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Competency-Based Initiatives and their Users

An Exploration of Competency Modeling from the Perspective of Employees and their Supervisors in Three Canadian Organizations

by

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A thesis submitted in conformity with the requirements for the degree of Master of Arts
Department of Adult Education, Community Development & Counselling Psychology
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Competency-Based Initiatives and their Users

An exploration of competency modeling from the perspective of employees and their supervisors in three Canadian organizations

Master of Arts, 1999, Johanna Maria Radsma, Department of Adult Education, Community Development & Counselling Psychology, University of Toronto

Abstract

Sixty individuals in three companies were surveyed to find how front-line users felt competency practices contributed to job performance and satisfaction. Most respondents identified some positives, notably that the practice created a framework for manager/employee discussions, enhancing communication of individual strengths and development needs. General issues identified as impeding effective competency use included time required to complete competency assessments and the inadequacy/obsolescence of organizations’ models. Organizational issues cited as detrimental include: distrust in how the information would be used; inadequate linkage to organizational strategies; and insufficient use of data collected through the process, engendering employee cynicism. The thesis concludes that organizations using competency processes to inform their human resource practices must ensure the effort expended on such processes is properly supported by the organizational culture. Otherwise the effort can cause organizational damage rather than benefit.
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Table of Contents

Abstract ........................................................................ ii

Acknowledgements .......................................................... iii

Table of Contents ............................................................ iv

List of Tables ................................................................... vii

List of Figures ................................................................... viii

Chapter 1: Introduction: or The Importance of Being Competent

.................. Page 1

1.1 Background: or Why is This Important to Me? ........ Page 4

1.2 Purpose of this Study .............................................. Page 6

1.3 Questions that Arise .............................................. Page 8

1.4 Why is this Important? ........................................... Page 9

1.5 Competency: A Matter of Definition ....................... Page 11

1.5.1 The official beginnings of competency-based approaches in
organizations ......................................................... Page 11

1.5.2 Competencies Today ........................................ Page 12

1.6 Assumptions and Limitations ................................. Page 17

1.7 Overview of Remainder of Thesis ............................ Page 19

Chapter 2: Literature Review ........................................... Page 20

2.1 Introduction ......................................................... Page 20

2.2 Corporate Climate ................................................ Page 22

2.3 Strategy and Competency ....................................... Page 26

iv
2.4 The Learning Organization and Organizational Learning .......................................................... Page 28
2.5 Individual Learning ........................................ Page 32
2.6 Building Competency Models ........................................ Page 34
2.7 Using Competency Models and Assessment Programs ............................... Page 37
2.8 Competency Measurement ........................................ Page 40

Chapter 3: Methodology, Data Presentation and Discussion .......................................................... Page 43
3.1 Introduction ........................................ Page 43
3.2 Methodology ........................................ Page 44
3.3 Company A ........................................ Page 55
  3.3.1 Company A: background ........................................ Page 55
  3.3.2 Company A: tabulation of results ........................................ Page 56
  3.3.3 Company A: conclusion ........................................ Page 60
3.4 Company B ........................................ Page 60
  3.4.1 Company B: background ........................................ Page 60
  3.4.2 Company B: tabulation of results ........................................ Page 63
  3.4.3 Company B: conclusion ........................................ Page 67
3.5 Company C ........................................ Page 69
  3.5.1 Company C: background ........................................ Page 69
  3.5.2 Company C: tabulation of results ........................................ Page 72
  3.5.3 Company C: conclusion ........................................ Page 76
3.6 Discussion of Combined Results ........................................ Page 77
  3.6.1 Introduction ........................................ Page 77
  3.6.2 Group findings ........................................ Page 78
  3.6.3 Conclusion ........................................ Page 90
List of Tables

Table 1: Competency Applications ................................ Page 37

Table 2: Competency Initiatives: Summary of Survey Results ...... Page 48
List of Figures

Figure 1: The Iceberg Analogy ........................................... Page 15

Figure 2: Percentage of Respondents in the Organizational Samples who use the Competency Process ........................................... Page 79

Figure 3: Reasons why Respondents in the Samples use the Competency Process .................................................. Page 81

Figure 4: Most Common Reasons why Respondents like the Competency Process .................................................. Page 83

Figure 5: Most Common Reasons why Respondents dislike the Competency Process .................................................. Page 85

Figure 6: Most Common Ways Respondents feel helped by the Competency Process .................................................. Page 87

Figure 7: Most Common Ways Respondents feel the Competency Process Hinders .................................................. Page 90

Figure 8: Nature vs. Nurture, Environment vs. Learning ............... Page 112

Figure 9: Example of a Generic Rating Scale Using Five Proficiency Levels .................................................. Page 114
Chapter 1: Introduction: or The Importance of Being Competent

In 1995, the American Compensation Association undertook a mammoth study (ACA, 1996) to understand the significance of competency-based programs in North America, polling 19,016 companies to obtain an understanding of the universality of such an approach to human resources initiatives. About 2% returned the initial survey, resulting in a sample of 1257 applications from 426 companies. Of this total, respondents indicated that 371 of the competency-based applications were already in place, while another 886 such initiatives were under development. Most of the respondent organizations reported that multiple applications were either in place already or under development. Less than a third of the responses to the first information request indicated that a competency-based approach was not considered. Further data were collected from 217 of the original respondents: researchers for the ACA study (pp. 10-11) identified 148 unique competency models from these data.

Two years later, the data from another statistical survey, this one conducted by Aon Consulting in conjunction with the Society for Human Resource Management, supported the ACA conclusions. In the 1997 Survey of Human Resources Trends (Aon, 1997, p. 23) the researchers found that competency models were used by approximately a quarter of the organizations they surveyed; another quarter to one third of respondents were considering the use of a competency model.

Between these two American surveys, Sibson Canada Inc., in partnership with the Canadian Compensation Association (CCA), conducted a survey of Canadian practices. Similar to their corporate American cousins, Canadian organizations also showed themselves very interested in the development of "competency models" as a way to inform their human resource practices. Of the companies who were asked to participate in the 1996 Sibson-CCA survey (p.111),
152 firms responded that they had implemented a competency-based program, while only 35 stated that they did not use competencies in any of their human resource applications. Displaying a pattern consistent with the one shown by the respondents to the American surveys, competency-based initiatives for most Canadian companies were very recent: Only 14% (p. 112) had competency-based applications more than two years old.

Since its inception in the mind of a Harvard researcher, the interest of organization development consultants in competency-based approaches to human resource management has extended far beyond its initial focus on the qualities required to achieve managerial success. A quick scan of media and internet reports shows that the interest has expanded from North America, into England, Europe, Australia — and probably Africa, Asia and South America as well: schools from primary to vocational and academic proclaim the benefits to their students of competency-based curricula; consultants, from one-person shops to multi-national firms, cross international borders to offer work organizations the benefit of their expertise in designing and implementing competency-based solutions to their clients' needs; corporations which have implemented such systems extol the benefits both to their bottom lines and to their employees.

Taking a competency-based approach to human-resources management—an approach that seeks to look at more facets of an individual’s fit with a particular “job” than an inventory of his/her professional knowledge and technical skills can provide — fits well into the change that has occurred in the business world since Frederick Taylor preached that managers should think for the staff they supervised. It is a tag line often heard in some form in the business world that “people are hired for their technical skills and fired for their interpersonal (in)abilities.” Increasingly, companies appear to be taking this adage seriously and trying to minimize ways in which apparently good “fits” (between the person and the job role) turn out to be obvious and expensive misfits.
A competency-based approach also seems to be strongly supported by recent business management theory. Reputable business consultants and theorists who recognize the changing nature of the modern workplace endorse it. A writer such as Alvin Toffler (1990), for example, is only one of many who document the accelerating pace of change that confronts most organizations, due to enhanced technological capabilities and the increasing incursions of foreign competitors into what were recently domestic markets. Others point to the pressures generated by the changing cultural and social mosaic; organizations find that they (a) need better methods to hire, develop and motivate their employees and (b) must understand the increasingly varied wants of the customer base(s) they serve.

Not only do employers indicate concern with these issues, but individuals also appear to be searching for ways in which they can develop or enhance satisfying careers and work lives. This is reflected by the increasing popularity of books that promote holistic attitudes to career and life planning. Books like Daniel Goleman's *Emotional Intelligence* (1995), Stephen Covey's *Seven Habits of Highly Effective People* (1989) and Bolles' *What Color is Your Parachute* (1997) encourage people to understand and develop their interests, motivations and capabilities as well as their professional skills. While this will undoubtedly enhance the quality of the individuals' lives, management theorists believe such self-insight on the part of their employees will also benefit their organizations. Contemporary wisdom argues that employees in job roles matched to their interests and abilities are certain to be more effective performers than those who are not.

Within organizations, various options for generating improved capability and productivity are popular; these range from technological solutions to workflow redesign to strategic business analysis. A competency-based design for human resource initiatives is one option many organizations are selecting. The wide-spread and growing interest in competency-based approaches to human
resources management indicate that this is an important field for professional concern. However, among the many questions asked in relation to competency models and their implementation, one has apparently not yet been asked: those within companies, whose work lives, and perhaps livelihoods, are directly affected by the outcomes of those models have not to my knowledge been researched to discover how they feel about these implementations and their effects.

1.1 Background: or Why is This Important to Me?

In 1992, the information technology department in the organization that employed me realized that it needed to understand the capabilities of its staff. This was partly because it needed to anchor its current reality to its vision of itself as an independent company (separation from its parent company was a goal it had set for itself), one which serviced not only its parent company but also a broad spectrum of other financial organizations.

