

## Introduction

Recruitment, development, training, reward and performance management are all HR processes concerned with the match between individuals and the requirements of the job. Common sense tells us that the better our understanding of the demands of the role, the culture in which people have to operate and the qualities that lead to higher performance, the more we will get out of our investment in the practices listed above.

One of the key characteristics of an effective competence framework is the value it provides through a common language to match individuals to roles, roles to resource plans and resource plans to business plans. With this common language, training and development portfolios can be aligned to workforce and succession plans and people development activities can be prioritised and funded by demonstrating the alignment with forward-looking business plans.

Competence frameworks are created using a range of systematic processes through which information is gathered about jobs, the working environment and the skills, abilities, knowledge, attitudes and behaviours required from those who perform roles in organisations. This forms the language of work within the organisation.

Without such a language, how can we begin to describe the underpinning essentials of the work people do, their responsibilities, the requirements of higher roles and the assessment of an individual's performance in an objective way?

## If only they solved all of our problems...

It is worth remembering that competency frameworks are not a 'magic bullet' and if poorly constructed they can be more of a hindrance than a help. Through working with competency models we have identified a number of common pitfalls, including:

- Creating 'competencies for competencies' sake', or jumping to the conclusion that a competency framework is what is needed to address a broader business issue without engaging in a more systemic approach
- A failure to focus on the skills that drive *success* and *superior performance* in that specific business or organisation
- Short cuts in job analysis (e.g., restricted amounts of consultation and involvement with the business, or use of too limited a range of research methods)
- Lack of investment in evaluation of a model - a rigorous process which determines whether the application of the competency framework actually does lead to the identification of superior performers, or which tests the assumptions made within the model
- A reluctance to review or challenge competency frameworks which are out of date
- A focus on factors which have created success within the organisation in the past, without enough thought given to those which will allow the business to thrive and grow in the future
- The development of a huge list of 'nice to haves' leading to an unwieldy, user-unfriendly description of a super-human employee.

However, recent research by Bersin & Associates concluded that there is a direct correlation between business outcomes, such as high growth and above-average profitability and the competencies used in performance management. It also identified that successful organisations regularly review the competency models they use, keep the competency models simple and focus on a few key competencies.

So how could Head Light Communications help you follow this best practice and identify the key competencies that will drive success in your business? Let's start by looking at a couple of examples:

# Is your competence framework a foundation for success?

Below we have 2 'Skills' - some organisations call them Competences whilst others might call them Characteristics.

## Skills

Skill	Description
Delighting the Customer	Is about understanding the needs of different customers (internal and external), making sure we listen to what our customers tell us and take whatever action is necessary to 'Do the Right Thing' and ensure customers get 'Brilliant Service'
Understanding our propositions	Is about understanding our products and services, how they fit different customer needs and doing whatever is necessary to create or match the product and level of service to the customers' requirements

Each Competence or Skill usually has a description and if we open up 'Understanding our propositions' above it reveals...

## Levels

Level	Title	Description												
0	N/A	Not applicable												
1	Basic	Knows about and understands a limited range of products and/or services, at sufficient depth, to do their job effectively.												
2	Intermediate	Knows about a broad range of products and/or services.												
		<table border="1"> <thead> <tr> <th>Indicator</th> <th>Move Up</th> <th>Move Down</th> <th>Edit</th> </tr> </thead> <tbody> <tr> <td>Is able to apply this understanding to meet the needs of different customers and/or for other business purposes.</td> <td>↑</td> <td>↓</td> <td>✎</td> </tr> <tr> <td>Has, uses and/or can share their detailed specialist knowledge and understanding of a particular range of products or type of service with colleagues and/or customers.</td> <td>↑</td> <td>↓</td> <td>✎</td> </tr> </tbody> </table>	Indicator	Move Up	Move Down	Edit	Is able to apply this understanding to meet the needs of different customers and/or for other business purposes.	↑	↓	✎	Has, uses and/or can share their detailed specialist knowledge and understanding of a particular range of products or type of service with colleagues and/or customers.	↑	↓	✎
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		<input type="button" value="Add Indicator"/>												
3	Advanced	Knows and understands all of a businesses products and services												
4	Expert	Has a comprehensive understanding of the customer value proposition and how to differentiate from the competition.												

