

Impact of Effective Communication During Competencies Assessment In Development Centres

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1. Introduction

Communication plays a vital role in every step. Communication helps us to express thoughts, ideas and views effectively. This helps in understanding the processes, systems and roles more clearly. Communication also helps to define goals, objectives and steps to achieve them. Organizations spend time and resources to create a workforce with a focus on effective communication skills which lead to individual as well as organizational growth. Assessment centres are run to identify and evaluate behaviours based on various competencies critical for organization's success. We recently had an experience of running around 15 development centres across India. Being a co-ordinator/centre manager in for these centres, we observed several issues related to ineffective communication. During the process, participants had to undergo various simulation exercise like, presentation, group discussion, role plays, competency based interview. Communication played a vital role across all these exercises. In these simulation exercises participants were required to express their views through oral and written communication. What we observed was that they struggled to get across their views to others in a range of exercises. We found that participants were less adept in articulating their ideas clearly due to lack of communication skills. At the time of briefing it was observed that participants did not pay attention to what the speaker was saying, this was reflecting their poor listening abilities. Few of them could not understand the statements mentioned in the case. It was observed that they were struggling to frame correct sentences. Though they were technically sound, they demonstrated low level of communication skills which impacted their other competencies like problem solving, decision making and result orientation too. They were also not able to respond to questions during competency based interview. It was observed that majority of the participants mentioned communication as their improvement area in development plan. It is a popular belief that communication is not important for career growth but as per our experience conducting the development centres, communication plays a vital role for other competencies to manifest effectively. To make audience understand, took sample of 24 participants. To understand the importance of communication, we compared

communication with delivering consistent result, team and people development and overall scores. The findings have implications for leadership development programs especially in the traditional manufacturing organizations.

Keywords: Effective communication, managerial effectiveness, problem solving, decision making, assessments centre, leadership skill, balanced scorecard.

Literature Review:

The core competencies required in pharmaceutical and manufacturing industry are namely communication, interpersonal skills, initiative, problem solving, and organizational awareness skills. These skills are identified by one of the pharmaceuticals industry. Company observed that employees are not performing good at management and leadership skills. Hence there was a need to enable senior management to develop well-rounded manufacturing leaders. Key competencies needed in these leaders were, knowledge of the manufacturing, pharmaceuticals industry as a business leadership and application of knowledge and insights. The idea was to equip leaders with skill, knowledge and attitude to lead and engage with managers, and to move from regular firefighting to strategic leadership. Company offers development programmes, provide opportunities to employees to develop through informal channels, such as interaction with senior leaders in cross-functional or cross level team meetings through various channels. This helps employees to bypass a deeply-entrenched hierarchical culture and brainstorm without any hesitation. Employees were also provided with a platform to display their competence in areas beyond their assigned functions. It is being seen that industries did not have a proper competency mapping process in place aligned to balanced scorecard, though there was some awareness related to identifying and developing competencies required in different roles. In manufacturing industries management observed that they need people with communication skills, especially verbal communication because of their international clients. They need to communicate with clients in common English language. Employees needed to work on their presentation skills which is again part of effective communication skills. It is observed that in any industry sales function requires high performance on sales related competencies. Senior executives expressed a concern that in a functional competency focused company, it would be difficult to manage the transition of an employee from a domain specialist to a allrounder. Industries found there is a lack of innovation as well. In a world led by compliance, there is no focus on competencies like innovation and creativity which is essential in mentioned industries. Assessment of people as leaders is based on technical competence and compliance because manufacturing model are all compliance led and compliance driven.

During the phase of globalization, the Indian economy observed increase in the levels of competition, production, technologies, key talent performance which led to rapid development of advance culture. It is mention by Emmanuel and Otley (1995) that, Performance evaluation is an integral part of management. Companies focuses on assessing their talented workforce and provided the culture of learning and development. It is well said that company's growth reflects balance sheet of the

company. If the financials are good means company's profitability are high. But, it is observed that companies do not look to develop competencies on financials and process of system. The company expect employees to perform reasonably well in their domain and achieve the targets; but if an employee fails to achieve, companies did not spend time to understand the reason behind that. Employees do not hold competencies required to understand the financials better. Financial measures of industrial age environment continue to dominate in the industry performance scorecard, there has been growing use of non-financial, forward-looking measures such as timely decision making, customer satisfaction, and productivity in addition to financial measures for performance evaluation by corporate India in today's information age. It is found that Japan performance measures do not include any financial measure whereas Europe widely uses the cost indicators. Hence it can be inferred that emphasis should be given by company on developing their workforce talent in the area of finance.