But the organization was confronting other issues as well:

- To some extent, the immediate incident that triggered competency based work was provided by a minor program code change which cascaded in unpredicted ways through program code in other critical "legacy" computer systems, crashing them and ultimately closing down entire financial systems. A number of customers could not access some of their accounts electronically; loan and bill payments were debited from

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1 The computer systems of most large corporations include a number of systems that date back to the 1970's or even earlier. These systems, often called "legacy" systems, were written at a time when computer disk space was extremely expensive and neither the structured methodologies nor the incentive existed to write clear, unambiguous programming code (both because unambiguous code took more computer space to write and because programs were relatively simple). Consequently, programmers looped commands from one section of code to another in almost untraceable "spaghetti" code.
accounts which had not been updated properly; in short, the organization experienced havoc and customer upheaval. The organization was brought to a sudden, brief halt — and realized its reliance on both its computer systems and, more significantly, on those who developed and maintained those computer systems. Meanwhile, even though some of the staff involved in building the original systems affected were still with the organization, they had long since been reassigned and/or promoted to other programming projects in the department. The organization needed some way to find out who had the organizational, system and coding knowledge to determine all the possible effects and repair them.

- The employment contract between the organization and its staff was changing. As many other companies had started to do, the organization needed to replace its long-implicit guarantee to provide "satisfactorily-performing" staff with permanent employment with the more realistic promise to improve employability.

- Within the organization's human resources community, each department collected and stored much of the same information, using different language, about the same staff. Redundancy was only one of the challenges that resulted from the creation of multiple sources of employee data. Redundant data collection practices created unnecessary burdens on managers who had to provide similar information about their staff multiple times. Even more importantly, employee records were not always updated synchronously; sometimes some records were missed completely, creating a mismatch of employee records between two human resources practices (such as, for example, staffing and performance management).

Most companies faced — still face — some of these issues. In my organization, we decided that one approach that could be useful to address them
was the development of a competency-based approach to human resources initiatives. There are many possible definitions of the term "competency" and many possible applications. These will be discussed later; at this point I should just like to mention that as we began our initiative, we decided to start simply, by using the approach as a way to determine individual development needs. Not only would this be a relatively straightforward application, but it would be less likely to encounter strong employee resistance in the way that a more sensitive application (for example, compensation) might engender. To fulfill this task, we also benefitted by being able to create a limited definition of competency: "the skills and knowledge needed by employees to be successful in their job roles." As part of the training and development group, I immediately involved myself in a project I found both intrinsically interesting and potentially significant. Ultimately, I led the development and implementation of the project in the organization's information technology division.

1.2 Purpose of this Study

"Competency" has become a widely-used term. In the business press as well as in educational journals, one frequently sees articles propounding the value of competency modeling and assessment. Often these stories relate competency initiatives to either corporate positioning in the marketplace or to the creation of a "Learning Organization."

Paul Shoemaker (1992), for example, links continued competitive advantage to a thorough understanding of the company's core capabilities. Stalk, Evans and Shulman (1992, p. 62) say that "competitive success depends on transforming a company's key processes into strategic capabilities that consistently provide superior value to the customer." Hamel and Prahalad (1994, p. 149) link this strategic approach, which they call "core competence" to individual capability:
Direction, discovery, and destiny are the tests of any strategic intent. Turning strategic intent into reality requires that every employee understand the exact way in which his or her contribution is crucial to the achievement of strategic intent. Not only must everyone find the goal emotionally compelling, each employee must understand the nature of the linkage between his or her own job and the attainment of the goal. In short, strategic intent must be personalized for every employee. The first task in personalizing strategic intent is to set clear corporate challenges that focus everyone's attention on the next key advantage or capability to be built. The precise nature of these challenges will be determined by the firm's strategic architecture.

Core and individual capability are included in a concept called "intellectual capital" by theorist Thomas Stewart (1997, p. 216):

Intellectual capital is the source of wealth for individuals as well as for organizations — and it is held in common between them. Not only the content but also the structure of knowledge work reinforce the by-now-obvious fact that value comes from, and therefore rewards accrue to, skills and knowledge. People who move from project to project in what Warren Bennis calls "floating crap games of temporary teams and groups" cannot be paid according to the number of direct reports they have any more than a road warrior can flaunt her status by the number of windows her office has. Instead, "competencies" and "skill sets"— indeed, the full panoply of intellectual assets, including intra-organizational and customer relationships as well as human capital — determine career success.

Although the logic inherent in these conclusions seems eminently reasonable, perhaps even intuitively obvious, the argument often seems based more on assumption than on any clear proof. It is very difficult to find any kind of study that actually measures the effectiveness of competency modeling and assessment, despite the fact that many companies are either developing or have implemented a competency-based process.

Some of this is no doubt due to the recency of widespread competency process implementation as indicated by the results of the surveys conducted by
the ACA, Aon and Sibson. Nonetheless, the fact remains that much has been claimed for, but so far little has been proven about, the efficacy and usefulness of this approach to the planning and assessment of employee and organizational performance.

This research looks at the value of competency approaches from one perspective: that of the front-line user. The subject invites investigation from many other perspectives; as competency-based initiatives become more firmly entrenched in the practices of organizational improvement, it is to be hoped that other perspectives on the subject will also be explored.

1.3 Questions that Arise

My experiences with a project to build and implement a competency-based approach to employee learning and development gave rise to a number of questions:

1. Is a competency-based approach to human resource initiatives as uniformly beneficial as articles by and conversations with others engaged in the field seem to indicate?

2. If yes, there may be little more to discuss, but if it is not, then what are some of the issues confronting other competency-model designers and implementers?

3. Human resources departments greet competency-based initiatives with great enthusiasm, exclaiming how staff love and value them. Do the employees who use these processes agree?

4. On a different scale, how and why have organizations implemented
competency-based initiatives?

5. "Competency" is a complicated term. How do organizations using competency-based approaches to human resources initiatives define and measure competencies?

The challenges suggested by these questions could fuel many studies. In this project, only the third query is investigated. What do users of competency-based processes think of them? Are they valuable? How do employees feel competency-based practices contribute to their (work) lives? What about them do users find the most helpful? What do they feel is least helpful?

1.4 Why is this Important?

From an organizational perspective, these may not seem to be the most critical issues. Organizational strategists sometimes prefer to look at company direction from more rarified perspectives — as they should; their focus is legitimately on the larger context in which the organization operates.

However, employees at less strategic levels of the organization have unique perspectives not necessarily captured in the global picture. Moreover, the success of any initiatives implemented in an organization ultimately rest primarily with those who must implement them. This is especially important in the utilization of competency models, processes and assessments which require the active support and honest response of all users. As an example, one organization a few years ago implemented a competency model shortly before declaring a number of positions redundant. The downsizing was no doubt necessary; however, in the process of telling individuals that their services would no longer be needed, some human resources professionals indicated that competencies were a concern. Although this use of the term "competency" was unrelated to its use in
the new initiative, potential users made an instant logical and emotional connection between the two and they resisted accepting the process, fearing the effect honesty might have on their careers. This event might lead one to conclude that competency models should not be activated in a time of down-sizing; nonetheless, such juxtapositions may be difficult to escape in a changing work landscape. The incident points up the potential impact of general organizational issues, captured in a particularly poignant way through the reactions of the end users.

This is not to imply that the employee viewpoint is the only or even necessarily the most significant of the factors that implementers must consider. Companies across North America, Europe and Australia, not to mention organizations elsewhere in the world, are trying to cope with rapid change due to globalizing economies, escalating rates of technological change and increasing levels of knowledge and service demands from customers.

If, however, competency modeling is indeed a valid approach to facilitate the development of strong cadres of employee and corporate capability, an independent verification of the value would be helpful. Even more important, assuming that value can be found in such an approach, then how can it be most valuable to its implementers? And what are the qualities that encourage and/or inhibit its use? Are there contextual organizational issues that can be recognized through employee perspectives?

Listening to the users is an important way in which we can gain some empirical verification of both the good and the bad about an increasingly popular corporate strategy.
1.5 Competency: A Matter of Definition

1.5.1 The official beginnings of competency-based approaches in organizations

In the early 1970's, the U. S. Foreign Office (USFO) approached David McClelland, a professor at Harvard University with a problem: although the USFO hired high-IQ, high-ranked graduates from some of the best American universities, their hires were not uniformly successful. How, they asked, could they ensure that the people they hired as new junior Information Officers would be able to handle their foreign assignments with appropriate discretion, grace and creativity? Dr. McClelland, already well-known for his work on achievement motivation, concluded that IQ tests measure those qualities that determine success in a school environment, not necessarily those qualities necessary for success in meeting the demands of life outside and beyond the classroom.

McClelland asked a number of high-performing United States Information Officers in the foreign service just what they did to achieve success in their roles, and determined that a number of personal characteristics were necessary for individuals to achieve excellence in any role. He called these **competencies**. In a later document (1990, pp 6 – 7) he and his colleagues Lyle and Signe Spencer gave a detailed definition of competencies:

> A competency is defined as "an underlying characteristic of an individual which is causally related to effective or superior performance in a job" (Boyatzis, 1982). "Differentiating" competencies distinguish superior from average performers. "Threshold" or "essential" competencies are required for minimally adequate or average performance. The threshold and differentiating competencies for a given job provide a template for personnel selection, succession planning, performance appraisal, and development.

