This handbook is a guide to the Firstsource Leadership Competency Framework. It provides detailed information on the competencies and the behaviors that are critical for organizational and individual success.

We encourage you to familiarize yourself with the contents of the handbook. For any queries on the Firstsource Competency Framework please reach out to HR teams.
For an organization to evolve and grow the people working within it have to adapt and develop; to be able to do this successfully, individuals need to know what behaviors the organization expects from them and where do they currently stand in exhibiting these behavioral traits. This is where ‘Behavioral Competencies’ play a great role in providing structured and in-depth information about expected and displayed behaviors of leaders.

**What are Behavioral Competencies?**

The way we approach a job usually determines how successful we are in achieving our goals. This is where behavioral competencies fit in - they are behaviors, skills, knowledge and attitudes that lead to effective job performance. If objectives can be described as the ‘ends’ then competencies can be described as the ‘means’.
Approach to Building the Competency Framework
Building the framework – Key Process Steps

1. Senior Management Meetings and BEIs:
Meetings were conducted with senior management as well as a cross-section of the employees at all levels to understand the behaviors that are required for effective performance on the job.

**Summarizing the key questions in the mind of the Senior Leadership Team:**
- How do we grow our business?
- How do we execute and deliver excellence?
- How do we engage and partner with our customers?
- How do we build and engage a high performing workforce?

2. Themes and Competencies:
Similar behaviors were grouped into themes and competencies were developed based on these common themes.

3. Behavioral Framework Development
The behaviors for each competency were then scaled from level 1 to level 4 (defined on slide 13) to arrive at the final framework.

4. Peer Review
An external peer review was conducted to validate the competency framework.

Implementation in various organizational practices
Firstsource Leadership Competency Framework
About the Framework

Following are the seven competencies that have been identified for Firstsource:
- Business Foresight
- Influencing Others
- Fostering Partnerships With Customers
- Managing Transformation
- Driving Excellence
- Leading Teams
- Working Across Boundaries

The seven competencies have been grouped under four growth enablers:
- Driving business growth
- Quest for Excellence
- Partnering with customers
- Building a high potential workforce

- Business Foresight
- Influencing Others
- Fostering Partnerships with Customers
- Managing Transformation
- Driving Excellence
- Leading Teams
- Working Across Boundaries
## The Seven Leadership Competencies

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS FORESIGHT</strong></td>
<td>Business Foresight is about conceptualizing new opportunities by scanning the environment, challenging existing notions, and bringing in fresh thinking and insight.</td>
</tr>
<tr>
<td><strong>DRIVING EXCELLENCE</strong></td>
<td>Driving Excellence is about improving performance, setting up challenging goals for self and team, taking calculated entrepreneurial risks to drive and create high performing teams.</td>
</tr>
<tr>
<td><strong>INFLUENCING OTHERS</strong></td>
<td>Influencing Others is about understanding others and the organizational dynamics and effectively using this understanding to get others to adopt own course of action.</td>
</tr>
<tr>
<td><strong>MANAGING TRANSFORMATION</strong></td>
<td>Managing transformation is the ability to accept, communicate and adapt to change and work effectively within a dynamic environment.</td>
</tr>
<tr>
<td><strong>FOSTERING PARTNERSHIPS WITH CLIENTS</strong></td>
<td>The ability to deliver outstanding service to customers and forging long term partnerships leading to desirable customer outcomes customer loyalty, repeat businesses, referrals and an overall growth in account size.</td>
</tr>
<tr>
<td><strong>LEADING TEAMS</strong></td>
<td>Ability to provide the team/organization with direction and support necessary to succeed in an ever changing business context and aligns the individuals to the larger purpose.</td>
</tr>
<tr>
<td><strong>WORKING ACROSS BOUNDARIES</strong></td>
<td>Recognizes the interdependencies across different parts and appreciates the benefits of collaborative working across the organization.</td>
</tr>
</tbody>
</table>
Increasing Levels of Proficiencies

To identify the ‘level’ that one belongs to, we need to look at the role responsibilities and the threshold behaviors required to perform that role. We then match these threshold behaviors with the closest levels of sophistication for each competency.

**LEVEL 1**
At this level, the behavior is to achieve compliance, get basics right and demonstrate the right Intention

*Entry level executives*

**LEVEL 2**
From meeting own targets, at this level, there is a shift to team focus, team targets & performance

*Manager of teams*

**LEVEL 3**
From being excellent at what is defined, at this level, there is a shift from being reactive to proactive

*Manager of managers*

**LEVEL 4**
Beyond being proactive, at this level, the perspective shifts from the Team/Function to Organization

*Manager of functions/businesses*

**LEVEL 5**
Beyond shifting perspective, at this level, the leader institutionalizes or creates a culture of that particular competency across the organization

*Enterprise leadership*
### Key Terminologies

The Chart below depicts how the Competency Levels have been mapped to the roles and grades in the Organization

<table>
<thead>
<tr>
<th>LEVELS</th>
<th>ROLES</th>
<th>ROLE DEFINITION</th>
<th>INDICATIVE GRADES / DESIGNATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL 5</td>
<td>Leadership (Enterprise leadership)</td>
<td>Beyond shifting perspective, at this level, the leader institutionalizes or creates a culture of that particular competency across the organization</td>
<td>President, EVP, SVP</td>
</tr>
<tr>
<td>LEVEL 4</td>
<td>Senior management (Manager of functions/businesses)</td>
<td>Beyond being proactive, at this level, the perspective shifts from the Team/Function to Organization</td>
<td>VP, GM</td>
</tr>
<tr>
<td>LEVEL 3</td>
<td>Middle management (Manager of managers)</td>
<td>From being excellent at what is defined, at this level, there is a shift from being reactive to proactive</td>
<td>DGM, Sr. Manager</td>
</tr>
<tr>
<td>LEVEL 2</td>
<td>Junior management (Manager of teams)</td>
<td>From meeting own targets, at this level, there is a shift to team focus, team targets &amp; performance</td>
<td>Manager, AM, TL</td>
</tr>
<tr>
<td>LEVEL 1</td>
<td>First-level staff (Entry level executives)</td>
<td>At this level, the behavior is to achieve compliance, get basics right and demonstrate the right Intention</td>
<td>Executive / Sr. Executive, CSA / Sr. CSA</td>
</tr>
</tbody>
</table>

**It is worthwhile to keep in mind:**

- The grades/designations mentioned in the chart above are purely indicative – the new competency framework focuses more on a role based approach instead of a grade based approach.
Leadership Competencies – Key Features

For each Leadership Competency, the framework provides all of the below:

• A definition of each competency
• Levels of sophistication, starting from a less complex behavior to the most sophisticated level of that competency
• Description of the key elements which make up the competency level

A pictorial representation is given below
Leadership Competency Framework
For ease of understanding, the Competency Framework has been depicted competency-wise.

Section 1:
This section depicts the Framework Competency-wise, where all the eight competencies are given along with the definition, behaviors at the four levels. The negative indicators are also given.

Purpose:
A quick reference for behaviors expected at all levels.

- Business Foresight
- Influencing Others
- Fostering Partnerships with Customers
- Quest for excellence
- Managing Transformation
- Driving Excellence
- Leading Teams
- Working Across Boundaries
- Building a high potential workforce
Business Foresight is about conceptualizing new opportunities by scanning the environment, challenging existing notions, and bringing in fresh thinking and insight.
## Business Foresight – Levels & Indicators

### Level 1: Seeks business relevant information
- Questions, collects routine information relevant to the business from multiple sources
- Keeps self updated about FSL business and understands impact on team
- Stays abreast with the developments in customers needs and new demands of customer

### Level 2: Links relevant information to business
- Demonstrates openness to new ideas and perspectives
- Scans the environment to identify new trends/best practices within or across industries that can be adopted by FSL
- Notices when a current situation is similar or dissimilar to a past experience and adapts approach accordingly
- Keeps abreast of developments in the competitor, client & partner organizations

### Level 3: Combines fresh thinking with past experience
- Undertakes systematic and formal research to gather information
- Analyses this information to generate new ideas or ways of working for the business.
- Combines past experience along with fresh thinking to resolve a problem (Adapts existing models, learnt concepts, understanding of best practices to current situation)
- Anticipates opportunities or future possible challenges

### Level 4: Creates new concepts
- Connects multiple data points/trends to see ‘the big picture’
- Provides professional insights with a long term perspective
- Creates new concepts that are not obvious to others in order to spot an opportunity, solve/explain a problem
- Estimates the future strategic impact of trends/decisions from a long term perspective

### Level 5: Creates game-changing strategies
- Demonstrates deep business insight that helps identify strategic opportunities for the business or shape industry practices
- Initiates a new line of thought altogether that ‘shifts the paradigm’ e.g., New creative solutions, business models, applications of process or technology that changes the way the business is done
- Develops strategies to mitigate anticipated challenges, takes steps to mitigates the possible “negative impact” of change or innovation to maximize benefits

### Contra/ Negative Indicators:
- Demonstrates limited understanding of the business context
- Does not think ahead – too absorbed in doing the task at hand
- Gets lost in the detail, fails to see patterns and trends
- Never challenges self or others to think “out of the box”
- Fails to leverage the value of learned theories or models
Driving Excellence is about improving performance, setting up challenging goals for self and team, taking calculated entrepreneurial risks to drive and create high performing teams.
Driving Excellence – Levels & Indicators

Level 1: Strives to do a job well
- Exceeds performance expectations and standards
- Completes task with rigor and thoroughness by paying attention to detail
- Respects and complies with set processes and guidelines
- Checks own work to ensure accuracy
- Takes responsibility and seeks feedback for self-improvement
- Raises concerns if there are inefficiencies with an intent to do better

Level 2: Improves team performance
- Challenges status quo and suggests improvements to existing ways of working
- Delves deep into the problem and identifies & prioritizes steps to solve them
- Sets and improves on processes in one’s own area of work (e.g., doing something better, faster, more efficiently)
- Monitors progress of work and seeks to overcome roadblocks
- Drives compliance to organizational processes
- Awareness of how daily work impacts bottom line

Level 3: Stretches performance boundaries
- Actively improves self and team by setting stretch goals, raises the bar with respect to existing standards of excellence and benchmarks
- Investigates and explores problems from multiple angles, identifies root cause/ potential effects and accordingly initiates action
- Creates a culture of improvement and encourages team members to suggest improvements
- Cognizant of bottom line impact during decision making

Level 4: Improves outcomes at a business level
- Conducts structured analyses (cost-benefit, RoI, Risk etc) while taking decision that impact bottom/top line
- Analyzes relationships among several parts of a problem and comes up with measurable action plans
- Institutionalizes the need to go beyond task-completion and focus on excellence (to drive discretionary effort)
- Evaluates innovative ideas and takes the relevant ones to closure

Level 5: Takes calculated entrepreneurial risks
- Sets long term goals for the business, based on a larger entrepreneurial vision by demonstrating entrepreneurial risk taking
- Implements novel concepts/ideas
- Creates structures, processes and closely monitors them to enable the achievement of strategy
- Takes ownership of novel initiatives by sponsoring them

Contra/ Negative Indicators:
- Complacent, satisfied with the status-quo
- Accepts mediocrity and inefficiency
- Lacks a balanced commercial focus while setting goals
- Does not seek performance feedback
INFLUENCING OTHERS

Influencing Others is about understanding others and the organizational dynamics and effectively using this understanding to get others to adopt own course of action.
Influencing Others – Levels & Indicators

**Level 1: States Intention to influence**
- Articulates own point of view clearly
- States intentions during team meetings but may not back it up with adequate data

**Level 2: Uses logic and data to persuade**
- Influences others through direct persuasion and by using data, examples and logical reasoning
- Is cognizant of the formal structure, chain of command, rules and procedures of the organization and follows these while communicating and influencing others
- Recognizes emotion by reading body language, facial expression, and tone of voice

**Level 3: Logical persuasion using multiple actions**
- Is flexible in changing one's strategy to adapt most effectively to the audience
- Uses multiple strategies to influence and drive desired impact
- Persuades by reading BOTH emotion (by reading body language, facial expression, and/or tone of voice) AND what the other person says about a business or other issue (the other person's explicit content that goes beyond labeling their emotions)

**Level 4: Calculates impact of actions & words**
- Anticipates & prepares the effect of an action or other detail on peoples' image of the speaker and takes well thought out (even dramatic) action to have specific impact.
- Understands the underlying needs, issues and problems of the stakeholders and their organizations. Using the above to adapt one's communication and influencing strategy
- Understands the informal structures, organizational constraints and culture that exist within the organization and uses that for influencing and driving impact

