## Competency Mapping for Superior Results

**Getting the Maximum from Your Talent** 

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То

Late Prof Udai Pareek

## Preface

Talented people are a scarce resource today. Building competencies, which lead to excellent performance at the organizational level and superior performance at the individual level, is a major concern for Human Resource departments across industries. Today, the biggest challenge for HR is to identify the right competencies that will give organizations an edge over the competition. Many organizations have tried to implement competency mapping with the help of external agencies. However, the alignment of individual behaviours with expected standards of behaviour is still a distant dream. The reasons could be varied, but the most crucial missing link is that there are no documented resources on this subject that can provide HR managers a comprehensive understanding of the subject at the conceptual level as well as at the level of practical implementation.

As we seek to understand the nature of the key drivers of high performance culture in the organization, the roles played by individual members of the organization come to be seen as the most crucial differentiators. The highperforming organizations not only attract and induct the right resources, but also give equal emphasis on how to best fit these resources into the appropriate roles—so that they are motivated to stretch themselves to meet the high demands of the role.

During my three decades in the corporate world in different roles for diversified businesses, I realized that the world class competencies are all about developing a winning mindset and creating a purpose. This realization is the basis of current book.

Late Prof Udai Pareek and Prof T V Rao introduced the competency mapping and assessment center concepts to Indian corporates and made significant contributions to the competency movement in this country. The Academy of HRD conducted a series of programs on Individual and Organizational Assessment Techniques in the mid-1990s. My first exposure to the concept of assessment center was through attending one such program. Prof Udai Pareek provided me significant inputs when I first designed and then introduced the assessment center facility at a cement plant in Rajasthan during the late 1990s.

In the last one decade, we saw many organizations introducing competency assessment using external consultants or expert resources. During the last two decades, we observed academicians, practitioners and consultants assisting many organizations in implementing competency mapping at various business domains by using different approaches. We also assessed why and how some organizations manage to successfully integrate competency mapping with organizational core processes and others fail miserably. Hence, I felt a need to pull together some of the excellent work done by many corporations in the competency mapping area and my own mixed personal experiences in implementing competency mapping in various organizations as an executive and consultant.

I have a specific approach on the competency management system and process—just like others who are actively engaged in this domain. While I have taken different approaches on competency mapping into account and sometimes used case examples to explain situations where I was involved in designing and implementing, my intent here is to describe a few universal principles necessary to ensure that the competency mapping approach is viewed as a systematic process in creating a high-performing organization.

This book has been written with the primary objective to empower future managers with a definite roadmap to align individual behaviour with business strategies by adopting competency mapping. This book provides HR practitioners and students a step-by-step guide on successfully implementing competency mapping in organizations. It also includes well-researched case studies from Indian organizations, both private and public, that HR managers can relate to.

#### **Overview of the Contents**

This book provides concrete information and specific action steps to help the readers get a comprehensive overview of the major competency mapping concepts. The reader could be a management student, an HR faculty member, or an HR practitioner or consultant already working on implementing competency mapping in the organization or planning to do so. Throughout the book, examples from real-life situations are provided yet the names and some specifics have been changed to protect their identity.

Chapters 1 and 2 define the context and the purpose of the book, i.e., the relevance of this subject to organizational performance. Chapter 1 outlines the basic definition of competency and the major components of competency. Through an example, the concept of competency is illustrated for easy understanding. Chapter 2 deals with the subject in depth, so that the reader can absorb the concepts of competency, competency clusters, and competency framework, and relate well to the competency requirements for a role or position. This chapter also covers topics like proficiency levels, behavioural indicators and role profiles.

Chapter 3 deals with the development of the competency model. Not only does this chapter covers the different approaches of development of the competency model, but it also gives the reader an overview of a step-by-step approach to the development of a generic or core competency model.

Chapters 4 and 5 focus on the different aspects of the assessment center approach, so that the reader can understand the finer aspects of designing and implementing an assessment center. Chapter 4 covers the history of assessment center in India and abroad, what is an ideal assessment center and key differences between assessment and development center; it then delves at length into the design aspect of an assessment center. Chapter 5 covers the different tools and techniques being used at assessment centers. Several real-life examples are provided in this chapter to help students gain a strong understanding of the same. This chapter can be of great help for readers who would like to work further in this area.

Chapter 6 covers a wide range of issues pertaining to the implementation of assessment centers, including center schedules, assessor selection, training of assessors, assessment report preparation and how to conduct feedback sessions with the candidates after finalization of assessment reports. Chapter 7 focuses on the formulation of the individual development plan of each candidate using multiple developmental strategies. Chapter 8 discusses how competency mapping can be integrated effectively with different human resources sub-systems. The purpose of this chapter is to help the reader to appreciate how competencies can be aligned with overall organizational human resources strategies.

Chapter 9 contains four case studies, wherein the reader can correlate the issues discussed in Chapters 1 to 8 with real-life examples. The four case studies provide different perspectives and approaches from the viewpoint of integrating competencies with the other organizational processes.

This book attempts to cover the pioneering work on competency by David McClelland, L. M. Spencer, S. M. Spencer, Richard Boyatzis, R S Mansfield, Udai Pareek and T V Rao, together with the experiences of implementation of competency at various organizations, to help in the process of developing a competency-based organization.

SRABAN MUKHERJEE

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Prof Seeta Gupta is the first person to whom I would like to convey my sincere gratitude for motivating me to write a book on this subject. I would also like to thank Mr V K Sharma, who contributed significantly during the initial phases of conceptualizing the issues related to competency mapping. Prof Udai Pareek was the first person who helped me in designing an assessment center during my early days in this subject area and Mr S K Wali who encouraged and partnered with me in the pilot study on the design and implementation of an assessment center at Lakshmi Cement. Sincere thanks are due to Dr V P Singh, who reviewed part of the draft and provided thoughtful comments. Thanks are also due to Dr P V Bhide, Mr Girish Johar, Mr Bhaskar Bhattacharya and Mr Arun Leslie George for providing case studies for this book. I would also like to thank my professional colleagues, my wife Dr Urmi and our son Neil, who encouraged me to keep focus on completing this book.

SRABAN MUKHERJEE

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## Chapter **J**

# Introduction to Competency Concept

In the earlier days, life used to be leisurely. Day-to-day needs were met by craftsmen like weaver, plumber, carpenter, blacksmith, cobbler and so on, who were experts in their respective trades. They were concerned about the quality of product they turned out, but were not really worried if they took a little extra time to complete the job. There was always time to engage in a friendly chat. There was no competition. Same was the case with their clients, who too generally led a leisurely life.

With the onset of globalization, however, the pace of life and the competition have accelerated. If an organization is not able to perform its tasks with efficiency at optimum cost and with requisite quality standards, the tasks get shifted to some other organization, may be in some other country, with consequent loss of jobs.

Thus, the standard of performance by individuals, groups, and teams in an organization has acquired much greater significance. Industrial engineering concepts pioneered by Fredrick W Taylor helped to improve efficiency with techniques, like the 'Time and Method Study', 'Training within Industry' scheme established during the second World War helped people learn to perform their jobs faster and better. Training programs conducted by management associations, other professional associations or consultants and the dissemination of management subjects by academic institutions helped people gain better understanding of the concepts involved.

However, better understanding of concepts alone did not get translated into practical results at the ground level. Realization slowly dawned that ultimately it was how people did or did not do something, or if they did something half-heartedly or with full vigour that really mattered. In other words, how people behaved on the job determined whether the job was done well or not, and whether or not the performance was up to the mark.

Let us now, therefore, shift attention to 'performance'. It has been believed for ages, and now reinforced by studies, that by the time an adult joins a job, he/she is already equipped with certain levels of knowledge, has a set of skills, and a few other qualities, leading to a certain set of behaviours. Each individual is different from the other, having a different set of abilities, aptitudes and so on. However, our efficacy in fitting a person's potential to do well in one kind of job, with the demands that the role would make on the incumbent, has been rather limited. In other words, our selection skills to spot the right person for a given job were not as good as they should have been. The interview method, still widely practiced, is known to be the least reliable instrument to make good matches. We have made some advances in this area; the technique of Assessment Centres is the best predictor of success on a job today. However, it would be safe to say that there is still scope to study and improve the subject further.

It was this universal need to select the right person for the right job so that he/she performs well on the jobs assigned, that caused evolution of the competency movement and the assessment centre concepts.

#### WHAT IS 'COMPETENCY'?

There are many definitions for 'competency' in the literature, put forward by authors and practitioners. Some of them are:

A job competency is 'an underlying characteristic of a person which results in effective performance and/or superior performance in a job' (Klemp, 1980).

'Competencies are the characteristics of a manager that lead to the demonstration of skills and abilities, which result in effective performance within an occupational area (Lee and Beard, 1990).

'A competency is a measurable human capability that is required for effective performance. A competency may be comprised of knowledge, a single skill or ability, a personal characteristic, or a cluster of two or more of these attributes' (Marrelli, et al., 2005).

*`... (each) competency is a collection of related behavioral indicators' (Whiddett and Hollyforde, 1999).* 

However, the most-quoted definition of competency, as given by Spencer and Spencer (1993), is:

'A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation.' 'Underlying characteristic' means the competency is a fairly deep and enduring part of a person's personality and can predict behavior in a wide variety of situations and job tasks. 'Causally related' means that a competency causes or predicts behaviour and performance. 'Criterion-referenced' means that the competency actually predicts who does something well or poorly, as measured on a specific criterion or standard.

All the above definitions have two main themes: job output or performance and behaviours. The variations in these definitions are on what constitutes the underlying characteristics. However, based on the scanning of literature on this subject as well as our practical experience, in the area of competency management, we would like to define competency as,

### "a cluster of individual behaviours that lead to superior results in one aspect of a job."

This definition highlights the fact that the competencies facilitate and lead to superior results. This means there is an element of predictability between competencies and performance of the organization. Effective performance of a job is the attainment of specific results, that is outcomes, required by the job through specific actions while maintaining or being consistent with policies, procedure and conditions of the organizational environment (Boyatzis, 1982). Hence, the organization should focus on deriving a set of competencies, which all the job holders should have or acquire in order to perform their jobs effectively. Similarly, prospective employees should be selected only based on meeting the competency requirements of the job. This will ultimately lead to superior organizational performance. Any job within an organization usually will have six to twelve competencies. If the incumbent has the desired competencies for the given job at the requisite levels, he/she should most likely produce superior results in that job.

Boyatzis (1982) made a reference to threshold competencies and differentiating competencies as given below:

**Threshold competencies:** A threshold competency is a person's generic knowledge, motive, trait, self-image, social role or skill which is essential to perform a job, but is not causally related to superior performance (Boyatzis, 1982). These are the essential characteristics—usually knowledge or basic skill—that everyone in a job needs to have minimally to be effective, but do not distinguish superior performer from average performer. A threshold competency for a salesperson could be product knowledge.

**Differentiating competencies:** A differentiating competency distinguishes a superior performer from an average performer. For example, achievement orientation of a salesperson, or risk-taking or interpersonal ability to influence others for a manager could be a differentiating competency.

We mentioned while defining competency that competencies should lead to superior results. In view of relative importance of the two types of competencies, this book mainly covers differentiating competencies, which lead to superior results for the organization.

You may be wondering if there is any difference between the two terms 'competence' and 'competency'. Competency is more precisely defined as behaviours that the employees must possess or develop in order to achieve higher levels of performance. Competence normally relates to a system of minimum standards or is demonstrated by performance or output. However, these two terms are frequently used interchangeably in literature. This book uses the term 'competencies' in relation to behaviors only.

Before proceeding further, let us examine the term 'behaviour'. As explained by Hersey and Blanchard (1983), behaviour is basically goal-oriented. In other words, our behaviour is generally motivated by a desire to attain some goal. The basic unit of behaviour is an activity. As human beings, we are constantly engaged in some activity or the other, eating, talking, standing, interacting, teaching, writing or reading, and so on. At any given moment we may decide to change from one activity or a combination of activities to something different. All of us wonder many a time, 'why did I do that?' That is so because sometimes the individual is not fully aware of any specific goal and behaves as directed by the subconscious. To predict behaviour, we need to explore the motives or the needs that drive the individual at a particular time.

Having examined the terms competency and behaviour in some detail, we shall now illustrate the concept of competency with a simple example. Let us take, one of the competencies for the job of a Sales Manager in a consumer durable company, having pan India presence. Generally, there will be several Sales Managers in the organization responsible for different territories, for different product groups or product lines. The competencies may differ from one organization to the other, depending upon the size of the organization, its culture, its processes, and its range of products and services. However, one of the competencies for the Sales Manager positions will be customer focus.

Some of the behaviours for the competency "Customer Focus" could be,

- Invest time to identify customer requirements
- Focus on meeting the needs and interests of the customers
- Take personal responsibility to resolve customer concerns
- Build good rapport with customers
- Understand issues and problems from the perspectives of the customer
- Proactively anticipate and provide solutions to delight customers
- Respond to customers promptly and punctually; and
- Set up efficient system to attend to customers' complaints

Similarly, there could be sets of four to six key behaviors for each of the competencies for the position of Sales Manager. Thus, if we say that a particular individual has the required competencies at a desired level for the job of Sales Manager, then it would mean that he is equipped to demonstrate the behaviours associated with each competency to the requisite level leading to superior results.

#### **ANCHORS OF BEHAVIOUR**

Now, let us discuss in more detail the concept of behaviours that are components of a competency. The individual behaviours that we observe in people are not a random happening, do not occur just by chance. Behaviour is a function of the knowledge, abilities, skills, habits, attitudes, inner values, traits, and motives. Put in a different way,

| Behaviour = f ( K, A, S, H, V, A, T, M) |   |            |                      |  |  |
|---|---|------------|----------------------|--|--|
| where,                                  | Κ | stands for | Knowledge            |  |  |
|   | А | "          | Abilities            |  |  |
|   | S | "          | Skills               |  |  |
|   | Н | "          | Habits               |  |  |
|   | V | "          | Values               |  |  |
|   | А | "          | Attitudes            |  |  |
|   | Т | "          | Traits (personality) |  |  |
|   | М | "          | Motive(s)            |  |  |

Let us explain each of these terms in detail. It may, however, be appropriate to point out at this stage that the attributes of KASH (knowledge, abilities, skills and habits) are easier to observe, measure and develop among individuals as compared to the attributes of VATM (values, attitudes, traits and motives).

By using the analogy of an iceberg, as used by Spencer and Spencer (1993), KASH forms the tip of the visible part of the iceberg, whereas VATM are located in the invisible part of the iceberg, and are thus less observable and less amenable to change or development in an individual, as illustrated below.

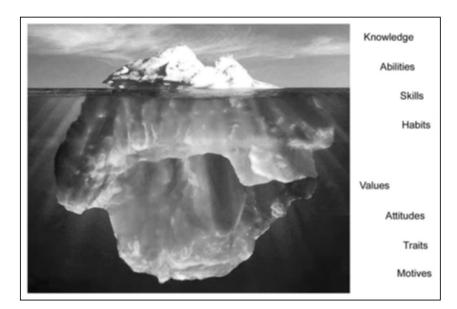


Fig. 1.1 Iceberg Model of Competency

Let us now understand precisely what is meant by each of the attributes in this equation, since the behaviour of people is not a random phenomenon, but is anchored in these attributes.

#### Knowledge

Knowledge is awareness, information, or understanding about facts, rules, concepts or theories, or processes of a job, needed to successfully perform a task. Knowledge may be concrete, specific and easily measurable, or more complex. Knowledge is acquired through learning and experience. It could be the pilot of an aero plane who knows how the jet engine propelling his plane functions, or a leader knowing certain principles of human motivation, or a surgeon's knowledge of nerves and muscles in the human body, and so on. It is obvious, however, that having such knowledge alone does not ensure certain results on the ground.

#### Abilities

Ability is a demonstrated cognitive or physical capability to successfully perform a task with a wide range of possible outcomes. Ability is often a constellation of several underlying capacities that enable us to learn and perform (Marrelli, et al., 2005). For example, analytical thinking is an ability. We are all familiar with the term IQ (Intelligence Quotient) and are used to say that a certain person has a high IQ. Thus IQ is one of the abilities we are all endowed with to a lesser or greater degree.

#### Skill

Skill is the ability to perform a certain physical or mental task. For instance, a dentist's ability to fill a tooth without damaging the nerve is a skill. Skill is acquired when certain background knowledge gets combined with a lot of practice. For example, swimming is a skill which needs a lot of practice; being able to operate a milling machine well is a skill; and being able to land an aeroplane smoothly is certainly a skill. However, having a high skill would not ensure the achievement of results aimed at. Having the requisite skill is only one of the essential ingredients.

#### Habits

The term 'habit' implies the routines of behaviour that are repeated regularly, tend to occur subconsciously, without directly thinking consciously about them. We all recall many instances from childhood of being exhorted by our elders to work on our habit of sleeping late or of being advised to develop the habit of brushing teeth regularly. The habits that influence work adversely or positively could be to supervise one's subordinates closely or not to breathe down their necks and check the progress on the job too frequently and thus irritating them, or the habit of postponing things, which may lead to a sales manager not being able to handle customers' complaints promptly. It could be the habit of not making certain entries in the documents regularly as laid down. However, with some effort and with some determination, most habits can be changed and/or improved upon.

Thus the four attributes of KASH (Knowledge, Abilities, Skill, Habits) are comparatively more amenable to change and development as compared to other attributes, which lie on the iceberg below the surface, which are relatively stable and much less amenable to change. We proceed to discuss these now.

#### Values

Clifford Sharp (*The Origin and Evolution of Human Values*, 2<sup>nd</sup> rev.ed., DP Press, 2002) defines human values as the habit of thoughts each of us acquires as we mature so that we can assess and deal with ethical problems. Values are the guideposts that a person lives his/her life by. These are the guideposts that help when tough decision have to be made, when temptations come one's way. Peter Drucker said, ages ago that values are what a person brings with him. It certainly makes sense. If one has grown up in the house of a smuggler, to take an extreme example, his value system could be very different from what most jobs call for. His guidelines may be, 'It is all right to break or bend the law', 'It is all right to cheat people', 'One cannot trust people', 'One cannot share information with others', and so on. Values become lifelong guideposts. That is why understanding individual values are important in the selection stage itself in the organization.

#### Attitude

It is a disposition or certain proneness in an individual to act or to behave in a certain direction. We have all heard about someone having a negative attitude, which in turn refers to his being a cynic who does not believe in the sincerity of human beings and is thus critical most of the time. According to *Wikipedia*, the term 'attitude' represents an individual's degree of like or dislike for a person, a place, a thing or an event... Attitudes are judgments,... are the result of either direct experience or observational learning from the environment. Unlike personality, attitudes are expected to change as a function of experience. Attitudes can be changed through persuasion.'

#### Traits

Traits are defined as 'a distinguishing quality or characteristic, as of personality'. In other words, this means that personality traits are the distinguishing characteristics that make you 'you'. Personality traits are the unique set of characteristics and qualities that only you possess. While a lot of people might have similar personality traits, each person combines these traits in a different way, to create a unique, irreplaceable conglomeration of traits that make up their individual personality.

#### Motives

Motives drive, direct or select behaviours towards certain actions or goals and away from others. They are the things a person consistently thinks about or wants, that cause action. One example of motive is 'achievement', which in turn can lead to the following behaviours:

- Consistently set challenging goals;
- Take personal responsibility for achievement; and
- Seek and use feedback for improvement. (Spencer and Spencer, 1993)

#### AN ILLUSTRATION

Having discussed various anchors of behaviours, we will now present a very simple illustration of anchors of behaviours of the competency of 'Customer Focus', for the position of Sales Manager, which can be derived through task analysis of the role holder.

Competency: "Customer Focus"

#### Anchors of behaviour

- Knowledge: Knowledge of customers, including their profiles, preferences, buying patterns, and so on
- ✤ Attitude: Believe that the customer is God
- Skills: Listen well, communicate effectively, handle angry customers, provides solutions
- Habit(s): Do not procrastinate
- Values: Respect for people
- Abilities: Social intelligence
- Traits: Grounded, practical and high tolerance to ambiguity
- Motive(s): Achievement

This is a very simple example to demonstrate various anchors of behaviours. In subsequent chapters, we will discuss in detail how to identify behaviours which lead to superior results.

### Summary

In this chapter, we have examined the meaning of the term 'competency'. Competency refers to a cluster of behaviours which leads to superior results. The term 'behaviour' has been studied in some depth since it is not a random happening, but is influenced by eight characteristics, that is, knowledge, attitude, skills, habits, values, abilities, traits and motives. Since organizations are concerned with performance, competency management is a tool for an organization to identify what leads to superior performance. The subsequent chapters will extend the basic concepts of competency to show how these are implemented within the organization.

## Chapter Chapter

# Understanding Competencies

#### WHY ARE COMPETENCIES IMPORTANT?

It is often observed that one's best performance is driven by competencies rather than task-related skills and knowledge. This demonstrates that selection on the basis of qualifications or skills alone does not ensure a candidate's best performance. Therefore, competencies are the critical behaviours that individuals need to demonstrate while carrying out relevant tasks effectively within a given organizational context. To do that, organizations must try to understand the organization-specific competencies necessary for its employees (or members) to possess in order to deliver business results. The organization-specific competencies enable its employees to achieve results, thereby creating value for the organization. Hence, the organization needs to develop its unique competencies, which are aligned to its strategic objectives. It has been mentioned in Chapter 1 that the behaviours demonstrated by individuals are driven by both surface-level characteristics, that is, KASH (knowledge, abilities, skill, habits) as well as anchored at one's core personality level, that is, characteristics like VATM (Values, Attitudes, Motives and Values). The surface-level characteristics, that is, KASH, are visible in one's behaviour or performance and can be developed with appropriate training and development. However, core characteristics like VATM reside deep within people and are difficult to measure and develop (see Figure 2.1). Since there are many deep-rooted factors behind the development of one's motives, traits and even inner values, it is difficult and time-consuming to change or develop the characteristics lying deep within an individual.

Hence there is a need to focus on some specific motives and traits with a view to develop them in a cost-effective manner. Some of these can be developed over a longer period of time by change of role of the employee in the organization or by individual gaining new cognition or by sustained psychological or behavioural modification interventions.

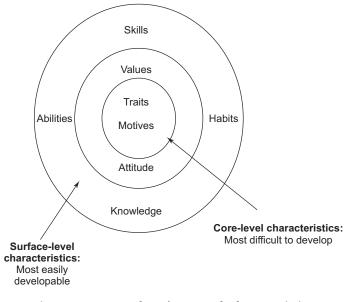


Fig. 2.1 Core and Surface-Level Characteristics

#### TYPES OF COMPETENCIES

In the previous section, we have used the term 'organizational competencies'. You might be wondering what is the meaning of 'organizational competencies'. Before explaining different types of competencies, we shall revisit briefly the competency concepts, as mentioned in Chapter 1. There we have cited the example of a competency, that is, 'customer focus' for Sales Manager's position. We have also mentioned indicative behaviours associated with that competency. For Sales Manager's position in any organization, one competency may not be sufficient to encompass the different aspects of the role. Generally, there will be 8 to 10 competencies for the role of Sales Manager, depending on its complexity, the areas of responsibilities, and the span of control.

Marketing and Sales function of an organization has different roles, Sales Manager's role is one of them. The other roles could be those of Marketing Manager, Service Manager, Customer Support Manager, Client Manager, Logistics Manager, and so on. Figure 2.2 gives an example of three different roles within Marketing and Sales function in an organization.

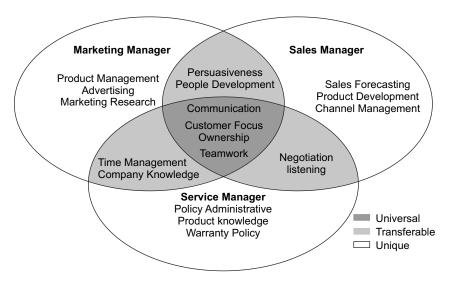


Fig. 2.2 Competencies for Three Roles of Marketing and Sales Function

From Figure 2.2, it can be noticed that there are some competencies, which are unique for the role, whereas there are others which are common for all the three roles. Hence, each organization identifies some competencies, which are common to all positions in the organization and some competencies which are unique to a role or set of roles. To differentiate these different types of competencies, the competencies are categorized into three groups, namely Core Competencies, Transferable Competencies and Functional Competencies. Table 2.1 defines these competencies.

| Core<br>Competencies                                 | Core Competencies are organizational competencies that all<br>individuals are expected to possess. The goal of core competen-<br>cies is for individuals to be able to perform in diverse positions<br>throughout the organization. These are reflections of the com-<br>pany's values, culture and business imperatives that should be<br>exhibited by all employees. For example, guiding behaviours such<br>as cost-effectiveness, service delivery, customer focus, teamwork,<br>communication, initiative, and so on. |
|--|--|
| Transferable<br>Competencies                         | Transferable Competencies are skills and abilities needed within<br>several roles in varying degrees. For example, managerial and<br>leadership skills.  |
| Technical<br>Competencies<br>or Role<br>Competencies | Technical Competencies or Role Competencies are distinctive<br>competencies required for specific jobs, that is, specialized<br>know-how or abilities required within a specific role or job. For<br>example, Marketing Research or Dealer Management.   |

Table 2.1 Types of Competencies

#### STRUCTURE OF COMPETENCIES

Before explaining the structure of competencies, we shall briefly introduce the concept of behavioural indicators, competency clusters and competency frameworks. Behavioural indicators are behaviours associated with each competency that each employee of an organization is expected to deploy at his/her workplace in order to achieve superior results. The participants of assessment centre are expected to demonstrate these behaviours, based on which the assessors conduct the evaluation. We have given an idea of behavioural indicators of the competency, 'Customer Focus', in Chapter 1.

Competency cluster is a collection of closely related competencies, usually three to five per cluster. Let us consider the example of a competency cluster of 'Dealing with People'. The following competencies can be grouped under this competency cluster:

- Team management
- Development of subordinates
- Managing relationships
- Motivation and inspiration

Competency framework is a complete collection of competency clusters, competencies and behavioural indicators. It is a structure that integrates all the behavioural indicators that apply for all positions within an organization. Figure 2.3 illustrates simple example of a competency framework. Competency

framework provides a communication to the employees in the organization as to what behaviours they should demonstrate in the workplace and the organization will recognize and value these behaviours. In others words, the organization expects its employees to understand that these behaviours result in achieving the long-term objectives of the organization.

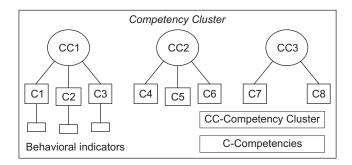


Fig. 2.3 A Typical Competency Framework

Since the competency framework encompasses the competencies for the entire roles, there are generally thirty to forty competencies to cover all core competencies, transferable competencies and role competencies. At present, some consultancy organizations, such as SHL, developed generic competency framework for commonly encountered competencies and behavioural indicators. This generic framework of competency is also termed, in common parlance, as competency dictionary.

#### PROFICIENCY LEVELS OF COMPETENCIES

Proficiency is denoted by how much a particular competency a role holder must have which will make him able to produce superior results. Hence, each competency needs to be defined through a consistent set of proficiency levels, since the proficiency levels are used to rate and compare individuals who are in different jobs/roles within an organization. It is better to define the proficiency levels of all competencies having the same numbers. Generally, it is defined at five proficiency levels, such as beginning, elementary, intermediate, advanced and expert, which are independent of any specific job or role.

Let us develop the definition for the five different proficiency levels of competencies.

