# Competency-based Talent Management for Customer Service Teams

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Providing first-rate service is complicated business. It involves both service providers (organizations and their employees) and service receivers (the customers, patients, guests, etc.). With each service event, the provider either demonstrates true competence or fails miserably at meeting the needs and expectations of the people it serves. The inherent complexity of each service event, with its own set of unique and variable inputs, process elements, and outputs, means that existing "jobs" or "roles" must often change, merge, and extend. This is especially true as organizations plan strategically for short-term and long-term demand.

As organizations exist in a constant state of flux, flexibility, and ambiguity, they can no longer rely solely on traditional job- or task-based methods for identifying and developing competent and effective employees. Such approaches to talent management usually involve the identification and assessment of a core set of necessary knowledge, skills, abilities, and other characteristics that are empirically associated with the effective performance of critical job tasks for a specific job. This approach works very well in situations where sampling of the job tasks is straightforward and where it is possible to easily track and quantify task performance.

What happens, however, when one's job tasks vary so substantially from day-to-day that there is not an easily identifiable single set of required skills or capabilities? What if the primary job tasks are accomplished via a wide variety of behavioral approaches? And what about situations in which an employee's performance metrics are not fully within that employee's control, but rather are the result of a very complex interaction between one person and another, within a specific environment? These questions come up in many of today's complex service environments and highlight some of the challenges associated with relying only on a job-task and job-fit based approach to identifying new talent for a service-providing organization.

Questions like these have also led many organizational decision makers and assessment specialists to offer alternative approaches to measuring and developing employee capabilities, and identifying individual's fit within the broader organization. An increasingly common approach involves focusing on workers' competencies. Working with competencies is difficult, however, in part due to the challenge of defining these competencies and a tendency to focus on aspects of the job rather than characteristics or qualities of the person. Despite these challenges, the powerful utility of a competency-based approach should encourage many service organizations to seriously consider adjusting their talent management strategies and practices.

## Understanding Competencies
Many often differing definitions of competencies can be found in the existing assessment and business literature. Most definitions suggest that competencies reflect underlying characteristics of individuals that are closely associated with certain behavioral tendencies or capabilities, which in turn, are expected to lead to competent

performance within the work domain. In many cases, a person's competencies may align closely with his/her personality traits or underlying motives. A competency, therefore, represents something more than a basic knowledge, skill, or ability element of a job.

Competency-based talent management is broadly appealing because it is so easily and intuitively linked to the ultimate talent management goal: successfully building and maintaining a competent (i.e., effective or, better still, high-performing) workforce. The implication, then, is that by hiring individual candidates who possess the right competencies (behavioral tendencies and capabilities) an organization can increase the overall competence of its workforce, and its ability to do the work at hand. The ability to link competencies within individual workers to demonstrated competence on the job is especially appealing for organizations that have typically had difficulty quantifying performance quality. For instance, how does one define good service? A useful definition will vary greatly from one service event to another, and it is entirely possible that a variety of behavioral approaches can all lead to equally positive service outcomes. Instead of attempting to define effective performance in terms of a well-defined task, the challenge in this type of situation is in capturing those service representative behaviors that are most likely to lead to a positive customer reaction. This is where a focus on competencies can make sense.

In these situations, it is also easy to see how competency-based talent management can facilitate and guide short- and long-term learning and development initiatives within service organizations. Such an approach to talent management can help organizations identify and recognize top performers, while simultaneously pinpointing weaker performers in need of development. By adopting a shared competency model, an organization can develop opportunities for learning and growth that transcend particular jobs or roles because they are not inhibited by the narrow focus of more traditional methods. In this way, it can also be argued that competency-based screening and development can help facilitate longer-term employee-organization fit by maximizing the likelihood that employees have more of the characteristics and behavioral "tools" needed for success in a wide variety of roles within an organization. In these ways, a focus on competencies can facilitate the translation of an organization's strategic goals into more immediate talent management action steps and milestones in areas like hiring, development, and succession planning.

## Getting Started

The availability of best-practice guidance regarding how to incorporate competencies into existing talent management plans is limited. It is important to note that competencies do not have to replace (nor should they, necessarily) a more traditional consideration of the critical technical skills, knowledge, and abilities required for successful completion of clearly defined job tasks. In fact, a balance of task-focused and personal competency-focused approaches is likely to provide an even deeper understanding of a candidate's potential for demonstrating competence in the well-understood present and the uncertain future. Here are some key highlights for evaluating a competency-based approach (the recommended readings at the end of this article provide more guidance and depth):

- Identify and describe competencies in general and practical terms (this will improve the likelihood that these definitions will apply broadly across the organization)
- Keep the behavioral nature of competencies in mind (this will make it easier to observe competency-related behaviors when it is time to link a person's competencies to performance-related outcomes)
- Limit the number of competencies to a manageable number (otherwise the resulting model will be too unwieldy and less generalizable)
- Focus not only on competencies exhibited by current workers who are or have been effective, but also on competencies the organization expects to need in the future
- Seriously consider utilizing a generic set of competencies across multiple job positions, or even in the bulk of job positions; otherwise you will spend incredible amounts of time generating models, time which could be better spent building your organization
- Gather data about competencies in question from those who are most likely to be observing each competency in action (such as workers, supervisors, customers, etc.)
- Maximize return-on-investment in competency-based talent management by aligning most talent management functions (e.g., pay systems, reward options, development initiatives, etc.) around your core competency framework

Today's complex work environments, and the pressure for companies to be more nimble and better able to respond to changing customer requirements and market conditions, require new approaches to talent management. A competency-based talent management strategy can help companies adapt to these new realities, and develop a workforce that can help the company achieve its objectives now and in the future.

**Recommended Readings**

- Lawler, E. E. (1994). From job-based to competency-based organizations. Journal of Organizational Behavior, 15(1), 3-15.
- Russ-Eft, D. (1995). Defining competencies: A critique. Human Resource Development Quarterly, 6(4), 329-335
- Shippmann, J. S., Ash, R. A., Carr, L., Hesketh, B., Pearlman, K., Battista, M., et al. (2000). The practice of competency modeling. Personnel Psychology, 53(3), 703-740.
- Woodruffe, C. (1993). What is meant by a competency? Leadership & Organization Development Journal, 14(1), 29-36.

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