

The Research - Do Core Competencies improve Performance?



As outlined in [What is a core competency?](#) The concept of Organizational Citizenship Behaviour (OCB) underlies most core competency definitions used today.

It is assumed that organizations with high levels of citizenship behaviours will perform best.

Most research has focused on what drives OCBs/core competencies at a personal level. The following factors all have some association;

Personality, attitude, job satisfaction and commitment, perceptions of fairness, and task characteristics.

There is currently keen interest in Core Competencies. Yet few studies that investigate the link between core competencies and performance.

What you tolerate and therefore deserve are termed “counter-productive work behaviours” in Industrial and Organizational (I/O) Psychology.

INDIVIDUAL PERFORMANCE



A 2009 analysis (1) found that citizenship behaviours are positively related to individual job performance.

There are also positive relationships with manager recommendations on rewards.

Low levels of OCBs/core competencies may indicate an employee's withdrawal. That is low engagement and intention to leave.

Most of these studies have methodological limitations. If both citizenship behaviour and performance are rated by the same supervisor they are likely subject to bias.

These studies show relationships that are just an association, not cause and effect. We do not know which comes first.

For example an employee who has decided to look for another job. This person may be less worried about cooperating with others. On the other hand they may be looking for another job because they do not feel part of the team.

WORK GROUP PERFORMANCE

When individuals are supported in their work organizational performance is likely to improve.

Supportive behaviours are likely more important in organizations with complex technologies and operations. In such enterprises teamwork is vital. In sales organizations where individuals work more independently they may be less important.

The question is whether individual citizenship behaviours improve performance at the work group level

Podsakoff and Mckenzie (2) investigated the relationship between these behaviours and performance of work groups in a paper mill.

They found that the correlation between OCBs/core competencies and performance explained almost 26% of the variance in paper quantity produced. It also explained almost 17% of the variance in paper quality (measured by reject quantity).



In a 2009 research review (3), Podsakoff and colleagues found that work group OCBs/core competencies were weakly but positively related to work group performance. The correlation explains 18% of performance variance.

They found stronger relationships with productivity and efficiency than with profitability. The relationship with customer satisfaction was weak.

Higher levels of core competencies/citizenship behaviours were associated with lower costs. The relationship explained 27% of the cost variances. There was also a weak relationship with reduced staff turnover levels.

In a further 2014 analysis (5) Podsakoff and others reviewed existing research. A total of 90 studies, across a wide range of countries, industries, and work unit types. Most found a positive relationship between OCBs/core competencies and work group performance.

In these studies performance was often measured just by subjective ratings. However over half of the studies did use objective measures of performance. Examples are financials, sales growth, market share, employee turnover. Operational measures included production output, speed/accuracy of task completion, product quality, and service innovation. Customer centric measures included service response time, customer satisfaction and perceived service quality.

ORGANIZATION PERFORMANCE

So do combined individual behaviours also improve performance for the organization as a whole?

In a study of over 100 insurance sales agencies (5) Podsakoff et al. gathered objective measures of performance for insurance salespersons.



These included commissions, number of applications written, and the percentage of sales quota attained. Citizenship behaviours/core competencies explained 17% of the variance in sales performance.

Schnake and Hogan (1995) measured both OCB and organizational effectiveness at the organizational level. Senior executives were asked to rate the frequency of OCB exhibited in their organizations. They also rated the overall effectiveness of their organization on a 24-item scale.

Objective indicators of financial performance were available for some of the responding organizations. These were correlated to several manager ratings of organizational effectiveness. In particular OCBs were linked to ratings of organisational flexibility and efficiency.

Unfortunately there are method issues in using ratings for OCBs and performance from the same source. The measurement may well be subject to bias.

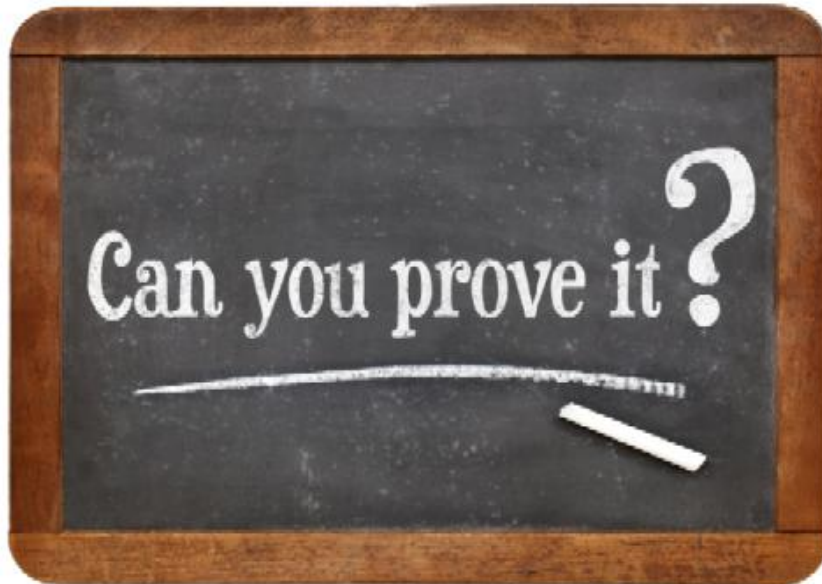
Walz and Niehoff (2) studied food service employees. They found that OCBs/core competency levels explained 15% of the variance operating efficiency. They also explained 37% of the variance in customer complaints and 39% of customer satisfaction variance.

Varying levels of core competencies accounted for 20% of the variance in the quality of employee performance.

A 2011 study with a fast food organisation also found improved customer satisfaction with higher levels of OCBs.

Cause and effect

Just as at the individual level, these are correlational studies. They do not establish that OCBs/core competencies are the cause and improved performance the effect. They only establish some kind of relationship.



Experimental manipulation of OCBs is needed to demonstrate cause and effect. This is obviously not practical.

The approach of using a time lag between measurement of OCBs and performance outcomes can help to establish some element of causation.

The problem is that this does not control for other factors such as the external business environment.

Research using repeated measures is needed to demonstrate that levels of citizenship/core competencies and performance do move in tandem over time.

How might core competencies improve performance?

The organization environment will have an influence on performance. Compensation systems may promote individual over co-operative working as in the case of sales. There may be a financial incentive for team co-operation, as in the paper mill example.

In an organization where technology is complex people may have no option but to work together.

OCBs/core competencies are likely work in a variety of different ways to improve performance. Some behaviours directly facilitate task performance. Others help free up resources for more efficient use.

The establishment of group norms will help teamwork. It will improve motivation if the norms make the work climate more supportive.

Podsakoff and colleagues found that over half of the variance in levels of OCBs/core competencies between individuals in a research sample to be explained by their group membership. That is there were greater differences between departments than between individuals within a department. This supports the role of group norms in driving core competencies.

Thus research suggests that it should be possible to use Core Competencies as a tool to shape Organisational Culture.

Do citizenship behaviours always improve performance?

Podsakoff and colleagues found that the helping aspects of OCBs were negatively linked to sales performance.

Advice and help may be a distraction rather than a benefit for tasks such as sales that are mostly done independently. Assistance can be disruptive and may be perceived as implied criticism. In the case of salespeople it may increase office time at the expense of client contact.

High levels of citizenship behaviours/core competencies, such as going the extra mile, may result in work over load. Stress and work–family conflicts may be other outcomes of working late. Behaviours such as speaking out can be seen as disruptive.

Staff who take on extra work that is not appreciated may engage in Counter Productive Work Behaviours.

Therefore it is important to consider potential negative consequences when using Core Competencies to shape culture.

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