Competencies 101*

An introduction l October 10, 2017

What is a competency?

A competency is a knowledge, skill, ability or other characteristic (e.g., trait, mindset, attitude, etc.) which, when applied in the appropriate roles, helps achieve desired results. For our purposes, competencies are both the "how" we do our jobs and the "what" that is required of our jobs.

Competencies define individual exemplary performance, which helps the agency meet its goals. Competencies describe what really matters in terms of job performance and how to be successful. *Patience*, *managing ambiguity, customer focus, instills trust, quality management and building effective teams* are just a few examples of competencies.

Competencies are described thoroughly by including several parts: (a) a descriptive label or title; (b) a standard, uniform definition, usually describing how the competency appears on the job in behavioral terms; and (c) a description of the levels of proficiency regarding the competency.

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What is a competency model?

A set of competencies are typically clustered within a *competency model*. A competency model not only creates a broad and sturdy foundation on which HR and organizational development practices can be built, but it also creates a common language to describe performance expectations—helping us select, develop and retain the talent required to achieve our goals, both today and tomorrow. More specifically, a competency model is:

- *A way to get organizations to pay attention to skill building in the management of employees.* It can help to distinguish top performers from average performers.

- *Linked to business strategies and goals.* It takes into consideration *future* job requirements—in other words, it is not created to document the status quo, but rather to identify competencies needed for future success. This is also a way to direct the attention and the efforts of employees to the organizational goals.

- *Used to actively align HR systems.* The use of a competency model can revise HR systems so that the agency hires, trains, evaluates, compensates and promotes employees based on the same attributes as described in the selected competencies for the role.

- *Focused on broad organizational change (such as HR alignment).* It is not a simple data collection effort. Using good organizational development, defined here as widespread involvement of employees in the creation of the competency model, may be more important than the model itself in terms of getting people to use the model. It is better to have a simple model that people will use than a highly sophisticated, research-based model that people may ignore.

- Deductive—starting with **desired outcomes**. Competency models should derive from long-term goals and what needs to be done to get there—not from specific job tasks.

- **Composed of a limited number of competencies and applied across multiple functions or job families.** The competency model facilitates comparisons across functions that support parity in systems, like compensation and ease of job movement across functions, by illuminating similarities.

- **Describe how the competencies change or progress with level of responsibility and/or level of proficiency**.

- Developed starting with **senior leadership**. Leadership engagement is important because they are more likely to have insight as to the future direction of the agency and are thus in a better position to provide information on future job requirements. They also should model the process for the staff. Although the effort starts with senior leaders, all staff members will be involved in the development of the model.

- **Designed for ease of use.** Models should be presented in pictures or schematics to facilitate understanding and "stickiness." New organizational language can be *created* through a competency model to provide a common understanding of new concepts and provide a way to talk about them.

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A competency model is highly tailored to the organization and reflects where the organization is in its lifecycle and development. A successful competency model will identify competencies that align to a business strategy and foster competitive advantage. For example, organizations that view marketing and sales as a competitive advantage will likely have competencies promoting market analysis and creating sales strategies, whereas organizations that view engineering as a critical skill will favor competencies that highlight engineering design and testing.

Why develop a competency model right now?

The leadership of Health Care for the Homeless is committed to ensuring the success of the agency in reaching its ambitious strategic goals. To this end, we began implementing a strategic human resource approach—developing HR programs that go beyond routine task administration and reflect a deliberate and systematic investment in strengthening our workforce. This approach informs and drives the entire employee lifecycle, as well as talent management—from the creation of a position to recruitment, selection, training and development, evaluation and promotion.

A competency model plays a pivotal role in a strategic human resource approach. For example, it can be used to:

- Hire new employees by using assessments and other selection procedures that measure competencies and give a more accurate depiction of traits and behaviors needed to be successful in the role

- Train employees by creating courses aimed at the development of certain competencies

- Evaluate the performance of employees by structuring the performance appraisal instrument around the competencies

- Promote employees by using the competencies to establish promotion criteria

- Develop employee careers by using competencies to guide the choice of job assignments and make other career choices

- Manage employee information by recording and archiving employee skills, training and job experience

- Compensate employees by using the competency model to structure pay differences between jobs or to evaluate employees for pay increases

- Retain critical skills by identifying and measuring competencies tied to current and future organizational goals

- Support organizational change by developing broad systematic support of future-oriented competencies. The ability to train, assess, select, promote and reward employees in alignment with strategic goals can help speed organizations through transition

- Support the job analysis process

- Lower costs through reduced re-staffing costs, greater workforce stability and less risk of legal action

Competencies play a pivotal role in a strategic approach to human resources

How do we find and select competencies?

We will be selecting competencies that come from the Lominger Standard Competency list, with modifications to the competencies from Korn|Ferry International. These competencies are standard across industries and are very broad, identifying and covering most observable "soft" skills. **

- Baseline ("Lagging"): Competencies that everyone needs, but almost everyone has (e.g., "integrity")
- Leveraging: Competencies that make a difference in performance, but most do not have (e.g., "manages conflict")
- Leading: Competencies that will be required in the future, but not required today; few people either have them or are working on them (e.g., "business insight")

Competencies distinguish exceptional performance and therefore should be focused on growing staff members to help the agency meet ambitious strategic goals, rather than acknowledging what they bring to the table from the point of hire.

How many competencies do we need?

There is a tension between a desire for detail and a desire for simplicity. Detail is helpful for developing HR systems and demonstrating job relatedness, but simplicity is better for getting staff to both remember and use the competencies. Simplicity also supports integrated agency-wide efforts, such as large-scale change and a learning and development program.

There is no ideal number of competencies. Organizations try to limit the total number of competencies. The most important are those that distinguish superior from average performance. Consultants typically advise to keep it to around 12, which is what we will be doing at Health Care for the Homeless.

The amount of descriptive detail is another matter. A fully described competency may take a half page, or possibly even a full page, but rarely more. In general, it is better to have fewer and more detailed competencies than a large number of competencies with brief descriptions.

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Planning ahead: Competency review cycle

Organizations often invest considerable resources in the initial development and implementation of their competency models; however, equal consideration should be given to maintaining the usefulness of the models over time. Many aspects of competency models can change over time, such as organizational goals, senior management, environment, likely future and language. As an organization that undergoes frequent and rapid growth and change, we will likely align competency model review with our strategic planning cycle.

* The majority of the content for this document was cribbed from Campion, et al. *Doing competencies well: Best practices in competency modeling*. Personnel Psychology, 2011, 64: 225–262. Read more: http://blogs.wayne.edu/ioadventures/files/2013/12/Doing-Competencies-Well-Best-Practices.

**For detailed reading about Korn Ferry's approach to competencies, read the Leadership Architect Library: http://static.kornferry.com/media/sidebar_downloads/KFLA_Technical_Manual.pdf.