- Beginning means that the employee's responses are reactive by nature.
- Elementary means that the employee is aware of the requirements and is satisfactorily responsive to the stated needs within his zone of influence and control.
- Intermediate level looks at the broader context, is proactive and analyzes issues and makes effort in order to exceed the requirements or the standards.
- Advanced level means that the employee proactively responds to all situations and generally performs consistently above the requirements of standards.
- Expert level shows exceptional foresight and consistently performs and enables people, system and processes, to create a climate for exceeding the desired requirements.

Each proficiency level is, then, to be specifically defined through behavioural descriptors, in such a way that the level descriptors form a logical hierarchy so that higher level of proficiency represents a higher degree of competency demonstration. This helps to minimize the rater biases, since the raters select the level based on the descriptors associated with each proficiency level, while observing the behaviours displayed by individuals. This also helps the organization to explain competency model or framework to others in a simple and consistent manner as well as to bring common understanding to those who will be using it.

### Table 2.2Example of Proficiency Levels of the Competency<br/>of Problem-Solving

|   |  |   |   | Expert   |
|---|--|---|---|--|
|   |  | Intermediate  | Advanced  | Builds usable  |
|   | Elementary   |   | Encourages<br>challenges to   | knowledge base   |
| Beginning                                 | Diagnoses the  | Explores<br>implement ability<br>and portability of<br>solutions. | conventional approaches.  | around problems<br>encountered and<br>solutions<br>developed.<br>Coaches and<br>trains others in<br>problem-solving. |
| Provides timely solutions to, and         | problem<br>completely and<br>thoroughly.                               |   | Develops an<br>environment that                                       |  |
| Identifies root<br>cause of,<br>problems. | Uses/accesses<br>information from<br>multiple sources<br>for analyses. | Documents<br>solutions for<br>future use and<br>reference.        | nurtures creative<br>thinking,<br>questioning and<br>experimentation. |  |
|   |  |   |   |  |

There will be different requirements of proficiency levels for a specific competency for different roles in the organization, that is, leadership role, profit centre head role or functional head, and so on or it could be for different organizational levels of responsibilities, that is, Vice-President, General Manager, and so on. For example, the competency 'Teamwork' may be required at expert-level proficiency for a General Manager, while the proficiency requirement at managerial level of employees could be only advanced. A competency matrix is, therefore, prepared defining the competency proficiency-level expectations at different roles. Table 2.3 is an example of such a competency proficiency matrix.

| SI. | Competency                               | Competency Proficiency Required at |                    |                |  |  |
|-----|--|------------------------------------|--------------------|----------------|--|--|
| No. |  | Manager                            | General<br>Manager | Vice-President |  |  |
| 1   | Analytical Thinking &<br>Problem-Solving | Expert                             | Expert             | Advanced       |  |  |
| 2   | Customer/Market<br>Orientation           | Advanced                           | Expert             | Expert         |  |  |
| 3   | Strategic Orientation                    | Developing                         | Advanced           | Expert         |  |  |
| 4   |  |                                    |                    |                |  |  |
| 5   |  |                                    |                    |                |  |  |
| 6   |  |                                    |                    |                |  |  |
| 7   |  |                                    |                    |                |  |  |
| 8   |  |                                    |                    |                |  |  |
| 9   |  |                                    |                    |                |  |  |
| 10  | Commercial Acumen                        | Developing                         | Advanced           | Expert         |  |  |

 Table 2.3
 Competency Proficiency Matrix

While assessment, organizations use numerical scale on a five-point scale to measure the proficiency levels of competencies (Very High Presence of Competency to Very Low Presence of Competency). The five-point scale definition may be defined as:

- Very High Presence of a Competency (5)
  - Multiple clear display of the entire behaviour associated with appropriate proficiency level and no substantial negative evidence. Significantly, this rating is required for superior performance.
- ✤ High Presence of a Competency (4)
  - Clear display of positive behaviours associated with the competency.

- ✤ Moderate Presence of Competency (3)
  - Display many positive behaviours and some negative behaviours required for superior performance.
- ✤ Low Presence of Competency (2)
  - > Display some positive behaviours and many negative behaviours.
- Very Low Presence of Competency (1)
  - ➤ Display only negative behaviours.

Some of the organizations prefer to develop a template of competencies for different roles in the organization. This helps the organization in communicating and articulating clearly the proficiency requirements of different competencies at each role. In recruitment selection process, the potential hire is mapped against the competency template for the role. Second, it could be used in internal promotion cases. If there is more than one employee being considered for promotion, the role template will be used as benchmark to identify which candidate is more suitable for the role. Table 2.4 gives a specimen of the template of different competencies for a role.

| Sl.<br>No. | Competencies                                    | SCORE |   |   |   |    |
|------------|---|-------|---|---|---|----|
|            |   | 1     | 2 | 3 | 4 | 5  |
| 1          | Team Leadership                                 |       |   |   | 0 |    |
| 2          | Execution                                       |       |   |   |   |    |
| 3          | Enabling People Performance                     |       |   |   | 0 |    |
| 4          | Communication                                   |       |   |   |   |    |
| 5          | Decision Making                                 |       |   |   | 0 |    |
| 6          | Credibility                                     | 0     |   |   |   |    |
| 7          | Strategic and System Orientation                |       |   | ( | ) |    |
| 8          | Change Management                               |       |   | ( | ) |    |
| 9          | Networking                                      |       |   |   |   | _0 |
| 10         | Ability to motivate and develop<br>Subordinates |       |   |   |   | _0 |
| 11         | Planning and Monitoring                         |       |   |   |   | 0  |
| 12         | Commercial Acumen                               |       |   |   |   | _0 |

 Table 2.4
 A Typical Competency Role Template

#### DEVELOPMENT OF CORE COMPETENCY FRAMEWORK

Let us know briefly discus how the core competencies are developed within an organization. The detailed methodology of development of competencies for various roles within an organization is explained in Chapter 3. We choose the same example of the position of Sales Manager in a large pan Indian organization, engaged in the manufacturing and marketing of durable consumer goods.

Assume that there are 62 positions of sales managers all over the country. Various steps are undertaken for conducting task analysis, analysing past performance data, interviewing the role incumbents, and so on, to understand the critical behaviours, which lead to superior performance of the sales manager. Now, the developmental team of competency model prepared a list of desired behaviours and a draft list of competencies, based on their own experience, insights, observations and data analysis. Thereafter, the draft list of competencies is further discussed and subsequently refined after detailed consultation with the leadership team, head of sales and marketing, subjectmatter experts (SMEs) and human resource (HR) team.

One or two competencies from the draft list of competencies or some behaviours against each competency are deleted or modified based on the inputs received after the deliberation process. The final draft of the list of competencies is now ready for validation.

To validate the draft competencies, one simple approach could be to conduct an assessment centre of 12 to 15 candidates, where both the 'high performers' and 'average performers' from the 60 sales managers, appear together. Again care is taken to see that they have no inkling about the process of their selection in this assessment centre.

What exactly is an assessment centre, how it is developed and how it is conducted is described in detail in later chapters. Suffice it to say at this stage that each individual takes part in a series of exercises/simulations/ psychological questionnaires. These are carefully designed and validated separately to assess the desired behaviours for each competency. This goes on for the full day, where behaviours actually displayed by the participants are being watched and recorded by a set of trained assessors. The net outcome of the assessment centre is the assessment scores for each competency of the draft model for each participant, on a scale of 1 to 5.

Now, we have two sets of data for each participant—his performance evaluation score for past two or three years and assessment scores on each competency from the assessment centre (both translated into numerical on a scale of 1 to 10). We could calculate the coefficients of correlation (the coefficient of correlation value varies from "-1 to +1) between these two sets of data for a given 'p' value. If the coefficient correlation between performance score of an individual and any competency is positive, it indicates that the higher the performance score, the higher is the assessment score of that competency and vice-versa. This process is continued for all the competencies to be validated. The list competencies for the job of Sales Manager in that organization is prepared by retaining only those competencies that have been thus validated out of the draft set of competencies.

The method explained above is just to give the reader a broad idea on how to develop the competencies for a role. This is a research-based method of developing competencies. The principal advantage of a research-based approach is that the validity of the competency model is high. A research approach can accurately identify the behaviours currently demonstrated by the superior performers and the beliefs by jobholders and other SMEs about what is currently important to superior performance (Mansfield, 2005).

However, this method of development of competencies is very complex and time consuming. First, it requires extensive data collection by studying the job contents, the factors affecting the delivery of the jobs, the role holder profiles and conducting interviews from a large number of stakeholders. Second, identification of superior performers is also not always so simple, since the performance appraisal data do not necessarily correlate with business delivery results. Third, there may not be many position holders in an organization doing similar jobs. Fourth, a large number of interview results and large amount of language data need to be analyzed in a structured manner to identify common themes for further analysis. Finally, the researchbased approach is only applicable for existing role competencies, and not for identifying future competencies the organization may need or aim at.

Though the research-based approach leads to development of competencies having high validity, organizations use intuitive approach to develop competencies for a large number of positions or role within the organization competencies in a cost-effective manner. In the intuitive approach, the development team builds on the ideas to be included in the draft model using the judgment and insights of the team members and other stakeholders including top management and then validate the competencies. Chapter 3 presents the hybrid approach, that is, a combination of research-based and intuitive approaches, towards development of competencies in detail.

### Summary

This chapter gives an outline of different types of competencies and how these apply in an organizational context. It explains how competencies are defined, measured and benchmarked within an organization. Since the competencies are critical for overall performance of the organization, it is essential that the competencies are articulated within the organization, so that employees understand what behaviours they should display at workplace.

# Chapter Chapter

## **Competency Modeling**

#### **EVOLUTION OF A COMPETENCY MODEL**

Competency model, as an approach, originated about 30 years ago and has become the mainstream practice in competency management. During this time, the methodology of designing competency model has gone through several changes to meet organizational requirements.

David McClelland mentioned in the introduction to the book *Competence at Work* (Spencer and Spencer, 1993), that in the early 1970s, McBer and Company was approached by the US State Department for helping in selecting junior Foreign Service Information Officers (FSIOs). Traditionally, State Department had been conducting Foreign Service Officers examination, which was a test of essential knowledge of the liberal arts and culture, American history, western civilization, english usage and

specialties such as economics and government. However, the examinations had a few major drawbacks. First, the minorities and others from less privileged cultures were getting eliminated. Second, the applicants' scores on the General Aptitude Test Battery or the General Background Knowledge Test did not predict success as rated afterward by performance on the job (McClelland and Dailey, 1972).

The challenge for McClelland and his colleagues was to identify what predicts job performance, which was not biased by race, sex, or socioeconomic factors. To find out what characteristics differentiated outstanding performers from average or low performers, they requested State Department to provide two groups of officers. One, the superior group was composed of superstars, the most brilliant and effective diplomats and the average group consisted of those who did their jobs just well enough not to get fired.

They first developed a technique called Behavioural Event Interview (BEI), which is essentially a combination of Critical Incident Technique (Flanagan, 1954) and Thematic Appreciation Test (TAT) used in motivation study. The interviewer asked these officers to describe three peak successes and three failures in short-story telling fashion, followed by a series of investigative questions. The interviewers recorded the same in the form of interview scripts. After detailed content analyses of BEI transcripts, they identified characteristics generally shown by superior performers and not by average performers and these differences were statistically significant between the two samples. These characteristics were then organized into a small set of competencies which, the researchers hypothesized, were the determinants of superior performance in the job.

Consultants trained in the Mcber approach dominated the next 10 years of competency modeling. This approach involved a rigorous research methodology, which included identification of criterion sample of superior and average performers, behavioural event interviews, thematic analysis of transcripts of half the interview sample, cross validation through coding and statistical analysis of the other half of the interviews (Mansfield, 2005). However, the Mcber approach had serious limitations in the sampling methods and final outcomes. Subsequent research by Mcber showed that out of the 21 characteristics identified, only 12 were differentiating competencies and seven of them were threshold competencies, that is, they are essential to the job and not causally related to superior performance.

During the subsequent 10 years, many organizations across the world developed competency models using different approaches. In Europe, mostly organizations from UK and Germany were the early movers in developing competency models.

In India, Academy of HRD in Ahmedabad, TV Rao Learning Systems and SHL (India) were the pioneers in helping Indian organizations to develop competency models and designing, implementing and conducting assessment centres. By now, many large and middle-sized organizations in India have developed and implemented competency models for their organizations.

#### WHAT IS A COMPETENCY MODEL?

A competency model or framework is a complete collection of competencies and behaviours. Each competency has three to five behavioural statements, called behavioural indicators. Behavioural indicators are examples of behaviours that the superior performers are expected to demonstrate in their respective workplaces. During assessment process, the assessors observe these behaviours when someone demonstrates that competency.

Hence, competency model lists the competencies required for delivering superior performance for a specific job, role, or a job family (that is a group of related jobs). Since there are various roles within an organization, each role or job has its own set of competencies or behaviours needed to perform the job effectively.

Typically, a competency model is presented in graphical or visual mode so that the user of the model could quickly grasp its key features. Figure 3.1 gives an example of the competency model for a large utility public sector organization in India and Table 3.1 presents some examples of behavioural indicators associated with different competencies. This model was developed by the author for a senior management team.



Fig. 3.1 Senior Management Competency Model

Table 3.1Behavioural Indicators of Senior Management<br/>Competencies

| S. No. | Competency   | Behavioural Indicators  |  |  |
|--------|--------------|---|--|--|
| 1      | Team Leader- | Create a vision   |  |  |
|        | ship         | Keep the purpose, goals and approach relevant and practical           |  |  |
|        |              | Motivate, inspire, influence and push people to achieve team goals    |  |  |
|        |              | Build commitment and confidence within the team                       |  |  |
|        |              | Place team success above individual gain                              |  |  |
| 2      | Execution    | Believe execution of projects and meeting deadlines are crucial       |  |  |
|        |              | Personally leads execution with robust planning and priori-<br>tizing |  |  |
|        |              | Assign appropriate resources and remove obstacles                     |  |  |
|        |              | Get task executed with a sense of urgency                             |  |  |
|        |              | Direct people's energy towards execution                              |  |  |

| 3 | Enabling<br>People's<br>Performance | Create an enabling work climate<br>Demonstrates faith in people's capabilities<br>Create forums to bring people together<br>Proactively ensure people improve performance<br>Allocate resources and support people to succeed<br>Ensure effective recognition, reward and consequence man-  |
|---|-------------------------------------|---|
|   |                                     | agement   |
| 4 |                                     |   |
| 5 |                                     |   |
| 6 |                                     |   |
| 7 | Planning and<br>Monitoring          | Plan and prioritize in line with the overall goal<br>Monitor implementation and hold people accountable for<br>results<br>Ensures structured and calendared review of project mile-<br>stones with concerned people<br>Set measurement indices<br>Plan and monitor plan vs. actual and takes mid-course cor-<br>rection proactively<br>Take interest in achieving budgetary control |
| 8 | Commercial<br>Acumen                | Have a good understanding of how his area contributes<br>financially to project cost<br>Never lose sight of commercial impact of actions<br>Absorb numerical and financial information easily<br>Take holistic view on cost, time, quality and efficiency<br>Balance long term with short term  |

#### WHY DO ORGANIZATIONS NEED COMPETENCY MODEL?

Competency models help organizations to take a unified and coordinated approach in designing the human resource management system including job design, hiring, performance improvement, employee development, career planning or pathing, succession planning, performance appraisal and reward management system.

While defining competency model, Dubois (1993) states that they (the competency models) provide the 'adhesion' or 'glue' that is necessary among the elements of an organization's human resource management system. He further describes competency model as being able to capture 'those competencies that are required for satisfactory or exemplary job performance

within the context of a person's job roles, responsibilities, and relationships in an organization and its internal and external environment'.

The competency model provides the individual with a map or indication of the behaviours that will be measured, valued, recognized and rewarded. Therefore, competency models are to be aligned with organizational vision, mission and strategic objectives. In fact, the competency model of any organization gives a signal from the organization to the individuals to demonstrate the expected behaviours given in the model and all members in the organization should understand the implication of the same on the overall performance of the organization. Hence, the leadership of the organization makes an effort to create awareness among its people on the competency model by articulating on what are the expected outcomes of an individual's efforts and the manner in which these activities are to be carried out within an organization.

#### APPROACHES IN DEVELOPMENT OF COMPETENCY MODEL

There are generally two approaches in developing a competency model, namely job-based approach and competency-based approach. Traditionally, the job-based approach starts with a job analysis to identify a list of knowledge, skills and abilities that are required for effective job performance. This approach generally leads to identifying threshold competencies, as defined by Boyatzis (1982), since threshold competencies are the qualities that a person needs in order to do a job. Practitioners of job-based approach of developing competency model attached credibility to the views of job holders and other SMEs about what is important for effective performance of a job.

Competency-based approach of developing competency model starts with observable behaviours of superior performers to produce a list of behavioural indicators, which are grouped under different competencies. While job analysis focuses on effective performance, competency-based modeling approach focuses on superior performance. Practitioners of competencybased model believe that only outstanding performers can provide insights into what behaviours drive the outstanding performance. In reality, however, the outstanding performers are not always able to articulate the secrets of their success. In that situation, the identification of key behaviours, which lead to superior results, becomes difficult. Finally, while job analysis method often leads to long lists of tasks and their associated skill requirements, competency-based approach distills the results of the studies into a relatively small set of underlying behaviours. Based on the definition of competency, as given in Chapter 1, the question is not which knowledge or skills are required to perform effectively or what superior performers possess or use, but what are the behaviours that will produce superior results in the organization. Therefore, this chapter presents the methodology to be adopted for developing a comprehensive, reliable and robust competency model for any organization.

When competency models are developed for an organization with different jobs, there are two basic strategies for model building. These are single model and multiple model approaches. The single model strategy involves creating a single competency model with one set of competencies applicable to all jobs. This is supplemented with additional competencies (that is transferable competencies or functional competencies). The core competencies send a message to all employees about shared purposes and directions of the organization for the future, while the additional competencies are to meet the requirements for the various roles or job families.

The multiple model strategy is to plan and build multiple competency models for different sets of roles or jobs. The multiple model approach is the most suitable when competency models are needed for different jobs and when jobs have a few common features. Such situation arises very rarely, hence we will focus in this chapter only on developing core competency model for an organisation.

A critical aspect of any competency model is the degree of details. If a model is too generic containing only general statements like communication, team working, and so on, it will not provide enough guidance either to employees as to what is expected of them or to managers, who have to assess their employees against these competencies. If, on the other hand, it is too detailed, the entire process becomes excessively bureaucratic and timeconsuming and may lose credibility.

#### DEVELOPING CORE COMPETENCY MODEL

Now we are going to discuss how to develop core competency model for an organization. The core competency model is based on the vision, mission and value systems of the organization. Various steps are followed to develop a competency model. However, it is up to the organization as to how to customize the process depending on its specific requirements. It is important to remember that the methodologies presented here to develop core competencies for an organization will lead to superior organizational results in terms of performance. It defines the set of soft skills that every employee of the organization should possess (Shermon, 2004). The specific job-related competencies or functional competencies are to be added with core competency model. Figure 3.2 gives the various steps involved for development of core competency model.

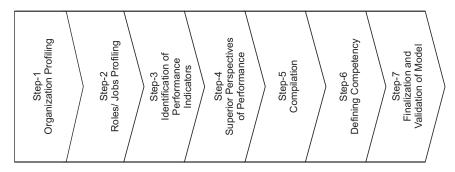


Fig. 3.2 Steps of Competency Model Building



Before developing the competency model, it is important to understand the organization in the broader sense. This will include understanding organizational vision, mission, core values, strategic plans and objectives, key business processes, product profiles, key financials, customer profiles, competitions, general business environment, and so on.

After understanding the organization and its business processes, the next step is to interact with the top leadership team (generally board level) to understand in details, the strategic imperatives of the organization. One of the approaches normally deployed during interactions with the top management is to conduct a *Visionary Interview*. The objective of this is to understand their perspectives on what skill-sets exists presently in the organization to meet the strategic objectives, what skill-sets do the organization lack, and their visualization of the key competencies or skills the organization should acquire or strengthen to become or remain a high performing organization in future. These interactions with top management give holistic views on what competencies the organization would need to meet its strategic objectives.

Since these interviews are conduced with the most senior executives of the organization, and they, in many instances, occupy much higher level than the target population for which the competency model is being developed, some precautions are to be taken before conducting visionary interviews. First,

the interviewer should be knowledgeable and mature enough to undertake such an interview. Second, the interviewer should have acquired proper understanding of the organizational business dynamics and its processes. Third, the interviewer should design the interview format carefully. Finally, the interviewer should ask leading, exploring and clarifying questions during the interview and able to summarise the interview scripts in terms of key skill requirements for the organization.



This step involves understanding the organizational structure including functional and reporting structures, different designations, levels of management, span of control, job descriptions, and position profiles and so on. Normally, HR department is the custodian of all such details. Each role or job profile is then analysed in detail to cull out what are the knowledge, skills, attitudes, habits, values, abilities, motives and

traits required for each role and analysed in terms KASHVATM requirement for different roles as explained in Chapter 1.

The second stage of this process is to study the detailed job description for different positions of the target level and select 10 to 12 aspects of the job, which seem to be the most important or the most frequently performed. Based on the analysis, a list of expected behaviours for each role is prepared.

The final process in this step is the deployment of *Card Sort Method* where the interviewer prepares 40 to 50 cards having different behavioural statements identified from the previous step. Each card will have a unique set of four to six behaviours associated with each competency. Figure 3.3 shows a sample card designed for conducting interviews for a large diversified organization in India.

#### Understanding Customer Needs

- Allocates adequate time to personally visit markets and meets customers (including distributions, stockists, dealers and consumers).
- Takes initiative to interact with other functions to appreciate their understanding of the end customer needs.
- o Communicates customer needs both upwards and downwards within the organization.
- o Appreciates the business and value perception of customer.
- Ensures that the customer's voice and feelings ate captured accurately and acted upon within the organization.

#### Fig. 3.3 Example of a Card

The interviewer meets the selected role holders (generally 50 % of target level) and their reporting officers. The interviewer first explains the purpose of the interview, duration and the processes to be followed. Then the interviewer hands over this pack of cards to individual executive. They are asked to go through each card one by one, read the behaviours listed in the card and then sort these cards into two sets of cards. One set of cards are those competencies (behaviours listed therein) fundamental and important to the role and second sets of cards are those competencies which are irrelevant or less relevant to the role.

Now the interviewer picks card one by one from first set of cards and asks the individual to think and explain which are the behaviours from each card he had deployed or his subordinate demonstrated ( as the case may be) which are responsible or seem to be responsible for actual superior performance. The interviewer asks few clarifying questions to individual to ensure that these behaviours are actually demonstrated, not socially desirable behaviours for the position. This process is repeated for all the cards in the first pack of cards. When all the cards are reviewed, a lists of key competencies for superior performance are identified and recorded. This process is repeated for all the role holders and their reporting officers.

After completing all the interviews, the interviewers compile list of 10 to 15 competencies consisting of 60 to 70 behavioural indicators for each role, based on the frequency.

Step-3 Identification of Performance Indicators

This step can be carried out in two to three different stages. Initially, the performance data of representative samples of employees (around 15 % of the target population) for the last three years is collected from performance appraisal documents of the organization to understand what are the indicators of high performance in the organization and what constitute lack of performance, for the cases of below or

average performance, as emerged during performance review process (from appraisers' perspective). A list of such indicators of high performance is complied role/ organizational level-wise.

The next stage is to understand performance using Criterion Sample methods, as adopted by David C. McClelland (1973). The first and foremost action in this stage is to identify the criteria for judging superior performance for a job/role. It would be desirable to have a group of specialists or subject matter experts along with the HR team to define the performance criteria of superior performers for different roles in the target group.

After having identified such performance criteria, the next stage is to select two sets of samples of low, below average and outstanding performers, based on the performance review assessment. These employees should have been ranked consistently in that category for last three years in the same role. The rationale for this is to have two contrasting groups of employees, selected on the basis of the performance of the last two or three years. The sample is drawn from different roles or functions having fair representation. Normally a sample size of 15 to 25% is adequate for a medium- to large-sized organization.

The third stage is to collect data about the different competencies or behaviours displayed by superior performers, but not by below average performers. This could be done through surveys, expert panels and/or behavioural event interviews. However, simple *Critical Incident Interview* techniques are recommended for this sample group. The purpose of this interview is to find out from the interviewees, which critical behaviours they have actually demonstrated/not demonstrated or used/not used in actual situations to achieve or not achieve superior results..

In the critical incident interview process, the interviewer first prepares the questions to be asked to superior performers and below average performers and the template for recording critical/key behaviours. Since many of the interviewees may not be necessarily good in articulation, the skill of the interviewer is most important to cull out relevant behaviours during the interview.

The interviewers, after initial briefing on the process, purpose and confidentiality, start the process by asking the executives which are the most significant or difficult performance issues or critical situations at workplace they had handled in the recent past. Then the interviewer asks them to explain the situation in detail, followed by a series of exploratory questions like why it was difficult or significant, how they dealt with it, what could have been done differently, what contributed in getting superior performance, what worked and what did not work, what are the consequences of their actions, how it impacted his work performance, what could be or should not be done in future, and so on. The job of the interviewer is to distill from the interviewe process which behaviours actually resulted in dealing the situations effectively as well as impacted superior job performance. Since the interviewees will give information from their own perspectives, many individual biases could surface during the process.



In this step, *Repertory Grid Interview* is deployed for interaction with the reporting officers of the targeted role holders for whom the competency model is being developed. The reporting officers should be at least one level above in the organizational hierarchy.

In this type of interview, exploratory process of questioning is deployed by the interviewer to find out in what ways good or superior performers' style is different from that of poor or average performers or what are the behaviours normally displayed by superior performers in the organization which resulted in superior performance. The interviewer may also ask these reporting officers what are the characteristics, besides domain knowledge and skills, they would look for in the candidates for choosing an individual to occupy a particular role if they have to select a person for a role from a pool of candidates, all of whom have similar relevant education, experience and performance records for the past three years.. Since the interviewees are one level up from the target level for which the competencies are being identified, this process may lead to surfacing of some individual biases.



This is the most cumbersome, complex and tiring exercise in the development of a competency model. All the interviewers jointly go through all the records, interview transcripts and data collected under steps 1 to 4. Their role is to identify behavioural indicators responsible for superior results. Normally there will be many duplications, overlapping or misleading indicators.

For example, one interviewer might have recorded 'Teamwork' in the transcript which resulted in superior performance. However, the same or other interviewer might have recorded the behaviour 'Capitalizing on strengths of others' is one of the important behaviours for producing superior results. Now the behaviour 'Capitalizing on strengths of others' could be a behavioural indicator of the competency of 'Teamwork' and 'Teamwork' could be one of the competencies, not necessarily the behavioural indicator.

After carefully going through all the interview scripts, 60 to 80 behavioural indicators, which are important for achieving superior performance, is identified by the team.



In this step, the most experienced team members go through the list prepared in Step 5. They further study each item, eliminate duplications, and compare language and intent. Based on the analysis, behavioural indicatours with similar intents or characteristics are clubbed under different heads. Each head is then defined as the underlying intent and labeled as competency X, Y, etc. viz., Team Orientation, Result Orientation, and so

on.

For example, competency "Teamwork" may have the following behaviour indicators, derived from Steps 1 to 4.

