How to Develop Competencies

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Contents

Preface

This eBook provides a practical guide to assessing and developing the competencies of your team members, a key management skill that adds value to the whole organization.

You will learn:

- Why developing competencies is as important as achieving goals
- How behaviors are used to define competencies at different levels within an organization
- The five key benefits of incorporating a competency framework into your performance appraisal procedures
- How to measure competencies in a way that is objective and evidence based
- How to integrate the six-step competency development cycle into the performance appraisal process

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Introduction

One of your key responsibilities as a manager is to make certain that your team members develop the competencies needed to maximize their productivity and their value to the organization.

Identifying the competencies that an individual already has and those that they need to develop is a skill that is often neglected. In many instances managers never receive any formal training in this area and are often left to read a personnel manual or base their behavior on their own appraisal experiences. Understanding how to assess an individual's competencies from the behaviors they exhibit is a key part of this eBook.

Competencies are distinct from goals. Goals are concerned with 'what' has been accomplished; competencies are concerned with 'how' it was accomplished.

Both of these factors are equally important since it would be possible for someone to achieve all of his or her performance goals whilst creating problems with customers, suppliers, and co-workers. In fact, focusing exclusively on the achievement of performance goals with no reference as to how they have been achieved can prove disastrous in the long term.

For example, if a sales person has achieved all of their sales targets by misleading customers about product functionality or delivery dates then this would impact on other people in the organization and may damage the reputation of the organization itself.

Similarly, a technical support team member might have a good record of resolving technical problems, but if they appear condescending towards customers then this will need to be dealt with before it causes damage to the organization's image.

It can be tempting to focus your attention on goal attainment and disregard the behavioral aspects of performance, because goals are generally much easier to define and measure than competencies. However, you need to take account of both goals and competencies if you want to improve your team's performance in a way that benefits the whole organization.

> **Key Points**
> - Competencies are distinct from goals. Goals are concerned with 'what' has been accomplished; competencies are concerned with 'how' it was accomplished.
> - Assessing an individual's competencies from the behaviors they exhibit is a key part of conducting a performance appraisal.

1   Competency Framework

Incorporating competency evaluation into your performance appraisals will ensure that each team member is exhibiting the values and beliefs of the organization in their day-to-day work.
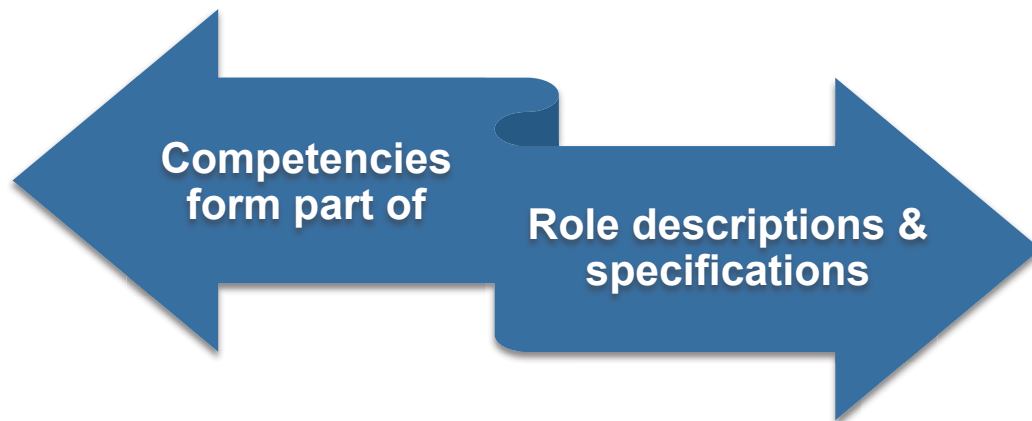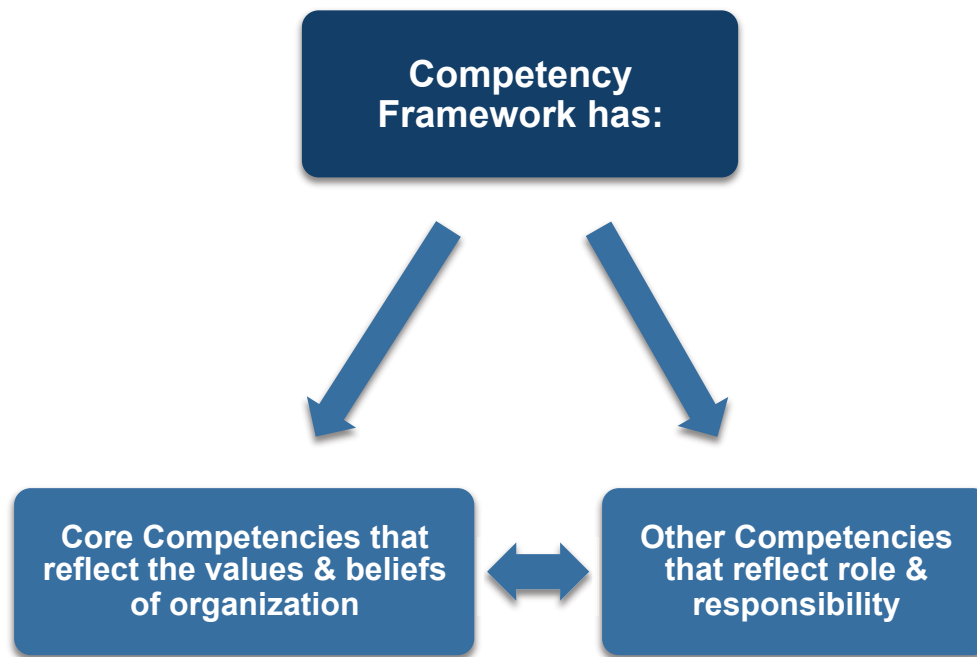

These competencies form part of the role description and you will need to familiarize yourself with how your organization defines them. You should be aware that there is no universally accepted definition for a competency. Most organizations will have their own particular definitions and you will need to study these as they are unlikely to be the same as those you have used elsewhere.

A competency can be characterized as:

> *A set of defined behaviors that provide a structured guide enabling the identification, evaluation, and development of the behaviors in individual employees.*

Most organizations have developed their own competency framework that details the competencies expected of someone operating at each particular level within it. Some of these are seen as 'core' competencies and are required by everyone within the organization, whereas others are relevant to particular roles or levels of responsibility. For example, competencies such as 'Strategic Thinking' may only be appropriate to a particular level or function.

Competency Framework has:

Core Competencies that reflect the values & beliefs of organization

Other Competencies that reflect role & responsibility

All of these competencies together with their associated behaviors form an organization's competency framework, which is made up of both functional and behavioral components.

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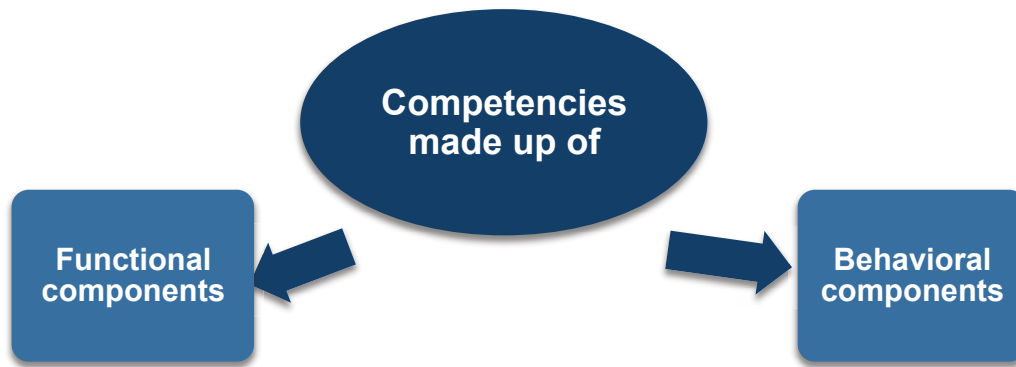
Functional components – are the technical things that are specific to the job. For example,

> *Telephone sales team leader must have a detailed knowledge of the telephony system so they can monitor their team in real-time and produce daily performance reports for each member.*

> *Project manager needs to have a comprehensive knowledge of the latest version of the 'Microsoft Project' project management software.*

Behavioral components – are the soft skills that make a person successful in their role and are more universal in nature across a wide range of roles. For example,

> *Both the telephone sales team leader and the project manager need to portray good communication skills when dealing with their teams and others.*

The importance placed on the functional and behavioral components of each competency will reflect the culture and values of the organization. Remember, competencies are the aggregate behaviors needed for an individual to perform their role and they relate to how people deliver objectives rather than to what the objectives are.

