



AMA RESEARCH
STRIVING FOR EXCELLENCE
Mastering the Skills that Drive Performance

AMA | **GLOBAL**TM
American Management Association

Executive Summary

Building on its previous research, AMA surveyed over 2,000 professionals, at all organizational levels, across more than 20 industries. These individuals self-assessed their skills associated with four domains of professional competence: business acumen, analytical intelligence, relationship management and professional effectiveness. In each domain, an average of 73% of individual contributors, managers and leaders, indicated that they lack mastery of crucial skills, ranging from financial analysis to conflict resolution. Mastery is defined as excellence in a skill, behavior, or competency. This document details the specific strengths and challenges that professionals identified for themselves, and outlines the possible consequences for businesses if the challenges go unaddressed.





CONTEXT: AMA's Total Professional™ Competency Model

Professional Effectiveness

Professional effectiveness is the mastery of personal awareness and interpersonal skills, which enables individuals to manage themselves and communicate their brand and message.

Relationship Management

Relationship management is the ability to establish and maintain professional relationships in order to support strategic goals and a culture of trust and collaboration.

Business Acumen

Business acumen is the understanding of business operations at the financial, functional and strategic levels and the maintenance of a customer-focused approach.

Analytical Intelligence

Analytical intelligence is the application of systematic thinking, analysis, and data interpretation to support organizational objectives.

The domain of Professional Effectiveness is essential to the other three domains, which is why it is placed in the center of the model.

Having identified these key competencies, AMA next wanted to learn where professionals at all experience levels excel, and where they experience challenges in applying these skills.

Scope of This Research

Based on its Total Professional™ competency model, AMA asked: What are the major strengths and challenges faced by professionals at every level of today's organizations? AMA surveyed over 2,000 professionals, leaders, managers and individual contributors across more than 20 industries, ranging from finance to energy to manufacturing.

Participants completed a 35-item self-assessment, appraising their skills regarding Professional Effectiveness, Relationship Management, Business Acumen and Analytical Intelligence. Participants rated their abilities to perform specific skills, ranging from financial forecasting to conflict management, related to each of these four domains.

Each participant received a survey targeted at 1 of 3 levels. For example, individual contributors answered more basic finance questions than executives did. Respondents rated specific skills as unsatisfactory, fair, good or excellent. Respondents had the option to say that specific skills were not applicable to their current work or to indicate they were unsure of their skill level.

The respondents' ages ranged from 18 to 65+. The majority of respondents were women (72% of individual contributors; 71% of managers; 64% of leaders).

Respondents' tendency to over-estimate their skills and abilities on self-reporting surveys is well documented. Nonetheless, responses to this survey indicate self-awareness of significant skill gaps. While there is no way to correct for over-estimation in a one-time survey, it is reasonable to think that the skill gaps identified here are actually more prevalent than these statistics indicate.

As may be expected, individual contributors and managers identified more skill gaps than leaders. Leaders identified 4 skill gaps, while managers identified 15 skill gaps and individual contributors identified 10 skill gaps.

In the following pages, discover what this diverse but representative pool of professionals sees as its greatest strengths and challenges, and gain insights about ways professionals can overcome obstacles to consistently excellent performance. The findings are organized by role, beginning with individual contributors and concluding with leaders.



There is little variation among the types of skill gaps men and women identify. For instance, a stereotype might be that more women than men would identify skill gaps in the area of finance. However, 60% of both men and women at the individual contributor level identify finance as an area in which they need significant improvement.



In this study, age does not necessarily align with professional experience. A significant number of participants over 55 years old identified themselves as individual contributors.