Situation become complicated when companies compelled to pursue short-term goals at the cost of the organization's long-term objectives. There is a lack of strategic focus in design and implementation led to a plummet in company's performance. The performance management systems should have strategic focus and should include both financial and operating measures. Dale (1996) found that investment analysts who considered both financial and non-financial measures were more accurate in their earnings forecasts than those who considered only financial indicators. Company's lacks in identifying core and interpersonal competencies required areaand to understand this we linked the concept of balanced scorecard in this research. Kaplan and Norton (1992) developed an innovative multi-dimensional corporate performance scorecard known as the Balanced Scorecard. It provides a framework for selecting multiple key performance indicators that supplement traditional financial measures with operating measures of customer satisfaction, internal business processes, and learning and growth activities. It is a step towards linking 'short-term goals' to the 'long-term vision and strategy' of the business. The focus is on the strategy and vision. It compels the firm to align its performance measurement and controls with the customers, financials, internal business processes and learning and growth perspectives and investigate their impact on the financial indicators. It helps in developing participants in decision-making, problem solving, team and people development and customer focus and financials strong and allow managers to consider the four perspectives of business performance to have a complete picture Kalpan and Nortan believes in by defining objectives, action plans, delivering results and performance with BSC.

Having said that high-performers shows greater emphasis on innovation and growth and financial perspective vis-à-vis low performers. However, it is observed that pharmaceuticals, manufacturing and media and service company gives emphasis more on learning and development and lower emphasis on customer, financials and process of balanced scorecard. Success of introducing balanced scorecard in company reflects on the advancement of individual career and company's career graph. A better understanding of the company's strategy by the employees would lead to the right

choice of competencies linked balanced scorecard components for guiding their decisions and actions. This would help to build managerial and leadership skills simultaneously. After doing assessment centre we came across the gap that lead to low performance of the participants, we analyse the importance of introducing balanced scorecard in industries. It is observed during assessments that industry namely pharmaceuticals, manufacturing and media and service industry missed to develop competencies under two components of balanced score card, which impact the overall performance of the participants. In industries, due attention is given to the performance and its achievement of an individual and is linked with the goals and objective of the organization. As we had an experience of running assessments centre across industries namely, pharmaceuticals, service, manufacturing, FMCG and media accept real state. Every industry wants effective, knowledgeable, skilled workforce. To have skilled workforce, it is important to incorporate set of core competencies to do assigned task. Industries have different competency framework as per nature of industry. Industries classifies competencies as behavioural competencies which are required namely interpersonal skill, interaction, effective communication. We had done assessments for Lupin Pharma, Hindustan Times, Pidilite, Technova and Taj hotels. As all these companies belongs to different industries, so their set of competencies differ from each other. During the assessments, we experienced how company decides behavioural competency framework. We had classified competencies as per industry wise. Classification of competencies by industry are mentioned below: -

Pharmaceuticals Industry: Behavioural competencies required in this industry are as follows:

- Cross functional Team Working
- Customer Focus
- Decision making
- Delivering Consistent Results
- Problem Solving
- Quality and Service Orientation
- Strategic Thinking
- Timely Decision Making
- Effective Communication
- Listening
- Team and people development
- Team Leadership
- Mutual Respect

Manufacturing Industry: Behavioural competencies required in this industry are as follows:

- Achievement Orientation

- Business Acumen
- Conflict Management
- Problem Solving
- Sales Competency
- Written/Oral Communication
- Network and Relationship Building
- Team Leadership

Media and Service Industry: Behavioural competencies required in this industry are as follows:

- Attention to Details
- Business Acumen
- People Enablement and development
- Result Orientation
- Effective Communication
- Network and Relationship Building
- Team Leadership
- Mutual Respect

