



The Blake Group
Organizational Consulting LLC

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Organizations spend a lot of time and money creating custom competency models for their organizations. Is it worth it? I am dedicating a three part series of newsletters that will help answer that question.

The Leadership Competency Craze – Part 1 of 3: creating and conquering competencies

It has become a widely recognized that people provide organizations with a sustainable competitive advantage (Prahalad, 1983; Pfeffer, 1994; Wright, McMahan, & McWilliams, 1994). The effective management of human capital or talent, not physical capital, may be the ultimate determining factor of organizational performance. So, it is crucial for organizations to harness the productive potential of their employees in order to achieve superior performance.

Talent and competency are included in every discussion about performance – organizational and individual. First pioneered by David McClelland in the 1970's, competencies regarding human capital and talent management began to emerge as a hot topic in the late 1990's (Fitz-enz 2000; Green 1999). The quest for and scarcity of talent at the end of the 21st century required leaders and human resource professionals to focus on job specific behaviors that could propel organizational success. Since the beginning of the 21st century, the labor shortages have abated but the search for and management of talent continues to interest management and HR professionals.

I think we all know that for a person to be successful in their job he or she will behave in specific ways and at acceptable levels consistently over time. You may see these job relevant behaviors as a set of competencies needed by any employee. The difference will vary by degree of criticality, relevance to your organization and job, and the situation.

Basically, competencies are behaviors that distinguish effective performers from ineffective ones. Certain motives, traits, skills, and abilities are attributed to people who consistently behave in specific ways.

A competency model depicts those desired behaviors for a particular job position or level. A competency model also implies that such behaviors are predictive of who is likely to be successful in a position or role.

Are they worth it?

Organizations spend a lot of time and money creating custom competency models for their organizations. Are their efforts worth it?

For example, Martin E. Smith, reporting on his study at New England Telephone suggests that all models of effective leadership can be factored into these major areas:

- Cognitive skills
- Interpersonal skills
- Personal skills
- Knowledge of the business.

As a consultant and leadership coach, I typically find 70% of organizations are currently creating or using a competency model for selecting, appraising, or developing managers. The organizations that do develop competency models spend countless hours and dollars with senior management teams and consultants making lists of the desired behaviors of managers and leaders in their organizations. Are these models of management effectiveness really competency models?

A competency model is more than a wish list. The tangible test is whether the people who have the competencies are better managers than people who don't. Many of the competency models I see are just lists of positive attributes that may or may not have anything to do with management effectiveness. They reflect a half-day, off-site meeting with senior managers in which a list is made with the underlying implication, "If the boss says it's a competency, it's a competency."

Another problem is that managers are often developed with regard to competency models for the present, not the future. But because the models are expensive to create, organizations can be committed to them, even when conditions change. Further, many models of management effectiveness don't tell us how people might acquire the competencies on the list. In addition, the modeling process may polarize senior managers into warring camps over the meaning and use of words, and create cartons of paper pushed under the desks of managers and HR professionals.

Still, organizations have to be able to select, promote, reward, train, assign and develop people based on its current and anticipated business needs. It is the job of HR professionals to anticipate the knowledge, skills, abilities, and attributes for a job position or level at a given point in time. But does that mean every organization has to create a unique competency model?

It's fairly easy to describe the technical knowledge skills required by a job task, given understanding of the position, or situation. It's reasonable to assume that those "competencies" are unique to a specific position, level, or business condition. It's certainly well within the scope of HR and management to be able to identify and define the requisite professional, technical, and functional skills for selecting and training people. It would certainly clear up some confusion if we returned to labeling those requisite characteristics as knowledge, skills, and abilities (KSA's) rather than competencies.

Using KSA's might not be a competency model; that implies a particular methodology. But the "model" can describe effective managers in terms of personality traits, values, roles, skills, or perspectives learned from experience. What's critical is that the model will be based on which people are effective and how they got to be that way. It will point to how people can acquire the necessary traits, values, skills, or perspectives. The implicit development strategy will be apparent.

Next month, in Part 2 of The Leadership Competency Craze, I will give you some ideas about how you might craft performance competencies that you may use. See you next time.

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www.blake-group.com and www.leaderspath.net and www.lifespcoach.com

Or call us: 877.844.4969 or 520.455.9393

The Blake Group, HC 1 Box 577, Elgin Arizona 85611