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Competencies - The competitive edge through people (Part II)

Part I of this report - published last month - discussed what competencies are and what a competency based organization looks like. This part will transfer the competency approach into the HR arena.

Aligning Human Resources Processes

Having developed a competency model for the organisation, a whole range of possibilities is created for using the model across the full spectrum of Human Resource activities. A good starting point is to describe each job in terms of its key responsibilities and the necessary technical and personal competencies required to carry these out. By involving employees currently carrying out the roles and their line managers, an understanding of both the role of competencies and the actual competency model itself is increased. Such a process provides both clarity and a useful link for the interpretation of the organization's vision, strategy and values. It helps employees to understand their role.

The Competency Development teams at the U.S. manufacturing company mentioned earlier also described the requirements for the overall talent pool of their own profession while defining competencies required on-the-job.

Based on the company's vision and strategy and on the future perspective of their function, these teams defined in detail both generic and technical skills necessary to accomplish certain jobs. These teams identified developmental opportunities which gave job holders the chance to further expand their competency base through special on-the-job assignments. Teams were established with the expressed purpose of defining roles and competencies for: Engineering, Manufacturing, Finance, Purchasing, Communications, R & D, Human Resources, IT, Logistics, Marketing, Sales, etc. A sample of the output from the Manufacturing profession, relating to the position of Operations Engineer, is shown below.

| Sample Model - Operations Engineer | |
|---|---|
| Profession: | Engineering / Manufacturing |
| Sub-discipline: | Operations |
| Position: | Operations Engineer |
| Position Description: | Contribute to the Manufacturing Team satisfying production requirements by participating as a member of a Daily Support Team or Manufacturing Team |
| Generic Competencies: | <ul style="list-style-type: none"> - Analysis/Problem Assessment - Teamwork / Collaboration - Work management (Planning / Organising) - Adaptability - Safety Awareness - Computer skills - Process Improvement. |
| Technical Competencies: | <ul style="list-style-type: none"> - Knowledge/skills in DCS (Distributed Control Systems) - Knowledge of production capabilities - Knowledge of process unit ratios / yields - Basic equipment maintenance/repair - Process and Instrument Diagrams |

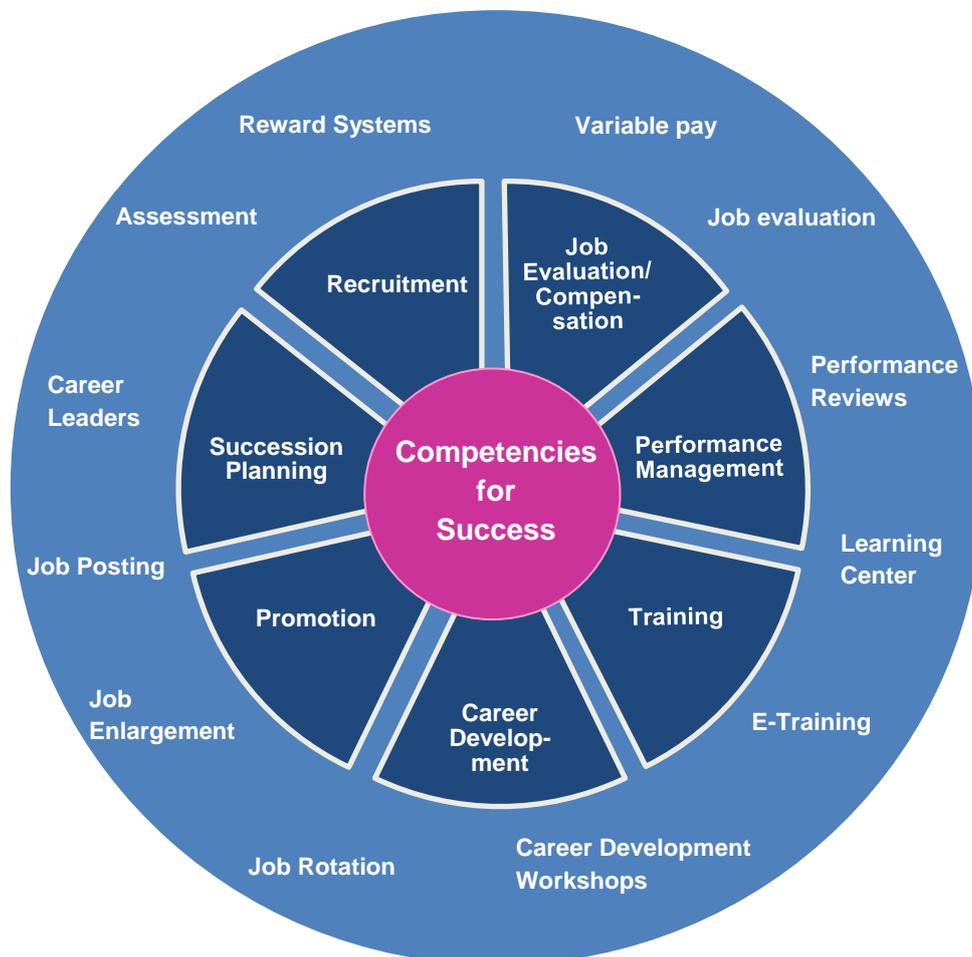
Following implementation of the competency based system these Committees remained operational to annually assess the model as well as the talent pool needed in each respective function.

Competencies Drive HR Processes

Once jobs are defined in competency terms, they can be used to provide consistency and fairness in recruitment and selection. Competency based interview techniques, for example, focus on what a candidate has actually done and how they went about it in prior work experiences. Such examples of achievement and behaviour are good indicators of future

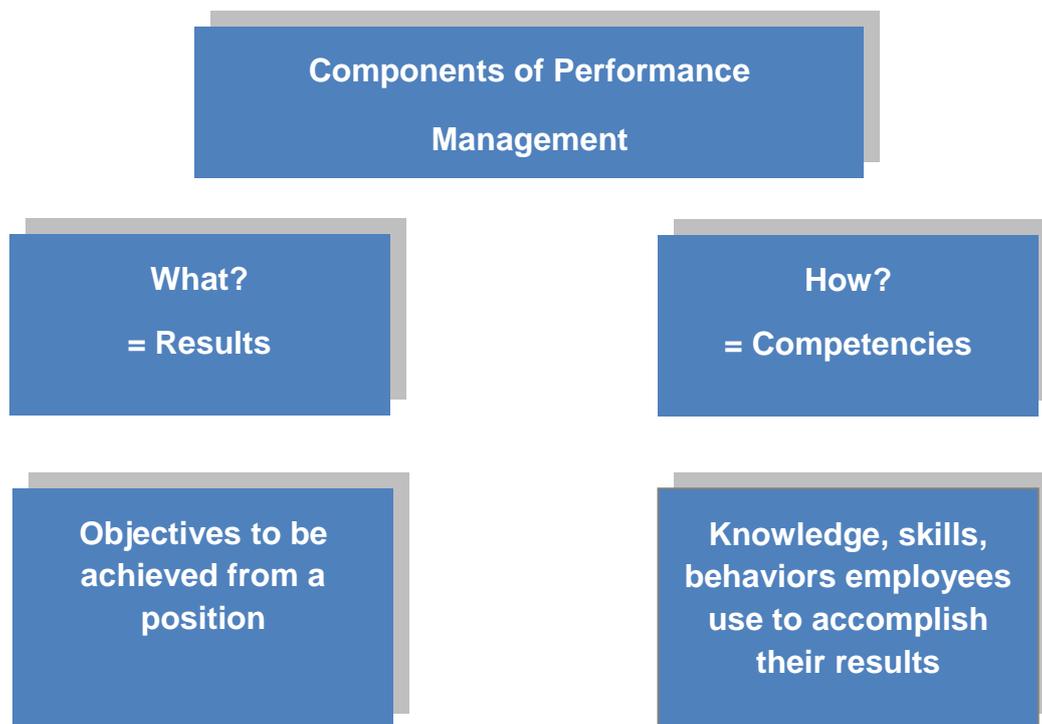
performance. Other assessment techniques, such as case studies or in-basket exercises, can test the technical and behavioural competence of candidates. The recruiting manager gathers evidence from each candidate and can make a well informed decision about the best qualified candidate for the job based not only on technical competence but on the personal “fit” of the individual within the organization’s culture.

