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Building on Strengths Through Competency Modeling

The perfect employee. The ideal team. The model workforce. Is perfection even possible in the workplace? Maybe not, but by utilizing competency modeling, companies are better able to build a workforce of employees who are an ideal fit for the organization. Competency models are touted as extraordinarily useful tools for helping businesses attract, hire and retain key employees, but many organizations still aren't relying on them in their recruitment and development strategies.

Let's take a closer look at competency models and how they can help organizations. What are they? Why are they useful? And if they are so beneficial, why aren't all organizations using them?

What is competency modeling?

A competency model is a framework that identifies a combination of skills, knowledge and behaviors. An organization's leadership team customizes the framework to pinpoint the unique combination of qualities the company needs in its employees to be successful. People's skills and experience are an important part of the competency model, but it also helps to define the less tangible characteristics, such as behavior, values and transferable knowledge.

This framework is not created in a vacuum. In fact, the leadership team must consider the business' aim, culture and direction, which allows the team to link talent management practices directly to the company's mission and goals. It gives a commonality of focus for driving business.

When there is a job opening, HR managers are not just filling a spot. They are selecting an employee based on carefully constructed criteria. This makes the hiring process less subjective and more strategic—and more likely to succeed.

Competency models are also utilized in promotion and development strategies. They outline what skills and experience the company needs to acquire to reach the next level, and how training and development programs can help employees attain these skills. These models are also useful in personal career development as they identify the areas where there is greatest need in the company and give employees the tools to fill those needs.

In fact, competency modeling lays a foundation for all human resources strategies. Instead of instituting an arbitrary "program of the day," HR plans are linked to the organization's strategic goals. Competency models look at what the organization needs to be successful and how employees' performance can enhance that success.

How is competency modeling used?

There are many ways in which organizations utilize competency modeling. In one example, a company was hoping to improve performance, results and overall engagement in their HR department. They looked at the skills, knowledge and behaviors needed to reach this goal, and identified “influencing”, “consulting” and “strategic thinking” as three competencies that needed to be developed. The organization then tied their training and development initiatives to these core competencies, strengthened the department performance and helped employees advance their careers.

Another example where competency models have proven useful is in a merger or acquisition. In M&A situations, two companies are coming together and need to begin working as one. How do you create common knowledge and goals? How do you work with existing employees to reset their foundation? In selecting new hires, what criteria is the new entity looking for? Competency models help interconnect the talent management programs with the organization’s new focus.

What are the drawbacks and benefits of competency modeling?

It seems as though competency modeling should be a “no-brainer” for most organizations. Yet, many companies are still not using them. Why is that? Some leadership teams are afraid it will be too much work or too expensive. Many leadership teams are hesitant to introduce competency modeling because they think it will be impossible to get leadership to agree on what should make up the key competencies. It does require work, but that’s what makes it such a powerful tool, because a consensus is required.

The other challenge is that executives think that once it is done, it is done for life. But competency models need to be living, not static, documents. They should be reviewed periodically so they don’t become obsolete. Organizations and their business goals and needs are dynamic and models should reflect that. When should the model be updated? Whenever the organization reviews strategy, alters direction, when the business climate is shifting or when there are internal changes. The good news is that competency models don’t need to be recreated from scratch, but rather they just need to be updated to reflect changes in culture, goals or business environment.

Competency modeling is a useful tool in driving an organization’s recruitment, hiring and development strategies—and helping align those strategies with the company’s goals and bottom line. While the “perfect” employee may be a myth, by utilizing competency models companies can find employees with the ideal mix of skills, knowledge and behavior that will help the business achieve success.