

An Introduction to Competency Assessments

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We are always more anxious to be distinguished for a talent which we do not possess, than to be praised for the fifteen which we do possess.

– Mark Twain

Overview

Competency assessments first gained popularity as a human capital management tool in the early 1970s. Rooted in the motivation research and work of Dr. David McClelland, competency assessments allow an organization to gather the professional and personal characteristics most needed in a given job role.

In its simplest form, a competency assessment is an information system for the organization's human capital. Understanding competency levels facilitates effective decision-making, communication, and cooperation by providing a common terminology and approach to work that applies across organizational units. Competency assessments also provide information on strengths and challenges across a wide range of human capital practices, including:

- Recruitment
- Screening and selection
- Performance management
- Employee growth and development
- Succession planning and turnover management
- Organizational change and culture management

Competency assessments are often created out of competency models, which outline the requirements for effective performance on a job or range of jobs. Once these success factors are understood, an organization has a consistent model against which its employees can be assessed.



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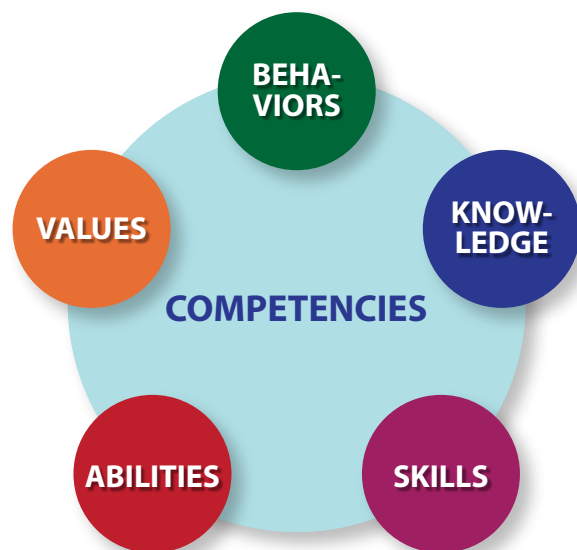
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Given the wide range of activities that competency models inform, it is vital that these tools are designed to integrate organizational culture, mission, and strategy, to differentiate the characteristics of superior job performance from those that are just “average.”

Competency assessments deliver powerful information by taking a holistic approach to employees’ performance, including knowledge, skills, abilities, behaviors, and values (see Figure 1 – Components of Competency). These areas are often confused with one another, but each distinct component is important to gauge in order to get the most complete 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 (Brannick, Levine, & Morgeson). **Abilities** represent innate aptitudes that individuals are able to carry out, while behavior is exhibited in 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



How Competency Assessments Work

Competency assessments usually involve four sequential steps: Planning, Orientation, Administration, and Findings & Conclusion (see Figure 2 – Competency Assessment Process). Note that these steps can vary by organization and situational need. For example, organizations that conduct annual competency assessments do not typically need to orient their employee population to the same degree as an organization that is measuring competency for the first time. Similarly, organizations that build customized competency assessments from scratch require a larger time investment than those that purchase “off the shelf” competencies from a vendor.

Planning

Competency assessments require considerable planning. Make no mistake that this step is the most crucial and time-consuming of the four phases. However, careful planning can give your organization targeted, resonant information with which you can take immediate action. The Planning phase can integrate all or parts of the steps presented below.

Once a job role/family has been identified to be assessed, an assessment manager, or “assessor” is charged with sponsoring and managing the logistics of the entire competency project. The assessor does not need to have deep knowledge of the domain being evaluated. Often a business unit or team leader will help the assessor identify top performers in the given role so that the assessor can learn what superior performance looks like for that position.

Job analysis interviews or focus groups can then be conducted with high performing individuals. The assessor asks questions that attempt to identify what competencies are most vital to the job. Sample questions include:

- What is the single biggest responsibility you have?

Figure 2: Competency Assessment Process



- What tasks are most critical in carrying out your role?
- What kinds of outcomes demonstrate that a person is doing the listed tasks well?
- What technical skills are unique to this job?
- Do you foresee industry trends requiring more or less of these skills in the near future?

