

Kundeninformation August 2010

Competencies - The competitive edge through people (Part I)

How often have you attempted to share with employees your Vision for the future only to find that, despite your best efforts, your ideas are misunderstood and misinterpreted? How can you ensure that the people who are able to carry your vision forward, are recruited, rewarded and promoted and that they receive the most appropriate training and development? How do you ensure that your employees are performing at a level of excellence that gives your company the best possible chance of success?

Imagine yourself identifying those competencies which will allow people to progress within your organization. Imagine yourself demonstrating the competencies you identified predicting success in key jobs. How can you achieve this? It is quite simple - identify those competencies which enabled top performers in your organization to succeed.

Competencies - currently one of the great buzzwords - are not new. They do, however, have the potential to make a big impact on an organization. Experience in using competencies as a tool across all Human Resource processes has shown that an appropriate competency model is one sure way of enabling an organization to provide clarity, consistency and a common language for internal communication.

What are Competencies?

Traditionally, people have been selected and promoted on the basis of their technical knowledge and skills. These are the skills they have learned through apprenticeships or academic qualification and then through experience on the job. Such skills enable people to obtain their first job and to progress through their career.

However, while technical knowledge, skill and education are prerequisites for most jobs, they are no guarantee of excellent performance on the job. Often a recruit looks good on paper, but does not live up to expectations. It is not just what they know but, just as importantly, how they carry out the work that makes all the difference.

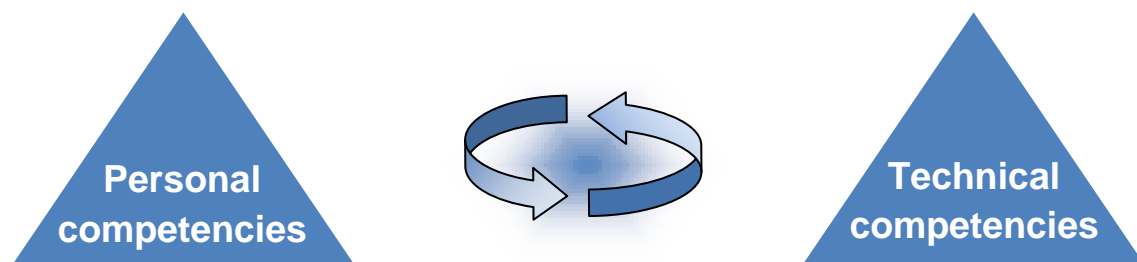
We were first involved with competency models that focused on the behavioural aspects of work. "It's not what you do, but the how you do it," describes the focus of such competencies. Behaviours such as being a team player, taking responsibility for actions or more innate skills such as the ability to think strategically, all had their place. They did not describe the "what to do" element of a skill, which can be taught and learned, but the "how to do it" element which is much harder to develop if absent. Defining behavioural competencies helped employees to understand what was required and made it much easier to measure behaviour. It also allowed training to be targeted so that employees could improve their performance.

At a large distributor for chemicals in Europe a model was developed based on workshops comprised of people from different disciplines who were asked to describe the characteristics or behaviours that enable successful performance. Five clusters of homogeneous behaviours were identified. Each cluster was further defined into a list of 20 competencies, e. g. entrepreneurial competencies (change orientation, customer focus, initiative, etc), leadership (developing others, influencing, etc).

The danger with putting the emphasis on behaviour is that technical competence may become overlooked. When operating a chemical plant it is not enough to have good team players. Team members must also have a thorough understanding of the technology and the processes so that they can operate the plant in a safe and productive manner. In short they need both the technical skills and knowledge and the desired team behaviours in order to be excellent performers.

A different approach was taken at a U.S. based manufacturing company looking at a broader spectrum of competencies. Competency development teams, bringing together people from different hierarchical levels, were set up to identify those behaviours and skills that were necessary for successful performance in their specific function (e. g. Manufacturing, Engineering, Finance, Logistics, etc). A more diverse model was the result, which specifically targeted the day-to-day behaviours and technical skills required in each function.

A good competency model therefore has two facets. Firstly, it identifies the skills, knowledge and abilities required to carry out the job (technical competencies). Secondly, it describes those behaviours that have the most direct impact on performance and success in the job (personal competencies).



