

Best practices In Competency Assessment

An in-depth guide

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Introduction to competency assessment

Competency assessment today

Competency assessment is used in many professions and organisations for a variety of reasons.

It is commonly used in Performance Appraisal and 360 Feedback, and, less often, for evaluating technical, clinical and functional skills.

Sadly, in most cases the implementation leaves a great deal to be desired. Methods adopted 20 or 30 years ago have not been updated.

In performance appraisal and 360 feedback an intense focus on behaviours and trait like competencies means that assessment is highly subjective.

In the professional sphere competencies are often so general in definition that assessment is again subjective, and the resulting information is of little practical use.

Where to from here?

Today there is a much better understanding of how to ensure the validity of competency assessments so that organisations gain real and significant benefits.

We will use Rudyard Kipling's famous poem "I Keep Six Honest Serving Men" to identify the best practises in Competency Assessment in 2019

*I keep six honest serving-men, (They taught me all I knew);
Their names are What and Why and When
And How and Where and Who.*



The 6 Honest Serving Men

WHAT? - What is Competency Assessment

Assessments are systematic methods of gathering data under standardized conditions and reaching a conclusion regarding the competency of an employee.

What are we assessing?

As we mentioned above Competency Assessment is done in several different circumstances. We will cover them all.

Before we start looking at the types of assessment though we need to go back to fundamentals – what is this “competency” that we are assessing.



competence
/ˈkɒmpɪt(ə)ns/
noun
noun: **competency**

1. the ability to do something successfully or efficiently.
"courses to improve the competence of staff"

Similar: capability, ability, competency, capacity, proficiency, accomplishment, adeptness, adroitness, knowledge, expertise, expertness, skill, skilfulness, prowess, mastery, resources, faculties, facilities, talent, bent, aptitude, artistry, virtuosity, savvy, know-how

There are many definitions of “competency” - just do an on-line search to see them all.

Being scientific about competency assessment means that we should have a clear understanding of what we mean by ‘competency’.

So what is the essence of ‘competency’? We define it as relevant knowledge and skills **and their application on the job.**



So if we look at our list we should exclude *ability, capacity, bent, aptitude, resources, faculties and facilities* because they are personal qualities that may not be applied on the job.

We should also exclude ‘*mastery, prowess, proficiency, expertise*’ because these are words that describe levels of competence, not competency itself.

What is knowledge?

Knowledge is facts about policies, procedures, relationships, categories, principles.



Knowledge is information that is contextual, relevant and actionable, moulded by experience. We describe knowledge by words such as aware, understand, explain.

In organizations knowledge can be categorised as structural or relational

Structural – knowledge of routines, platforms, technologies, rules, procedures, processes, norms, values, supportive infrastructure such as information systems or organizational processes.

Relational – knowledge of customer relationships, market channels, intra-organizational relationships, external networking

What are skills

Skills are sequences of actions required to accomplish tasks or outcomes.

These tasks or outcomes may range in complexity reflecting a progression of competence from basic to advanced.

Most skills, especially the more complex, have some pre-requisite knowledge. When skills are well practised and habitual this underpinning knowledge becomes tacit. Skilled practitioners may not be able to readily identify it.

How do we identify relevance?

It is easy to fall into the trap of defining competencies in general terms. Competencies that are defined as global personal characteristics or competencies that cover a whole range of diverse and unrelated situations will not be of practical use. Global constructs such as ‘professionalism’, ‘communications skills’ and ‘cultural competency’ are examples of an impracticable level of generality, where relevance is easily lost.



At the other extreme are checklists of behaviours specific to a particular situation

Competency definitions should specify the people and situations to which they apply.

What is relevant should be determined by experts by discussion and agreement. If competencies are to be valid in your organisation they must be seen as relevant by assessees, assessors and subject matter experts.

Many competency models reflect what is perceived as easy to measure. BUT Relevance is about importance. Often what is important for the success of a job is not so easy to define and measure

Measures and Metrics

What are competency measures?

It is important not to confound the definition of a competency with its measurement. This is easily and inadvertently done when the definition includes a series of behaviours.

There should be a high level description of the competency – and then the measures.

Ideally the measures are of **outcomes or accomplishments**.

A ‘measure’ is a standard that sets out what is expected – often called an indicator. This will be context specific – that is specific to your organization.

Ideally for professional, clinical, technical and leadership competencies a range of outcomes are specified as measures or standards. These reflect a developmental progression of competence.



It takes time, care and resources to establish such competency models, and for many organisations the starting point is a single set of measures.

What is a metric?

A metric is the assessment of the degree to which a person meets the expectation set out in the measure or standard. Their level of competence. So competency assessment needs both components – the measure and the metric

Metrics are usually rating scales. They may vary from a simple 2 point Yes/No or Pass/Fail to scales with up to 10 or even a 100 points.

The Yes/No and Pass/Fail scales are used for competency models that already define measures according to competence levels. A widely used example of Competence levels is

Not Applicable	+
1 - Fundamental Awareness (basic knowledge)	+
2 - Novice (limited experience)	+
3 - Intermediate (practical application)	+
4 - Advanced (applied theory)	+
5 - Expert (recognized authority)	+

For competency models with a single set of measures the rating scale or metric may have a descriptive explanation or anchor for each point – or it may just have a description for the lowest and highest points.

Some metrics indicate under or over use with the mid point being appropriate use.



Components of a competency assessment

Everything that is needed to assess a competency should be part of the assessment. That may include;

- Ratings of the measures/standards/indicators according to the metric
- Tests of knowledge requirements
- Evidence or validation method for on job application
- Specialised assessment forms for looking at the use of competencies in combination, such as the outcome based miniCEX (assessment of clinical examinations) or case or project-based discussions
- Achievement logs detailing achievements - for assessments at higher competence levels.

Core and values based behaviors are usually part of performance appraisal.

Leadership and core competencies may also be assessed by 360 feedback.

Technical, clinical and professional competencies are assessed for compliance and developmental purposes.

Make assessments as short as possible so that assessors are more likely to give accurate responses. If necessary, have multiple assessments rather than one long one.

WHY? Why use competency assessment? To Hire the right people



Getting the right people is a challenge when many jobs require above average ability. In other words, staff can only be sourced from the top half of the labour pool. Qualifications don't always give an accurate picture of skills and

knowledge.

Experience in other roles may be completely different in terms of operating environment, challenges, technology and modus operandi.

There is a growing epidemic of CV and qualification fraud. Some studies find that as many as 80% of CVs contain some inaccuracies and only 20% of firms do proper background checks.

Using job analysis and competency models in recruitment enables a more targeted approach to job advertising and the selection process. Competency based work simulations, which are one of the best predictors of future job performance provide better information on candidates.

To align workforce to strategy



Many organizations use a scorecard of some sort to translate their strategy into priorities for investments and operations. The scorecard should be translated to job role

expectations in the various departments. Job linked competency models ensure workforce capability is aligned with the strategy.

To shape organizational culture

According to W. Edwards Deming “Research shows that the climate of an organization influences an individual’s contribution far more than the individual himself”

The core competencies of the organization are a way to communicate expectations. People pay attention to what is



measured in performance management systems.

Competencies have the power to shape behaviour if leaders set the example and people are recognised and rewarded for exhibiting values driven behaviours.

To improve productivity

Successful job performance depends on clear expectations. No matter how clear expectations are, they will not be met if staff don’t have the right competencies.



Identifying performance gaps and diagnosing the cause is a critical part of management.

To improve quality



Competency assessment is an essential part of Quality Management. It focuses on knowledge and skills as used on the job. Important operating procedures form part of task based technical competency

models. Regular audit will ensure they are properly followed without shortcuts or people using their own interpretations.

To ensure compliance

Many organizations operate under regulatory regimes requiring compliance with particular requirements.

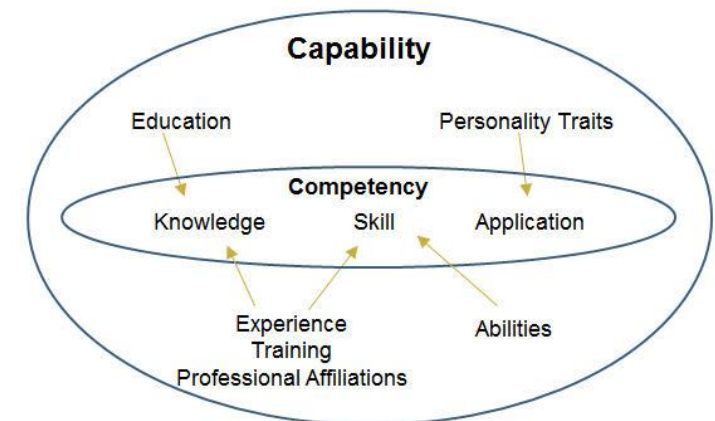


Procedures cannot cover every eventuality. Many accidents involving human error are due to people taking shortcuts, and/or just not thinking about what they are doing.

Effective and safe work practices have to become habit, so safe responses to new situations are automatic. A competency system with clear competencies, regular assessment and on job development can help to embed workforce safety behaviours and culture.

To develop capability

In today's business environment it is more cost effective to develop talent from within than to compete for it in a shrinking labour market.



Competency assessment identifies technical competency gaps, as well as development needs in leadership, collaborative and cognitive competencies. It enables the use of 'just in time' work relevant development resources, as well as traditional methods, making the training spend more targeted and effective

To build staff engagement

Competency assessment, properly validated and implemented, provide transparent fairness in the assessment and development of individuals.



Self-service systems enable staff to review career opportunities, identify knowledge and skills needed for their career/job interest, as well as relevant development resources to close any competency gaps.

Leadership competency is a vital contributor to staff engagement. Competency assessment is a vital part of leadership development initiatives.

To manage staffing and project teams

Today many organisations operate on a project basis. Staff may belong to one or more project teams. New business opportunities involve bidding on the basis of a skilled project team.

Competency assessment provides real time information on staff skills and those who could quickly acquire needed competencies. This information can be critical in winning new business.

To minimise human capital risk

Competency assessment is a vital boardroom tool. It provides real time detailed visibility into workforce capability. It helps to avoid costly operational mistakes. It provides a means to develop and ensure an agile and competent workforce in a rapidly changing environment.



WHO should do competency assessments?

Assessments have assessees and assessors. The selection of assessors depends on the purpose of the assessment.

Self-Assessment

The assessee or learner alone, by definition, cannot assess competence. Assessment of competence presupposes the evaluator is qualified. That they;

- possess the knowledge and skills being examined and
- have substantial experience in their application on the job.



Apart from this, individuals have a natural tendency to overestimate their abilities. The [“Lake Woebegon effect”](#). This appears more in highly individualistic

Western cultures, as opposed to the more collectivist Eastern cultures, and in societies with high income inequality, perhaps because there is more competition in the workforce.

Competency Assessment

For Technical/Clinical/Functional competency assessment, assessors are normally experts in their field, and may not be the manager.

There may be several expert assessors – each providing feedback on a competency that is their area of expertise.



Ideally multiple assessors assess different aspects of the assessee’s performance, in different but related situations. This gives a more balanced assessment of competence.

Even under tightly controlled circumstances, a single observation by a single assessor does not give good reliability.

For assessments informing high-stakes decisions such as whether to allow a trainee to take on more responsibilities, and whether a person is safe to work in potentially hazardous

environments, it is advisable to assess competency over several occasions or by several independent assessors.

For some assessments there may be a 'moderator' who checks the assessment, makes amendments or queries if needed and gives final sign off.

Moderators may also sign off formal certification for a workplace competency set. This certification is normally valid for a specified period before another assessment is required.



Performance Appraisal

The competencies assessed in performance appraisal exercises are usually values based or core competencies that are defined in broad terms. They normally have a lower weighting for overall performance than job performance and achievement of objectives

Typically, there is both a self-assessment and a manager assessment.

More recently there has been a trend to use 360 feedback as an input to performance appraisal of core competencies.

In that case assessors may include colleagues, people reporting to the assessee, and even those outside the organisation such as customers, suppliers or industry associates.

