



**Head
Light**

Competency Frameworks as a Foundation for Successful Talent Management

part of our We think... series

The Talent Cloud Platform

Developing Skills. Encouraging Performance. Boosting Recognition.





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Introduction

Recruitment, development, training, reward and performance management are all HR processes concerned with the match between individuals and the requirements of the job. Common sense tells us that the better our understanding of the demands of the role, the culture in which people have to operate and the qualities that lead to higher performance, the more we will get out of our investment in the practices listed above.

One of the key characteristics of an effective competency framework is the value it provides through a common language to match individuals to roles, roles to resource plans and resource plans to business plans. With this common language, training and development portfolios can be aligned to workforce and succession plans and people development activities can be prioritised and funded by demonstrating the alignment with forward-looking business plans.

Competency frameworks are created using a range of systematic processes through which information is gathered about jobs, the working environment and the skills, abilities, knowledge, attitudes and behaviours required from those who perform roles in organisations. This forms the language of work within the organisation.

Without such a language, how can we begin to describe the underpinning essentials of the work people do, their responsibilities, the requirements of higher roles and the assessment of an individual's performance in an objective way?

If only they solved all of our problems...

It is worth remembering that competency frameworks are not a 'magic bullet' and if poorly constructed they can be more of a hindrance than a help. Through working with competency models we have identified a number of common pitfalls, including:

- Creating 'competencies for competencies' sake', or jumping to the conclusion that a competency framework is what is needed to address a broader business issue without engaging in a more systemic approach;
- A failure to focus on the skills that drive success and superior performance in that specific business or organisation;
- Short cuts in job analysis (e.g., restricted amounts of consultation and involvement with the business, or use of too limited a range of research methods);
- Lack of investment in evaluation of a model – a rigorous process which determines whether the application of the competency framework actually does lead to the identification of superior performers, or which tests the assumptions made within the model;
- A reluctance to review or challenge competency frameworks which are out of date;
- A focus on factors which have created success within the organisation in the past, without enough thought given to those which will allow the business to thrive and grow in the future;
- The development of a huge list of 'nice to haves' leading to an unwieldy, user-unfriendly description of a super-human employee.

However, research by Bersin & Associates concluded that there is a direct correlation between business outcomes, such as high growth and above-average profitability and the competencies used in performance management. It also identified that successful organisations regularly review the competency models they use, keep the competency models simple and focus on a few key competencies.



So how could Head Light help you follow this best practice and identify the key competencies that will drive success in your business? Let's start by looking at a couple of examples:

Below we have 2 'Skills' – some organisations call them Competences whilst others might call them Characteristics.

Title	Description	Edit
Decision Making	Identifying and analysing appropriate data, research, facts...	
Creative Capacity	Applying creative thinking skills to existing or novel prob...	

Each Competence or Skill usually has a description

Level	Indicators	Title	Description
0	+	N/A	Competency not demonstrated or contra indicators observed
1	+	1	Demonstrates an interest in their role and wants to make a positive contribution
2	+	2	Demonstrates drive and resilience

Title	Edit
Addresses multiple demands without losing focus or energy	
Increases efforts in the face of difficulties or obstacles and recovers quickly after setbacks	
Remains calm and focused during stressful or challenging situations; concentrates only things they can control or influence	
Encourages others during challenging times with their positive, can-do attitude	

In this example above, the competency has been described at five levels – 'Level 0' to 'Level 4' – and a level with contra-indicators, with a brief description of what each level means and how the skill or behaviour would manifest itself. It shows the Development Options (e.g. the training, learning & development options or opportunities which exist within the organisation) which have been linked to the competencies so individuals can access these and transfer them to personal development plans if a 360 or performance appraisal reveals a development need in a particular area.

An alternative example, which has a greater focus on behaviours than the previous example, is given below.

In this example, it shows how a competency and its requisite indicators would be represented within Talent 360, Head Light's 360° feedback tool.

