to Better Occupational Questionnaires* to provide agencies additional information about methods for developing highly-effective occupational questionnaires for candidate self-assessment.
- D. Implement the Federal Supervisor Assessment (FSA) through USA Hire in FY20. The FSA is designed for Federal supervisory positions and measures seven competencies critical to supervisory success: Accountability, Customer Service, Decisiveness, Flexibility, Interpersonal Skills, Problem Solving, and Resilience.
- E. Update OPM's staffing "mythbusters" document to incorporate new myths related to promising practices in assessment.
- F. Update the Assessment Decision Tool to provide hiring managers, HR Specialists, and I/O Psychologists with assessment options for identifying needed competencies and to develop assessment strategies for their specific hiring situations (e.g., volume of applicants, level of available resources).

3. OPM Tools and Resources

The following resources are available on the OPM website to support agencies in improving assessment strategies:

- A. Assessment and Selection: <https://www.opm.gov/policy-data-oversight/assessment-and-selection/>
- B. Assessment Decision Guide: <https://www.opm.gov/policy-data-oversight/assessment-and-selection/reference-materials/assessmentdecisionguide.pdf>
- C. Guide to Better Occupational Questionnaires webinar/slide presentation: <https://opmes.adobeconnect.com/p57mrxivxw2l/>
- D. USA Hire: <https://www.opm.gov/services-for-agencies/assessment-evaluation/usa-hire/>
- E. Hiring Mythbusters: <https://www.opm.gov/policy-data-oversight/hiring-information/hiring-excellence/tools-resources/hiring-excellence-mythbusters.pdf>

We encourage agencies to utilize effective assessments to identify highly skilled talent to support the 21st century workforce and advance agency missions. If there are any questions about the strategies detailed above, please contact Kimberly Holden at (202) 606-8097 or kimberly.holden@opm.gov or Assessment_Information@opm.gov.

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, and HR Directors