The key is that assessors must be in a position to give an assessment, that they can directly observe the behaviours they are being asked to assess.

Usually this is not the case with all behaviours in the list and so there may be validity issues.



WHERE to do competency assessments

Competency assessment – as distinct from *certification*, is an observation of **on job knowledge and skills**. Obviously, it should be a workplace-based assessment (WBA), done during, and as part of, normal operations.



Many studies have shown, especially in the healthcare industry, that assessments in other contexts – educational or training environments - do not reliably predict on job competency.

Workplace assessment typically uses checklists.



However, there are issues with the use of checklists in assessments. There can be large assessor-based variations and a tendency for assessors to indiscriminately give positive evaluations. As with performance appraisal there is a risk that the assessment may reflect the assessor's global impression of the assessee more than the specifics.

THE HALO EFFECT:

It is a cognitive bias in which our judgments of a person's character can be influenced by our overall impression of them.

Especially for technical skill assessments assessment should not be just a checklist. – It should include a validation method indicating the basis for the judgment. Whether the evaluation was for example by direct observation, by verbal report from another party, a skills demonstration, a review of a document where appropriate, and so on.



WHEN to use competency assessment

How often to do competency assessments depends on the purpose.

For most competencies an annual assessment is the usual interval. Assessments are usually scheduled all through the year so as not to overload assessors at any one period.



For high stakes competency sets a six-monthly assessment is common.

For those competencies that are certificated the assessment frequency will depend on the period for which the certificate is valid.

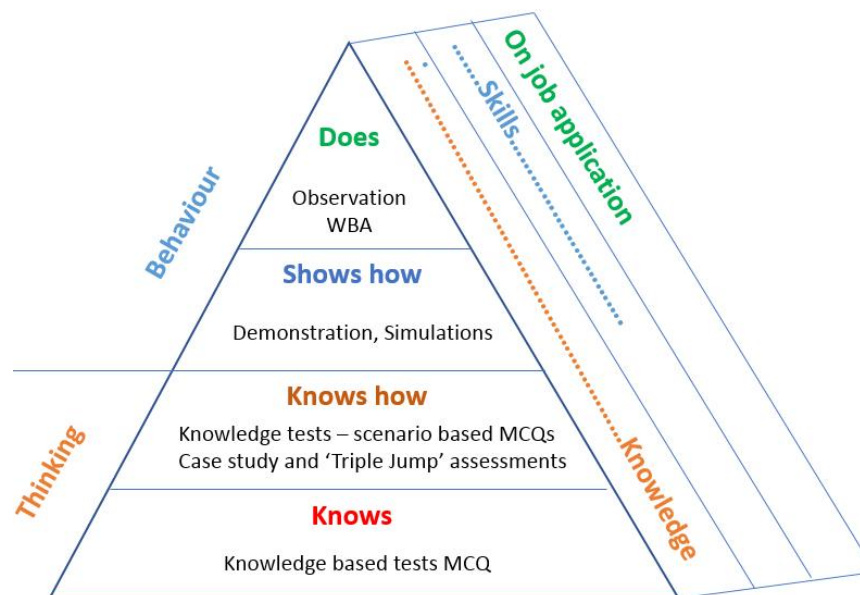
For competency assessments that are part of a performance appraisal, this is normally an annual assessment. However, if 360 feedback is used as part of performance appraisal it would be done prior to the performance appraisal.

HOW to set up competency assessments

Assessment type

Assessment type will depend on the type of competency. For values and core competencies the usual approach is performance appraisal and or 360 feedback.

For technical, clinical and functional competency assessment there are a range of other options, depending on the competency model or frameworks in use.



A commonly used measure of proficiency level and assessment methods is Miller's pyramid.

Knowledge Tests assess pre-requisite knowledge and if MCQ (multiple choice question) format is used the marking can be automated. Development of question pools can be challenging and needs to be done by subject matter experts.



Scenario based knowledge tests can also be formatted as MCQs for automated marking. Here the question includes a scenario and sometimes reference material such as diagnostic criteria. The same scenario may be used for multiple questions.

Cased study assessments are based on typical situations. Purpose built templates are used to structure the question and answers. The assessee and the assessor(s) may complete different sections, with the assessor giving a final result.

Skills demonstration

The assessee demonstrates competence by running through all the steps in a particular procedure. The assessor may use a checklist to indicate which actions were done correctly and incorrectly. Usually there are 3 trials for each procedure to confirm competence. This assessment method can also be used on the job.



Simulations

Activity based assessments such as responding to angry customers, problem solving scenarios with scoring criteria.



Customer services Work Test - Assessor form				
Date:	Date			
	Day	Month	Year	Comments
1. General Observations				
2. Customer service skills				
3. Customer service skills				
4. Customer service skills				
5. Customer service skills				
6. Customer service skills				
7. Customer service skills				
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50. Customer service skills				

Workplace based assessments

Usually done during normal operations and essentially assessor observations of the application of knowledge and skill on the job. Ideally these assessments capture the method the observer used to validate their judgment.

Assessment Period

Usually assessments are completed according to a schedule and remain open for a particular period.

In the case of 360 feedback there may be a start and cut-off date for responses, and a date for release of the results.

Performance appraisals are usually completed to schedule for self-assessment, management assessment, senior management approval and sign off.

Technical, functional and clinical competency assessments vary in the period during which they must be completed.



A common approach is a 2-month period for completion. However, some competency assessments may be left open all year and completed on an ongoing basis. This may be the case when staff need to be audited across a range of procedures and equipment by assessors specialised in each area.

Mandatory versus Optional

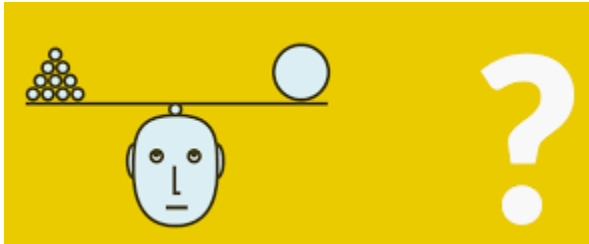
The accuracy of an assessment is dependent on its completeness (as well as the lack of ambiguity on the assessment criteria and proficiency ratings).

Every assessment has the common components of ratings for competency headings, sub-headings, indicators/behaviours/standards and usually a place to add comments and validation methods. You can make any combination of these mandatory.



Independence

You may want assessments to be completely independent – not to consider any previous assessment information, or the input of other assessors and the assessee on the current assessment.



However, for those staff who are working through a competency development programme it may be useful for assessors to have information about previous assessments, and how the assessee themselves views their current competence levels.

For those assessments where multiple assessors contribute, it may be helpful to see what other assessors have responded to avoid duplication of effort.

Evidence

As we have pointed out before, especially for high stakes industries and situations a simple checklist does not provide valid assessment. It needs to be backed up with evidence. This

may be in the form of images or other files in support of the given rating. The evidence should be able to be uploaded and viewed at competency level.



Moderation

For 360 feedback and for those competency assessments that constitute a certification a moderation step is required.

For 360 feedback this helps prevent potentially adverse outcomes from inappropriate comments, from ratings that are inconsistent and from input that inadvertently identifies the respondent – in the case of anonymised feedback.

For competency certifications, an authorised person should review the assessment and provide the definitive result for the certification.



Reporting results

Individual results

Individual assessment reports should show a graphical summary of competency achievement and any gaps, historical assessments for the same competencies – if any – so progress can be seen.



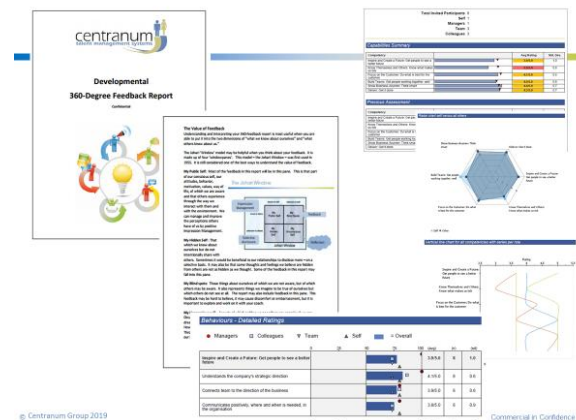
For core competencies there can be an option to view results against an organisational benchmark set of data.