Competencies can be motives, traits, self-concepts, attitudes or values, content knowledge, or cognitive or behavioral skills —
any individual characteristic that can be measured or counted reliably and that can be shown to differentiate significantly between superior and average performers, or between effective and ineffective performers.

1. **Motive:** the underlying need or thought pattern which drives, directs and selects an individual's behavior; e.g., the need for Achievement (n Ach) (McClelland et al., 1953), as measured by operant tests. (Operant and respondent measures of motivation are uncorrelated and predict different behaviors and outcomes; (McClelland et al., 1990)

2. **Trait:** a general disposition to behave or respond in a certain way; e.g., self-confidence, self-control, stress resistance or "hardiness" (Kobasa et al., 1982).

3. **Self-Concept:** (attitudes or values) measured by respondent tests which ask people what they value, think they do or are interested in doing; e.g., occupational preference inventories like the Strong-Campbell Vocational Inventory or psychological tests like the Jackson, Edwards or California Personality Inventory.

4. **Content Knowledge:** of facts or procedures, either technical (how to trouble-shoot a defective computer) or interpersonal (the five rules of effective feedback), as measured by respondent tests. As in the case of the US Information Officers we have found that content knowledge by itself rarely distinguishes superior from average performers.

5. **Cognitive and Behavioral Skills:** either covert (e.g., deductive or inductive reasoning) or observable (e.g., "active listening" skills)

... Competencies include an intention, action and outcome.

With some caveats, McClelland's seminal work still strongly influences the movement to competency modeling as practiced today. The next section will relate in more detail some of the issues surrounding the matter of competency definition.

1.5.2 Competencies today

Although one still occasionally reads about "IQ" testing, the uncritical faith in the infallibility of intelligence measurement has faded in recent years.
Most recently, for example, Dennis Goleman articulated the growing awareness of the multifaceted nature of intelligence in his book, *Emotional Intelligence* (1995) — but organizations have recognized the importance of identifying the complex combination of personal characteristics much longer. McClelland's work, which stemmed from an interest in achievement motivation, became a strong influence on human resources practices. It generated a movement that started gaining momentum in the latter half of the 1980's and has continued strongly through the 90's; more and more companies, in both the public and private sectors, have started to develop competency-based approaches to their human resource practices.

However, the very popularity that surrounds the implementation of competency-based human resource initiatives creates a new challenge. When McClelland reported his findings, he defined the term 'competency' very clearly and specifically. Since then, however, every organization building its own competency model, and every consulting firm trying to advertise its unique ability to help organizations do so, has customized its definition to meet the needs of its organizational culture; the philosophic preferences of its model developers; and/or each organization's needs to deliver competency-based initiatives that are easy for its constituencies (managers and employees) to understand, simple to use, and readily defensible. This third condition is of particular importance when the competency-based initiative is used for personnel assessment — for example, to assess job candidates for potential hire, evaluate employee performance and/or establish compensation packages for individual employees.

Although McClelland's definition, according to current literature and personal discussions with organizational strategists, is still generally held to be the primary definition of 'competency,' just about every organization which has created its own approach to building competency-based processes has also adapted the definition to accord with its own corporate vision and needs. Often
these are greatly simplified in line with the human resource practice to which they are targeted. For example, an initiative directed at promoting employee development will focus on knowledge and skills, while one that addresses recruitment policies will concentrate on the personal characteristics (traits) needed for the job by the candidates. For many organizations, this is a useful distinction; however, these definitions do diverge from the spirit of McClelland's original research.

There appear to be three predominant approaches to defining the term 'competency:'

1. The first definition, of course, is that provided above by McClelland. Using this definition, all the characteristics that could describe an individual's performance in a particular role (whether that be personal or work-defined) are integrated into the definition of a competency. A number of years ago, McClelland sold the rights to his research and methodology to a Boston-based consulting firm called Hay/McBer (Hay). Building on McClelland's work, Hay/McBer has expanded its database of competencies and enhanced it by providing illustrative stories that demonstrate the use of these competencies by skilled individuals. The undiluted McClelland definition and the Hay database are used by those companies for whom Hay/McBer has created competency models. Many other organizations have used this consulting company to benchmark some jobs or otherwise reinforce their own approaches. These companies may use McClelland's definition or a version modified from the original in some way(s).

2. Many companies implement a competency-based initiative for a relatively straightforward application, such as staff training and development. Such organizations may delete everything but skills and knowledge from their
definition. To the extent that the competencies they identify in their initiatives can be described using behavioural indicators, thus implicitly incorporating the full spectrum of the McClelland definition, these can be considered true competencies. However, in some cases, the lists of relevant competencies may actually describe the traditional skills inventory, that is, the technical abilities described in the first two parts of the McClelland definition: (1) general or specialized knowledge of use in an occupation; (2) abilities, both physical and intellectual, but none of the other factors McClelland identifies as critical.

In implementations using this circumscribed definition of 'competency,' the term is defined as some variant of 'the knowledge and skills necessary to effectively perform one's role to meet the business objectives of the organization.'

The distinction between McClelland's definition and any abridged version is important: as a number of investigators (including McClelland himself) have shown, an individual's underlying traits, motives and self-image are critical in how effectively that person can deploy his or her intellectual and physical gifts and abilities.

The image often used to describe this concept is the iceberg. The most significant
aspects of performance are factors hidden below the surface. This does not invalidate the use of a circumscribed definition, but it does identify an important caveat that must be added when such a limitation is attached to the use of the term.

3. Some organizations have separated the knowledge and skills portion of the term from the personal characteristics that inform them: the knowledge and skills portion of the definition is used for determining training and development needs while the underlying traits are part of recruitment practices.

For Gary Hamel and C.K. Prahalad (1990, 1994) as well as others who are interested in exploring organizational success, the term "competency" has still a different flavour: they refer to the "core competence" of the organization. By this they mean that each organization has some particular expertise or ability that it should exploit as the factor that differentiates it from its competitors in their marketplace. This definition obviously has a strong relationship to the idea of competency as defined above; however, although this approach is discussed with slightly more detail in the literature review, the focus of my study lies primarily with employee and job competencies as defined above.

Within the study, it should be noted that the term "competency" is accepted at face value as provided by the organizations who have so graciously contributed the data. That is, the study to some extent may seem to be comparing "apples and oranges." It might be interesting to observe, however, how the different definitions and the varying applications for which the competency-based initiative is used affect the overall perceptions of the initiative — if, indeed, such an observation can be inferred from the data.
1.6 Assumptions and Limitations

Many of the assumptions and limitations of this project are described as they become relevant. A summary of some of the main issues, however, might be appropriate here:

1. In the data collection, the definitions of "competency" were supplied by the organizations themselves. This means that there is variation in both the scope and the meaning of the term "competency" from one company to another. This should not affect the outcomes, however, as the intention of this project was never to compare definitions but, rather, to determine how employees felt about whatever competency definition, process and application were implemented in their respective organizations.

2. The three companies distributed the surveys themselves, resulting in various methods of distribution. Because of this disparity, response rates vary; in one of the firms surveyed one cannot legitimately even refer to response rate in the traditional sense, as surveys were sent only to those who agreed in advance to participate. Although the results may be indicative of general opinion in the organizations polled, the actual sample size in two of the three companies is much too small to qualify as representative (in the remaining firm, the majority of the employee population participated, making this result highly representative of employee sentiment).

3. Only three companies were surveyed. It cannot be assumed, therefore, that the organizations which contributed to this study are fully representative of the sectors in which their firms are active. Nor does the study cover all the sectors in the Canadian economy — from commercial enterprise to educational to public service, from large multinational corporations to
small, partnership-run professional firms — that use a competency-based approach to human resource practices.

4. Although the study concerns itself with employee and manager responses to a questionnaire, not all segments of the employee populations are well-represented. Most of the respondents fit into the “professional” category of individual contributor, either as information technology experts or as audit specialists. Although I believe the attitudes of this segment are probably fairly representative of opinion at all levels of non-management staff (perhaps less strenuously expressed than responses from those at more junior levels of the organizations, based on anecdotal reports), this cannot be confirmed on the basis of this project. In addition, if the survey done by the ACA in 1995 is accurate, significantly more organizations build models for professional staff than for support staff.

5. Most of the research quoted in support of this project’s background and conclusions is foreign, primarily stemming from work done in the United States, Australia and the United Kingdom.

However, despite these concerns, some of which could seriously affect the ability to legitimately extrapolate broad conclusions, this study provides interesting and valuable insights that might profitably be followed up by more detailed studies of competency-based human resources practices in Canada (and elsewhere).
1.7 Overview of Remainder of Thesis

In the next chapter, I will discuss some of the literature that surrounds and informs the movement to competency-based human resources initiatives.

I will then review data collected for this study, starting with some of the difficulties I encountered in obtaining the data. I will also introduce and describe the competency models of the participating organizations. Based on that discussion, I will analyze the data I collected.

To conclude this paper, I will present my interpretation of the implications of my discoveries and my understanding of some of the issues that should be resolved in order for organizations to make meaningful progress with a competency-based approach to human resource management and organizational development.
Chapter 2: Literature Review

2.1 Introduction

In the introduction I cited three reports that discuss the increasing prevalence of competency models in organizations. All of these reports provide statistical information, generally supplied by corporate champions and sponsors of the competency programs.

