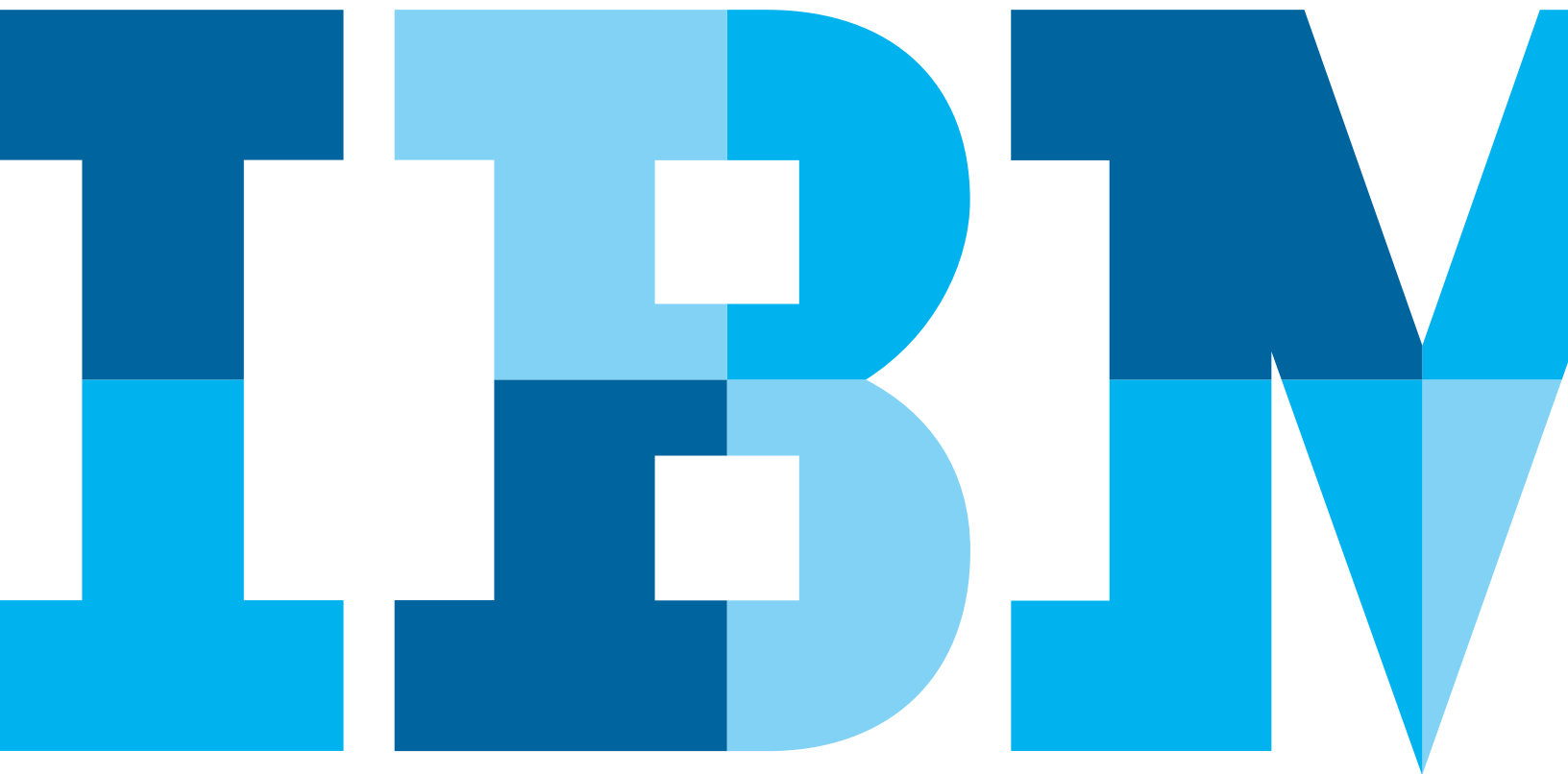


Competency assessments make talent management more effective

*Practical applications to assist with
organizational success*



Many companies and people in them misunderstand what a competency is or is not. Different experts in the field would likely give a wide variety of definitions. In our approach, we define a competency as a combination of knowledge, skill and ability, demonstrated by the observable behavior of an individual who is successful at a given task.

To clarify further:

- An ability is an inherent talent or capability for doing something, such as math.
- A skill is an ability that has been strengthened through training, practice and experience.
- A personal attribute is a unique characteristic of an individual that helps define his or her natural persona. Personal attributes are characteristics such as honesty, integrity, professionalism and courtesy.

