

Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

COMPETENCY BASED DEVELOPMENT: A MANAGEMENT DEVELOPMENT EXERCISE

R. Bruce McAfee, Old Dominion University
Paul J. Champagne, Old Dominion University
Vernon A. Quarstein, Old Dominion University

ABSTRACT

The exercise focuses on a currently popular concept in the field of employee development; competency based management development. "provides students with an overview of how such a program is implemented and gives them a chance to experience some of its aspects first hand. The exercise offers insights that take students beyond the basic text and into a real world situation. Both manual and computerized versions of the exercise are available.

INTRODUCTION

One of the major subjects taught in human resource management/personnel courses is employee development. Even though some exercises dealing with this topic are available, most focus primarily on conducting training sessions for non-managerial employees. This paper describes an exercise which introduces a new management development technique: the competency based employee development approach. The objectives of the exercise are; (1) to provide students with an understanding of the steps followed in developing a competency based approach to management development, (2) to teach students the strengths and weaknesses of this method, (3) to provide students with knowledge regarding their own managerial strengths and weaknesses, (4) to give students practice in developing competency based employee improvement plans, and (5) to reach students how to conduct employee development interviews.

OVERVIEW OF THE COMPETENCY BASED APPROACH

The competency based approach involves five major steps, all designed to improve managerial skills. However, the process described here is flexible in that, with certain modifications, the same methodology is readily applicable to a variety of jobs and organizations.

STEP 1: Develop Broad Competency Categories

The initial step is for training and development personnel to devise a set of broad competency areas, i.e. to determine the critical skills that employees at a given level or job classification in the organization need in order to be most effective. For a managerial position these broad areas could include administrative skills, interpersonal skills, decision making skills, personal effectiveness skills, business and community development skills, and so on. The list may vary from one company to another.

STEP 2: Develop Specific Competencies

Once there is agreement on the broad categories, the next step is to further define each of the areas and develop a list of more specific competencies. Again, the number of items will vary from one firm to another. (Exhibit 1 shows the competencies one bank placed under the headings of

managerial and interpersonal skills).

STEP 3: Develop a Resource Guide and a Competency Rating Form

The third step involves the development of a resource guide or competency manuals that aid superiors and subordinates in developing various skills. For example, a firm might include in this guide a "how to" or definition section, ways to learn the skill on-the-job, relevant readings, video cassettes or other media programs, and a listing of programs offered by consultants, universities/colleges, and the firm itself. The guide may also offer suggestions on how employees can practice the skills on the job, specific methods they might use to measure progress, and, finally, tips on how an employee might improve a given competency off the job. (Exhibit 2 provides an excerpt from one bank's supervisory competency manual. It relates to the Competency of "taking disciplinary action.")

In addition to the resource guide, the firm also needs to develop rating forms for superiors to use in evaluating their employees on the various competencies. The form (Exhibit 1) used by one bank asked superiors to assess the degree to which the person exhibits the competency now and the extent to which the competency is required on the job. A variety of scales could be used in making these evaluations.

STEP 4: Prepare a Developmental Plan for Each Employee

Once each employee has been evaluated, the next step is for the boss to work with each of his/her subordinates to develop a specific improvement plan. The boss presents his/her assessment of the employee's skills, negotiates goals for improving various competencies with each employee, and develops a time-table which both parties believe to be workable and reasonable. If an individual is judged to be weak in several different areas, these are prioritized, and an effort is made to work on the high priority skills first. Once these have been mastered, the employee would move on to the next set of skills which needs to be improved. The process continues until all of the weak areas have been addressed and improved.

STEP 5: Evaluate Employee Progress and Develop a New Plan

Much like any goal setting program, the last step entails periodic assessments of an employee's progress and skill development. This step in the process allows for valuable feedback between superiors and their subordinates.

