Competency Models Develop Top Performance

Sharp Electronics finds successful

formula for competency model.

By Richard Montier, David Alai, and Diana Kramer

THERE IS NO ONE magical solution that enables companies to succeed in today's competitive global marketplace. However, businesses are increasingly adopting competency models, which prove their value as a human resources management tool.

Sharp Electronics Corporation, the North American sales and marketing subsidiary of Osaka, Japan-based Sharp Corporation, was among the first wave of companies to adopt competency models and is now set to embark upon a second phase.

Sharp developed a core competency model nearly seven years ago. The second phase of the initiative will include five competency models that are specific to several strategically important job functions in sales and marketing, and a revised core competency model.

High-potential employees

Sharp's interest in developing its initial core competency model was instigated by the need to adapt to a more competitive market characterized by increased customer requirements and many new digital products. To meet that demand, the company set out to clarify the knowledge, skills, and behaviors that would enable employees to achieve the organization's goals. While competency models have many applications, some appealed more than others to important stakeholders.

For example, executive management was very interested in consistent and objective criteria to identify high-potential employees. Additionally, the human resources department wanted to use competencies as part of an employee development system in which employees could, on their own or with their managers, use core competencies as reference points to compare nontechnical job requirements with their individual profile to identify meaningful gaps. HR also considered the competencies as a useful listing of "how" factors to supplement a performance appraisal that emphasized management by objective.

The fact that so many stakeholders with differing perspectives can find value in competencies is probably one of the key attributes that contributes to the past, present, and future popularity of this technology.

Comprehensive research

The concept of a competency model is likely to find broad appeal within most organizations. When conducted in a purposefully inclusive manner, the creation process is likely to reinforce these initial positive perceptions. Fortunately, the methodology used to build and validate a model strengthens those feelings as the necessary research and analysis requires a comprehensive series of interviews and focus groups.

There has been a productive professional debate about the value of generic competency models versus custom-designed ones. When time permits and the cost of customizing is within the means of the customer, customized models are more likely to be accepted and applied. Customized competency models constructed with employee involvement create buy-in and marketing buzz. They are also more likely to reflect business priorities and use language that management and employees recognize as their own.

In Sharp's case, individuals at all levels throughout the organization played a significant role in developing and validating processes for the custom core competency model.

The business environment was thoroughly analyzed to provide a foundation for the competency project. Interviews were conducted with senior executives to outline the corporation's future. The discussions included
● Sharp's strategic direction
● anticipated changes in the business
● knowledge, skills, behaviors necessary to achieve goals.

Other competency models and best practices were also researched. These provided an external validation benchmark for the study. Moreover, behavioral interviews were conducted with top performers, and examples of exceptional performance were analyzed. Themes emerged and were interpreted to construct the initial competency model.

Focus groups provided additional input regarding knowledge and skills required for specific competencies. They also facilitated lively debate among participants to create ownership and com-

The model incorporates the following competencies:

- demonstrates creativity
- learns continuously
- establishes high standards
- uses information technology
- communicates effectively
- partners with others
- understands the organization
- drives change
- focuses on the customer
- knows the global business
- thinks strategically
- delegates authority
- develops and coaches
- leads others.

Competency Process

Planning & Business Analysis → Analysis & Best Practices → Interviews with Senior Executives → Analysis & Best Practices → Behavioral Interviews with Top Performers

Focus Groups Across Functions and Locations → Analysis & Best Practices → Validation Meetings → Analysis & Best Practices → Review with Senior Management

mitment to the process. Data from the focus groups were analyzed, and the core competencies were further developed.

Interview and focus group participants met to validate the specific core competencies. Senior management reviewed the core competency model to ensure that it reflected the desired competencies.

Core competency model

The core competency model that emer-ged contains 14 competencies grouped into four themes. Each competency has a unique behavioral definition and five stages of development. The behavioral descriptors depict performance along a continuum from low to high. Each descriptor incorporates all prior behaviors for that competency.

When assessing individual performance, typical behavior is evaluated. Because descriptors reflect observable behaviors, individuals can readily identify where they are on the scale and target opportunities for enhancement based upon their strengths and gaps compared to job requirements.

Shortly after launching the core competency model, a sales department manager inquired about how to use the methodology to improve sales manager performance. The process included a multi-phase approach similar to the core

Sample Sales Director Competency

Understands and encourages staff to use all aspects of products, services, and the market to increase business.