**Level 5: Uses Complex Influencing Strategies**
- Uses an in-depth understanding of the individual/group or context to develop an overall influencing strategy
- Uses indirect influence, builds “behind-the-scenes” support for ideas and form coalitions in order to achieve a desired outcome
- Identifies power-relations and power-centres in stakeholder organizations and nurtures such relationships to achieve desired impact

**Contra/ Negative Indicators:**
- Does not think of the impact of the words that he/she says
- Refrains from sharing their opinion
- Gives up, without trying when questioned or challenged
- Negatively influences stakeholders (about the company, team, projects etc...)
MANAGING TRANSFORMATION

Managing transformation is the ability to accept, communicate and adapt to change and work effectively within a dynamic environment.
# Managing Transformation – Levels & Indicators

<table>
<thead>
<tr>
<th>Level 1: Is Open to Change</th>
<th>Level 2: Seeks to understand the 'why' of change</th>
<th>Level 3: Flexible to work with change</th>
<th>Level 4: Creates commitment to change</th>
<th>Level 5: Leads transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Demonstrates willingness to change or modify ideas or perceptions</td>
<td>• Demonstrates willingness to change or modify ideas or perceptions</td>
<td>• Changes course as necessary to get a job done and/or meet company goals</td>
<td>• Define and express a vision for change</td>
<td>• Changes strategy by anticipating consequences of external market/internal business dynamics</td>
</tr>
<tr>
<td>• Maintains productivity despite uncertainty and/or changes</td>
<td>• Seeks to understand the rationale for change</td>
<td>• Aligns own actions with change initiatives</td>
<td>• Prepares the ground for change by challenging the status-quo</td>
<td>• Empowers others to serve as champions of change</td>
</tr>
<tr>
<td></td>
<td>• Seeks to understand the rationale for change</td>
<td>• Makes team members understand the &quot;why&quot; behind the change</td>
<td>• Remains composed even during ambiguous and uncertain situations</td>
<td>• Champions change by impactful delivery of the change message across forums</td>
</tr>
<tr>
<td></td>
<td>• Aligns own actions with change initiatives</td>
<td>• Re-iterates the change agenda during team meetings</td>
<td>• Motivate the teams/managers about the change vision through formal and informal conversations</td>
<td>• Calculates impact of a change and changes tactics accordingly (E.g.: Change in the operating model of a customer)</td>
</tr>
<tr>
<td></td>
<td>• Makes team members understand the &quot;why&quot; behind the change</td>
<td></td>
<td>• Proactively identifies and highlight potential roadblocks to change</td>
<td>• Mitigates obstacles or resistance to change</td>
</tr>
</tbody>
</table>

**Contra/ Negative Indicators:**
- Is closed to changes
- Panics in a crises triggered by external environment
- Misses short-term opportunities
- Lets problem escalate

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The ability to deliver outstanding service to customers and forging long term partnerships leading to desirable customer outcomes customer loyalty, repeat businesses, referrals and an overall growth in account size.
## Fostering Partnerships with Clients – Levels & Indicators

<table>
<thead>
<tr>
<th>Level 1:</th>
<th>Level 2:</th>
<th>Level 3:</th>
<th>Level 4:</th>
<th>Level 5:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes personal responsibility for customer satisfaction</td>
<td>Takes personal accountability for team’s performance</td>
<td>Proactively enhances client’s experience</td>
<td>Addresses underlying needs of client</td>
<td>Builds the position of a trusted advisor to client</td>
</tr>
</tbody>
</table>

**Level 1:**
- Monitors and checks own metrics on end customer satisfaction
- Takes personal responsibility to correct end customer service related problems promptly
- Interacts with utmost courtesy
- Maintains clear communication regarding mutual expectations
- Improves customer experience by passing on relevant feedback to other teams

**Level 2:**
- Identify recurring patterns of customer related issues
- Highlights the impact of customer satisfaction to the team
- Connects with the client occasionally beyond work to strengthen the relationship
- Promptly escalates difficult customer related issues to the relevant stakeholder for prompt closure

**Level 3:**
- Understands the client’s business needs and accordingly, recommends appropriate approaches/product modifications
- Helps when the client is going through a challenging situation, e.g., makes extra effort, spends additional time, involves others to help the customer, helps customer solve internal issues
- Proactively anticipates roadblocks to customer satisfaction and adapts to their resolution
- Makes a conscious effort to build rapport with the customer and by virtue of this rapport, has easy access to them