You should be able to identify a list of these in each of the job descriptions of your individual team members. For example,
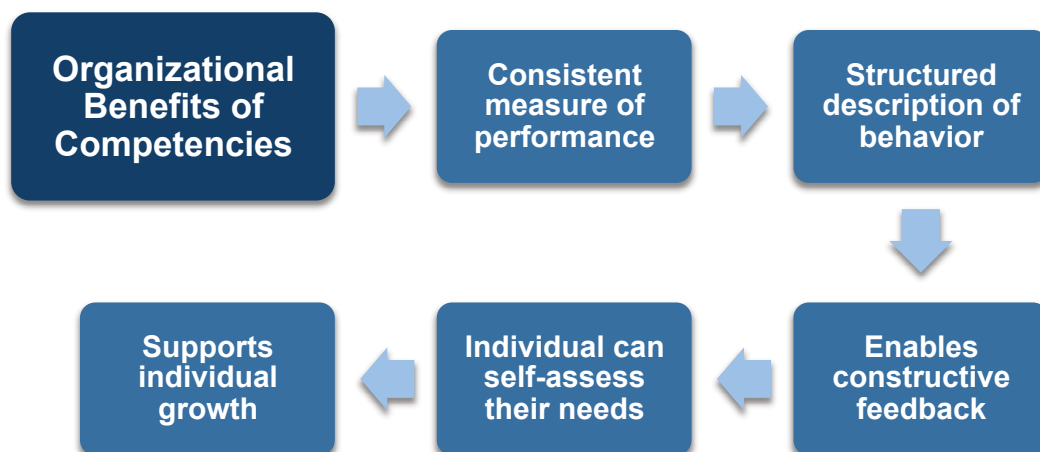
> *A sales person needs to display team-working competency so that orders are fulfilled as promised. They also need to be customer focused and consider the customer's long-term needs, so that the customer continues to return to the organization for future services, not just the initial purchase.*

Every organization has different priorities and each will have its own competency framework. However, a typical framework might look like this:

Typical Competency Framework
- Continual Improvement
- Customer Focused
- Decision Making
- Interpersonal Communications
- Leadership
- Mentoring & Coaching
- Planning & Organizing
- Strategic Thinking

For each of these competencies the organization's human resources department will hold a definition that is pertinent to each role level.

Organizational Benefits of Competencies → **Consistent measure of performance** → **Structured description of behavior** → **Enables constructive feedback** → **Individual can self-assess their needs** → **Supports individual growth**

There are several benefits of incorporating a competency framework into performance management procedures. Competencies provide an organization with:

- A consistent measure of performance, making it easier to be objective when assessing and monitoring it.
- A structured way of describing behavior – a common language for the organization.
- An effective tool to help managers give constructive feedback, since competencies provide examples of required behaviors.
- A self-assessment tool to help individuals identify development needs.
- A mechanism to support the growth of a development plan for an individual's current role and future potential.

It is through the use of competencies that organizations can ensure their employees are productive, effective, and develop to their full potential. Each competency provides a description of the behaviors needed to successfully perform a role at a certain level.

For example, consider the behaviors associated with being customer focused. A competency table at the supervisory level could look something like this:

CUSTOMER FOCUSED	Understand and identifying the needs of existing and potential customers. Ensure that the main focus and priority is on meeting customer needs.
Behaviors of Supervisory Roles	
1. Manages the implementation of customer feedback strategies. 2. Is responsible for keeping the customer informed and up-to-date on the service. 3. Strives to understand the real needs of the customer. 4. Helps to clarify and balance customer requirements with their expectations. 5. Responds to both internal and external customers within agreed timescales. 6. Provides input into developing customer service strategies. 7. Monitors service to ensure customer needs are being met and takes appropriate measures if necessary.	

As you can see, the required behaviors at this level are focused on the operational tasks that this role is responsible for. For example, a supervisor is required to monitor service levels to ensure that customer needs are being met and also to take appropriate measures if they are not. These appropriate measures would include things like making sure that there are always enough support staff available and that they have all received up-to-date training.

If you compare this with the same competency at management level, you can see that the behaviors are more proactive and analytical. For example, customer feedback is used to inform decisions about both current and future products and services.

CUSTOMER FOCUSED	Understand and identifying the needs of existing and potential customers. Ensure that the main focus and priority is on meeting customer needs.
Behaviors of Management Roles	
1. Is proactive in seeking feedback from customers, which is then actively used in decisions in all aspects of customer service. 2. Strives to gain an in-depth understanding of customer needs so that future recommendations can be made. 3. Where customers have concerns or specific needs agrees a timescale in which they will be dealt with effectively. 4. Has a clear understanding of customer expectations and aims to add value without causing cost implications to the organisation. 5. Deals with customer complaints effectively, understands why they happened and develops procedures to prevent it happening again. 6. Seeks to develop knowledge of marketplace so services can be improved.	

As you progress to the strategic roles you see further changes in the required behaviors that reflect the strategic responsibilities at this level.

CUSTOMER FOCUSED	Understand and identifying the needs of existing and potential customers. Ensure that the main focus and priority is on meeting customer needs.
Behaviors of Strategic Roles	
1. Owns the identification and development of strategies, so that the organization meets customer needs. 2. Bases decisions on a long-term view of customer satisfaction rather than 'quick fixes'. 3. Creates an in-depth understanding of customer needs, so that the customer receives what they 'need' rather than what 'best suits' the organization. 4. Educates others to think and feel as if they were the customer. 5. Searches for opportunities, within operational constraints, to add value for the customer.	

Examples of such behaviors include understanding the evolving customer needs, developing strategies to satisfy them, and looking for opportunities to add value to the customer experience.

It is competency tables like these that can help you to develop your own team members. For example, if you are planning to promote someone on your team to a supervisory role, then you could use the 'Supervisory Level' competency tables to guide you with their professional development.