- Handling differences in work styles effectively when working with coworkers;
- Capitalizing on strengths of others on a team to get work done;
- Anticipating potential conflicts and addressing them directly and effectively;
- Motivating others to contribute opinions and suggestions;
- Demonstrating personal commitment to group goals.

The idea is to have 10 to 15 broad competencies from 60 to 80 behavioural indicators and each competency to have a unique five to six behavioural indicators. This is the draft competency model for the organization.



Draft lists of competencies and associated behavioural indicators are to be reviewed by SMEs, who have extensive knowledge of target role and sufficient knowledge of job contents. It is advisable to select SMEs, who were superior performers and functioned previously in that role. These SMEs are briefed properly on the concept of competency model, the processes followed to arrive at the draft model and the processes to be

followed for reviewing it. SMEs are expected to provide feedback on the competencies identified in the draft model and their behavioural indicators, whether or not these captured the key factors for superior performance fully in the draft model. They also suggest if any behavioural indicator is to be deleted, added or modified as well as the wording. Based on the feedback of SMEs, the draft competency model is revised and finetuned. The revised model will then have 8 to 10 competencies and four to six behavioural indicators under each competency.

Some consultants with extensive experience in competency modeling such as SHL (India) have developed generic competency dictionaries, typically having 20 to 40 competencies, each having five to eight behavioural indicators. The generic competency dictionary provides a starting point for model building. The dictionary gives the model builder initial framework, which they can add to or modify based on the understanding of the job contents, and what superior performers use in workplaces as a tool to conduct interviews as mentioned above. Generic competency dictionary is also helpful to develop multiple models within the same organization for different roles to ensure commonality in defining competencies.

Another approach can be used to validate the draft competency model by identifying randomly selected sample job holders, who presently produce superior results. Their reporting officers are asked to check whether or not the key behaviours demonstrated by their superior performers are covered in the draft competency model. When all the superior officers have given their opinion on the draft model, it is fine tuned based on the feedback to ensure its accuracy. The same process is repeated for developing multiple competency models for various roles.



Competency model plays an important role in competency management, since it is the vehicle through which the organization communicates to its employees what behaviours they are expected to demonstrate, which leads to creating a high performance organization. Over a period of time, the approach to development of competency model evolved based on the organizational needs as well as experiences gained in this area. Development of core competency model using competencybased approach is time consuming and complex. Hence the skills, training and experience of the people involved are key determinates of creating robust, relevant and reliable model. Finally the value of a competency model lies in practical application and integration with all aspects of HR management.

# **4**

### **Assessment Centre**

#### **HISTORY OF ASSESSMENT CENTRE**

Every organization is in a continuous journey to identify high potential managers and undertake developmental interventions to build leadership pipeline within the organization. However, identification of talent is not an easy task. The assessment centre approach, hence, became one of the popular tools for talent management, selection and career development.

The assessment centre approach of selection was first introduced in military and subsequently in the corporate world. Early forms of assessment began with an effort to measure individual differences in human characteristics in the late 1800s by Sir Francis Galton, who developed techniques to provide objective measurement of human abilities. However, the work in Germany and Britain for their forces, prior to and during the Second World War, could be said to have formed the basis for the assessment centre as it is used today. Psychological testing was employed extensively in selection for its forces in Germany as early as 1927, which were based more on soldierly traits than on technical abilities.

In 1941 in Great Britain, the army officers' selection process adopted some of the techniques used by the German army and modified them by including psychiatric interviews and intelligence tests. By 1942, War Office Selection Boards (WOSBs) had been set up for recruitment of army officers. The WOSBs were constituted with a mixture of military officers, psychiatrists and psychologists to assess candidates' performance both in formal and informal processes. The WOSBs were deploying multiple tests which included group discussions, short lectures, obstacle courses and leaderless group tasks designed to bring out social skills under stress as well as soft skills, namely initiative, leadership and cooperation. All members of the Board then discussed results of these tests before a decision was made. This can be seen as similar to assessment centre approach. The first application of assessment centre in the US was also during Second World War by the Office of Strategic Services to recruit and train spies.

The first application of assessment centre in corporate world was at American Telephone and Telegraph Company (AT&T). At AT&T, psychologist Douglas Bray implemented assessment centre in 1956 as part of a research study to identify the individual and organizational parameters that would likely result in a successful manager. In 1974, Douglas Bray along with fellow psychologists Richard Campbell and Donald Grant published a paper on the long-term effects of the AT&T programme. Their findings showed that assessments done early in a manager's career were still valid predictors of performance and valid indicators of strengths and weaknesses twenty years later. Additional analysis of assessment effectiveness by psychologists Winfred Arthur, Jr., and colleagues, Barbara Gaugler and John Hinrichs supported the conclusions that assessment centres provide valid and useful assessments in organizational settings. Hence, it could be said that the AT&T study had been the turning point in the application of assessment centre in corporate world. From 1970 onwards, the assessment centre methodology had spread to Canada, Australia, South Africa, Great Britain, Germany, Scandinavia, Singapore, and so on.

The application of assessment centre approach started in India in early 1990 and now is seen widely prevalent in corporate India, whether private sector, MNCs, PSUs, or large Indian corporations. ITC, RPG group, BILT, Murugappa group are some of the early movers in the implementation of the assessment centre method.

#### WHY ASSESSMENT CENTRE?

The quest for a reliable method for identifying people with certain knowledge, skills, abilities and personality traits is not new. Every job requires a specific set of knowledge and skills and these vary depending on the type and complexity of the job. Majority of the hiring decisions or selection from a pool of candidates, whether internal or external, are done using traditional interview method. This is because the traditional interview method is costeffective and easy to do, and people are used to it. In the traditional interview method, the selectors meet couple of candidates or ask some questions and the decision is made. Sometimes the candidate needs to go for two or three rounds of interview.

However, the traditional interview method has serious limitations. It relies on the interviewer' observations, who generally would attempt to infer personal characteristics based upon subjective judgment with precious little evidence. Though some standards of assessment are predefined and the interviewers are trained, but the final assessment or ratings are highly subjective. The key question of any organizational selection assessment is whether a person can demonstrate actual knowledge and skill required for a specific job in the workplace. This is different to other approaches in testing where there is no requirement to demonstrate knowledge and skills—like approaches where people just answer questions as a test of their knowledge and skill. These types of tests do not guarantee that a person will be able to do something at workplace, it just verifies that they know something.

The cost of hiring a wrong person for a job can be very expensive for any organization. Employers have also realized over a period of time that hiring the best candidate is also not very easy in a competitive environment. That is why the assessment centre approach has become popular, since its reliability is much higher than traditional interview process. The meta-analysis conducted by Mike Smith from UMIST and based on the findings published by Hunter and Hunter (1984), it has been reported that the reliability coefficient of assessment process is 0.65, whereas it is 0.19 (maximum is 1.0) for traditional interview process. Table 4.1 gives the details of findings of meta-analysis. Most frequently the assessment centre approach is, therefore, applied to individuals considered for selection, promotion, placement or special training and development in management.

| Selection Methods          | Reliability Coefficient |
|----------------------------|-------------------------|
| Assessment Centers         | 0.65                    |
| Work Sampling              | 0.54                    |
| Ability tests              | 0.53                    |
| Personality questionnaires | 0.39                    |
| Bio-data                   | 0.38                    |
| References                 | 0.23                    |
| Interviews                 | 0.19                    |

 Table 4.1
 Meta-Analysis of Selection Methods Reliability

There are several other major reasons why assessment centres have survived and flourished. First, assessment centres rest on a strong research base. Hundreds of published studies indicate that assessment center judgments are valid. Second, the focus of assessment has been on behaviour rather than abstract traits or characteristics. Third, assessment centre method is an easily validated evaluation system and not an evaluation instrument (Byham et al. 1992). Organizations need not adopt any specific dimensions or standards of performance, but evolve a systematic procedure for evaluating candidates against job-related dimensions that are specific to that organization and its environment. Another important feature of the assessment centre method is that it relates not to current job performance, but also to future performance. By observing how a participant handles the problems and challenges of the target job or job level as simulated in the exercise, the assessors get a valid picture of how that person would perform in the target position (Byham et al. 1992). Finally, both job analytic techniques and assessment centre instruments have been made available through commercial vendors to organizations interested in introducing this technique.

The results of assessment centres are increasingly being used to guide the type and sequence of developmental activities to be undertaken by human resource function. For example, many organizations have put succession plans in place, and assessment centres are being used as a key component of succession planning system in identifying the sort of job experiences and assignments a potential future executive should have in order to develop and demonstrate specific job-related skills.

Assessment centers usually provide a profile of each individual's strengths and weaknesses, for example, assessment centres used by AT&T provide ratings on 25 separate dimensions of performance and effectiveness. Organizations often target their training and development strategies and job assignments towards developmental needs, as identified at the time of assessment, as relative weaknesses. These assessments also provide information for a variety of job-related skills, for example planning, setting priorities and so on, and more generalized skills in dealing with others, for example oral communication, empathy and so on.

#### WHAT IS ASSESSMENT CENTRE ?

Assessment centre is not a physical place, structure or location. In reality, assessment centre refers to only a method or process used by organizations to select suitable candidates for specific positions. Assessment centre is actually a project approach to evaluate/judge employees on certain specified characteristics, using multiple tools and assessors. It is common for candidates involved with managerial and executive jobs to participate in an assessment centre that might last for several days, involving a combination of individual testing, evaluation and group-based exercises. In most cases, it is usually conducted for one or two days and includes a set of different exercises, namely role-play, case-study, group exercise, in-basket exercise, written test, simulation game, interview, and so on. The tests are simulated to incorporate the challenges of the tasks of the position in realistic settings in order to assess the behaviours of the candidates in simulated work settings. A balance between individual and group activities is kept in the assessment centre considering the nature of the job and the target level performance for which the assessment is to be carried out.

The Task Force on Assessment Centre Guidelines adopted the following definition of the assessment centre (*Task Force on Assessment Center Guidelines 1989*):

'An Assessment Center consists of a standardized evaluation of behaviour based on multiple inputs. Multiple-trained observers and techniques are used. Judgments about behaviour are made, in major part, from specifically developed assessment simulations. These judgments are pooled by the assessors in a meeting among the assessors or by a statistical integration process. In an integration discussion, comprehensive accounts of behaviour and often ratings of it are pooled. The discussions result in evaluations of the performance of the assessee on the dimensions or other variables which the assessment center is designed to measure.'

The objective of the assessment centre is that if one wishes to predict future job performance, the best way of doing this is to get the individual to carry out a set of tasks which accurately sample those required in the job and are as similar to them as possible.

#### WHAT IS A DEVELOPMENT CENTRE?

There is confusion over the terms Assessment Centre and Development Centre, since both activities are designed to measure knowledge, skills and abilities of the employees and follow the same processes. In some countries and/or organizations, the terms are used interchangeably. Broadly, it can be said that the development centers are generally used to identify the personal development and training needs of people, either in current role or for a future role, whereas assessment centers are used for selecting job applicants.

However, the author views the purpose of the assessment centre is to identify the right candidates in all types of selection processes, whether those are new recruitments, or selecting the right person for internal promotion or identification of candidates for talent management or succession planning processes within an organization. Development centres are used to assess the training and development needs of employees. The development centre approach is useful when people are assessed in a structured way against the competencies identified by the organization as being important for future organizational success, thus creates an alignment between individual development and training needs with the training plans of the organization. Table 4.2 compares assessment centre and development centre.

| Assessment Centres  | Development Centres   |
|---|---|
| Have a pass/fail criteria   | Do not have a pass/fail criteria                            |
| Address an immediate organizational need  | Address a longer term need                                  |
| Have less emphasis placed on self-<br>assessment                                      | Have a greater emphasis placed on self-<br>assessment       |
| Focus on what the candidate can do now  | Focus on potential  |
| Place emphasis on selection with little or<br>no developmental feedback and follow up | Place emphasis on developmental feed-<br>back and follow up |
| Give feedback at a later date   | Give feedback immediately                                   |
| Used for both internal and external candidates  | Used only for internal candidates                           |

Table 4.2Comparison between Assessment Centres and<br/>Development Centres

#### DESIGNING AN ASSESSMENT CENTRE

There are various steps involved in designing a full-fledged assessment centre. These are:

- Deciding the purpose
- Identifying the characteristics or dimensions to be measured
- Identifying the assessment tools and techniques
- Establishing linkage with characteristics and competencies
- Conducting pilot test for validation
- Designing the assessment formats

#### **Deciding the Purpose**

The first question to be answered by the organization while setting up an assessment centre is, what is the assessment centre supposed to do and how will the outcomes of assessment centre be utilized within the organization. Most organizations use assessment centre for a specific purpose either for selecting a candidate either external or internal, as an input for talent management, for succession planning process, or for identifying developmental needs for a set of individuals. Some organizations treat assessment centre as an independent activity for the specific purpose of leadership development, whereas the majority of the organizations start the assessment centre as an independent activity, but gradually integrate the output of assessment centre with the human resource system within the organization.

#### Identifying the Characteristics or Dimensions to be Measured

The second important question that crops up before designing an assessment centre is what are the characteristics to be assessed. Ideally, it should be the competencies for the specific role as explained in earlier chapters. Each competency in the competency model is defined in behavioural terms, which is a combination of knowledge, aptitudes, skills, habits, values, abilities traits and motives, as it is explained in Chapter 1. Therefore, each competency of the competency model will have a set of behavioural statements which in turn predict superior results for the organization. Each participant of the assessment centre is expected to display those behaviours in the simulated environment of the assessment centre. The assessors in the centre make decisions based on the behaviours displayed by the participants against the behavioural indicators defined for different competencies for the role. If the candidate displays the behaviours, which are similar to those required for the role, the candidate receives a higher rating.

#### Identifying the Assessment Tools

In an assessment centre, multiple assessment techniques are used. These include tests, interviews, questionnaires, psychometric inventories and simulations. The assessment tools or techniques are developed or chosen to elicit a variety of behaviours and information relevant to the selected competencies. The assessment techniques normally include a sufficient number of job-related simulations to provide opportunities to observe the candidate's behaviour related to each competency being assessed. There are several assessment techniques or tools used in the assessment centre. Chapter 5 explains in detail the assessment tools and techniques. The most common ones are:

- In-basket exercise
- ✤ Role play
- Leaderless group discussion
- Behavioural event interview
- Oral presentation
- Written case analysis exercise
- Simulation games
- Inventories, instruments, scale, questionnaire, etc.

A variety of assessment tools are available in the market or can be collected from different sources. The decision to develop simulations exercise or tools or to purchase existing ones depends on the organization. Though many excellent commercially-developed tools and exercises are available in the market, we recommend development of such tools, which is specifically suited for the organization, its processes and procedures, its challenges as well as the performance requirements for the role. If commercially-developed simulation exercises are used, it is advisable that the tools may be customized to reflect at least some, if not all, the contextual perspectives of the organization and the role, and not tinkering with the contour of the tools. Irrespective of the method of acquirement of the tools, whether it is purchased, customized or developed, these are to be checked for validity, that is, do the tools actually measure the characteristics or dimensions for which it is designed or specified to measure? Next, the tools should be checked for reliability, that is, does the tool produce consistent results within itself and over period of time? In certain situations, the tools need to be checked for cultural neutrality or biases.

#### Establishing Linkage with Characteristics and Competencies

Assessment centre is designed to measure all the competencies for a particular role. Since multiple assessment techniques are used to measure different behaviours associated with the role, there are in-built overlaps between tools being used to cover all the characteristics of the assessment. The use of multiple tools also reduces the biases inherent in tools, if any, and hence the reliability of assessment increases. The tools used in assessment centre generally measure more than one characteristic. In reality, most roles are extremely complicated in terms of activities, and several influencing factors impact the role in producing superior results. Therefore, it is important to understand the objectives and purpose of each tool. The identification of the right tool depends on which competencies are adequately measured by the range of exercises and tools. Table 4.3 gives an example of the matrix used for cross-tabulation of competencies with assessment tools and techniques.

| Competencies                | Assessment Tools |                          |               |                |                           |               |
|-----------------------------|------------------|--------------------------|---------------|----------------|---------------------------|---------------|
|                             | In-tray          | Group<br>discus-<br>sion | Case<br>study | Inter-<br>view | Psycho-<br>metric<br>tool | Role-<br>play |
| Problem Management          | ✓                | ✓                        |               | <              |                           |               |
| Planning                    | ✓                |                          |               | ✓              | ✓                         |               |
| Monitoring &<br>Controlling | ~                | ~                        | ~             | ~              | ~                         | ~             |
| Decision Making             | ✓                |                          | ~             | ✓              | ✓                         |               |
| Customer<br>Management      | ~                | ~                        |               | ~              |                           |               |
| Communication Skill         |                  | ✓                        |               |                | ✓                         |               |
| People Development          | ✓                |                          | ✓             | ✓              |                           | ✓             |
| Team Management             | ✓                |                          |               |                |                           |               |
| Relation Management         |                  | 1                        | ✓             |                | ✓                         |               |

 Table 4.3
 Cross-tabulation of Competencies and Assessment Tools

#### **Pilot Test for Validation**

It is important to conduct a pilot run in two or three assessment centres to validate its design. The most important purpose of the validation exercise is to check whether the chosen tools and techniques did measure the competencies it is supposed to measure. The second purpose is to check the comprehension of tools by the target population for whom the assessment centre was designed. We realized in one organization the participants did not clearly articulate their own experiences when assessors asked them for evidence while conducting competency based interviews. Hence, the assessors were not able to clearly record and measure the interview responses. The pilot test helped us to modify the interview questions incorporating the real situations from the organization, which had happened in the recent past in the organization. The third purpose of validation is to confirm the correct sequencing of administration of tools, the time to be allotted for participants in giving responses for different exercises and fine-tuning of the rating criteria of the assessment tools. Based on the experiences gathered during the pilot batch of assessment centres, the design of the assessment centre was modified, finetuned and frozen before running a full-fledged assessment centre.

#### **Design of Assessment Formats**

While simulated exercises are administered at assessment centre, the assessors are expected to observe and record key behaviours demonstrated by the candidates and then conduct evaluations of such behaviours against standard templates of assessment. Hence it is important to provide a format to each assessor for recording and evaluating behaviours exhibited by the candidates. The design of the formats depends on the competencies to be evaluated and the types of tools administered. These formats normally have operational definition of the characteristics to be assessed, a checklist of expected behaviours, place for recording key behaviours displayed, and evaluation of the competency. Box 4.1 presents an example of assessment format used for a simulated group exercise for a power generation public sector unit in conducting assessment for leadership level.

Chapter 5 deals with different tools and techniques used at assessment centres. Chapter 6 explains in detail the implementation aspects of an assessment centre, that is the selection and training of assessors, preparation of assessment report and giving feedback to participants of the assessment centre.

| Name of the candidate:<br>Date:<br>Competency: Team Lead                | Assessor:<br>Exercise: HPCL  |  |  |  |
|---|--|--|--|--|
| Negative Behaviours   | Mid-Range Behaviours   | Superior Behaviours  |  |  |
| Does not take interest<br>in creating a vision for<br>the team.         | Wavers on the setting of vision and direction for his people.                | Sets visions and directions for his team.  |  |  |
| Sets unreasonable targets and goals.                                    | Sets challenging targets and goals.  | Sets challenging but real-<br>istic targets and goals to<br>optimise productivity. |  |  |
| Do not define the roles<br>and resonsibilitiesp of<br>his team members. | Define loosely the roles<br>and responsibilities of<br>team members.         | Defines clearly who will<br>perform what role in the<br>team.                      |  |  |
| Does not try to under-<br>stand people's problems.                      | Spends a lot of time in<br>understanding people's<br>problems.               | Listens to and understands people problems.  |  |  |
| Fails to get team com-<br>mitment.                                      | Tries to get team com-<br>mitment.   | Was able to get commit-<br>ment from the team.                                     |  |  |
| Allows functional silos to develop.                                     | At times encourages<br>inter-departmental un-<br>derstanding.                | Encourages inter-func-<br>tional working to solve<br>problems.                     |  |  |
| Keeps all power of deci-<br>sion making with him.                       | Delegates selectively.   | Empowers the team to act.  |  |  |
| Ignores or postpones<br>resolution of difficult<br>issues.              | Hesitates in confronting difficult issues openly.                            | Confronts all difficult is-<br>sues openly and construc-<br>tively.                |  |  |
| Is unable to manage or resolve conflicts.                               | Takes some steps to re-<br>duce conflict or remove<br>obstacles to progress. | Takes effective steps to<br>resolve conflicts and moves<br>the team forward.       |  |  |

### BOX 4.1 ASSESSMENT FORM

Key Behaviours Demonstrated:

Overall rating (out of 10):

### Summary

To predict the behaviour of an individual in a certain role, it is important to identify and assess those knowledge, skills, abilities, habits, values, attitudes and motives, which influence work-related behaviours. The assessment centre is the widely-accepted method in selection process, since the design of assessment centre is based on systematic and meticulous research approach. The assessment centre consists of the evaluation of behaviours using multiple methodologies. It uses multiple trained assessors and multiple evaluation techniques, which include various job-related simulation exercises and psychological tests. The most important aspect of the assessment centre is that the evaluation is not restricted to the current job performance, but also takes into consideration future performance.

# Chapter Chapter

## Assessment Centre Methods

#### INTRODUCTION

A typical assessment centre involves multi-evaluation techniques including various types of simulated exercises, psychological tests and inventories to measure the competencies. Measurement in assessment centre means the numerical values assigned on the competencies based on the behaviour demonstrated by the candidate. The purpose of deploying multiple tests in the assessment centre is to observe and evaluate how the candidate performed in simulated exercises designed for a specific competency as well as to reduce possible biases inherent in using a single method. There are no definite criteria for selection of the number and types of exercises to be used in the assessment centre. However, the types and numbers of exercises and/or tests to be used depend on the purpose of the assessment centre, the number of competencies to be evaluated and the level of participants undergoing assessment.

This chapter gives the overviews of different tools and techniques commonly used in assessment centres in India, such as how to construct exercises, how to develop exercise themes and finally how to assess psychometric properties of the exercises. The objective of this chapter is to give the readers sufficient knowledge and practical information on the designing aspects of assessment centre methods so that they can appreciate the finer aspects of constructing the exercises for a full-fledged assessment centre. This chapter also provides information on sourcing the commercial standardized tests (off-the-shelf tests).

There is a variety of exercises used in assessment centres. The most common exercises in full-fledged well-designed assessment centres are:

- In-tray or In-basket exercise
- Competency-based Interview
- Case Study
- Role Play
- Leaderless Group Discussion
- Business Game
- Psychological Instruments and Inventories
- Aptitude test

Besides the above exercises and tests, some assessment centres use oral presentation by the participants. Each exercise is discussed in detail later in this chapter.

In a typical assessment centre, multiple exercises are deployed to get better opportunity for gathering evidence of the candidate's competencies to be evaluated in the assessment centre. Each exercise gives some aspects of one or multiple competencies, but not all aspects of a competency. Therefore, the designer of the assessment centre develops and/or selects the exercises based on the competencies to be evaluated, the need of the organizations, criticality of the role and finally the practical implementation issues. Some assessment centres also use intelligence tests, numerical ability tests, critical reasoning tests, and so on. These tests are not covered in this chapter, since it is expected that the reader is acquainted with these tests, which are readily available in the market.

There are several approaches to develop assessment centre exercises and tests. The most important aspect of developing exercise is to identify themes of the exercise. To develop the theme of any exercise, it is important to understand the organizational core competency framework and the key challenges of that role. The details of the tasks and activities followed by the role holder are to be observed and recorded during some period of time, to get the full picture of the job contents of the role holder. The next step is to identify the routine tasks performed by the role holder, the ratio of routine and non-routine jobs, the complexity involved for execution of routine and non-routine tasks as well as the interfaces between different stakeholders in completing various tasks. The themes of the different exercises are picked up from the actual job situation and simulated in the exercise design. If the above mentioned process is followed in developing the theme of exercises, the exercise would generally have higher face validity (explained later in this chapter). The designer of assessment centre decides whether to take one specific theme or take multiple themes from the job while developing different exercises.

The different exercises and tools normally employed in a typical assessment centre are discussed below.

#### **IN-TRAY OR IN-BASKET EXERCISE**

In-tray (or In-basket) exercise is one of the most common exercises used in assessment centres. In normal workplace for an executive, there are two trays on his table, the in-tray and the out-tray. In digital world today, however, executives have the Inbox and the Outbox in their Microsoft Outlook, on any other such e-mailing software, at their desktops/laptops. The executive is supposed to deal with each item in their in-tray including passing necessary instructions, and then place it in the out-tray (sent folder ). In the in-tray exercise, the candidate is provided a scenario where he is a new role holder of a fictitious company. He has to go through 20 or 30 items in the in-tray and deal with them within the given timeframe, normally 60-90 minutes in assessment centres, as he may be required to go for an urgent outstation meeting or scheduled to take some trip, leading to his absence from the workplace for some time. He would, therefore, not be available to respond or provide further instructions or guidance to others in the workplace. He is also provided with the organization chart of his department, a calendar and brief outline of the organization.

In this exercise, the candidate is asked to tackle the in-tray items, which consist of memos, notes, correspondence, bulletins, reports, letters, and so on. Some of the items in the in-tray are critical and need to be handled immediately by the role holder. Some can be delegated to others, some could be tackled later and some are entirely irrelevant items. Some items in the intray are related to other items which are also in the in-tray. Normally the candidate is supposed to go through each item in the in-tray in the assigned time frame. Then they are asked to organize the in-tray items, grouping them priority-wise and state in a note how they would deal with each issue in turn and who else would be involved. The key instruction is that all the actions are communicated through notes only.

The assessors judge the candidate on the basis of his ability to prioritize the items, make correct decisions, give clear and concise instructions, ensure follow-up, planning and scheduling as per the calendar, and identify critical issues, involvement of other stakeholders, delegation of responsibilities and so on.

In-tray exercise is generally used for evaluating competencies like planning and organizing, written communication, problem solving, execution skill, result orientation, decision making, risk-taking, delegation of responsibilities, and so on.

Annexure 5.1 gives a typical in-tray exercise, which had been designed for a senior management assessment centre.

#### **COMPETENCY-BASED INTERVIEW**

The competency-based interview is similar to critical incident interview, in which the candidates are asked to describe situations or incidents when they felt effective on the job and those when they felt ineffective. The competencybased interview is based on the premise that past performance can serve as an indicator of future performance. The critical incident interview technique generally provides accurate evidence about the way the candidate has handled specific critical situations or problems or issues, which in turn provides a basis of predicting future behaviour in similar situations. The assessors generally attempt to obtain accurate information of the incident by asking probing questions and requesting specific detailed information of how he handled the situation as much as possible.

Let us take an example of competency 'teamwork'. The assessor may ask some of the following questions on this competency in the interview:

- Tell me the most critical situation when you were a member of a team that broke up because it was difficult to work with one another, in narrative details.
  - ➤ What was your role in the team?
  - ➤ What led up to the situation?

- > Who else was involved?
- What did you do and what were the outcomes?
- > What you think you will do in future if similar situation occurs?
- Can you recall a situation when you completely disagreed with the way your team was functioning?
  - ➤ What did you do then?
- How do you deal with conflicts in the group? Can you give me an example of how you solved or could not solve a major conflict in the team?
- Give me an incident where a few members of the team disagreed, but the majority, including you, reached a conclusion. How did the team reach to a conclusion and what role did you play in the team?

Annexure 5.2 gives another example of competency-based interview designed for a financial services organization.