As it is inferred from the above data that set of different competencies are classified as per the industry. These are the core competencies which was measured during assessments. It is being observed that effective communication is the most important competency which is highlighted in every industry. To meet the organizational goals and objectives, employees need to understand the nature of their work, role and responsibilities and to get all these in place effective communication is must. To achieve target in team, all members need to be more effective and clear in communication to meet the desired team goal. The balanced scorecard is often referred to as a management tool, not a measurement tool. The scorecard's measures, on the other hand, are grounded in an organization's strategic objectives and competitive demands. And, by requiring managers to select a limited number of critical indicators within each of the perspectives, the scorecard helps focus this strategic vision. We had complied the behavioural competencies industry wise and inked them with balanced score card. We had compiled core competencies used in pharmaceuticals, manufacturing and media and service industries under four components of balanced scorecard. This is show in the table 1.1 below

Table 1.1: Taxonomy of Competencies across industry sectors

Four Components of Balanced Scorecard	Pharmaceuticals Industry	Manufacturing Industry	Media and Service Industry
Financials		Business Acumen	Business Acumen
Process		Attention to Details	Achievement

			Orientation
Customer	Customer Focus Problem Solving Quality and Service Orientation		Problem Solving Sales Competency
Learning and Development	Cross functional Team Working Mutual Respect Decision making Delivering Consistent Results Strategic Thinking Timely Decision Making Effective Communication Listening Team and people development Leadership	People Enablement and development Result Orientation Effective Communication Network and Relationship Building Team Leadership Mutual Respect	Conflict Management Written/Oral Communication Network and Relationship Building Team Leadership

Above table 1.1 explains the relation between the four components of balanced scorecard and the behavioural competencies used by each industry under four components of BSC. It is observed that majorly industries focus more on the fourth component of BSC i.e. learning and development. Industries focus partially on customer and least importance is given to process and financials of the company. Organization believes that developing workforce by providing training programs on core competencies required to develop them is the most important task they perform. They missed out on developing their employees on other areas. However, all organizations expect peak performance from their high potentials. Growth of organization and the individual is possible if all four components are aligned. Success of the organization depends on aligning individual departmental goals with overall organizational strategy. From the table, it seems that organizations have only a partial focus on building its financial and process related capabilities of high potentials. It is possible that participants are likely to focus less on critical aspects of parameters like financials, profit and loss, revenues and ROI. Another aspect where high potential seems to be a skewed focus is on the process work as well as organizational. This could lead to poor alignment of internal departmental goals and cross functional team working. A critical outcome of this lack of focus on financials and process related aspects of BSC could be seen in the results of the current study.

Due to lack of process driven system, organization faces difficulty is achieving individual targets. Though individuals perform their tasks and somehow manage to achieve their targets but may not attain organizational goals at large. That is why companies could not withstand the pressures of survival during times of recession.

This is the biggest issue we observed during assessments. We also believe that neglecting such important aspects financials and processes could be detrimental to success in long term. Each level of manager requires core set of competencies, skill, knowledge and attitude to get work done through others. It is the responsibility of every manager to influence people to perform assigned task diligently. It is being observed that leadership and management skills are not exclusive of each other. Leadership is particularly important at senior management positions within an organisation. To become an effective manager, an individual should show qualities and competencies in six key areas. These covers both leadership and management skills, these six areas are:

- Leading people, providing purpose and inspiring trust.
- Managing change, encouraging creativity and driving change.
- Meeting customer needs, improving products and services to increase customer satisfaction.
- Managing information and knowledge, developing knowledge and communication to aid decision making.
- Resource management, in a timely manner to meet the required quality within the assigned budgets.
- Self-management, to influence and persuade others to achieve personal and organizational goals.

Taxonomy of competencies from table 1.1 we have reorganized competencies. Communication skill and listening have been labelled as one competency under learning and development component of BSC. Combined customer focus, sales competency and service orientation under customer component of BSC. Delivering consistent results and problem solving are combined as one component. So, analysis of data is done as per label mentioned in SPSS analysis which are communication, timely decision making, delivering consistent results, team and people development, customer focus.

To achieve organizational goals one needs to be an effective communicator. Clear and fluent articulation is critical for effective communication. Effective communicator can easily play the role of effective manager or leader in the long run. Effectiveness of leadership is shown by their attitude of doing work, taking critical decisions, find effective solutions and create a culture of building interpersonal relationships. In manufacturing industry growth of middle and senior level managers is stagnant because they are less competent to take responsibilities of being a manager or a leader. Less impactful communication affects other competencies like customer focus, problem solving and decision making. Participants at assessment centre could not see themselves growing and taking on new responsibilities. Because they could not communicate their thoughts effectively through oral and written communication they felt disheartened, low in confidence, hesitant to discuss their ideas. For being an effective manager or leader one needs to work on his/her area of improvement and develop few core competencies required namely, decision making, problem solving,

team and people development, conflict management and most importantly effective communication.