CONDUCTING THE EXERCISE

Prior to beginning the exercise, students were introduced to the concept of competency based employee development and the stages described previously were explained. In addition, an example of how one bank has used this approach was discussed, and the 56 item competency rating form used by the firm was

Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

distributed. In the bank, employees were evaluated by their boss on a "1" (least skilled-compared to other areas) to "5" (one of his/her outstanding skills) scale on each of the 56 competencies. The manager then evaluated each competency in terms of its importance. Ratings ranged from "1" (least important to job effectiveness) to a "5" (extremely important). By comparing the employee's evaluation with the "importance" rating the manager would then determine those areas most in need of improvement. The manager and subordinate would then jointly develop a specific improvement plan prioritizing the weak competencies. In order to assist managers, the bank provided a Resource Guide which offers examples of how to learn a skill on the job, relevant readings, video cassettes, other media programs, and workshops offered by area universities/colleges and the firm itself.

At the start of the exercise students were told to imagine that they were a shift supervisor in a typical fast-food franchise. They were then asked to evaluate themselves using the competency rating form distributed earlier. While any managerial position could be used as a referent, this one was selected because of its familiarity to students. To assist students, the instructor explained the normal job duties of a fast food restaurant manager.

The instructor then told students the 'Importance Rating' for each of the 56 competencies. These ratings ranged from "1" (least important) to "5" (extremely important to job success) and were obtained from a shift supervisor at an actual fast food restaurant (in this case a Roy Rogers franchise). Students were told to subtract the "Importance Rating" from their "Self Ratings."

Once all this had been done, students were divided into groups of three. One was assigned the role of supervisor, one was to be a subordinate, and one was to observe. The supervisor was given the task of determining which of the subordinate's 56 competencies was most deficient and then negotiating an improvement plan with him/her. Students were instructed to include in the plan ways the subordinate could learn the skill on the job, relevant readings, cassettes, training programs, etc. The subordinate had the task of helping the supervisor develop an improvement plan. Finally, the observer critiqued the employee development interview using an evaluation form.

After the role play and evaluation were complete, students were told to change roles and repeat the entire role play/evaluation process. This process continued a third time so that everyone ultimately played the boss, subordinate and observer roles. The amount of time needed will vary from 50-75 minutes depending upon whether the rating forms were filled out prior to class and the extent to which all students participate in the role play positions.

DEBRIEFING THE EXERCISE

Following the exercise a debriefing was held with the entire class. Students were asked to state what they learned about themselves and about the competency based self development approach.

The instructor then concluded the class session by summarizing some of the potential strengths and weaknesses of the approach. Benefits include the fact that managers and employees are able to develop programs that can be geared to the style of learning best suited to the employee; it results in developmental plans which are tailor

made for each person; it encourages employees to concentrate on changing behaviors most in need of improvement; it facilitates behavioral change because employees know that the boss will evaluate the extent to which their behavior has changed; and it may improve employee performance and morale.

Among the major limitations cited are that it places various demands on the corporate training staff managers, and employees. Corporate trainers need to develop lists of competencies, both general and specific, and rating forms for evaluating employees on these skills. In addition, they must prepare the resource manuals which superiors and employees can consult in order to develop workable improvement plans. All of these tasks require time, effort, and expertise. Managers have the responsibility of evaluating employees on the competencies and discussing the appraisal with them. In addition, the boss must assist employees in developing a plan for improving various competencies. Once again, this is a time consuming task that superior must fit into an already tight schedule.

COMPUTERIZING THE EXERCISE

The exercise described above can and has been used successfully in Personnel/Human Resource Management classes. It is a flexible exercise, one which can be modified quite readily. One alternative is to integrate computers into the exercise. The authors have developed a computer program for this and have tested it with a small number of students. Using the computer, students rate the skills required to do the job (See Exhibit 3), assess their own skills (Exhibit 4), and compare the two (Exhibit 5). They select the competencies most in need of improvements (Figure 6), and develop a self improvement plan (Figure 8). The computer program is menu driven and thus renders the entire process automatic. In other words, students can observe a graphical display of their competency gap profile (Exhibit 7) at any time, automatically print out the profile, and develop and print out their personal development program. Using the computer adds a new learning dimension to the exercise. Students obtain practice in using the computer and become more familiar - with one Lotus (R) application. They see how the computer can be used to solve a real world problem and gain confidence in using it.

CONCLUSIONS

This exercise is important for several different reasons. First it provides students with an opportunity to delve into the managerial development process in a very practical way. Frequently, exercises in the training and development portion of a human resource/personnel course focus either on basic on-the-job training or performance appraisal. But, if one looks at how training budgets are being expended by firms, the majority of the funds are going toward management development and the implementation of new, innovative programs. This exercise introduces students to just such a program and gives them practice in working through its various component parts.

In addition, the exercise allows instructors to introduce the topic of management development in a much more attractive fashion. Too often this part of the course degenerates into a listing of popular development techniques accompanied by a brief overview of each. Students, many of whom have not held managerial position, are hard pressed to relate to the discussion. A

Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

practical demonstration helps the instructor to overcome this lethargy.

Finally, the exercise helps students to sharpen their Interaction skills and forces them to take a more active role in the course. It shows them that Human Resources is indeed an important, on-going field. They move beyond the textbook and often contrived cases into the realm of real world problems and situations.

Exhibit 1

Competency Rating Form

<u>A. MANAGEMENT SKILLS</u>	<u>REQ</u>	<u>NOW</u>	<u>B. INTERPERSONAL SKILLS</u>	<u>REQ</u>	<u>NOW</u>
1. Defines and communicates roles, goals, objectives, and checks for understanding.	___	___	12. Listens actively and accurately, encouraging input from others and balances speaking and listening.	___	___
2. Plans activities and allocates resources to achieve goals that anticipate obstacles and alternatives.	___	___	13. Keeps subordinates, superiors, and associates informed.	___	___
3. Plans for and manages change even when externally imposed.	___	___	14. Considers impact of decisions on relevant others (subordinates, superiors, associates).	___	___
4. Establishes control systems to monitor results.	___	___	15. Exhibits tact and diplomacy in dealing with others.	___	___
5. Consistently meets agreed upon objectives and deadlines.	___	___	16. Treats others fairly and equitably, though adapts style and approach to the situation.	___	___
6. Knows how to get thing done within the framework of existing organizational politics.	___	___	17. Recognizes and encourages good performance.	___	___
7. Facilitates effective teamwork within own unit and other departments.	___	___	18. Coaches and corrects constructively to improve performance; confronts and deals with problem performance.	___	___
8. Integrates Company policy procedures and organizational goals with employees' individual goals.	___	___	19. Resolves conflicts and differences positively with composure and flexibility, even when personally involved.	___	___
9. Inspires confidence, instills enthusiasm, and influences subordinates to act.	___	___	20. Positively influences people not under his/her direct control to gain agreement and acceptance.	___	___
10. Accurately appraises others' work motivations, strengths and weaknesses, performance, and potential.	___	___			
11. Implements employee development plans which capitalize on opportunities to delegate accountability, increase subordinate exposure, and promote their career growth.	___	___			

Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

Exhibit 2 Example of Ways a Supervisor Could Improve a Competency

COMPETENCY: TAKES IMMEDIATE DISCIPLINARY ACTION FOR POOR PERFORMANCE OR RULE VIOLATIONS

DEFINITION

1. How to identify a rule infraction when it occurs.
2. How to differentiate between acceptable and substandard job performance.
3. How to take disciplinary action.

WAYS TO DEVELOP THIS COMPETENCY

On-Job;

1. Ask your boss to coach you regarding the company's rules and how to determine if an employee violates them. Ask how you can improve your skill at taking disciplinary action.
2. Meet with someone in the Personnel Department to review the meaning of company rules and to discuss the recommended disciplinary steps.
3. Ask other supervisors and managers how they take disciplinary action and identify poor performance.