We certainly hear about the value of job competency profiles and employee competency assessment from the perspective of the organization. However, although we hear of the value of competency assessments for employees, we do not hear about the overall value of the competency process from the perspective of the employees, the users of these models. This apparent void raised a question that I believe requires an answer: what do employees think about the intrinsic value or worthiness of the competency-based practices implemented in their organizations? As someone involved in the implementation of such programs, I responded to questions from many employees whose concerns and fears about the validity and potential career effects of the competency process were not always addressed in the public comments of the implementing organizations. Leaving aside the question of the legitimacy of the concerns I overheard, I began to wonder if the comments expressed to me were representative of general opinion among front-line competency-process users. My curiosity about this issue became the starting point for my research.

Despite the popular interest in competency-based human resource practices, however, I could not find any study that concerned itself with this aspect of the subject, even though many other topics related to competency-based initiatives are discussed in both the academic and the business press. Many of the studies I encountered concerned themselves with the development of
educational/vocational programs and curricula, sometimes from the perspective of business need, sometimes from the perspective of school curricula geared to the development of graduates with high "employability." Another type of study I found bore a relation to the first type in that they sought to establish standardization and certification criteria using competencies. Finally, a third kind of report, often written by organization and training consultants, focused on explaining how to build effective competency models and why organizations/educational institutions should do so.

Front-line employees may not be qualified to explain the organizational strategy and vision that drive the development of a competency process, but they usually have a fairly decided opinion about and understanding of the effect the implementation is likely to have on them within their immediate environment. In this context it should be observed that organization development consultants usually build competency models in conjunction with the people who will be using them or at least consult their employee constituencies as they build competency models. Employees are also usually actively involved in the rating of their own competencies vis-a-vis the model. In some organizations, employees are even asked how they feel the organization can improve the competency process. However, the organizational context in which the competency process is deployed is not addressed. This is the issue that this study explores: just how do front line users apprehend the overall process within the context of their organizational experience? How do they experience the competency-based initiative launched with so much enthusiasm and faith by its proponents?

Before we turn to a discussion of the individuals surveyed for this study, it may be instructive to review in more detail some of the business issues regarding competency modeling, assessment and usage discussed in the literature.
2.2 Corporate Climate

The variety of competency applications used in our organizations reflects the organizations' perceptions of the challenges they face. Some variant of "our people are our most important asset" has been a corporate mantra for many years. Now organizations are being faced with the reality of that statement. In the past, access to resources may have been the determinant of successful economies; today, access to competence, broadly defined, is considered by many business theorists to be the critical factor. Lester Thurow, in a 1993 address to the attendees at the 64th Annual American Management Association Human Resources Conference, called access to a well-educated, capable workforce the only sustainable competitive advantage in a modern-day economy, an opinion his more recent writings continue to advocate. Peter Drucker (1995, p. 236), long known for his management insights, agrees that "acquiring and applying knowledge will increasingly become the key competitive factor — for career and earnings opportunities of the individuals; for performance, perhaps even the survival, of the individual organization; for an industry; and for a country."

In first world countries, there has been a profound shift from resource intensive labour to knowledge intensive work. Even in industries traditionally considered labour intensive, technology has changed the emphasis. Think, for example, of the automotive production line: robots can do much of the physical work required to assemble cars, and do it more safely, more quickly and more perfectly than humans. What do people contribute to the process? From the perspective of many business thinkers, it is in people's ability to think, to be creative, to design products appropriate to today's market needs and to develop the systems that can build these products, that the competitive edge lies. This requires a workforce that not only has a deeper and broader base of knowledge and skill, but also one with the inherent abilities to deploy these skills effectively.
Lester Thurow (1997, p. 74), reiterating his point of 1993, says that knowledge has become the only sustainable form of competitive advantage, emphasizing the importance to the organization of this point when he continues:

The technologies that can give a firm a competitive edge are not embedded in unique equipment that competitors cannot afford, but in the minds of the firm's employees ... The firm's only significant asset goes home every night, is an independent decision maker as to where his skills will be employed, controls the effort that she will or will not put into the firm's activities and cannot be owned in a world without slavery (p. 280).

Because of the change in emphasis from production to knowledge work, workers in first world industries are no longer interchangeable, as they were during the 19th and early 20th century industrial age. When the union movement gained power, when Frederick Taylor promoted scientific management, when sociological researchers discovered that attention paid to workers at Hawthorne increased productivity, the work done by one factory worker on the assembly line was similar to that done by another, the clerical work done by one steno-pool typist was (except perhaps for accuracy and speed) identical to that done by another typist. Only a few years ago, this also held true in the computer programming field where one COBOL programmer seemed to be easily replaceable by another. Today that kind of interchangeable activity has either disappeared (managers type their own letters!) or has been delegated to third world labour forces — organizations are even starting to farm out standard program coding to cheaper workers in countries like India. Just as the uniformity of assembly-line mass production is being metamorphosed into mass customization (for example, Levi's "personal pair" custom-fit jeans, individually-specified Saturn automobiles) in North America, so does industry need its workers to be capable of providing specialized, customized abilities. One "knowledge" worker can not be interchanged seamlessly with another "knowledge" worker. Drucker (1995, p. 238) says:
The central workforce in the knowledge society will, therefore, consist of highly specialized people. In fact, it is a mistake to speak of 'generalists.' Those whom we refer to by that term will increasingly be those who have learned how to acquire additional specialties and especially to acquire rapidly the specialized knowledge needs for them to move from one kind of work or job to another... But "generalists" in the sense in which we used to talk of them are becoming dilettantes rather than educated people.

Thomas Stewart, in his book *Intellectual Capital* (1997, p. 31) discusses the move from production to knowledge as the basic condition for organizational viability:

> If knowledge is the greatest source of wealth, then individuals, companies, and nations should invest in the assets that produce and process knowledge. Those assets are not necessarily high-tech gizmos, and those investments should not all be high-tech investments.

He divides intellectual capital into three components, customer capital (knowledge about customers), structural capital (knowledge of the organization) and human capital (the specialized knowledge and capabilities of the organization's staff). Competency development relates to all three of these categories, but most particularly, perhaps, to the human capital portion of this new approach to defining corporate strategies.

In a world of rising, globalized competition, companies are faced with great temptations to reduce staffing. In many cases such an approach to improving organizational effectiveness may be valid; however, unless work practices are concurrently systemically redesigned, the delayering is more likely to be debilitating than revitalizing. Some organizations have discovered that they must rehire people with similar capabilities to those they had recently "down-sized" out of the organization. In one organization with which I recently worked, I found it interesting to observe that half of a small team of four organizational
design professionals working on a change management initiative were individuals who only a year previous had been offered generous early retirement packages that allowed them to retire at fifty; the organization needed both the expertise and the institutional memory it had so blithely traded away. Only now, it cost the organization double the salary to accomplish the same work!

Gary Hamel and C.K. Prahalad (1994) are two writers who caution against wholesale downsizing as a general approach to organizational effectiveness and offer an alternative. They suggest resource leveraging — raising the numerator, instead of lowering the denominator. Although it may seem easier for companies to terminate staff than to leverage them, it may also be less effective; they cite a study which compared the workplace suggestions of Japanese and German workers. Both the number and significance of the suggestions made by the Japanese workers were greater than those of their German counterparts. Based on the difference in both the quantity and quality of their recommendations the researcher concluded that the Japanese performed 514 times better than the Germans. Hamel and Prahalad contend from this that improving productivity and profitability lies in creating an environment that can stimulate workers to generate and share new ideas, not in stripping the organization’s workforce — that reducing the number of staff is less effective in improving organizational performance than harnessing the creative and analytical capabilities of employees.

The corporate bottom line reads: companies deploy money ("capital") three times more effectively by investing in people than by investing in any other source of corporate well-being. The advantage is linked to all aspects of the people management cycle including recruitment; personal development; individual and group alignment with corporate goals; career and succession planning; and performance evaluation. Moreover, some studies have shown that not investing appropriately in staff can be extremely costly. Mark van Clieaf (1991) cites one
example in which a highly competent tax director saved a company an estimated seven million dollars in tax payouts, double the amount saved by a tax director of average competence.

2.3 Strategy and Competency

In line with the business context described above, companies have apparently started to recognize how important it is to link their human resource strategies with their business strategies. According to Aon (1997, p. 15)), 38% of the companies who responded to their survey already had a formal link between their business strategies and their human resource strategies; when one looks only at large companies with 10,000 or more employees, this figure jumped to 58%. Of those firms without a formal link, 17% were considering instituting one.

However, what does this relationship actually mean? In the ACA survey (1996, p. 15), 217 firms identified up to three human resources approaches they thought best supported their particular business strategies:

- 45%: creating awareness of the need for change in business
- 42%: enhancing the skill levels of the workforce
- 39%: improving teamwork/coordination
- 36%: increasing the link between pay and performance
- 34%: reinforcing the corporate values/strategy/culture.

Other choices generated endorsement from a fifth or fewer respondents. Although all the organizational needs cited above are undoubtedly critical to organizational success, one cannot help but notice that these responses have in common a strong tactical and operational flavour. We also note that, of the respondents to the ACA (p. 16) survey, only 30% said that their human resources strategies were strongly linked with their broader business strategies, while 17% indicated that they were
minimally or not linked. Overall, the linkage between competency initiatives and corporate strategies seems more nominal than substantial.