Such an assessment approach is used very successfully in UK and US plant environments where teamwork is prevalent. Team members are involved in the recruitment process of production, maintenance and utilities operators starting with devising suitable exercises to test candidates’ technical competence, to making the final selection decision. This has the added benefit of the teams believing they have not only the best person to fill the vacancy in their team, but someone they feel will fit in and add value to their team. This is not a “gut feel” but based on evidence that has been collected during a rigorous assessment based recruitment process. The process is systematic, fair, evidence based and has proved successful in the recruitment of high quality individuals who quickly become integrated into their new work teams.



Having developed a competency model and used it to describe jobs and the recruiting process, competencies can then be used for assessment purposes. This can be done as part of the appraisal process or for development purposes only.

Where we have used competencies for performance management purposes, they have enabled us to more clearly define what needs to be measured and monitored. The competency model provides specific behavioural examples against which performance is measured, ensuring that both the what and the how are evaluated. They have also enabled us to build more consistency into our appraisal approach as each manager uses the same framework, the same language, looking for similar behaviour to appraise each employee. This is particularly important where the performance of each employee, including their behavioural competencies, is assessed and linked to reward systems (see graphic below).



In other areas, competencies have been used as the basis of development only discussions, enabling managers and employees to focus on the skills, knowledge and behaviours that have the most impact on effectiveness and ultimately to organizational success.

Whatever the approach, the purpose is to identify those areas of competency where improvement can and should be made. A competency model gives a common language whereby examples can be developed to explain what is meant by increased customer focus

or improved teamwork, and individuals know specifically what they need to do to develop further in their jobs and ultimately their careers.

In many companies self-development guides have been used for years, supported by a Learning Resource Centre. In addition, career development workshops can be offered. In both cases the emphasis is put on each individual employee to take responsibility and ownership for their own professional and career development.

Training, of course, is linked to development and courses can be developed to address specific areas of need. The competency model highlights the essential and important characteristics required in each organization. It therefore means that training and development can be aligned with organizational values and strategies and that training and development time and cost can be used in the most effective and efficient manner.

To achieve this goal a Learning Centre would organize training opportunities by competency cluster, providing easy reference to classroom, electronic or on-the-job training options designed to enhance specific competencies. It is understood that matching training resources to individual or group needs requires an assessment process to determine where each individual or group stands with regard to demonstrated competencies required in a particular job/function.

As competencies become a natural way of working within an organization, it becomes essential that the same approach be used at all levels, including when putting succession plans together. A competency model can clarify the skills, knowledge and behaviour of an executive position in the same way as any other individual contributor. It can be argued that the behaviour, and therefore personal competence, is of greater significance higher up in an organization, as top executives provide role models for the rest of the organization. When succession plans are being developed, existing decision-makers must focus on the same set of behaviour, attributes and skills that are described in the competency model. The model provides a method for assessing candidates' readiness for an executive position and can provide a valuable focal point for developing missing competencies. This approach can also be used for the selection of senior executives.

A competency-based succession planning process can be supported by development workshops. High potential candidates would attend career development workshops which simulate, through case studies, the type of activities that would typically a senior executive would be expected to handle. Existing executives, trained in assessment techniques, observe the participants and provide high quality feedback based on the competency model. From this feedback a participant is guided in developing their own plan to improve and strengthen their performance in key competencies. This process helps to assess a candidate's readiness for their next career move and provides them with invaluable, factual information on how they can develop themselves further.

Every aspect of HR can be strengthened by a sound competency model. Other areas in which we apply competency models include Upward Feedback for line managers and 360° (multi-rater) assessment for individuals and/or teams. We firmly believe that all HR processes could be improved significantly through the use of competencies.

Conclusion

Competency models are powerful tools for use throughout any organization. A model that is designed specifically for a company, will help interpret the organization's vision, strategy and values and help employees understand how they fit. When a competency model is thoroughly implemented in an organization, it translates the **Vision** into **Business Success** through a successful blueprint for action.

September 2010 - Roland Doeppner and Charles Walter

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