There is a simple and practical method you can incorporate into the appraisal cycle that actively involves both you and the individual in their career development. This tool is known as the 'competency development cycle' and is described later in this eBook.
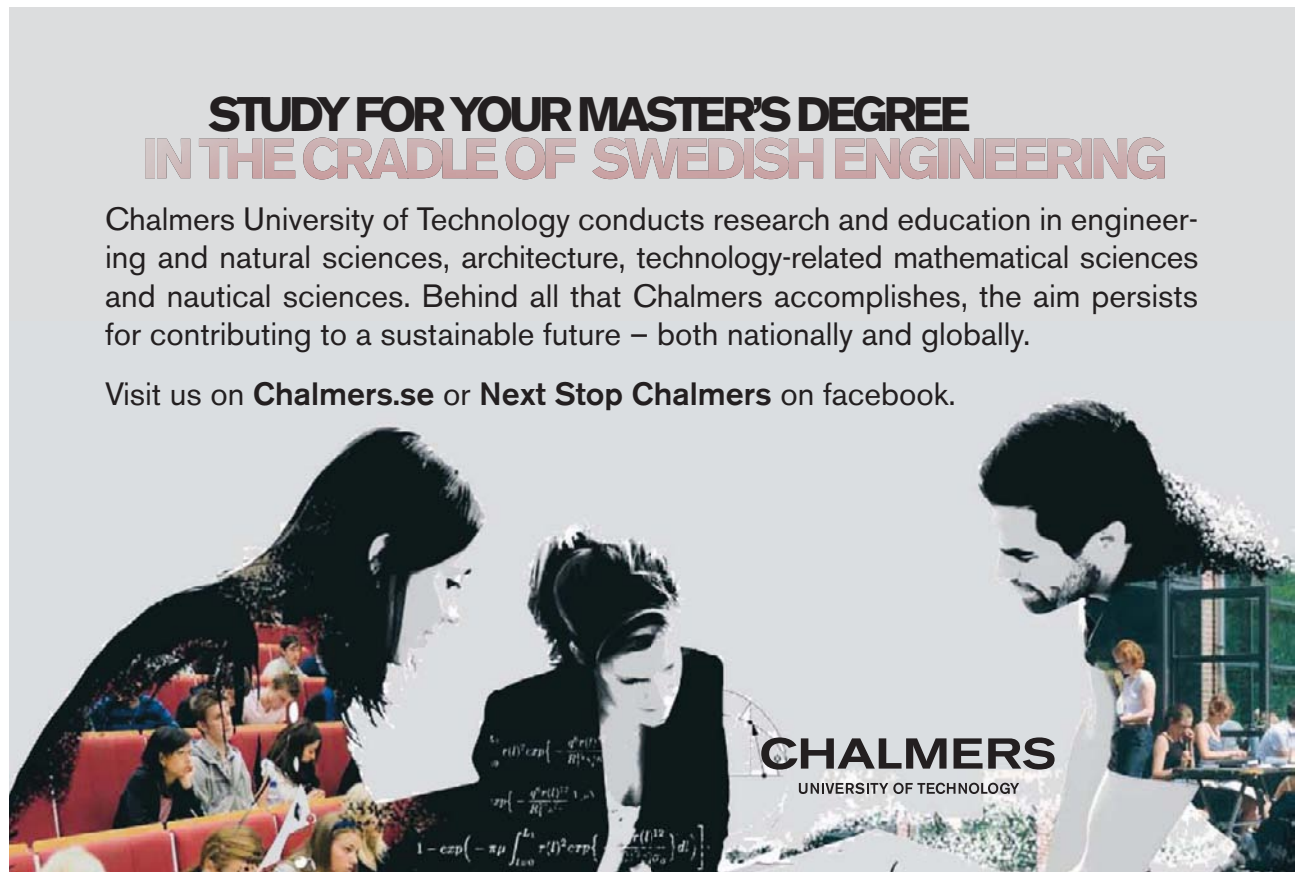

Key Points

- Competencies form part of the role description and you will need to familiarize yourself with how your organization defines them.
- Core competencies are required by everyone within the organization, whereas others are relevant to particular roles or levels of responsibility.
- An organization's competency framework is made up of both functional and behavioral components.
- Each competency provides a detailed description of the behaviors needed to successfully perform a role at a certain level.


2   Measuring Competencies

Measuring competencies is an essential part of assessing a team member's performance. You can use the role description or job specification to define the required competencies, but how do you actually measure them in a way that is objective and evidence based?

Fortunately, there is a straightforward way of measuring competencies that is fair and not too time consuming. The first step is to consider any competency in terms of the behaviors that define it. These behaviors can then be thought of in terms of KSAs, an acronym that stands for **Knowledge, Skills, and Attitudes**. This provides a way of breaking down behaviors into more easily measurable components.
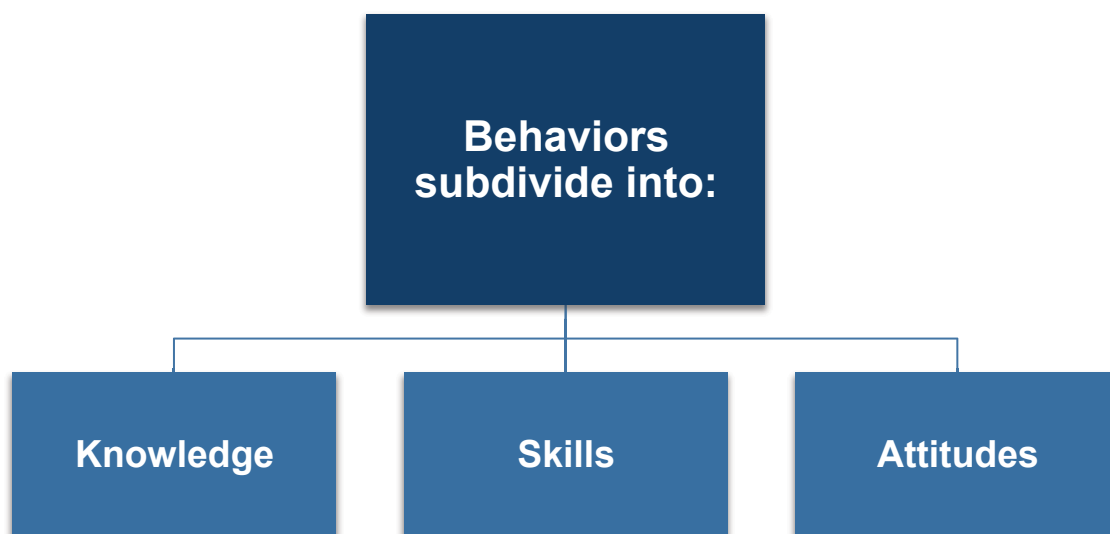
Over the years other definitions of KSA have appeared and whilst their overall meanings are very similar, there is no universally accepted definition. This is further complicated by the fact that specific industries have their own KSA definitions that reflect the nature of their work.

The definitions we have used within this eBook are easy to understand and use and will enable you to make a practical evaluation of a team member's behavior based on their:

> **KNOWLEDGE**
>> *How does the individual use the knowledge they have?*
>> *Is it appropriate to their role?*
>> *Does the person make use of more than one type of information – facts / ideas / principles?*

SKILL

What abilities does the individual have?

Are the learned experiences of the person relevant to the required role?

Can the individual exhibit such skills at the appropriate level?

ATTITUDE

Does the individual approach the task with the appropriate attitude?

As a manger you will be especially keen to monitor and observe what type of attitude a member displays in a whole range of activities. This includes how the individual interacts with others, and how their attitude is perceived.

For example, imagine that you are a manager of a technical support team. Each member of your team is responsible for fixing customers' problems with software that your organization has supplied. When dealing with an incoming call, you would expect each member to display the following KSAs:

- *Appropriate Knowledge* – this means that each member has the technical know-how to fix the problem.
- *Communication Skills* – each member has the ability to communicate with the customer in such a way that the latter will understand their problem and how it will be resolved.
- *A Positive Attitude* – every customer calling the support team will feel that their problem is being dealt with efficiently and with understanding, regardless of how trivial their problem may be, so that the customer is comfortable throughout the call.

