

**PROMOTING ORGANIZATIONAL COMPETENCY: A SOLUTION TO INCREASING  
EMPLOYEE MORALE AND CUSTOMER SATISFACTION©**

By

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Employee morale within an organization has a direct impact on the satisfaction level of its customers and the company's ultimate success. When relationship-based leaders promote core competency development of its workforce throughout the organization, an opportunity exists for ensuring high employee morale and customer satisfaction, an increase in employee and customer retention rates, and a positive long-term outlook for the company's successful performance.

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Common knowledge suggests that employee morale has a direct impact on the satisfaction level of an organization's primary external customers. While this concept appears simple enough, the steps that company leaders can take to achieve and sustain a high level of employee morale within the organization are much less understood. The recent national surge in organizational customer service consultants and trainers suggests that an increasing number of company leaders are recognizing the importance of tending to the subtleties of the soft side or human element of their businesses. Critical to the ultimate success of the organization, however, is knowing what aspects of the human dimension should be addressed as priority and fostered within the company.

Data driven, results oriented businesses will hobble along for awhile and eventually crumble if the heart of the organization, the employees, are not collectively in sink with the company's vision, mission and goals. There will always be a few employees who will not support any organization for which they work. Aggressively confronting such problems on an individual basis can help to deter the spreading of attitudinal viruses throughout the organization. However, if more than an isolated number of employees feel alienated from the organization, it becomes incumbent on the company to recognize the prevalence of the syndrome, systematically diagnose the root causes and take appropriate interventions to reverse the malady before it becomes imbedded in the organizational culture. The right diagnosis with the right fix for the problem is critical; for chronic, widespread employee alienation leads to eventual decay of the company.

**Employee morale is created by and directly proportional to the degree of employee competence supported by leaders throughout the organization.**

A leader's capacity to recognize the decline in employee morale and an acceptance of this condition as fact takes an extraordinary ability to objectify rather than personalize subjective information and observations. It requires the faculty to convert soft material into hard data through focus on three levels of analysis: organization, job (task) and person. Further, it demands an openness to make a global assessment of subjective information and observations without a formal survey of key elements such as employee job satisfaction, confidence in work unit managers, scope of responsibility and satisfaction with employee compensation packages. While these elements are important, breaking them out as specific statistical indicators of morale often reduces the analysis to fractionalized trivia with little information to support more global, meaningful diagnoses that can be gleaned readily through routine or focused observation of the employees within the company. Elwood F. Holton commented: "The message to assessors is this: surveys are powerful tools but they are best used in conjunction with other methods, and they are not a necessary part of conducting needs assessment, even with large groups." ("A Snapshot of Needs Assessment", p. 6, *Conducting Needs Assessment*, Alexandria, Virginia: American Society for Training & Development, Alexandria, Virginia: American Society for Training & Development, 1995)

Pearl S. Buck, American author of *The Good Earth*, said: "The secret of joy in work is contained in one word: excellence. To know how to do something well is to enjoy it." Leaders are critical in establishing the direction for the company through a well-defined

and articulated vision, mission and goals. They are responsible for ensuring that this direction is communicated and implemented throughout the entire organization with efforts focused on soliciting employee commitment to a shared organizational vision. Successful leaders also recognize that employee morale is the key to long term organizational viability. Most significantly, they recognize that the level of employee morale is created by and directly proportional to the degree of competence supported by leaders and experienced by all employees throughout the organization. Highly competent employees enjoy their work and experience pride in their accomplishments and contributions to the organization as long as leaders consistently value them and their worth to the organization.

Technical competency is essential as a basic requirement for hiring and ongoing training of employees at all levels throughout the company. True competency, however, is multidimensional and embodies knowledge and skills beyond the technical aspects of the job requirements. The Department of Veterans Affairs, Veterans Health Administration, commissioned a national career track task group in 1996 to develop a high performance model to be used to select new employees and to serve as a basis for promotion decisions. In addition to reviewing relevant literature sources related to leadership development, the task group benchmarked a number of organizations to analyze their approaches to leadership development. The task group's research culminated in a High Performance Development Model to be used as the foundation for the creation a new learning organization for all employees within the VHA. This model incorporated eight core competencies considered essential to a high performing organization: technical competency, interpersonal effectiveness, personal mastery, systems thinking, creativity, customer service, flexibility and adaptability, and a sense of organizational stewardship.