Some Suggested Readings and Cassettes:

1. Imundo, L. V. Employee Discipline: How To Do It Wadsworth Publishing Co., 1985.
2. Roseman, E. Managing the Problem Employee. American Management Association, 1982.
3. Steinmetz, L. Handling the Marginal and Unsatisfactory Performer. (2nd Ed.). Addison-Wesley, 1985.
4. Cassette on Performance Counseling. (#010 in Corporate Library)
5. Cassette on People Problems. (#191 in Corporate Library)
6. Check local Library for other possible readings.

Some Suggested Programs:

1. "Supervisory Skills Seminar" in-house Workshop.
2. "Personnel Policies and Procedures Workshop." In-house Program.
3. "Difficult Employees Can Be Managed." Dun & Bradstreet Seminar.
4. Numerous universities offer workshops on managing/disciplining problem employees.
5. Check Personnel Department for other possible seminars.

WAYS A SUPERVISOR COULD PRACTICE COMPETENCY ON THE JOB

1. Make a conscious effort to differentiate acceptable from unacceptable employee behavior and to take immediate disciplinary action.
2. Ask peers to tell you about various disciplinary problems they have encountered and the action they took. Determine how you would have handled the situation.
3. Attend a workshop on managing problem employees and volunteer to play the role of a manager who must take disciplinary action.
4. Discuss company work rules and disciplinary steps with your employees. Tell your employees what each rule means in terms of actual behavior.

WAYS A SUPERVISOR COULD MEASURE SELF ON THIS COMPETENCY

1. Write out the steps you followed recently in taking disciplinary action. Critique the steps yourself or ask others to do so.
2. Invite some other supervisor or manager to watch you discipline an employee. Ask the person for a critique.
3. Test your knowledge of company rules and spotting poor performance by discussing the rules with peers or someone in the Personnel Department.
4. Keep a Log showing how quickly you took disciplinary action against various employees. Ask a respected peer to critique the record or do it yourself.

HOW TO IMPROVE THIS TALENT OFF THE JOB

1. Counsel or coach people who serve in organizations outside of work regarding how to spot substandard performance and take disciplinary action.
2. Practice identifying behaviors which are indicative of poor performance when you encounter employees working for other organizations (e.g. employees in stores and restaurants).

Exhibit 3 Step 1: Procedures to Identify The Skills Required to Do The Job

STEP 1: Identify The Skills Required To Do the JOB. Once the program is loaded an entry form will appear as the first screen. Use the down arrow to move the cursor to the Step 1 entry blank and rate the position with respect to the specific competence shown on Line 1 and Line 2. Enter a whole or decimal number between 1 and 5, as

- 5 Extremely Important
- 4 Above Average in Importance
- 3 Average Importance
- 2 Below Average in Importance
- 1 Least Important

Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

Exhibit 4

Step 2: Procedures to Assess Your Subordinate's Skills.

STEP 2: Assess Your Subordinate's Skills. As soon as you have entered the required number in the blank at Step 1, and pressed return, the cursor will move to the blank after Step 1. Rate the manager's degree of skill in carrying out the specific competence shown on Line 1 and Line 2 by entering a decimal number between 1 and 5, as

- 5 One of his or her outstanding skills
- 4 A strength - compared to skill in other areas
- 3 Average - compared to skill in other areas
- 2 Not a strength - compared to other areas
- 1 Least Skilled - compared to other areas

Exhibit 5

Completion of Steps 1 and 2 for All Competencies Included in the Program

Rate each of the competencies. Move to competency number 2 by pressing the Page Down Key. Repeat Step 1 & Step 2 in the same manner as described in the two preceding screens. "Page Down" or the "Insert" key will enter the ratings you make. If you wish to change a competency already rated, press the "Page Up" key.

You may also press the "Home" key or the "End" key to quickly go to the beginning or end of the list of competencies.

Skip competencies which do not apply to the position being rated.

Exhibit 6

Step 3: Selection of a Workable Number of Competency Gaps

STEP 3: Select between five and ten competency gaps using the data base query program. To do so, first press the F10 Key and a menu will appear at the top of your screen. Select "Criteria" by pressing "C" key and then select "Use" by pressing the "U" key.