Normally the competency-based interview is conducted for 60–90 minutes. The assessors are properly trained on interviewing techniques, since the competency-based interview requires thematic appreciation type probes to elicit data about the candidate's personality, motivation and behaviours. The assessors are expected to document key information/data collected from the interview. The documentation on the interview provides a wealth of data for evaluation of competencies by assessing the critical job behaviours in specific work situation.

Competencies are evaluated through thematic analysis of the interview responses using standardized coding system to determine the presence or absence and the degree of occurrence of specific characteristics or behaviours. The assessors then assess the candidates on the identified competencies using predefined evaluation criteria as mentioned in Chapter 2 earlier.

The competency-based interview technique in assessment centre provides information on the managerial behaviour aspects on the job that normally would not be directly observable. The limitation of the competency-based interview technique is that the responses depend on the candidates' recalling of events during the interview process, hence may not be very comprehensive and conclusive.

#### CASE STUDY

Case study is a descriptive record of a real life or of a simulated situation in the form of an incident or a case. In a case study, the candidate is expected to visualize himself as the person in the case experiencing the situation and then find a solution of which he has to accept the ownership. Since the candidate puts himself in the situation in the position of the role holder with perceived responsibility and authority, he is expected to take decisions and provide solutions to the problem. Therefore, the case study provides the candidate an insight and experience in evaluation of a situation correctly and allows them to develop skills in working with data, relating facts to action, deciding what to do and committing them to a course of action. Annexure 5.3 gives such a sample case study developed for an assessment centre.

While working on the case study in the assessment centre, the candidate is expected to keep the following in mind:

- What are the facts?
- What are the issues/problems?
- How should this problem be solved?
- How has this problem been solved?
- How can the problem or situation be handled/avoided in future?

To design a case study for assessment centre, it is important to keep in mind that the case study should relate to the type of jobs, knowledge and experience of the role holder to a large extent. While preparing the case study, the following questions are to be kept in mind:

- What are the competencies to be evaluated using the case study?
- Are the information/data provided sufficiently complete and clear?
- What are the issues/problems involved for which solutions are sought?
- How much time is allotted for the case analysis?
- How to assess the responses of candidates of the case that is whether the standard template for assessment has been designed for uniformity and consistency of assessment.

#### **ROLE PLAY**

Role play is a technique in which the candidate is presented with a role in the form of a case or script of a situation, where they act out the role. Role playing is actually a spontaneous human interaction that involves realistic behaviour under artificial or simulated conditions. The way the role brief is carried out depends on one's role and how one believes one's role in handling a particular situation. The role player develops a strategy on how to approach the task and tries to anticipate the reaction of the other members in the situation. The participants in the role play engage in actual behaviour, confronting problems and other people in their respective roles. Structured role play helps in understanding individual behaviours, attitudes, characteristics and underlying motives. Some of the competencies evaluated through role play exercise are communication skill, problem solving, decision making, interpersonal relationship, team orientation, result orientation, and so on.

During the role play exercise, the participants typically display various attitudes, habits, assumptions which are clarified, evaluated and modified during group interactions. Role play provides an opportunity to the assessor to observe different behaviour patterns of the individual in the simulated situation.

Another type of interaction role play is used frequently in assessment centre. Here, the candidate is provided with background information on the need to interact with an individual, who could be a customer, a subordinate or a peer. Brief information about the person to be interacted is also provided to the candidate. Once the candidate had an opportunity to prepare for the interaction, he/she is asked to interact for a specified duration—generally 30 minutes—with an individual, who is trained as a role player. The trained role player follows a well-defined role and makes standard responses to all issues that might come up. The assessor observes the candidate's behaviour in the role play and evaluates the candidate using standard evaluation format provided to him. Normally the duration of the role play is 30 to 45 minutes.

#### LEADERLESS GROUP DISCUSSION

In normal work situations, the executives are expected to work with people in a team, accept joint responsibilities and take decisions as a group. The leaderless group discussion is a simulated exercise wherein the candidates meet as a group to discuss an actual job-related problem within a stipulated period. Generally, the group is given a series of problems or information that must be acted on within a specific time frame and come to mutually agreed decisions. Normally the time allotted for this type of exercise is 30–45 minutes. As the meeting proceeds, the behaviour of the candidates is observed to see how they interact and what different behavioural styles they display.

The assessors observe the roles of each member in terms of their meaningful contributions in an attempt to build the right consensus, the ability to present the argument logically, to put their points of view clearly to resolve conflicts, and to convince the other team members of their individual contributions to reach a decision, the interpersonal skills and their team leadership capabilities. Annexure 5.4 gives an idea how a role play has been developed to assess competencies like team leadership, decision making, planning and review, development of sub-ordinates and result orientation.

While designing the scenario for this exercise, it is normally kept in mind to make it realistic and relevant to the organizational context. The theme of the exercise is simulated in such a way that the role holder would generally face similar situations in normal work life.

#### **PSYCHOLOGICAL INSTRUMENTS AND INVENTORIES**

There are many off-the-shelf psychological tests and inventories available in the market. The test normally measures specific abilities, but inventories or instruments include measures of traits or personality. Off-the-shelf instruments do not measure the competencies directly, but measures some of the characteristics which influence behaviours. The most difficult and complex task is the selection of appropriate instruments to be used in the assessment centre. The selection of instrument is guided by the consideration of the competencies to be measured, the participants' profile and the mastery the designers of assessment centres have on the instrument and its underlying theory. Pfeiffer and Ballew (1988) have listed 25 technical considerations for selecting an instrument. However, the following three technical considerations out of 25 are most crucial while selecting the instrument for the assessment centre:

- 1. Measures: What range of characteristics or competencies does the test cover or in other words, how are the test results related to a competency or a range of competencies to be assessed?
- 2. Reliability: The reliability of the test means whether the test result is consistent over a period of time. If identical results are obtained

every time the instrument is used, the test may be considered to be very reliable. Let us take an example. A candidate is administered an aptitude test and scored, let us say, 100 points. The same candidate is administered the same test after 30 days and the score this time is 40. Hence these two test results are not consistent enough over a 30 day period. Therefore, this test cannot be called reliable over time.

There are two ways by which the reliability of the test could be assessed. The first one is known as Test-Retest reliability. One test is administered to a candidate, say today, at Time 1. The test is readministered after a gap of 45 days, termed as Time 2. The coefficient of correlation (having value 0 to 1) of the two test results at Time 1 and Time 2 is calculated. The higher the coefficient of correlation value of the two test results, the higher the reliability.

The second way of checking reliability is by checking internal consistency, known as split-half reliability. A group of people is administered a test. The score is calculated in two parts (odd-numbered questions and even-numbered questions) and in total. It is important that all items are independent so that the success on the test items in one half of the test does not help items in the other part. Then correlation coefficient of the two test data is calculated to check the consistency between two sets of questions. As mentioned earlier, the higher the coefficient of correlation value, the higher the reliability.

The reliability measure of a test is a very complex problem, since, if the same test is administered again, the candidate may change the responses from the first test to the second because he may have learnt something after appearing for the test for the first time.

3. Validity: The second important question is whether the test measures what it claims to measure. A test is valid if it measures what it is supposed to measure and nothing else. In assessment centre context, the validity of the test imply whether it measures the competencies as it says and whether the results can be used for the purpose indicated by the test-maker. Validity can be assessed in different ways. One of them is face validity. Face validity refers to whether the candidate feels there is an element of realism, reflecting the actual characteristics of the job. Normally face validity is not so important for self-report personality inventories, since there is a possibility of getting socially desirable image rather than actual information about the candidate. The second most important validity assessment is construct validity, that is are the test results consistent with the underlying theory? This

is the most important validity assessment for psychological instrument for assessment centre application. This is done by correlating the instrument data with another instrument based on the same theory. To assess validity, the correlation coefficient of the two test results is calculated, as mentioned earlier.

The objectives of putting reliability and validity in this chapter are to sensitize the reader on the difficulties and complexities involved in selecting an off-the-shelf psychological inventory.

Now we will briefly discuss different psychometric inventories and tests commonly used in assessment centres.

#### Myers-Briggs Type Indicator (MBTI)

The Myers-Briggs Type Indicator (MBTI) is a self-report questionnaire designed to identify variable differences between normal and healthy people. It is based on psychological type theory developed by Swiss psychiatrist Carl G. Jung. Jung observed that the differences in behaviour result from people's inborn tendencies to use their minds in different ways. As people act on these tendencies, they develop patterns of behaviour. The essence of the theory is that much seemingly random variation in behaviour is actually quite orderly and consistent, due to basic differences in the way individuals prefer to use their perception and judgment. Perception involves all the ways of becoming aware of things, people, happenings or ideas. Judgment involves all the ways of coming to conclusions about what has been perceived. If people differ systematically in what they perceive and in how they reach conclusions, then it is only reasonable for them to differ correspondingly in their interests, reactions, values, motivations and skills (Myers et al., 1998). Jung believed that people are innately different in what they prefer and identified eight mental processes, called type preferences. Katharine Briggs and Isabel Myers' interpretation of the Jung idea of type preferences lead to development of Myers-Briggs Type Indicators personality inventory.

The dynamic character specified by type theory involves the interaction of a person's four basic preferences (Myers et al., 1998). MBTI theory focuses on the preferences on four dichotomies, each consisting of two opposite poles. It indicates the differences in people resulting from the following:

- When people prefer to focus their attention and get energy (extroversion or introversion);
- The way they prefer to take information (sensing or intuition);

- The way they prefer to make decisions (thinking or feeling); and
- How they orient themselves to the external world (judging or perceiving).

Consulting Psychologists Press, Inc. (CPP), USA is distributing MBTI instrument. Presently MBTI M form is being used, both self-scoring and online version. In India, Asianic Psychologists Press India Pvt. Ltd., Chennai, is the authorized distributor of MBTI instrument and certification training.

## Fundamental Interpersonal Relations Orientation-Behaviour (FIRO-B)

In 1958, Dr Will Schultz formally introduced a theory of interpersonal relationship, called FIRO and also created a measurement instruments based on it. The FIRO theory focuses on three major levels – behaviour, feelings and self-concept. Fundamental Interpersonal Relations Orientation-Behaviour (FIRO-B) is one of such instrument on behaviour. FIRO-B, a 54-items questionnaire, measures the behavioural aspects of the three dimensions of interpersonal relations, that is inclusion, control and affection, which explain most of the human interactions. FIRO-B theory assumes that the above three dimensions are fundamental in understanding and predicting interpersonal behaviour. Inclusion assesses the degree to which a person associates himself/ herself with others. Control measures the extent to which a person assumes responsibility, makes decisions or dominates people. The scores on affection reflect the degree to which a person becomes emotionally connected with others.

FIRO-B measures each dimension in two scales, expressed and wanted. The expressed score represents the manifest behaviour, that is, the observed behaviour. The wanted score represents what the person wants from other people. Therefore, FIRO-B provides feedback on six aspects of interpersonal behaviour.

Over the years, Schultz revised and expanded the FIRO theory and developed additional instruments. FIRO element B instrument, developed from FIRO-B, focuses on three interpersonal contents area—inclusion, control and openness (like affection in FIRO-B instrument). Element B measures expressed (what I do), received (what I receive), perceived (what I see) and wanted (what I want) behaviours. As a result FIRO Element B gives 12 scores as compared to six scores of FIRO-B. Some of the other useful instruments for assessment centre are FIRO Element F and FIRO Element S. FIRO instrument is useful for assessment of interpersonal skill, group dynamics and team orientation competencies. CPP, USA and BCON WSA International, Inc (USA) are the distributors of FIRO instruments. In India, Asianic Psychologists Press India Limited, Chennai conduct certification training and is the sole distributor for FIRO-B instruments.

#### Sixteen Personality Factors (16 PF)

English-born US psychologist, Raymond Cattell, constructed the Sixteen Personality Factor (16 PF) Questionnaire instrument in early 1956. There are different definitions of personality defined by psychologists. However, Cattell mentioned that personality '... enables us to predict what a person will do in real life situations'. Hence Catell's 16 PF questionnaire is based on the assumption that personality is described by 16 traits, including dimensions such as outgoingness, social boldness, conscientiousness, toughmindedness and openness to change.

The 16 primary personality factors were derived by successive reductions, using factor analysis of 17953 personality traits. The test has been refined and extended but has not changed fundamentally in nature. The personality factors measured by 16 PF instrument are not just unique to the test but rest within the context of a general personality theory. These are essentially independent.

The 16 PF questionnaire measures 16 primary bipolar dimensions of personality traits, named Factors A, B, C, E, F, G, H, I, L, M, N, O, Q1, Q2, Q3, and Q4. In addition to these, at least five second-order dimensions, which are broader traits, are calculated from the primary factor scores.

There are different versions of 16 PF questionnaire, requiring 30 to 60 minutes for administration. The 16 PF answer sheet is scored manually using stencil or through computer. The raw scores are calculated from the responses to the questionnaire and then the raw score is converted to sten scores (the term comes from standard ten) using norm table available for similar defined population. Figure 5.1 gives a sample of 16 PF report for reference.

Computer scoring interpretive reports are being used more frequently to reduce errors and save time. Out of the nine different interpretive reports available, the Human Resource Development (HRD) report is the most suitable for assessment centre. This report focuses on leadership, decision making, initiatives, inter-personal and personal adjustments.

| rofessionals  | Male/Female:           | h Right of Centre—Explanation |                       | Warm., Attentive to Others | Conceptual Thinking | Emotionally stable        | Dominant, assertive       | Lively, Spontaneous | Rule-Conscious, Dutiful   | Socially Bold       | Sensitive, Sentimental | Vigilant, Suspicious | Abstracted, Imaginative | Private, Discrete   | Apprehensive, Worried   | <sup>10</sup> Open to Change | Self-Reliant Individual | Perfectionistic           | Tense, Driven     |                  |              | . Extroverted | 10 Extroverted<br>High-anxiety<br>Tough-Minded |             |               |       |           |  |
|---|------------------------|-------------------------------|-----------------------|----------------------------|---------------------|---------------------------|---------------------------|---------------------|---------------------------|---------------------|------------------------|----------------------|-------------------------|---------------------|-------------------------|------------------------------|-------------------------|---------------------------|-------------------|------------------|--------------|---------------|--|-------------|---------------|-------|-----------|--|
| sively by trained HRD p   |                        | Low Average High              | 01 6 0 / 10 C + C 7 1 | 8                          | 7                   | 6                         | 9                         | 9                   | 8                         | 8                   | 4                      | 5                    | 9                       | 8                   | 4                       |                              | 3                       | 2                         | 2                 | Low Average High | 123456 78910 |               | -  | 5           | 2             |       |           |  |
| 16 Personality Profile<br>This profile is highly confidential and is limited for use exclusively by trained HRD professionals | Age:                   | Left of Centre—Explanation    |                       | Reserved, Impersonal       | Concrete Thinking   | Emotionally Changeable    | Differential, Cooperative | Serious, Restrained | Non-Conforming, Expedient | Shy, Timid          | Unsentimental          | Accepting, Trusting  | Practical, Grounded     | Forthright, Genuine | Self-Assured, unworried | Traditional                  | Affiliative             | Lax, Tolerant of Disorder | Composed, Relaxed |                  |              | Introverted   | Low Anxiety                                    | Receptive   | Accommodating |       |           |  |
| This profile is highly confi  |                        | Primary Factors               |                       | Warmth (A)                 | Intelligence (B)    | Emotionally Stability (C) | Dominance (E)             | Liveliness (F)      | Rule-Consciousness (G)    | Social Boldness (H) | Sensitivity (I)        | Vigilance (L)        | Abstactedness (M)       | Privateness (N)     | Apprehension (O)        | Openess to Change (Q1)       | Self-Reliance (Q2)      | Perfectionism (Q3)        | Tension (Q4)      | Primary Factors  |              | Extraversion  | Anxiety  | Tough-Poise | Independence  |       |           |  |
|   | Name:<br>Organization: | Sten Score                    |                       | æ                          | 7                   | 6                         | 9                         | 9                   | 8                         | 8                   | 4                      | 5                    | 9                       | 8                   | 4                       | 10                           | e                       | 7                         | 2                 | Sten Score       |              | 10            | -  | 5           | 2             | Date: | Comments: |  |

Fig. 5.1 Sample 16 PF Report

Currently the sixth edition of the 16 PF test is being distributed by MAFOI India. They also conduct certification training for administration of 16 PF instrument.

#### Occupational Personality Questionnaire (OPQ / OPQ32)

The Occupational Personality Questionnaire (commonly referred to as 'OPQ' or 'OPQ32') was launched in 1984 by SHL (Saville & Holdsworth). It is globally well known, extensively used in the selection, development, succession and transition of potential and current employees in both public and private sector organizations across a range of job levels. OPQ32 consists of two broad-spectrum tests of personality. The OPQ32 model proposes that current and future behaviour is influenced by the personality of individuals and work groups. Reports from OPQ32 provides information on how individual dispositions are likely to influence the present or future manifestation of desired behaviours in a given organizational or role context. The dimensions assessed are centred upon three personality areas, namely the thinking domain, the relating domain and the feeling domain. The thinking domain covers traits like abstract thinking, and practical and detailed consciousness. The relating domain covers traits of social relationships. The feeling domain includes traits like anxiety, tough mindedness and emotional control.

There is a normative version (OPQ32n) and an ipsative version (OPQ32i) of OPQ32. Both are designed to measure 32 facets of personality that are relevant to occupational uses such as selection, promotion, counseling, development, team building, organizational change and audits, training needs analysis and research. The 32 facets of personality are grouped into three domains further divided into sub-domains. The three domains are relationships with people, thinking style and feelings and emotions.

Recently OPQ32r was launched, significantly improving OPQ32 and revolutionizing workplace personality assessment by using the very latest techniques to make it faster, easier to use, more powerful and more precise. SHL (India) Limited is the distributor of this tool in India.

#### **Caliper Profile**

The Caliper Profile is a self-report questionnaire intended to measure jobrelated personality characteristics to evaluate the job fit and career potential of an individual. It contains seven sub-tests (A–G) including two short untimed intelligence tests. Caliper Profile scales measure intelligence (abstract relationships and abstract reasoning), 20 personality traits, and three 'derived' factor scales. The 20 personality traits are Openness (OS), Flexibility (FL), Aggressiveness (AG), Self-Structure/Self-Discipline (SC), External Structure (ES), Anxiety (AX), Urgency (TN), Risk Taking (VE), Assertiveness (A), Level Headedness (L), Cautiousness (C), Idea Orientation (I), Energy (E), Gregariousness (BY), Ego Strength/Resilience (ES), Sociability/Outgoingness (O), Accommodation (P), Skepticism (PA), Thoroughness (R), and Sensitivity (SY). The three derived factor scales are Ego Drive (EGO), Empathy (EMP) and Confidence (CF).

#### Bar-On Emotional Quotient Inventory (EQ-i)

The Emotional Quotient Inventory (EQ-i) was developed to assess the Baron model of emotional-social intelligence. The EQ-i is a self-report measure of emotionally and socially intelligent behaviour that provides an estimate of emotional-social intelligence. The EQ-i consists of 133 items in the form of short sentences and employs a 5-point response scale with a textual response format. It takes approximately 30 minutes to complete. It gives an overall EQ score as well as scores for the five composite scales and 15 sub-scales (Bar-On, 2006). Five composite scales are Interpersonal (comprising Self-Regard, Emotional Self-Awareness, Assertiveness, Independence and Socialactualization), Intrapersonal (comprising Empathy, Social Responsibility and Interpersonal relationship), Stress Management (comprising Stress Tolerance and Impulse Control), Adaptability (comprising Reality Testing, Flexibility and Problem-solving) and General Mood (comprising Optimism and Happiness). Average to above average EQ scores on the EQ-i suggest that the candidate is effective in emotional and social functioning.

Multi Health System (MHS), USA is the distributor of EQ-i instrument and conduct certification training at USA and other countries (not in India, so far).

#### **DISC Instrument**

In 1928, Dr William Marston designed the original model of DISC instrument. He postulated a theory of human behaviour as a function of two bipolar dimensions, one external and the other internal. The external environment can be described in terms of a continuum with opposing poles,

antagonistic and favourable. The internal reaction of individual can be described along a continuum from opposing poles, activity to passivity. These two dimensions provide a matrix from which the individual's typical pattern of interaction could be described through four characteristics—Dominance (D), Influence (I), Steadiness (S) and Conscientiousness (C). He claimed that people would generally display one or more of these characteristics in the working environment.

DISC instrument forces the respondents to choose the words most and the least describing himself or herself out of four choices in each of the 24 questions. By charting these choices scientifically, DISC instrument provides an insight into how this person copes with the environment and in turn gives a key to his/her present attitudes and possible performance.

It takes approximately 10 to15 minutes to complete the instrument and the DISC profile is generated through software. PPA instrument, which is primarily based on DISC theory, is distributed in India by Thomas International Ltd.

#### SPIRO-M Instrument

A person influences other persons with whom he/she interacts. In some roles, influence is a central function. One of the main functions of a role holder in an organization is to influence others for the achievement of work objectives. Those in influencing roles not only solve problems and help others, but they also make an impact on others' ability to solve future problems. Another managerial function is to help one's subordinates to develop.

The conceptual framework used in this instrument is transactional analysis (TA). The SPIRO-M instrument is based on the use of transaction between ego states (two Parent ego states, one Adult ego state and three Child ego states) on two dimensions (OK and Not-OK). These produce twelve interpersonal influencing styles.

The SPIRO-M is self-report instrument containing 36 statements. Responses are collected on a five-point scale. The SPIRO-M report gives the dominant and supporting influential styles, under-developed ego state, if any, and the operating effectiveness indices of six ego states, which show how effectively the OK dimension of a particular ego state is being used.

Prof Udai Pareek developed this instrument (Pareek, 1997).

#### APTITUDE TEST

Aptitude test is designed to measure the ability of a person to develop skills or acquire knowledge. It attempts to determine and measure a person's ability to acquire, through future training, some specific sets of skills. These tests assume that people differ in their special abilities and that these differences can be useful in predicting future achievements.

Aptitude tests are similar to intelligence tests in that they measure a broad spectrum of abilities, for example verbal comprehension, general reasoning, numerical operations, perceptual speed, or mechanical knowledge. They are also designed to assess the logical thinking, critical reasoning or thinking performance. Normally they are strictly timed and consist of multiple choice questions. Though there are many types of aptitude tests available commercially, assessment centre designer normally includes some numerical ability tests and critical or abstract reasoning tests, depending on the situation. At managerial level assessment centre, normally charts and graphs are presented for interpretation in the numerical ability test. The assessment objectives are to measure the ability to use numbers, basic arithmetic and number sequence.

In the case of critical reasoning tests, the objective of the assessment is to judge the ability to identify the underlying logic of a pattern, which is the indicator of fluid intelligence.

The test score obtained in assessment centre are translated into a normreferenced score, which indicates whether the individual has performed at a level which is below average, average or above average in comparison with similar groups.

## Summary

The assessment centre uses multiple methodologies to ensure reliability and consistency of competency evaluation. While deciding on appropriate tools, it is important to understand the objectives of the test criteria, the reliability and validity aspects of the test as well as the ease of administration of the test in the assessment centre environment. While developing tests for assessment centre, or using or customizing existing tools, it is important to incorporate the contextual aspect of the organizational working and the job contents, to a large extent.

# Annexure 5.1 Example of In-Tray Exercise

#### **IN-TRAY EXERCISE**

Time: 60 minutes

#### **Background of the Situation**

Please work as if you were Mr B K Singh, recently promoted to the post of Executive Director (East) of the Asia Thermal Co. Ltd (ATCL) and posted at Patna. The head office of the company is in Delhi. You have just arrived in the office at Patna after being transferred on a short notice from Guwahati where you were GM (Plant), in another division.

Your predecessor, Mr S N Sharma, left yesterday – also at a short notice, to take up a new assignment for the company in Calcutta.

Today is Wednesday, 24 January 2007.

You have just come to your new office at 2 pm to have a 'quick look at things'. You have 'broken' your journey between Guwahati and Delhi where you are already committed to attend the Annual Conference of the Institution of Plant Managers of which, indeed, you are this year's Chairman. You will have to leave your office promptly at 3.00 pm in order to catch another train to Delhi. You will not be back in your new office until 29 January (26 January is Republic Day, followed by Saturday and Sunday). Your predecessor's secretary, who will be your secretary, went homesick this morning but hopes to be in tomorrow.

Once you have left your new office for the conference you will not be able to communicate over the telephone with any of your new staff till 29th January. The regional offices organizational setups in this company are not exactly the same but similar. You had visited this office earlier some three years ago, but only for half a day. You do not know any one personally in the new office except the General Manager (Material), Mr A Goel, who went to school with you in Pune and who worked under you in your old plant some four years ago.

The materials in the envelop that you have comprise your desk in-tray as they were left by the secretary this morning. Before entering your office, you had looked for her, but she was not there.

#### Instructions

In this task you need to assume the role of the Executive Director of the company and show how you would deal with the 18 items in the in-tray. You should assume that you are fully responsible for the performance of the region for the duration of your posting, which is likely to be a considerable length of time.

You will need to make yourself familiar with the items first, and you may want to group or re-order them in some way. You can write on this folder or rough sheet or your note pad if you wish, but not on the item booklet.

What you are asked to do in this task is in three parts (after you have absorbed the contents of the items in the in-tray).

- 1. Identify important issues calling for action. Make a list of these.
- 2. Under each issue, identify the relevant items and make a list mentioning the issues and the relevant item numbers only.
- 3. Indicate (in note form) *how you would deal with or what action you would take* on each items that you will consider of high priority (both in importance and urgency).

Make sure that you complete 1 and 2 above, before moving on to 3. The blank pages in this folder should be used for your answers to these tasks.

20/1/2007

The General Manager (Plant 1) Bhagalpur

Sir,

I would like to bring to your notice that if the fault in the cooling water system is not rectified immediately, the power system can fail any time in summer. The indent for the spares required for the cooling system, after your approval, had been sent to ED's office for approval before sending to HO for procurement. Since it is an imported item and cannot be procured off-theshelf, it will require a minimum of six months' time to arrive at our location.

You are requested to get the approval from ED at the earliest.

S Roy Manager (Maintenance)

Copy to: General Manager (Materials), Patna Executive Director (East)

22/1/2007

The Executive Director (East) Patna

Dear Sir,

The capex sanction for the effluent treatment plant has been lying pending approval since two months at HO. The Factory Inspector visited our plant yesterday and was very upset, since this subject is also monitored by his seniors at Delhi. He categorically informed us that if the effluent plant capacity is not increased in the next 15 days, then they will proceed with closure action. We understand that the Chief of Factory Inspector has already briefed CMD on this issue when he visited Delhi last week.

Your immediate attention is required in this matter.

General Manager (Plant I)

Copy to Manager (Maintenance), Manager (Quality) GM (F&C), Patna

## ltem 3

15 January 2007

Tour Programme of Mr S N Sharma

| 18–19 Jan 2007 | Kolkata       |
|----------------|---------------|
| 20–21 Jan 2007 | Delhi         |
| 22 Jan         | On leave      |
| 23 Jan         | Back to Patna |

He can be contacted during this period through mobile (in case of urgency). Else email can be sent to him with a copy to me.

Ms Thomas S J Secretary to ED

23 Jan, 2007

From Office of Works Director, L T Corporation, Mumbai

To ED (East) ATCL, Patna

Dear Sir,

A team of five senior executives from Production, Marketing, Quality, Materials and R&D, will visit your plant – II at Hazipur, on 29 Jan, 2007 from 12.00 noon to 4.00 pm to finalize your company as exclusive vendor for supplying Rotor 345 to us, after auditing your quality procedures.