In the Canadian study (Sibson, 1996, p. 113), the major reason for using competencies was to "re-enforce values/strategy and culture" with 33% of respondents providing this answer while another 26% identified "training and development." The most significant business imperative for competency use cited by respondents was "customer service and satisfaction;" approximately 38% gave this reason. Two other reasons, "improved revenue" and "market share growth" each obtained 18% of responses. However, even though customer service was identified as a business driver, none of the companies surveyed had instituted any way of tracking or measuring the impact of the competency-based approach on their customer service levels.

The results were all drawn from companies who used competency-based approaches to inform their human resource practices. However, while management experts may talk about developing a strategic focus on understanding and cultivating organizational competencies, these surveys seem to indicate little real emphasis on such linkage between organizational strategy and the development of competency-based initiatives. Despite the espoused need and desire on the part of organizations to link competencies to strategy, this has not always happened. In the studies quoted, for example, not every firm polled used competencies to align human performance with its vision of its own organizational competencies and needed capabilities. The conclusions suggested by these surveys are supported by the opinions proffered by those who participated in my research: 20% of the respondents to my survey indicated that their company's competency process focused on the wrong issues, while 16% stated specifically that these processes were not in line with their company's strategic vision. Based on the results of these surveys, competencies too often seem to be seen as "a human resources thing," peripheral to the real business of
the organization, except as they help bring employees into line with operational goals.

For organizations to capitalize most effectively on competency-based human resource initiatives, most proponents agree that competency-based initiatives must be integrated into the overall strategic intent of the organization. This implies, however, that the organization is aware of its strategic intent, and by corollary that it examines its current reality in light of its aspirations. This becomes the basis for organizational learning (Argyris, 1992) and the development of the learning organization (Senge, 1990). For organizational learning to occur, the organization must reflect actively on the changing face of the economy and its place in it; it must understand its own position in the marketplace, constantly examining what it contributes and what it needs to contribute. To do this properly, it must understand both what it knows and what it needs to know. It must understand what it has learned and what it needs to learn. Most important, in a process called “double-loop learning,” (Argyris, 1992) it sometimes needs to learn what it needs to unlearn. Competence, both in organizations and in individuals, is active, not passive, a process not an event; as circumstances change, so must people and organizations, in both their attitudes and their aptitudes.

2.4 The Learning Organization and Organizational Learning

In the past, the pace of technological change was slower; the scope of company markets tended to be local or national; production was mass; and the business climate relatively stable. In this steady-state operational environment, business worked most efficiently when the tasks of managing and working were clearly separated. Managers did the thinking for the workers who followed management orders. That model of the organization, as we have seen, is no longer considered effective in today’s climate of rapid change, globalized markets
and mass customization made possible by technological sophistication. Instead, all ranks and groups of employees in an organization must contribute both thought and action. Interdisciplinary teamwork and self-directed work-teams are just two of the key concepts organizational theorists use to describe how corporations can function most effectively.

Companies may need the ability to cope effectively with change, but according to surveys cited earlier, they do not always feel that their staff have appropriate change management competencies:

- According to the ACA study (1996, p. 15), 45% of companies cited creating awareness of the need for change in business as a critical human resource role. Two years later, Aon's (1997, p. 15) respondents said that Human Resources contribute most significantly to organizational effectiveness by leading change initiatives. At the same time, according to Aon's findings (p. 21), 44% of management applicants are judged weak in change facilitation competence, while 44% of non-management applicants are deemed unable to deal effectively with change.

- In the ACA study (p. 15), 42% of respondents said that human resources could best support the business strategy by enhancing the skill levels of the work force. In the Aon report (p. 20), 43% of respondents stated that current employees did not have skill levels to meet job demands, while 60% said that new applicants did not have the needed skills.

- At the same time, Aon (p. 21) reported that 56% of their respondents cited work attitudes as a greater problem than aptitudes and skills.

Obviously, these findings highlight some critical issues for modern organizations to address; they are even more important to organizations that seek
The changing business climate has given rise to a growing interest in the "learning organization," a term coined by MIT business theorist Peter Senge. He defines the learning organization as "an organization that is continually expanding its capacity to create its future" (Senge, 1990, p. 14). More recently, Thomas Stewart (1997) calls "learning organization" simply a term for a corporate culture devoted to continuous improvement. David A. Garvin (1993, p. 78) agrees on the importance of continuous improvement but adds that the underlying premise of continuous improvement is a commitment to learning.

Peter Senge has also used an alternative descriptor, "generative organization," to modify and explain his phrase "learning organization" (1993, AMA HR conference address). The implications of this term extend far beyond the "continuous improvement" tag bestowed by Stewart; a critical component of the generative organization, in Senge's estimation, is its willingness to continually question its assumptions.

The need for individuals and organizations to harness the capabilities of individuals by perpetually asking them to question their assumptions and recalibrate their thinking is a concept popularized by the work of Chris Argyris (1992). He believes that an inability to do this is "skilled incompetence" and highly detrimental to the development of a learning organization. Critical to the generativeness of the learning organization is the ability and willingness of the people making up the company to regularly evaluate and reevaluate their mindsets and assumptions about themselves, their colleagues, their business and their market.

Although continuous improvement is an implicit component of Senge's definition of the learning organization, it is more a foundational or "threshold"
quality that underlies effective \(^2\) companies than one which distinguishes the learning organization from one less generative. As so much of modern business literature hints, organizations that focus exclusively on continuous improvement may be doing themselves a disservice, especially if, as so many do, they rely on standards set by independent rating societies (e.g., ISO9000) or their competitors. In such cases, an overemphasis on the achievement of "zero-defects" can inhibit the abilities of individuals and work teams to be creative, to escape the confines of their "thinking boxes" — and organizations hemmed in by these constraints are likely to sacrifice their ability to be industry paradigm shifters to other organizations. Staff and work teams capable of innovation require that they have a mindset informed by the constant exploration of and challenge to their assumptions and knowledge. This implies capabilities on the part of employees not captured in traditional skills inventories and training plans.

Instead of applying the term "learning organization" to organizations that value and encourage the growth of individual and organizational abilities, Stewart prefers to talk about "intellectual capital," a concept related to that of the learning organization. He states that knowledge is a separate commodity and should be managed just as other assets are. Intellectual capital, as defined by Thomas Stewart (1997, p. x, foreword), consists of any intellectual material that can be put to use to create wealth. It includes patents and copyrights as well as all relevant experience, information, knowledge, infrastructure and customer goodwill — in other words, it includes all the information and capabilities a company and its workforce have that will give the company a competitive edge. Note that, like corporate competencies, intellectual capital includes only those things which materially affect a company's position.

Garvin believes that the creation of a learning organization occurs in three

\(^2\) Organizations can be effective in the present without actively developing their capabilities to live in the future. Of course, how long they will remain effective is another issue.
stages: cognitive, behavioural and performance improvement. Companies cannot expect immediate results; some organizational learning takes years! Programs that encourage organizational learning — not just formal learning but also what Garvin (1993, p. 86) calls “productive" business failures — must be built into the organizational structure. The incorporation of such learning is a critical aspect of strategic organizational design. A useful approach to the implementation of such organizational learning starts with the individuals in the company. It might include the use of competency models as a way to determine baseline expectations for employee performance, linking these performance expectations to the organization's strategic focus. Comparing the two would help to determine core organizational capabilities and use those to inform the organization's plans to achieve its future intent (i.e., how to get from here to where we want to be). However, for such an approach to be meaningful, both the organization and its employees would have to be both questioning and open.

All of these approaches to the establishment of a creative and energetic organization require the active participation of those who make it so — in other words the people who contribute their abilities and ideas to that organization.

2.5 Individual Learning

Blessing-White is an employee development firm based in Princeton, New Jersey. The founders of this company believe that most effective performance is found when the employee's needs and the organization's needs are most closely in alignment. Judith Bardwick (1991, p. 55), an industrial psychologist and management consultant, writes that employees need three conditions to feel fulfilled: challenge, empowerment and significance (i.e., the opportunity to do things that matter). One must also take into consideration that for most companies, the implicit promise of long-term employment has been impossible to fulfil, as the successive waves of down-sizing in our largest and most stable
organizations attest. Many good companies have replaced the "guarantee of employment" with the provision of development opportunities that will "guarantee employability." But for this to happen, individual employees need to assume responsibility for their own learning and career growth.\(^3\)

In an image that draws together these related themes, Thomas Stewart, referring back to his exposition of "intellectual capital," compares it to a joint checking account from which both the employee and employer can draw (1997). He argues that knowledge work represents a unique new work quality: it is a collaborative product, ownership of which is shared by all those who do it. Unlike work in the past, knowledge adds to all; "what I give to the team I still have, and I also have what the team has that I did not give" (1997, p. 216). Knowledge is unique: in selling it or giving it away, we retain what we have. This also creates conditions in which employees create and are expected to create their own kitbags of skills, knowledge and abilities to market.

However, as Drucker (1995, p. 226) points out, these unique qualities of modern knowledge-based work creates a need for workers with considerably more formal education than ever before, and the ability to apply analytical skills in the way traditional blue-collar workers have been neither encouraged nor prepared to do. It requires an entirely new approach to work and, most importantly, the habit of continuous learning.

