



ORGANIZATION
SYSTEMS
INTERNATIONAL

**CONSTRUCTING
AND
IMPLEMENTING
A
COMPETENCY MODEL**

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THE CONCEPT OF COMPETENCIES

The term *competency* is used to describe a set of behaviors that reflect a unique combination of knowledge, skills, abilities, and motivations associated with exceptional performance in an organizational role. A competency model refers to a complete set, or collection, of different competencies.

Listening Competence is an example of a competency usually found in organizational competency models. The definition of *Listening Competence* includes *behaviors* such as eye contact, head nodding, verbal affirmations, and accurate paraphrasing or summarizing. How well one exhibits effective *Listening Competence* depends upon *knowledge* about listening, *skill* in using these listening behaviors, and the *motivation* to listen (*do I value other people's opinions?*).

Complete competency models provide an essential, integrating, framework that provides the foundation for a variety of human resources processes.

THE COMPETENCY MODELING PROCESS

The process used by OSI to develop competency models is based on the professional standard and is legally defensible. There are five major steps.

1. **Internal document and literature review** – research is conducted to identify existing internal models and external “benchmark” models that may exist for the role in comparable organizations.
2. **Interviews and/or focus groups** - interviews are conducted with high performing individuals to identify the knowledge, skills, and abilities they possess that set them apart from the rest of the organization. A significant portion of this phase is dedicated to soliciting examples of effective and ineffective performance or stories, which are later used to provide “real life” illustrations of the competencies in use. For example, the following story was provided by a high performing company executive as an example of a “personal best”:

“I inherited a group of factories that were being milked for profit but needed dramatic investment. They were dirty and disorganized. I took pictures and compelling financial case to New York (Corporate HQ) and convinced the board we needed the investment. (It helped that I had blown up the pictures of these “rust belt” factories and posted them around the boardroom). I convinced them. After getting the needed resources I took the current management teams of the factories on a field trip to a sister division in Scandinavia. This group of factories was clean and efficient. I meant this to be a trip to the future! It worked. We now run a model, profitable group of factories.”

This anecdote (with many more like it) is analyzed for the *competencies* present in this executive that resulted in this successful turn around.

During this phase, electronic meeting technology is sometimes used to facilitate and expedite data collection. This technology allows the conduct of up to 10 interviews simultaneously.

3. **Prototype dictionary** – from the first two phases a master list of competencies, a prototype competency dictionary, is developed.
4. **Competency validation** - the prototype competency list is converted to questionnaire format and coded according to the relevant demographics of the organization. The questionnaire is typically administered to a representative sample of the population. Respondents are asked to rate how essential each competency is to successful performance within the organization (from “not necessary” to “absolutely essential”). The results are statistically analyzed to validate each competency. This strategy, called “content validation” is an accepted industry practice for defending the validity of a specific competency model.
5. **Executive review** - the validated competency model is presented for review, discussion, and approval. The model is tested against the organization’s future vision to ensure it drives behavior toward the organization’s preferred future state.

Competency models can be presented to the organization in a variety of ways. Organizations print dictionaries, card decks, one-page summaries (“quick guides”), and distribute their models electronically via the inter- or intranet.

Application

Once validated, models find life through supporting essential human resources processes, including:

- **Staffing:** models serve as criteria for hiring, promotion, and succession planning.
- **Performance Management:** competencies help define roles and provide the framework for assessing the knowledge, skill, and motivation of a job incumbent.
- **Training & Development:** competencies become training objectives, or individual learning goals in the context of career planning and professional development.