2. Research Methodology

Sampling

- Type of Research: Descriptive
- Sample Size: 24
- Sampling Techniques: Convenient sample from an ongoing project.

Data: The data was collected from development centre process.

Variables: Communication, Timely decision making, Delivering consistent results, Team and people development, Customer focus, Dependent variable and Overall score.

Data Analysis

Descriptive statistics, correlation and regression were used to describe the relationship between communication and other variables. Here we used correlation and subsequently linear regression analysis to gauge impact of communication on four competencies timely decision making, delivering consistent results, team and people development, customer focus and overall score.

For analysis: Independent variable - Effective communication

Dependent variables 1 - timely decision making, 2 - delivering consistent results, 3 - team and people development, 4 - customer focus, 5 - overall score.

Table 2.1 Correlation coefficients between dependent and independent variables (N=24)

		Communication	Timely_D Decision _Making	Delivering _Consisten t_Results	Team_an d_People _Develop ment	Customer Focus	Overall
Communication	Pearson	1	.391	.745**	.574**	.254	.780**
	Sig. (2-tailed)		.059	.000	.003	.232	.000
Timely_De	Pearson	.391	1	.259	.457*	.259	.620**

cision_Making	Sig. (2-tailed)	.059		.222	.025	.221	.001
Delivering_Consistent_Results	Pearson	.745**	.259	1	.582**	.413*	.799**
	Sig. (2-tailed)	.000	.222		.003	.045	.000
Team_and_People_Development	Pearson	.574**	.457*	.582**	1	.489*	.850**
	Sig. (2-tailed)	.003	.025	.003		.015	.000
Customer Focus	Pearson	.254	.259	.413*	.489*	1	.624**
	Sig. (2-tailed)	.232	.221	.045	.015		.001
Overall	Pearson	.780**	.620**	.799**	.850**	.624**	1
	Sig. (2-tailed)	.000	.001	.000	.000	.001	
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Interpretation: It is inferred from the table 2.1, there is no significant correlation between communication and timely decision making. So, it is concluded from the observation that customer focus and timely decision making is not impacted by effective communication.

Hence, we carried out regression for only 3 dependent variables- delivering consistent results, team and people development, overall score

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.679	1	3.679	27.475	.000 ^a
	Residual	2.946	22	.134		
	Total	6.625	23			

a. Predictors: (Constant), communication

b. Dependent Variable: Delivering_ Consistent_ Results

c. Adjusted R square: .535

Table 2.2 **Regression I:**Regression analysis between delivering consistent results and communication.

Interpretation:We can infer from Table 2.2 that the F ratio of 27.475 is significant ($p = 0.00$). Since adjusted R square is 0.535 we can conclude that communication explains 53.5% of the total variability of delivering consistent results.

Table 2.3 **Regression II:**Regression analysis between team and people development and communication.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.866	1	1.866	10.828	.003 ^a
	Residual	3.791	22	.172		
	Total	5.656	23			

a. Predictors: (Constant), communication

b. Dependent Variable: Team and people development

c. Adjusted R Square: 0.299

Interpretation:We can infer from Table 2.3 that the F ratio of 10.282 is significant ($p = 0.003$). Since adjusted R square is 0.299 we can conclude that communication explains 29.9% of the total variability of team and people development.

Table 2.4 **Regression III:**Regression analysis between overall results and communication.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.790	1	1.790	34.251	.000 ^a
	Residual	1.150	22	.052		
	Total	2.940	23			

a. Predictors: (Constant), communication

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.790	1	1.790	34.251	.000 ^a
Residual	1.150	22	.052		
Total	2.940	23			

b. Dependent Variable: Overall

c. Adjusted r square:0.591

Interpretation: We can infer from Table 2.4 that the F ratio of 34.251 is significant ($p = 0.00$). Since adjusted R square is 0.591 we can conclude that communication explains 59% of the total variability of overall score.