## Development Options

Description	Edit
Product Manuals are available from the Sales & Marketing Intranet. There is also a product Segmentation Guide matrix that shows how each product fits within each customer segment. Take the Self-Assessment test at the end of each module. Marketing also has product/feature 'flash cards' that can be used at product refresher lunch briefings as part of a quiz. The intranet also has an iPod Channel where you can download audio product overviews	✎


## Is your competence framework a foundation for success?

We can see that this skill has been described at 4 levels - Basic through to Expert with a brief description of what each level means. You can see that this framework then breaks down further by level with indicators that suggest specific capabilities. Therefore for Intermediate, if an individual was sufficiently capable at those two indicators, they would be considered to be at Intermediate level for this Competence. Further breakouts are included at the higher and lower levels.

*It is also worth noting that we see here Development Options for this Competence and in this example, it is possible to assign development options to each indicator i.e. what training resources are available for those people who do not operate at those levels. These Development Options can then appear on either the Personal Reports generated for users as suggestions to improve their performance, and as Development Goals on their Development Plans when our Talent Advance® Development Planning tool is used.*

### An alternative example, focussing on behaviours

#### Competence



Name	Description	Questions	Move Up	Move Down	Edit
Effective communication	Communicates ideas and information effectively, both verbally and in writing. Uses language and a style of communication that is appropriate to the situation and people being addressed. Makes sure that others understand what is going on.	13	↑	↓	✎
Maximising potential	Actively encourages and supports the development of people. Motivates others to achieve organisational goals.	12	↑	↓	✎

Again, if we examine 'Effective Communication', we see the following indicators of the definition of this competence.

#### Questions



Text	Move Up	Move Down	Edit	Select
Ensures performance targets are clear and understandable to others	↑	↓	✎	<input type="checkbox"/>
Uses different influencing tactics depending on the other person's style or agenda	↑	↓	✎	<input type="checkbox"/>
Successfully influences those they do not manage	↑	↓	✎	<input type="checkbox"/>
Uses listening skills to understand others points of view	↑	↓	✎	<input type="checkbox"/>
Changes their style of communication to meet the needs of others	↑	↓	✎	<input type="checkbox"/>
Opts to communicate face to face with people	↑	↓	✎	<input type="checkbox"/>
Communicates clearly both decisions and the reasons behind them	↑	↓	✎	<input type="checkbox"/>
Deals personally with issues	↑	↓	✎	<input type="checkbox"/>

This framework has a very different feel about it from the first. This one focuses on behaviours whereas the first is more technically oriented.

These frameworks would be combined into a role profile for the purposes of assessment for processes such as performance management, development and competency-based interviewing. With some scenario planning that included future workforce requirements, we could build a picture of the overall sets of skills required by the business in the future.

### What tools and techniques can we use to help you?

When developing a bespoke competency framework, we achieve an optimum balance between consulting widely for increased reliability and the practicalities of time, cost and disruption. We combine a variety of different techniques including:

- Critical Incident Technique or Behavioural Event Interviews
- One-to-one interviews or focus group sessions
- Card sort exercises
- Expert panel sessions
- Repertory Grid sessions
- Questionnaires or surveys
- Observation
- Work diaries
- Future focus sessions
- Evaluation of other quantitative data
- 360 degree feedback

Face-to-face interviews and focus groups are an essential part of the process, especially to gather input from key stakeholders, as they allow us to explore areas that would not be possible through more structured/closed methods. They also allow us to explore the views and attitudes of key stakeholders and uncover concerns or potential obstacles that may become significant in later stages. In our experience investing in sufficient stakeholder interviews at this point is invaluable in terms of building the credibility of the project and gaining commitment and support from key stakeholders for subsequent phases. However, this stage can also open a 'can of worms' if not handled carefully, and we make a point of ensuring that this stage is driven and owned by internal stakeholders (HR and senior management).

At this point it is worth extolling the virtues of two more tried-and-tested techniques. For gathering information (in a relatively quick and cost effective manner) as to how superior performers operate we find that Repertory Grids and Critical Incident Technique (CIT) are hard to beat. The latter is an event-based interviewing technique which gets the job incumbent to describe situations and personal experiences they consider to have been particularly significant. Through these personal anecdotes we explore the competencies that are being demonstrated in those situations.

Repertory Grid, in our view, is an often overlooked but powerful means of drawing out what's really important within a role, task or job family. One of its key benefits is that it elicits the constructs (or competencies) from the individuals directly, rather than providing them with a set of ready-made competencies which may narrow the focus of the research. The Repertory Grid is a technique for identifying the ways that a person interprets or gives meaning to his or her experience and is based on the Personal Construct Theory of personality. The process involves comparing groups of people and determining what differentiates them, in behavioural terms. Participants label these differences in their own way and the results from a number of Repertory Grids are then statistically analysed to ascertain the most important and significant differences. It is a very neat process and again, one which is engaging and interesting to complete.