5. Develops business plans that anticipate market opportunities. Initiates, directs, and anticipates zone marketing activity consistent with business products group strategies. Understands short- and long-term market challenges and changes, and empowers self and others to create change for business growth.

4. Develops strategies that will affect the business on a district and zone level. Proactively develops short- and long-term business plans for the marketplace consistent with business products group strategic initiatives. Directs staff to develop strategic selling strategies.

3. Provides tailored sales direction. Provides direction and develops and executes action plans with staff, based on report and business analyses, market conditions, and zone needs, to increase productivity. Encourages staff to identify and communicate their business needs and opportunities.

2. Encourages staff to gather and communicate competitive information. Encourages staff to be cognizant of dollar potentials in individual markets within the zone and identify obstacles and opportunities. Holds staff responsible to understand how our competitors and strategic partners affect our business.

1. Knows the factors affecting zone markets. Recognizes the importance of and understands products, the market, and the competitive environment within that market. Demonstrates a demographic understanding of the zone.

Competency Applications

Developing People	Selecting Top Talent	Performance Management
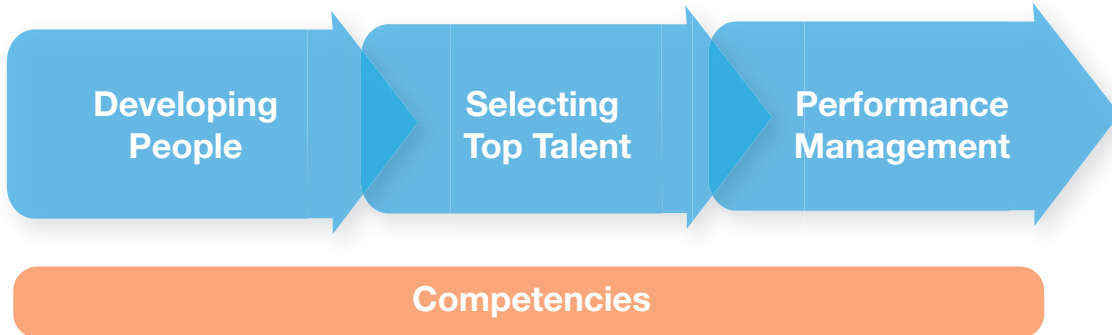
Competencies

competency model. A targeted model specific to sales managers was developed that consists of 12 competencies grouped into four categories.

A process was adopted whereby each sales manager was evaluated to assess strengths and developmental areas. Once complete, the sales director met with each sales manager to review the outcomes and create individual developmental plans to enhance each sales manager's performance.

Core competency applications

Integrating competency models into other human resources systems is crucial to their acceptance. There are three key processes upon which Sharp focused its initial competency applications.

Developing people. Using competencies as the foundation for development plans enables employees and their managers to target specific strengths and developmental areas. The company then created a detailed resource guide matching the company's custom competency model that lists a wide variety of self-improvement ideas (job activities, readings, websites, and seminars). The goal of the resource guide is to increase the frequency of development planning by making it easier to do.

Selecting top performers. Competencies are often used as tools to identify the best candidates to fill new or open positions. To encourage interviews based upon the custom core competency model,

Sharp created a special interview guide that includes pre-interview activities, suggestions on how to open and close the interview, a section on work history, and summary ratings on competencies.

Managing performance. Sharp's performance management process strongly emphasizes evaluating employee performance based upon mutual expectations without offering the traditional section where the manager assesses "how" factors. The core competency model became a way to give employees feedback about how performance results were achieved.

Lessons learned

The organization is now poised to begin a second round of competency models. Major lessons learned during the original implementation included

● Given the company's culture, customizing is important.

● Employee participation in the development of the model created good awareness about the initiative.

● Nearly all nonsales supervisors and mid-level managers received training

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about the core competency model and its applications.

● A guide that lists developmental resources and activities by competency makes planning easier for managers and employees.

● Executives supported the project.

For the next phase, Sharp's highest priority will be to increase the use and application life span of the competency models. The competency models must be better integrated into the company's selection and promotion procedures and its performance management process. There are different ways of achieving these goals, and part of the challenge will be matching options to the company's culture, resources, and needs. **TD**

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