Additional Qualitative Observations

During the assessment when participants were undergoing simulation exercise. One of the participants gone through competency based interview exercise with one of the assessors. Assessor asked participant to demonstrate any incident where he has shown delivering consistent results at his workplace. So, participant narrated his experience where he had shown consistent results. He said being in-charge of production department it was his responsibility to ensure that production doesnot stop. One fine day he got to know that production stops due to pump broke down. Few of the spare parts of the pump was not available. So, members of team suggested him to outsource the parts of machine, but lead time was 6 months internally. But he did not want to compromise on quality, cost and time. He did not want to be dependent on vendors. So, he started searching for vendor externally and he found the supplier. Supplier that gave him the spare parts of pump mentioned that the production time of this temporary parts will be 1.5 days and need to be changed every one hour and its reliability is till one month. So, it can be inferred from this incident that participant found supplier who can supply equivalent pump to avoid production delay. From this we can say that participants achieved his results effectively and seems to be high on problem solving. So, this was the corrective action which he took. Assessor was impressed with his efforts he shown during that time. Assessor than asked one question “What Next?”

To support his experience, he said that apart from providing solution to this problem, he checked about the same problem across his 9 group companies. He found that group companies facing such problem and then he started keeping stock of spare parts and provide to other 9 group companies during contingency. So, this was the preventive action which he thought off. He found it difficult to narrate the situation as he had communication issue. He had clarity of thoughts but could not translate his ideas into words. So, from this we can conclude that he could achieve his results going out the box but he found difficult to express his thoughts clearly due to lack in oral communication. He has the potential, skill, knowledge to take responsibility as a

leader. He demonstrated effective leadership skills but due to lack of communication he would not make it to that level. From this communication plays crucial role in building one's career.

3. Results

Data from 24 participants was analysed to understand the correlation between communication and other competencies namely customer focus, delivering consistent result, timely decision making, team and people development and on overall score. The results indicate that timely decision making and customer focus did not demonstrate significant correlation with communication whereas delivering consistent result had correlation of 0.754 with correlation which was significant at 0.01 levels. Similarly, team and people development had correlation of 0.574 with correlation which was significant at 0.01 levels and overall score had correlation of 0.780 with correlation which was significant at 0.01 levels.

It is being observed from the study that participants achieve their results where they reasonably demonstrated their key skills in team and development and delivering consistent results. But it is observed from the table 1.1 that participant did not focus on customer and process components of BSC. It is being identified during assessment that participants achieve their short-term goals but not able to see long term perspective. Manufacturing companies did much to develop their internal workforce by undertaking various advance training programs in the areas of people development but did not seem to focus on other area of development. To achieve numbers and growth, every company needs to be strong in its internal process too. We observed that the participants had the potential to complete the assigned task but were not able to align that with financials and process of the system. This is probably because manufacturing companies are less focus in financials and process. The two components of BSC are missed which could be one of the reason that participant's performance was below adequate during assessments.

Findings of the study indicate that out of 24 participants 70% scored adequate or more than adequate on delivering consistent results, and team and people development but below adequate in effective communication. Though participants could achieve results and score reasonably good score on this competency, it was observed that 80% of the candidates scored below adequate on effective communication. Customer focus and timely decision making were also the areas where they needed to improve. While short-term goals are achieved, long-term vision was missing. Out of 24 participants 21 participants mentioned communication as the area of improvement in their individual developmental plan. This is one of the major reason that participants scored low on overall rating. We observed that participants hold managerial and leadership skills but due to less than adequate effective communication skills, they

stagnated in their career. Key talent of the company is still at the same position due to lack in fluency in communication skills.

The study has some important implications for the practicing manager. One of the implications for the organizations is to develop competency models based on balanced score card framework for the aligning individual capabilities with interdepartmental and organizational goals and mission from both short and long term perspective. Companies need to focus on developing their workforce in financials and process which are the two components of balanced scorecard which seem to be generally be missed out in most competency designs. Leadership development programs can be designed to enhance the skills to include these components of the balance score card framework too.

To continue the research, it is critical to understand more deeply the impact of communication and other competencies in performance of an individual at workplace. Researchers need to study different patterns of industries and find out why industries do not achieve their long-term results despite performing well in particular domain. Future research needs to focus on exploring if the balance score card framework can be applied to competency designs. Future research could also focus on exploring which competencies are supportive of short term and long term goals of the organization. In short what contributes to both survival and sustainability of the organizations.

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