Getting Competencies Right

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A founding father of the competency movement answers some common questions and clears up some misconceptions about competencies and competency models.

Introduction

Given the popularity of competencies in business today and the proliferation of competency models in many forms, it is useful to go back to basics to understand how competencies and competency models should be defined and used as part of a human resource management strategy. This brief paper answers some of the basic questions about competencies and competency models and discusses some of the ways they can be applied to improve individual and organizational performance.

"What are competencies?"

Basically, competencies are whatever it takes for a person to perform effectively in a job or role, with an emphasis on the capabilities needed for superior performance. C. K. Prahalad and Gary Hamel appropriated the term in their 1990 *Harvard Business Review* article to describe capabilities of the corporation – what makes it distinctive, gives it a competitive advantage, and is hard to duplicate. We like the idea that competencies – of people as well as organizations – give a competitive advantage, especially when they are aligned with the organization's strategy and goals.

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"Are there different kinds of competencies?"

The word "competency" has been used in many ways by to define job requirements and capabilities of people. Put simply, competencies are *knowledge*, *skills*, and *personal attributes* that contribute to an individual's success in a particular job or business situation.

- *Knowledge* relates to the facts and principles required to perform job tasks effectively. This includes technical knowledge, business acumen, and procedural knowledge, as well as organi-zational know-how (what it takes to get things done in the company, who the experts are, etc.).

- *Skills* relate to the ability to perform certain tasks automatically to an acceptable standard. These include physical skills such as word processing, equipment operation, driving, etc., as well as higher-order skills such as communication, reasoning, listening, etc.

- *Personal attributes* relate to underlying characteristics of people that enable them to perform their work in the most effective manner. These can include mental abilities

(e.g., analytic thinking), interpersonal abilities (e.g., emotional intelligence), physical abilities (e.g., stamina, coordination, etc.), as well as personal traits (e.g., self-confidence, persistence, etc.).

Knowledge, skills and personal attributes are often combined into *behavioral competencies*, or "top-performer practices." These practices depend on the person having the right combination of knowledge, skills and personal attributes. For example:

- *Business Judgment* – depends on business knowledge, analytic thinking, and decisiveness.

- *Focus on the Customer* – depends on customer/market knowledge, communication skill and flexibility.

- *Developing Others* – depends on coaching skill, the ability to size up people, and persistence.

"What is a competency model?"

A competency model for a job or role can include all of the above, depending on how the model is to be used. In addition, it should reference the tasks and responsibilities in the job and show how the competencies relate to carrying them out in a highly effective manner.

Tasks and responsibilities, however, are not the same as competencies. Tasks and responsibilities describe what you have to do to get results. Competencies are the capabilities needed to carry out the tasks and responsibilities. Simply adding the words "The ability to" in front of a task or responsibility does not make it a competency.

"What competencies should be emphasized in a competency model?"

The answer depends on how the competency

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model is to be used.

- Emphasize *tasks or activities* when clarifying job requirements and leveling jobs, establishing key performance metrics, or designing compensation systems.

- Emphasize *knowledge and skills* when setting performance standards, conducting training needs assessments, or recruiting experienced professionals.

- Emphasize *personal attributes* when hiring new employees for specific jobs, identifying high-potential employees, and conducting organization-wide bench strength assessments.

- Emphasize *behavioral competencies* when setting performance expectations, developing people toward higher performance levels, and giving developmental (e.g., 360-degree) feedback.

Some competency models include elements of all of the above. Such models provide multiple lenses through which to look at job and role requirements and show how all the parts work together to yield highly effective individual performance.

"Can competencies be learned?"

The answer depends on the kinds of competencies to which one is referring. Not all competencies are equally developable. Knowledge and skills are trainable as long as the person has the aptitude and interest in acquiring them. Personal attributes are generally not trainable, and therefore are often used as selection criteria. Behavioral competencies are trainable as long as the person has the personal attributes needed to demonstrate these competencies effectively over time (for exam-

ple, the behavior "keeping people informed" is unlikely to be sustained if the person lacks the "initiative" to do it).

"Should everyone in a particular job have the same competencies and demonstrate the same behaviors?"

Competencies are not intended to make everyone think and act alike. One of the goals of competencies is to describe "the 20% of capabilities that make 80% of the difference" in performance. This leaves enormous latitude for different styles and personalities. This is especially true of high performers in the same job or role who typically have different personal styles and strategies for success. Nevertheless, high performers in similar jobs tend to have the same personal attributes. For example, the best sales people have confidence and persistence; the best computer programmers have analytical thinking and concern for efficiency, and the best executives have a grasp of detail and strong interpersonal skills.

Competency requirements, however, can vary dramatically with the circumstances and challenges of the job or role. For example, turn-around situations require different competencies than growth, entrepreneurial, or sustaining situations. A common mistake people make in applying 360-degree feedback is identifying all competency gaps as "weaknesses" when some of those competencies may not actually be needed to respond to the challenges and requirements of a specific situation.

"Does it make sense to focus on fixing weaknesses? Isn't 'leveraging strengths' enough?"

The philosophy of "leveraging strengths" is based on the idea of leading with one's talents, aptitudes and motivations and matching people to jobs accordingly, rather than trying

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to fit "square pegs into round holes" or trimming the edges of the square pegs to make them fit. Leveraging strengths applies when "fixing a weakness" goes against a person's natural inclinations, talents, or characteristics.

However, when a person has "all the right stuff" (personal attributes), but is missing important knowledge or skills or is not demonstrating the behavioral competencies needed for his or her role, it definitely makes sense to focus on addressing these gaps.

The prescription for improving performance is a bit more sophisticated than avoiding weakness fixing and embracing only strength building. Understanding one's strengths and weaknesses allows a person many options.

For example, one can:

- Leverage current strengths in the choices of tasks, situations and challenges to address;

- Develop the competencies that can be developed and are necessary for success;

- Surround oneself with people who have strengths in areas where one has gaps or blind spots;

- Seek developmental assignments that force the development of competencies with which one has not had prior experience.

"Should people be evaluated for demonstrating competencies, getting results, or both?"

Competencies are indeed important only in conjunction with results. True, some organizations emphasize competencies at the expense of results. Selecting or training to competencies without understanding the tasks or challenges that require them assumes that simply having a competency will somehow magically

transform itself into a result. Common sense would also say that demonstrating any competency all of the time, without considering when it is appropriate to do so, doesn't necessarily lead to anything useful.

Oh the other hand, holding people accountable for results without an understanding of the competencies needed to achieve results leaves people fumbling in the dark and leaves their employers without guidance on how to identify people with potential or how to train those with potential in the knowledge, skills and best practices required of their role. If competencies enable results, it makes sense to evaluate them for the purpose of placing people into jobs or developing them to higher levels of performance. It doesn't make sense to evaluate people on competencies alone.

Sometimes, however, a competency may be so important to the organization's long-term success that it carries more weight in performance evaluation. A typical example is the behavioral competency, *"Developing Others."* Most companies would agree that people development is impor-tant for the future, but all too few managers do it. So even though a manager can achieve his/her objectives in a given year without developing people, it may make sense to make it a part of evaluation so that managers pay more attention to and actually do it.

"What is the future of competencies?"

Competencies and competency models will be around as long as the quality of human

capital provides organizations with a competetive advantage. However, competencies will need to be connected to business strategy, challenges and job requirements in a way that is more transparent to the average employee. Some of today's competency models are little more than long lists of requirements (words on paper) that are not clearly linked to what the individual or organization needs to achieve. Other competency models are mixes of skills, attributes and behaviors, and still others read more like platitudes about "vision," "customer focus" and "integrity" than the practical, down-to-earth requirements for high performance.

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In the future, competency models will need to embrace a "common architecture" linking competency requirements, responsibilities and tasks across multiple levels within job functions and families, and clearly reflect the organization's strategy. Such an architecture would:

- Communicate clear expectations for performance requirements and accountabilities;

- Use a consistent terminology for defining knowledge and skills, and corresponding levels of required expertise;

- Employ a common language to describe personal attributes, thereby clarifying hiring and staffing requirements;

- Show how competencies vary and connect across organizational levels, allowing more effective career development and individual development planning.