Individual Contributors (0-5 years of experience): Macro View

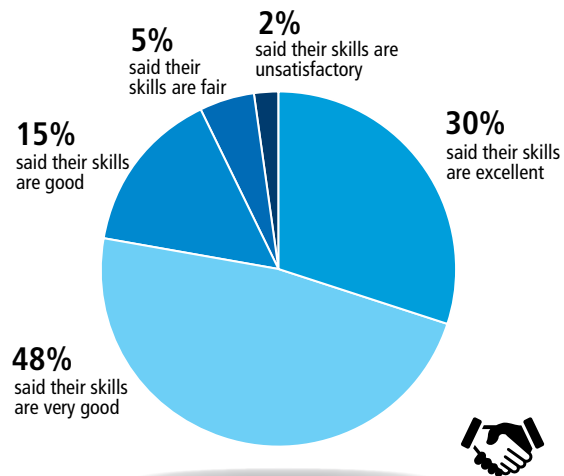
AMA asserts that excellent individual contributors communicate their message and brand; they manage time and priorities while being able to adapt to changing circumstances. These employees successfully build through collaboration and teamwork. High-performing individual contributors are able to receive feedback and constructively respond to it. These contributors understand the fundamentals of finance and project management. They execute a project plan based on customer needs. They are able to think critically and generate potential solutions to a problem.

Average ratings* across all domains:

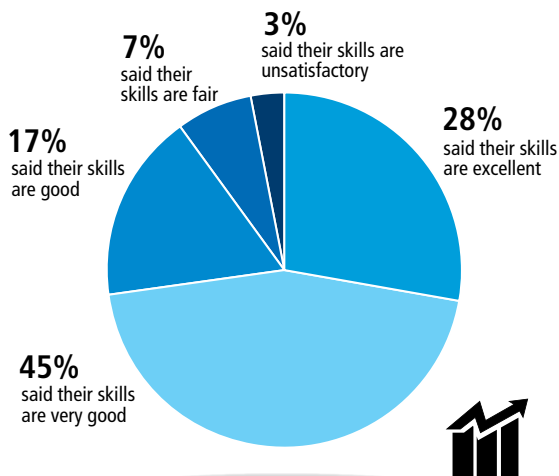
PROFESSIONAL EFFECTIVENESS



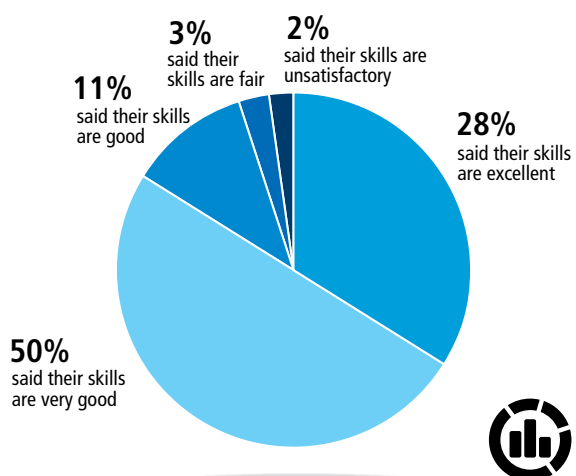
RELATIONSHIP MANAGEMENT



BUSINESS ACUMEN



ANALYTICAL INTELLIGENCE



*Total number of individual contributors surveyed is 688.



Individual Contributors (0-5 years of experience): Micro View

On average, only 30% of individual contributors have achieved mastery of skills associated with Business Acumen, Relationship Management, Professional Effectiveness and Analytical Intelligence. Significant proportions of individual contributors identified themselves as challenged by specific skills within each domain. Individual contributors identified 10 specific skill gaps.

Business Acumen—Finance

64%

Indicated that their understanding of the fundamentals of finance and accounting is less than excellent.

78%

Indicated that their ability to analyze a balance sheet is less than excellent.

66%

Indicated that their ability to interpret financial information is only good, if not fair or unsatisfactory.

0

100%

Business Acumen—Project Management

84%

Indicated that their ability to effectively manage setbacks in projects is less than excellent.

0

100%



Business
Acumen

Analytical Intelligence—Analytical Thinking

81%

Indicated that their ability to identify trends in data is less than excellent.

81%

Indicated that their ability to evaluate data to address information gaps is less than excellent.

80%

Indicated that their ability to identify trends in data is less than excellent.

0

100%

Analytical Thinking—Problem Solving

78%

Indicated that their ability to solve problems quickly and efficiently is less than excellent.

0

100%



Analytical
Intelligence





Professional Effectiveness—Communication

78%

Indicated that their ability to communicate clearly and effectively is less than excellent.

0

100%

Professional Effectiveness—Personal Brand and Image

71%

Indicated that their ability to project confidence and self-assurance at work is less than excellent.

0

100%

Professional Effectiveness—Time Management

73%

Indicated that their ability to create productive and realistic schedules is less than excellent.

0

100%

Professional Effectiveness—Adaptability

77%

Indicated that their ability to cope when things do not go as planned is less than excellent.

75%

Indicated that their ability to adapt to change is less than excellent.

0

100%



Professional
Effectiveness

Relationship Management—Building Relationships

78%

Indicated that their ability to manage disputes and disagreements in a positive manner is less than excellent.

0

100%

Relationship Management—Giving and Receiving Feedback

77%

Indicated that their ability to minimize defensiveness in giving and receiving feedback is less than excellent.

0

100%



Relationship
Management

BUSINESS IMPLICATIONS:

Individual contributors are often described as working on the “front line.” This military metaphor is apt, because individual contributors are often like the infantry: Just as the most brilliant strategy of a five-star general will not be accomplished if people on the front line are not properly equipped, the vision of an executive cannot be operationalized if individual contributors are not properly equipped.

The individual contributors participating in this survey made clear that there are parts of their roles for which they do not feel adequately equipped. This suggests significant future challenges for businesses. The individual contributors surveyed by AMA reported deficits in their fundamental knowledge of budgeting, accounting, and interpreting financial information. Consequently, they may not be able to implement the initiatives they receive from their managers and leaders.

The interpersonal skill gaps identified by those surveyed also lead to inefficiency. For example, respondents identify deficiencies in their ability to minimize defensiveness when receiving feedback and handling disputes and disagreements. These gaps may cause them to misdirect time and energy toward resolving interpersonal crises, rather than toward solving actual business problems. That almost three-quarters of respondents perceive they are not able to effectively schedule their work also suggests that many firms have challenges achieving their goals, no matter how well planned the high-level strategies and tactics are.

Concurrently, when individual contributors have limited abilities to communicate clearly and adapt easily to change—other gaps identified by participants in this study—large-scale quick shifts in strategy, required by today’s turbulent economy, cannot be implemented. Thus, efforts to keep a firm competitive start to disintegrate at the micro level, jeopardizing the existence of the firm itself.

Finally, without solid analytical reasoning skills, individual contributors are not able to effectively use the data that has become a dominant feature of the business landscape. Whether the data includes customer satisfaction reports, net promoter scores, or quarterly sales projections, individual contributors must have a rudimentary ability to see the implications of macro patterns for the tasks they complete on a daily basis. Achieving mastery of analytical thinking skills will allow them to do this.

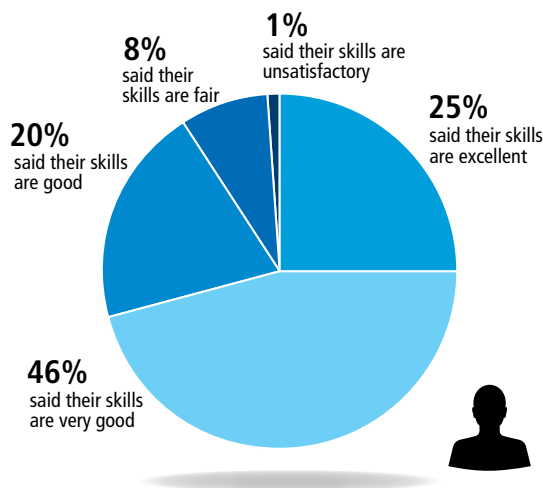
Managers (6-10 years of experience): Macro View

AMA maintains that excellent managers effectively communicate a clear message of expectations, goals, and vision. They are able to manage themselves and others by having a high EQ (emotional intelligence quotient). Professional excellence involves successfully managing relationships with other stakeholders through motivation, delegation, collaboration, and influence. High-performing managers foster a culture of teamwork and accountability by providing feedback and coaching for performance. They manage projects, finances, and talent to align to organizational goals. They think critically to translate abstract ideas into tangible action plans. They use data to make reasoned complex decisions.

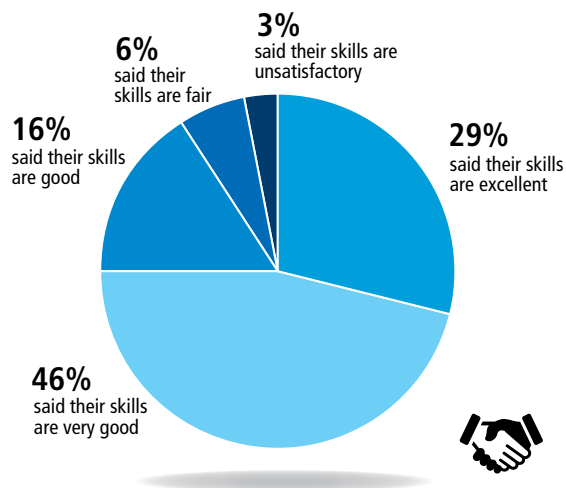
On average, 24% of managers rated themselves as "excellent" or as having mastered skills associated with all of the competencies across the four domains of AMA's Total Professional™ model. Conversely, about 76% of managers indicated they have not achieved mastery of the skills.

Average ratings* across all four domains:

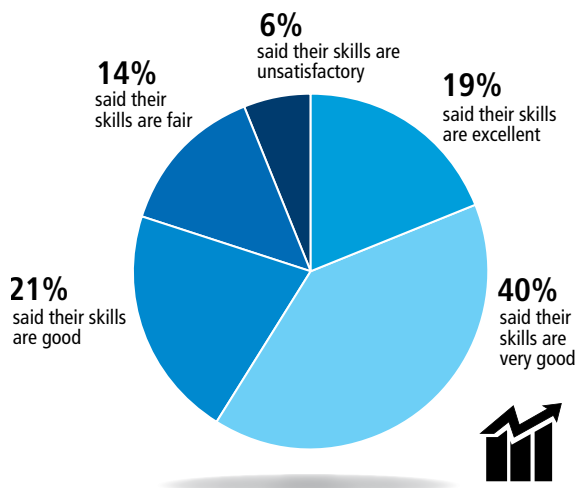
PROFESSIONAL EFFECTIVENESS



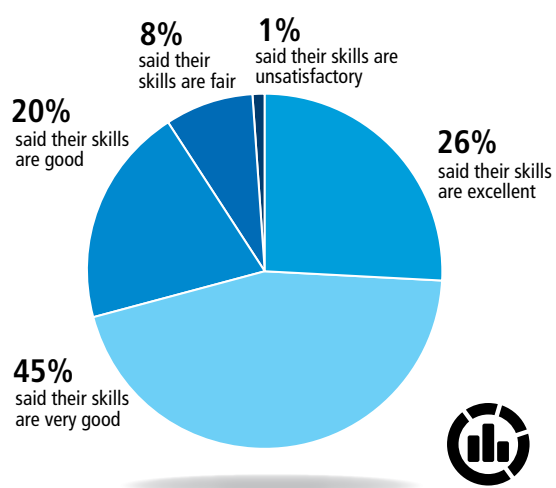
RELATIONSHIP MANAGEMENT



BUSINESS ACUMEN



ANALYTICAL INTELLIGENCE

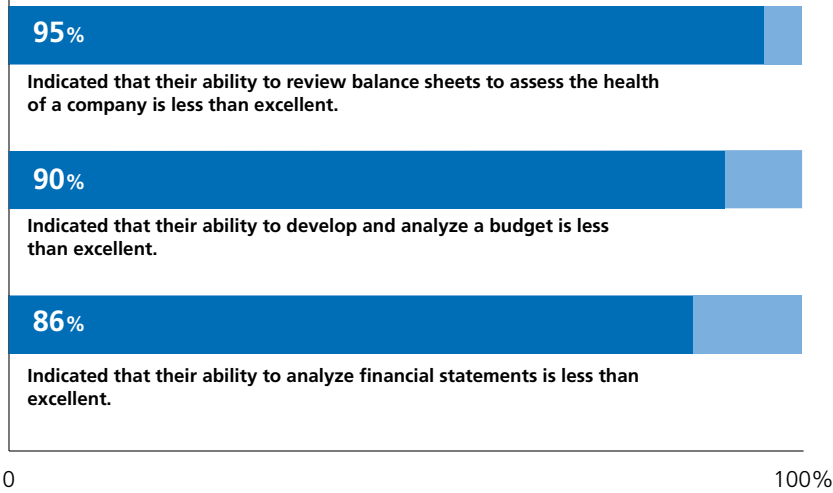


*Total number of managers surveyed is 579.

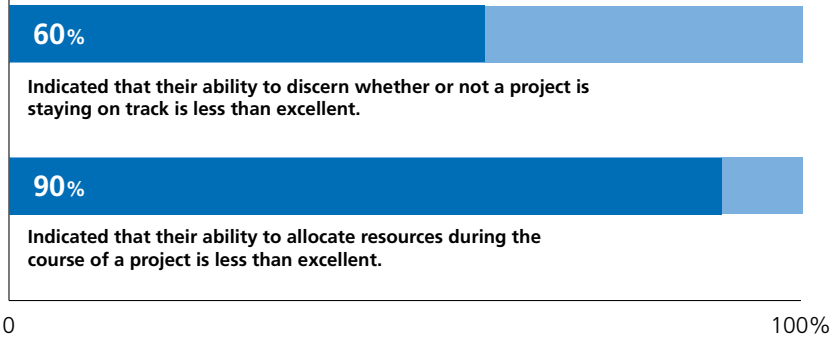
Managers (6-10 years of experience): Micro View

A significant proportion of managers identified specific abilities as only good, if not fair or unsatisfactory. Managers identified 15 specific types of challenges associated with each domain of AMA's Total Professional™ model.

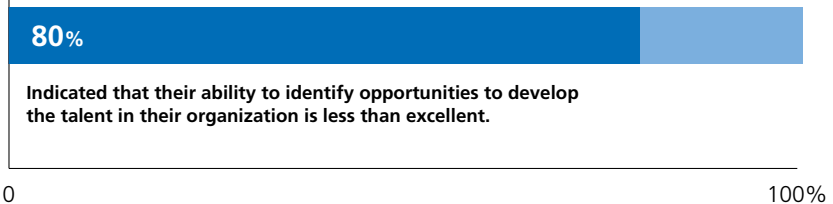
Business Acumen—Finance



Business Acumen—Project Management



Business Acumen—Talent Management



Analytical Intelligence—Mastering Data

88%

Indicated that their ability to use data in the development of strategy and action planning is less than excellent.

78%

Indicated that their ability to identifying patterns in quantitative data is less than excellent.

76%

Indicated that their ability to use data as a strategic asset is less than excellent.

0

100%

Professional Effectiveness—Communication

84%

Indicated that their ability to conduct critical conversations is less than excellent.

84%

Indicated that their ability to communicate change in a confident and effective manner is less than excellent.

0

100%

Professional Effectiveness—Conflict Management

86%

Indicated that their ability to identify the cause of an interpersonal conflict is less than excellent.

0

100%

Professional Effectiveness—Presentation Skills

78%

Indicated that their comfort with public speaking is less than excellent.

0

100%



Analytical Intelligence



Professional Effectiveness

Relationship Management—Influencing

84%

Indicated that their ability to influence others by first establishing their own credibility is less than excellent.

0

100%

Relationship Management—Performance Management

85%

Indicated that their ability to handle a difficult reaction when conducting a performance review is less than excellent.

0

100%



Relationship
Management

IMPLICATION FOR BUSINESS:

Despite today's disruptions and turbulence, many factors that have always made businesses strong—sound financial analysis, budget planning, and a working knowledge of accounting and finance practices—are still vitally important for an organization's health.

That such a large proportion of managers acknowledge they are challenged by the essential practices that make a business strong is striking. Given the turbulent climate, having a superior ability to assess financial health, and develop and analyze budgets, is crucial. So that their businesses not only survive, but thrive, it is vitally important for managers to achieve mastery of these skills.