All three of these behavioral elements are essential to providing a high level of customer support and your ability to measure them objectively is vital to making an accurate assessment of a team member as well as being able to help them to improve their performance.
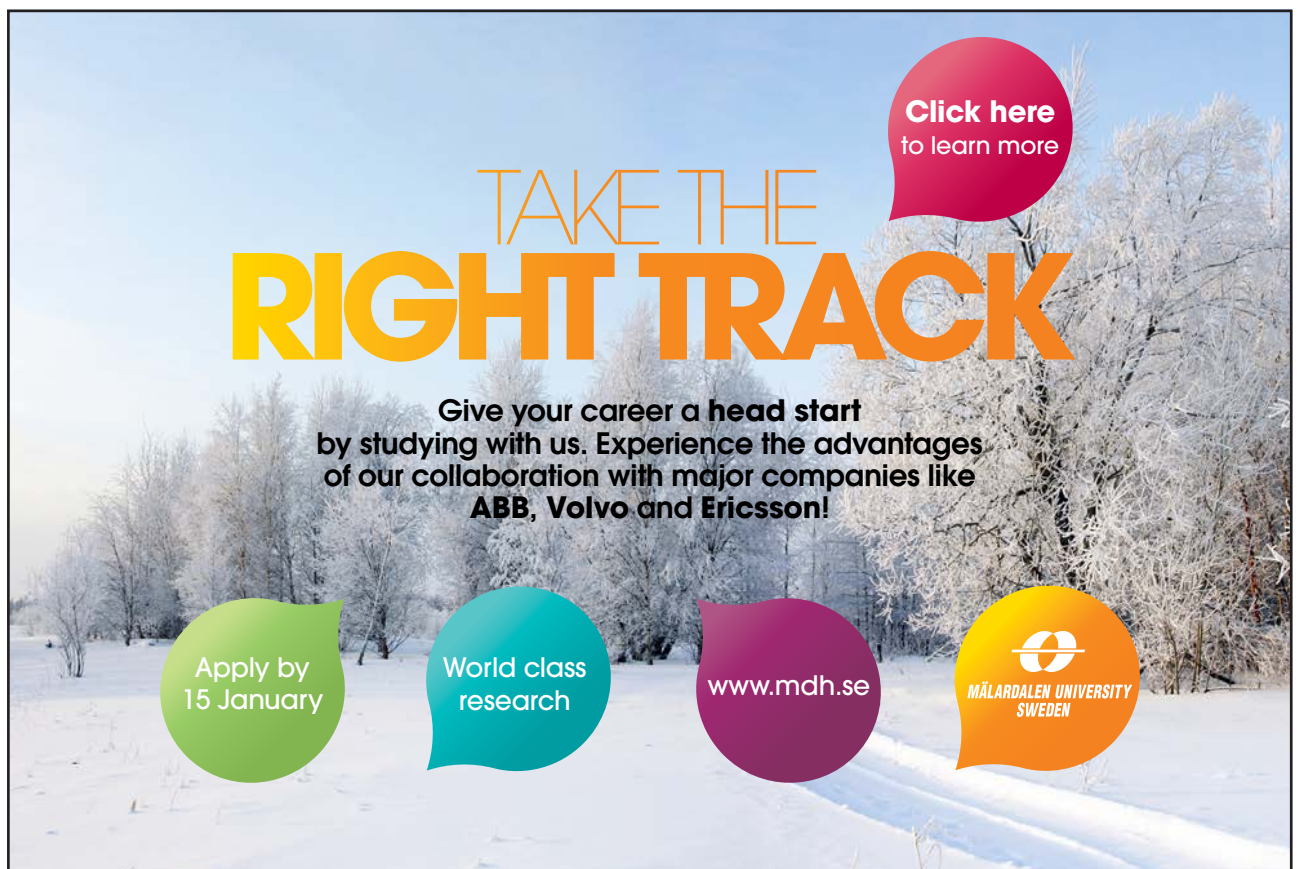
Knowledge	Skill	Attitude
• How is current level used? • Does it match that needed for role? • Is it gained from several sources?	• How able is the person? • How relevant are the learned experiences to the role? • Are the displayed skills at right level?	• What attitude is displayed during the task?

Remember that all three components – knowledge, skills, and attitude – are equally important. If a customer is dealt with respectfully and with enthusiasm they will be more tolerant of a support member who may not have the immediate answer but who takes the time to explain what can be done to help.

On the other hand, even if their query is resolved quickly the customer may feel aggrieved if someone who sounds bored, supercilious, or condescending deals with their call. The end result for the organization is that the customer will hesitate before buying or using further services and may even persuade others to find an alternative service or product.

Key Points

- KSAs represent a straightforward way of measuring competencies that is fair and evidence based.
- KSA is an acronym that stands for Knowledge, Skills, and Attitudes, and is a way of breaking down behaviors into more easily measurable components.

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3   Acquiring Performance Data on KSAs

There are two ways you can gather performance data on the KSAs of your team members. Firstly, by recording details of significant incidents that involve the individual; and secondly, by observing the behaviors they display as often as possible and in as many different settings as possible.
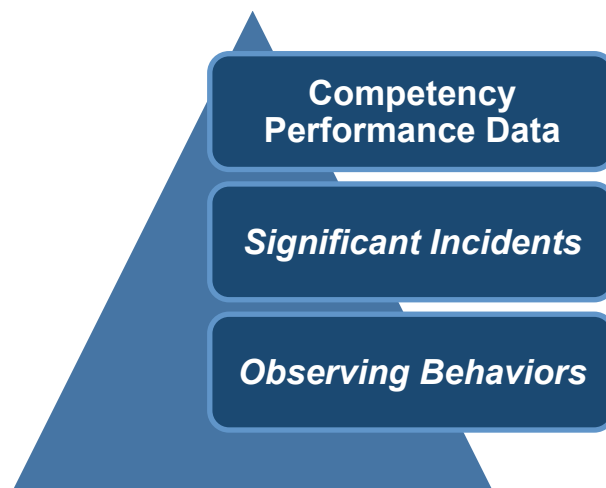
To understand how to gather all aspects of performance data for both goals and competencies you should read our eBook 'How to Evaluating Performance,' which you can read on bookboon.com Premium.

You should analyze the report data that each team member submits to you. This information, along with each person's SMART goals, enables you to have a defined expectation of what is required, what needs to be done, and what constitutes the successful completion of a task.

An incident becomes '*significant*' when a team member's performance deviates substantially from that specified in the role description or from your own expectations. These incidents can be positive or negative, and even though infrequent, they can provide you with evidence of how well the individual's behaviors match those expected in their role.
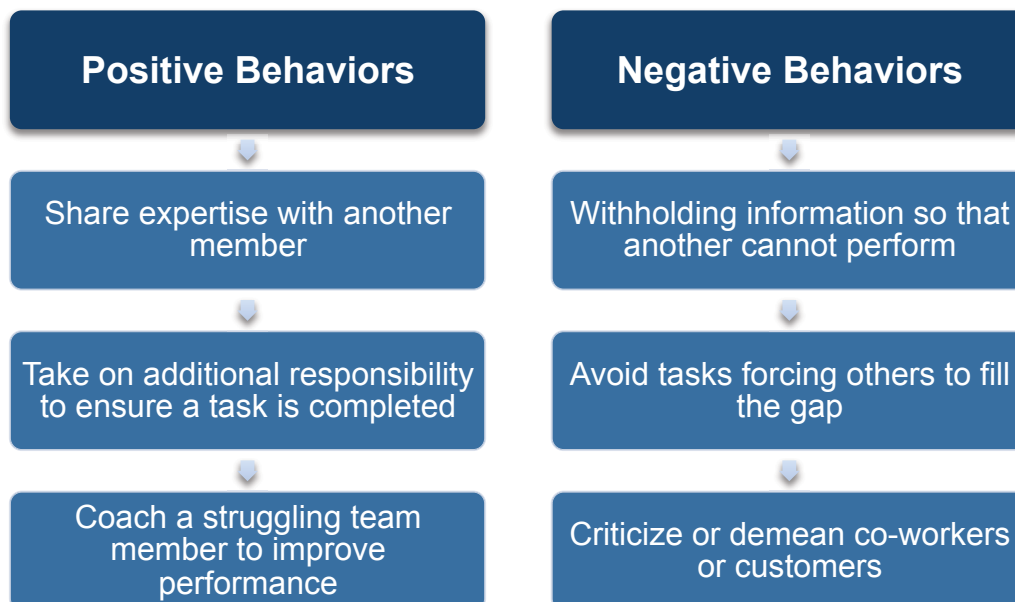
Positive Incidents

- **Win a client from a competitor**
- **Project finished on time & under budget**

Negative Incidents

- *A day's production is lost due to poor quality control*
- *Customer files complaint because of support team's unhelpful attitude*

Day-to-day observations can also provide a source of performance data and you should make it a regular habit to observe and note each team member's daily interactions with others as they perform their tasks. You can then use these notes to decide whether or not it meets expected performance levels.

Positive behaviors include things like a team member going out of their way to help another team member, or voluntarily taking on additional responsibility. Negative behaviors include things like an individual claiming credit for another's work or withholding information so that others cannot perform tasks properly.

