

# SPEAKING FROM EXPERIENCE

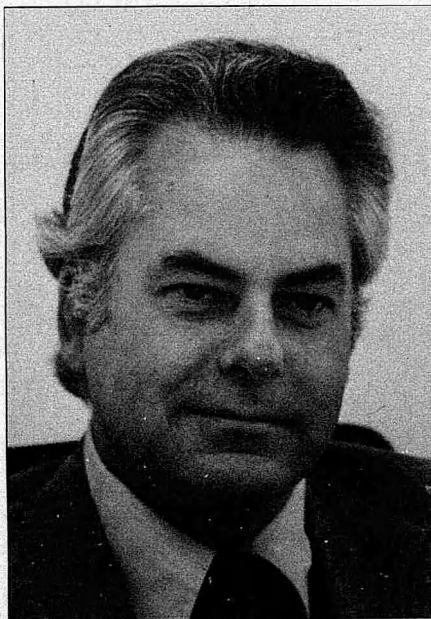
## THE DECLINE AND FALL OF PERSONNEL

Guest Commentary  
BY JOHN D. INGALLS

The 1980s will be the decade in which "personnel" as it has traditionally been known may cease to exist . . . at least in its present form, or it could rise to heights of accomplishment. Personnel is in serious trouble. As a function, it is not respected by many members of senior, middle or first line management. It is patiently tolerated by the rank and file of workers and it is the center of combat with the unions. Its primary value is in "putting out fires." As one senior executive put it: "I don't know what they really do *for* us, but we seem to need them to keep us out of trouble." The recent plethora of new government regulations has given personnel a new lease on life — more fires to deal with — but the life expectancy still appears temporary at best.

Personnel lacks a defined body of knowledge like accounting or engineering. It has no unique technology to drive it forward. Its one claim to fame lies in its ability to foster, implement and support bureaucracy and bureaucratic management methods. It does not know how to appeal to new worker values. And, it often tends to be insensitive of new non-bureaucratic methods for improving human performance and productivity and the quality of working life. It must also be observed that very few personnel executives have yet made it to the ranks of top management.

Speaking from the vantage point



John D. Ingalls

of 18 years' experience as a personnel manager and 10 more years as an organization consultant, I can say with confidence that the Achilles' heel of personnel is "the sticky-tape and glue-held, pseudo-scientific set of policies and procedures" that results in something called *the compensation plan*. Corporate compensation plans are built on secrecy, which make them highly vulnerable and suspect in this day and age. Job comparisons . . . those factor and point systems for comparing and rating jobs . . . are highly subjective and arbitrary. Comparing jobs from company to company and across industry lines may sound like a good idea. However, job conditions,

work requirements and organizations tend to differ greatly, making most comparisons invalid.

The ultimate disaster of the corporate compensation plan was the decision to *pay the job and not the person*. The purpose was to reduce internal competition and increase equity. As the person is the ultimate locus of both performance and accountability, however, this decision created a massive pattern of demotivation and reduced productivity that is only now beginning to be realized. While companies professed to believe in a merit pay system, they instituted and fostered systems of categorical compensation and across-the-board increases. This greatly diminished the value of individual effort and achievement, and reinforced the tendency toward discrimination and favoritism with regard to opportunities for promotion.

The underlying reason for "the great compensation mistake" must rest with the personnel department's failure to describe the work in terms of performance and competence requirements . . . terms that would lend themselves to appropriate and equitable reward scales. The typical job description lists duties and responsibilities as task statements initiated by action verbs such as "puts," "carries," "lifts," etc., or in more complex jobs "initiates," "directs," "controls," etc. These work descriptions identify the tasks that must be carried out but they do not

specify what the incumbent must know, be able to do, and make happen in a "real world" work environment in order to accomplish those tasks. And they do not provide a means for measuring the degree of knowledge, skill or operational ability the incumbent has (or must develop). Nor does the job description provide a system of performance standards, requirements for interpersonal effectiveness, and clarity of both job and departmental goals and objectives.

Why then is the job description (plus a set of dubious job comparisons) allowed to serve as the backbone of the compensation system?

### New Competency Measurements

At this writing a new framework for work description has been developed that shows virtually every professional or managerial job to require 36 specific and measurable competencies. Clerical, technical and production jobs usually require fewer — approximately 24 to be exact. These competencies are

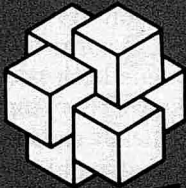
measurable and once identified make the specification of performance standards and output requirements a relatively easy matter.