**Level 4:**
- Thinks with a long term perspective in addressing customer requirements
- Seeks information about the underlying issues of the customer, going beyond what was expressed
- Builds and maintains strong networks within the customer’s organization
- Anticipates future needs of the customer and thinks of new ways to align offerings with future customer needs
- Works to re-build customer relationships that have gone through difficult times

**Level 5:**
- Builds an independent understanding of the customer’s needs and based on this understanding, makes appropriate intervention. May even push the customer to confront difficult issues
- Becomes closely involved in the customer’s internal decision making process
- Institutionalizes partnership mindset in FSL to create strong alliances and business benefits
- Makes or sustains strong long term relationships with key stakeholders

**Contra/ Negative Indicators:**
- Does not respond to the customer in a timely manner
- “Inward-looking” – does not display a good external mindset
- Sacrifices customers’ needs to serve own personal agenda
- Shows reluctance to tailor product/services to meet customer needs
LEADING TEAMS

Ability to provide the team/organization with direction and support necessary to succeed in an ever changing business context and aligns the individuals to the larger purpose.
## Leading Teams – Levels & Indicators

<table>
<thead>
<tr>
<th>Level 1: Manages the Team</th>
<th>Level 2: Enables superior performance</th>
<th>Level 3: Augments team commitment</th>
<th>Level 4: Inspires team towards a common purpose</th>
<th>Level 5: Builds and institutionalizes the desired culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sets goals and gives detailed instructions or demonstrations</td>
<td>• Plans ahead of time and monitors team’s adherence to plan</td>
<td>• Takes accountability of success/failures of the teams below</td>
<td>• Creates a compelling vision and a ‘common purpose’ that inspires people to go beyond and create value for the organization</td>
<td>• Contra/ Negative Indicators:</td>
</tr>
<tr>
<td>• Sets norms and limits with respect to behaviors and performance</td>
<td>• Delegates appropriately</td>
<td>• Obtains necessary resources, trainings or information to ensure that the team functions optimally</td>
<td>• Creates a climate of high performance to bring out discretionary effort</td>
<td>• Fails to set clear objectives for team members</td>
</tr>
<tr>
<td>• Monitors and follows up performance of the team</td>
<td>• Provides clarity of roles and responsibilities to the team</td>
<td>• Resolves conflict by taking appropriate timely action</td>
<td>• Creates a leadership pipeline with a futuristic perspective aligning to the strategic vision of FSL</td>
<td>• Does not provide a unifying goal and the steps to achieve the same</td>
</tr>
<tr>
<td>• Provides regular feedback to the team/individual</td>
<td>• Identifies gaps in behavior and performance of the team and investigates issues</td>
<td>• Creates opportunities for individuals/teams to demonstrate their strengths</td>
<td>• Identifies and builds second line of leaders by providing holistic development opportunities going beyond functional feedback</td>
<td>• Appears reluctant to share negative feedback/ take non performers to task</td>
</tr>
<tr>
<td>• Gives developmental feedback and enables opportunities for learning and development</td>
<td>• Provides development feedback and enables opportunities for learning and development</td>
<td>• Leads by example, role-models high performance for the team to follow</td>
<td>• Helps teams connect tasks/goals to the higher purpose</td>
<td>• Promptly intervenes to take corrective action in case of dip in performance</td>
</tr>
<tr>
<td>• Builds team cohesiveness. E.g., team outings etc.</td>
<td>• Mentors individuals by understanding underlying motivations (going beyond work life)</td>
<td>• Helps teams connect tasks/goals to the higher purpose</td>
<td>• Creates a compelling vision and a ‘common purpose’ that inspires people to go beyond and create value for the organization</td>
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<td>• Promptly intervenes to take corrective action in case of dip in performance</td>
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WORKING ACROSS BOUNDARIES

Recognises the interdependencies across different parts and appreciates the benefits of collaborative working across the organization
Working Across Boundaries – Levels & Indicators

**Level 1:** Works amicably with others
- Willingly participates in team processes and supports team decisions and is a "good team player"
- Respects organizational norms and behaves appropriately
- Treats others with respect and dignity even in case of conflict
- Shows respect for people from different cultural backgrounds

