Designing and Implementing a Successful Competency Assessment Program

---

>profiling-online°

Table of Contents

Introduction

This eBook is a short, pragmatic view on some of the core challenges and decisions faced by talent managers when considering the implementation of a competency assessment initiative. In creating this eBook, we have attempted to steer clear of the overly complex conversations around content design. Instead we answer the questions raised when designing an assessment process and consider the consequences associated with them.

About the Author

Tom Power is the Chief Executive Officer (CEO) of Profiling Online, a competency and talent assessment software and services company, headquartered in Sydney, Australia. Specializing in highly robust and customized solutions for organizations worldwide, we enable our clients to quickly and easily create and manage bespoke assessment and talent solutions. Our core solution is known as CompetencyBook. Since being founded in 2001, our technology has been used to administer assessments in over 85 countries and 16 languages. During this time we have maintained long lasting collaborative partnerships at global, national and local levels. Here we have been exposed to best practice and are also instrumental in influencing its evolution.

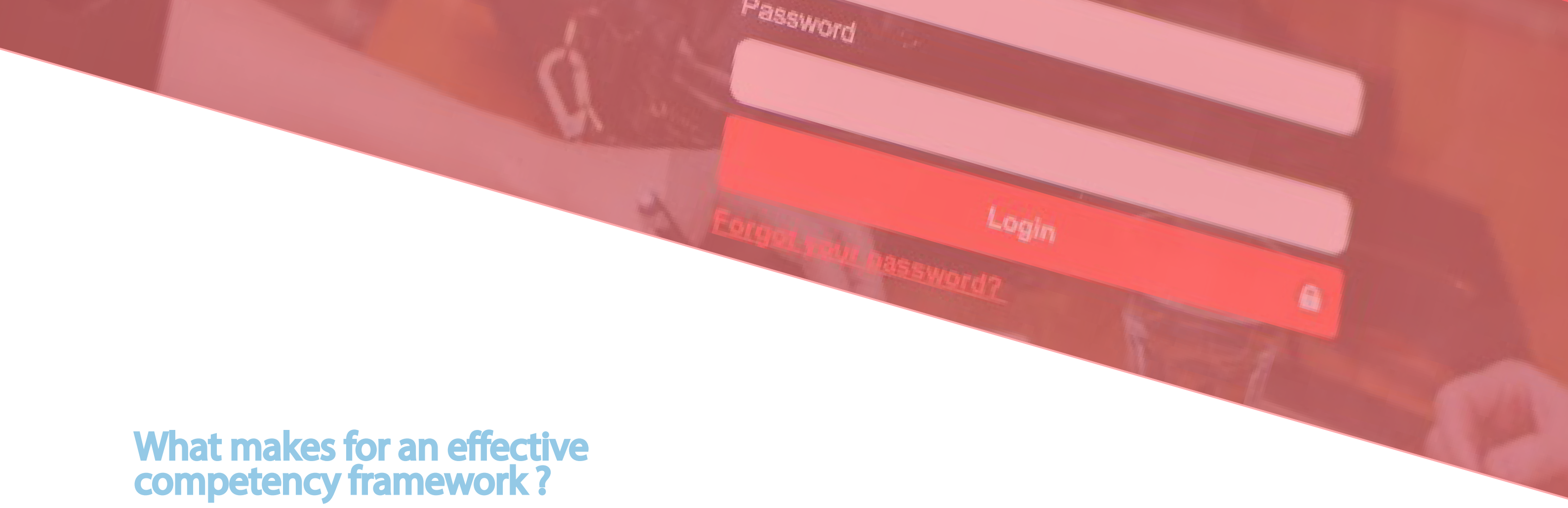
Tom's role at Profiling Online is to partner with clients to design world-class processes and systems that improve the assessment and development lifecycle. For over 13 years, Tom has worked with international brands, ASX100 companies and global consulting firms to create truly unique and long-lasting collaborative processes and solutions in assessment.

Tom is a software design and useability expert with extensive experience in the creation and implementation of systems that best support many types of competency frameworks.

Chapter 1

What makes for an effective competency framework?

Design and styles, customized vs. off the shelf



What makes for an effective competency framework ?

Competency and capability frameworks, tools and techniques are used to measure a person's capability, proficiency and skill. It's a mechanism used to develop your people in the most effective way and ensure they have the skills and capabilities required to do their jobs well and help grow the business.

We have all grown up where competency frameworks are considered complex and scientific and can only be interpreted by psychologists and master consultants.

In the past, organizations would only purchase off-the-shelf frameworks and associated tools because of the science behind their creation. 'Global norms', 'benchmarks', 'validated', 'scientifically created' - are all buzzwords that were used during the implementation of these types of frameworks.

Nowadays, we are more informed about how these frameworks are created and what they are used for. Organizations are better equipped to build their own frameworks and are more efficient at implementing them successfully.

Design and styles

Competency frameworks are designed in different ways and measure multiple items for a cross section within an organization. When considering how to measure a framework, a Likert scale gives the best and most accurate means of measurement and is simple to understand. The competency itself can be more efficiently broken into levels that align to the organization - for example, a level that best describes an executive general manager, senior manager, team leader and so on.

One alternative to a Likert scale is what we call a 'levelled' framework, where we will have a series of descriptors per level and we measure the competency by choosing the most appropriate level. For example, we may have a competency - 'strategic leadership' and we may measure it with a series of level descriptors - basic, intermediate, advanced and expert level. A framework designed in this way is perceived to be easier for people to understand and interpret, it is also considered to be a faster means of assessment.

The participant still needs to read all of the indicators per level in order to make an informed decision on what level to select, as many participants ignore the level descriptors and simply focus on the headers (basic, intermediate, advanced, expert.) The assessment itself becomes quicker purely by virtue of the participant choosing what they believe to be the most appropriate heading, rather than reading the descriptors themselves to see if they agree with that rating.

> "I feel that functional or technical competencies can be made easier using this levelled approach - largely because it's easier to describe the competency, rather than individual indicators that probe elements of the competency."

Functional capabilities have a tendency to be more commonly created by internal staff, therefore using a levelled assessment is often a better process to go through to effectively describe the competency being assessed.

If the purpose of the framework is to assist with the assessment of capability, then the user needs to consider their reporting and insights before choosing the design method.

For example, if you develop a 'levelled' framework to assess and develop people, then it can only really measure the competency itself and not the various behavioural indicators that make up the competency. The results are then focused at the competency level and not down to the individual indicators.

However, if a Likert scale is used when designing the framework, users might determine their level of proficiency for a particular competency, but that result will be made up of a series of behavioral indicators. In this situation, you can then report individually on those indicators to identify potential development opportunities at a granular level and this is likely to have a positive effect on subsequent reporting and development opportunities.

When building a framework, the first question you should ask is – 'what is the purpose' and 'what is the outcome'.

If you are using the framework to simply inform users on particular development opportunities, job role, career pathway or recruitment process, then using a levelled framework would be easier to communicate to the user. If you are assessing the user with this framework, you may feel the extra level of detail provided by the Likert scale approach will result in more detailed and meaningful reporting and insights.

Customized vs. off-the-shelf frameworks

Many debate that off-the-shelf frameworks are based on the science and expertise behind them. These types of competency frameworks have valuable benchmarks and use a range of scientific methods, including formalized development interventions mapped to competencies.

Depending on your organization, you may run the risk of assessing your people on a framework that is only relevant to your business and lose the opportunity to create something entirely unique to your functions and goals.

In this world of agile, digital workforces with increased diversity and more sophisticated ways of working, the argument for creating customized frameworks is compelling.

The growth of functional capabilities in areas such as project management, sales, finance and HR are difficult to obtain as an off-the-shelf product, and are often less meaningful to your desired outcomes. **Organizations that are embracing building frameworks to meet their functional requirements should consider creating customized competency frameworks.**

External consultants vs. internal staff for development

External consultants offer a far more nimble and agile approach to the development of competency frameworks. In the past, a global firm may have been required to do the job - that today can be achieved in a short period of time by a skilled consultant. *Once you create your own framework, remember it's then your IP.*

You are not limited to what you can do and are not under license with that framework. Therefore, you can let it evolve and grow with your business over time.

Chapter 2

Leadership competencies, functional and technical capabilities, and core competencies and values

What to assess and why?

Leadership competencies

The use of leadership competency assessment is well documented and widely discussed. Assess your leaders on critical leadership competencies to develop better leaders. Recently, it has become commonplace to use functional and technical capabilities to identity and understand strength and development needs of larger audiences in more role-specific workforce planning projects. Other factors such as audit and compliance requirements for highly regulated industries has also driven the increased use of these types of assessment projects.

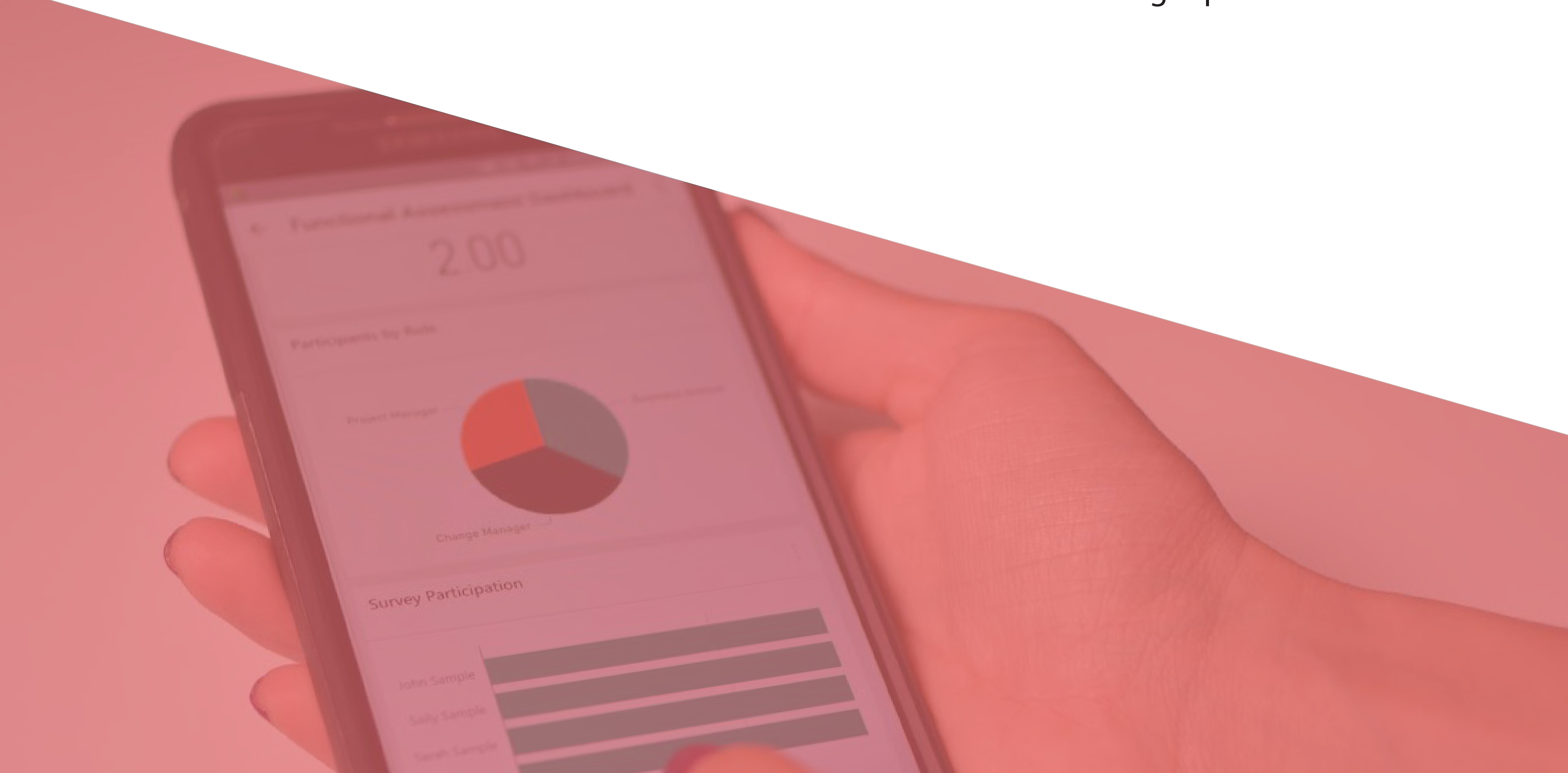
Functional and technical capabilities

When building functional capability frameworks, the number of capabilities is often larger as it involves a wider range of roles within an organization.

Levelled framework design is more common when building functional capabilities, along with the use of 180-degree assessment (participant and their manager) rather than 360-degree assessment.

If you choose to use a levelled framework - make sure it's designed to have enough levels to make gap analysis achievable. Also ensuring there is meaningful and sufficient 'stretch' between these levels, as this will assist with the development planning process later on.

Functional frameworks are increasingly using norms or benchmarks to define capability gaps and inform development opportunities. It's difficult, if not impossible, to get external meaningful norms that can be used with a tailored framework - and this is also driving the creation of in-house frameworks. If you don't have a benchmark, one option is to create your own by assessing the target audience and using that data to create norms before releasing reports.



Develop strong leaders and values rise, conversely, you may see the impact that poor leadership capability has on your company values

Core competencies and values

Outside of functional or technical frameworks, the other main growth area has been frameworks to measure core capabilities and values. Loosely described, core capabilities are those handful of competencies that everyone in the business should demonstrate proficiency in, values, on the other hand are your core underpinning company beliefs.

The assessment of values is a relatively new concept and can be assessed in a number of different ways. The most obvious, but maybe more time consuming, is to create a framework to assess values and include this in an overall assessment of leadership or core capabilities.

However, with a little more planning, it's possible to embed behavioral indicators into your leadership or core capabilities framework. These can be aligned to and discreetly used to assess certain values, while at the same time assessing the leadership or core capability. For example, certain aspects of a leadership framework may be highly relatable to values and if certain indicators can be designed to map to values. By virtue of one assessment, you can measure values as well as leadership capabilities.

If you adopt this approach, further insights into your data may identify the similarities between your leadership or core capabilities and values.
Develop strong leaders and values rise, conversely, you may see the impact that poor leadership capability has on your company values.

Chapter 3

Managing the assessment process from start to finish

What to prepare for

Challenges of implementing a capability assessment

So you've developed your capability framework and now it's time to create a rollout plan. The biggest cause of concern with the increased popularity of capability frameworks is the impact on people's day-to-day workloads. Survey fatigue is an increasingly common challenge when implementing a capability assessment program. Leadership 360 assessments were only deployed for a select group of people, yet the advent of more broad functional capability assessment for larger audiences means more and more people are impacted.

How to reduce survey fatigue and plan for success

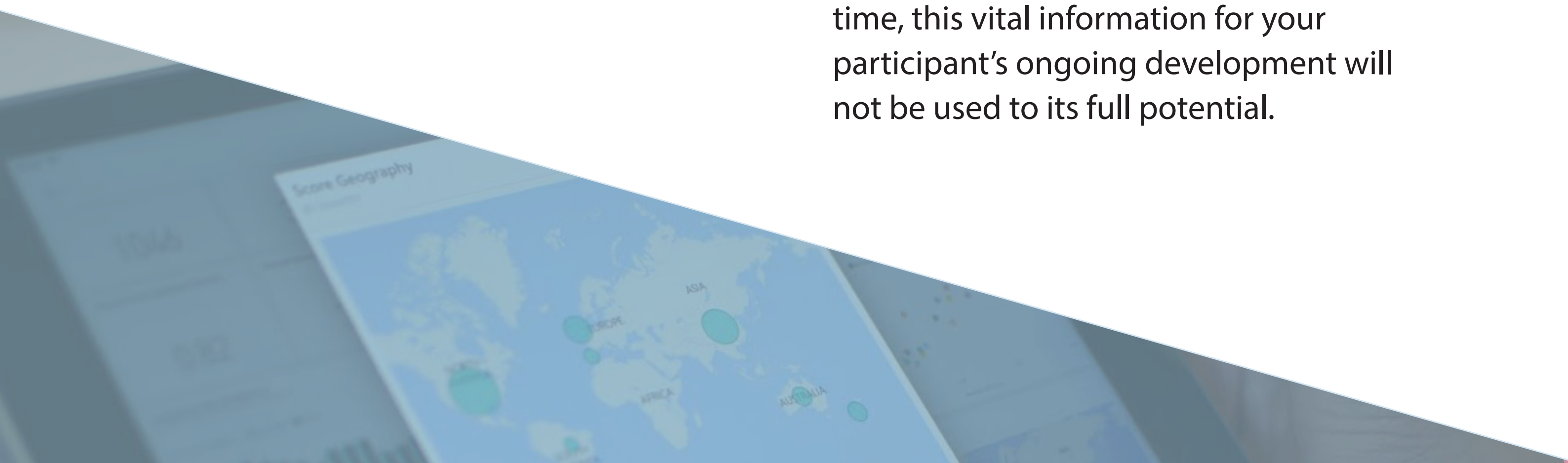
A successful project starts with communication, communication and more communication. Your target audience (participants and those rating them) need to understand the purpose and outcome of this process, and this should be clearly communicated to everyone involved. We have yet to see a successful assessment project where communications have been poor or lacking.

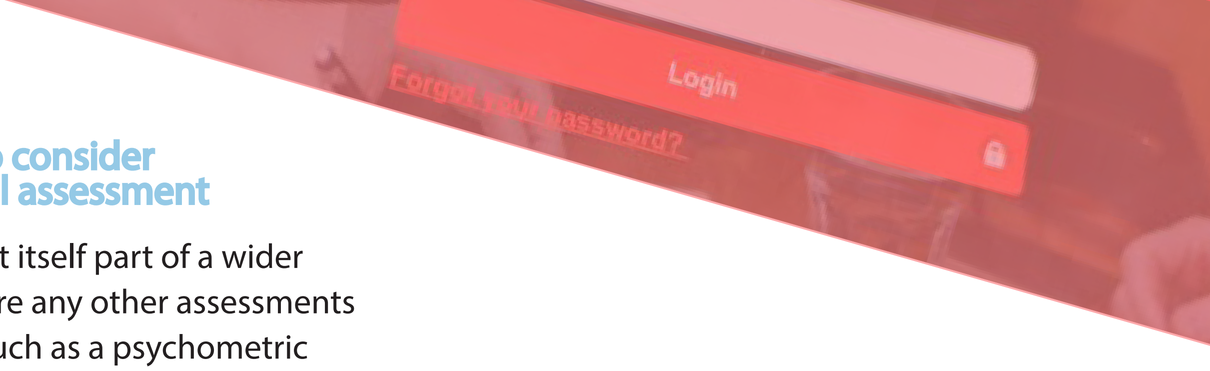
Along with purpose and outcomes, the assessment process itself and the time it takes to complete, should also be communicated.

Even with good communications, the next major downfall of an assessment project is not having clear outcomes. Like all types of surveys, if the desired outcome consists of empty promises, then why should participants buy fully into the process. We have seen many projects where the assessment itself is successful, with high buy-in, but the promised post-assessment development never eventuates. The consequence here is that the assessment process simply becomes known as a pointless exercise and waste of time. To avoid this, ensure you have a structured development outcome.

> "Whether you use an assessment platform, internal learning management platform, or mainstream talent management platform - having a process in place where the post-assessment development is clear, is crucial for success."

In addition, simply building in a series of check boxes or writing notes at the end of the assessment report will not suffice. As reports are lost over time, this vital information for your participant's ongoing development will not be used to its full potential.





More things to consider for a successful assessment

Is the assessment itself part of a wider process? Are there any other assessments or diagnostics, such as a psychometric instrument, that are part of your overall program? Avoid doubling up on communications, it's worth seeing if things like this can be merged together.

Another key aspect to consider is the manager approval process and the nomination of people to rate participants. If a manager is required to review and approve these 'so-called raters' chosen by their team members, it often creates a bottleneck in the overall process and requires managers to action this task before anyone else can participate. From our experience, this can take away the sense of trust in the process.

It's also ineffective when a 'rater' is allowed to assess multiple participants in one survey. This results in the manager consciously or subconsciously comparing team members against each other, rather than measuring each person independently and on their own merits. The risk here is that a manager rates an individual and then compares other team members against that individual, rating them higher or lower - and not necessarily against the framework itself.

Reporting and debrief time

The next elements to consider in your capability assessment program are the reporting and debrief time. How soon after the assessment process closes is the report presented to, and debriefed to the participant? Who manages the debrief process? Is it their manager, HR/ Talent team, or do internal coaches or external consultants debrief them? Of course it would be wonderful to hire external experts to always manage the debrief process - but this may not always be feasible.

Internal resources

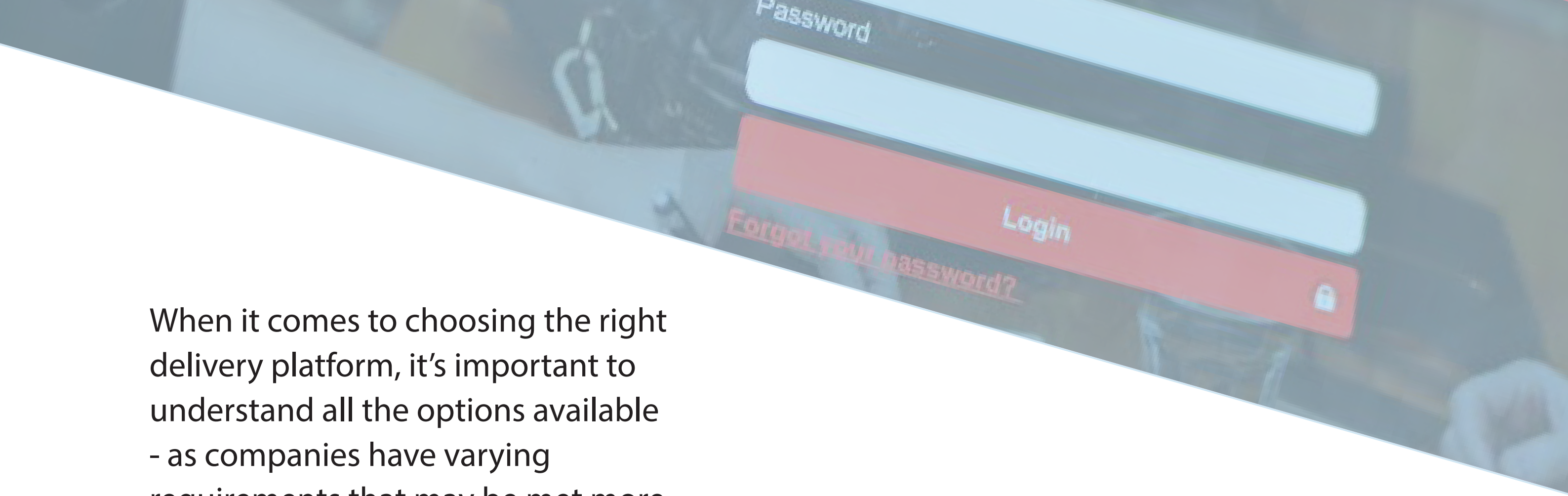
If you're using internal resources, ask the question - is the manager equipped and capable of debriefing assessment reports? We have seen many projects fail because assumptions are made that managers are able to handle the debrief process and identify, with agreement from their team member, outcomes for development. The reality is often different with little discussion over the feedback and disregard of other rater categories outside of the managers.

To combat this, many organizations will create an internal training and accreditation process. We don't believe that the report itself should be so complex that it requires training or accreditation. This should be considered for all managers before the assessment project starts.

Chapter 4

Choosing the right assessment solution

Talent management, in-house systems, specialist systems and consultant-delivered systems



When it comes to choosing the right delivery platform, it's important to understand all the options available - as companies have varying requirements that may be met more effectively by one system over another. Below are some options to consider when looking at talent assessment platforms.

1. Talent Management Platforms

Talent management platforms are a module or component within mainstream talent management systems and implemented by many large organizations. The tier-1 talent management providers will have some form of competency assessment capability available within its platform. The benefit of using these modules is that they are fully integrated into, and a part of, the overall talent management system - information from these assessments should feed seamlessly into other modules.

For example, employee data will always be up-to-date and maintained in one system only. That data, including reporting relationships and organizational structure, should then feed into the assessment module, and ideally the results of an assessment at an individual or organizational level should feed seamlessly into a learning module.

This of course is an ideal state and depending on the talent management platform - may not be the nirvana it seems. Our research of the competency assessment functionality of major talent management systems has proven that the functionality itself is somewhat of an after-thought designed purely to tick a box.

We also find the assessment component itself can often be part of the performance module. While this might be useful to facilitate performance based assessment and have the results feed directly into a performance review, the reality can be different. If you spend a lot of time building a culture of assessment for development purposes and not relate it in any way to performance, it can be a difficult message to sell. Espsecially if your users go to the same platform to complete their assessment, build their annual objectives and complete performance reviews.

The other challenge with mainstream talent management systems is their lack of reporting in the area of assessment. Reporting is usually fairly light, not customizable at an individual level and nearly non-existent at a group level. At the end of the day, to maximize the value the organization gets from the assessment, reporting should be a feature that's always included.

It's a lot of work evaluating your talent management platform. Depending on the design of your framework and on the purpose of assessment, the one benefit of using this function is that you have paid for it already.

2. Consultant-Delivered Platforms

The next option is what we refer to as consultant-delivered platforms. There are great consulting companies in this market that specialize in all things competency assessment and development - global firms that help design the strategy, identify capabilities, build frameworks, and deliver feedback. These companies will often have some form of underpinning platform that they have developed or acquired so they can offer their clients an 'end-to-end' solution.

> "We adopt the mantra that 'consultants should not develop software' and 'software developers should not consult' in capability development."

In our experience, systems provided by consulting firms are expensive, inflexible, not user friendly and difficult to customize. After the consultants have left the building, you may be left with a solution that does not meet your needs. Consulting companies typically don't have large development teams that are focused on new technologies and best practice software development - and why should they? The platform is simply, in their eyes, a tool for them to facilitate something on which they have been consulting.

3. The In-house System

Surprisingly, we still come across organizations that are using free, or cheap mainstream surveying tools, or worse yet, spreadsheets to facilitate their 360-degree assessment initiatives. If spending 45-minutes manually collating a single assessment report is something you enjoy doing, then these tools can be flexible and you can do what you like to get your assessment process the way you want.

Do keep in mind that 45-minutes is per individual report production and it's near impossibile to do any form of group reporting. You are also introducing deep security risks, potential lack of autonomy, and plenty of potential user error when collating reports.

We recently worked with an organization that invested over 12 months in using excel based reports created by a third party at great expense - and the client was wondering what additional value an online system could bring. After a quick examination of their individual reports, we identified that most of their aggregated data was based on an averaging of averages, so individual and group reporting results were highly questionable due to a critical statistical error.

4. Specialist Systems

This brings us to specialist systems. All specialist systems should give you the ability to build a customized assessment processes with ease - with tailored reports, great user experiences and a host of other useful functions.

There are many processes in the world of HR and employee development that use specialist systems, rather than a one size fits all talent management approach. We strongly believe that the assessment process should always be one of them.

If you choose this route, make sure you ask your specialist system provider to fully outline their integration capability with other forms of employee data - you definitely don't want to nullify the benefits of a specialist solution because your data can't be integrated efficiently.

Chapter 5

Reporting and data insights

Why the assessment process and debrief needs effective reports

“In my opinion, there is little point in having an assessment process if reporting at an individual and organizational level is not effective.”

Reporting is simply the most valuable and beneficial part of the assessment process. Too many times, assessment projects fail because all of the energy goes into data collection from different rater categories and not enough time is allocated to reporting. **360-degree assessment reporting needs to be clear, easy to understand and interpret, lack any form of ambiguity, and give valuable insights into current strengths and development opportunities.**

Reporting in any capability assessment process should clearly show the assessment data in numerous formats, highlight overall capability strengths and development opportunities by participant category and give meaningful insights into what that data means to the organization.

A well-constructed report should let you see information at a high summary level and then let you drill down into specific details for all elements of the survey. You should also have some form of a ‘key highlights’ section.

This will be represented by highest and lowest rated statements and unknown strengths and weaknesses (where there is a significant difference between how the participant sees themselves and how their raters see them).

For many frameworks, the use of an importance rating adds a lot of value to the reporting process. It’s one thing to assess participants on their capabilities, to identify strengths and development opportunities, but added value can be gained by determining how important those capabilities are to their current or future roles.

The importance rating of any assessment will usually only involve the rating of each competency’s importance, as perceived by the participant and their line manager.

The results should let the participant see what they are strong at, what needs to be developed and how important the competencies are. If the participant is not strong at a particular competency, but it's considered as being less important to them, then it may not be a priority to develop it.

Many frameworks these days can be guilty of covering too much ground and assessing a lot of items. The importance rating capability gives you the opportunity to narrow down the capabilities that are of the highest priority.

Reporting should also give consistent ratings. Is there consistency in ratings by a rater group or do different rater categories see the participant differently? Having some form of spread or distribution helps gain a clearer understanding of the feedback given.

How to increase your report's life span

The more digital a report can be, the more it will be used, therefore online reports will ultimately have a longer life span than a printed document. There needs to be a reason for people to come back to their report time and time again. Another way to increase the life span of your report is to have developmental interventions and learning outcomes, which let people use the report as a roadmap into their learning interventions portfolio.

Reporting fails when a participant cannot interpret, or is confused by the information the report delivers. This would seem obvious, but surprisingly it's still rather common today. More is definitely not better when it comes to the complexity of report design. We have seen many instances of reports being designed in a way that needs the expertise of a third party to understand and interpret it. So what happens when that third party is not available?

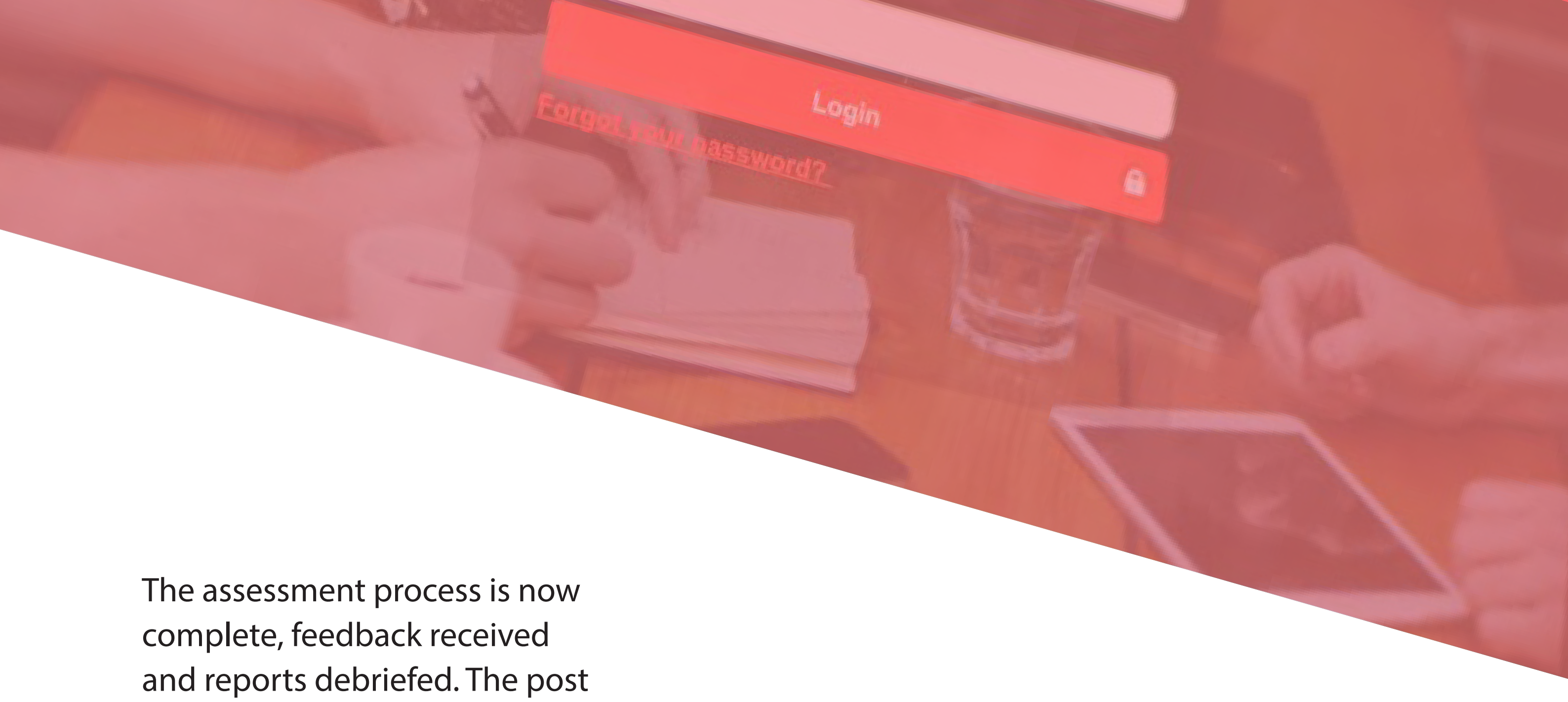
Aggregate reports and data insights should form the next part of any report process - and it's crucial to have the same, if not greater ability to interrogate vast groups of data. Individual reporting, while extremely beneficial to a participant, is only one part of the reporting picture.

The organization should benefit from the assessment process by seeing trends in data, overall team strengths or development opportunities, how development effects capabilities over time and what is the most effective way to develop capabilities. These are all important questions that can be answered by group reporting.

Chapter 6

After the assessment process

What's next and how to support continued employee development



The assessment process is now complete, feedback received and reports debriefed. The post assessment process should be primarily focused on development and the report should have provided insights into strengths and development opportunities. Now is the time to focus on a successful development plan.

Building a successful development plan

The assessment process is nothing more then a 'point in time' view of your capabilities and that view will change over time, from on-the-job learning to formal development. Building a development plan should be a frequently tracked and measured event. We strongly believe that the development plan should have measured outcome and not a quick summary scribbled at the back of a report.

Set clear objectives and ensure those objectives are focused enough so they can be measured over time - this way you can break up development objectives into bite-sized chunks and build a meaningful action plan.

The post-assessment development process

The post-assessment development process should result in a more frequent conversation with your supporting partner (manager, coach, mentor) where the effects should be debriefed and used to determine next steps.

We have too often seen post-assessment development action plans fed into annual performance based development plans. In our opinion, this is not the best place for them. Most performance cycles only result in a review twice a year and this is too long to wait to determine if your development actions are achieving the desired outcomes.

If development is not focused, six months is a long time to wait to change focus and correct the plan. We recommend quarterly reviews of development. This offers enough frequency to determine if they are achieving results, and long enough to allow for meaningful development without giving participants more work than is absolutely necessary.

The review of the development should focus on what's working, what's not working, what could be improved and what options are available to assist with this. Great milestone questions to keep in mind are:

1. What am I doing?

2. Is it producing the desired outcome?

3. What are my next steps?

4. What do I need to achieve those next steps and by when?

We consider the development plan to be most effective if both participant and their sponsor take part in these reviews.

There are also a variety of resources available that discuss learning styles, these can be very useful if incorporated into development plans and subsequent conversations. Use your on-line LMS or talent management system to keep this development intervention online. This will give you more measurable and meaningful results.

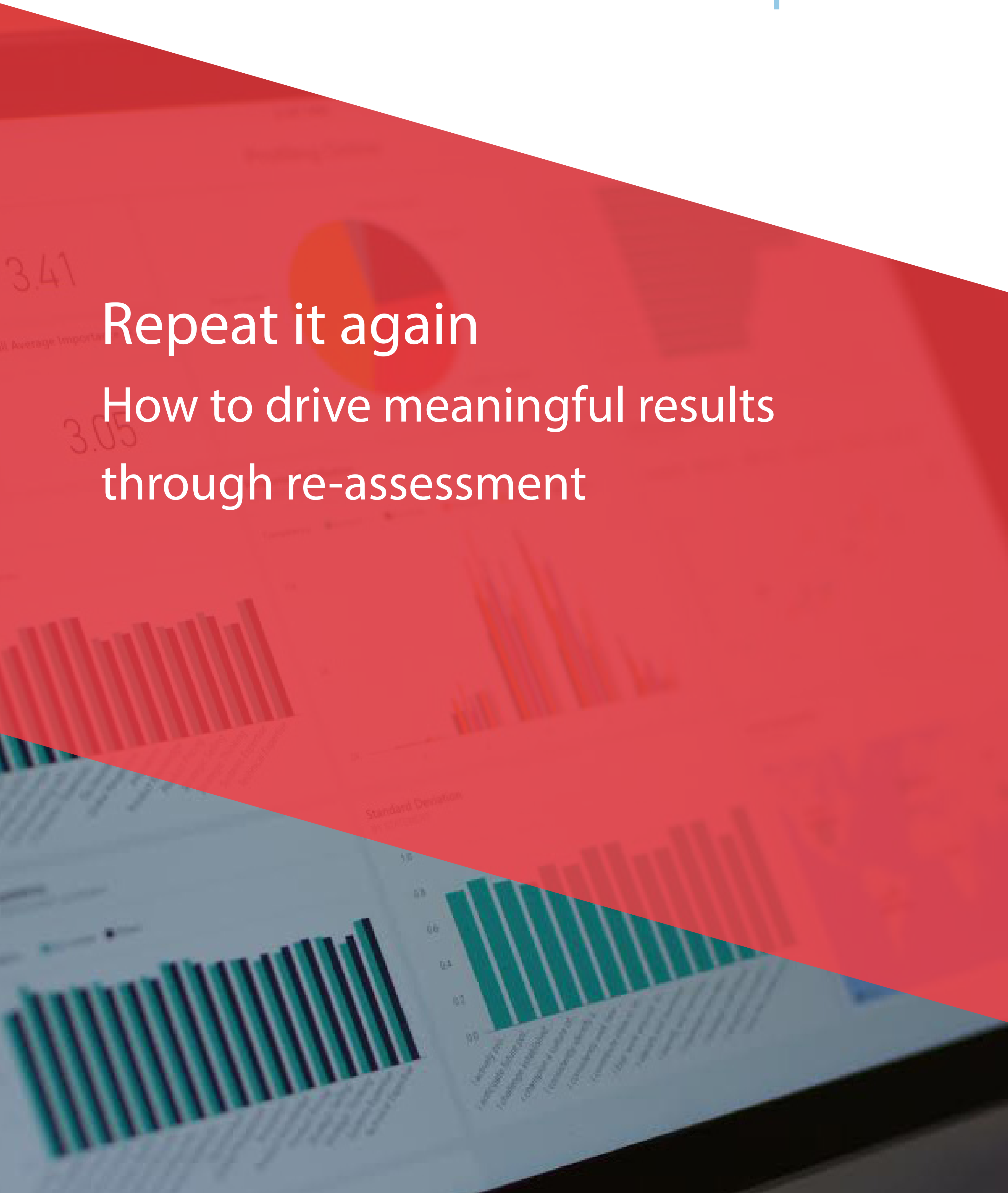
Be careful not to confuse the review of the development plan with that of performance. With this in mind, it's best to avoid labels such as 'partially achieving', 'frequently achieving' or other scales that feel like a performance review.