Skill Area

Organisation: Global
 Unique ID: 29010652-966e-41df-86e7-9693d2a28b42
 Title: Learning
 Description: Resilience, adaptability and self-awareness underpin our success: our people know their capabilities, develop themselves in response to changing requirements and play to their strengths. They are open to learning and use a range of opportunities to drive their personal... 259 characters remaining

Skills

Title	Description	Edit
Developing Self	Capitalising on a range of opportunities to drive personal g.	<input type="checkbox"/>
Drive and Motivation	Demonstrating passion, commitment and drive to make a posit.	<input type="checkbox"/>
Managing Change	Adapting own approach in response to changing needs from the.	<input type="checkbox"/>

Again, we see the following indicators of the definition of a competence.

Level

Level	Indicators	Title	Description	
0	4	N/A	Competency not demonstrated or contra indicators observed <small>943 characters remaining</small>	<input type="checkbox"/>
1	4	1	Demonstrates an interest in their role and wants to make a positive contribution <small>919 characters remaining</small>	<input type="checkbox"/>
2	4	2	Demonstrates drive and resilience <small>987 characters remaining</small>	<input type="checkbox"/>

Title	Edit
Addresses multiple demands without losing focus or energy	<input type="checkbox"/>
Increases efforts in the face of difficulties or obstacles and recovers quickly after setbacks	<input type="checkbox"/>
Remains calm and focused during stressful or challenging situations; concentrates only things they can control or influence	<input type="checkbox"/>
Encourages others during challenging times with their positive, can-do attitude	<input type="checkbox"/>

These frameworks would be combined into a role profile for the purposes of assessment for processes such as performance management, development and competency-based interviewing. With some scenario planning that included future workforce requirements, we could build a picture of the overall sets of skills required by the business in the future.

What tools and techniques can we use to help you?

When developing a bespoke competency framework, we achieve an optimum balance between consulting widely for increased reliability and the practicalities of time, cost and disruption. We combine a variety of different techniques including:

- Critical Incident Technique or Behavioural Event Interviews
- One-to-one interviews or focus group sessions
- Card sort exercises
- Expert panel sessions
- Repertory Grid sessions
- Questionnaires or surveys
- Observation
- Work diaries
- Future focus sessions
- Evaluation of other quantitative data
- 360° feedback

Face-to-face interviews and focus groups are an essential part of the process, especially to gather input from key stakeholders, as they allow us to explore areas that would not be possible through more structured/closed methods. They also allow us to explore the views and attitudes of key stakeholders and uncover concerns or potential obstacles that may become significant in later stages. In our experience investing in sufficient stakeholder interviews at this point is invaluable in terms of building the credibility of the project and gaining commitment and support from key stakeholders for subsequent phases. However, this stage can also open a 'can of worms' if not handled carefully, and we make a point of ensuring that this stage is driven and owned by internal stakeholders (HR and senior management).

For gathering information (in a relatively quick and cost effective manner) as to how superior performers operate we find that **Critical Incident Technique (CIT)** and **Repertory Grids** are hard to beat. The former is an event-based interviewing technique which gets the job incumbent to describe situations and personal experiences they consider to have been particularly significant. Through these personal anecdotes we explore the competencies that are being demonstrated in those situations.

Repertory Grid, in our view, is an often overlooked but powerful means of drawing out what's really important within a role, task or job family. One of its key benefits is that it elicits the constructs (or competencies) from the individuals directly, rather than providing them with a set of ready-made competencies which may narrow the focus of the research. The Repertory Grid is a technique for identifying the ways that a person interprets or gives meaning to his or her experience and is based on the Personal Construct Theory of personality. The process involves comparing groups of people and determining what differentiates them, in behavioural terms. Participants label these differences in their own way and the results from a number of Repertory Grids are then statistically analysed to ascertain the most important and significant differences. It is a very neat process and again, one which is engaging and interesting to complete.