### **How can your company assess its competency?**

Successful, competent leaders reflect and model these core competencies. They recognize the importance of integrating core competencies in the day to day operations of the company through aggressive training and skill development of employees at all levels throughout the organization. In this regard, leaders have a strong and definitive influence on the depth and breadth of employee competency within the organization. The quality of leadership's knowledge of and relationship with its employees will enhance, impede or reduce employee competence. Poor leadership-employee relationships negatively impact employee competence, causing declining spirals in morale, customer satisfaction and ultimately the success of the organization. The leader who excels in interpersonal skills and possesses a strong commitment to organizational stewardship will ensure that employees feel valued and are empowered to strive in their own competency development.

What are some of the reasons for employee incompetence? The answers are multiple; some involving isolated and unique individual situations and others clearly supported or reinforced by the quality of leadership-employee relationships within the company. They include lack of:

- individual ability and/or motivation
- basic and/or critical information
- knowledge about the specific requirements of the job, tasks and processes
- reporting relationships and lines of authority
- definitions and parameters of responsibility
- feedback on the results of work
- rewards and recognition for good performance
- rewards and recognition for demonstrated overall competence
- time to practice the job before being placed in the position
- job security which is being questioned or threatened
- clarity of policy and direction for the organization/work unit
- adequate tools or equipment
- design or ergonomic match for the employee
- ongoing core competency training and skill development

For the most part, the reasons cited for employee incompetence stem from employee disregard and neglect. Positive, empowering employee-leadership relationships assume qualities of support, encouragement, nurturing, trust, and mutual respect and confidence. Negative, non-empowering relationships assume relative hierarchical positions, limited confidence and trust, withholding of critical information, taking the other for granted, and providing conditional rewards and punishment. Central to credible and effective support and promotion of employee competency throughout the organization, leaders must possess strong competencies in interpersonal relationships and an ability to creatively employ methods to continuously demonstrate the importance of employee competency to the organization's overall worth. Their recognition of the merits of treating their employees as critical customers of the company and their flexibility and adaptability in balancing their employees' competency needs amidst constantly changing organizational needs requires a well-developed and integrated sense of personal mastery and systems thinking.

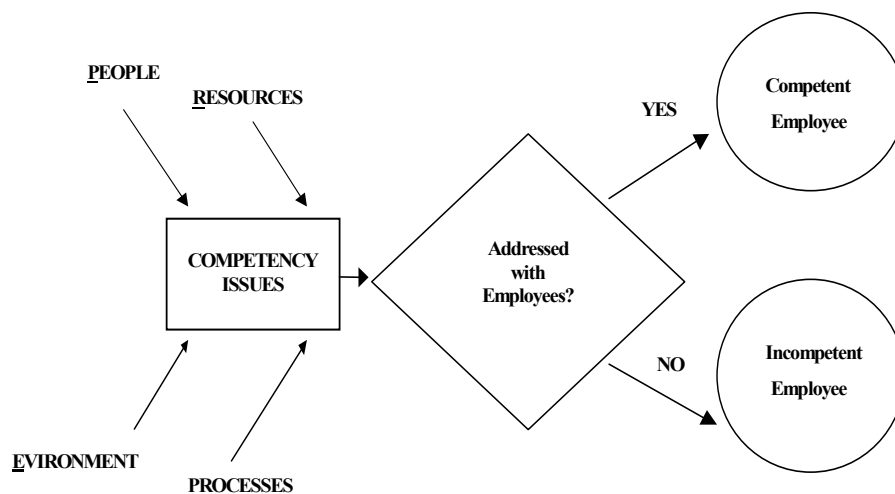
If leaders assessed organizational morale within the context of employee competency, diagnosed some of the more prevalently observed symptoms of incompetence, analyzed their root causes, and proactively intervened in the identified barriers to competency, the outcomes would likely result in increased competence, morale and ultimately customer service. A key to identifying barriers to competency is to organize a system for analysis of behavioral and attitudinal syndromes which are most commonly observed throughout the organization. Short of formally administering written surveys for feedback, the information can be obtained through a variety of activities that serve the dual purpose of gathering critical information and building relationships within the organization. Examples of such activities are focus groups with employees, managers and external customers; planned leadership walking-rounds for observation and informal discussion with employees; customer and employee verbal and written feedback and unit or corporate town meetings.