**Level 2:** Accepts and works with interdependencies
- Recognize interdependence of own job and those of others
- Remains unbiased with diverse people in the team
- Proactively reaches out to support others and volunteers when needed
- Shares relevant and useful information freely with others
- Seeks to find common ground with others on points of disagreement and willing compromises on non-critical issues

**Level 3:** Proactively fosters collaboration
- Evaluates the impact that one’s own decisions might have on another department
- Makes self/team fully available when other teams are undergoing a challenge or crisis situation
- Genuinely solicits and values others’ inputs
- Demonstrates willingness to learn from other teams and individuals
- Understands different cultures and imbibles that into the ways of working
- Discourages ‘we vs. they’ thinking

**Level 4:** Actively works to break the silo mind-set
- Publicly credits peers who have performed well
- Brings conflicts in the open and encourages/facilitates a beneficial resolution
- Works to remove organizational barriers through collaboration and teamwork
- Creates structured forums for collaboration and innovation
- Works across boundaries for shared success, finding opportunities for synergies and cross-selling
- Continuously shares best practices and inspires the team to do the same, across the functional/BU boundaries

**Level 5:** Works towards a ‘one FSL’ identity
- Protects and promotes group’s reputation in front of others
- Builds a ‘one FSL’ culture for the organization to follow. E.g.: creating symbols of group identity or other actions to build cohesiveness
- Puts enterprise first while making business decisions – acts as an enterprise leader than just a department head
- Ensures effective collaboration irrespective of cultural differences, diversity and other boundaries

**Contra/ Negative Indicators:**
- Agrees to team decisions, but then acts unilaterally
- Does not cooperate - does not share information or resources within his/ other teams
- Works in a silo – thinks of own/own team’s objectives as being more important than the overall organization’s goals
- Does not support other departments in a timely manner
Annexure
Frequently Asked Questions (1 / 5)

1. What are Competencies?

Competencies are observable knowledge, skills and abilities defined in terms of behaviors, that through consistent display, result in successful job performance. Competencies are vital for a business to meet the vision and mission of the organization.

- Knowledge - Is a body of information applied directly to the performance of a function
- Skill - Is an observable competence to perform a learned act
- Ability - Is competence to perform an observable behavior or a behavior that results in an observable product or service

2. What is the difference between a competency and a behavior?

Competency is a combination of knowledge, skills and abilities, while behavior is the application or manifestation of competencies in the form of observable acts. These acts produce a desired output i.e. product and service and when consistently displayed yield superior results.

3. What are the kinds of competencies?

Competencies can be defined into the following two types:

Behavioral Competency: Describes the non-technical competencies that apply to all jobs. These competencies are generic in nature and are often shared by people across the organization. They reflect the values of the organization and describe its working culture e.g. Customer Orientation, Communication, Teamwork and Planning & Organizing.

Technical Competency: Includes the skills, abilities and behaviors that are required when applying specific technical knowledge on the job. E.g. for IT - Application Development Support and Maintenance, Database Design and Management and Security/ Information.

In other words, behavioral competencies are abilities and characteristics that help people make the most of their technical competencies on the job.

4. Can competencies be learnt?

Yes, competencies can be learnt. Generally, the earlier in life competencies are learnt, the better. This is because growth potential is higher in early life and progressively declines with age. However, interventions such as mentoring, coaching, on-the-job training, observation and training workshops help in acquiring competencies. Competencies once learned needs to be maintained through consistent performance.
Frequently Asked Questions (2 / 5)

5. Why is a competency framework/model important?

The model is important because it helps in achieving the vision and mission of the organization and provides a "road map" for the range of behaviors that produce excellent performance. It helps:

• Companies "raise the bar" of performance expectations;
• Teams and individuals align their behavior with key organizational strategies;
• Each employee understands how to achieve expected performance standards;
• HR department is able to create an Integrated Human Resource practice.

