

# Organizational Competency Modeling

Author: Kevin Klinvex

## Behavioral Competencies

The power of a common human capital language called “Behavioral Competencies” is significant. They are meaningful enough to change the destiny of an organization by increasing the talent quotient at the enterprise level. The result is more effective selection, development, performance management and succession.

A fundamental challenge facing Human Resources is consistency. Employees are selected for one set of skills and abilities, they are then trained based on another, their performance appraisal includes yet one more and their compensation is based on still something different. Administering HR programs across an organization without common behavioral competencies is like working on a team with no clear way of communicating.

Behavioral competencies create consistency by serving as the hub where every HR program is securely grounded (Figure 1 below). This means that employees are selected, on-boarded, developed, evaluated and compensated based on a set of consistent knowledge, skills, abilities and motivations required for success in their job. It also means that employees can take responsibility for their own career planning. From a bigger picture perspective, it means that there is a powerful vehicle for communicating company values and for conducting succession management.

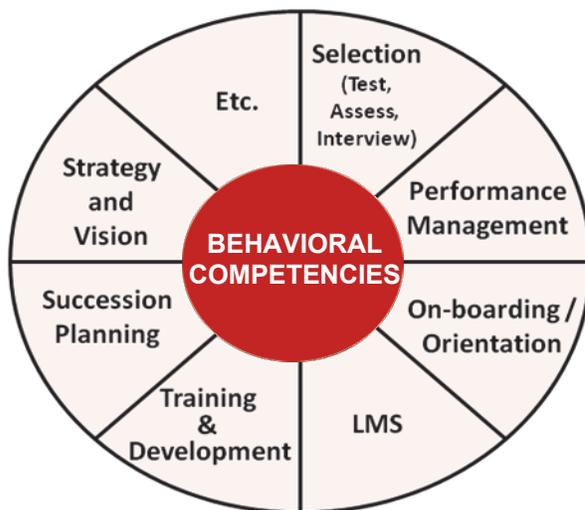


Figure 1.

## Enterprise-Wide Competency

The simplicity of enterprise-wide behavioral competencies is what makes them effective. They are designed to take something that is complex and confusing and make it simple.

For example, a 50,000-person healthcare system with more than 3,000 job titles was pleasantly surprised to find out that all of these titles could neatly fit into six competency profile levels. Once they got over their initial disbelief, they embraced the realization that, whereas it was nearly impossible to develop and update HR programs for 3,000 job titles, it was easy to effectively build strong programs for six profile levels.

To truly understand enterprise-wide competencies and their ultimate usefulness, it is necessary to take a deeper dive into the characteristics of robust competencies and how they are applied to HR programs. Each behavioral competency should have three parts, **a short definition, positive indicators and negative indicators**. Each part serves a distinct purpose.

First, the definition is designed to give a clear and **memorable** overview of what the competency is measuring. This is critically important over time, since you want to infuse the model in such a way that people begin to use it as a part of their everyday performance, selection and development conversations, and everyone can say, “I know exactly what you mean,” since they too, are using the same clear definition.

The positive indicators are practical examples of positive behaviors and the negative indicators are examples of “less than acceptable” behaviors. Having both sides of the equation is very productive when giving performance feedback to someone who has both strengths and developmental needs in the same competency area. Many competencies have only a definition or a definition and positive indicators. The value of adding negative indicators is significant as it does allow people to actually see behaviors currently exhibited and tied to a specific competency in which they need to develop. Once individuals see samples of negative behaviors, it really helps them to calibrate their own impression and evaluation of themselves as well.

Becoming a true believer in enterprise-wide competencies requires an understanding of the science behind competency theory. While this paper will not dive into the history of competency analysis, it is important to know that the preponderance of statistical evidence over the last 50 years points to a small number (4-6 factors) of competency factors predicting success at every job level. Therefore, in 90% of the cases, enterprise-wide competency analysis is over-engineered, making something that should be simple and easy to use, complex and unwieldy. Some of the biggest culprits in encouraging competency complexity are the myriad of “stand-alone” competency tools that promise to deliver behavioral competencies via a computer program or card sort. These programs try to do too much by collecting data from “job content experts” and then using incomplete logic and simple algorithms to determine competency profiles – more on this topic below.

Competency analysis should use a simple, straight-forward language and tiered format. Anything that complicates it is very likely a hindrance, not helpful.

### Expert Model

The following points explain in more detail why Select International encourages organizations to use an expert model, combining automation with professional expertise, to define enterprise-wide competencies:

**1. Computer programs should not diagnose competencies or illnesses.** WebMD, a medical information website, sheds light on the challenge we face when trying to use automation in situations requiring complex thinking. Thousands of people visit WebMD every day seeking information about their symptoms. The problem is that when you combine a limited, automated program with users who are not medical experts, the results are often terrifying. People come away believing they have life-threatening diseases and run to the nearest phone to call their physician. As soon as the doctor hears the word “WebMD,” he or she understands what has happened and generally asks the caller to take a deep breath and start at the beginning. Users of WebMD will tell you that in many cases the WebMD diagnosis was wrong. But how can this happen? Automation is supposed to be more efficient and accurate. The fact is that some day a computer program may “complete logic” and be able to simulate expert diagnosis, but it is not today. This analogy holds true for competency analysis. Automated competency analysis programs can give us lots of good data but they should not interpret the data, determine the competency format and/or choose which competencies end up in your profiles. Like WebMD, there are too many cases where the resulting profiles are filled with flaws such as inaccurate competencies, missing competencies, redundant competencies, too many competencies and poor competency structure.

- 2. Too many profiles.** When competency experts are left out of the process, there tends to be a myriad of “one-off” competency profiles. The result is an unwieldy number of competency profiles and a long-term traffic jam when trying to use the competencies for Human Resources programs. Every profile represents a new set of HR initiatives, interview guides, training and development programs, career planning approaches, LMS content and performance management data. The practical reality is that fewer profiles that are meaningfully different is much more powerful than a data base full of “one-off” competency lists. We suggest using automation to enhance collection of the competency analysis data and use competency experts to review the data to ensure you have the ideal number of meaningfully differentiated profiles.
- 3. Understanding the big picture.** Every big picture competency need is different. Competencies can be used for hiring, promotion, career planning, development, succession management, compensation, performance management or all of the above. It is critical to understand how the competencies will be used to ensure that the ideal format and structure is used. For example, if you are going to use competencies for performance management then it is important to have both positive and negative behavioral indicators. If you are going to use the competencies to show possible career progression then it is essential to have competencies that build upon one another from level to level. If you want to communicate organizational values then it is important to have certain core competencies that are included in every job profile. Purely automated competency programs do not understand these subtle differences and therefore generate the same generic profiles, regardless of need.

We find time and again that automation is a wonderful way to collect competency data. However, competency experts should review that data and use it to build strong, easy-to-use, effective profiles. Everyday, HR leaders sit at their desks reviewing key data (turnover, absenteeism, time to hire, EEO, OFCCP, etc.) generated from their HRIS. They then take this information and make decisions that will improve their organizations. Likewise, it is important to remember that automated competency analysis programs provide good data, but only data. In the final analysis, expertise is necessary to ensure that the data is leveraged into the ideal competency structure for your organization.