Questions and discussions should focus specifically on job and company related competency issues. Some examples of questions include:

- What are the three things that would help you feel more competent in your position?
- How does your work tie into the mission and goals of our company?
- How do you know when you're doing your job right?
- What is the biggest issue that keeps you from feeling positive about your work for our company?
- How do you or will you know when you have learned enough to do your job with complete confidence?
- How does your job affect other work units in our company?
- What do you need from employees in your work unit in order to do your own work better?
- What do you need from employees in other work units to help you do your own work better?
- How do you plan and organize your workday?

Ideally, an analysis of the information gleaned from the assessment should incorporate TQI and performance improvement tools and principles. From a practical standpoint the company should use whatever performance improvement system it currently uses as the format for developing its competency assessment process. To demonstrate the use of a TQI cause and effect model as one method of assessing organizational competency and developing strategies for corrective intervention, the author developed the following application model. The model incorporates hypothetical examples of attitudes that employees within a company might reflect and which are likely indicators of behaviors leading to negative performance issues. The predominating attitudes within specific work units or throughout the organization can be collected systematically from general observation, focus groups and town meetings. By using a cause and effect model, the root causes are analyzed and suggestions made for possible corrective actions to be taken by leaders in the company. The core competencies are interwoven into the intervention strategies.

## **PREP aring for Organizational Competency**



## Barriers to Organizational Competency and Strategic Interventions Applying the PREP Model

<u>Attitudinal Indicators of Employee Behaviors</u>	<u>Possible Root Causes</u>	<u>Suggested Actions</u> (Intervention by Managers)
<input type="checkbox"/> "I don't care."  <input type="checkbox"/> "I can't do it."  <input type="checkbox"/> "I won't do it."	<b>PEOPLE</b> <p>The need for competent performance is identified by the employee as unimportant.</p> <p>Personal problems, depression, lack of self-esteem or confidence. Employee might lack the innate capacity or skills required in order to do the job.</p> <p>Negative attitude predominates, leading to an angry and inflexible employee.</p>	<p>Use techniques of consistent reinforcement: positive as well as negative. Engage the employee in systems thinking by helping him/her understand the importance of the specific job within the larger organization. Resistant employees might need to be moved to a job more compatible with their performance level or, if uncorrected, steps toward termination might be necessary.</p> <p>Provide consistent positive recognition for competent technical performance. Set up an Individualized Development Plan (IDP) based on identified employee needs to increase technical competency. Employee might need to be moved to a job more compatible with capacity and skills or active steps toward termination might be necessary.</p> <p>Counsel employee to determine etiology of problem. Establish clear limits on negative performance behaviors and develop an IDP that incorporates training in specific behaviors required for flexibility and adaptability. Employee might need to be moved to another job. If resistant behavior continues, active steps toward termination might be necessary.</p>
<input type="checkbox"/> "I can't do this because I don't have....."  <input type="checkbox"/> "I know what I need to do (but I don't know how to do it)..."	<b>RESOURCES</b> <p>Employee has technical knowledge but lacks adequate resources to support competent performance.</p> <p>Employee has technical knowledge but lacks necessary skills or information to competently perform.</p>	<p>Collect data and analyze the issue with the employee's input. Review outcome data, discuss alternatives, and make recommendations. If results reveal wider range problems, focus on organizational stewardship through appropriate actions such as involving the employee in process action teams or time limited work groups.</p> <p>Evaluate specific core competency skills needed by employee and establish an IDP focused on technical skills and personal mastery. Give clear and specific expectations for performance. Provide information and feedback at regular intervals and in a timely manner. Give rewards for competent performance.</p>