Talent Management software such as our Talent® application portfolio has made evaluation much easier. Using Talent 360, online 360 assessments allow us to capture high volumes of data and can easily generate the kind of information needed to determine how people are conceptually linking behaviours together and which competencies are the most accurate predictors of high performance. The Talent® portfolio exports its data in a form that is readily usable and removes the need to input line after line of ratings or scores into sophisticated statistical packages for analysis, saving time and effort, and reducing the chance of errors.

The use of online surveys and assessments also allow us to collect valuable data for evaluation projects, and online appraisal tools (such as Talent Performance) make it easier for us to draw on relevant performance data with which we can correlate competency ratings and determine the predictive validity of our frameworks.



So which road to take?

There are generally two strategies and they are not mutually exclusive, either licence an 'off-the-shelf' framework, or develop one from scratch. Each strategy has its pros and cons as you can see below. The strategy you choose will be largely determined by what's driving the desire for the competency framework. As a general rule, we favour building on and tailoring what exists and, as a Licensee of the Chartered Management Institute's Frameworks, our starting point is a valid framework that can then be altered to take on many of the characteristics of a fully tailor made framework.

This approach is quicker and less expensive than developing a bespoke model from scratch, but does carry the risk that 'short cuts' will lead to a framework that is not presented in the language of the organisation. It is also possible that the constructs which are present in the model limits the research phase and constrains people's thinking. We would always advocate using a wide range of research and engagement methods and to validate the resulting model once it has been produced.

If you are considering developing a competency framework or want to review and refresh an existing one, the wealth of research methods and approaches can be bewildering. A useful resource is Spencer and Spencer's book *Competence at Work*, which houses a competency dictionary and guidance on applying competencies in HR processes.

When deciding whether to adopt a bespoke model, built on organisation-specific research or whether to use an off-the-shelf competency dictionary (or a blend of the two!), consider the following benefits of each approach:

Off-the-shelf competency frameworks or dictionaries	Fully bespoke models
Tend to be less expensive and less time-consuming, even if you adapt the model according to the values and culture of your organisation	Allow for exploration of what is genuinely important in that specific environment, and are less likely to constrain thinking
Should mean that you are drawing on a framework that has already been validated and thoroughly researched	Tend to create more buy-in from staff through the process of research and consultation
Allow for benchmarking against other organisations, industries or sectors	Don't suffer from the 'not made here' problem
Use a common language and facilitate movement between organisations: highlight the portability of competencies	Ensure that the competency framework is presented in the language of the organisation
Rely less on the quality or characteristics of existing staff	Enable identification of what separates high performers from those who are less effective

A case in point...

We have recently developed a set of generic management assessments for a customer's 360 degree feedback process using a number of pre-existing bespoke and off-the-shelf generic competency frameworks. This project was unusual in that the 360 process would be made available to 27 different organisations so there was a need to balance wide consultation with the realistic view that one size would never fit all.

We gathered together all the existing competency frameworks and synthesised these into common themes. These were benchmarked against an external framework (the Chartered Management Institute's Standards) and created a pool of indicators clustered under the key areas that emerged from the previous stage.

We then used focus groups consisting of a number of exercises and activities to establish broad determinants of success and cultural commonalities, as well as identifying the key areas in which we



were likely to see unique competencies or subtle differences. Assessments were created from the pool of indicators which were then trialled across a number of organisations. Psychometric evaluation of the results of this pilot revealed a number of interesting findings and we fed these back into the generic models to create frameworks which were broadly relevant to the organisations involved, along with guidance as to where the key differences were likely to be found.

Each organisation can now tailor these generic frameworks according to their specific needs, but retain the capacity to benchmark performance across the region. From the evaluation it became apparent that, whilst the models used were based on sound research and the competencies held together well, this process flagged up some important issues and observations which have been incorporated into the generic models.