Some assessors prefer to supplement job analysis interviews or focus groups with naturalistic observation. Observing a top performer go about their workday can help an assessor learn about the top performer's skills without any self-editing.

An assessor should also gather existing standards from industry bodies of knowledge that apply to the job role being assessed. For example, if an organization wants to assess the competency of their accountants, they might consult existing literature written by the American Institute of Certified Public Accountants (AICPA). These existing standards are not only important to consult from an informational perspective; they may also help create a model that aligns with employees' existing certifications from associations. In the case of the AICPA, they not only have job standards but are also the body that handles certifying all Certified Public Accountants.

Similarly, an assessor should consult with industry subject matter experts. Those that present at industry associations or author publications on job specific issues might be particularly helpful, especially for their understanding of the larger industry environment. Subject matter experts have their "ear to the ground" when it comes to trends affecting specific jobs.

After this phase of discovery concludes, the assessor is ready to document all competencies gathered and organize them into a competency model. These models are usually built within a framework of five levels of increasing competency. These five levels depict gradations of

effectiveness, for example, where Level 1 represents novice performance and Level 5 represents excellent performance. A rating map is usually created next, laying out the expected levels of an individual in a junior, journeyman or senior level position.

Once the five levels of competence are delineated for each task within a role, a survey can easily be created turning the model into survey questions. The survey should lay out each competency and describe performance at each level. Individuals that take the survey then understand what each level means and can make an informed selection of where they fall.

At this point, an assessor is ready to test the survey and competency framework with a pilot group. It is advisable to pilot test the survey before rolling it out to an entire division or team. Piloting the assessment ensures that the assessor has done a sufficient job of:

- Integrating organizational strategy, mission, and culture
- Ensuring clarity in the assessment content
- Verifying that the assessment content is pitched at the appropriate levels
- Creating a clear process that employees understand

Feedback from testing the competency assessment can then be integrated back into the assessment and model to make them stronger.

Orientation

Like any new human capital initiative, assessors should take the time to orient employees to the competency assessment process and rationale. The assessor should be able to explain why the competency assessment is important at organizational, group, and individual levels.

An assessor would begin by inviting all interested competency participants to an orientation meeting. Positioning the session and any subse-

quent communications as positive, not punitive, and as a learning and development experience is key. The assessor should clearly explain the competency measures and assessment methods that will be used while putting the participants at ease. Finally, an assessor should be sure to seek feedback from participants and openly answer questions or field concerns.

Administration

A competency assessment is typically administered to teams or individuals via an online survey instrument. The survey can range from a relatively short assessment of five to fifteen survey items about a specific aspect of the job, to a longer assessment that includes 100 or more items designed to yield detailed results about a broad range of job-related factors. The length of the assessment impacts the time it takes to fill out, though most take 20–45 minutes to complete.

In some cases, an employee is the only person assessing their competencies. This approach tends to engender less fear in employees since they are the only individual evaluating their competencies. The limitation of this approach, however, is that an employee does not get input from those around them, against which they can compare their results.

In other cases, employees rate themselves and are also rated by a supervisor, co-worker, or an internal or external consultant. Raters should be selected using a uniform standard such as the length of time they've worked with the assessment participant, or other indicators of their ability to fairly evaluate the assessment participant. This process of "confirmation" means that all parties rating an individual are using the same survey instrument. A significant benefit of this approach, participants can see their individual responses compared to those of supervisors and/or co-workers, much like a 360 degree assessment process.

Findings and Conclusion

After employees have been thanked for their participation and advised of next steps, results can be tabulated. Individual reports are then created showing employees each competency assessed with their own ratings, others' ratings, and the rating of the model. Model ratings, as mentioned previously, are provided based on the individual's level of seniority in a role. For example, to be fair, a highly seasoned project manager would be assessed against model ratings for a senior project manager rather than a more junior level project manager position. Comments may also be included in the report to elaborating on the strengths and weaknesses that raters see in the participant.

