

Developing Competency Profiles

By Peggy K. Steele, President of Regis Learning Solutions
Dr. J. Steven Kirkpatrick, Chief Learning Officer, Regis Learning Solutions

The development of competencies for organizations has become an industry unto itself. Technologies that can quickly manage and sort large amounts of information enable organizations to better utilize content, much of which relates to documentation of procedures, training, and related competencies.

What are competencies?

RLS defines competencies in general terms as the combination of knowledge, skills, and or abilities (KSAs) required for performing successfully in a job.

Competencies can be organized in a variety of ways. Often organizations identify a group of core competencies that serves as the foundation for their competency system. Core competencies are the combination of KSAs that transcend the duties of, or tasks of the job, and are necessary to perform successfully across functions and levels to support the organization's values or strategies. Core competencies may be driving from stated company, operating principles, or other threads that have been identified that all employees need to practice and be held accountable for in their jobs.

Job-specific competencies are the KSAs necessary for successful performance in a designated job or specific responsibility areas in a designated job. These will include both technical and non-technical KSAs. They may also include level-specific competencies that have been identified as important practices for a job description at the executive, management, or frontline level in an organization.

Competency-Based Human Resource Systems

Today's organizations apply the discipline of competencies most frequently to defining and describing job positions and show their relationship through job families. Competency profiles for a position or job family drive a variety of other business activities such as selection, recruitment, succession planning, employee development, training, and performance evaluation.

With the technologies as an enabler, it is easy to understand why competencies are often referred to as the DNA of the HR system. The purpose of the whole competency-based system is to find, develop, and grow talent so that it meets both business needs and the individual employee's or manager's developmental needs.

Every organization is at a different point in developing, revising, or reviewing competencies, competency profiles, and the related processes in order to put into place an effective employee development system.

How rigorous does the research need to be, and how detailed do competency profiles need to be, in order to be useable?

The level of rigor will be determined by the intended use of the competency profile and the demands of the organization.

If a competency profile is to be used for hiring, career development, succession planning or formalized appraisal, then the process for building the competency must be to be legally defensible the process has to demonstrate that the competencies are predictive of high performance on the job. It is usually considered legally defensible when competencies and competency profiles begin with the responsibilities, accountabilities, and tasks the business assigns to each position. A position may require an employee to perform a relatively few tasks often, or a wide variety of tasks over the course of time. Tasks vary in terms of their complexity, frequency, and impact on key business performance indicators.

The competency defining process thus begins with analyzing the tasks a position requires. From the description of those tasks, a set of skills, a knowledge base, and a list of abilities describe what it takes to succeed at all of the tasks assigned to that position.

This process, often called a job study, yields both competency profiles for each position or job family and a list or database of competencies across all of the positions profiled.

So if I have all this information, how do I use it to help people improve?

When stored in an easily accessible and sortable database, competencies provide a starting point to map development, training, recruitment, screening, selection, orientation, mentoring, coaching, and performance evaluation.

Why is the whole competency arena so confusing if so many people have been working on it for so long?

The confusion around competencies arises primarily for three reasons: granularity, scalability, and accessibility.

Granularity concerns the degree of detail in which competency profile is written, and how specific that detail might be to a specific business or particular position. These degrees of granularity, sometimes called levels, must optimize usefulness and scalability. Consider, for example, the following four levels of competency for a managerial position:

| Level | Competency |
|-------|---|
| 1 | Financial Management |
| 2 | Manage profit and loss for a business unit |
| 3 | Manage expenses to control variances by line items in an expense budget |
| 4 | Interpret a budget variance report Make spending decisions based on variance reports Change the timing and amounts of expense items to meet variances without impacting performance |

Considerations for the granularity

At each of these levels, a given position may have a number of competencies associated with it. At the upper levels, the list may be relatively short. However, with each more granular level (level 2, then level 3 and ultimately level 4) the number of competency statements increases rapidly.

Consider a position with six level one competencies: management, leadership, communication, supply chain, administration, and marketing. Each of those six level 1 competencies has several level 2 competencies associated with it. Then, each of those level 2 competencies has several level 3 competencies to further refine the position profile. Finally, each of those many level 3 competencies is refined by several level 4 behavioral competency statements. Thus, there may be a total of 100 level 4 competency statements to describe the profile of one job (or family of closely related jobs).

An optimization problem results from this process; how many competency statements are enough to define the skill required to succeed in the position without becoming so many as to make the competency profile unwieldy large?

Scalability, then, addresses the optimization problem that arises between having enough specificity and detail to make the competency profile useable and having to balance the sheer size of the competency database that results from ten, twenty, or even a hundred position profiles.

Accessibility--These two issues – specificity and scalability – then generate a third area of concern: accessibility. How can a line manager, technical recruiter, and compensation planner all learn how to access the competency database, get what they need, and work efficiently?

How can I receive five proposals from companies outlining how my organization should identify competencies and institutionalize them when every one of the proposals is

different, every approach is different, every database uses different terms and levels of granularity and the prices are significantly different?

Does it really matter?

Different vendors use differing approaches to the optimization of granularity, scalability, and accessibility. Some create massive competency databases, actually libraries of competency statements. Their experts then choose among their database contents those competencies that fit your company's needs. Naturally, many of these companies have related products, such as training programs and skills assessments, which they market as follow-on solutions.

Other companies focus more on the accessibility and scalability by providing software solutions with relatively user-friendly interfaces designed to help your company map its own competencies. What really matters is what your company plans to do with the competencies once they have been defined and your targeted positions profiled. That information should drive a decision about which option best suits your business needs.