Positive Behaviors

Share expertise with another member

Take on additional responsibility to ensure a task is completed

Coach a struggling team member to improve performance

Negative Behaviors

Withholding information so that another cannot perform

Avoid tasks forcing others to fill the gap

Criticize or demean co-workers or customers

The following example will help to illustrate how you would go about this process of gathering performance data. Imagine that you manage a sales team responsible for selling computer hardware support contracts. Each salesperson deals directly with senior levels of high-value corporate customers and is allowed a significant amount of autonomy in these dealings.

You are walking through the office and hear John, one of your team members, having a phone conversation with a customer whose main server has crashed, causing them significant operating problems. From what you hear you become aware that John has received the call because the customer has not had an immediate response from the Customer Services Hotline, which is a critical part of their maintenance contract.

It is obvious that the customer is extremely unhappy and is insisting that John arranges to have an engineer sent out immediately so that their service and business operations can be resumed. In this example, in broad terms John would be expected to have the following KSAs. The extent of his depth of knowledge would be outlined in his role description:

- Knowledge of the organization's support policies.
- An understanding of the cost implications to the organization if the support service is compromised.
- An awareness of the support limits available in times of crisis.
- An understanding of how support contracts are constructed.
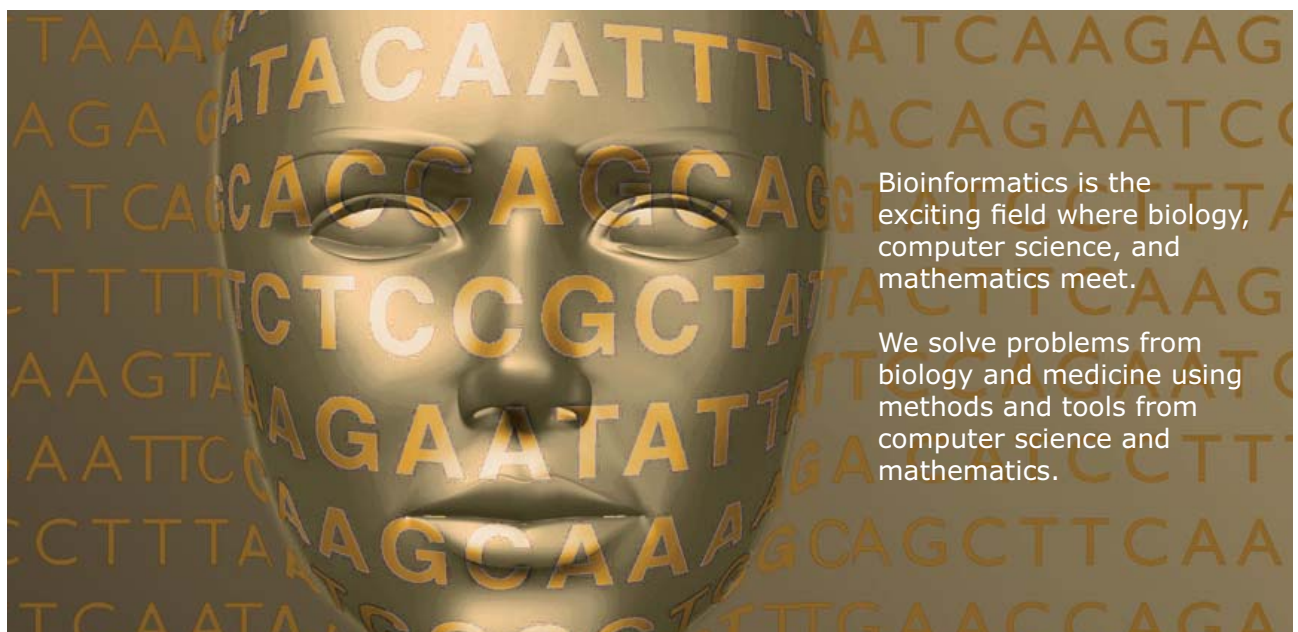
You can measure the behaviors John displays in this situation using the KSAs to illustrate his level of competency as per the role's requirements.

John's Knowledge

Your first questions would be: Are the customer's expectations reasonable? How is an immediate response of the Customer Services Hotline defined? Is it a response within 15 minutes or an hour?

Are the customer's expectations reasonable?	
How 'immediate' is the response?	Does the contract define it as 15 minutes or an hour?

Is the Customer entitled to an engineer?	
Has this been requested as part of the contract?	If 'Yes' what is the timeframe within which an engineer will be on site?

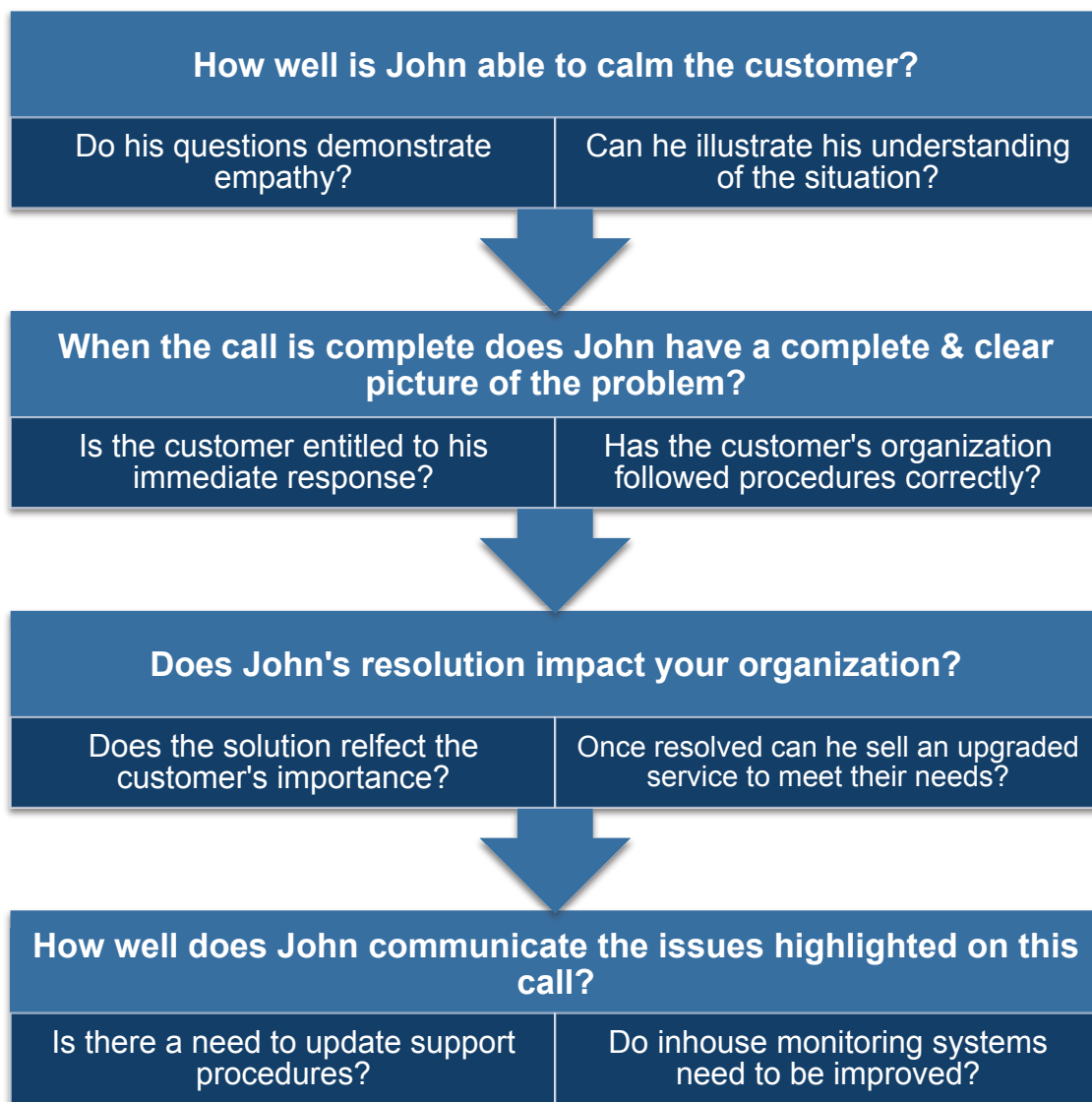| How does the main server's loss effect the Customer's business?	
Is John aware of its impact?	Does he know what to ask to accurately assess impact?

