Competency Models- Misleading And Mischievous

In a seminar I was attending a few years ago, a pharmaceutical company presented their competency model in the morning. After the session leader who presented it left, the same afternoon an IT company presented its model. Observing the stark similarity and 'near sameness' of the list of competencies presented in the two models by the Pharma and IT presenters, the audience had only one question on their mind, "How can an IT and Pharma company require similar competencies?". The presenters themselves were surprised. We eventually found out that both these organizations had invited the same consultant to develop their competency model. It appeared that the consulting company had a standard competency model in lieu of a research based, tailor made list of competencies needed for the two different organizations!

Competency models are clearly in FASHION today. Organisations take pride in commissioning work for developing a competency model.

What Is A Competency Model?

A competency model describes a combination of the most critical knowledge, skills, and behaviors needed to effectively perform a role in an Organization. They describe competencies in behavioral terms, using behavioral indicators, so that employees can recognize the competencies when demonstrated. There can be competency models for a role, for a department, for a function or for an organization. Competency models often contain an overall graphic depiction of the relationships between competencies or show them clustered into related groups.

Organisational Competency Model

An organizational competency model normally has a list of eight to ten most critical competencies required to perform various jobs in the organization. As they are derived after studying most successful role holders at various levels (Executives, Deputy Managers, Managers, Senior Managers, Vice Presidents, Deputy General Managers, General Managers and Vice Presidents, Presidents etc.), they are considered comprehensive models of competencies required to be successful in the organization. The competency models normally describe the competency, present illustrations of how the competency is exhibited at various levels and functions in the organization. They also present indicators of behavior which are classified into three or four levels like the beginner, practitioner, expert, leader, etc. or simply by naming them as proficiency levels like level 1, level 2, level 3, level 4 and so on. The levels are sometimes associated with the job levels or designations in the organization. Most MNCs used to have competency models in the past and used them in induction, training, performance appraisals, career planning, potential appraisal etc. (TVRLS, 2006).

Indian organizations have also resorted to developing their own competency models in recent years. Many organizations like Infosys, Wipro, Philips, HUL, Wockhardt, HDFC Life, Tatas, Cummins, Dr. Reddy's etc. have developed their own competency models. Inspired by these, many more organizations are commissioning the development of their own competency models. Once developed, these competency models are used as a part of recruitment, induction, performance management, leadership development, career planning and development etc. (p5, Lucia and

Prof. T.V. Rao

About the Author...

Dr T V Rao is currently Chairman, of T V Rao Learning Systems Pvt. Ltd. and Adjunct Professor, IIM, Ahmedabad. He was Professor at the Indian Institute of Management, Ahmedabad for over 20 years beginning 1973. He has also worked as L&T Professor of HRD at XLRI, Jamshedpur during 1983-85. Dr. Rao is the Founder President of the National HRD Network and was President of the Indian Society for Applied Behavioral Science (ISABS).

Nandini Chawla

About the Author...

An Electrical Engineer and a PGDBA from NMIMS, Mumbai, she is the CEO of T V Rao Learning Systems. She can be reached at: chawlanandini10@gmail.com

Lepsinger, 1999). Assessment centers or Development centers are also being designed around these competencies. While this is a welcome trend, an over dependence on competency models can be misleading and might even amount to playing mischief with organizational effectiveness and productivity.

Limitations of a Competency Model

A competency model for the organization is arrived at after considerable research and study of various effective role holders at various levels. They are interviewed by experts in competency mapping and asked questions like what knowledge, attitudes, skills, qualities, traits etc, are required to be successful in the role you performed so well etc. Alternately, the role holder's superiors are interviewed. In the Role Set Based Competency Mapping (RSBCM ©) model of TVRLS, all the role set members (these are the stakeholders who interact with the role holder) are interviewed and notes are taken. Once all the interviews are completed, a list of competencies is culled out from the successful performers at different levels.

Over the years it has been found that most companies have same or very similar competency models. All of them list competencies like Vision, Strategic Thinking, Systems Orientation, Entrepreneurial Attitude, Team work, Interpersonal Sensitivity, Customer Centricity, Technology Savvy etc. In fact if we survey all the competency models, we can list around 30 to 40 competencies and this can further be compressed into dozen competencies across all companies. It appears as if having these 12 competencies can guarantee success in any company, anywhere in the world.

If it were that simple, why don't our Management Schools focus solely on developing these competencies? Recent studies by Harvard Professors like Srikant Datar have outlined a list of competencies that top B-Schools should develop: Leadership Skills, Creative and Critical Thinking, Change Management, Soft Skills etc. Dave Ulrich and his team at Michigan have also developed a list of competencies and skills for the HR profession.

What Are The Challenges In Using Competency Models?