Success Factors In Implementation

OSI's experience with organizations that have implemented successful competency models suggests the following common factors:

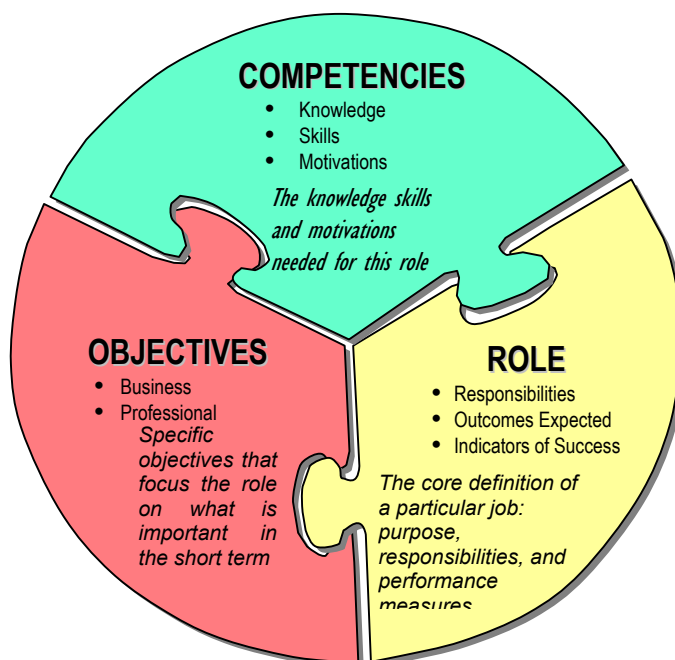
- **Outcome oriented:** the competency model must support outcomes that are important to the organization now and in the future. The competency model must describe the knowledge, skills, and motivations required to produce desired *future* results for the organization.
- **Management ownership:** when managers “own” the competency model they are much more likely to use it when the time comes. Training, communication and involvement all help ensure ownership.
- **Simplicity:** simple, uncomplicated systems are the ones last and are used most often. These are systems that are easy for everyone in the organization to understand, and do not tax already scarce resources. In addition, all materials and processes must be easy and convenient to access and use.
- **Training:** competency models cannot and do not stand by themselves. People ultimately make human resource decisions, not models or formulas. Proper training is required so all employees understand the synergistic nature of the model and the techniques required for successful implementation.
- Finally, systems generated from competency models are more readily implemented if they are **Consistent with Existing Programs** such as performance appraisal, development, or promotion systems. Models that reinforce and compliment existing programs will be more readily accepted, better integrated, and are more likely to succeed.

Job Context

OSI believes that a clear understanding of the organization's complete job model is an absolutely necessary context for application of any competency model. OSI's generic job model places competencies with two other job components (objectives and responsibilities) for a complete understanding of a particular role.

As illustrated below, needed role clarity for any job incumbent is achieved when (1) responsibilities are clear (including indicators of success, and expected outcomes for each accountability), (2) SMART objectives have been set (specific, measurable, achievable, relevant, and time phased goals that focus the role's energy on what is important NOW), and (3) the competencies needed to meet responsibilities and accomplish objective are explicit.

OSI's Complete Job Model



While every organization has a unique “position description” or job model, it is important to position any competency model within a complete representation of a particular role. This helps clarify, and correctly apply, the competency model. For example, it is only when considering a *complete* job representation that it is apparent that it is more appropriate to use *competencies* in selecting for, and developing, the role (hiring, placement, and training applications), while *objectives or outcome measures* may be more appropriate for appraising the role, or for allocating rewards.

Summary

The modeling process typically takes from six to twelve weeks depending on scheduling. While one seasoned investigator can produce a model, it is best if there are at least two modelers engaged. OSI also strongly recommends as much organizational involvement as possible during the design, construction, and implementation of the model. Involving those who will use the model from the start will ensure smoother acceptance and application.

Finally, the model only provides value when applied properly. Staffing functions must develop interview questions, screening techniques, select tests, and develop assessment centers based on the model. Managers have to use the model in performance appraisal and career counseling. Training specialists must use it for needs analysis and in setting learning objectives. Executives need to apply the model to screen for high potential candidates in succession planning exercises. All these applications require orientation and training in the model and the process. In short, a well-developed model, combined with a solid implementation program, becomes the common language for competence across the enterprise. It is an essential integrating element for building the talent pool required for a high performing organization.