



Competencies for Early-Career HR Professionals
Session #2: Situational Judgment Test (SJT)

Directions:

1. Individually review the scenarios and potential approaches provided.
2. For each approach, list a few of the pros and cons that you see with this approach.
3. Next, circle the best answer that you believe would be your response to the scenario. Unlike a multiple choice test, there is no right answer. Just use your best judgment.
4. For each answer you circle, provide a short rationale for why you chose that answer.
5. Once you have selected your responses to all of the scenarios, begin discussing them in your small groups. See if you can reach consensus on the best answers, and be prepared to explain to the class why you believe the answer you chose is the best course of action.

Scenario A: Lisa is the designated employee relations manager for Retail Banking at Community Bank, Inc. The bank has about 12,000 employees and has a geographic footprint that covers the Washington, D.C., area (including Northern Virginia, all of Maryland and parts of Delaware.) The bank has been actively involved in restructuring to gain efficiencies between departments that do similar work, including combining the finance departments at the Virginia and rural Delaware banks. Lisa has been asked to gather an HR team that can provide training and other HR services to the employees of the two merged departments. She has heard through informal channels that the employees at the Delaware bank branch were furious about the decision to combine their group with the Virginia group and to revise the reporting structure, duties, roles and responsibilities of everyone’s position. Lisa has always enjoyed a favorable relationship with the Virginia-based executive vice president (EVP) of retail banking, but he expects her to implement his ideas without much discussion. Now she is concerned that the approach they are taking for acclimating the employees of the newly combined departments may backfire. What should she do next?

Approaches	Pros	Cons
A. Schedule a meeting to sit down with the EVP and explain her concerns (in a respectful and constructive fashion).		
B. Begin gathering detailed information about the Delaware department so that she can demonstrate to the EVP why the approach may be flawed.		
C. Follow the approach that the EVP is asking for (to preserve the relationship), but look for opportunities to tweak the approach to overcome some of the potential obstacles.		
D. Implement the approach exactly as requested to do so, but quickly measure success and report back to the EVP.		

Scenario A

My rationale for the approach I chose:

Group's final decision and rationale on the approach it chose:

Scenario B: Creativity Consulting, Inc. is a large, global consulting firm that helps clients improve their handling of human capital. The company has been publicly traded for five years and has experienced explosive growth. The stockholders are placing tremendous pressure on the organization to always exceed its projected financial targets. Although the company is doing well, recently it has missed several key revenue and profit targets, and the company's stock price has declined a bit. The executive leadership team realizes that it must meet its profit projections quickly, since growing overall revenue is a longer-term endeavor. To accomplish this, they have turned to Stephen, who is the senior vice president of HR, and asked him to come up with a plan to quickly reduce labor expenses. Because this is a consulting firm, the majority of the experiences are related to compensation and benefits. Stephen bases his plan on what he did for the last firm he worked for. He recommends the following actions:

1. Focus on keeping payroll expenses from rising more than 2 percent a year. Essentially all pay raises will be capped at 2 percent. Even when an employee is promoted, there is still pressure to keep the pay raise to around 2 percent. If there is any chance of a larger raise, a manager must make a strong case that that he or she is likely to lose a recently promoted employee should such a small increase be offered.
2. Reduce expenditures on professional development by 75 percent, and insist that employees use the free, online classes that are contained in the learning management system. Also require employees receiving tuition assistance to sign an agreement that they will reimburse the company if they leave within two years of completing any individual course.
3. Switch from a leave policy that includes vacation leave and sick leave to a paid-time-off (PTO) policy. Once combined, the total days available for leave will be substantially less than the combined vacation and sick leave of the past (depending on the employee's tenure with the company.)

Stephen's plan is immediately accepted by the executives, and he turns to you to implement these ideas. Because you are the head of compensation and benefits, you are expected to implement these changes within one quarter. There has been little discussion about how these changes might affect employee engagement, but you are concerned that there could be a detrimental effect. At one time Creativity Consulting was considered to be the premier place to spend your career. Although the more senior employees have been with the company for many years, you have already seen a problem retaining employees who have worked for the company less than five years.

Approaches	Pros	Cons
<p>A. Start a conversation with Stephen about the potential effects that these changes could have on employee engagement.</p>		
<p>B. Implement the changes quickly, but spend a lot of time managing the message. Be sure the employees understand that these changes were necessary to meet stockholders' expectations.</p>		
<p>C. Create a communication campaign that demonstrates how these reductions in compensation and benefits are in line with industry best practices.</p>		
<p>D. Run some employee focus groups to attain initial reactions to the changes. Create strategies for appropriately handling some of the most likely issues raised during these focus groups.</p>		
<p>E. Be professional in your public face around these changes, but be open and honest with your clients about your concerns.</p>		

Scenario B

My rationale for the approach I chose:

Group's final decision and rationale on the approach it chose:

Scenario C: The Association for Kite Builders (AKB) is experiencing a rapid decline in membership. It is clear to the leadership that the organization will not be able to make the entire payroll for much longer. The leaders have debated between layoffs, reductions in pay, furloughs, voluntary separations and selling off association assets. During these discussions, the leadership team has begun to experience considerable conflict. The CEO announces that whatever cuts the executives ask the employees to take, he will require the leadership team to take double (i.e., if they furlough everyone for two days, the executives must take four). The leadership team felt broadsided by this announcement. When things turned nasty during a meeting, the CEO engaged you as the head of HR. He wants you to help him make the team members respect each other, and to use their problem-solving skills to reach a consensus decision. Your relationship with each of the five executives varies. The CEO and the head of marketing are strong allies of yours. You have a cordial relationship with the head of public policy and education. However, you have had numerous run-ins with the head of member relations because you do not believe she follows HR policies when they fail to suit her needs.

Approaches	Pros	Cons
<p>A. Engage an outside facilitator to use team-building techniques that will help the group reach consensus.</p>		
<p>B. Interview each executive and ask his or her independent view of the proposed options. Then prepare a presentation that helps the executives focus on their areas of agreement.</p>		
<p>C. Sit down with the CEO and devise a set of ground rules that all executives are required to follow during these meetings.</p>		
<p>D. Begin to facilitate the meetings yourself. Use facilitation techniques that allow each executive to be heard, but then have them vote on the best ideas that they want to implement.</p>		

Scenario C

My rationale for the approach I chose:

Group's final decision and rationale on the approach it chose: