Assessments Provide a Foundation for Decision-Making

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> ## Sometimes, we just don't know enough about what we are trying to achieve.
>
> **– Stuart Wilde, Author & Lecturer**

Overview

Assessments provide a missing ingredient in the caliber, positioning, and attitudes of an organization's employees. Workplace assessments also help organizations identify the strengths and weaknesses that a workforce needs to be aware of to effectively carry out the organization's mission. Through an active assessment program, organizational decision makers can receive a steady stream of information to inform timely decisions and react quickly in a fast-paced environment.

In order to be actionable, workforce assessments must provide decision makers with the type of information they require. In the past, organizations have not always taken a systematic, coordinated approach to identifying what employees needed to know or do in order to carry out their jobs. In today's environment of critical skill shortages and baby boomer retirements, a definite need exists to plan for, measure, and react to information on workforce capabilities.

Strategic Assessments

Assessments provide a wide range of information that management can use to formulate and carry out the organization's strategy and mission. For example, Individual Competency Assessments can be used to make hiring or selection decisions, as well as inform growth and development of employees already on the job. Decision makers need to know
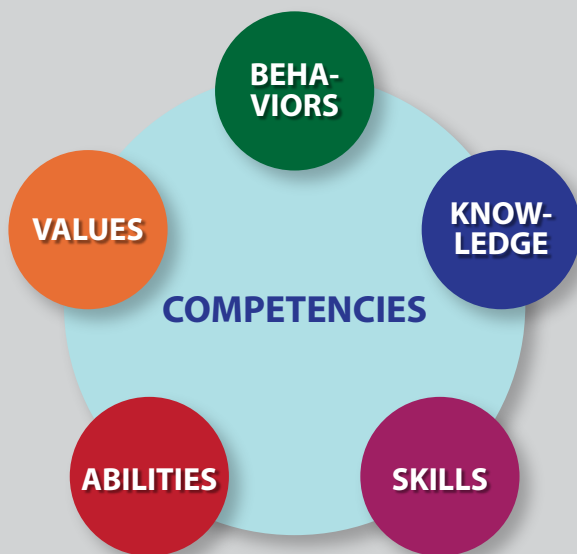
What Are Competencies?

Competencies provide a holistic perspective of employee performance, including knowledge, skills, abilities, behaviors, and values. These areas are often confused for one another, but each distinct component is important to gauge in order to get the most accurate picture of an individual.

Knowledge is the retrievable set of facts, concepts, language, and procedures needed for a job, while skill is the acquired talent needed to perform tasks in a job. Abilities represent innate aptitudes that individuals are able to carry out, while behavior is an outward expression, and constitutes the actions or reactions of a person in response to stimuli. Finally, values inform a person's behavior and can be described as a person's key beliefs.

Figure 1: Components of Competency

what competencies are required in their organization, and whether they are universal or job-specific. Furthermore, knowing where knowledge resides in the organizations allows leaders to shift it when needed in other parts of the organization.

Organizational Maturity Assessments can yield important findings on the effectiveness of an organization's capabilities, practices, and processes. Organizational capabilities provide the necessary structure for employees to apply newly learned competencies. By assessing the maturity of its practices, an organization can determine how well it positions employees to carry out their jobs.

Yet another source of data is Organizational Environment Assessments.   Information on the organization's culture, as well as employee satisfaction and attitudes, is typically gathered through surveys. These surveys represent a key metric for gauging the needs and wants of an organization's human capital and diagnosing exactly where morale is strong or weak.

These three assessments can inform a wide range of employee-related decisions, including:

- **Recruitment:** Where can we find job candidates who have the competencies we need?

- **Hiring:** Which job candidates have the competencies we need to execute our strategy?

- **Employee development:** Do our current employees have the needed competencies? If not, which competencies do we need to address?

- **Performance management:** How do we know when employees are developing and using the desired competencies in their positions?

- **Promotions:** Who has the skills and competencies necessary to move up? How do we ensure that employees have the opportunity to develop their competencies? How do we provide them with a roadmap for advancement?

- **Succession planning:** What competencies could we lose as a result of turnover and retirements? How can we identify employees who might be viable candidates for job openings?

These assessments also can inform many organizational-related decisions, such as:

- **Strategy development:** What are our competitive advantages? How is our organization's workforce unique?

- **Organizational capability building:** What capabilities do we have in place? What capabilities do we want to invest in and build in order to improve organizational maturity and efficiency?

- **Knowledge management:** Where in the organization do our competencies and capabilities exist? How can we facilitate knowledge transfer among employees? What steps can we take to reduce or better manage turnover?

- **Organizational change:** What barriers to change exist? How do we address these barriers and facilitate the changes needed to carry out our mission?

Individual Competency Assessment

An individual competency assessment provides information about employees' competencies, informing decisions made by employees, supervisors, unit/team managers, human resources managers, and top management.

Competency assessments provide valuable information to employees, helping them to set career goals and identify areas where they need to improve. In addition, an increased awareness of their strengths can motivate employees and better position them to build on those strengths. Competency assessments can not only lead to advancement opportunities, but also allow employees to track their progress over time by periodically re-assessing their competencies.

Supervisors use competency frameworks to decide what skills are required in a given job and to select job candidates. By providing a snapshot of an individual's strengths, as well as areas where improvement is needed, assessments can help supervisors assist employees in preparing an employee development plan and identifying growth opportunities,

such as choosing training courses or assigning a mentor.

At the team or work unit level, competency assessments can be used to pinpoint expertise or knowledge "holes" that exist. Armed with a better understanding of a team's competencies, managers can make educated decisions on the assignment of members to teams, including choosing a team lead whose competency profile best fits a new project or upcoming work. A coordinated approach to building competencies across teams ensures greater consistency in competencies across work units and thus the ability to execute the strategy. Team or unit competencies can also be improved and disseminated through job rotation, developmental work assignments, and training courses.

Individual competency assessments are crucial tools for HR managers faced with recruiting viable candidates, assisting supervisors in selecting the most qualified candidates, and managing on-the-job performance. HR (as well as supervisors) is not always aware of where talent exists in the current organization. Assessments can be used to identify employees who have valuable competencies that they are not using on their current job but that could be used elsewhere in the organization.

HR managers can also take a proactive approach to succession planning by utilizing competency assessments. By combining time-to-retirement metrics with competency information, HR managers can act quickly to transfer these competencies to other employees. In addition, steps can be taken to retain employees who possess mission-critical competencies, through retention programs or other innovative knowledge management efforts, such as job sharing, part-time work arrangements, and organizational alumni activities.

Managers must think broadly by first identifying the competencies required to carry out the organization's strategy. Often, two types of competencies are examined in an assessment—the competencies currently required and the competencies that are expected to be needed in the future. Once the required competencies are identified, this information can flow downward through the organiza-

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tion to inform HR and supervisor planning and decision-making. As the organization changes and grows, competency assessments can help top management track its progress and make necessary course corrections to ensure the strategy is well executed.

Organizational Maturity Assessment

Organizational maturity assessments are distinctly different from individual competency assessments. An organizational maturity assessment examines the organization's capabilities, rather than individuals' competencies. An organization maturity assessment provides important data given that an organization may have a very talented workforce but poor practices in place to support that workforce.

Maturity models are based on a structured set of best practices. When an organization applies those practices in a standard and consistent way, a sustainable organizational capability exists. Maturity assessments examine, for a given function or role, the processes and practices that link organizational capabilities.

Maturity assessments provide a better understanding of the organization's existing capabilities. Through the maturity assessment, a baseline for tracking improvements over time is established, with the focus on organizational growth and development. Maturity assessments also provide key information to top management on progress toward building the capability needed to execute the organizational strategy.

Organizational maturity assessments also can aid in prioritizing investment in new capabilities, allowing the organization to reach higher maturity levels and thus higher performance. The organizational maturity assessment aligns the strategy with organizational processes, tools, and techniques.

Maturity assessments set the stage for organizational change and improvement by facilitating the identification and sharing of best practices. The

act of administering the assessment tells employees to expect upcoming changes and provides a framework for them to understand organizational improvement efforts.

Organizational Environment Assessments

Organizational environment assessments examine the organization's culture as well as employees' attitudes. These are important considerations when undertaking the changes needed to improve strategy execution. For example, before redesigning a business process in a given business unit, employee concerns about job security or lack of support from other organizational units may need to be addressed. Similarly, employees may be reticent to develop their competencies if group norms do not encourage such actions.

Sensitive areas can be measured through organizational environment surveys, such as organizational politics, the fairness of promotion practices, leadership competence, and adherence to organizational values and codes. Employee engagement can be improved by allowing employees to have a voice in the direction of the organization, airing grievances or constructive criticism, and seeing their opinions translate into change.

Organizational culture assessments often rely on surveys, as well as interviews and focus groups, to identify informal organizational norms and expectations. Champions of change in an organization require a thorough understanding of culture in order to identify potential barriers or obstacles for implementing changes. Similarly, employee attitudes, as well as job satisfaction and engagement, factor into employee motivation and therefore job performance.

Figure 2 denotes key features of the above-mentioned assessments, including their typical length, format, and results process.