In this article, we provide an overview of the benefits and challenges of competency assessments. We also share IBM's approach to competency assessment. There are numerous assessment methods and purposes to which assessments are applied. The IBM approach is primarily targeted at assessing an employee's fitness for a given role within an organization. This pragmatic approach has been successfully applied in hundreds of public and private organizations over a span of more than 20 years.

The IBM approach addresses knowledge, skills and abilities, (KSAs), but does not cover personal attributes. Although personal attributes are important, especially for those employees involved with customer interface, they are very difficult to assess in a fair and objective manner.

Practical applications for organizations

Competencies are useful to organizations as part of a competency assessment approach to talent management. They offer many practical applications to assist with an organization's success.

When the specific competency requirements of a certain job are understood, companies can recruit and hire the people who already have the right competencies and can hit the ground running from day one. They can also assess competencies of an employee versus the competencies a position requires to help determine the training needed for that individual.

Assessments enable organizations to identify aggregate competency gaps of a particular department or the entire organization. Armed with this information, they can build and cost-justify a training curriculum that will target and help eliminate critical competency gaps.

When the competency requirements of organizations' jobs are understood, an employee – along with his or her manager and the organization's Human Resources (HR) professionals – can focus that individual's development toward the next step on their career path. Individual employees often cannot fully meet the expectations of their job responsibilities if they are lacking in certain critical competencies. An important part of performance management is enabling employees to be successful or move them into roles better suited to their competencies. Competency assessments directly contribute to this process.

Advantages for employees

Competency assessments are not only helpful from an employer's perspective, but from an employee's perspective as well. If employees understand their competencies they can:

- Seek out jobs that match or stretch their existing competencies.
- Plan their careers along a path that is well suited to their capabilities.
- Compare current competencies with those required in their next career step and seek training that will leverage their strengths and shore up their weaknesses, so they can progress to the next level.

All of this matters because employees who are in jobs that closely match their competencies have a higher degree of satisfaction in their work. Further, they are less likely to seek job opportunities outside the organization if there is a career path in place suited to their competencies. At senior levels in an organization, the most competent candidates can be identified and groomed into executive ranks through competency assessment.

The competency model

Before assessing the competencies of employees, organizations first must determine the competencies required for each job within the enterprise. In other words, they need to build a competency model of the employees' jobs.

As a first step, look at the basic job description and the responsibilities required by the job. Once that is understood, the competencies required to perform those responsibilities must be determined. So a competency model is basically a list of the competencies required for a person to be successful in the job.

Different jobs require different degrees of proficiency in a given competency. Some jobs only require a person to be generally familiar with a topic, while other jobs require in-depth expertise in that same topic. In addition, a given job might require different degrees of proficiency with the various competencies the job requires.

Once the competencies and proficiency levels required by a job are determined, employees who are in those jobs or aspire to move into those jobs in the future are assessed relative to the competencies for the appropriate proficiency level. *Figure 1* is an example of a job competency model for jobs commonly found within a human resources department. Job titles are listed across the top, with competencies listed in the left-hand column from top to bottom. The numbers represent the proficiency level value required for each proficiency for each job within this sample organization. So, for example, the HR Manager job requires a proficiency level of 4 in HR policies, but only a level 2 proficiency in the International Environment.

Human Resources	Compensation Manager	HR Consultant	HR Manager	Recruiting Manager
Knowledge of organization	3	3	3	3
Products and services	2	3	3	3
Interpersonal relationships	2	3	3	3
Consulting	3	3	3	3
Problem solving	3	3	3	3
Managing organizational change	2	3	3	3
Managing workforce diversity	2	3	4	3
HR: trends and direction	3	3	3	3
HR: policies, standards and procedures	3	2	4	3
HR: legal and regulatory environment	2	3	3	3
HR: International Environment	1	2	2	3
Employee relations	1	3	3	1
Compensation management	4	3	2	1
Benefit programs	2	3	3	3
Staffing and recruiting	1	3	3	4
HR planning and development	1	4	3	2
Organizational development issues and practices	2	2	3	3

Figure 1: Competency model for common jobs in a HR department

Proficiency levels

The proficiency levels referred to in this example can be approached from a number of different perspectives depending on how an organization chooses to use the terms. While the perspective might change, the concept remains the same.