<input type="checkbox"/> "You want me to 'just do it' (but I don't know what you want me to do)..."	Lack of clear work expectations and accompanying performance behaviors.	Establish clear expectations with well-defined performance behaviors. Provide regular/frequent feedback to reinforce the expectations of competent performance. Clarifying policies and procedures, employee's responsibilities and parameters of accountability within the work unit and larger organization should emphasize systems thinking.
<input type="checkbox"/> "It's them against us."  <input type="checkbox"/> "We can handle any and all problems quickly and without anyone's help."  <input type="checkbox"/> "We have lots of experience and know everything there is to know."	<p style="text-align: center;"><b>ENVIRONMENT (culture)</b></p> Problems are attributed to outside the employee's scope, work unit or organization. Employees do not see how their actions extend beyond the boundaries of their positions and work units.  While these employees are enthusiastic, they confuse "putting out fires" with productive problem solving. These employees often attribute events to one cause. They problem solve from a myopic perspective which leads to inefficiency and results in operational chaos within the work unit and organization.  These employees confuse experience with absolute knowledge. Since supervisors are often hesitant to provide guidance to these employees, positive performance is not reinforced and negative performance is left uncorrected.	Reinforce positive interactions among departments and work units through recognizing and rewarding individuals and teams who exemplify the "spirit" of cooperation. Model the esprit-de-corps for all employees. Incorporate skill building in positive interpersonal skills and organizational stewardship in the IDP. Continuously provide information about the company at large and changes that impact employees.  Model behaviors that demonstrate that true pro-activity means that people resolve problems before they grow into crises. Reward employees for demonstrating performance that shows constructive creative thinking through planned strategic intervention. Managers must continuously reinforce the multiple-cause concept of TQI and the importance of systems thinking. Use performance improvement initiatives and training to dynamically underscore this principle and provide skills to manage work differently.  Managers must not assume that experience means competence. All employees should be given the opportunity to experience the consequences of their job output and demonstrated competency through such means as ongoing supervisory feedback, continuous performance improvement activities and positive feedback for competent performance. Ongoing training in all the core competency areas is essential for sustained high performance.
<input type="checkbox"/> "I'm on a path that leads to nowhere..."	<p style="text-align: center;"><b>PROCESSES</b></p> Incomplete or complex processes that slow down or interfere with performance and productivity.	Clearly define or simplify processes within work unit and across functional and departmental lines. May use process action teams or time limited work groups to involve employee/s in the creative problem solving process.

<input type="checkbox"/> "“And the circle goes on and on...””	Circular decisions or processes with no clear-cut recommendations, conclusions or outcomes.	Provide timely and decisive guidance on work processes. In complex cases, employee work groups or corporate leadership involvement might be necessary. A focus on involving employees in systems thinking is essential.
<input type="checkbox"/> “Am I going in the right direction and how will I know when I get there?””	Unclear goals and non-specific markers along the way. Outcome indicators are vaguely defined.	Establish timely, clear and achievable steps as positive indicators towards achieving ultimate goals. Begin with the end in mind by clearly setting goals with the employee and providing feedback when the goals are achieved. Reinforce the importance of keeping the customer at the center of all goals.

### What are the benefits of achieving high organizational competency?

Understanding the difference between employee generated and organizational driven issues is an important distinction for today's successful leader to achieve. The sample analysis demonstrates that a small fraction of issues are unique employee characteristics which are unrelenting in terms of responding positively to leadership interventions. Resources, Environment (culture), and Processes are largely organizational issues in nature and can be positively altered by quality leadership interventions with a strong emphasis on core competency integration throughout the organization. Actions employed to support and reinforce the building of core competencies are mainly relationship-based. They include a commitment to:

- clear and timely communication and feedback
- defining goals and direction of the work unit and company
- defining and reinforcing clear lines of authority, responsibility and accountability
- rewarding and recognizing positive performance and addressing negative or limited performance in a timely manner
- identifying gaps in knowledge and providing focused, individualized training
- reducing unrealistic fears and anxieties regarding job security
- encouraging knowledge and specific skill building in all dimensions of the core competencies which impact the overall performance of the company
- allowing employees to rehearse newly acquired competencies

As a result of massive re-organizations and employee lay offs in the 1980's and 90's, employees have learned that commitment and loyalty to the company can be personally and occupationally hazardous. A sense of uncertainty permeates today's labor market, with employees keeping a continuous eye on perceived better job opportunities. When today's leaders manage employees as impersonal objects that can be moved around the job setting like pawns on a chessboard or disposable commodities that easily can be replaced, any possible rekindling of employee loyalty and commitment to the workplace is tossed out the window. This negative cycle is not only costly but also destructive to the company.

Alternatively, when strong and positive relationships between and among leaders and employees are continuously reinforced through a common focus on personal and occupational competence, employees feel embraced by the culture. This sets the stage for reciprocity through employees partnering with leaders and sharing ownership of and commitment to the company's vision, mission and goals. The most likely outcome is a company with competent, loyal and satisfied employees who deliver services far beyond the customer's expectations. A leadership emphasis on employee competence in all the critical core competency areas creates a tremendous opportunity for ensuring high employee and customer satisfaction, an increase in employee and customer retention rates, and a positive long-term outlook for the company's successful performance.