



# Are Competency Models a Waste?

BY MAXINE DALTON

*Practitioners spend a lot of time and money creating custom competency models for their organizations. Are their efforts worth it?*

**A**S A TRAINER who teaches executive development to HRD professionals, I typically ask participants how many are currently creating or using a competency model for selecting, appraising, or developing managers. Usually, about 80 percent raise their hands.

With great fervor and intensity, training professionals spend countless hours and dollars with senior management teams and consultants making lists of the desired behaviors of managers and leaders in their organizations. Yet, are such models of management effectiveness really competency models?

A competency model is more than a wish list. It must involve a methodology that demonstrates the validity of the model's standards. The litmus test is whether the people who have the competencies are

better managers than people who don't. A competency model must also identify and validate the behaviors that imply the existence of underlying motives, traits, and attitudes. But most of the current activity going on under the banner of competency modeling is really only list making.

Another problem is that managers are often developed with regard to competency models for the present, not the future. But because the models are expensive to create, organizations can become attached to them, even when conditions change. And many models of management effectiveness don't tell us how people might acquire the competencies on the list.

Those issues raise the question: Are management and leadership models so different that they justify



the expense of in-house, tailor-made development? Especially considering that most of the time and money go to the front end, the list making, rather than the implementation.

### **The competency craze**

Competencies are behaviors that distinguish effective performers from ineffective ones. Certain motives, traits, skills, and abilities are attributed to people who consistently behave in specific ways. A competency model depicts those motives, traits, and so forth as a set of desired behaviors for a particular job position or level. A competency model also implies that such behaviors are predictive of who is likely to be successful in a position or role.

The current competency "craze" is the most recent manifestation of long-time efforts by psychologists to reduce a job to its essential elements so as to understand what is required to accomplish the job successfully. The pioneers in this area studied the work of people in technical activities. Later researchers focused on management jobs and their competencies.

At some point, the work overlapped with the demands of the civil rights movement and laws that specified that selection criteria must be job related. That led to the widespread use of job analysis and content validation regarding selection tools. You could not test candidates on something a job didn't require. Practitioners adopted the methodology of competencies to design training programs for teaching technical skills that would ensure certain behavioral outcomes. Consulting firms began using job analysis and critical incident interviewing to help companies in selection and compensation, and as a rationale for the activities associated with executive succession planning and development.

Competency modeling evolved parallel with the use of assessment centers and the term, *dimension*, to describe the behavioral characteristics of effective managers and leaders.

There is a precise and specific methodology to building competency models, associated with the work of David McClelland. Development involves these steps:

- ▶ specifying the job or position being analyzed

### **■ An unvalidated competency model won't describe the people who have the appropriate attributes or who will be effective in meeting business goals ■**

- ▶ specifying expected business challenges
- ▶ conducting critical incident interviews for anecdotal evidence on effective and ineffective performers
- ▶ conducting a content analysis of the critical incidents to identify the underlying competencies
- ▶ validating the model to ensure that it captures the characteristics of effective managers compared with ineffective ones in a given situation.

Unfortunately, in the current "I gotta have one, too" atmosphere of competency modeling, the methodology is often unknown or ignored. Instead, people compile the attributes of job incumbents or senior managers' beliefs. Seventy percent of the competency models I see are just lists of positive attributes that may or may not have anything to do with management effectiveness. They reflect a half-day, off-site meeting with senior managers in which a list is made with the underlying implication, "If the CEO says it's a competency, it's a competency."

### **So, what's wrong with that?**

Building a so-called competency model based solely on the beliefs and opinions of a group of people, albeit powerful people, makes it a useless exercise. It's important for HRD people to discuss management attributes as well as business needs and objectives with senior managers. But an unvalidated competency model won't describe the people who have the appropriate attributes or who will be effective in meeting business goals. It just captures the status quo. A company that creates a list by opinion fails to recognize that the list represents the

company's implicit staffing strategy. A list made up of personality traits and deeply held values, for example, implies a selection strategy, not a training and development strategy.

In addition, the modeling process may polarize senior managers into warring camps over the meaning and use of words, and create cartoons of paper pushed under the desks of HRD professionals.

Still, organizations have to be able to select, promote, reward, deploy, train, and develop people based on its current and anticipated work and on the tasks that need to be accomplished. It is the job of HRD professionals to anticipate the knowledge, skills, abilities, and attributes for a job position or level at a given point in time. But does that mean every organization has to create a unique competency model?

Reporting on a study at New England Telephone, Martin Smith suggests that all models of effective leadership can be factored into these major areas:

- ▶ cognitive skills
- ▶ interpersonal skills
- ▶ personal skills
- ▶ knowledge of the business.

It's fairly easy to describe the professional, technical, and functional skills required by a job task, position, level, or set of conditions. It's reasonable to assume that those "competencies" are unique to a specific position, level, or business condition. It's certainly well within the scope of HRD professionals to be able to identify and label the requisite professional, technical, and functional skills for selection and training purposes. In fact, it would clear up some confusion if we returned to labeling those requisite characteristics as knowledge, skills, and abilities rather than competencies.

It's unlikely that the management and leadership skills of effective people—what Smith calls cognitive, personal, and interpersonal skills—are unique or different across functions and organizations. Companies can save a lot of time and money by using an existing research-based management model and building HRD strategies around it. It might not be a competency model; that implies a particular methodology. But the model can describe effective managers in terms of personality traits, values, roles,

skills, or perspectives learned from experience. What's critical is that the model will be based on which people are effective and how they got to be that way. It will point to how people can acquire the necessary traits, values, skills, or perspectives. The implicit development strategy will be apparent.

Before you choose a model, here are some important questions to ask in evaluating it.

- ▶ What were the criteria used to validate the model?
- ▶ Do the criteria make sense given your organization's intended use of the model?
- ▶ What point in time does the model relate to?
- ▶ Will it be used to improve current management practices or as a target for developing future executives, a better model, or an organizational change model?
- ▶ Is the model to be used for selection, appraisal, or development?
- ▶ What is the model's standard?
- ▶ Does the model describe what's

expected or ideal?

- ▶ Is it necessary to possess all of the characteristics to be effective?
- ▶ How does someone acquire the desired traits, skills, values, behaviors, perspectives, or attitudes?

Eventually, we may discover that all management or leadership effectiveness models reflect the same three to five basic factors. In *Competence at Work*, Spencer says that such competency clusters as achievement orientation, influence, and personal effectiveness account for 80 to 98 percent of competency models.

In *Skillscope*, Kaplan, building on Mintzberg, points to skills with such labels as informational, decisional, and interpersonal. In *Managerial Lives in Transition*, Howard and Bray describe two motivational factors: advancement motivation and work involvement. They also point to administrative, interpersonal, and intellectual skills as the most predictive of promotions over a 20-year period.

## So, what to do?

It makes the most sense to adapt an off-the-shelf, research-based model, especially for practitioners in organizations that lack the resources to create and validate their own competency models. Then, they can direct their energy and resources to how they'll provide the structures and systems that will help managers and leaders in their organizations acquire the necessary skills.

For training professionals, the real effort involves fostering work environments in which people have opportunities to learn how to become more effective and in which we are willing to evaluate and modify our interventions. List making is a distraction. Competency models should cease to be regarded as a silver bullet and rejoin the vast armature of tools of knowledgeable HRD practitioners. ■

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