Competencies can be measured on a one to five rating scale. "Front-end" subjective measurements can be later confirmed and validated objectively from competency measurements taken on the basis of demonstrated work performance over time.

The fact of great significance here is the identification of any single competency unit as "the lowest common denominator" of human work performance. As competencies can be measured and demonstrated, and as each job possesses a specific number of identifiable competencies, human resource accounting at last moves within reach. It is now possible to define the human asset value of an organization component, on a work group, in terms of a ratio between competencies actually possessed and competencies required for optimum performance. Resulting gaps clearly show specific training and development needs. In addition, competency oriented employment interviewing and career planning become more logical, measurable and manageable.

It is perfectly obvious from observation in a variety of cases that an individual with a higher proven competency rating performs better and produces superior qualitative and quantitative results. Therefore, the conclusion is inescapable . . . the compensation system must be altered to reward and foster the acquisition of increased competence. And it must be made to pay-off for proven performance results. New wage and salary scales can easily be adapted to fit a competency-based system, making possible an alteration of the present reward system without disturbing the compensation budgeting process.

A competency-based compensation system is also consistent with corporate efforts to reduce favoritism and bias and to increase effectiveness of EEO and Affirmative Action programs. Competencies are non-discriminatory. Minority members are just as able to develop specific job-related competencies as anyone else (given equal



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opportunity). Setting aside the separate question of remedial basic education needed by some minority members whose schools may have short-changed them, most minorities (and compliance officers) would support a competency-based system because it would tend to prove out over time that equality of opportunity can be attained.

Selection and promotion on the basis of demonstrable competence is non-discrimination "par excellence." Those who progress do so because they work harder or because they pay more attention to self-development. And, extraordinarily talented individuals rise faster in a competency-based system because of ability, regardless of race, ethnic origin or sex. Organizations now can and must create equitable working environments that reward competence and support and foster competence acquisition.

### Replace Present Performance Measurements

A competency-based compensation system also calls for replacing present methods of performance appraisal (good/bad judgments of

prior work performed) with a combined performance planning and competency development planning system that identifies development needs on the front end and assesses relative degrees of developmental and performance progress on the back end of an appraisal period of six months or a year.

The 1980s may see the decline and fall of "personnel," if we mean by that term a management approach primarily oriented toward implementing and maintaining bureaucratic control systems. It will be replaced by something we are now calling (albeit with some misgivings) the human resource development function. But HRD professionals must now stretch to become more involved with the "people management" and "people development" effort which includes employment, compensation and training and development.

A competency-based HRD system is a long-awaited new technology. It enables HRD executives to take their proper place with other members of the management team and define in specific terms

what the HRD contribution means in terms of corporate performance and profitability.

In the 1980s, the "old" personnel function will probably die, with the new HRD function rising to replace it, once it is able to foster the continuous development of increased human capacity and performance with a competency-based management system.

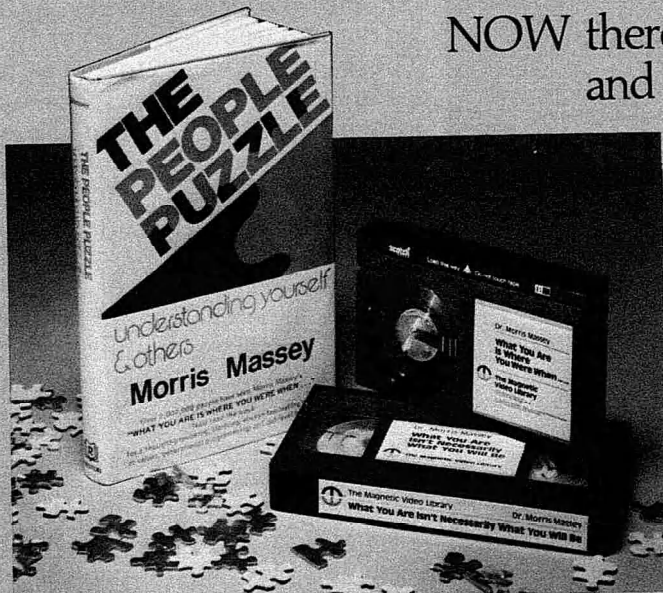
That's one scenario!

Unfortunately *both* personnel and human resource development professionals are so busy putting out fires that neither spend necessary effort on developing new approaches. Another scenario for the 1980s sees both personnel and human resource development making *no* significant changes or developments. That would be most unfortunate because the opportunity for change exists now. (If no change occurs, watch for this article again in your January 1990 *Training and Development Journal*.) — *John Ingalls.*

John Ingalls is president of Competency Development Corp., Annapolis, Md. He is also a consultant and author in the fields of management and education.

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