We will, therefore, request you to organize their pick-up from airport, visit to your plant and dropping at the airport. The draft MOU has been approved by us and already sent to you. You may keep the final document ready with the changes recommended, so that it can be executed at your office on that day only. Subsequent to signing the MOU, you are also requested to plan production and delivery of Rotor 345 as per the agreed schedule.

S A Sridharan,

EA to Works Director

18 Jan, 2007

- From : General Manager (Outsourcing) L T Corporation, Powai
- To : General Manager (Materials) ATCL, Patna

Dear Sir,

This is with reference to selecting your company as our exclusive vendor for Stator 345 and Rotor 354.

Kindly send by return mail the final price, delivery schedule and product sample with test result. The specifications of both these products had already been communicated to your General Manager (Plant I) vide our email dated 5 Jan, 2007.

Subsequent to receiving these details, our team will visit your plant and finalise the contract.

Thanking you,

K Balaji

Copy: ED (East), ATCL ED (Materials), L T C, Mumbai

Date: 19/1/2007

To: General Manager (Plant II) Hazipur

#### From: General Manager (Personnel) Regional Office, Patna

Dear Sir,

There is an urgent need of a Sr Engineer (Instrumentation) at Plant I and Mr A Sinha has recommended Mr A Asthana, who is working with you as Engineer.

Since Mr Asthana's hometown is only 2 km from Plant I, he has shown interest to get transferred to this plant. Recently his father expired and being the only male member of the family, he needs to be relocated immediately.

There is also a possibility that he may leave our company and join any other company near his home. He is a good resource for our company and obviously we don't want to lose him.

Kindly let me know whether you can release him.

(R K Mathur)

Copy to: Mr A Sinha Mr S N Sharma, ED (East)

Email

From: S Roy

To: K Singhania

Copy to: A Sinha, R K Mathur

Mr Ramlal, worker token no 2007 regularly comes late for duty and your department has not taken any action so far.

I had informed you 10 days back over phone to suspend him. But no action has been taken by your department, not even a charge sheet was issued.

Since there has been no action by your department in this case of indiscipline, others may also follow the same practice of coming late. Of late he has stopped following instructions by his shift supervisor and is neglecting work. Most of the time he is roaming around the shop floor, instead of being at his workstation.

You are requested to transfer him from my department immediately.

S Roy Copy: ED (East), Patna 15/1/2007

10/1/2007

Sub: Late coming report of Shri Ramlal, Token no. 2007 (Late for more than 10 mins)

| Jan 2006          | 12 (11 min)                         |
|-------------------|-------------------------------------|
| Feb, 2006         | Nil                                 |
| March, 2006       | 29 (15 min)                         |
| April, 2006       | Nil                                 |
| May, 2006         | Nil                                 |
| June, 2006        | Nil (He was on leave for 15 days)   |
| July, 2006        | 1 (10 min)                          |
| Aug, 2006         | Nil                                 |
| Sep, 2006         | Nil                                 |
| Oct, 2006         | 10 (12 min)                         |
| Nov, 2006         | 15 (12 min)                         |
| Dec, 2006         | 5 (11 min), 26 (12 min) 28 (20 min) |
| Jan, 2007         | 6 (15 min), 7 (10 min), 8 (11 min)  |
| Time Keeper       |                                     |
| From: K Singhania | 14/1/2007                           |

To: S Roy

This is the record of late coming of Mr Ramlal. It seems that the late coming has increased recently. Can you find out the reason? I am asking my personnel department also to speak to him.

K Singhania

Copy to: GM (Personnel), GM (Plant I) Copy to: ED (East)

14/01/2007

Sub: Leave Intimation

I will be on leave from 15 to 28 Jan., 2007 and shall resume duty on 29 Jan., 2007 (second half).

Since I will be going to my village, my mobile will not be working. For any urgent work, please email me which I normally see on alternate days at my hometown Internet café.

A Goel

Copy to: All concerned ED's Office

## ltem 10

Jan. 22, 2007

From: CMD's Office

To: All Executive Directors

CMD will review next year's budget proposal on 1 February, 2007 at 3.30 pm at Headquarters. You are requested to come prepared for this meeting and inform us whether the proposal submitted by you at the beginning of the month is final.

If there is any change, kindly send revised proposal to Executive Director (Finance) by 30 Jan, 2007.

Also inform us who are the other executives from your region who will be attending this meeting.

PS to CMD

Copy to: Executive Director (Finance), Director (Marketing)

Email:

23 Jan., 2006

Confidential

From Director (Marketing), Delhi

To: Executive Director (East), Patna

We are negotiating a big deal with Jharkhand government. It is at the final stages of discussion.

I came to know that Secretary (Industry), Jharkhand Government, who is the approving authority of this deal, does not have a very high opinion about us. It has been brought to my notice just now that he will be at Patna on some personal work from 26 to 30 Jan.

Can you meet the Secretary personally and take him to our plant on 29 Jan. so that he can see our plant equipment, processes and systems? Our Sales Manager at Patna will coordinate this visit with you. I also understand that you are taking charge at Patna tomorrow and hence I feel that he can help you in this matter.

The Secretary is a very senior IAS officer highly respected in the bureaucratic circle.

V Das

22 January, 2007

Executive Director (East) Patna

Sub: Erection and Commission of Coal fired boiler

This is with reference to various letters written to you regarding sanction of civil expenditure for expansion of factory building of Plant II.

As you are aware, the boiler is due to arrive at the plant by the end of April, 2007 and the sanction for civil work is required to be approved by the board. Mr K K Kaul informed me that the budget estimate needs revision due to unexpected restriction put by government on further construction on existing building.

If the revised proposal, including existing and proposed layout plans, detailed civil projects schedule, clearance of statutory and safety departments are not sent by this month, then it cannot be placed before the Board meeting scheduled for 7 Feb.

Your immediate attention is requested.

Thanking you,

ED (Projects and Development)

Copy to: Executive Director (Finance) and Company Secretary

15/1/2007

From: GM (F&C), Patna

To: GM (Personnel), GM (Plant –I), GM (Plant –II)

Copy to : ED (East)

I would like to bring to your notice that the total training and development budgets for Eastern Zone for the year 2006–2007 was ₹23 lac and the total expenditure under this head up to December 2006 is ₹20 lac.

There may be some expenses incurred already in Jan 2007 which is not included in the above figure.

We may like to keep this in mind in planning future training programmes.

(S K Gupta)

18/ 1/2007

То

General Manager (Personnel), Eastern Region, Patna,

General Manager (Personnel), Western Region, Mumbai.

Sub: Implementation of development plan

As per the development plan prepared for high potential managers, Mr A Sharma (QC), Eastern region and Mr A K Apte, Manager (Production), Western region need to attend the General Management Programme at IIM Ahmedabad in this financial year.

As per the training report sent by you as on 31 Dec 2006, I observe that they have not attended the programme so far. The next General Management programme at IIM Ahmedabad will be held on 20–28 March. It is a residential programme and the fee is ₹1 lac.

Kindly ensure that they attend this programme.

Executive Director (Personnel and Development)

Copy: ED (East) ED (West)

## ltem 15

To: Executive Director (Finance) and Company Secretary, Delhi Copy to: ED (East), Patna

17/1/2007

I would like to inform you that National Insurance Corporation Limited have cleared our claim no. X/123/345 dated 15 June 2006 related to fire damage of ₹25 lac, without any deduction.

This refund was made possible due to my constant follow up with regional office of National Insurance and furnishing satisfactory responses to all the objections they had raised.

I am also following up with them regarding other pending claims. I will keep you posted.

With regards,

(S K Gupta)

Mr R K Mathur General Manager (Personnel) Eastern Region, Patna

24/1/2007

Dear Sir,

Mr Ramlal, Token no 2007, working in my department at Plant-I has misbehaved with his shift supervisor yesterday night, when he was asked to go to the machine room rather than wasting time with others in the canteen after the tea break was over. My shift supervisor informed me today at 5.00 am during the routine reporting on the shift.

I have advised my shift supervisor to ask Mr Ramlal not to report for duty from tomorrow and meet the Personnel department for further instructions.

Mr Ramlal is a habitual latecomer and creates indiscipline in the department. I have already informed Mr Singhania about this and requested his transfer from my department, but no action has been taken so far.

This is for your information.

(S Roy)

Manager (Maintenance)

Copy to: Mr A Sinha, GM

Executive Director (East)

# Annexure 5.2 A Typical Competency-based Interview

Competency: "Customer Orientation"

Behavioural Indicator: The ability to see things from the customer's point of view

CBI Question: While maintaining appropriate customer confidentiality, give me an instance when your understanding of a key customer's viewpoint ensured the successful outcome of a critical business negotiation.

**Probing Questions:** 

Do you have a relationship with this customer? If not, why?

How did you understand the customer's perspective?

How did you use this perspective to achieve your performance goal?

What was the goal you were trying to achieve?

What was the outcome?

# Annexure 5.3 A Typical Case Study

#### SCENARIO

Hindustan Construction Limited (HCL) is a major construction company. They specialize in deep water tunneling work and have monopoly in this field. Your company has given them a contract to do 10 km tunneling work at Palanpur, which is very remote place. Completion of this stretch of tunneling is very crucial in terms of project commissioning, since the project is behind schedule by nine months. HCL has already informed your management that a special purpose drilling machine is needed for this project, which is not available with them at present.

#### **CANDIDATE ROLE**

You are the Regional Director of your corporation and after a promotion, recently got posted to Ahmedabd. Your region looks after 10 important projects in three neighboring states including Gujarat. You have full authority to make business decisions as you deem fit. Although you have to inform your boss at the headquarters (HQ) for his approval, he would only give an approval after looking at the importance of the projects.

### **CANDIDATE BRIEF**

It has come to your notice that your contract department has made a very difficult commitment to HCL to provide a special purpose drilling machine that is engaged at another project site at Kalindi, situated 250 km from Palanpur. It is your responsibility to resolve this issue, bearing in mind, however, that there is very little you can do.

You have 30 minutes to address the three tasks in this problem.

### DETAILS OF THE PROBLEM

GM (Contract), otherwise a highly successful commercial person at HQ, has made three errors of judgments while issuing this contract to HCL:

 Before committing to HCL, he had checked with the Chief Engineer at Kalindi whether the special purpose drilling machine available with them could be sent to Palanpur, if required. Chief Engineer had informed that the machine was not being used then, and to the best of his knowledge it was in working condition.

However, for Palanpur, it requires drills sizes much smaller than those being used at Kalindi. To fix a smaller size drill, some costly parts (costing approximately ₹15 lac) needs to be replaced. HCL, however, insists that your organization has to bear the cost of replacement.

- 2. The agreement with the contractor stipulates that your corporation will provide all the consumables and that they would inform you at least one month in advance about the requirement. As the procurement is being made by HQ, you find that the one-month lead time for delivery is very unrealistic due to fact that there is only one vendor at Kolkata.
- 3. HCL was given a verbal promise that in case of a major breakdown, an engineer from the equipment suppliers (from France) would be called by your corporation. However, it was not decided who would bear the cost of travel of this Engineer. You feel this issue should have been resolved at the beginning, since this type of a drill machine creates major problems during operation and there would be a need to call an engineer from France on SOS basis.

#### Task 1

For each of the three errors made by the Contract Department, indicate the following:

- 1. What do you regard as the main factors to take into account?
- 2. What options are available to you?
- 3. What solution do you recommend?

## Task 2

Describe the overall outcome that you would seek to achieve from meeting with this contractor.

## Task 3

What actions would you initiate internally as a result of this incident?

# Annexure 5.4 Leaderless Role-Play Exercise

#### HYDRO POWER COMPANY LIMITED (HPCL)

Hydro Power Company Limited (HPCL) is a power generating and distributing company. It has made endeavours in the recent past to diversify.

HPCL employs 15,000 workers and 4,000 supervisory staff and officers. The company is highly respected in the power generation and distribution sector; it generated a profit of ₹500 million in the last fiscal year.

Keeping in mind the company's endeavours to diversify in the recent past, it obtained a licence for distribution in the entire northern region. The company partnered with an international firm to pursue its expansion plans. Accordingly the company recruited about 300 additional workers to be absorbed in the preliminary work in implementing the envisioned project of expansion and distribution. These 300 additional workers were brought in exclusively for power distribution (north), and trained accordingly.

However, the company had to shelve its expansion project due to unforeseen turn of events, which were volatile in both political and economic spheres. This whole situation has a snowball effect for the entire company and its newly recruited employees, as these 300 additional employees have become redundant. While it was possible for any organization to retrench these people under normal circumstances, HPCL could not take such an action due to two reasons:

- (*i*) it has a heritage to live up to, it is viewed as a progressive organization and it has never retrenched any employee on the ground of being rendered surplus; and
- (*ii*) it has an agreement with the union that it will not retrench any employees.

Hence, the management has decided to train and deploy these surplus employees in various divisions, to keep up with the need of additional manpower.

#### **Brief for Chief Engineer Maintenance (Power Generation)**

You are in charge of both breakdown and preventive maintenance of the machinery for the unit. Recently power generation requirements have increased and a three-shifts-a-day system has been introduced. The workload has increased considerably in your department and you require additional manpower of 150 workers. When you approached the General Manager (Power Generation and Maintenance), he recommended that you choose people from a list of employees rendered surplus with Power Distribution Division, due to certain policy decisions. These employees have undergone short-term training courses in various operations at the company's training college.

However, you are highly skeptical whether such a short training is of any use for your requirements. Due to the high specialization, your department's works, you are doubtful about the skill level of your workers. The short training course was designed three years ago and does not cover new technology used in your area.

You have conveyed this concern to the head of personnel department on many occasions and insisted on immediate recruitment from outside to meet the manpower needs of the department a long time ago. However, the Personnel Head has not taken any action in this matter till now. This attitude has manifested in forms of many procrastinations which you have had to deal with on several occasions. These delays on the part of the personnel department have resulted in many problems not only for you, but also for the other colleagues in the unit. You consider that since maintenance of machineries is of critical importance for keeping the business going, the personnel department should have expedited your request with a sense of great urgency.

You are presently with Regional Director (North), GM (Power Generation and Maintenance), GM (Power Distribution) along with Head, Personnel and Head, Finance. All of you are in the process of resolving the issue.

#### Brief for GM (Power Generation and Maintenance)

You are GM (Power Generation and Maintenance) of the company. The power generation target for your department has increased considerably in view of an unexpected demand and your division is functioning in three shifts. Workload has been very heavy during the past couple of weeks.

Your Chief Engineer (Maintenance) needs 150 skilled workers immediately, and the requirements were forwarded to personnel department a long time ago by you. Recently, the Head, Personnel recommended to you and your Chief Engineer to absorb 150 surplus workers from the surplus pool of power distribution division. You are fully aware that these workers are not adequately trained for the high-end power maintenance job. The Head, Personnel is insistent and confident about the training and skills of these 300 surplus workers.

Recently the Head, Personnel raised the issue of settlement of grievance of certain employees engaged in your division. It has been noticed that whenever there used to be a grievance with any of your men, the personnel department insisted that your Chief Engineer should be able to handle it. Handling the grievances of the men in your own division, raises sensitive problems apart from it being time consuming. You believe that it generally affects the smooth functioning of your division.

Further, you agree with your Chief Engineer that the workers being allocated to you from the surplus pool are not completely trained and that there is an urgent need to look at the possibility of hiring workers from outside. However, as the head of the division, you are aware of the budgetary constraints for your division and the company, as well. In your last meeting with the Head, Finance, these issues too were discussed. There is a compelling need to take workers from the surplus pool.

You are presently with Regional Director (North), GM (Power Distribution), your Chief Engineer (Maintenance) along with Head, Personnel, and Head, Finance. You are in the process of resolving the issue immediately and find a solution for the problem so that power generation is not affected.

#### **Brief for Head, Personnel**

You are responsible for the various personnel functions of the organization, including planning and training. You are also in charge of the training college set up by the company.

Recently, due to certain top management policy, it was decided to retrain 300 surplus workers who could not be retrenched. It was also decided that any additional requirement for manpower in any department or division would be met from the surplus pool of workers, as they were trained in various skill sets for different departments.

Training programmes were accordingly conducted for these workers. All the training programmes were designed and modeled around inputs gathered directly from all the divisions and their Chief Engineers. The customised training programmes were conducted at the company's training college. However, you have noticed that whenever there is any need for additional manpower, the Chief Engineers insisted on hiring workers from outside and created a lot of noise over selecting workers from the surplus pool, stating that most of these workers were not suitable for the high-end job that their respective departments performed. You have observed this to become a pattern with most of them and have strongly protested against this. In fact, you had also highlighted this as a concern and vociferously spoken about it to the respective GMs and the Regional Directors.

You have also come to know that the Chief Engineers, who had earlier requisitioned for recruitment from outside, complained to their GMs that there was an inordinate delay in meeting the manpower requirement, which adversely affected efficiency. It was also openly suggested by them that you needed first to get your house in order.

Further, the grievances of the employees have been on an increase during the past few months. Whenever there is any grievance, the concerned worker is referred to the personnel department, without suggesting any preliminary investigative action in the matter. When you took the matter up with the Chief Engineers, you were told that due to increased workload, they could not spare their respective supervisors for such trivial concerns. All this has had a cascading effect and incidents of indiscipline have gone up. When you delve deeper into the concerns of these workers, it turns out that most of these concerns and grievances stem from interdepartmental issues rather than HR concerns. The nature of these concerns makes it rather impossible for you or your department to take a firm action against them. The Chief Engineer thinks that you are brushing these concerns under the carpet and you are only a paper tiger.

You consider it absolutely essential to resolve these issues immediately in view of the serious consequences that they could have on the industrial relations in the company.

You are presently with Regional Director (North), GM (Power Generation and Maintenance) along with Chief Engineer (Maintenance), GM (Power Distribution) and Head, Finance. All of you are in the process of resolving the issue.

### **Brief for Head, Finance**

You are in charge of the financial management of the company. Due to certain top management policy decisions, 300 employees have been rendered surplus in the organization. These people are required to be trained and deployed to various divisions whenever there is requirement for extra manpower. However, you notice that this process was not carried out effectively as per the plan. The concern is compounded by another fact that the workers trained by the personnel department are not at all proficient to carry out the required tasks. It is further brought to your notice that there are concerns pending for a long time between the personnel department and the Chief Engineer. You have been summoned by the Regional Director (North) to be a part of this meeting and help resolve the matter. You see that apart from the GM, the Chief Engineer (Maintenance) of Power Generation division and Head, Personnel are also present in the meeting. Your records clearly indicate that the expenditure on training has been on the rise for the past two years. The expenditure on the training college during the last financial year was ₹18 lakh. However, this expenditure has shot up to ₹26 lakh in the first eight months of the year. What predominantly comes out of this is that in spite of such big amounts being spent on training, there has not been any increase in productivity during the past few years. What is more surprising is that during the last quarter, the productivity has suddenly dropped. Your fundamental concern is, why should money be spent when there is no ROI (return on investment)?

All this has a cascading effect and is telling on the financial pulse of the organization. The expenditure on wage and compensation of surplus workers is around ₹75 lakh per month. It is bizarre to maintain surplus labour and spend even more on training them. Your paramount concern is that in view of the company's policy on expansion and against retrenchment, working capital needs to be conserved to the fullest.

You are presently with Regional Director (North), GM (Power Generation and Maintenance) along with Chief Engineer (Maintenance), GM (Power Distribution) and Head, Personnel. All of you are in the process of resolving the issue.

#### Brief for General Manager (Power Distribution)

You are in charge of power distribution for the company. The company was looking at expansion consequent to procuring a license for distribution rights in the entire northern region. The organization went out and hired 300 additional workers for your department. However, due to unforeseen, volatile political and economic developments, the expansion plan was put on hold. Hence the need for those 300 workers became redundant for your department. In fact, they would incur extra cost for you with virtually no productivity. The personnel department trained these workers at the company's college. These workers were trained for various skills sets, to be absorbed with other departments that need extra manpower.

The power generation and maintenance department is faced with bulk demand and desperately needs extra manpower, to fulfil the demand. This is a unique opportunity for you to redeploy workers from the surplus pool. In your opinion 50% of the surplus manpower can be gainfully redeployed with some handholding.

However, GM (Power Generation and Maintenance) along with his Chief Engineer are convinced that workers form this surplus pool are not suitable for a high-end job of power maintenance. Therefore, they cannot be deployed with them. You, being the head of Power Distribution, cannot just let these workers not get effectively utilized.

You and the Head, Personnel want suitable workers to be transferred to power generation division in maintenance department.

You are presently with Regional Director (North), GM (Power Generation and Maintenance) along with Chief Engineer (Maintenance), Head, Personnel and Head, Finance. All of you are in the process of resolving the issue.

#### **Brief for Regional Director (North)**

You have been in this role since almost five years. You have in-depth understanding and know-how of the industry. From time to time sensitive and volatile issues of retrenchment have reached your desk. The genesis of the issue of 300 surplus workers is not alien to you. However, it is the background and surrounding of this issue that is most perplexing for you as the Regional Director of the organization.

It has been brought to your notice that over the past few months, there have been many discords and interdepartmental conflicts raised and surfaced. It has been reported that Chief Engineers have not been cooperating with the Personnel Department, not just on one issue but also other issues, like refusing to utilize workers from the surplus pool. In fact, they have been insisting on recruiting from outside to meet their manpower needs. The surplus pool of workers, originally created for Power Distribution Department, and now rendered redundant and, refused to get absorbed by power generation and maintenance division, is the bone of contention.

Further, it has been reported that grievances and cases of indiscipline have been on the rise during the past few months in the organization and there is an ongoing conflict of interest between the Chief Engineer (Maintenance), Power Generation division and the Head, Personnel. There is also a complaint from GM (Finance), that it is very hard to function smoothly and meet the increased targets in view of an unexpected bulk demand. The penalty for not meeting this extra demand for power in time is going to be heavy. In addition, GM (Finance) reports that the company needs to be in better financial position and you earnestly need to conserve your working capital.

Amidst all this, your paramount concern is that the whole matter should not get out of hand. As this would draw negative publicity for the organization besides other serious ramifications, your immediate task is to identify the *real* reasons for the conflict and the real problem, diffuse the crisis and restore order, with the cooperation of your GMs.

# 6 Implementation oF Assessment Centre

## INTRODUCTION

Chapter

Assessors play a crucial role in the success of implementation and effectiveness of any assessment centre. Even if the competency model has been developed carefully and the assessment exercises and instruments are of the best quality, the assessment centre may still not deliver the expected results either due to wrong selection of assessors or the assessors are not fully trained to carry out their task effectively. It is expected from the assessors that they should observe comprehensively what each candidate is doing or saying in each exercise and accurately record the evidence. These recordings are crucial for subsequent analysis and measurement of the performance of candidates against the desired behaviours under each competency. The assessors are expected to be fair, objective and non-judgmental while observing and recording the evidence of behaviours displayed by the candidates during assessment process. The accuracy of the results of the assessment is heavily dependent on the skills of the assessors. Obviously, the first question is, who should be the assessor?

#### WHO SHOULD BE AN ASSESSOR?

Ideally the internal assessors are selected from the line managers who are at least two levels higher than the level of participants undergoing assessment. These line managers are generally known in the organization as high performers and/or successful executives with high credibility in terms of intellectual honesty and integrity. These assessors generally have first-hand knowledge of the job contents of the candidates undergoing assessment. It could be that they might have occupied those positions before or have reasonable understanding of the role. Assessors should possess the following qualities:

- Commitment: The assessor should believe in the assessment centre process as a whole and the benefits can be derived for the individual and the organization. The duration of any assessment centre process and subsequent integration sessions are two to three days, ten to twelve hours a day. These assessors are expected to put long hours at a stretch with high concentration levels.
- Objectivity: The assessors should be objective as much as possible and should not have any cultural or gender biases. It is a natural human tendency to become judgmental in situations like assessment centre process and, therefore, they need to be very cautious while playing the role of assessor. Their evaluations should be based on the actual observed evidence and not on subjective assessment.
- Communication skills: Assessors with strong listening skills, good written communication skills and good verbal communication skills are found to be effective in assessment centre process. The assessors record their observation and evidence during exercises which is shared and discussed at integration session. These assessors are also expected to provide feedback to candidates after assessment centre process. Their feedback and counseling skill is dependent on their verbal communication abilities.

### WHAT DO ASSESSORS DO IN ASSESSMENT CENTRE?

During the assessment process, the assessors are expected to undertake the following four major activities in the behavioural assessment:

- Observation: While the candidates undergo group exercise or role play exercise, the assessors sit in the room and observe two to three candidates. It is not very uncommon for most of us to interpret the behaviour immediately, which we observe and make inferences about the intentions or motives behind the actual behaviour. The role of the assessors in various simulated exercises is only to observe, and not to evaluate the behaviours. The assessors' listening skills, ability to concentrate for longer periods and their ability to observe more than one candidate simultaneously are important skills of observation process.
- Recording: The recording activity is conducted simultaneously with observation. The assessors make written notes of behaviours as they occur during the exercises. They record the actual words spoken and important actions displayed by the candidates during the exercise, as much as possible. The accurate recording of these behaviours is very important as they form the basis upon which subsequent evaluations are made. These written documents constitute the evidence of performance and abilities of the candidates. To observe and record the key behaviours, the assessors are required to have the ability to write quickly, legibly and crisp. These recordings are used in the integration sessions with other assessors and also for providing feedback to candidates.
- Classifying: Once the behaviours are observed and recorded, these are classified against the competencies. The assessors review the evidences, classify which behaviour is related to which competency being assessed in that particular exercise. At the end of the assessment centre process, the evidences recorded by each assessor from different exercises are gathered together to form an overall picture of each candidate. To have effective classification of behaviours, the assessors need to be completely familiar with the behavioural indicators of each competency. It may be possible that some behaviours can be assigned to more than one competency. However, this should be avoided as much as possible.
- *Rating:* The assessors evaluate the performance of the candidates in each competency area by going through the documented evidence

against the desired behaviours and give numerical rating, using the criteria scale. Since all the assessors use common rating scale, it is expected that there is a common understanding between assessors on the rating of competencies (In Chapter 2, the competency evaluation criteria have been discussed). The behaviours are evaluated either based on the presence or absence of behaviour on any given exercise. The evaluation is done based on the number of occasions the behaviours were displayed within the available opportunities. Another way of evaluation is done based on the frequency of positive and negative behaviours demonstrated in each exercise. While rating performance of candidates in assessment centres, there are some potential sources of errors committed by assessors. These are:

- Leniency: Giving everyone higher or lower ratings regardless of actual performance
- Halo effect: Letting one favoured trait or competency influence other areas of performance, resulting in an unduly high overall competency rating
- Central tendency: Clumping or clustering all employees in the middle performance categories in an attempt to avoid extremes.
- *Recency:* Tendency to be most influenced by last observations made disregarding earlier contrary evidences.
- Similarity error: Rating others in a way that gives special consideration to qualities that assessors perceive in themselves and, therefore, feel compatible, also known as 'similar to me' error.
- Cloven-hoof effect: Tendency to generalize one aspect of poor performance to all performances.