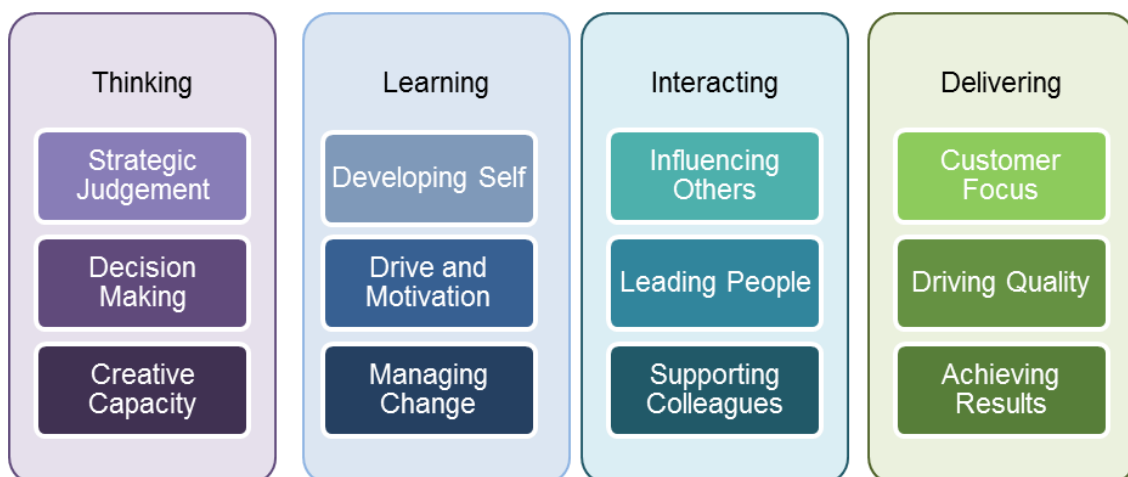
From our experiences of creating, evaluating and implementing competency frameworks, we have also produced the resource 'Creating Competence Frameworks – 10 lessons learned', which is available from our web site. This continues the themes emerging from our research and identifies ways in which you can use the lessons learned in the creation of a competency framework – putting the learning gained from the back-end of the process into the front-end.

Head Light can assist you in the implementation of competency and performance assessment and development programmes using our Talent® software technology and supporting consultancy services, including competency design, feedback coaching and training and assessment centres.

The Head Light Competency Framework

In addition, Head Light has developed its own generic leadership framework, incorporating four levels of behaviour and contra indicators, and this can be adapted to fit our customers' organisation, culture and specific role requirements.

The four clusters of 'Thinking', 'Learning', 'Interacting' and 'Delivering' bring together the 12 competencies which we have identified as being key areas of focus through our work with customers over the years.



By starting with an already established framework, the process is quicker and less expensive than developing a bespoke model from scratch but does carry the risk that 'short cuts' will lead to a framework that is not presented in the language of the organisation.



It is also possible that the constructs which are present in the original model limit the research phase and constrain people's thinking. As such, we would always advocate using a wide range of research and engagement methods and to validate the resulting model once it has been produced.

References and further reading

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Next steps

If you would like to take a closer look at how you can work with competency frameworks within your organisation, please get in touch.

About Head Light

Head Light is an award-winning talent management and talent retention software and consulting firm that works with clients to define and implement impactful talent management strategies.

Talent Cloud® is our cloud-based portfolio of integrated talent management platform tools designed for those who expect the maximum return from talent management processes. Our training and consulting services uniquely complement our platform that engages employees, managers and senior leaders in the selection, development and progression of people in their businesses.

Companies in the FTSE 350, public sector, large and small, from retailers to high tech innovators have all benefitted from our tools, techniques and expertise. Founded in 2004, we are headquartered in the UK.

Head Light has attained the ISO27001 standard for Information Security. Certificate No 217613.





How do I...

transition to Continuous Performance Management

How do I...

introduce robust Succession Planning

How do I...

spot High Potentials and Future Leaders

How do I...

boost Recognition

How do I...

drive Engagement through Career Conversations and Development

How do I...

embed new values and improve culture

How do I...

develop Skills of the Future

E: info.request@head-light.co.uk

W: www.head-light.co.uk