One approach to enabling employees to develop relevant portfolios of capabilities, and for organizations to be able to access and enhance these portfolios appropriately, is through the use of competency models. Ideally,

\(^3\) One organization's experience in this regard is quite instructive. A few years ago, a competency-based training and development initiative was implemented for front-line staff in decentralized locations. Potential students received their learning materials in plain brown wrappers. Because learning opportunities had in the past been associated with remedial needs, many learners wanted reassurance that their learning efforts would be kept confidential.
competency models identify the competencies required for success in particular jobs/positions; usually they are created in groups, providing job competency profiles for families of jobs. The organization thus obtains maps which it can use to match employees to particular job opportunities and to determine employee development needs. This allows the organization to balance its needs for current operational competence with its need to build future capability in alignment with its strategic goals. Employees, on the other hand, can see the learning needs they have with respect to their current positions, but can also use such profiles to determine learning they should pursue to qualify themselves for new roles as they identify their career aspirations. In theory, this enables both the employer and the employee to meet their performance standards for present reality while also showing them the steps required to capitalize on future potential.

The term “competency” has already been defined in the introductory chapter; a discussion of competency models begins in the next section.

2.6 Building Competency Models

In the ACA study (1996, p. 10), a competency model was defined as “a group of related competencies that together describe successful performance for a particular job or role, or in a particular organization.” Although Aon (1997) and Sibson (1996) both used the term, a definition of “competency” was provided in neither study.

According to the ACA (ch. 5), at the time of their study:

- Companies did not necessarily build competency models for workers at all levels of the organization. In fact, there seemed to be a distinct tendency to focus on the more highly paid members of the management team. While 71% of respondents had models for their management team, 65% for their
professional staff and 57% for their executive teams, only 31% included production/operations employees and 43% had models for clerical/administrative staff.

- Companies tended to build models that included either large percentages of the employee population (90% or more) or models that affected relatively small numbers (6 to 25% of the workforce).

- Most competency applications were relatively new. Approximately 60% were either under development or less than a year old.

- For about half of the competency models documented in the study, competencies were defined at the job or role level. Many of these also included competencies defined at the organizational band level (e.g., executive level, professional level), indicating that employees might have two tiers of competencies that they must display or develop: those general to their job levels and those specific to their job roles.

- Most organizations selected competencies for a specific job or role from a larger base of potentially applicable competencies. Few companies demanded that employees demonstrate or develop excellence in all the competencies the organization had defined as relevant.

- Competency models most often combined performance behaviours, personal characteristics and knowledge areas, although not all models included all these factors. However, most organizations found it important to use observable and measurable competencies prioritized according to organizational impact.

- Service organizations were most likely to include knowledge areas in their
competency models. This may reflect the nature of the service sector; such organizations are often at the forefront of the knowledge revolution, and purvey an intellectual rather than a physical product.

The information gathered through independent studies such as the three cited in this paper indicate how competency models can pervade the work lives of employees in our organizations. The knowledge, skills and general characteristics that people are expected to demonstrate in their positions are carefully described, prescribed, and circumscribed. The prescriptive quality of many competency processes leads to two questions posed by a colleague in a private conversation (Ian Rafuse, Toronto, 1992): does this encourage diversity or homogeneity? And, more importantly, does this insistence on specific competency profiles promote excellence or default to mediocrity? This point will be revisited in the discussion of the results stemming from this project and the continuing challenges confronting this practice area that concludes this thesis.

The universality of a competency-based approach, once adopted by an organization, adds weight to the idea that employees might have important things to tell us about our competency initiatives and, through these initiatives, about our organizations.
2.7 Using Competency Models and Assessment Programs

Companies across America responded to the Aon (1997, p. 24) survey, identifying that the use of competency models is distributed across a variety of applications:

<table>
<thead>
<tr>
<th>Application Used for:</th>
<th>Percentage of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training &amp; Development</td>
<td>60%</td>
</tr>
<tr>
<td>Performance Management</td>
<td>56%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>45%</td>
</tr>
<tr>
<td>Compensation</td>
<td>31%</td>
</tr>
<tr>
<td>Promotion/transfer</td>
<td>30%</td>
</tr>
<tr>
<td>Succession Planning</td>
<td>28%</td>
</tr>
</tbody>
</table>

These percentages were drawn primarily from respondents based in the United States, but probably provide a fairly accurate reflection of the range of applications in Canada, although the Sibson report on Canadian usage did not explore this issue. Indeed, the three organizations which provided the basis for the findings of this thesis indicated that the main applications for which they implemented competencies were staff development, performance management and recruitment — all high on the list of applications as observed by Aon. According to the ACA survey (p. 41), most companies with a competency-based compensation application had implemented them as their most recent applications. Sibson (p. 115-116) obtained similar findings; in 1996 the Sibson researchers found that only 10% of respondents had such a system, and in those companies, competencies were usually only one part of the way pay was determined.
When the Sibson study (p. 113) asked companies their reasons for using competency models, the question had a slightly different flavour from a similar question posed by Aon. Among the responses, 33% said it was to reinforce values/strategy/culture; 11% that it was for the acquisition/retention of key employees; and 11% that it was to increase workforce flexibility/mobility.

These responses seem to reflect the philosophic reasons for implementing a competency-based initiative rather than any specific human resource application. Nonetheless, even in this context, training and development were cited by 26% of the respondents, and linkage to compensation by 10% (although 19% expressed intentions of doing so) (Sibson, 1996, p. 113).

The diversity of uses to which competency models are put demonstrates that many organizations face the need for human resource management programs that:

- provide the organization with a flexible workforce, with staff who are able to rapidly assimilate new skills and with deployment systems that can move people from project to project and work team to work team quickly and effectively.

- link the human resource silos to ensure that staffing, employee development and compensation are integrated appropriately.

- provide the organization with the capability to locate people with specific capabilities to meet specialized needs.

How a competency model is used can determine how the model is built; is the competency application an input or an output? Should the competencies be defined convergently or divergently? For individual and organizational learning,
competency is an output and the learning goal can be either convergent as in the learning of a new skill, or divergent as in the examination of one's biases. For performance evaluation, competency is an output and, by definition, convergent.

For example, David Dubois (1993), whose focus is training, bases his competency model design on a systems approach to performance improvement, an approach he says supports flexibility in job structuring and developmental opportunities. He believes needs assessment should focus on the questions: what does the future look like? What do staff and managers need to produce today? In order to deliver on their mandates, what competencies must they have/acquire? When we review the systems approach advocated by Dubois more carefully, we see that it evaluates its success relative to specific, measurable outcomes. While this has great value for training job skills, however, it is less effective for the development of a mindset open to the wide variety of future possibilities; it must, perforce, predicate all predictions of future need on today's reality.

Tim Esque and Thomas Gilbert (1995) discuss a slightly different philosophy of competency modeling. They, too, look at competency models from a training perspective, but focus strongly on the bottom-line pay-off. Like Dubois, they are concerned about competencies at the individual level and how they affect the performance of the organization: "competencies are being used effectively when individuals continually succeed at their jobs and, as a result, the entire organization benefits" (1995, p. 44). This sentiment echoes not only McClelland's requirement (1986) that a capability must be pertinent for it to qualify as competency, but also Stewart's macro-focus with respect to intellectual capital (1997); if a particular capability is not relevant to the organization's mission or vision, then it cannot legitimately be considered capital.

As Scott Parry (1996, p. 48) points out, whether a competency is perceived as an input or as an output will have a bearing on the application:
In the United Kingdom ... competencies are viewed as outputs: employees display competencies in the degree to which their work meets or exceeds prescribed work standards. In the United States, competencies are seen mainly as inputs: they consist of clusters of knowledge, attitudes and skills that affect an individual’s ability to perform.

2.8 Competency Measurement

In the surveys reviewed for this thesis, companies indicated that they were concerned about employee buy-in to their competency initiatives; the ACA (1996, p. 58), for example, found that 18% of their respondents worried about employee/union acceptance. This concern seemed to be related primarily to the effect a lack of employee endorsement would have on the accuracy and completeness of the results; and the measurements they undertook were concerned with an analysis of the competency levels and needs within the organization, not with the subjective concerns of the employees about the process as a whole.

In the study completed through Sibson (1996, p. 115), Canadian organizations expressed similar concerns. Although not a single organization reported that their competency programs were unsuccessful, few seemed to have data to support their claim: only 32% of companies with competency programs in place had also instituted effectiveness measures, and these measures were almost exclusively qualitative. None of the organizations had determined the return on investment for their competency-based initiatives; however, since 86% of the programs had been in place for two years or fewer at the time of the survey, this is not unexpected.

Such measurement as has been conducted by respondent Canadian firms (Sibson, 1996) included focus groups, targeted individual feedback (presumably to determine employee development needs), efficiency rating, year-to-year cost
comparison, validation studies and 360° feedback. Some organizations which had conducted effectiveness measurements also conducted employee opinion surveys. The quality, extent and focus of these surveys is unknown.

The Aon survey (1997, pp. 33-35) did not address measurement issues from a specifically competency-based perspective. However, in its study of human resources concerns, it found that 55% of responding companies were concerned about measuring the results of training and development initiatives on the job; 70% expressed a need for better support of career development; 50% stated they wanted clearer guidance for pay decisions. More than half wanted better stated goals and objectives and almost a third wanted to establish linkages to competency models. This seems to indicate both a desire to increase the future role for competency models and a dissatisfaction with the existing level of competency process integration into the strategic concerns of the organization.

One scheme to measure training effectiveness prevalent in modern organizations is that proposed by Donald Kirkpatrick (1959), who divided evaluation into four categories:

1. reaction: the satisfaction of participants with the learning experience;
2. learning: the amount of new knowledge and skill absorbed by the participant;
3. transfer of learning: the transfer of new knowledge and skill to the performance of the job/task;
4. results: the effect of the new capability on the organization.