1. 'Competencies are contextual'. As contexts change, competencies required to do a job well may change. For example, the competencies required for a finance head may change from the initial stages of a company to later stages. It will also depend on the economic situation and supply of money. Even the competencies required of a HR head during an industrial unrest and union militancy will be different from those required of the same HR head when things are stable and the main focus is to hire and retain global talent. The competency profiles of a CEO or an R&D head may change as the organization matures. Dave Ulrich and W Brockbank have presented different lists of competencies in the last decade for HR managers as their context is continuously changing. Hence, competency models cannot be considered valid on a permanent basis, for all time-They need periodic revisits and revisions.

2. Organizational competency models cannot ensure success of all role holders merely on the basis of the possession of these competencies, at higher levels. The performance equation which is well accepted defines successful performance as

Performance = Abilities or competencies X Motivation or Work Effort X Organizational Support
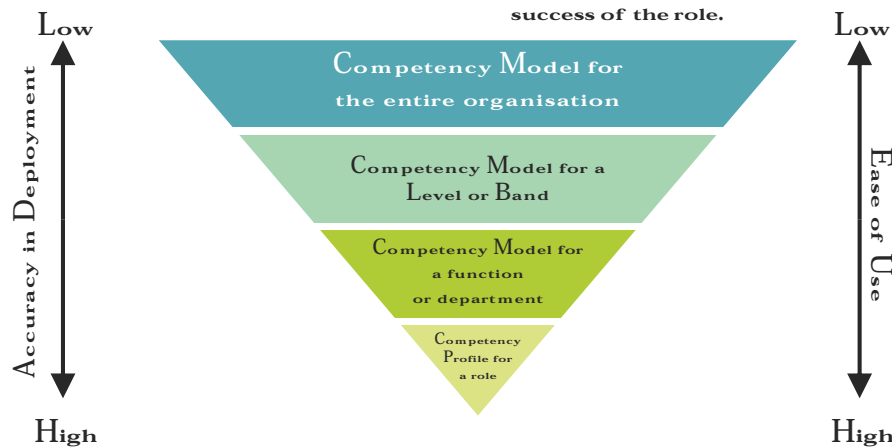
The definition of high performance varies from time to time and hence the need for defining the Key Performance areas, activities and performance

indicators annually. By reasoning, if the KPAs vary from year to year, the competencies should also vary. Hence, no 'one time' competency list for an individual can be considered valid across all times. Fortunately for us, KPAs normally don't change from year to year, but may change across a few years. In such a scenario, competencies should reflect these changes. The Organizational competency model should then reflect these changed competencies.

3. No competency model can be exhaustive. It cannot take into consideration the innumerable competencies required to perform each and every role. Hence, an active use of competency lists should include the role related competencies. The most accurate competency model is the one that is designed for a unique role. This document is normally called a competency profile. Once we develop a model for a function or a department there is some dilution in the accuracy. Once we develop a model for the entire organization, the

gap or distance between a role related competency profile and the organization wide competencies further increases. Most organizations commissioning competency studies are happy when the consultant gives a short report and presents a graphic model of competencies. Unfortunately, this is misleading and is inadequate for any purpose other than a standard package of induction, and periodic appraisal. Even for induction, it is not the competency model that matters as much as the competency profile required by that job. Most organizations do not even ask consultants to give them the competency profiles of the jobs they surveyed. They are quite happy with the final outcome-the competency model. It is high time that organizations realize the limitations of competency models and start using competency profiles of each of the roles mapped by the consultant or the internal teams. By ignoring this, while we are preparing universal managers, we are not preparing organization or role specific managers, who will could contribute to the success of the role.

Conclusion

One does not want to convey through these arguments that competency models are not useful. On the contrary, they are good tools to communicate effectively, the critical competencies needed to be successful in the organization and which could be valued by the organization at senior levels. They serve as very good beginning points but are not the end points. These models should be used and should be worked upon extensively in order to convert them to more useable forms for the 'level' or 'role' under consideration. They are good tools to inform job aspirants as to what is required of them and also good tools to develop critical leadership competencies through a variety of interventions. However, their utility should not be over stressed and overstretched. They cannot become a panacea for all talent management needs and interventions. They cannot be the only criteria for promotions and succession planning. They can be treated as necessary conditions but not sufficient conditions for success. They may be useful for Development Centres but not for promotion decisions as promotion decisions should be based on contextual competencies and job specific competencies rather than organizational competency models. Organizations should take pains to ask, get and retain the job specific competency profiles when they commission competency mapping studies. Job specific competency maps or profiles can serve better purpose of talent management than mere competency models.

References:
1. Lucia, Antionette; and Lepsinger, Richard. (1999) The Art and Science of Competency Models: pinpointing critical success factors in organizations, San Francisco: Jossey-Bass, Pfeiffer.
2. T V Rao Learning Systems: Competency Mapping Education Kit: Ahmedabad: TVRLS, 2006.

Image Source: http://haecceities.files.wordpress.com/2012/03/tre.jpg