Figure 2: Features of Assessments

	Individual Competency Assessment	Organizational Maturity Assessment	Organizational Environment Assessment
Typical Format	• Survey format, ranging from five to 15 items, completed in a few minutes • 3-4 week assessment process • Competencies are accepted as industry standards • Employee receives results immediately (with web-based survey) • Group/team report may be provided	• Survey format, 100+ items • Based on accepted best practices • 3-5 week assessment process, if survey is validated • Organization-level results reported to management as part of larger change effort	• Survey format, ranging from ten to 75 items, completed in five to 30 minutes • 2-4 week assessment process • All employees complete survey • Senior management receives results first, and decides how to cascade information to managers and employees
Results Reported	• "Self" and supervisor ratings of the employee's strengths and weaknesses • Employee may also be compared to an expert rating or standard • Group/team strengths and weaknesses • Inventory of organization competencies	• Overall maturity level rating • Maturity level rating for specific organizational processes • Prioritized identification of best practices to put in place next	• Ratings on a scale provide strengths and weaknesses in overall organizational culture • Group/team strengths and weaknesses noted • Organizational ratings may be compared to an external or industry benchmark

Potential Benefits of Assessments

Many organizations experience dramatic improvement as a result of using the right assessment. The benefits of using assessments include the following:

+ Provides a baseline against which to gauge progress in mission-centric areas

+ Helps prioritize key actions to be taken

+ Enhances individual and organizational performance as strategically-targeted capabilities are put into place

+ Empowers projects, teams, and divisions by giving them a foundation on which to base their decision-making

  + Harnesses the power of employee involvement, leading to increased trust and morale

  + Supports continuous improvement, fostering a culture of organizational excellence

Cautions

Assessments, like any tool or technique, should be used with care if they are to achieve the desired results. Several cautions are noted below.

+ Assessments will not directly provide answers. Instead, they will provide information that can be used to make informed decisions. If the right information is not collected, then the assessment will have little impact. For example, if an individual assessment fails to inquire about competencies needed to carry out the strategy, then the organization will not have the information it needs to determine whether its employees possess those competencies.

+ The assessment must be sound and defensible from a scientific and legal standpoint. If assessment results are used to make employment decisions such as selecting job candidates, then the assessment's reliability and validity for the purpose at hand should be demonstrated.

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- The assessment will have little value if the organization is not committed to acting on the results. A commitment to change must exist in the organization. An assessment should be used to identify areas where change is needed and to facilitate action.

An assessment should never be seen as an end unto itself. Instead, assessments are a disciplined process for continually identifying what information needs to be collected and then using the information to inform key decisions. By providing crucial information on the organization's workforce, assessment results can be used to help an organization become more effective.

How We Can Help

Workplace assessments need to provide meaningful information that is precise and actionable. Assessment services should enhance your management capability by maximizing your ability to identify and enhance human capital.

Management Concepts' assessment process was developed to accomplish both of these goals—provide relevant, action-oriented recommendations and advance the capability of your organization. We have extensive experience in helping organizations improve.

Our assessment process incorporates a continual improvement cycle that contains the following components:

- Data-driven, proven methodologies to collect accurate data

- Analysis and results interpretation

- Specific and actionable findings that are developed collaboratively

- Prioritized solutions to advance your organization and its employees

This assessment process continues as new data are collected to further guide your decisions.

Assessments play a key role in informing decisions and helping your organization and employees reach their fullest potential. To paraphrase Stuart Wilde, we often lack the information we need to make a good decision. Assessments help solve this problem by providing information on the organization's most valuable resources, and this information is essential for advancing the performance of the organization.

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Publications

Sources for additional information on assessments include the following.

Hass, K.B. & Lindbergh, L. (2007). *Organizational Maturity Assessment: An OMM-based Appraisal of Project Management Practices.* Vienna, VA: Management Concepts.

Kirkpatrick, S.A. & Rezvani, S. (2007). *Making Sense of Assessment: A Comparison of Assessment Types.* Vienna, VA: Management Concepts.

Boudreau, J.W. & Ramstad, P.M. (2007). *Beyond HR: The New Science of Human Capital.* Boston, MA: Harvard Business School Press.

Ireland, R.D. & Hitt, M.A. (2005). *Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership.* Academy of Management Executive, 19(4), 63-77.

Professional Services

Management Concepts offers professional consulting services to assist organizations in improving individual competencies as well as the maturity of their practices (with a focus on project management and business analysis), including:

- Individual Competency Assessments for Project Management and Business Analysis

- Organizational Maturity Assessment for Project Management, Business Analysis, and Internal Controls

- Customized and off-the-shelf (third party) organizational environment assessments and surveys

Education and Training

Management Concepts courses and seminars related to organizational maturity include the following:

- Executive Seminar – Organizational Maturity Assessments, the Roadmap to Project Profitability

- Mastering Organizational and People Issues on Projects

- Leading and Managing Change

- Program Evaluation for Improved Decision Making

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