Moreover, when managers cannot identify and cultivate internal talent, the talent moves to another firm. This increases costs related to hiring and creates a "brain drain," which reduces the organization's competitive edge. Likewise, the inability to communicate clearly and publicly undermines efforts to achieve goals and advance strategies. Achieving excellence in facets of business acumen, such as talent development and deliberate succession planning, is thus as crucial as achieving excellence in all areas of finance and analytical intelligence.



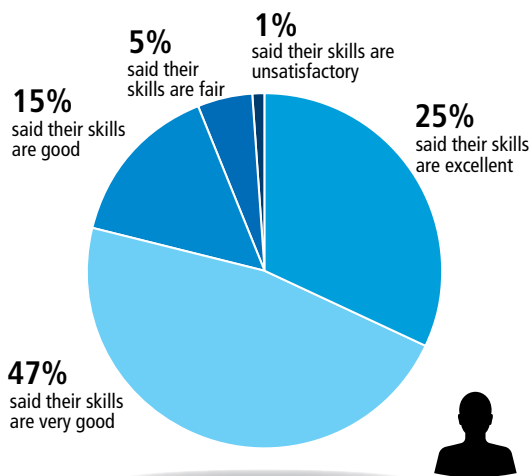
Leaders (11+ years of experience): Macro View

Based on its previous research, AMA has ascertained that leaders effectively communicate strategy and vision with confidence and optimism to inspire others. They adapt to internal and external changes and adjust their strategy for optimal results. High-performing leader builds a culture of respect, trust, and high performance that empowers others to excel. They influence stakeholders to support organization-wide initiatives. They create strategy informed by financial information. They analyze the business and identify innovative approaches to leverage opportunities and gain a competitive edge.

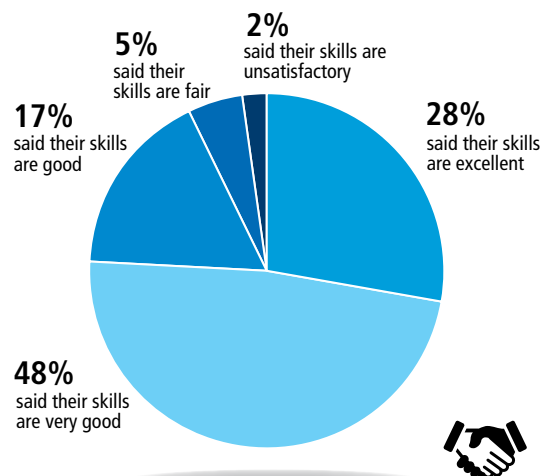
Regarding each of the four domains of AMA's Total Professional™ competency model, the largest proportion of respondents rated themselves as "very good." This suggests an opportunity to help them advance to mastery. Moreover, a significant proportion also identified specific skills, particularly in the domains of Business Acumen and Analytical Intelligence, as only good, if not fair or unsatisfactory. A number of leaders, then, would benefit from experiences equipping them significantly to enhance their Business Acumen and Analytical Intelligence skills.

Average ratings* across all four domains:

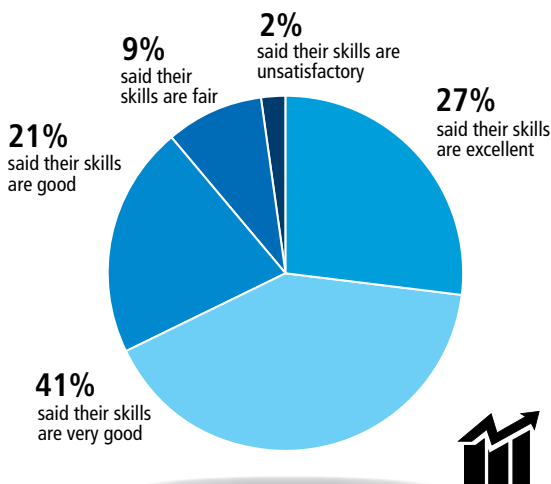
PROFESSIONAL EFFECTIVENESS



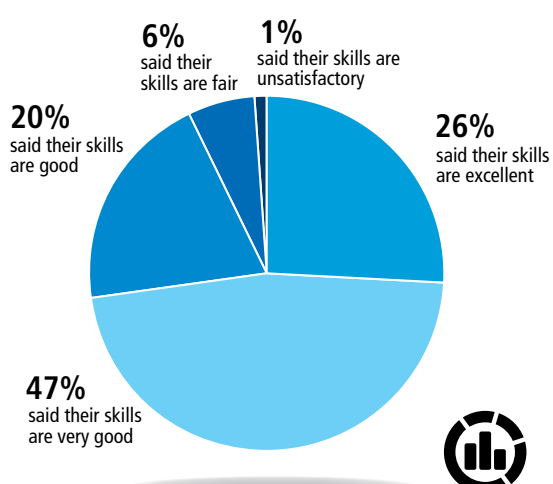
RELATIONSHIP MANAGEMENT



BUSINESS ACUMEN



ANALYTICAL INTELLIGENCE



*Total number of managers surveyed is 803.

Leaders (11+ years of experience): Micro View

Although the majority of leaders, on average, rated themselves as very good to excellent, significant proportions of them identified challenges related to specific skills associated with the Business Acumen and Analytical Intelligence domains of AMA's Total Professional™ model.

Business Acumen—Finance

91%

Indicated that their skills regarding organization-wide financial analysis are less than excellent.

0

100%

Business Acumen—Creating a sustainable and strategic vision

89%

Indicated that their skills regarding succession planning are less than excellent.

85%

Indicated that their ability to apply research and trend analysis to strategic business planning is less than excellent.

0

100%

Analytical Intelligence—Business Analysis

91%

Indicated that their ability to conduct market analysis to identify customers' needs and wants is less than excellent

0

100%



Business
Acumen



Analytical
Intelligence

BUSINESS IMPLICATIONS:

Academic researchers and popular business writers concur about the reality that high emotional intelligence and superior interpersonal skills are often the deciding factors for those promoted to leadership. It is no surprise, then, that leaders report excellent interpersonal skills.

However, excelling within a given organization is not the same as positioning that organization successfully against competitors. The results of this study suggest that, while leaders may possess the skills to climb the corporate ladder, they may be challenged by the more technical aspects of leadership related to business analysis and strategy.

In a business environment characterized by rapid innovation, change, and resultant disruptions, the ability to create strategy based on data, analysis, and informed forecasting rather than solely on intuitive or gut judgments is more important than ever. Strikingly, the executives in this study acknowledge that they are most challenged by the skills essential to keeping their businesses competitive in the 21st century's turbulent, global economy.

Author

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Conclusion

In the current globalized economy, in which the rate of change is faster than ever, being “very good” is not good enough to stay competitive. Consequently, “very good” may not be good enough to stay in business.

The most significant insight of AMA’s research may be the fact that approximately 75% of professionals, at all levels of organizations, across numerous industries, realize they lack mastery of skills essential both to their personal success and to the success of their firms.

The majority of participants in this study rate themselves as “very good,” falling short of mastery (and in rating themselves this way, they may be over-estimating their skill level). Moreover, large proportions rate themselves as far from obtaining mastery, even as deficient, regarding specific skills (both “hard skills” such as budgeting and “soft skills” such as conflict resolution).

Individual contributors and managers recognize that they need to significantly enhance their abilities to carry out the functions that have always sustained business, such as budgeting, change management, conflict resolution, and teamwork.

Leaders, while they have mastered the interpersonal skills required to rise to the top within a particular organization, recognize that they lack mastery of the skills required to keep their organizations competitive vis-a-vis other organizations and emerging sectors of the economy, skills such as trend analysis, forecasting and applying data to decision-making.

The situation highlighted by this research is not without remedy. With the right opportunities, individual contributors, managers and leaders can achieve mastery regarding all the skills associated with Professional Effectiveness, Business Acumen, Relationship Management, and Analytical Intelligence.

Excellence in all of these domains is not innate. By increasing their knowledge and practice of these skills, professionals at all levels can surpass “very good.” They can achieve mastery of the skills required to advance in their own careers and to insure the success of their enterprises in years to come.

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Contact us to find out how you can gain fact-based insights into the strengths and skill gaps of individuals and teams and not be a business that lets its talent challenges go unaddressed. Call 1-877-880-0264

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