

**Competency Management:
The Foundation for High-Performing Organizations**
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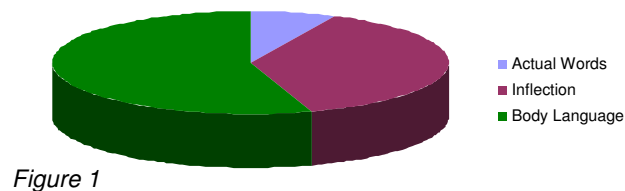
Introduction

Organizations cannot survive with them. Relationships cannot thrive without them. We do not feel alive without them. So, who are they? They are *people*, and with all their quirks and personality differences, people can cause success or failure in all relationships—whether personal or business related.

The outward expression of those mannerisms and differences are behaviors. Put another way, our knowledge, skill level, and abilities are manifest into observable behaviors that are often referred to as *competencies* in the business world.

Companies need a way to differentiate themselves from their competitors. Successful companies are filled with employees that have the requisite technical skills to complete tasks at or above expected levels. So what separates – what *differentiates* – one successful company from its industry’s leader? The answer lies in an employee’s level of proficiency in one or more competencies.

Consider the old adage, “I can’t explain it, but I know it when I see it”, or “I’ll believe it when I see it”. For those of you who have ever attended a communications skills class, you will remember being shown the “communication pie,” in Figure 1.



The graphic above represents the manner in which most verbal communication takes place. The majority of communication occurs merely through body language. This could be through facial expressions as you talk, how you stand, or the gestures you make. The second area where most communication takes place is through inflection, or vocal tone. Think about how you can give a single word or phrase multiple meanings just by how you stress parts of it or the tone in which you say it. Perhaps surprisingly, the actual words we use convey very little of the message we are trying to get across.

In light of this, regardless of what an individual says, chances are people will believe the behavior he/she is exhibiting. Considering the difficulty in quantifying and/or qualifying behaviors, how can organizations become effective at rating behaviors? The first step is to address the term *competency*.

Defining Competencies

The combination of an individual’s knowledge, skill, and ability – manifested in demonstrated behavior – is often referred to as a *competency*. It is a term that’s become quite common in business today. Competency profiles, competency models, and competency matrices are all attempts to define what success looks like. This is no easy task, however. Ask a dozen people to describe the term competency and you will get at least a dozen different responses. In addition, this term is also used to describe technical expertise. So does the term competency mean a behavioral expression of knowledge, skills, and abilities, or technical expertise? The answer is “both”.

The goal is to identify and objectively define those behaviors – whether technical or professional – that are essential to an individual’s success. Objective definitions allow for more effective performance and development discussions and provide an additional data point for succession planning, employee progression, etc. Figure 2 is an example of a behavioral competency profile entry.

Competency	Definition	Descriptor
Contributing to Team Success	Actively participating as a member of a team to move the team toward the completion of goals	> Makes procedural or process suggestions for achieving team goals or performing team functions; provides necessary resources or helps to remove obstacles to help the team accomplish its goals
		> Listens to & fully involves others in team decisions & actions; values & uses individual differences & talents
		> Shares important or relevant information with the team
		> Adheres to the team’s expectations & guidelines; fulfills team responsibilities; demonstrates personal commitment to the team

Figure 2

Including descriptors in the profile – along with the definition – further defines the competency and allows managers to more objectively assess an employee’s behavior.

A complete competency profile, that is, one that includes technical and behavioral competencies, is one of the best ways to define the organization’s expectations of its employees. Should a company decide to create a competency profile, the following should be included:

- Overview of position
- Technical skills required, along with their definitions
- Expected proficiency by level, along with descriptors
- Professional behaviors required, along with their definitions
- Expected proficiency by level, along with descriptors

The more complete the competency profile, the more objective it becomes which, in turn, allows for more effective assessments.

The Purpose of Competency Management

As mentioned earlier, all-inclusive competency profiles allow for effective assessments, whether assessing performance, capability, or potential. However, if not managed properly, this data can become unwieldy. The answer is to create a methodology and put competency management processes in place across the organization.

