

Selecting and developing people based on their competencies

Introduction to competencies

Competencies - What are they?

Competencies are defined as characteristic ways of behaving shown to be associated with achieving successful outcomes. In this sense competencies represent well-established behavioural characteristics which underpin successful everyday performance. For example, the person who consistently delivers on time and on cost will more than possess the 'results focus' competency. Equally, the person who always seems to 'pitch' their presentations just right, for the audience in question probably possesses the 'concern for impact' competency in abundance. Competencies, however, are not the only individual characteristics that we need to consider.

What about other individual factors?

Our work has shown that while competencies seem to differentiate superior from average performers, they are not the only factor that needs to be considered when making selection decisions. For example:

- Motives - motives are important because they are to do with whether an individual intrinsically enjoys particular aspects of their work.
- Intellect - intellectual capacity represents the basic mental horsepower of the individual in relation to a range of different mental processes such as abstract thinking, verbal reasoning, memory etc. These qualities are clearly important and have been shown consistently to correlate with performance. However, the correlation is not perfect, it indicates the fact that intellectual capacity, albeit a necessary condition, does not represent a *sufficient* condition for outstanding performance in an organisation.
- Values - values are also important because they represent whether people believe in their work and feel it is important.
- Skills - such as typing, problem solving etc. are also important because these provide the wherewithal that quite simply enables people to do the job. Skills are critically underpinned by competencies - the outstanding typist is probably in possession of a very high level of 'concern for efficiency'. But it is this individual characteristic of 'concern for efficiency' that is the competency rather than the notion of typing skills which represent the outcome.
- Knowledge - knowledge is clearly important and enables an individual to understand certain areas of endeavour such as accountancy procedures, the workings of a chemical plant or layout of documents. However, understanding accountancy procedures in, and of itself, does not necessarily make a good accountant. As with skills, knowledge of such procedures needs to be underpinned by competency characteristics.

- Experience - A seven year track record in a particular role is, of course, extremely valuable. The critical question however, is whether during those seven years they were effective. We all know people who have had one year of experience seven times. Experience in itself only tells you that the individual had the opportunity to do a good job and probably has good knowledge of the area in question. It tells you little about how good that experience was and therefore whether they possess the competencies.

In summary, there are three key points to make:

- 1) The deeper level characteristics such as motives and values can drive the delivery of competency which, in turn, will drive a more effective delivery of an individual's skills and knowledge base. For example, if a manager of people has over the years enjoyed the influencing process and furthermore believes that influencing is important, it is highly likely that they will deliver the behaviours associated with influencing people such as 'concern for impact', 'strategic influencing' and 'developing others' and these, of course, are the competencies. In turn, the delivery of these competencies means that the manager will be more effective in the general process of change management, team organisation and performance management. These are, of course, critical areas of leadership ability and skill.

Another example of these underpinning relationships can be illustrated by the chemist who has high levels of intellectual capacity and achievement motivation (i.e. the basic drivers) which, in turn, manifest themselves in the delivery of competencies such as 'conceptual thinking', 'analytical thinking' and 'results focus'. These behaviours enable our chemist to engage in the acquisition of knowledge with a greater desire for outcome and a greater chance of understanding critical links between aspects of the knowledge area and possible areas of application. Furthermore, the knowledge acquisition process is likely to be engaged far more quickly.

- 2) We need to recognise the issue of 'trainability'. What we know is that the deeper level characteristics are less easy to develop. For example, if you send an introvert to an extroversion workshop you would not expect a personality change after a three-day course. However, if a secretary were to attend a course in word processing, it would be fair of you to expect to see your documents effectively typed the day after the workshop. A key point to recognise is that if you require job performance on Monday morning, your selection/development decisions do need to consider the skills and knowledge areas. You therefore need to recognise that if there is a competency gap, the cost of development is infinitely more time consuming and expensive than a skills and knowledge gap. In short, if the basic drivers and the competencies are in place, the acquisition of the skills and knowledge can be quick and smooth. Also, from our experience, we know that what differentiates superior from average performers are the competencies rather than the skills.

- 3) We now have the issue of levels of consciousness. It is perfectly reasonable to assume that we are readily aware of our own skills and knowledge gaps. For example, a person is aware they can't type, drive a car, understand accountancy procedures or know the 'ins and outs' of chemical engineering theories. These things we are conscious of. However, it is certainly not reasonable to assume the same level of awareness when it comes to competencies - people very rarely wake up in the morning and say to themselves, "I haven't done any strategic thinking for several months, I must do some today." Also, we rarely reflect on our own motives or values on a regular basis, particularly when thinking about why a particular project or work task didn't go as well as it might.