### ASSESSOR TRAINING

The assessor undergoes comprehensive assessment skill training before going for assessment centre process. The assessors' training normally conducted by assessment centre experts in three days of class-room training, during which they are familiarize with the competencies, behavioural indicators, rating criteria, rating scales and the behavioural observation process. These assessors also get the opportunity to understand each exercise designed for assessment centre and to know how these exercises are conducted. The facilitator of the assessors' training conducts the exercises or show video of the exercises and asks the assessor to conduct four stages of behavioural assessment, namely observe, record, classify and rate the behaviours. The assessors also get trained on how to make final reports through different simulated situations from an integration session.

Since the behavioural assessment is a highly skilled process, the assessors are not introduced to assessment process immediately after assessor training. They are expected to first shadow with expert assessors (generally external resources) in the assessment centre for minimum two assessment centre processes before conducting independent assessment.

### RUNNING OF ASSESSMENT CENTRE

To implement the assessment centre processes, the following preparatory works are undertaken:

### Preparation of schedule

A detailed time table is to be prepared for the assessment centre, keeping in mind the following:

- number of exercises to be conducted;
- number of participants and assessors;
- time required for each exercise;
- total time available for assessment, after considering tea and lunch breaks and time for inaugural and closing sessions, and so on;
- sequence of exercises including administration of psychometric tests; and
- number of break-out rooms available.

Annexure 6.1 gives a typical example of an assessment centre schedule.

### **Allocation for Assessors**

The assessors are informed at least 15 days in advance about the assessment centre schedule. Since they are generally line managers, some contingency plans are needed if any assessor could not turn up at the last moment. Normally, the ratio between assessor and assessee candidates is kept at 1:3. Before the scheduled beginning of the assessment centre process, a brief session of assessors is conducted by the Assessment Centre incharge, wherein each assessor is allotted two to three candidates. It is the assessors' responsibility

to prepare the final assessment reports of these candidates. The assessors are briefed on their role in each exercise and assessment folders are handed over to them. Annexure 6.2 gives an example of such an allocation of assessors.

### **Intimation to Candidates**

All the candidates are informed of the assessment centre programme its objectives and purposes and expectations from them, at least one week in advance. It is important that the candidates are clear as to why they are invited for the assessment centre programme and how it will benefit them and the organization.

### Logistic Arrangements

The arrangement for inaugural and valedictory sessions, break-out rooms, places for conducting competency-based interviews, individual and group exercises, feedback interviews, and so on are required to be made.

### INTEGRATION SESSION

The integration session is conducted either the next day of the assessment centre programme or after a one-day gap so that each assessor may have the opportunity to complete his compiling and writing work. All the assessment data, evidences and psychometric test data are pooled for each candidate in the integration session. The integration session is the crucial stage of assessment centre process, at which all the behavioural evidences are collated for objective decision making on the assessment process. Assessment centre generates a wealth of data about each candidate. It is important that the data is used effectively so that the recorded behavioural evidence is not lost or ignored. The length of integration session depends on the number of competencies to be assessed, the number of assessors, the number of candidates undergone assessment, the number of exercises and tools used as well as the experience level of assessors. Normally it takes 6 to 8 hours for assessment of twelve candidates.

The crucial factor in assessment centre design is, how the evidence of demonstrated behaviours of the candidate during assessment process in simulated exercises is to be evaluated for competency assessment and how to convert different test results into competency rating. The assessment centre designers normally develop very clear scoring methods for each exercise in alignment of competency definitions to avoid unfair biases, lack of consistencies of evaluation criteria between assessors and confusion at a later stage.

There are many approaches in developing criteria for translating test results into competency rating. We present some simple example to understand the process of developing criteria. Let us take an example of a test, which measures critical reasoning ability of the candidates in the assessment centre. The maximum marks for the test is 20. Now the test score can be converted to competency rating using rule given in Table 6.1.

| Test Score | Competency Rating |  |
|------------|-------------------|--|
| 0–5        | 1                 |  |
| 6–10       | 2                 |  |
| 11–14      | 3                 |  |
| 15–18      | 4                 |  |
| Above 18   | 5                 |  |

 Table 6.1 An Example of Translating Numerical Score into Competency Rating

Sometimes, the raw score of test results is converted into tens (standard of ten) score after administration of test of a significantly large number of people.

In simulated exercises, the behavioural evidences are observed and recorded by assessors during assessment process. These evidences are then correlated with the behavioural indicators of different competencies and the evaluation of competencies is done based on the demonstrated behaviours using either oral (in group exercise, role play or competency-based interview, and so on) or written (in-tray exercise or written case-study). The evaluation of competency is done based on the occurrences of positive and negative behaviours associated with the competency. Tables 6.2 and 6.3 give examples of how the evidence of behaviours is converted into competency rating.

### Table 6.2 Example of Positive and Negative Behaviours

### **Competency: Decision Making**

#### **Behavioural Indicators**

Clearly define problems, consider all facts and alternatives available

Demonstrate sound judgments, have a good track record of successful decisions Take calculated risks with contingency plans

Demonstrate high speed in taking decisions, implementing and informing all concerned parties

Take decisions instead of escalating them up to the seniors

| Negative Behaviours  | Positive Behaviours  |
|--|--|
| <ul> <li>Jumps to conclusions before<br/>analyzing a situation.</li> </ul>   | <ul> <li>Accurately understands and clearly<br/>defines problems.</li> </ul>   |
| • Fails to use the information avail-<br>able with him/her.                  | • Gets to the core issues.   |
| <ul> <li>High-level data churning but no<br/>analysis and action.</li> </ul> | <ul> <li>Demonstrates root cause analysis for<br/>solving problems and prevent reoc-<br/>currence.</li> </ul>                    |
| <ul> <li>Decision making is bureaucratic<br/>and hierarchical.</li> </ul>    | <ul> <li>Seeks relevant information on which<br/>the decision to base.</li> </ul>  |
| <ul> <li>Bases decisions on perception<br/>and opinion.</li> </ul>           | <ul> <li>Bases decisions on data and facts rather<br/>on intuition.</li> </ul>   |
| <ul> <li>Escalates decision upwards.</li> </ul>                              | <ul> <li>Acts fast.</li> </ul>   |
| <ul> <li>Demonstrates a high degree of reactivity.</li> </ul>                | <ul> <li>Anticipates likely implication of decisions.</li> </ul>   |
| <ul> <li>Has a track record of making<br/>poor decisions.</li> </ul>         | <ul> <li>Weighs risks of various alternatives<br/>accurately.</li> </ul>   |
| <ul> <li>Is dependent on his/her boss.</li> </ul>                            | <ul> <li>Takes effective and timely decisions<br/>even when full information is not<br/>available.</li> </ul>                    |
| <ul> <li>Lacks courage of conviction.</li> </ul>                             | <ul> <li>Is able to take a stand even if his seniors<br/>asked him to do differently.</li> </ul>                                 |
|  | <ul> <li>Has strong numerical and analytical skills.</li> </ul>  |
|  | <ul> <li>Is driven by desire to resolve the issue<br/>at their own level.</li> </ul>   |
|  | <ul> <li>Demonstrates high speed in taking<br/>decisions, implementing those and<br/>informing all concerned parties.</li> </ul> |

| Rating 1:<br>Very low<br>presence of<br>competency | Rating 2:<br>Low presence<br>of compe-<br>tency           | Rating 3:<br>Moderate<br>presence of<br>competency      | Rating 4:<br>High presence<br>of competency  | Rating 5:<br>Very high<br>presence of<br>competency   |
|--|---|---|--|---|
| Does not<br>display any<br>positive<br>behaviour   | Does not<br>display most<br>of the positive<br>behaviours | Displays<br>both positive<br>and negative<br>behaviours | Clearly dis-<br>plays positive<br>behaviours<br>with good pro-<br>ficiency with<br>some negative<br>evidence | Multiple clear<br>display of posi-<br>tive behaviours<br>with appropri-<br>ate proficiency<br>with no sub-<br>stantial negative<br>behaviours |

 Table 6.3
 Example of Translating Evidence to Competency Rating

In the integration session, each candidate is evaluated one by one. The assessors get the opportunity to share their observations, logic and rating of the candidates for each competency area by taking each exercise one by one. If any psychometric test is conducted, the psychometric expert is invited in the integration session. He explains to the assessors the broader context of the test, that is different personality preferences, styles, traits or aptitudes of thinking and behaving and the impact of the different styles or traits on self as well as others. There are no good or bad personality profiles, but only those which may or may not be appropriate in a given situation. The personality inventories are reports by the candidates themselves. Hence the accuracy of the results depends on the level of honesty of the candidates while filling the responses. Sometimes their responses are socially desirable. The psychometric expert presents the personality test report of each candidate, highlighting the strengths and grey areas. Many a time, the assessors ask the expert the implications of psychometric test results at workplace behaviours and how the test results could be integrated with the assessment results.

Chairman of the integration session (normally a senior assessor or an external expert) requests each assessor to read out the ratings of a particular competency and the justification of the rating by providing the behavioural evidence. When all the assessors give their ratings for a particular competency from all the related exercises, where they acted as assessor, discussions are held collectively to decide on overall ratings for that competency.

It is worth noting that each exercise or tool measures the competency in different situations and the type of evidences will be different for each exercise or psychometric inventory. It is possible that one candidate can have high score in group exercises, but the psychological test may suggest low rating for the same competency. Therefore, all the evidences are examined critically if the discrepancies are high and the consensus is aimed in the integration session to reach at a reasonable rating. The actual evidence seen during simulated exercises normally gets preference over psychological test results, but the discussion between assessors is important to reach consensus. Any rating given by an assessor, which other assessors do not agree to, then the assessor explains the rating with concrete evidence. The purpose of the discussion is to build a consensus, rather than deciding by the majority view. The final rating for each competency is decided by objective evidences not by solely comparing with the ratings given to other candidates in the same competency. Similarly, it is done for all the competencies.

### PREPARATION OF FINAL REPORT

During the integration session, each assessor is assigned the responsibility of writing the final reports of two or three candidates. Normally, the assessor, who has the responsibility of writing the report for a particular candidate, is also responsible for giving one-to-one feedback to the candidate. The assessor having the responsibility of writing the report for a particular candidate takes note of what is being said by other assessors on the candidate's behaviours during the different exercises at the assessment centre. The assessor also makes note on the advice or insight provided by the psychometric experts on the psychometric inventories.

The final assessment report is generally very detailed, so that the candidate gets fair understanding of the assessment process and the basis on which assessment results are derived. Subsequently, the final report is used by the candidate for his developmental planning. The format of the final report of assessment centre varies in different organizations. However, the final report should contain the following:

- Rating of performance of the candidate in each competency.
- Basis of evaluation based on the behaviours demonstrated by the candidate during different exercises, by explaining what the candidate said, did, wrote or displayed in each exercise.
- The behavioural indicators under each competency which were not demonstrated, if any.

### FEEDBACK INTERVIEW

The feedback interview is conducted when the assessors finalize the assessment report of the candidates. The assessors conduct feedback sessions with the candidates lasting 60 to 90 minutes each. Feedback discussions should ideally be conducted within two or three days after the assessment centre process, when their experience is still fresh. They are also eager to get feedback on their performance in the assessment centre and undertake developmental actions of their weak areas. The purpose of the feedback interview is to encourage the candidates to review their own performance, reflect its implication at work place, identify their gifts or strengths to be leveraged on as well as identify the areas which can derail them. Hence, the success of assessment centre depends on how the feedback session is designed and conducted. The assessors are expected to follow the followings steps for conducting feedback interviews for the candidates:

### Preparation

Before starting, it is very important for the assessor to plan how he is going to conduct the feedback session. The assessor needs to make sure that he is completely familiar with all the competencies and associated behavioural indicators as well as all the exercises conducted at the assessment centre. He should carry a copy of the final summary of ratings of competencies. In some feedback sessions, the rating is shared with the participants. But in most cases, only some indication of the competency rating is shared, not the final ratings. He should also make note of key evidences, which he would like to bring to the notice of the candidate. If there is low or very low score for some competencies, then he should make detailed notes of the evidences for the reasons for such score. There may be situations where scores of same competencies from different exercises contradict. The assessor should be prepared to address this in the feedback session. The purposes of the feedback session are:

- 1. To give the candidate clear, objective, unbiased and non-judgmental feedback on how he has performed during the assessment centre programmes against the competencies.
- 2. To manage the feedback session in such a manner so that the candidate is encouraged and his self-esteem enhanced. The candidate should also get ideas for developmental opportunities.

### Organizing feedback sessions

Normally one of the assessors, who was present in the assessment centre and observed the candidate in some of the exercises, is to give feedback to the candidate. The feedback session should be conducted in a calm, peaceful and confidential place, where there is no disturbance or interruption. Duration of feedback session, no third person, including the reporting manager, should be present. The assessor initially makes the candidate comfortable by friendly gestures.

### **Objectives Setting**

The assessor explains the objectives of the feedback session and briefly outlines the purpose of the assessment centre. It is also a good idea to reveal the list of competencies and associated behavioural indicators measured in the assessment centre. He then outlines the structure of the feedback session and its duration. The candidate is then asked whether he has any question or suggestion. The assessor can briefly introduce the concept of self-knowledge and self-awareness of competence (given in Annexure 6.3) using JOHARI Window, so that the importance of feedback process is understood by the candidate.

### **Obtain the Candidate's Views**

The assessor may then ask the candidate how he felt about his own performance, the overall experience of the assessment centre, which exercise he thinks was done well or not done well, what competencies he thinks he is strong/not so strong in, and so on. The assessor should be patient to listen to the perceptions and views of the candidate.

### **Giving Feedback**

The assessor then discusses each competency one by one. He may start either sequentially or from strong to weak competencies. While discussing a particular competency, the assessor can ask the candidate how he thought he performed in each exercise, what could have done differently, how others perceived him, or what his learnings are, and so on. The assessor then discusses the assessment results competency-wise and supports these with key evidences. The assessor focuses on the example of specific behaviours of the candidate, what the candidate actually said, did, wrote or did not do at the centre, mentioning both positive and negative behaviours. The assessor tries to reach an agreement with the candidate on the assessment results and explains their implications at workplace and summarizes the key points. Then the assessor moves on to the next competency till all the competencies are covered.

### SUMMARIZING OF ASSESSMENT

The assessor then asks the candidate to summarize his understanding based on the feedback given to him and what are the points of differences, if any. The assessor provides additional evidences to the candidate to make him understand the rationale behind the ratings. Finally, the assessor discusses with the candidate on the strength areas and areas for developmental opportunities in future.

### Summary

To effectively implement the assessment centre programmes, selection and proper training on behavioural assessment of assessors supported by handholding in the assessment process is crucial. Since the final assessment results are based on the objective evidences collected during assessment centre processes, sufficient time is spent by assessors during integration session to build a consensus on the finalization of assessment results. During feedback session, the assessor should display good counseling skills to ensure that the candidate identifies his strength areas and those with developmental opportunities.

# Annexure 6.1 A Typical Time Table for Assessment Centre

| Time      | Participants 1–3  | Participants 4–6                                  |  |
|-----------|---|---|--|
| 0915-0945 | Introduction and Welcome Address                            |   |  |
| 0945–1000 | Tea Break   |   |  |
| 1000–1115 | Preparation and Group Exercise                              |   |  |
| 1115–1130 | Break   |   |  |
|           | CBI, DISCUS and 16 PF                                       | 1130–1245 In tray                                 |  |
| 1130–1345 |   | 1245–1345 Credibility and<br>Visibility Inventory |  |
| 1345–1430 | Lunch   |   |  |
| 1430–1545 | In tray CBI, DISCUS and Credib<br>and Visibility Instrument |   |  |
| 1545–1600 | Tea Break   |   |  |
| 1600–1700 | Credibility and Visibility Inven-<br>tory                   | CBI, DISCUSS and 16 PF                            |  |
| 1700-1800 | Case Study  | Case Study  |  |
| 1800–1815 | Coffee Break  |   |  |
| 1815-1900 | Critical Reasoning Assessment                               |   |  |
| 1900–1915 | Wrap up and Feedback Schedule Announcement                  |   |  |

Contd.

| (Contd.)  |  |  |  |
|-----------|--|--|--|
| Time      | Participants 7–9 Participants 10–12        |  |  |
| 0915–0945 | Introduction and Welcome Address           |  |  |
| 0945–1000 | Tea Break                                  |  |  |
| 1000–1115 | Preparation and Group Exercise             |  |  |
| 1115–1130 | Break                                      |  |  |
|           | CBI, DISCUS and 16PF                       | 1130–1245 In tray                                  |  |
| 1130–1345 |  | 1245–1345 Credibility and<br>Visibility Instrument |  |
| 1345–1430 | Lunch                                      |  |  |
| 1430–1545 | In tray CBI, DISCUS and 16 PF              |  |  |
| 1545–1600 | Tea Break                                  |  |  |
| 1600–1700 | Credibility and Visibility<br>Instrument   | 16 PF  |  |
| 1700-1800 | Case Study                                 | Case Study   |  |
| 1800–1815 | Coffe Break                                |  |  |
| 1815-1900 | Critical Reasoning Assessment              |  |  |
| 1900–1915 | Wrap up and Feedback Schedule Announcement |  |  |

## Annexure 6.2 A Example of Participants Assigned to Different Assessors

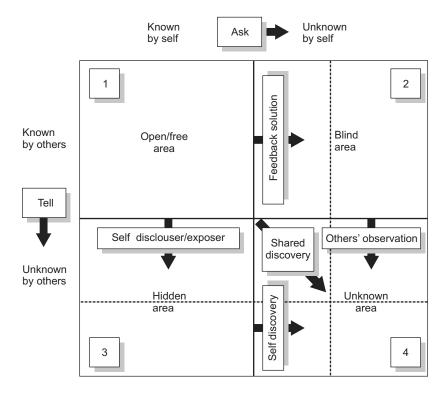
|          | Participants assigned for |                     | or         | Competency- |              |
|----------|---------------------------|---------------------|------------|-------------|--------------|
| Assessor | Group<br>exercise         | In-tray<br>exercise | Case study | based       | Final report |
| 1        | 4–6                       | 4–6                 | 1–3        | 1–3         | 1–3          |
| 2        | 1–3                       | 1–3                 | 4–6        | 4–6         | 4–6          |
| 3        | 7–9                       | 7–9                 | 10–12      | 10–12       | 10–12        |
| 4        | 10-12                     | 10-12               | 7–9        | 7–9         | 7–9          |

### Annexure 6.3 The Johari Window

### A MODEL FOR SOLICITING AND GIVING FEEDBACK

Feedback is a verbal or non-verbal communication to a person or group of persons providing them with information as to how their behaviour affects others and the state of here–and–now feelings and perceptions.

The process of giving and receiving feedback can be illustrated through a model called the Johari Window. The window was originally developed by two psychologists, Joseph Luft and Harry Ingham. The model can be looked upon as a communication window through which you give and receive information about self and others.



Looking at the four panes in terms of columns and rows, the two columns represent the self and the two rows represent the group (or the assessors). Column one contains 'things that I know about myself' and column two contains 'things that the group know about me'.

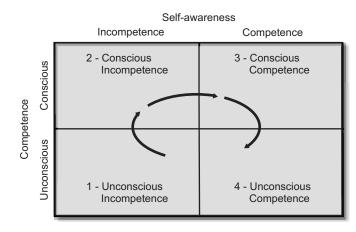
The first pane, called the Arena or Open-self, contains things that I know about myself and about which the group know. It is an area characterized by free and open exchange of information between others and myself. The behaviour here is public and available to everyone. The Arena increases in size as level of trust increases between individuals or between the individual and his group and more information, particularly personally relevant information, is shared.

In the feedback interview process, the assessor gives many evidences of the behaviours displayed by the candidate, which the candidate is aware of and has full understandings of the consequence of such behaviours.

The second pane, the Blind Spot, contains information that one does not know about oneself, but of which the group may know. As one begins to participate in the group, one communicates all kinds of information of which one was not aware, but which is being picked up by other people. This information may be in the form of verbal cues, mannerisms, the way he says things, or the style in which he relates to others. In the feedback process, the assessor may share some evidence, which the assessor himself or other assessors might have observed, which the candidate is not aware of.

In pane, three are things that we know about ourselves, but which the group is unaware of. For some reason, the individual keeps this information hidden from others on the fear that if the group knew of the feelings, perceptions and opinions one has about the group or individuals in the group, they might reject, attack or hurt him in some way. As a consequence, he withholds this information. This pane is called 'Façade' or 'Hidden Area'. One of the reasons one keeps this information to oneself is that one does not see the supportive elements in the group. My assumption is that if I start revealing my feelings, thoughts and reactions, others might judge me negatively. Sometimes, the candidate may be aware of some weaknesses, or something he is not confident about himself, but he hides it consciously during assessment process.

The last pane contains things that neither we nor the others know about us, some of this may be far below the surface and we may never become aware of it. Other information, however, may be below the surface of awareness to both the group and myself, but can be made public through an exchange of feedback. This area is called the 'unknown' and may represent such things as interpersonal dynamics, early childhood memories, latent potentialities and unrecognized resources. Since the internal boundaries can move backward and forward or up and down as consequences of soliciting or giving feedback, it would not be possible to have a window in which there would be no unknown. This area contains information, which the candidate is not aware of and the assessors also might not able to identify it during the assessment.



The goal of soliciting feedback and self-disclosure or giving feedback is to move information from the Blind spot and the Façade into Arena, where it is available to everyone.

# Chapter Chapter

# Individual Development Plan

### INTRODUCTION

The objective of the assessment centre is not merely to select or find right candidates for a position, but also to identify the areas of competencies where the employees need development. Therefore, individual development planning is a crucial component of competency management. At the end of the assessment centre programme, the candidate gets one-to-one feedback from the assessors and subsequently a detailed assessment report. This chapter deals with how to integrate the assessment centre output with developmental activities of the organization. A common problem faced by many organizations is that the motivation and enthusiasm seen among employees during assessment centre for self-development gets dissipated after the employees return to their workplaces. The development of competencies of employees depends on how meticulously the development planning has been conducted and the role each individual plays in the implementation of the development plan. It is important to understand that the employees need to take ownership of their own development plan with support from the organization. To convert developmental plans into work-related activities, it is imperative to understand the individual for whom these plans are to be developed. Since each individual has his or her own unique learning styles, the development strategies are to be planned based on such styles and preferences. A brief introduction of learning styles is presented in this chapter before the detailed methodology of individual development plan preparation.

### LEARNING CYCLE AND STYLES

The individual learning is governed by one's felt needs and goals. We seek experiences related to our goals, interpret them in the light of our goals and form concepts that are relevant to our felt needs and goals. Since the learning process is directed by individual needs and goals, the learning styles become highly individual in both direction and process. Each of us in a more personal way develops a learning style that has both weak and strong points.

David Kolb, Professor of Organization Behaviour at Case Western Reserve University, published his learning styles model in 1984 (Kolb,1984) from which he developed the learning style inventory. Kolb explained that different people naturally prefer certain learning style. Kolb's learning theory sets out four distinct learning styles based on a four-stage learning cycle. Kolb has explained the following four stages of the learning cycle in which the learner 'touches all the bases'.

- 1. *Concrete experience (feeling)*: Learning from specific experiences relating to people.
- 2. *Reflective observation (watching)*: Looks for meanings of things, observing before making a judgment.
- 3. *Abstract conceptualisation (thinking)*: Logical analysis of ideas and acting on intellectual understanding of a situation.
- 4. *Active experimentation (doing)*: Gets the job done by influencing people and events through action.

Let us understand the four stages of the learning cycle through the example of learning to drive a car.

- 1. *Reflective observation* (RO): Thinking about driving and watching another person drive a car.
- 2. *Abstract conceptualization* (AC): Understanding how a car operates and having a clear grasp of the driving concept.
- 3. *Concrete experience* (CE): Receiving practical tips and techniques from a driving instructor
- 4. Active experimentation (AE): Jumping into the car and start driving

The four learning styles are depicted in Figure 7.1.

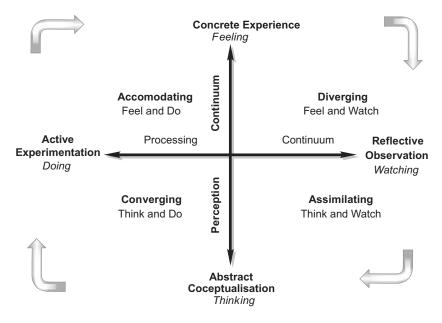


Fig. 7.1 Learning Cycle and Styles

### **Diverging (CE/RO)**

People with diverging learning style are able to look at things from different perspectives. They are sensitive. They prefer to watch rather than do, tending to gather information and using imagination to solve problems. They are the best at viewing concrete situations from several viewpoints. People with diverging style prefer to work in groups, listen with an open mind and receive personal feedback.

### Assimilating (AC/RO)

The Assimilating learning preference is for a concise, logical approach. Ideas and concepts are more important than people. These people require good clear explanations rather than practical opportunity. They excel in understanding information and organizing it in a clear logical format. In formal learning situations, people with this style prefer reading, lectures, exploring analytical models, and finding time to think things through.

### Converging (AC/AE)

People with a converging learning style can solve problems and will use their learning to find solutions to practical issues. They prefer technical tasks, and are less concerned with people and interpersonal aspects. People with a converging learning style are best at finding practical uses for ideas and theories. They like to experiment with new ideas and work with practical applications.

### Accommodating (CE/AE)

The accommodating learning style is 'hands-on', and relies on intuition rather than logic. These people use other people's analyses, and prefer to take a practical, experiential approach. They are attracted to new challenges and experiences, and to carrying out plans. They are good at actually doing things rather than merely reading and studying.

Kolb (1984) also claimed that concrete experience and abstract conceptualization reflect right-brain and left-brain thinking respectively. Kolb believed that learning styles are not fixed personality traits, hence they can be considered as learning preferences rather than styles. The learning styles or preferences play important role in identifying what developmental strategy would be most effective for the individual in learning new competencies.

### STRATEGIES FOR DEVELOPMENT

There are broadly five developmental strategies, which can be used to develop competencies. Since each strategy provides a different approach to achieve developmental goal, there may be situations, where there is requirement of more than one strategy to develop a particular competency. Brief descriptions of each development strategy are given below.

### 1. Competency upgradation through training

Training programmes are the most common methodology used by organizations in developing competencies, including skills, abilities and knowledge. Normally, employers sponsor employees to attend external or internal training programmes. These programmes provide the employees free time for reflection during group problem-solving sessions and by learning from others. The training programmes also provide them with opportunities to hear how people from other professions or organizations approach certain situations. Such experiences and the training itself help them face and deal with real organizational problems or to simulated but realistic problems. They also receive specific feedback from the programme faculty or fellow participants, which help them understand themselves better.

While conducting in-house training programmes using internal or external resources, or while sponsoring employees for external programmes for competency enhancement, it is important to check the programme contents with respect to the particular competency for which the employee is sponsored. Let me illustrate. The assessment score of competency 'Team Leadership' (see the behavioural descriptors of Team Leadership in Chapter 3) of Mr X is below the desired level and needs to be developed within the next six months. The organization may decide to sponsor this employee for an external training programme conducted by a premier management institute. The HR (or Training and Development) department needs to identify only such programmes of which the objectives, target level of participants as well as the coverage broadly meet the competency requirements of Team Leadership. It is neither desirable nor effective if the employer nominates Mr X for any generic programme conducted by any management institute or organization. In real-life situations, the generic calendar programmes conducted by the management institute do not meet the competency requirements of the organization. That is why most of the organizations conduct customized programmes for competency development. For example, the author of this book was involved with Mirc Electronics, Mumbai and Alcatel Development India to design, develop and deliver customized competency based development programmes using competency framework of the respective organizations.