Is John familiar with the contract so that he knows exactly what service response the customer is entitled to? Also, can he demonstrate that he understands how this problem impacts the customer's business and can he recommend other courses of action that could help resolve things in a more satisfactory manner?

It is these types of factual questions that will demonstrate the extent of John's knowledge.

John's Skills

The main element you want to see displayed here is John's verbal communication skills. These include how well he is able to persuade the customer to calm down and how quickly he is able to judge the impact on your organization.

Can he exhibit sufficient levels of empathy to win the customer over and work with him or her to resolve the problem? John's success in this area will depend on his skill in teasing out the true cause of the crash, as this may impact on the type of support the customer is entitled to.

How well is John able to calm the customer?	
Do his questions demonstrate empathy?	Can he illustrate his understanding of the situation?

When the call is complete does John have a complete & clear picture of the problem?	
Is the customer entitled to his immediate response?	Has the customer's organization followed procedures correctly?

Does John's resolution impact your organization?	
Does the solution relfect the customer's importance?	Once resolved can he sell an upgraded service to meet their needs?

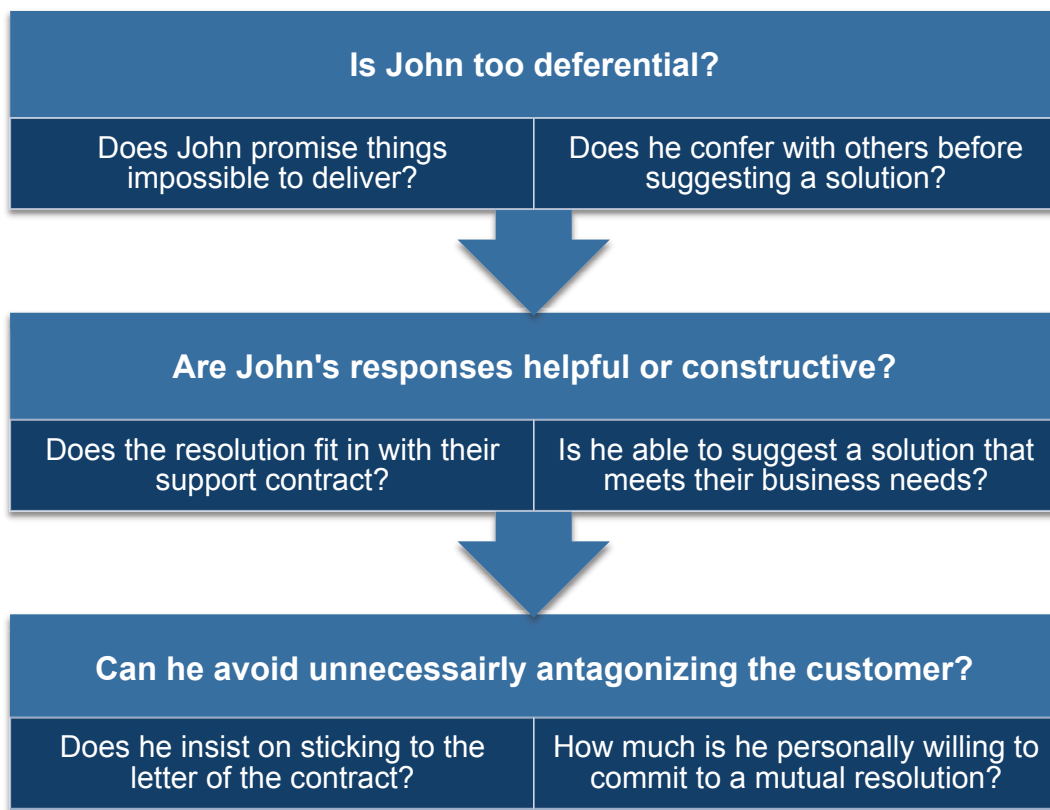| How well does John communicate the issues highlighted on this call?	
Is there a need to update support procedures?	Do inhouse monitoring systems need to be improved?

You will also be able to assess John's skill at judging the repercussions this support incident has had on your organization and whether this needs to be fed back to technical support or possibly senior management.

John's Attitude

The attitude John displays during the call will also be an important factor in determining how well this support issue is resolved, irrespective of whether or not the customer's contract entitles them to an immediate response.

During the conversation do you hear John promising things that will be costly to deliver or even impossible? Do you observe that while he may suggest potential solutions to illustrate to the customer he understands the importance of the problem it is with the caveat that he needs to check with the technicians to ensure that they are practical solutions?

Is John too deferential?

Does John promise things impossible to deliver?	Does he confer with others before suggesting a solution?

Are John's responses helpful or constructive?

Does the resolution fit in with their support contract?	Is he able to suggest a solution that meets their business needs?

Can he avoid unnecessairly antagonizing the customer?

Does he insist on sticking to the letter of the contract?	How much is he personally willing to commit to a mutual resolution?

You would also want to observe that through the conversation his questions illustrate that he is gaining an appreciation of what would help the customer's business needs the most. In addition, you would want to see that the final resolution fits as closely to their contract as possible.

You would also be mindful of any attitudes he displays that may antagonize the customer. This may result, for example, from his pedantically repeating the details of the contract. Outside of the conversation you would want to observe how much his behavior reflects his personal commitment to finding a resolution that leaves both parties happy.

Using KSAs

> **KSAs and behaviors often relate to more than one competency**

> **Managers use KSAs to evaluate what they observe**

> **Individuals should only think of their behavior in this way when reviewing a situation - not whilst it is occuring**

By using KSAs to evaluate the behaviors John displays during this exchange, your assessment of his competencies will be both objective and evidence based. When measuring competencies by their aggregate behaviors you need to be aware of the following:

> *Firstly*, that the KSAs John displayed in this interaction may relate to more than one competency. For example, John's behaviors relate to both 'Customer Focus' and 'Interpersonal Communication' competencies.

> *Secondly*, KSAs are what you as a manager should be conscious of observing. They are not what John should be consciously focusing on when resolving the customer's crashed server.

Thirdly, during your regular reviews with John you will discuss how well he handled this incident in terms of his KSAs. This may be especially important if he has a particular goal to develop the competencies of 'Customer Focus' and 'Interpersonal Communication.'

This example with John illustrates how you as a manager can monitor and measure your team members' competencies through their display of KSAs in their day-to-day working against those required and detailed in the role description.

Key Points

- You can gather KSA data by evaluating significant incidents and by direct observation.
- An incident becomes 'significant' when performance deviates substantially from that specified in the role description or from your own expectations.
- During direct observation, considering behavior in terms of KSAs makes it easier to be objective in your assessment.
- KSAs and behaviors often relate to more than one competency.
- The role of KSAs is restricted to assessment and development.

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4   Developing Competencies

You should take time to discuss how your team members have been developing their own competencies as an integral part of their regular performance reviews. These discussions can also consider ways in which the individuals can expand their current competencies in order to prepare themselves for future promotion.

It is usually a good idea to present this in terms of a staged development, as this will encourage them to see each incremental step as achievable, rather than an unattainable leap between competency levels.

