

THE CASE FOR COMPETENCIES

"You're fired; you're a lightweight and a very bad manager!"

Sir Alan Sugar ranted to one of the unsuccessful apprentice candidates during the recent BBC Television series - The Apprentice. It was compelling television but lousy and traumatic feedback for the ambitious and aspiring candidate.

So what do you want Sir Alan?

Week by week as they were fired my heart went out to these 'Wannabes' , all competing for the 'dream job' without really knowing exactly what would be required to be successful in working for Sir Alan Sugar. The Amstrad leader made it very clear: *"I don't want no Schmousers, Slouchers etc"*; but it was unclear to the candidates what he actually needed. Perhaps a Competency Framework might have helped him provide feedback to his candidates on their strengths, their under-developed skills and in some cases those skills that were over-used during the tasks he set them before he fired them for their failures.

Why do some companies outperform their return to shareholders by 22%?

Research has discovered that Competencies are universal common denominators that drive performance at work. There is also a set of research based practices that can be used proactively to develop people, and then support them with systems, to contribute to superior performance and leadership within their organisations. Companies scoring in the top 20% of talent management practices outperform their industry's 'mean' return to shareholders by 22 percentage points. Many of these companies are using Competency frameworks as the foundation of their talent management practices.

Competencies drive sustainable competitive edge

If you can determine your critical competencies and develop your people to be better at them, the organisation will achieve a competitive edge that is hard to duplicate. Over a period of time the organisation will build bench-strength that will be sustainable against the inevitable attrition of talent.

Competencies drive performance at work and therefore the more skilled someone is in a relevant group of competencies the more likely will be their success. Knowing what the key skills are, and measuring them well creates the foundation for more efficient HR systems and processes. There are proven strong links between a well employed, comprehensive, competency system and sustained success in recruitment, development, performance management, succession and deployment.

What is a Competency?

A Competency is a measurable characteristic of a person, related to success at work. It may be a behavioural skill, a technical skill, an attribute (such as intelligence) or an attitude (such as optimism).

OK, so our Competency Model depends on us all being like the Chief Exec.?

Some time ago Charles Handy penned a tongue-in-cheek "leader's prayer" that begged:

"Instil into my inner-being; tranquillity and peace of mind that no longer will I wake from my restless sleep in the middle of the night crying out "What has the CEO got that I haven't got and how did he get it?"

At one end of the scale organisations huddle around a flip-chart for a brainstorm that eventually forms the Chief Executive's 'wish' list of the competencies for everybody in the organisation.... some of the 'brain-stormed' competencies don't even make the final list if they are not a mirror image of the Chief Executive! At the other end of the scale we know that organisations spend hundreds of thousands of pounds in developing competency systems. There must be a more effective way!

Why 'Reinvent the Wheel'?

Research conducted by Mike Lombardo and Robert Eichinger (see sources) concludes that 85 per cent of the common skills that lead to effective management and leadership are known. They found that there is little difference in the underlying competencies that were measured in studies by all the respected research institutions (including CCL, SHL, DDI, Hay-McBer and Personnel Decisions Inc.). So they argue: "Pick a research-based model, any model. Use the one with the words that fit your culture best and be done with it!"

Many companies, unaware of the research, opt to keep the list of competencies brief. The rationale for this is the need for focus and the little time managers have available for development discussions. The research, however, is based on human behaviour and this is complex. Would a scientist be able to analyse a chemical without reference to the Periodic Table of Elements? Human behaviour is just as complex, you simply can't describe people in ten categories.

Other rationales for the development of a home-grown system include "because we're different" and the 'not invented here syndrome'. Judicious use of a research-based model with some tailoring and 'word-smithing' to suit the needs could save time and money and deliver a sustainable model to use right across the organisation.

What types of Core Competencies should our organisation have?

There are five types of Competencies that can help to differentiate the 'Superior' from the 'Average' Job Holders. Two of these are pragmatic:

- **Price of Admission Competencies:** These are very important across all levels and many people are good at them. It's easy to recruit for these skills as they are often in long supply.
(e.g. Action Oriented, Drive for Results, Intellectual Horsepower)
- **Job Specific Competencies:** These are identified for job, function or organisation based competencies.

There are **3 Competitive Edge Competencies:**

- **Those that few people are good at:** It's critical that these skills are developed by the organisation as they are in short supply.
(e.g. Strategic Agility, Dealing with Ambiguity, Conflict Management)
- **Those that are level driven:** Some are in long supply and some are in very short supply so they will need developing.
(e.g. Command Skills, Motivating Others, Building Effective Teams)
- **Those that are common to superior performance:** If you know what these are in your organisation then this should drive selection and development. (e.g. Personal Learning, Listening, Process Management)

Which Competencies are 'Significant with both Performance and Potential'?

If you have people who are good at most of the 'Big 8' competencies then don't lose them! These are important competencies that few people have and are generally in short supply in most organisations and the market place –

'The Big 8' :

- | | |
|----------------------------|-------------------------------|
| • Planning | • Strategic Agility |
| • Creativity | • Dealing with Ambiguity |
| • Motivating Others | • Managing Vision and Purpose |
| • Building Effective Teams | • Innovation Management |

Can all competencies be developed?

The good news is that all competencies can be developed. Some are easy, others are harder. Competencies aren't created equally. For example developing the competency of 'Informing' or 'Customer Focus' is relatively easy compared to developing the complex competencies of 'Understanding Others' and 'Conflict Management'.

Lombardo and Eichinger describe over 10 researched development remedies for each of the 67 Competencies. These development suggestions can be applied using the '70-20-10' approach. Their research of the long-term studies concluded that the proportions of lessons learned by successful and effective managers are roughly 70% from tough jobs, 20% from people (mostly the boss) and only 10% from courses and reading.

So did Sir Alan get it wrong?

Well no; because it made good television, but how about these other questions? Was it the best way to recruit a high potential person for the organisation? Was Sir Alan able to articulate what he wanted from individuals and communicate it to others? Were the candidates clear about what was required and when they failed were they given feedback against a framework to understand their performance and how to do better next time? Did he have a way of establishing the project teams to ensure success? Can he clearly explain the culture of his organisation and how people fit into this?

You may not be recruiting an apprentice; but what would be the answer to these questions from within your organisation?

ThoughtPiece by David Whipp

As a result of their extensive research Mike Lombardo and Robert Eichinger developed the *Lominger Leadership Architect*. The architect includes a Library of 67 competencies that can be categorised in the five types described above. It also includes 19 common 'Stallers and Stoppers' and 7 recently identified International Competencies essential for those people who are leading across cultures and borders. The Leadership Architect Competencies are currently being used by nearly half of the Fortune 500 companies and over 13,000 customers in 63 Countries.

Sources:

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By Michael M Lombardo and Robert W. Eichinger. ISBN 0-9655712-6-2

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By Robert W. Eichinger, Michael M Lombardo and Dave Ulrich. ISBN 0-9745892-0-9

FYI For Your Improvement 4th Edition: 'A Guide For Development and Coaching'

By Michael M Lombardo and Robert W. Eichinger. ISBN 0-974892-3-3