At Alcatel, for ten leadership competencies, ten specific development programmes (Leadership Development Programmes) were designed to address each competency. All the employees of the target group, who have attended the assessment centre programme, with a gap of more or equal to 1 (out of 5) from the role template score were identified for the ten competency areas. These employees then underwent the customized competency-based development programmes based on their developmental needs.

### 2. Reading and sharing

Another strategy for development of competencies is reading books related to the particular subject or self-help books or watching management development videos or related movie clips from Youtube (www.Youtube. com). Employees may be asked to prepare a summary of the book or video, key learning points and the ideas that can be implemented at personal level or at workplace. This summary can be shared with peers by making presentations in the organization. The concept of study circle can also be implemented by organizations, where the employees are encouraged to share their learning. They are encouraged to present the summary of books read or to organize discussions. These study circles are informal groups of 20 to 30 employees, which voluntarily meet every week or fortnight for one to two hours. Alcatel introduced the study circle concept as one of the developmental strategies for competency enhancement. The employees may also go through related research on that competency or advised to compile the best practices. The employees, who have an assimilating learning preference will prefer this developmental strategy.

### 3. Coaching and mentoring under an expert

Traditionally, training programmes are very generic and cover the needs of wide-ranging participants, whereas competency-based coaching and mentoring programmes allow a flexible, adaptive and individual-centric skill development environment. Coaching and mentoring are one-to-one activities, focusing purely on change of work-related behaviours and building new skills by facilitative support of the coach or mentor. Competency coaches and mentors are generally highly experienced, competent and expert resources for development of skills or competencies. Hence, competencybased coaching and mentoring programmes are tailor-made programmes for each individual, based on their specific competency-development needs. Mentoring is one-on-one relationship between the mentor and the executive. If a particular competency needs to be developed, then the executive is assigned a mentor, who is a known expert in that competency. The executive is advised to observe his mentor's actions or talk to him for advice and/or meet him at regular frequencies to discuss his developmental needs and draw a plan of action. The mentor facilitates the employee to implement his developmental action plans to improve his competency under his mentorship.

Coaching is a one-to-one process in which, through skilful questioning, active listening and staying on the employee's agenda, the competency coach encourages the commitment of the employee to enhance performance and promote a climate of motivation. The coach-buddy relationship is of mutual trust where the coach helps the employee to discover himself, to help him see himself and also on how others see him, through a process of feedback from different stakeholders like colleagues, direct reports and superiors. The focus is on helping the buddy to prepare an action plan for improvement of a few chosen crucial behaviours. Occasional encouragement, reinforcement and review by the coach as well as the superior are part of the coaching process. The coaching process fosters a climate of mutual development and learning and normally continues for a few months, with the ultimate aim of performance improvement. Coaching is advisable when the executive meets the threshold levels of competency requirement or needs strengthening on one or two competencies or some behaviours that may be most important for his growth. Coaching of fast-track executives has become quite popular of late.

### 4. Job or Project Rotation or Membership in Task Force or Cross-Functional Team(CFT)

Job rotation, to my mind, is a very potent approach for developing specific competencies within employees through hands-on experience. It can be a very effective approach. But in practice, it is also very difficult to implement due to operational reasons. Let us assume that Mr X is working in the Engineering Planning Cell and his execution skill needs improvement. One option could be to move him to the Project Cell, where the execution of projects within strict deadlines is the prime responsibility. Mr X's superior as well as the departmental head of Project Cell have to be consulted while preparing the Individual Development Plan (IDP). However, when it is time for Mr X to move to Project Cell as planned, the same superior, more often than not, is

likely to request for a postponement of a few months to take care of a shortage of key resources in his department. After a few months at the next schedule of movement, it would be another emergency followed by another request for postponement, and so on. And finally, many a time, the job rotation, involving all stockholders, gets shelved. The crux is that superiors in many cases do not like their good performers to leave their department and disturb the status quo.

My practical experience shows that to ensure the success of job rotation, enough dialogue is needed among the superiors of the executive and head of the receiving department as well as HR department. Second, the duration of the job rotation should not be very long. Two or three months are ideal to get a reasonable hands-on experience for strengthening of a particular competency or skill. Third, HR department needs to proactively design the guidelines on such planned job rotations, identifying the resource person in the new department who will facilitate the development and make alternate arrangements in the parent department much in advance so that the job responsibility of the executive is shared by others during his absence.

In very rare and genuine circumstances, when someone cannot be spared from an existing assignment for job rotation, nominating the executive for a project team or cross functional team (CFT) could be considered. Essentially, CFTs provide the employee multi-disciplinary perspectives of problems that overlap in terms of department boundaries. Participating in a CFT and/or working on a special project team could be a useful option to get hands-on exposure to new fields. However, the effectiveness of this strategy will depend on the developmental need of the individual and the scope of the CFT or project team.

### 5. Job Enrichment / Job Enlargement

Existing jobs may hold tremendous potential for development, depending on their challenges. Rather than obtaining a new job assignment, it is possible to learn by adding challenges to the existing jobs. By becoming aware of the challenges in the current job assignments, and how these challenges can teach critical lessons, there may be an opportunity to capitalize on them to address the developmental needs of the employee immediately. This may be done in two ways: by making an effort to learn more from current activities, or by adding challenging activities to the current job in order to promote development of a particular skill. Job enlargement, that is providing additional responsibility to what is currently handled, could be an option with the aim of helping the employee to develop for a different or bigger role for the future. The additional responsibility can easily be aimed at the incumbent developing a particular competency. Consider the example of a Production Manager, whose responses to the Sales Department regarding product-related customer complaints generally leave much to be desired that is also reflected in the assessment score of 'Customer Orientation' competency. He may now be given additional responsibility, with some support, of handling, tracking and resolving customer complaints for a small set of key customers so that the needs for inter-departmental cooperation and appreciation of dealing customer on priority can be learnt fast.

Another option of job enlargement could be to add new challenges to the current assignment. To enhance the commercial acumen competency, as an example, the employee may be asked to conduct not only technical appraisals of project proposals, but also conduct commercial negotiation with vendors before sending recommendation to purchase department.

### DEVELOPMENT PLANNING

The developmental planning activity is based on the one-on-one feedback and detailed assessment report, on the candidate. Figure 7.2 gives a typical assessment report received from the assessment centre. It is advisable that IDP workshop is conducted for individual developmental planning immediately, or at least within a fortnight of the assessment centre programme. If there is a long time gap , the process of improving competencies is likely to lose credibility with the candidate. Developmental action planning is meant for the candidate only. Hence his/her active engagement during its preparation is crucial. The candidate needs to accept that he/she is behaving in a certain way, which is dysfunctional for producing superior results for the organization. Only when he/she is ready to change the dysfunctional behaviour, the developmental planning process becomes effective.

In the beginning of the development planning workshop, the facilitator may briefly describe to candidates the competency framework of the organization and the objectives of the workshop. It could be also a good idea if the concept of learning styles is introduced and the employees can perform a self-assessment of their preferred learning styles. The workshop may be attended by the reporting officer of the candidate and the officer in charge of development function of the organization (generally training head), besides representative of HR department. If the immediate superior is not involved during the development planning stage, implementation of the plan becomes difficult later.

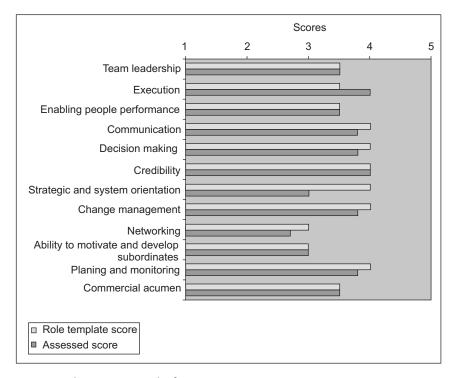


Fig. 7.2 A Typical Assessment Centre Summary Report

In most organizations, individual development plan (IDP) is prepared for the competency areas, where there are gaps between the required and the assessed score of the competencies. If too many competencies are covered in the IDP, then normally the developmental focus gets diluted and too much is expected in a limited time. Therefore, it is recommended that a maximum of three competency areas be included in the IDP for 9 to 12 months timeframe. It is also suggested that instead of focusing only on the weak areas, it is also important to leverage on at least one strong area of the competency framework. The strong area could be one of the competencies where the assessed score is more than template score. Or it could be that competency, where the assessed score is the highest. Hence, the developmental plan should focus on the following.

- Identification of a strong area to capitalize on and make it stronger; and
- Identify one or two low-scored areas or where the gap between the desired and the actual level of competency is the maximum. The development strategies are to work around these competencies to reduce the gap.

Based on the assessment report, one development goal for each competency area is to be identified by the employee in the workshop. These development goals are basically aimed to turn intentions into actionable items. Hence, the employees are to be facilitated to develop specific action plan to achieve these goals for two or three competency areas they would like to work on during the next six to 12 months. Goal setting is both a discipline and a skill. Therefore, the following guidelines may be helpful while setting developmental goals.

- The goals should be smart and achievable.
- The goals should be motivating and challenging. If the developmental goals are not challenging, then it will not pull the executive towards the goal. The goals will remain in paper or will not get focused attention.
- The goals should help the individual to be more effective in his current/future positions.
- The goals must be worthy of the time, energy, resources and passion.
   Also, short term and long terms gains should be spelt out.
- Milestones of the development goals should be defined.

The employee develops a draft developmental plan using a sample worksheet as given in Figure 7.3, separate sheets for each competency. They can choose assignments or activities from two to three developmental strategies, as mentioned above, so that each assignment or activity is motivating, involves new challenges which takes him out of his comfort zone, allows him to learn important skills and perspective, addresses short-term or long-term organizational needs, has managerial, work group and systems support, and has access to necessary resources such as time, money, and people.

#### Goal

Specific developmental goal:

### Expected outcome

What will be different?

How will my organization or work group benefit?

What will I gain by achieving the goal and by participating in the process?

### STRATEGIES FOR DEVELOPMENT

(Choose 3 or 4 different strategies)

|  | 0,        |                 |                 |
|--|-----------|-----------------|-----------------|
| I. Competencies' upgra<br>through training                   | dation    |                 |                 |
| Strategy   |           | Specific Action |                 |
|  |           |                 |                 |
| II. Reading and sharing                                      |           |                 |                 |
| Strategy   |           | Specific Action |                 |
|  |           |                 |                 |
| III. Coaching/mentoring<br>an expert                         | under     |                 |                 |
| Strategy   |           | Specific Action |                 |
|  |           |                 |                 |
| IV. Job Rotation or project/<br>membership in task force/CFT |           |                 |                 |
| Assignment   |           | Specific Action |                 |
|  |           |                 |                 |
| V. Job Enrichment / Jol<br>Enlargement                       | b         |                 |                 |
| Learning from current cha                                    | allenges  |                 |                 |
| Assignment or activity                                       | Challenge |                 | Specific Action |
|  |           |                 |                 |
| Adding new challenges  |           |                 |                 |
| Challenges   | Activity  |                 | Specific Action |
|  |           |                 |                 |

Fig. 7.3 Developmental Planning Sheet

Developmental planning process is shown in Figure 7.4. While preparing the draft development worksheet the following points need to be kept in mind:

 Whether the developmental strategies are aligned with the learning styles of the employee

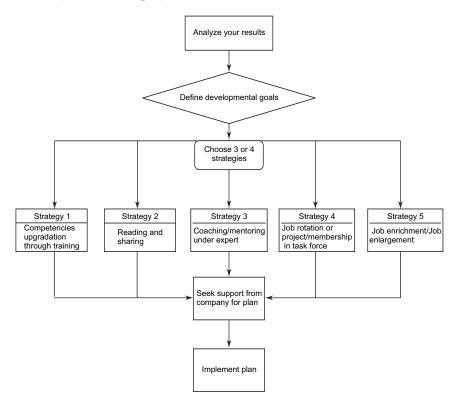


Fig. 7.4 Developmental Planning Flow-Chart

- Brief description of specific steps to be taken;
- The types of help required from others;
- Start and end dates of the activity; and
- The measure of accomplishment or completion of activity.

The candidate then discusses the draft developmental worksheets with the reporting officer to get necessary support or resources from him. When the reporting officer supports and encourages the development of his employee, he builds employee commitment and motivation towards the implementation of the development plan and to the organization. The IDP should also include the means of reviewing and documenting the progress. Often, both the candidate and the reporting officer keep a copy of the IDP for future reference and send a copy to the HR department. This can act as a useful method for both the parties to review the progress. HR department also monitors the implementation of IDP half-yearly or quarterly along with the candidate and the reporting officer. If IDP is properly implemented, the employees improve their knowledge, skills and work related behaviours, and the organization as a whole benefits.



The individual development plan (IDP) is an important element of competency management system. Many organizations conduct assessment centre programmes with much fanfare and there is a lot of enthusiasm in the assessment centre. But after the programme, the fundamental spirit of development gets diluted by not being serious about the individual development planning process. Moreover, each individual is different in terms of his/her learning styles. Individual development planning process encourages the collaboration of reporting officer with the candidate on the agreement of developmental priorities, focusing on designing development activities and facilitation in reviewing progress of implementation of development plan. This chapter presents various developmental strategies to meet individual development needs and the ways to make effective individual development plans.

# Chapter **B**

# Organizational Uses of Competency

### INTRODUCTION

The success of any enterprise in a business, economic or competitive environment depends on the capabilities and competencies of its human resources. Due to business uncertainties, economic recessions and the impact of globalization, organizations are continuously reengineering their business processes to reduce costs of operation and response time, whether it is order to delivery time, introduction of new products in the market, or attending to customer issues. The overall impact of these external factors requires the alignment of human resource functions of the organization with overall business strategies so that the organization is able to execute its business strategies effectively. Hence, business leaders and entrepreneurs are always concerned about identification of the right human resource competencies, the organization should have. Ironically, even two high-performing organizations in the same business domain, working in similar business environments, require different sets of competencies, since their value systems are different, and so are their vision and mission.

Traditionally, human resource function was focused on the job specifications, where people were hired and promoted based on their ability to perform specific tasks. Hence, the human resource functions worked on its processes or activities, namely recruitment, staffing, training, performance appraisal, and so on. However, the competency-based human resource function is focused on people. Therefore, the competency-based human resource organizations focus on building employees' capabilities by working on processes like attracting and retaining talents, building performance culture, developing learning culture and creating motivational work environment.

Fast-changing business environment needs more flexible and multi-tasking work environment. Organizations, that adopt competency-based approach in human resource function, make efforts to identify the competencies they should have to achieve their strategic business objectives. These organizations have clearly defined competencies required to drive business results and integrate the same with all the human resource processes, whether recruiting or rewarding employees based on competencies.

Many large organizations have developed their own competency frameworks, conducted assessment centres, prepared individual development plans of their employees. But the competency mapping initiatives still remained an isolated one-time exercise. To align individual and organizational competencies, key processes of human resource function are to be integrated with the organizational core competency framework.

Figure 8.1 gives a broad map of how organizations need to use competencies in human resource subsystems. We will now discuss how the core competency framework of the organization can be effectively used in different human resource processes.

### COMPETENCY-BASED RECRUITMENT AND SELECTION

Recruitment of an employee is the most important and complex task for any human resource department. The primary purpose of any recruitment and selection process is to find a match between the capabilities of the candidate and the requirements of the job. Every organization needs to recruit people from outside and talent is a scarce resource. No organization can aspire to or remain a high performing organization if it does not have adequate human resources with the right competencies, at all times, to discharge different organizational roles and responsibilities.

Hence, the challenge for most recruitment managers is to identify the right people for the right job in the most cost-effective manner. For each wrong selection, organizations incur heavy financial losses besides high turnover of people, lack of motivation and poor employee satisfaction. Therefore, every organization adopts innovative strategies to hire the best talent from the market place by continuously fine-tuning its recruitment and selection processes.

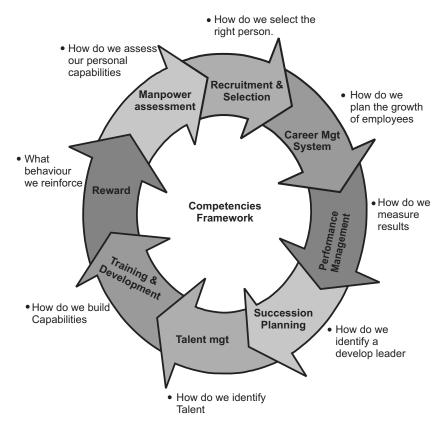


Figure 8.1 Organizational Uses of Competency

In Chapter 1, we discussed that competencies are necessary behaviours for producing superior results from a job or a role. We mentioned in Chapter 4 (Table 4.1) that empirical research had shown that competency-based selection process led to higher probability of identification of the right person for each job. Through competency-based selection process using assessment centre approach, the effort is made to ensure that potential recruits are able to discharge their responsibilities and handle different situations effectively when they are placed on the job or role. Therefore, competency-based selection process predicts higher job performance of newly recruited employees, better job satisfaction and finally lower employee turnover.

Competency-based selection process is, however, relatively costly and time-consuming. Since every organization adopts different approaches in recruitment and selection, there is no commonality in the application of competency-based selection. The most common practice of large organizations, that have implemented competency-based selection process, is that only short-listed candidates for senior management positions are asked to undergo individual assessment using assessment centre methodology for half to full day. For middle-level recruitments, full assessment centre programme is conducted for a batch size of 6 to 12.

Each organization needs to decide whether to adopt competency-based selection method for all recruitments or for only selected designations or roles.

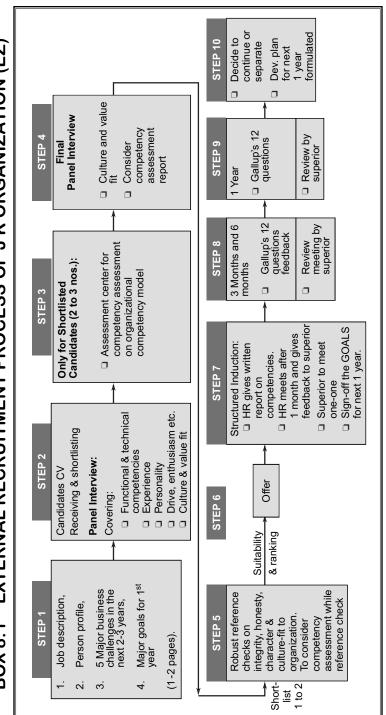
It is recommended that competency-based recruitment may be adopted for managerial and leadership roles. The traditional selection process of interviews and tests is most cost-effective for large-scale recruitments at the entry or trainee levels. For middle level managerial recruitment, it is desirable that the competency-based assessment is conducted after initial screening and first round of selection interviews. The short-listed candidates can then be evaluated for competencies in the assessment centre. Box 8.1 gives an example of competency-based external recruitment process of J K Organization.

Competency-based selection system has many advantages. Some of these are listed below.

- Competency-based selection method is robust, structured and comprehensive.
- Candidates are evaluated on the competencies they need to demonstrate, when inducted into the organization.
- The probability of wrong hiring is less.
- There is consistency of selection process.

There are also some disadvantages. Some of these are listed below.

- Competency-based selection is complex, costly and time-consuming.
- Many candidates, especially at senior level, are reluctant to appear for long duration assessment centre programmes.



EXTERNAL RECRUITMENT PROCESS OF J K ORGANIZATION (EZ) **BOX 8.1** 

- Selection of right assessors for assessment centre is not always easy.
- Since the candidates appearing for selection under assessment centre are from varied backgrounds in terms of work experience and exposures, sometimes they face difficulties in correlating their past experience with the simulated exercise themes in the assessment centre.

In the competency-based selection and recruitment system, the following important steps are to be followed:

- Organizations decide at what level competency-based selection process is to be conducted either exclusively or in addition to other methods of selection, such as traditional interviews, ability tests and/ or psychometric assessment, and so on.
- 2. After identifying the levels of recruitment, where competencybased selection will be used, it is to be checked what are the job or role specifications, the role and responsibilities, and the number of positions to be filled and so on. These details are available in job description documents, position profiles, manpower requisition forms and selection process manual.
- 3. The competency-based selection process is adopted only by such organizations, where the competency models for different roles are available. The existing competency model for the role or position or targeted job is to be reviewed to check whether the selection process will be based on the existing model or some fine-tuning is required. If modifications are required, then line managers and human resource team may discuss jointly and modify/fine tune the competency model for the positions/roles.
- 4. The next important step is to decide what kind of assessment tools to be used. It is preferable to have a combination of group exercises, individual exercises, psychometric tools and competency-based interview in the assessment centre.
- 5. For senior-level recruitment, an assessment centre process of 3 to 4 hours per candidate is advisable. For middle-level recruitment, assessment centre process for one full day for the group is advisable.
- 6. Assessors for selection assessment centre could be either line managers trained for assessment centres or external assessors. For senior-level selection assessment centres, it is preferable to have external assessors or a combination of internal and external assessors.
- 7. All assessors are briefed at least two days before on the assessment centre processes, different tools and methods to be administered, including

how to conduct the competency-based interview. The assessors are also made familiar with the formats, criteria, and schedules of assessment, different simulation exercises, etc.

8. The competencies of each candidate are evaluated and mapped in the assessment centre against those desired for the position or role. The selection decision is made taking into consideration the results of personal interviews, ability tests, technical interviews and the performance of the candidate in the assessment centre programme.

The overall effectiveness of the selection process does not only depend on the competencies, but also on the quality of various processes of selection. The use of assessment centre in the selection process only complements the selection decisions.

Presently, there is a trend of overemphasizing the use of competencybased selection in many organizations. However, it is recommended that competency-based recruitment and selection using the assessment centre approach should be used in conjunction with other selection methods, and not as a stand-alone method.

#### COMPETENCY-BASED CAREER MANAGEMENT SYSTEM

The term 'career' originally meant a road, or a course to be travelled. Over a period of time, it began to mean a course of achievement within a profession. During the first 75 years of the 20th century, career referred to a professional occupation yielding both money and a respected position in which one could advance. However, for the last quarter-century, career has been viewed more broadly encompassing work, leisure and other dimensions of life.

As organizations become flatter, career management is not only restricted to upward progression (promotion) of its employees but also includes lateral movements within the organization. Career management system is designed to integrate individual aspirations with the organization's needs and plans. The organization prepares individual career plans based on the laid-down processes and reviews the progress annually.

From the company's perspective, failure to motivate employees to plan their careers can result in:

- ♦ A shortage of employees to fill open positions;
- Lower employee commitment; and
- Inappropriate use of monies allocated for training and development programmes.

From the employees' perspective, lack of career management system in the organization may result in:

- Frustration;
- Feelings of not being valued by the company; and
- Being unable to find suitable employment should a job change be necessary due to restructuring or downsizing.

It is, therefore, the collective responsibility of the employee and the organization to develope the career of employees. Figure 8.2 illustrates the linkage of career plan of an individual from the organizational and individual perspectives.

Competency-based career management system focuses on how to maximize the current level of competencies of the individual and what competencies are to be developed in order to prepare him/her for future career opportunities and options. In the competency-based career management system, career review meeting is conducted in a structured manner, so that the individual's aspirations, competencies and interests are mapped with the opportunities available within the organization. This review meeting between employee and superior officer also provides an opportunity to sit down in a formal environment and conduct realistic assessment of current competencies, gap between the current and desired competencies for future positions or roles and how to bridge the gap in order to meet the long-term career plan of the individual.

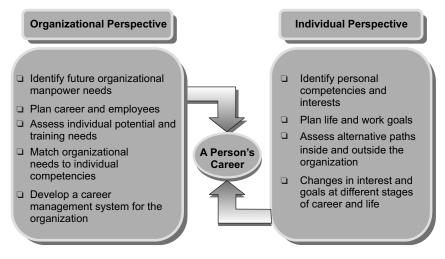


Fig. 8.2 Linkages of Organizational Perspective and Individual Perspective in Career Management System

Hence, to have meaningful competency-based career review discussion, first the competencies for different roles are to be defined. Employees are expected to undergo competency evaluation by participating in the assessment or development centre programmes in order to have a clear understanding of their own competency profiles as well as the competency gap areas. Based on the outcomes of the review discussion, the employee understands the positions or roles available for him in the organization, the competencies to be developed for that role, the training and developmental needs, the current competencies of the individual, which can further be leveraged or will be useful for the specified roles or positions.

## COMPETENCY-BASED PERFORMANCE MANAGEMENT SYSTEM

Almost all organizations have performance management system in place and conduct annual performance review through performance appraisal system in one form or another, to measure the fulfilment of certain performance objectives. These objectives may vary between organizations or even within the organization, from time to time. The primary objectives behind any performance management system are to use it as performance evaluation and performance feedback system. Typically, the aims of performance management system are the following:

- To review the performance of the employee over a given period of time.
- To judge the gap between actual and desired performance.
- To help the management to exercise organizational control.
- To diagnose the future training and development needs.
- To provide information to HR to assist them in decisions like promotions, transfers, and so on.
- To provide clarity about the expectations and responsibilities of the role to be performed by the employees.
- To help strengthen the relationship and communication between superiors, subordinates and management.

However, the traditional performance appraisal system, in general, has the following limitations:

 Appraisal system is seen as unfair, since one group of employees must perform more than the other employees in the same job to receive higher reward. The competitive environment of organizations need more teamwork and collaboration, but the traditional performance appraisal is based on typical hierarchical organization system and individual-centric.

- It has been seen by employees and managers as autocratic and routine end-of-the-year paper-filling exercise, since it has little focus on the employees' long-term developmental needs.
- Majority of employees do not see alignment of their efforts with the organization's business strategies, or reinforcement during performance review and feedback process.
- Employees see that performance appraisal process does not address the skill gap issues and career advancement.
- The performance appraisal focuses on hard core results and numbers, not so much on the processes to achieve the results.
- The performance appraisal process rewards the employees for results and not for skill.

Performance of an individual is not just the 'what' of a job, that is what the employee has delivered, but also 'how' the job was carried out in terms of behaviours exhibited by the job-holders. Hence, performance should be viewed broadly in two areas, the achievements of results, and behavioural performance. If the competency framework becomes part of the performance review process, there will be a mechanism to capture the evidence of behavioural performance.

Since the employees are already on the job, the behavioural assessment of performance can be integrated with performance review systems or conducted separately. The competency-based performance management system generally covers assessments in two areas. First, in the performance appraisal process, the employees are evaluated on the extent they could meet the targeted objectives of the job, like quantity of output, meeting quality, revenue, and cost targets, and so on. Second, the employees are also evaluated on the different competencies needed for the job or role, based on the evidence available to the employee and the appraiser on demonstrating these competencies and associated behaviours, while discharging their work responsibilities.

Another approach to the evaluation of competencies of existing employees could be by conducting annual 360-degree feedback survey. In this, feedback is received from the peers, subordinates and superiors on the assessments of all the competencies needed for the role. The 360-degree feedback provides the employee an insight into how he has been seen by others, what behaviours he has demonstrated at the workplace, how his behaviour has affected others and so on. If the 360-degree competency assessment can capture behavioural evidences of each competency areas, then employees get a better understanding of the ratings provided by their colleagues.

## COMPETENCY-BASED SUCCESSION PLANNING

The objective of succession planning is to provide senior management with a system of identifying a pool of ready replacements for key positions or roles. The key components of competency-based succession planning systems are:

- Identification of key positions or roles for which succession planning are required.
- Identification of qualifications, experience and technical skill requirements for the positions.
- Identification of potential candidates who meet the minimum threshold qualifications, experience, skills and performance requirements.
- Identification of key competencies for these roles.
- Mapping of potential employees' competencies with those of the roles.
- Identification of candidates having closer match.
- Preparation of a list of candidates who will be able to replace the role holders either immediately or within a short to medium timeframe, based on the competency evaluation and other requirements of the role.
- Preparation of training and development plans to bridge the gap between the existing competencies of the employees and the competency requirements of the role.