Develop an Individual's Competencies through:

Regular reviews of each team member

Role descriptions that list required competencies & associated KSAs

Identifying KSAs that need development

Using the competency development cycle
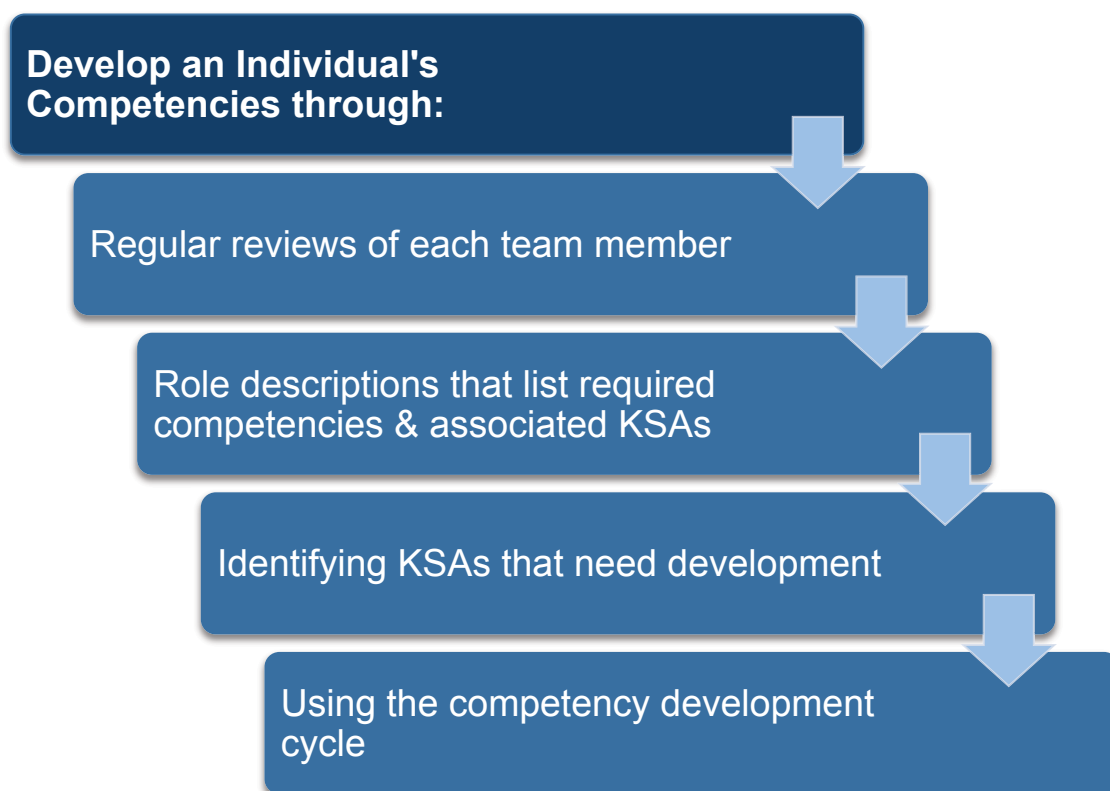
One way you can do this is to incorporate the 'competency development cycle' into your appraisal and review meetings.

This technique uses a series of questions that you and the team member need to ask yourselves as you reflect on how they behaved during a particular event or incident. It allows you to create a personal action plan that addresses the issues that are identified by the answers to these questions. The aim of this plan is to help the team member develop the competencies they need to perform their role to a higher standard or to gain promotion.

The competency development cycle consists of six steps:
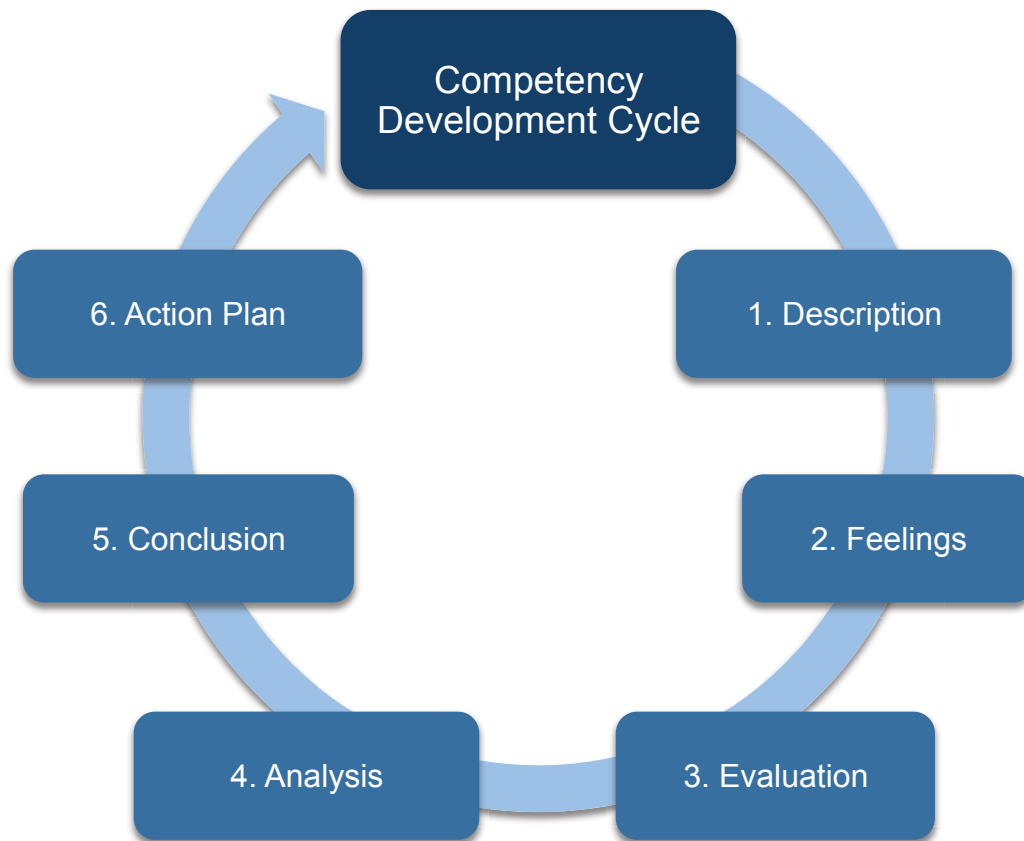
1. **Description –** *What happened?*
   Consider the causes of the event and how they developed. Your main focus here is the facts and figures that best describe what occurred and who was involved. You are looking for a chronological account of what happened.

2. **Feelings –** *What were you feeling and thinking?*
   Work with the individual to understand how they felt at the time of the event. This does not solely take into account how they felt personally, but how the other people involved felt and how that affected the individual. Present your own interpretation and discuss how appropriate the member's reactions were.

   You may want to analyze the individual's thought process during the event to assess how well it matched that required by someone in their role or in the role that they aspire to.

3. **Evaluation –** *What was good and bad about the experience?*
   Divide a sheet of paper or spreadsheet into two columns: one for what you both feel was good about the experience of the event, and another for what was bad. You and the individual go through all your notes from the first two steps and allocate them to one of these columns and reference them to the role competencies.

   Depending on the nature and severity of the incident you may want to include the experiences of others involved so that you have a complete picture of the overall impact and repercussions of the event.

4. **Analysis –** *What went well? What didn't go well?*
   In this fourth step you are looking at the perceptions of the event in terms of the team member's KSAs. Look at this from the different perspectives of those involved. In our previous example this would be John, his manager, the customer, and the technical support team, as well as the interactions between these parties. You will often find differing views depending on 'who' you ask about what went well.

   For example, the customer may think it all went well because his server was restored quickly, but be totally unaware of the conflict within John's organization that occurred in order to achieve this result.

5. **Conclusion –** *What else could have been done? What have you learnt?*
   You and your team member now discuss what else could have been done instead of what occurred, and decide whether or not the end result would have been better than what actually happened.

   Decide what has been learnt as a result of going through the cycle. You must look at this from the individual's perspective and in terms of the required KSAs.

6. **Action Plan –** *If this situation arose again what would you do? What can you do to develop this knowledge, skill, or attitude?*
   The resulting action plan that is produced as a result of completing this cycle must be focused on developing any required KSAs. The plan should have only a few well-defined goals that can be achieved in a relatively short timeframe. Remember that this is a cyclical process and frequent iterations with a few objectives will work best. If you complicate the action plan with too many goals you will lessen the chance of achieving any of them.

You should have a clear idea of what the team member would do differently if the situation arose again. You can then highlight those KSAs you want them to develop and list ways this can be achieved, for example through training, mentoring, or a secondment to other areas of the organization.