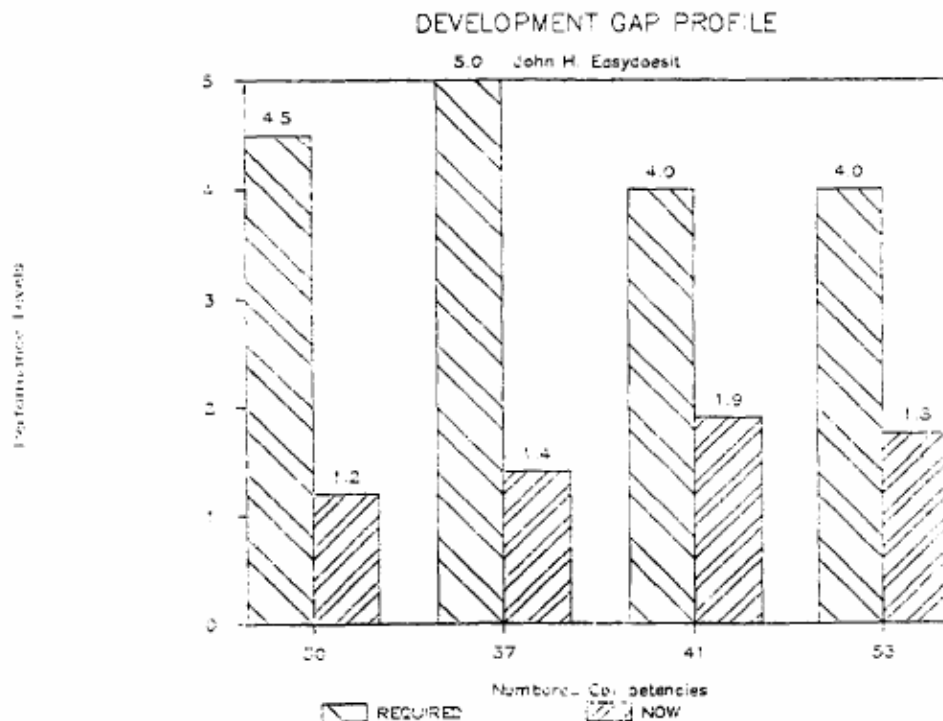
Press the Return Key to select competency gaps larger than fifty percent.

The number of competencies that meet the criteria of requiring an improvement greater than fifty percent will appear at the top of the screen. If this number is greater than 10 page down the forms and make adjustments to bring the number of gaps to within this range.

Note that the size of the gap is shown in the last blank in the entry form as a percentage for each rated competency. To reduce the number to less than 10 reduce the position rating on selected competencies so that the gap is less than 50%.

If the no records meet the criteria, a program is not required.

Exhibit 7



Developments in Business Simulation & Experiential Exercises, Volume 16, 1989

Exhibit 8

COMPETENCY DEVELOPMENT PROGRAM

Position	Financial Manager, Loan Department
Employee's Name	William K. Kastanoff
Title	Assistant Vice President
Date Assigned	June 16, 1968
Primary Rater	Milly K. Cutthroat
Secondary Rater	None
Reviewer	Jackson Goodlooker

STATEMENT OF COMPETENCY

Consistently meets agreed upon objectives and deadlines.

REQUIRED AND CURRENT LEVELS OF COMPETENCY

Required Level4.0

Current Level2.0

DEVELOPMENT METHOD	EVALUATION METHOD
ON-THE-JOB TRAINING	
Coaching by Mrs. Cutthroat	Observation
Special project: assign tight deadlines	Reports
Self-instructional program: Tape #500	Records
IN HOUSE - OUTSIDE OF JOB	
Workshop/Seminar: Time Management Workshop	Reports
Reading/Cassettes: Cassette #233	Reports
Programmed instruction: Thursdays, 3:30 PM	Records
OUTSIDE OF ORGANIZATION	
Rotation to Accounting after 3 months	Reports

ACCEPTED BY (signature)