# COMPETENCY-BASED TRAINING AND DEVELOPMENT SYSTEM

Traditionally, training and development activities are undertaken based on the needs of the employees identified through various mechanisms. The training needs identified through surveys or performance management systems normally capture the perceptions of the superior officers on the areas where the employees lack skills or knowledge, and which need to be developed in order to improve work performance. However, the performance of each employee is influenced not only by lack of knowledge or skills but also due to wide range of factors, namely individual learning styles, their personality profiles, and their commitment and self-motivation. The key purpose of training and development function of any organization is to ensure that the competencies of its employees are sufficient to meet both the current and future needs.

The effectiveness of any training activity is, therefore, judged based on the following facts:

- The employee should be able to acquire the knowledge, skills and techniques imparted at the training.
- The employee should successfully put his learnings into practice in the longer time frame.

Competency-based training activities are designed based on the above two premises, so that the training programme not only focuses on the current skills, but also how to put these into practical use.

The focus of the competency-based training and development system is to conduct training programmes to develop competencies for the employees. Competency model or framework for a role gives a realistic view of what behaviours are expected from the employees at work places. After the employees have undergone assessment centre process, and individual development plans are prepared, the employees are aware of what they want to achieve and how. The behavioural indicators of each competency give the employee an insight on the behaviours he should continue to demonstrate, those she/he should avoid and those she/he should start displaying or use at workplace in order to improve her/his performance. Therefore, competencybased training programmes are specially designed and customized to address the competency requirements. The customized training programmes incorporate activities and exercises on how to acquire and demonstrate the behaviours required for the competency.

Let me illustrate. The author was engaged on a competency-mapping related assignment for a software development company in the telecom sector. Eighty executives underwent a one-day assessment centre programme. In the post-assessment centre process, IDPs were prepared for all the participants. The organization decided that the executives, who had a competency gap equal to or more than one (out of five) between the desired competency levels and the assessed competency scores, would undergo customized Leadership Development Programmes, irrespective of whether or not it is part of IDP. Since there were twelve competencies in the leadership competency model, twelve competency-based training modules were designed specifically for this company. For example, one of the competencies was 'Strategy and Direction', which was defined as 'defining how a common vision/mission/plan will be implemented, and aligned all involved parties to reach the same goals and objectives'.

Hence, the key themes of this competency were *visioning*, *goal-setting*, *prioritization*, and *building alignment*.

The training module for this competency was designed with the following deliverables in mind.

- The importance of vision, mission and core values for the employees;
- How to vision and mission statement for the organization are made;
- How to communicate vision and mission statements across the organization/team;
- How to formulate business strategies aligning with the vision and mission of the organization;
- How to translate business strategies into functional strategies and then into departmental strategies; and
- How to deploy balance score card for alignment and measurement.

Therefore, competency-based training system is designed to develop competencies for the employees based on the organizational competency framework. If the employees are to be trained on new technologies, processes, or products, then competency-based training is not appropriate. In such situations, the training need is clearly defined by SMEs of particular technology or process or product. However, if any employee or group of employees is transferred from one job to another, which requires a different set of competencies, then competency-based training is the most effective since the competency requirement for the role or job is clearly defined in the competency framework.

#### **COMPETENCY-BASED TALENT MANAGEMENT**

Talent is a scarce resource in any organization. It is the prime responsibility of the leadership to spot talents within the organization and groom them for taking up higher responsibilities in the future. Many organizations have programmes to identify 'high fliers' or 'fast tracker' or 'high potential' and so on. The purpose of all these programmes is the same, that is to identify talent. Organizations of late have realized that these programmes, are not very effective and the employees, in general, are not very excited. The major reason for this could be that there is no clarity as to who the process owner of talent management system is and whose responsibility it is to implement the talent management system. Many line managers do not take ownership of this process. They feel that it is the responsibility of HR to identify and develop talent. The HR manager, in turn, feels that it is the responsibility of the line managers to spot and groom talent, and that the role of HR is only facilitating such activities. During talent identification process, many line managers identify high performers as talents but do not differentiate between a talent and a high performer. Some of them use their highly subjective assessment in identifying talents. Some of them do not identify any one as talent, since they believe that it would demotivate other employees in the department. In some organizations, HR department initiates the process, identifies the talent, then keeps it as top confidential and no real implementation takes place thereafter.

Competency-based talent management programme is a structured methodology in talent management process. Talents may be defined as those executives who perform consistently above normal, meet or exceed the requirements of technical or functional competencies and meet the requirements of organizational core competencies. Figure 8.3 gives a simple matrix for identification of talent.

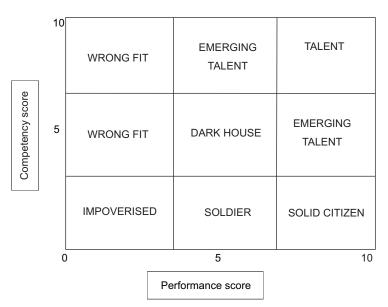


Fig. 8.3 Talent in Competency-based Talent Management System

In the competency-based talent management system, talents within the organization are identified in a structured and objective manner, by rigorous process of selection and then subsequent evaluation using assessment centre approach. The identified employees are expected to meet the requirements of core competencies of the organization not only for current but also for future requirements.

Highly structured and focused individual development plans of these employees, along with detailed career path are prepared by the HR department. Implementation plan, review mechanism and periodic assessment of progress of implementation of talent development are put in place in order to groom these employees as key organizational resources.

#### COMPETENCY-BASED REWARD SYSTEM

Generally performance-linked pay systems is designed to reward each employee for achieving the objectives or targets set at the beginning of the year. From the organization's point of view, rewards are intended to motivate certain behaviours.

But under what conditions will the rewards actually motivate employees? These could be when employees believe that (i) effective performance (or certain specified behaviour) will lead to rewards, (ii) the rewards offered are attractive, (iii) a certain level of individual effort and displaying certain behaviours will lead to achieving superior performance.

As mentioned above, the motivation to exert individual efforts is triggered by the prospect of desired rewards. If individual effort leads to superior performance and superior performance leads to desired rewards, the employee is satisfied and motivated to perform again.

From the employees' viewpoint, the reward structures should include current rewards as per the grade or scale of compensation and the potential of earning rewards in future. When competency ratings are linked with the financial rewards an employee receives, it is called competency-based reward system. In competency-based reward system, therefore, competency rating of employee is linked with performance review rating so that both the ratings have influence on the employee's earnings or total pay.

Competency-based reward system is based on the components of output (what has been achieved) and input (how it was achieved). Placing emphasis on the competencies in the reward system, the organization reinforces the importance of demonstrating certain behaviours in achieving results.

Competency-based reward system is not much in practice in Indian organizations presently, since it is a complex issue and the maturity of the organizations in effective implementation of competency management system is a prerequisite. It is advisable that organizations should start implementing competency-based reward system gradually by linking small components of annual rewards (increments) with competency ratings of the employee received from the assessment centre and/or assessment of competency parameters by the appraiser during performance review and/or 360-degree assessment results of competencies.

The weightage of competency ratings in the reward system could be increased when the employees start appreciating the system and get clear messages from the organization through continuous communications from top management and reinforcement of the message in the performance review discussions, that not only achieving results, but the process of achieving results is equally important, the weightage of competency ratings in the reward system could be increased.

# Summary

There is urgent need for paradigm shift in HR management discipline in the organization, moving from process- or activity-based function to competency-based systems and processes. To become a high performing organization, the HR function needs to be aligned with the overall organizational goals and strategies. Successful organizations need to have clearly-defined core competencies, which would lead to superior business results. Hence, HR systems and processes are to be reengineered so that all the employees are evaluated, rewarded, assessed and recruited based on their competencies.

# **Case Studies**



# JK ORGANIZATION (EZ: EASTERN ZONE)

JK Organization (EZ) is a multi-product multi-location business group having pan-Indian operations, with its corporate headquarters at New Delhi. The gross turnover of the organisation is 8500 crore (approximate), having total manpower strength of around 20 000 out of which 13 000 are permanent employees.

| S.<br>No. | Name of Company                                  | Production/Turnover   |
|-----------|--|---|
| 1         | JK Tyre and<br>Industries Ltd                    | <ul> <li>Production of 15.3 million tyres per annum</li> <li>Turnover of ₹5000 crore</li> </ul>                           |
| 2         | JK Paper Ltd                                     | • Turnover of ₹1400 crore   |
| 3         | JK Lakshmi<br>Cement Ltd                         | <ul><li>Production of 3.6 MT per annum</li><li>Turnover of ₹1400 crore</li></ul>  |
| 4         | Fenner (India) Ltd                               | <ul> <li>No.1 in V-Belts, Oils Seals &amp; Power Transmission</li> <li>Turnover of ₹375 crore</li> </ul>                  |
| 5         | JK Agri Genetics<br>Ltd                          | <ul> <li>Production &amp; Marketing of Hybrid Seeds</li> <li>Turnover of ₹89 crore</li> </ul>                             |
| 6         | JK Sugar Ltd                                     | <ul> <li>Production and marketing of sugar</li> <li>Turnover of ₹105 crore</li> </ul>                                     |
| 7         | CliniRx Research<br>Pvt Ltd                      | <ul> <li>Full service contract research organization</li> <li>(CRO)<br/>Turnover of ₹40 crore</li> </ul>                  |
| 8         | JK Risk Managers<br>and Insurance<br>Brokers Ltd | <ul> <li>Services to clients for all facets of life and non-<br/>life insurance</li> <li>Turnover of ₹40 crore</li> </ul> |
| 9         | Umang Dairies Ltd                                | <ul><li>Umang and dairy top brands</li><li>Turnover of ₹16 crore</li></ul>  |

The details of different businesses under JK Organization are given below.

# Background

The trigger behind introduction of competency management system was the desire to improve the quality of leadership and build a robust leadership pipeline to take up higher responsibilities to improve business performance. This was a business initiative led and facilitated by the HR department in 2004.

# Coverage

The following levels of executives have undergone Assessment Centre programmes conducted by the organization:

- All business heads, VPs, GMs and DGMs (about 300)
- ✤ All identified talent during 2004 2008 (about 350)
- All identified high performers in 4 months in 2009 (about 650)

 All incoming business heads, VPs & GMs during recruitment from 2004 onwards (about 250)

#### **Brief Details of Competency Mapping Process**

 Generic Competency Model (Figure 1) was developed with the help of an external consultant (Saville & Holdsworth Limited India). Besides this, two additional competencies specific to businesses were also developed.

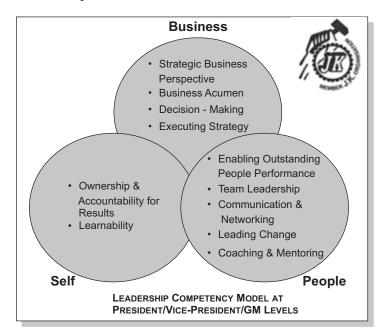


Fig. 1 Generic Competency Framework of JK Organization (EZ)

- The competency model for middle and frontline managers was developed from Generic Competency Model (Figure 1).
- A 3-day assessment development centre programme was conducted for all employees, out of which one day was devoted for assessment process.
- The instruments/exercises used in the assessment centre are: case study, group discussion, role play, in-basket exercise, personality test, ability test (numerical, creativity, spatial), behavioural event interview (BEI), OPQ.

- The ratio of 6 assessors for 12 participants was kept at assessment centre. All internal assessors had undergone structured assessor training.
- One-to-one feedback was given to executives on day 2.
- Individual development plan (IDP) was prepared on day 3 to leverage two strength areas and to work upon one or two improvement areas.
- Unique System of IDP (18 months) for 650 identified high performers was developed in (2010).

#### Post-Assessment Centre Interventions

- Robust implementation of IDPs from the President to frontline level
- Customized Harvard programme of one week by renewed Management Gurus (Krishna Palepu, Nitin Nohria and Narayan Das) covering 90 senior executives including the Chairman, Directors, VPs & GMs (2006 and 2007)
- IIM Bangalore/Lucknow customized programmes were conducted for 300 identified talents at the institutes.
- Research was conducted using statistical analysis of all data to refine competency model over the years. Correlation of competency scores with job performance (r = 0.71)
- Annual 'udaan competition' for identified talent

#### Alignment of Competency Model with Other HR Processes

The following HR processes are integrated with competency management system:

- Competency-based recruitment, all incoming business heads, VPs and GMs during recruitment from 2004 onwards (about 250)
- Competency-based training and development system
- Competency-based performance management system, in which competencies are assessed yearly along with performance parameters
- Talent management based on assessment results
- Succession planning and career planning based on the assessment results

| Sl. No. | Competencies at Middle & Frontline Level |  |
|---------|--|--|
| 1       | Business Perspective                     |  |
| 2       | Analysis & Decision Making               |  |
| 3       | Execution                                |  |
| 4       | Continous Improvement                    |  |
| 5       | Customer Focus                           |  |
| 6       | Enabling Outstanding People Performance  |  |
| 7       | Leadership                               |  |
| 8       | Communication                            |  |
| 9       | Team working                             |  |
| 10      | Ownership and Accountability for Results |  |
| 11      | Learnability                             |  |
| 12      | Self Management                          |  |

# BOX 1 JKO MIDDLE & FRONTLINE COMPETENCY MODEL

## MIRC ELECTRONICS LIMITED (ONIDA)

MIRC Electronics Limited started its operation in 1981 to manufacture television sets, under the famous brand name ONIDA. Presently, it manufactures and markets different consumer durable products, like washing machines, DVDs,



LCD projectors, air conditioners, microwave ovens and mobile phones. Its manufacturing facilities are at Wada, near Mumbai and Roorke, near Delhi and has 33 branches across the country.

# Background

One of the major objectives at the time of starting the competency mapping exercise was to have a set of universal competencies across the company for all the HR activities, namely performance management, talent management, leadership development, recruitment, learning and development, and so on When ONIDA started competency mapping exercise, it was using different sets of competencies for different HR activities. Therefore, there was no linkage among the various activities and all the activities were conducted in isolation. The recruitment interviews were conducted on the basis of a set of competencies, annual performance appraisals were conducted using another set of competencies, training was given under yet another set of competencies. Due to this, ONIDA was not able to achieve its organizational objectives.

#### Coverage

In the competency mapping exercise, ONIDA involved executives in the grades of managers and above up to Chairman.

#### **Brief Details of Competency Mapping Process**

- ONIDA developed a competency model jointly with an external consultant.
- ONIDA had two sets of competencies, one for the senior and top management and one for the middle management.
- ONIDA had identified seven core competencies for the senior management level, which was divided into three clusters.

#### Forward thinking and judgment

- ➤ Strategic thinking and Business acumen
- ➤ Entrepreneurial orientation
- ➤ Decision-making

#### Managing people and environment

- Communication and influencing
- Coaching and developing people

#### Passion and performance commitment

- ➤ Achievement orientation
- ➤ Integrity

Box 2 gives the example of a competency and its behavioural indicators.

# BOX 2 SAMPLE OF BEHAVIOURAL INDICATORS OF A COMPETENCY

# **Decision-making**

Definition: Seeks information from markets, customers, stakeholders and colleagues within the organization for analyzing situations. Makes decisions based on key facts and ideas. Searches for information even from unfamiliar sources and people by asking a series of questions, arriving at options and evaluating options. Weighs the costs and benefits and their implications to address the long- and short-term goals of the function and the business in drawing conclusions. Identifies creative ideas and options to achieve desired goals. Accepts the risk factor involved in judgment. Takes timely yet well-considered decisions.

|                            | Α  | В   | С  | D   | Е  |
|----------------------------|--|---|--|---|--|
| B<br>e<br>h                | Searches data in a<br>haphazard manner<br>and does not know<br>when data collection<br>is no longer required<br>or does not seek<br>appropriate informa-<br>tion/data before | Looks for data<br>available in own<br>area. Looks at dif-<br>ferent options but<br>does not evaluate<br>them for taking<br>decisions. | Actively seeks<br>information from<br>more than one<br>source and evalu-<br>ates sufficiency of<br>available informa-<br>tion for making<br>decisions. | Continuously<br>searches for new<br>trends<br>Juggles with<br>variables to cre-<br>ate new options  | Willing to explore<br>unfamiliar areas<br>and question<br>people to dig for<br>information and<br>take risks, when<br>making decisions       |
|                            | taking decisions.<br>Overcautious in<br>approach. Does not<br>display adequate<br>rigour to carry<br>out analysis in the<br>process of decision<br>making.                   | Quotes past<br>experience as a<br>rationale for tak-<br>ing decisions.  | Analyzes options<br>for their possible<br>impact on short-<br>and medium-term<br>goals.  | Examines vari-<br>ous aspects of<br>every situation,<br>incorporates<br>precedents<br>of previous<br>decisions while<br>analyzing the<br>available data | Analyzes short<br>term and long<br>term implications<br>of decisions.<br>Commits oneself<br>to standing by the<br>decisions made.            |
| a<br>v<br>i<br>o<br>u<br>r | May get over-<br>whelmed by data<br>and is stressed out<br>in complex situa-<br>tions.<br>May remain passive<br>in the hope that   | Starts to do<br>analysis, but stops<br>after a while.<br>Looks at different<br>options but does                                       | Seeks clarity and<br>opinions from<br>others when faced<br>with complex<br>situations, while<br>staying overall in<br>control of the end<br>decision.  | Demonstrates<br>confidence in<br>moving forward,<br>even to areas<br>where no one<br>has worked<br>before   | Demonstrates<br>confidence in<br>moving forward,<br>even to entering<br>areas where no<br>one has worked<br>before and taking<br>new stances |
|                            | complex situations<br>or conflicts will sort<br>themselves out.<br>Reacts to dilemmas  | not evaluate them<br>for taking deci-<br>sions.   | Uses/leverages<br>authority gainfully<br>without becoming<br>over dependent.   |   | Synthesizes<br>diverse pieces of<br>information to<br>generate possible<br>scenarios   |
|                            | and challenges in by<br>escalating respon-<br>sibilities upward or<br>downward without<br>working on them<br>oneself.  | Stays non-<br>committed in situ-<br>ations where one<br>needs to defend<br>decisions.   | Takes fast but not<br>hasty decisions<br>that take into ac-<br>count business as<br>well as technologi-<br>cal implications                            |   | Doesn't mind put-<br>ting pressure to<br>get the necessary<br>information  |
|                            | Procrastinates when<br>under pressure  |   |  |   |  |

For middle-management level executives, seven core competencies were identified.

Forward thinking and judgment

- ➤ Business acumen
- ➤ Planning and organizing
- ➤ Analysis and problem solving

Managing people and environment

- ➤ Communication and influencing
- ➤ Managing team for results

Passion and performance commitment

- $\succ$  Drive for results
- $\succ$  Concern for quality
- ONIDA organized the assessment centre programme for two days including feedback session. Two psychometric tools, LPA and MCPA (from the UK-based firm EDAC), were used in the assessment.
- The LPA is a fully computerized 'expert' psychometric assessment system, with an online assessment called the LPQ, which takes candidates through six assessments in 45–60 minutes. The dimensions covered by LPA are team roles, personality, conflict handling, work styles, learning styles and managerial styles.
- MCPA assessment of potential is based on the Bioss theory of levels of work that identifies seven levels of organizational complexity, ranging from direct management through organizational management to strategic management as explained in the following table.

| Complexity<br>band           | Theme                      | Management tasks and responsibilities   |
|------------------------------|----------------------------|---|
| Strategic<br>Management      | Corporate<br>Prescience    | Bringing into being current and nascent contexts for future generations   |
|                              | Corporate<br>Citizenship   | Creating and sustaining a climate to protect<br>strategic units, embed them in host cultures<br>and alert them to possibilities of evolution  |
| Organizational<br>Management | Strategic Intent           | Ensuring the external and internal viability of the enterprise as a financial and social entity   |
|                              | Strategic Devel-<br>opment | Underpinning the future of the organisation<br>by managing or supporting interactions be-<br>tween current products/services, systems and<br>practices, and the innovations and changes<br>needed to align them with the strategic intent |

**MCPA<sup>™</sup>** Levels of Complexity

| Direct<br>Management | Practice | Providing practices and systems to support<br>production or service, to contain costs, realise<br>purpose and enhance reputation     |
|----------------------|----------|--|
|                      | Service  | Responding to both the obvious and under-<br>lying complexities of particular situations or<br>people                                |
|                      | Quality  | Making or doing something on which the<br>viability of the organisation depends, and<br>where the output can be specified beforehand |

At the Assessment Centre, the participant : assessor ratio was 6:1. The feedback, provided by the assessor to participants, was based on the competencies. During the feedback, the assessor provides inputs on the strengths and the area of improvements along with the developmental tools.

## **Post Assessment Centre Interventions**

Based on the report of the assessment development centre, ONIDA developed and created the individual development plan (IDP). It included a threeyear development plan with inputs like concurrent assignment, e-learning, competency development training, job rotation, and buddy system.

The IDPs are monitored on regularly and it is ensured that the HODs and the individual talent pool members implement these religiously.

#### Alignment with HR Processes

Today, all HR systems and processes are linked with defined competencies. The same set of competencies is used in all HR Activities starting from recruitment to training to performance appraisal.

# **ERICSSON INDIA**

Ericsson is a leading provider of telecommunications equipment and related services to mobile

and fixed network operators globally. Over 1,000 networks in more than 175 countries utilize their network equipment and 40% of all mobile calls are made through their systems. They are one of the few companies in the world that can offer end-to-end solutions for all major mobile communication standards.

Ericsson invest heavily in research and development (R&D) and actively promote open standards and systems. Also reflecting their ongoing commitment to technological leadership, they have one of the industry's most comprehensive intellectual property portfolios containing over 25,000 patents, the highest in mobile telecom. Ericsson (India and Sri Lanka) has its headquarters at Gurgaon, India.

#### Reasons behind Undertaking Competency Mapping

The following reasons tempted Ericsson to undertake competency mapping in the company.

- The 2001 economic downturn;
- Changing business landscape;
- The feeling that every organization should have a competency blueprint for people and leadership development; and
- The business needs of 2004 largely influenced the competency framework.

#### Coverage

- Competency framework is applicable to all employees and
- Leadership competency framework is applicable only to people managers

#### **Brief on Competency mapping intervention:**

- Competency framework largely looks at what is the desired behaviour of people in functional, technical, human or business domain.
- Leadership competency framework was developed with the help of an external agency. The components of leadership competency framework are:
  - ➤ People leadership
    - Lead from the front
    - Communicate
    - Develop people
    - Coach and inspire people
  - ➤ Organizational leadership
    - Simplify
    - Prioritize

- Push for excellence
- Manage performance
- ➤ Thought leadership
  - Customer first
  - See the big picture
  - Challenge
- Competence model is on three competence areas:
  - Human competence Soft skills like negotiation / presentation / team work, and so on.
    - Business competence Ericsson business / IT competence, and so on.
    - ➤ Technical competence Domain expertise.
- Global and local assessments are conducted every year. These centres are pegged at various leadership levels and stems from succession management practices and local requirements.
- Assessment centre tools include individual and group assessments, case study / personality instruments / presentation / group discussion, and so on.

#### **Post-Assessment Centre Interventions**

- Feedback to the participant: Provided a detailed one-on-one feedback to the participant by the assessors.
- Provided a development report: A detailed report prepared and shared with the participants about the strength areas and those for strengthening. HR facilitates the process of sharing the report with the managers as well as making them understand it.
- Created IDPs: Once the reports have been shared, the manager and employee draw up a development plan identifying two or three competencies to be worked on in that particular year. This is followed up on a quarterly basis.

#### **Alignment with HR Processes**

- Competence model and leadership framework aligned with performance management
- Competence model and leadership framework aligned with employee engagements survey.

Competencies are mapped to all critical HR processes.

## COROMANDEL INTERNATIONAL LIMITED

Coromandel International Limited is in the business of fertilizers, specialty nutrients, crop protection and

retail. Coromandel manufactures a



wide range of fertilizers and markets around 2.9 million tons (MT) making it a leader in its addressable markets and the second largest phosphatic fertilizer player in India. The crop protection business produces and markets insecticides, fungicides and herbicides in India and abroad. Coromandel is the second largest manufacturer of Malathion and only the second manufacturer of Phenthoate. The company has also ventured into the retail business setting up more than 425 rural retail centres in the agricultural and lifestyle segments. It is part of the of the ₹15,907 crore (USD 3.14 billion) Murugappa Group.

#### Background

Coromandel started competency mapping in 2003. This exercise was taken up to enhance people's knowledge and competencies to meet the organization's present and future needs. Owing to changes in business strategy, Coromandel adopted role-based organizational structure in 2008 to bring uniformity across units for flexibility of moving people, avail in-house opportunities to build or develop competencies in people (such as role shift), assigning higher responsibilities, facilitating cross functional movement, identifying leaders for new business and future needs and guide recruitments, and succession planning and career growth.

#### Coverage

All roles in management staff have undergone competency assessment. The required and current proficiency levels have been mapped, gaps have been identified and IDPs have been drawn up to bridge the gaps.

# **Brief on Competency Mapping**

- The competency model was developed jointly with external consultant.
- The following competency model has been adopted in Coromandel:

| Organization direction (Vision, mission, short- and long-term goals, strategies and values) |
|---|
| Translating them into actions for actualization   |
| Through   |
| Organizational structure  |
| Roles, positions and jobs   |
| Core competencies of the organization   |
| Role competency   |

- Preliminary study was conducted to understand the organizational structure and levels, functions and sub-functions, number of participants and reporting relationship, and job descriptions.
- Role analysis was conducted to study the purpose of role, responsibilities and key deliverables, and knowledge and skills required.
- Competency dictionary was developed for each role including designing/ identifying rater scales.
- Required proficiency levels (RPLs) were created for each role against identified competency.
- Assessment centre programme was conducted for assessing current proficiency levels of every individual to identify gaps.
- IDPs were developed based on identified gaps.

## **Use of Assessment Centre Results**

- ✤ Identification of critical roles and competencies
- Development of IDPs for employees.

# Alignment of Competency Mapping with HR Processes

- Job specifications and position descriptions
- Recruitment
- Induction

- Training and development
- Performance management
- ✤ Succession planning

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# Author's Profile

Dr Sraban Mukherjee is presently the Director with ITS Engineering College at Greater Noida, India. An engineer by education, he did his MTech and PhD from Indian Institute of Technology Delhi. Dr Mukherjee has around 30 years of professional experience in large corporations in India, where he headed Human Resource function and handled various critical HR assignments, both at business and corporate level. Some of his past assignments are as Vice President with J K Organization, Chief



Human Resource Officer at Thomson Press and Principal Consultant with Hero Mindmine Institute Limited. He is a trained assessor for Individual and Organizational Assessment, qualified for administration of MBTI and DISC. He is also a credential coach of International Coach Federation and graduated in coaching from International Coach Academy.

Dr Mukherjee is involved in strategic human resource consulting and competency mapping domain for last two decades. He was involved in designing and implementing several competency management interventions in corporations, such as, National Hydroelectric Power Corporations, Alcatel, Lakshmi Cement, JK Tyre, ABM Knowledgeware, and ONIDA. Dr Mukherjee has published several research papers in international reviewed journals.