Scale Types	Level 1	Level 2	Level 3	Level 4
KSA	Basic understanding	Working experience	Extensive experience	Subject matter depth and breadth
Practical (hands-on) experience	Entry level	Limited experience	Extensive and diverse application and experience	Recognized thought leader
Acquisitions	Baseline	Progressing	Proficient	Mastery
Role	Novice	Intermediate	Expert	Guru or master
Role types	Individual contributor	Team leader	Integrator or multi-team leader	Strategist
Proficiency	Base line	Good	Very good	Excellent or exceptional
Developmental	Needs development	Partially developed	Well developed	Fully developed
Expectation	Does not meet expectations	Somewhat meets expectations	Fully meets expectations	Exceeds expectations

Figure 2: Sample proficiency level chart showing different assessment scales

It is important that all parts of an organization agree on and use the same set of terms consistently. Four proficiency levels provide sufficient enough granularity without having to get too specific, and the even number of levels forces organizations to avoid gravitating toward a middle value to help assure a more accurate assessment. Figure 2 is a sample proficiency level chart showing some of the different perspectives (assessment scales).

Fair and consistent assessments

To help ensure fairness and consistency, it is necessary to start with a set of behavior-based descriptions of the various degrees of proficiency. This creates established benchmarks against which each employee can be assessed. Figure 3 is an example in which we provide suggested statements that can be used to build typical behavior descriptors at each proficiency level.

Competency	Operational functions
Competency definition	<ul style="list-style-type: none"> • Knowledge of major functional processes and associated operating requirements; ability to apply this knowledge appropriately to diverse situations
Level 1 behaviors	<ul style="list-style-type: none"> • Identifies the primary operational functions of the organization • Can explain operational functions • Understands interdependence • Understands importance of each process
Level 2 behaviors	<ul style="list-style-type: none"> • Carries out assigned responsibilities • Seeks guidance when assigned goals • Works with awareness • Is open to guidance • Seeks advice
Level 3 behaviors	<ul style="list-style-type: none"> • Operates with understanding of responsibilities of organization's major functions • Seeks efficiencies • Evaluates relevance • Maintains awareness • Takes key responsibilities into consideration • Uses knowledge of organization's functions
Level 4 behaviors	<ul style="list-style-type: none"> • Consults with and advises the major functions • Compares organization's processes • Coaches others • Educates others • Monitors industry trends • Draws attention to trend

Figure 3: Examples of statements used to build typical behavior descriptors

By using behavioral statements like those mentioned in *Figure 3*:

- Employees can self-assess to determine their level of proficiency.
- Peers of the employee can assess the employee's level of proficiency.
- Managers can assess the employee's level of proficiency by comparing the employee's demonstrated behaviors against the list of typical behaviors.

Self, manager and peer assessment

There are several ways to conduct competency assessments, and each carries with it some pros and cons.

- Self-assessment communicates trust and encourages accountability, but there is the risk that assessments can be inconsistent from person to person, which leads to less validity.
- Manager assessments facilitate dialog between an employee and supervisors, and present an opportunity for care coaching. However, this process is time consuming, and the manager might or might not have an accurate perception of an individual's proficiency level in the various competencies.
- Peer assessment empowers peers and gives the process more credible validity. However, honest feedback can be challenging, and time invested in the assessment process can take time away from the employees' primary responsibilities.

There are several variations on this theme, including self-assessment with manager review and self-assessment with peer review. Each organization must choose the process that best fits within its culture. The key is, no matter which process is chosen, it must be applied consistently across the organization in order to be effective.

Post assessment

Once a competency assessment is completed, decisions must be made about next steps. Some employees could possess competencies that exceed those required for their current jobs, while others could have competencies that are better suited to a different role in the organization.

It is also likely many employees will need to develop a higher degree of proficiency in certain competencies. These employees can become more productive if they receive the training they need to become fully proficient in the competencies their job requires.

Competency assessments, when aggregated across the organization, can reveal that the enterprise lacks sufficient bench strength. This would provide the justification required to either launch major training initiatives or recruit new staff members who have competencies the others lack.

Is your organization ready for this?

Launching a competency assessment initiative cannot be taken lightly. It requires support, both verbal and financial, from executive management. You must be prepared to articulate the business need and financial return on investment you anticipate. Executive management must agree to and must be prepared to explain how the assessment data will be used and how employees will benefit. If your assessment initiative cannot be directly tied to business outcomes or if beneficial results cannot be realized within the first year or two, then the initiative will likely be short-lived.

For more information

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