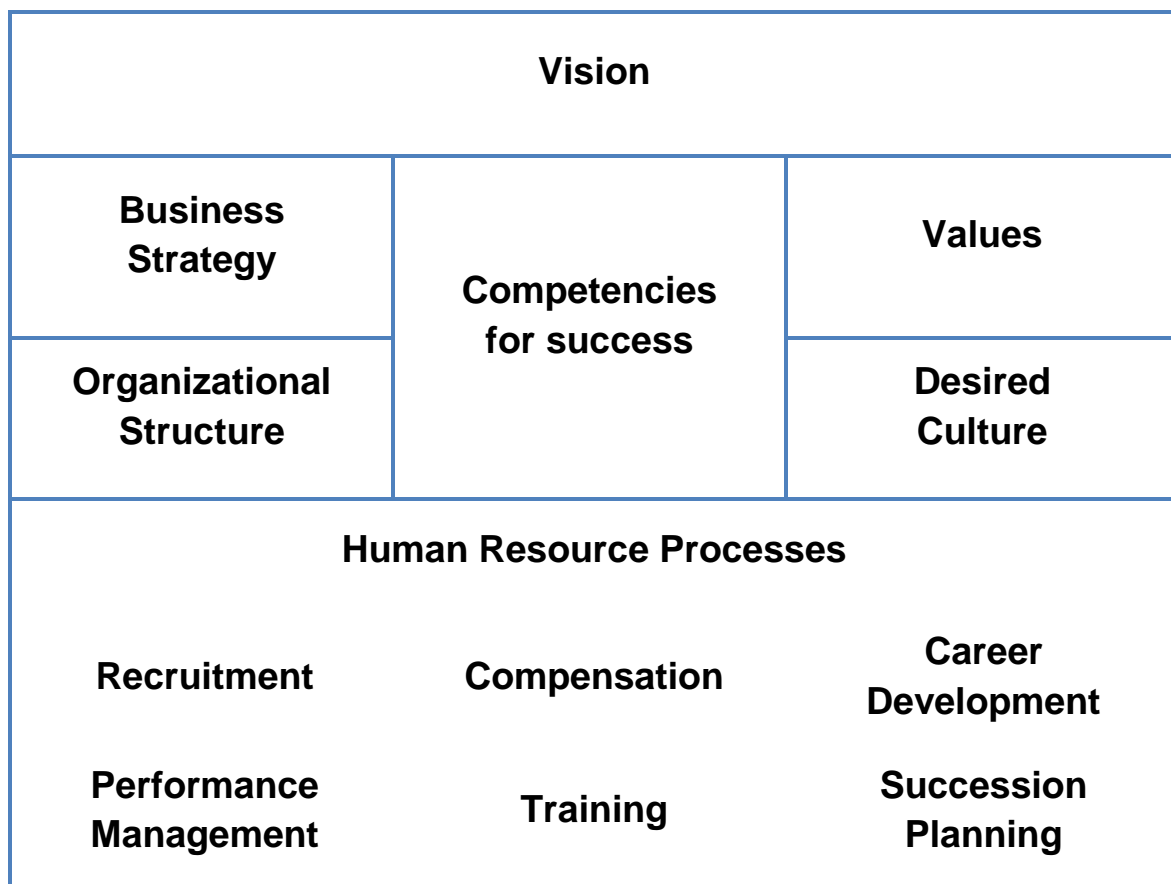
The personal competencies can make the difference, but they are not sufficient without the requisite technical competencies and both aspects have to be taken into account when using competencies as a foundation for a competency based organization.

The competency based organization

Many organizations have written “Vision and Values Statements” which signal that the organization is customer focused or entrepreneurial. Such a Vision can only be achieved if employees work in ways consistent with that Vision. Yet if you ask employees and managers to describe what the Vision and Values mean you often get markedly different responses. There is often little shared understanding between the Company leaders who have

developed the Vision and Values and its employees, who are left to make their own interpretation. Employees need a tool to help them describe the Vision and Values in terms of the work they carry out on a daily basis. The rhetoric has to be turned into something of practical relevance.

The diagram below shows competencies at the heart of the business. The technical competence that exists within an organization often helps drive its Vision. The technical competence in this respect can also be described as an organization’s core competence. The Vision must drive both the technical and the personal competencies needed for organizational success.



The business strategy that develops from the Vision helps to determine the most appropriate organizational structure. Values derived from the Vision help shape the culture. A comprehensive competency model will take all the inputs from the vision, business strategy, organisational structure, values and culture and will describe in detail what is required for success within the organization. For example, the organizational structure arising out of the business strategy in one of the plants gave rise to autonomous work teams. This brought about a need for production workers to work in small teams, resolving operational problems in conjunction with other teams on site. One of the stated site values was “everyone who works here is part of our team, valued, enabled and expected to contribute”. Not surprisingly,

the key personal competencies on site were the ability to work in teams, solve problems, take responsibility for results and interpersonal communication. These competencies in turn became the focus of recruitment, training and performance management systems. Using competencies to shape these HR tools helped to provide the clarity and consistency required to support the organizational structure and reinforce the behaviour that the Company valued and needed to achieve its vision.

Part II of this report - to be published next month - will discuss how the competency approach fits into the Human Resources Processes.

August 2010 - Roland Doeppner and Charles Walter

(Roland Doeppner is an independent management consultant working in Europe and Charles Walter is a Learning and Development professional with an internationally operating Chemical Company in the United States)