In short, there are differences in the extent to which people are conscious of these different levels of capacity. This has tremendous implications in terms of providing feedback. If you expect people to develop competencies then you have to help them to become aware of the relevant competency gaps.

It is useful to illustrate with a real job what competencies might look like. The following table sets out a competency analysis for the role of secretary:

Column one illustrates the key tasks that one would expect a secretary to do (i.e. skills and knowledge areas).

Column two shows a list of behaviours (i.e. competencies) that enable the secretary to be an effective performer and deliverer of the key tasks.

Column three gives a couple of examples of behaviours that really characterise the most outstanding secretary we might have come across.

SECRETARY		
Tasks	Behaviours	Outstanding
<ul style="list-style-type: none"> • Typing • Word processing • Telephone • Diary Management • Arranging Travel 	<p>Thoroughness</p> <ul style="list-style-type: none"> • Completes the task • Ties up loose ends • Ensures all the factors have been considered 	<p>Interpersonal Awareness</p> <ul style="list-style-type: none"> • Understands the unspoken meaning in a conversation • Is sensitive to the needs and concerns of others
<ul style="list-style-type: none"> • Office Management • Photocopying • Arranging meetings 	<p>Rational Persuasion</p> <ul style="list-style-type: none"> • Presents an argument with logic • Uses facts and figures to persuade others 	<p>Conceptual Thinking</p> <ul style="list-style-type: none"> • Makes connections between things that are not obvious
	<p>Information Seeking</p> <ul style="list-style-type: none"> • Probes relevant people for information • Seeks the relevant data in order to complete the task 	<ul style="list-style-type: none"> • Recognises trends from information

Types of Competency

Given the analysis of the secretarial role we can see that a number of competencies with behavioural indicators have emerged. However, from the list, we can separate two types of competency:

- Distinguishing (premium).
- Threshold (baseline).

When we talk about *distinguishing competencies* we mean those competencies that characterise really superior performance. In other words if we took a group of superior performers and a group of average performers (i.e. performance determined by actual delivery of outcome for the organisation) we would be able to show clearly that superior performers delivered significantly more of the competencies than their fellow average performers.

A *threshold competence* on the other hand, represents the minimum requirement for effective performance. In other words, superior and average performers deliver equal amounts of these important competencies.

The difference between these types of competencies is probably best illustrated by our secretary example. *Thoroughness* has been identified as a competence or a feature of effective performance. If a secretary is not thorough their performance is likely to be below standard. However, just being thorough does not make them outstanding secretaries, for this we need to consider distinguishing competencies, an example of which is *interpersonal awareness*.

To summarise, in this secretarial example we see that competencies such as thoroughness, persuasion etc. are simply the minimum requirements. The truly excellent secretary however delivers these *plus* the distinguishing competencies.

Advantages of a competency based approach to selection and development

Our experience over the years has illustrated some very specific advantages of a competency based approaches:

- Consistency.
- Common language.
- Lever for change.
- Transforms business performance.
- Realisation of equal opportunities policy.
- Adds value.

It has been our experience in using competencies that business professionals and management teams find a competency approach provides a powerful *common language* and a degree of *consistency* not otherwise readily achieved.

Much work has shown that the cost of making a poor selection decision can be extensive, not just in terms of wasted management time and replacement costs, but in lost opportunity for the business. A number of organisations have estimated that the wrong decision at the level of a Chief Executive can cost upward of £280m. It is important to realise that a selection process is fundamentally about reducing errors and increasing 'hits'. In short, picking winners. Given the costs of making a poor selection decision versus the relatively trivial cost of utilising competency based selection, there is clearly no question about its added value.

The above is only true if you achieve consistency in your selection process. By consistency we mean, is the selection process valid and does it predict performance? Also, is it reliable? For example, if candidate 'X' is assessed on one day and judged to be high in strategic thinking and the following day is assessed to be low, the assessment process could be said to be unreliable. In our experience we have found that a competency based approach offers the greatest potential to maximise consistency and therefore provide a statistically robust means of picking winners.

Competence based selection is a way of achieving this through a process of selecting and developing people who will *really* make a difference. When managers discuss the suitability of job applicants that discussion revolves around the competencies, this makes statements around gender, for example, not only less relevant, but also more difficult to legitimately discuss within a management forum.

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