Talent Management software such as our Talent® application portfolio has made evaluation much easier. Using Talent 360, online 360 degree questionnaires allow us to capture high volumes of data and can easily generate the kind of information needed to determine how people are conceptually linking behaviours together and which competencies are the most accurate predictors of high performance. The Talent® portfolio exports its data in a form that is readily usable and removes the need to input line after line of ratings or scores into sophisticated statistical packages for analysis, saving time and effort, and reducing the chance of errors.

The use of online surveys and questionnaires also allows us to collect valuable data for evaluation projects, and online appraisal tools (such as Talent 180®) make it easier for us to draw on relevant performance data with which we can correlate competency ratings and determine the predictive validity of our frameworks.

### So which road to take?

There are generally two strategies and they are not mutually exclusive, either licence an 'off-the-shelf' framework, or develop one from scratch. Each strategy has its pros and cons as you can see below. The strategy you choose will be largely determined by what's driving the desire for the competence framework. As a general rule, we favour building on and tailoring what exists and, as a Licensee of the Chartered Management Institute's Frameworks, our starting point is a valid framework that can then be altered to take on many of the characteristics of a fully tailor made framework.

This approach is quicker and less expensive than developing a bespoke model from scratch, but does carry the risk that 'short cuts' will lead to a framework that is not presented in the language of the organisation. It is also possible that the constructs which are present in the model limits the research phase and constrains people's thinking. We would always advocate using a wide range of research and engagement methods and to validate the resulting model once it has been produced.

If you are considering developing a competency framework or want to review and refresh an existing one, the wealth of research methods and approaches can be bewildering. A useful resource is Spencer and Spencer's book *Competence at Work*, which houses a competency dictionary and guidance on applying competencies in HR processes.

When deciding whether to adopt a bespoke model, built on organisation-specific research or whether to use an off-the-shelf competency dictionary (or a blend of the two!), consider the following benefits of each approach:

#### Off-the-shelf competency frameworks or dictionaries

- Tend to be less expensive and less time-consuming, even if you adapt the model according to the values and culture of your organisation
- Should mean that you are drawing on a framework that has already been validated and thoroughly researched
- Allow for benchmarking against other organisations, industries or sectors
- Use a common language and facilitate movement between organisations: highlight the portability of competencies
- Rely less on the quality or characteristics of existing staff

#### Fully bespoke models

- Allow for exploration of what is genuinely important in that specific environment, and are less likely to constrain thinking
- Tend to create more buy-in from staff through the process of research and consultation
- Don't suffer from the 'not made here' problem
- Ensure that the competency framework is presented in the language of the organisation
- Enable identification of what separates high performers from those who are less effective

### A case in point...

We have recently developed a set of generic management questionnaires for a client's 360 degree feedback process using a number of pre-existing bespoke and off-the-shelf generic competence frameworks. This project was unusual in that the 360 process would be made available to 27 different organisations so there was a need to balance wide consultation with the realistic view that one size would never fit all.

We gathered together all the existing competency frameworks and synthesised these into common themes. These were benchmarked against an external framework (the Chartered Management Institute's Standards) and created a pool of indicators clustered under the key areas that emerged from the previous stage.

We then used focus groups consisting of a number of exercises and activities to establish broad determinants of success and cultural commonalities, as well as identifying the key areas in which we were likely to see unique competencies or subtle differences. Questionnaires were created from the pool of indicators which were then trialled across a number of organisations. Psychometric evaluation of the results of this pilot revealed a number of interesting findings and we fed these back into the generic models to create frameworks which were broadly relevant to the organisations involved, along with guidance as to where the key differences were likely to be found.

Each organisation can now tailor these generic frameworks according to their specific needs, but retain the capacity to benchmark performance across the region. From the evaluation it became apparent that, whilst the models used were based on sound research and the competencies held together well, this process flagged up some important issues and observations which have been incorporated into the generic models.

From our experiences of creating, evaluating and implementing competency frameworks, we have also produced the resource 'Creating Competence Frameworks - 10 lessons learned', which is available from our web site. This continues the themes emerging from our research and identifies ways in which you can use the lessons learned in the creation of a competency framework - putting the learning gained from the back-end of the process into the front-end.

Head Light Communications can assist you in the implementation of competency and performance assessment and development programmes using our Talent® software technology and supporting consultancy services, including competency design, feedback coaching and training and assessment centres.

## Our portfolio of Talent® software and services are ideal for:

- Professionalising public sector organisations
- Maturing high growth and medium-sized businesses
- Pioneering divisions of large organisations



## References and further reading:

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