Reports should also have a Detail section with the per competency and indicator ratings, validation, by assessor, and any comments, along with the uploaded evidence.

They should be available to the Assessee, their managers and anyone else with a responsibility for competency development.

360 feedback reports need to show graphical summaries of competency ratings overall, and for each type of rater; self, managers, colleagues and reporting staff, along with the range of ratings. They should also show the benchmarks for a selected period for comparison.

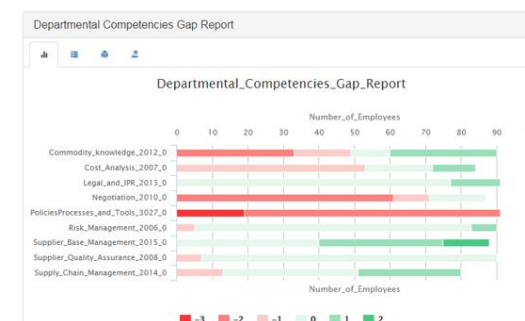
There should be a section providing the same information for each behaviour. Identification of competencies or behaviours with major differences in ratings between rater groups are helpful for identifying potential blind spots or differences in perceptions that need to be followed up.



Consolidated reports

Managers and those responsible for competency development need to have an overview of competency levels and gaps for staff under their purview.

Graphical reports provide an at a glance view, but the detailed data for all competency assessments must also be available.



Workforce level reports show required versus actual competency levels for planning purposes.

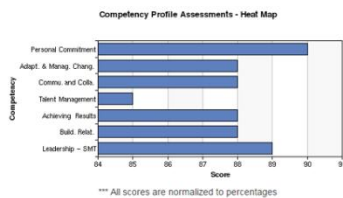
Competency achievement and gap reports show numbers at each proficiency level for a competency by organisational unit, and departmental reports show a team comparison.

Competency matrix reports showing which staff have which competencies

Departmental Competencies Matrix - gaps		Commodity Knowledge	Cost Analysis	Supplier Base Management	Supplier Quality Assurance
@Sample Buyer (General Purchasing & Innovation)	2 / 3	3 / 2	2 / 2	2 / 2	
Alexander Bell (General Purchasing & Innovation)	3 / 2	0	0	0	
Adrian Hunter (General Purchasing & Innovation)	4 / 2	4 / 3	3 / 4	2 / 2	
Abigail Coleman (General Purchasing & Innovation)	2 / 2	2 / 3	2 / 4	2 / 2	
Adam Gill (General Purchasing & Innovation)	4 / 2	3 / 3	4 / 4	2 / 2	

are a must for project staffing and developmental planning and these can be colour coded to show gaps.

For core competency and leadership sets heatmap reports showing the highest and lowest rated individuals for each competency provide a quick view of team strengths and weaknesses.



	Leadership - SMT	Building Relationships	Achieving Results	Talent Management	Communication and Collaboration	Adaptability & Managing Change
@Kathy Khaki	69.3	68.6	68.6	73.3	69.3	72.0
Cheryl Cronson	92.8	88.2	93.8	86.2	84.6	90.8
Chris Cobart	93.3	93.3	84.4	87.8	92.2	86.7
Diana Denim	99.0	96.2	96.2	92.4	87.1	96.2
Elizabeth Elworthy	91.2	95.0	91.2	88.8	91.2	91.2
Jean Jaffe	92.9	88.6	92.9	85.7	85.7	88.6
Jodi Jonquist	92.3	90.8	96.5	95.4	89.2	93.8
Lesley Leader	66.4	67.3	68.2	64.5	83.6	60.0
Robin Rose	93.8	93.8	90.8	81.5	90.8	93.8
Ron Redwood	96.0	93.3	97.3	88.0	88.0	93.3

Ideally competency reporting goes down to the indicator/behaviour/standard level so that training can be effectively targeted.

We hope you have found this information helpful

Contact us for more information

info@centranum.com

for information on our competency management platform go to

www.centranum.com/competency-management-software

or

www.centranum.com/clinical-competency-management-software