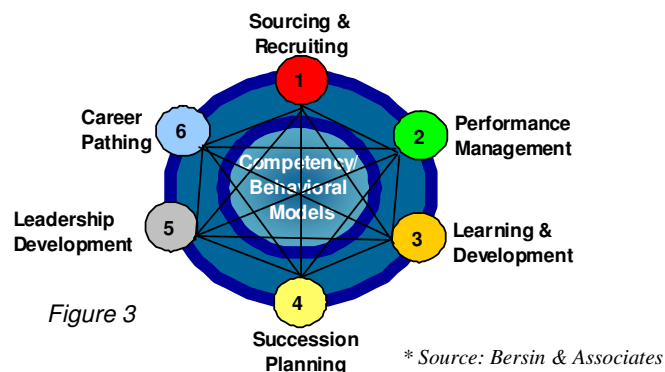
The purpose of creating a process and methodology for managing competencies is three-fold:

- Ensure consistency in competency definitions
- Establish alignment with current and future business strategies
- Seamlessly integrate with other people development initiatives

A single-source repository is the best method for ensuring enterprise-wide consistency. This ensures that *driving for results* is similarly defined in Accounting as it is in Operations. The specific tasks/activities related to the competency will naturally be different, but the foundational definition remains consistent.

The Benefits of Competency Management

In addition to previously mentioned benefits, another benefit is that the various people development initiatives won't be viewed as stand-alone, disjointed activities. Managing a standard process for creating and using competencies provides a common thread throughout these initiatives. Figure 3 provides a visual representation of this thread*.



More importantly, employees will clearly understand the association between organizational/departmental strategies and the goals and behaviors for which they are being held accountable.

A Competency Management process also removes the guesswork for managers when establishing expectations and providing feedback to employees. If an employee's performance doesn't align with the competency definition and descriptors, he/she does not meet expectations. If the competency definition and descriptors accurately describe an employee's performance, he/she meets expectations.

Finally, if an employee's performance clearly goes beyond the competency definition and descriptors, he/she exceeds expectations. Such objectivity in a subjective arena could not be possible without a consistent and standardized approach to competency management.

Implementing Competency Management

Initiating a competency management approach where one has not previously existed must be done with care and deliberation. Suddenly introducing behaviors – not to mention the intent to measure an employee against those behaviors – is sure to cause much fear related to change ...not to mention a bit of skepticism.

Communication, early and often, is imperative. Linking the intent to use competencies to organizational and departmental strategies adds credibility.

Employees also need to know the following:

- which competency profile will be used
- how the profile will be used
- how using a profile will benefit them professionally
- competency definition and descriptors
- rating system being used, along with its description/definition

Using a phased approach is the best method for introducing competency profiles. Figure 4 suggests such an approach.

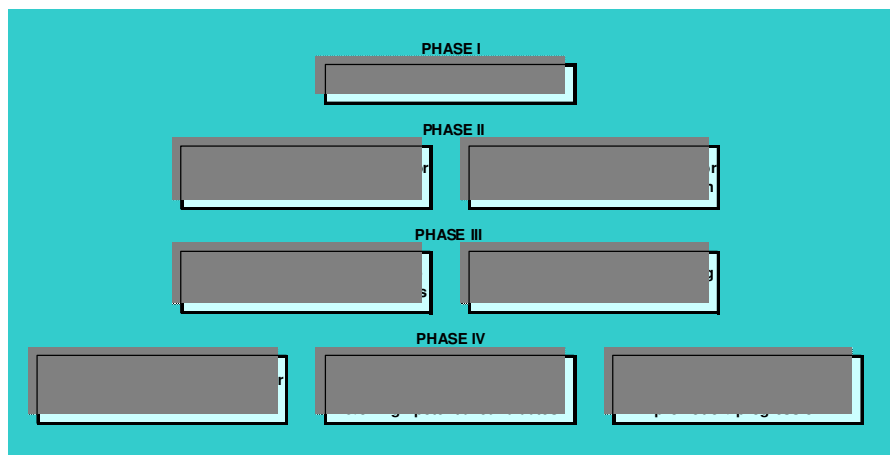


Figure 4

The speed with which an organization implements each phase depends upon its' employees familiarity – and comfort level – with competencies. It cannot be stressed enough the importance of developing a communication plan and rolling it out in conjunction with the implementation of each phase.

Conclusion

This paper has outlined the various considerations of implementing competency management within an organization. Employees must understand 1) how competencies will personally benefit them, and 2) how the effective use of competencies can create differentiation between their organization and the competition.

Managers must understand that competency management is not just another *HR scheme*; rather, they need to view competency management as a business imperative. No longer will companies be able to solely rely on technical competence to create a competitive edge. If their employees – the *people* – are not prepared to drive the organization forward with both operational and performance excellence, that organization will not survive, thrive, or stay alive.