As part of the performance management process you may seek out and identify opportunities to develop the individual's competencies. This may involve seconding them to another department or a specific project so that they can develop the competency. You can also take the opportunity to mentor them through this experience and work with them to develop their career, and ultimately bring more value to the organization.

The cyclical nature of the process offers both of you the opportunity to agree a staged action plan that is easily reviewed and updated according to how well the required changes in behavior have been accomplished.

Key Points

- Developing team members' competencies increases their value to the organization and helps them to prepare for future promotion.
- The competency development cycle can be incorporated into your appraisal and review meetings.

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5   Summary

In many organizations the appraisal cycle is used to assess future development needs as well as assess current performance. The appraisal cycle usually looks something like this:
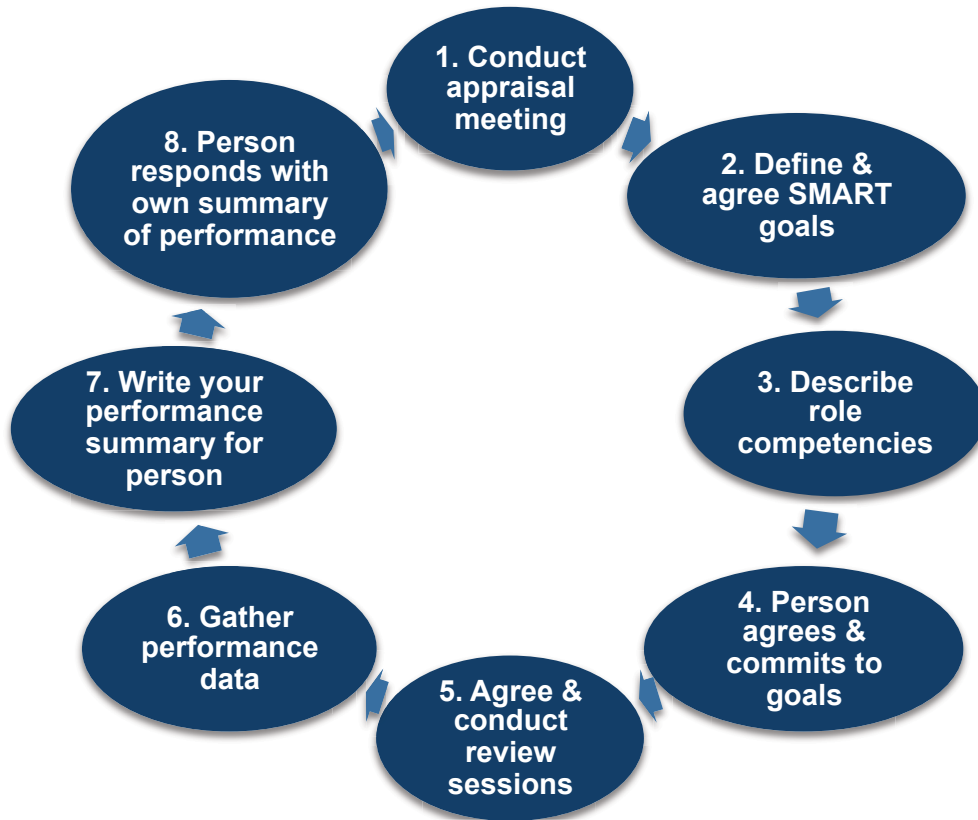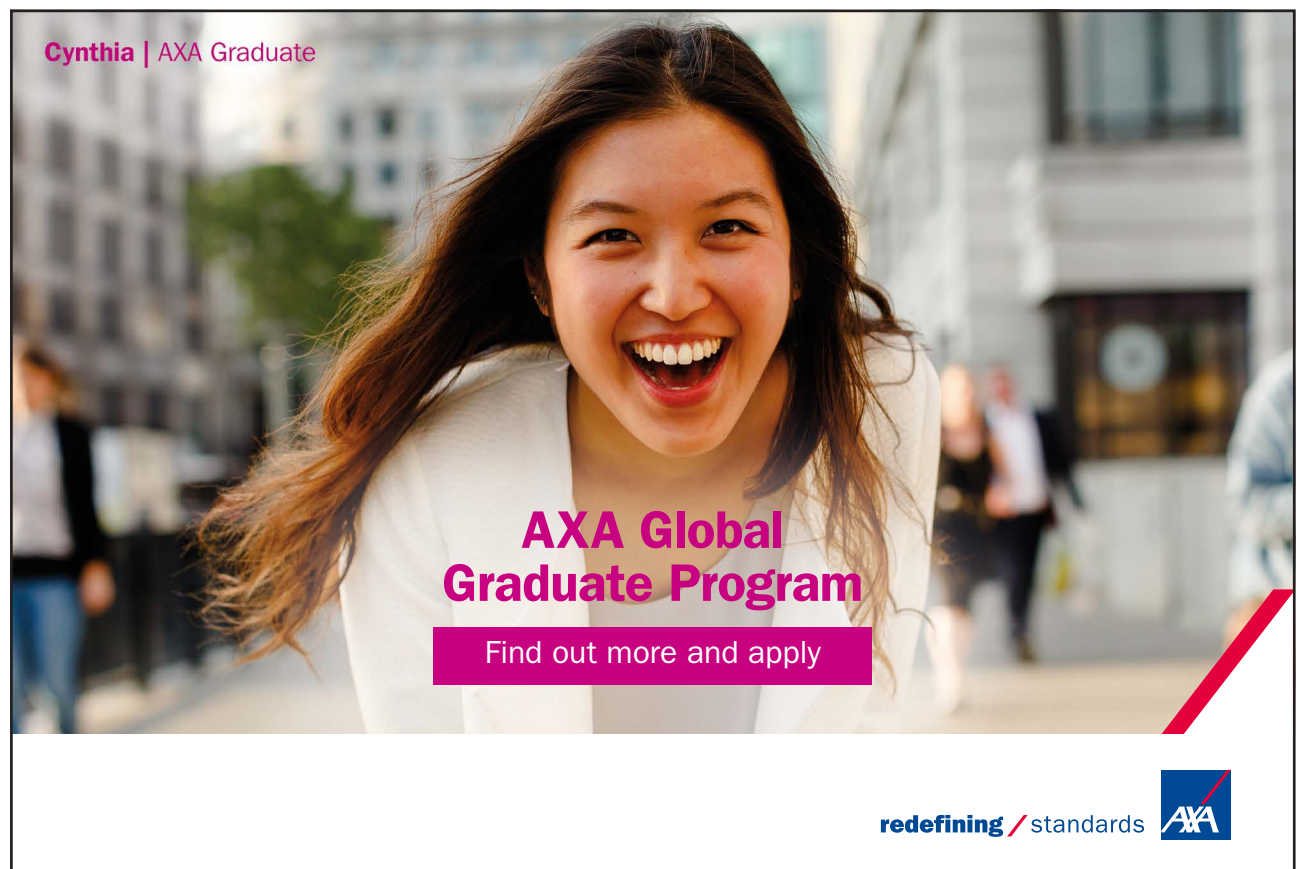

Both competencies and goals are equally important and focusing exclusively on the achievement of performance goals with no reference as to *how* they have been achieved is a shortsighted approach for the following reasons:

Firstly, because the way in which people achieve their goals has implications for the organization as a whole and ignoring this aspect of performance simply because it is difficult to measure can lead to serious problems.

Secondly, the work that you do to develop the competencies of your team members represents a direct investment in their future. Most people consider any increase in their skills and marketability as a positive thing and in the absence of a monitory reward (something you may not be able to offer) it can keep them motivated and engaged with their work. The time that you invest in developing your team can more than make up for the time you would spend dealing with motivation problems or resignation and recruitment issues.

Finally, your organization will only be successful in the long term if it can realize the potential of everyone who works there. Whilst it is true that there are costs incurred when developing people's competencies, it is still far cheaper to do so than to buy in the skills from outside, with all of the attendant uncertainty, risk, and management overhead that this involves.

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