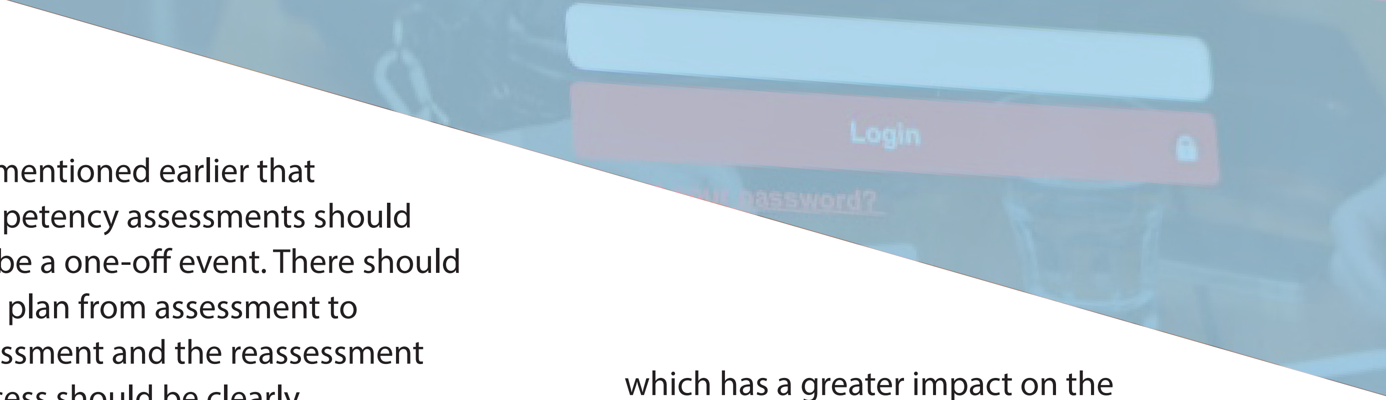
Having norms or benchmarks in your competency framework can also assist in development. This allows an understanding of where an organization can stretch to and how they can develop in both a measurable and meaningful manner.

Chapter 7

Repeat it again

How to drive meaningful results through re-assessment





We mentioned earlier that competency assessments should not be a one-off event. There should be a plan from assessment to assessment and the reassessment process should be clearly considered during the initial project communications so participants know that this is an ongoing process.

Evolution of your assessment process is key

The capability framework itself should be designed so that it can evolve over time without significant redesign in-between assessment processes. We are often asked how frequently one should be reassessed and our opinion is between 12 and 16 months post initial assessment. This gives you a fair amount of time to assess, create a development plan, execute that plan and prepare for a reassessment. This will also give you the opportunity to identify change in level of capability and adjust your development interventions accordingly.

Successful reassessment projects will also provide reports that allow users to see change in their levels of proficiency over time, ideally showing percentage change at a capability or individual statement level. At an organizational level, data insights can then show group change in capability levels and this can assist in understanding and measuring the effects of learning on the target audience.

Whilst reassessment every 12 to 16 months is ideal - a full reassessment, (particularly if it's a 360-process which has a greater impact on the organization), may not always be practical due to timing, organizational change, or budgets.

Options if a full reassessment is not possible

It's possible to have a somewhat scaled down approach to reassessment while still having a meaningful outcome to the process. If the original assessment was a 360-process, the ideal scenario is to have a second 360-assessment to compare the entire rater group before and after the event. The alternative approach may be a 180-degree reassessment process, involving only participant and manager, and comparing the 180-review to the original 360-data. This will still give you the opportunity to see change in key stakeholders, without wider audiences that would be required in a full 360-degree process.

The second approach is a process we call progression assessment. It's again a 180-degree process, but only a reassessment at the capability level. For example, if the original assessment is a 50-statement survey measuring eight competencies, then the progression assessment process involves only the re-assessment of the overall capability level scores, making it essentially a re-assessment with only eight questions.

The benefit of a progression assessment is that it can be a very visual short process, quick to complete and if done correctly, allows the participant and their manager to view the original scores and compare them against current perception of capability.

Many assessment experts might argue that reassessment in this manner does not accurately measure the capabilities in the same way because the participant is not rating each statement once again - and technically they are correct.

However from a pragmatic point of view, it's achievable, quick and visual, and allows the participant to gain an understanding on their change in level of capability. If ultimately this feeds the development process, then it is a useful and meaningful process.

Regardless of the mechanism put in place to facilitate re-assessment, remember it's purpose is to facilitate ongoing development conversations.

By introducing a short reassessment or pulse view of your competency assessment, you can increase their frequently (such as after a six-month review of the development plan). Reassessment will also give organizational value by allowing you to see change in levels of capability of teams or groups over time, mapping that back to employee development and helping to justify the spend and effort.

"We all need people who will give us feedback. That's how we improve"

- Bill Gates

Ultimately, capability frameworks are created to help identify your people's strengths and development needs. It helps you articulate and communicate these needs to yourself and those around you in a positive and meaningful way.

It is our hope that the tools and techniques discussed in this eBook make your assessment journey easier and more successful, helping you grow, develop and achieve your business goals.