6. How does a competency framework create an "Integrated Human Resource Practice"?

Organizations are using competencies in virtually every human resource domain. Competencies form the criteria that can be applied to each of the human resource practices shown below:

Integrated Human Resource Practices

7. What are the benefits of implementing a competency-based approach to developing professionals?

For The Company, competency-based practices:

• Reinforce corporate strategy, culture, and vision;
• Establish expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction, and better employee retention;
• Increase the effectiveness of training and professional development programs by linking them to the success criteria (i.e., behavioral standards of excellence);
• Provide data on development needs that emerge from group and/or organizational composites that are an outcome of multi-rater assessments;
• Provide a common framework and language for discussing how to implement and communicate key strategies;
• Provide a common understanding of the scope and requirements of a specific role;
• Provide common, organization-wide standards for career levels that enable employees to move across business boundaries.
Frequently Asked Questions (3 / 5)

For Managers, competency-based practices:

• Identify performance criteria to improve the accuracy and ease of the hiring and selection process
• Provide more objective performance standards
• Clarify standards of excellence for easier communication of performance expectations to direct reports
• Provide a clear foundation for dialogue to occur between the manager and employee about performance, development, and career-related issues

For Employees, competency-based practices:

• Identify the success criteria (i.e., behavioral standards of performance excellence) required to be successful in their role
• Provide a more specific and objective assessment of their strengths and specify targeted areas for professional development
• Provide development tools and methods for enhancing their skills
• Provide the basis for a more objective dialogue with their manager or team about performance, development, and career related issues

8. What is the business impact of competency-based systems?

Often leadership programs or performance development interventions are seen as important, but focused on "soft skills" that may not affect business results. One of the most important developments in human resources is the clarification of the "business value" of key programs. Some of the measurable benefits of competency-based performance development are listed below. These kinds of impacts improve talent levels, save money, and improve business performance.

Specific Improvements Related to Using Competency-Based Systems:

• Rate of hiring successful candidates
• Retention of desired employees
• Morale as measured in employee surveys
• Goal completion by individuals and teams

9. How are employees assessed on competencies?

Employees can be assessed through the interventions/tools such as assessment centers, 360 degree feedback, performance management system and behavioral event interviews.
Frequently Asked Questions (4 / 5)

10. How can competencies be used in a coaching/self-assessment process and tool?

Competencies can be formatted into a coaching/self-assessment tool that allows employees and/or managers to rate competencies for performance level and degree of importance, and to provide evidence (e.g., noting specific accomplishments or evidence of potential performance problems) to support their ratings.

11. What are the advantages of using this coaching and self-assessment tool?

The primary advantage of this assessment tool is that it can be used in the course of day-to-day activities.

- Managers may apply it to assess overall performance (e.g., as an adjunct to an appraisal), conduct a dialogue comparing ratings with a direct report, or to focus on one or more competencies in a short coaching session. Individuals can apply it as an observation checklist to evaluate role models, as a quick method for personal assessment, or as an ad hoc multi-rater tool (by soliciting inputs from managers, colleagues, etc.).

- Teams can use it as a vehicle to introduce the concept of competency standards and to determine total team strengths and vulnerabilities.

12. How are competencies assessed through a 360° assessment program?

The 360° assessment tool enlists a range of individuals with different perspectives (e.g., manager, peer/customer and direct reports) as well as the participant to rate performance against the competency behaviors in a profile. Data is collected using an IT-enabled application. The individual’s assessment data is then processed and a feedback report is generated online for each individual. The report outlines the individual’s strengths and development needs, which can be used as an input for personal development and planning.

13. How are 360° assessments related to performance management?

360° assessments are an excellent early application of competencies since it focuses on required standards of excellence and provides positive, helpful input. After performing 360° assessments, many organizations imbed competencies in the coaching and performance appraisal process as a logical next step. This sequencing of applications helps individuals become aware of and committed to the new standards prior to being evaluated against them.
14. How does performance management work in a competency-based system?

Ideally performance management is positioned as a process comprised of steps that include planning, managing, evaluating and rewarding performance. It is an ongoing process which aligns and integrates the objectives of the organization, business units, teams and individuals of which competencies are the engine.

15. Can competencies be tied to compensation (e.g., base pay or incentive pay)?

Most often competencies are not tied to compensation. However, many organizations are beginning to include competencies in both the appraisal process and pay decisions. Approaches range from informal influence to specific, calculated approaches.

16. How does such a competency-based system influence pay?

More often than not, competencies are used with other factors to narrow the range of appropriate pay. Most companies reward both competencies and results, though the mechanisms for doing this vary from organization to organization depending on their philosophy and practices around rewards and recognition.

17. Do competencies influence promotion decision?

Yes. The potential of a person can be ascertained by assessing the individual on the competencies needed for a higher role. This helps in determining the promotion capability of an individual.
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