Group results are aggregated and a high-level report and presentations are prepared and shared with management. Results can then be shared with individual employees in the form of a report. It is critical that the employee be guided through the report interpretation process rather than be left to decipher the report on their own. Furthermore, the assessor should set up interpretation sessions with each employee, fostering a non-judgmental, openly supportive environment.

Once a competency assessment has been administered, maintaining its relevance to the business is important. A competency assessment is ultimately a living tool. The assessor should make a point of building periodic updates into the competency model process by interviewing staff or researching changes to the industry.

Advantages for Management

Managers can realize many benefits from competency models, ranging from those that are team-based, individualistic, or enterprise-wide. First, assessment results can be used to plan across the entire organization. Informed decisions can be made about where to invest staffing, training, and development dollars.

Rather than assuming that all employees need training (or the same training), management can make well-informed decisions to address competency gaps. They can decide what training and developmental opportunities are needed for specific employees, jobs, or groups or teams.

Second, the distribution of competencies across the organization is important to consider when engaging in restructuring or when realigning human resources with business strategy and goals. Third, the individual competency assessment identifies where experts exist, allowing the organization to act with speed and agility. Employee mentoring also can be facilitated by knowing exactly where experts are located in the organization.

Competency assessments set the stage for change. The act of administering the assessment tells employees to expect upcoming changes and provides a framework for them to understand organizational improvement efforts. Top management also can use the framework to track progress.

Thus, competency assessments are a useful tool that supervisors can use to give their direct reports clear feedback in order to develop. Assessment results can be used to form new teams, selecting team members on the basis of competencies rather than selecting them solely on the basis of staff availability or other criteria.

Advantages for Employees

The advantages of using competency models are numerous for employees. For one, they provide a baseline of an employee's collective knowledge, skills, abilities, behaviors, and values on the job. Beyond a basic recognition of skill levels, in some cases, strengths that emerge from competency assessments can be used to convey readiness for a promotion or justification for new, more challenging learning opportunities. For others, low ratings may evidence the need for on-the-job or formalized training, as well as one-on-one coaching.

Another benefit of participating in competency assessments is that dialogue with managers can increase. Rather than addressing development only during performance appraisals, competency assessments encourage ongoing conversations with management on performance levels.

Conclusion

Many organizations experience lasting change as a result of using the right competency assessment. In addition to providing a baseline against which to gauge employee growth and development, assessments help prioritize key actions to be taken around training. Furthermore, competency assessments enhance individual and team performance by involving and empowering projects, teams, and divisions. Competency assessments have been known to foster increased trust and employee morale among employees, supporting continuous improvement and building a culture of organizational excellence.

How We Can Help

Individual competency assessments provide a snapshot of employees' strengths and weaknesses. Having insight into these strengths and opportunities for improvement allows the informed selection of training courses and preparation of development plans.

Management Concepts' assessment process was developed to accomplish the goals of providing relevant, action-oriented recommendations and advancing the knowledge, skills, and people of your organization. We have extensive experience in helping organizations improve.

Our assessment process incorporates a continual improvement cycle including:

- 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
- Consultation to implement recommendations

The process continues as new data are collected to further guide your strategy and mission. Our experts work with you throughout the assessment process to develop an improvement plan that aligns with your individual and organizational performance goals. We believe in helping our clients to become self-sufficient so that they can ultimately design and carry out their own solutions.

Professional Services

Management Concepts offers professional consulting services to assist organizations in improving individual competencies (with a focus on project management and business analysis) including:

- *CompassPM™ Individual Competency Assessment for Project Management*
- *CompassBA™ Individual Competency Assessment for Business Analysis*

In addition to creating detailed inventories of individuals' knowledge and skill levels, we also provide consulting services focused on streamlining organizational change and development. In partnership with our clients, we develop roadmaps designed to help you achieve higher workforce performance.

We also leverage our expertise in building customized assessments that can be tailored to your specifications by integrating them with career tracks and the performance evaluation process in your organization. Management Concepts also has capabilities in administering third party surveys, such as the Myers-Briggs Type Indicator and DISC Personal Profile System.

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