Each successive level of impact is both more important to the organization and

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4 Most of these methods are targeted to a comparison of employee competency levels to the competency levels identified as being required for job success. It is likely that most other measurement efforts undertaken by these firms concerned themselves with similar issues.
harder to measure; the fourth level in particular has very seldom been attempted although anticipated organizational outcomes are usually the reason to undertake training and development initiatives. The fourth level of evaluation is significant for all aspects of organizational planning and human resources practices. Because of this, some theorists consider competency-based approaches to offer a potentially meaningful framework for level four assessments.

Until now, at least, it seems that level four evaluation remains at the level of the abstract, theory rather than practice. In this context, it is interesting that the Sibson respondents claimed success for their competency initiatives, even without adequate measurement procedures in place.

At this point it would be valuable to review the data collected for this study. In many ways, the survey asked for level one feedback from employees, with perhaps some level two and three response as well, since respondents had generally experienced at least one complete cycle of the competency program. With this level of evaluative response, it is important to determine what insights the research conducted for this thesis can give us into the organizational impact of competency-based approaches to human resource practices.
Chapter 3: Methodology, Data Presentation and Discussion

3.1 Introduction

As the discussion in the first two chapters of this paper relate, much has been written about competency modeling and competency-based human resources initiatives. However, the reports and discussions I reviewed seemed to consist either of a theoretical exposition of the putative merits of competency-based initiatives or a statistical survey publishing the increasing spread of competency-based implementations. As the surveys described earlier report, evaluation of competency programs is minimal — and such evaluation processes as do exist tend to focus on the competency appraisal of the staff, not on the efficacy of the program itself.

For this study, I wanted to explore the relevance and satisfaction companies had with such processes from a very specific perspective: that of the front-line users of such initiatives. To that end, I approached a number of companies to obtain permission for the distribution of a short, quickly-answered questionnaire. One challenge I encountered at this point was simply time: representatives of several companies were unwilling to provide the time and/or access, pleading busyness and work pressures for both themselves and their fellow employees.

However, the most important problem concerned suitability of the target groups. To obtain a perspective from users, I needed information from individuals who had used a competency model for at least a year, so that they had completed at least one full performance cycle. Unfortunately, many of the companies I approached indicated that their models were obsolete, or had fallen out of use, or were so new that staff had not used them for the minimum time I required. Even in one of the companies that ultimately did participate in the research, only one of
several departments who had within the previous five years implemented a competency-based initiative were still using it. Some of the implications of this finding will be explored in the analysis section of the study.

Ultimately, data were collected from three companies. To preserve their anonymity, they have been called Company A, Company B and Company C.

The three companies provide an interesting mix of overlap and uniqueness. Company A is a small information technology consulting company, whereas Company C is the information technology division of a large financial services organization. Companies B and C are both large players in the financial services sector, but while Company C's data were gathered from an information technology group, Company B's information was culled from employees in an audit department. Although Company A is a national (Canadian) company, Company B is a Canadian multi-national organization, and Company C is headquartered outside Canada.

It should be noted that all information was collected through personnel located in Toronto offices.

3.2 Methodology

To gather the data, I first met with a company representative who "championed" the use of the competency-based initiative.

These individuals invariably had a very thorough understanding of their organization's model because they had ongoing involvement in its conception, development and implementation. The template of questions which formed the framework within which the company spokesperson and I held our discussion can be found in Appendix A.
The champion provided me with the definition of "competency" in use by (in all cases) her organization. This definition was inserted into the questionnaire and the questions modified where necessary to conform to the terminology in use at the organization.

To elicit the kind of information I wanted, I prepared a short survey consisting of eight questions. For each question, I also posed a number of response options. I reasoned that this would increase the response rate because potential respondents would find the survey fast and simple to complete. I also felt that this approach would make it easier for me to analyze the resultant responses. The options were not provided naively, however. Most of the possible responses listed were reasons which I had heard repeatedly in earlier, anecdotal data collection. To these I added response options suggested by people, including company competency process champions, whom I had asked to validate the questionnaire. Finally, to ensure that the thoughts and concerns of the respondents could be fully captured, I gave each question blank options so that individuals could add any choices I might have omitted.

Two questionnaires were prepared: one was geared to the individual contributor who filled it in on his or her own behalf. The second questionnaire targeted the managers to whom these individual contributors reported. Appendix A presents copies of the generic questionnaires. Both versions are reproduced there to show how the questionnaires, though different, seek to identify the same information.

The questionnaires were distributed by the organization's champion to individuals in her organization. For this reason, method of distribution varied from one organization to the next.

In Company A, all professional staff were given the questionnaire and
were encouraged several times by a company co-ordinator to complete and return it. Not surprisingly, the response rate for Company A was extremely high; 21 of 30 individual contributors and ten of eleven managers completed the questionnaire, giving response rates of 70% and 91% respectively.

In Company B, the champion distributed the questionnaire to all 36 people in her department and periodically reminded staff to return it. Of the 33 individual employees who received the questionnaire, 13 returned it, giving a response rate of almost 40%. All three of the managers submitted a completed form — a 100% response.

The champion at Company C handled distribution somewhat differently. She asked individuals if they would be willing to complete a survey. Upon receiving an affirmative answer, she provided them with a copy of the survey. In this context, it becomes irrelevant to talk about response ratios; however, seven managers and six individual respondents participated in the study.

The distribution method at Company C skews the results towards individuals who are sufficiently familiar with the process to comment on it. However, the primary focus of this study was to determine how front-line employees perceived a process implemented with enthusiasm by its proponents, and knowledgeable participants were deliberately sought. Consequently, this bias should not affect the major findings of the study.

In total, 60 individuals from three companies completed the survey. The bulk of the findings are analysed on the basis of 53 respondents, since seven of the sixty (including, interestingly enough, one respondent from Company C, the organization which solicited volunteers) indicated that they had never used the competency-based initiative implemented in their organization. Of these non-users, four respondents said they did not know about it, while three indicated that
the process had not been implemented in their area.

The table on the next few pages summarizes the results.
Table 2: Competency Initiatives: Summary of Survey Results
Data Collected: 1997/98

<table>
<thead>
<tr>
<th>Have you used a competency-based human resources application in your organization?</th>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>n = 41</td>
<td>n = 19</td>
<td>n = 60 (100%)</td>
<td></td>
</tr>
<tr>
<td>1: Yes but I no longer use it</td>
<td>1: 1 + 1 + 1 = 3 (7.3%)</td>
<td>1: 0 + 2 + 0 = 2 (10.5%)</td>
<td>1: 5 (8.3%)</td>
</tr>
<tr>
<td>2: Yes and I still use it</td>
<td>2: 15 + 12 + 5 = 32 (78.0)</td>
<td>2: 9 + 1 + 6 = 16 (84.2)</td>
<td>2: 48 (80.0)</td>
</tr>
<tr>
<td>3: No, I have never used it</td>
<td>3: 5 + 0 + 1 = 6 (14.6)</td>
<td>3: 1 (5.3)</td>
<td>3: 7 (11.7)</td>
</tr>
<tr>
<td>T: 21 + 13 + 7 = 41 (100.0)</td>
<td>T: 10 + 3 + 6 = 19 (100.0)</td>
<td>T: 60 (100.0)</td>
<td></td>
</tr>
</tbody>
</table>

For question 2:

<table>
<thead>
<tr>
<th>n = 1 + 1 + 1 = 3</th>
<th>n = 2</th>
<th>n = 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: it is too time consuming</td>
<td>1: 0 + 0 + 1 = 1 (33.3%)</td>
<td>1: 0 + 1 + 0 = 1 (50.0%)</td>
</tr>
<tr>
<td>2: I am uncomfortable using it</td>
<td>2: 0 + 1 + 0 = 1 (33.3)</td>
<td>2: 0 + 1 + 0 = 1 (50.0)</td>
</tr>
<tr>
<td>3: it is no longer available</td>
<td>3: 0 + 0 + 0 = 1 (33.3%)</td>
<td>3: 0 + 1 + 0 = 1 (50.0)</td>
</tr>
<tr>
<td>4: information is not useful/accurate</td>
<td>4: 1 (20.0)</td>
<td>4: 1 (20.0)</td>
</tr>
<tr>
<td>5: there is no point; can't act on results</td>
<td>5: 1 (20.0)</td>
<td>5: 1 (20.0)</td>
</tr>
<tr>
<td>6: other, not set up for my level</td>
<td>6: 1 (20.0)</td>
<td>6: 1 (20.0)</td>
</tr>
<tr>
<td>7: other/no follow-up by senior staff</td>
<td>7: other/no follow-up by senior staff</td>
<td></td>
</tr>
<tr>
<td>8: other, difficult to compare results with other's staff</td>
<td>8: other, difficult to compare results with other's staff</td>
<td></td>
</tr>
<tr>
<td>T: 1 + 1 + 1 = 3 (100.0)</td>
<td>T: 0 + 2 + 0 = 2 (100.0)</td>
<td>T: 5 (100.0)</td>
</tr>
<tr>
<td>2b) Why else did you stop using a competency-based human resources application?</td>
<td>Employee Responses</td>
<td>Manager Responses</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>0: no second reason provided</td>
<td>0: 2 +0 +0 = 2 (66.7%)</td>
<td></td>
</tr>
<tr>
<td>1: it is too time consuming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2: I am uncomfortable using it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3: it is no longer available</td>
<td>4: 0 + 1 + 0 = 1 (50.0%)</td>
<td>4: 1 (20.0%)</td>
</tr>
<tr>
<td>4: information is not useful/accurate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5: there is no point; can’t act on results</td>
<td>7: 0 + 1 + 0 = 1 (50.0%)</td>
<td>7: 1 (20.0%)</td>
</tr>
<tr>
<td>6: other, not set up for my level</td>
<td>8: 0 + 1 + 0 = 1 (33.3%)</td>
<td>8: 1 (20.0%)</td>
</tr>
<tr>
<td>7: other/no follow-up by senior staff</td>
<td>T: 2 + 1 + 0 = 3 (100.0%)</td>
<td>T: 0 + 2 + 0 = 9 (100.0%)</td>
</tr>
<tr>
<td>8: other, difficult to compare results with other’s staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>for questions 3, 4, 5</td>
<td>n=35</td>
<td>n=18</td>
</tr>
<tr>
<td>3) What is your main reason for using it?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0: no response</td>
<td>1: 0 + 0 + 0 + 2 = 2 (5.7%)</td>
<td>1: 0 + 0 + 2 = 2 (11.1%)</td>
</tr>
<tr>
<td>1: recruitment</td>
<td>2: 4 + 2 + 1 = 7 (20.0%)</td>
<td>2: 2 + 0 + 0 = 2 (11.1%)</td>
</tr>
<tr>
<td>2: career planning</td>
<td>3: 0 + 4 + 0 = 4 (11.4%)</td>
<td>3: 0 + 1 + 0 = 1 (5.6%)</td>
</tr>
<tr>
<td>3: training and development</td>
<td>4: 8 + 2 + 3 = 13 (37.1%)</td>
<td>4: 1 + 1 + 5 = 7 (38.9%)</td>
</tr>
<tr>
<td>4: performance management/appraisal</td>
<td>5: 1 + 0 + 0 = 1 (2.9%)</td>
<td>5: 4 + 1 + 6 = 1 (33.3%)</td>
</tr>
<tr>
<td>5: training/development and performance appraisal</td>
<td>6: 1 + 2 + 1 = 4 (11.4%)</td>
<td>6: 4 + 0 = 4 (7.5%)</td>
</tr>
<tr>
<td>6: career planning, training/development &amp; performance appraisal</td>
<td>7: 2 + 2 + 0 = 4 (11.4%)</td>
<td>7: 4 + 0 = 4 (7.5%)</td>
</tr>
<tr>
<td>7: career planning and training/development</td>
<td>8: 2 + 0 + 0 = 2 (11.1%)</td>
<td>8: 0 + 2 = 2 (3.8%)</td>
</tr>
<tr>
<td>8: multiple reasons</td>
<td>T: 16 + 13 + 6 = 35 (100)</td>
<td>T: 9 + 3 + 8 = 20 (111)</td>
</tr>
<tr>
<td>4a) What is the main reason you like using a competency-based HR application?</td>
<td>Employee Responses</td>
<td>Manager Responses</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1: it increases objectivity</td>
<td>1: 0 + 0 + 1 = 1 (2.9%)</td>
<td>1: 1 + 1 + 3 = 3 (16.7%)</td>
</tr>
<tr>
<td>2: it helps me learn more about my (staff’s) strengths/needs</td>
<td>2: 4 + 8 + 3 = 15 (42.9%)</td>
<td>2: 4 + 1 + 2 = 7 (38.9%)</td>
</tr>
<tr>
<td>3: I understand better what the job requires</td>
<td>3: 8 + 1 + 1 = 10 (28.6%)</td>
<td>3: 4 + 1 + 3 = 8 (44.4%)</td>
</tr>
<tr>
<td>4: it sets the framework for manager/employee discussions</td>
<td>4: 1 + 2 + 0 = 3 (8.6%)</td>
<td>4: 3 + 0 + 0 = 3 (5.7%)</td>
</tr>
<tr>
<td>5: I understand better what is expected of me</td>
<td>5: 1 + 0 + 0 = 1 (2.9%)</td>
<td>5: 1 + 0 = 1 (1.9%)</td>
</tr>
<tr>
<td>6: I do not like anything about it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7: other: it establishes an inventory of skill sets &amp; determines objectives for the future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8: I understand better what is expected of me plus one or more other choices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9: multiple choices excluding knowing what is expected of me</td>
<td>T: 16+13+6=35 (100%)</td>
<td>T: 9 + 3 + 6 = 18 (100%)</td>
</tr>
<tr>
<td>10: simultaneous development of hard and soft skills</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4b) Why else do you like using a competency-based HR application?</th>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0: no response</td>
<td>0: 1 + 1 + 0 = 2 (5.7%)</td>
<td>0: 0 + 1 + 1 = 2 (11.1%)</td>
<td>0: 2 + 2 = 4 (7.5%)</td>
</tr>
<tr>
<td>1: it increases objectivity</td>
<td>1: 1 + 2 + 0 = 3 (8.6%)</td>
<td>1: 2 + 0 + 2 = 4 (22.2%)</td>
<td>1: 3 + 4 = 7 (13.2%)</td>
</tr>
<tr>
<td>2: it helps me learn more about my (staff’s) strengths/needs</td>
<td>2: 4 + 0 + 1 = 5 (14.3%)</td>
<td>2: 1 + 0 + 1 = 2 (11.1%)</td>
<td>2: 5 + 2 = 7 (13.2%)</td>
</tr>
<tr>
<td>3: I understand better what the job requires</td>
<td>3: 2 + 1 + 2 = 5 (14.3%)</td>
<td>3: 1 + 1 + 1 = 3 (16.7%)</td>
<td>3: 5 + 3 = 8 (15.1%)</td>
</tr>
<tr>
<td>4: it sets the framework for manager/employee discussions</td>
<td>4: 3 + 7 + 2 = 12 (34.3%)</td>
<td>4: 2 + 1 + 2 = 5 (27.8%)</td>
<td>4: 12 + 5 = 17 (32.1%)</td>
</tr>
<tr>
<td>5: I understand better what is expected of me</td>
<td>5: 3 + 2 + 1 = 6 (17.1%)</td>
<td>5: 1 + 0 + 0 = 1 (5.6%)</td>
<td>5: 6 + 1 = 7 (13.2%)</td>
</tr>
<tr>
<td>6: I do not like anything about it</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7: other: it establishes an inventory of skill sets &amp; determines objectives for the future</td>
<td>7: 0 + 1 + 0 = 1 (2.9%)</td>
<td>7: 1 + 0 = 1 (1.9%)</td>
<td></td>
</tr>
<tr>
<td>8: I understand better what is expected of me plus one or more other choices</td>
<td>8: 2 + 0 + 0 = 2 (5.7%)</td>
<td>9: 2 + 0 + 0 = 2 (11.1%)</td>
<td>8: 2 + 0 = 2 (3.8%)</td>
</tr>
<tr>
<td>9: multiple choices excluding knowing what is expected of me</td>
<td>10: 0 + 0 + 1 = 1 (2.9%)</td>
<td>T: 9 + 3 + 8 = 20* (111.1)</td>
<td>10: 0 + 1 = 1 (1.9%)</td>
</tr>
<tr>
<td>10: simultaneous development of hard &amp; soft skills</td>
<td>T: 16 + 14 + 7 = 37* (105.7)</td>
<td>T: 9 + 3 + 8 = 20* (111.1)</td>
<td>T: 37 + 20 = 57* (107.5)</td>
</tr>
<tr>
<td>11: Specific points on how to improve</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 5a) What do/did you dislike the most about the competency-based application?

<table>
<thead>
<tr>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: it takes too long</td>
<td>1: 2 + 1 + 1 = 4 (22.2%)</td>
<td>1: 8 + 4 = 12 (22.6%)</td>
</tr>
<tr>
<td>2: I like everything</td>
<td>2: 2 + 1 + 2 = 5 (27.8%)</td>
<td>2: 11 + 5 = 16 (30.2%)</td>
</tr>
<tr>
<td>3: information is not accurate/useful</td>
<td>3: 3 + 1 + 0 = 4 (11.4%)</td>
<td>3: 4 + 4 = 8 (15.1%)</td>
</tr>
<tr>
<td>4: other: measurement could be subjective</td>
<td>4: 2 + 2 + 0 = 4 (11.4%)</td>
<td>4: 4 + 0 = 4 (7.5%)</td>
</tr>
<tr>
<td>5: other: it's hard to assess my own skills objectively</td>
<td>5: 1 + 0 + 0 = 1 (2.9%)</td>
<td>5: 1 + 0 = 1 (1.9%)</td>
</tr>
<tr>
<td>6: competencies are not job-related/it's too general/not geared to my job/needs to be expanded to new jobs</td>
<td>6: 0 + 0 + 2 = 2 (11.1%)</td>
<td>6: 1 + 2 = 3 (5.7%)</td>
</tr>
<tr>
<td>7: needs more flexibility, people are different, not broad enough, does not address soft skills</td>
<td>7: 1 + 0 + 0 = 1 (2.9%)</td>
<td>7: 1 + 1 = 2 (3.8%)</td>
</tr>
<tr>
<td>8: having to unify currency of information and forms</td>
<td>8: 1 + 0 = 1 (5.6%)</td>
<td>8: 0 + 1 = 1 (1.9%)</td>
</tr>
<tr>
<td>9: too detailed</td>
<td>10: 0 + 1 + 1 = 2 (5.7%)</td>
<td>10: 2 + 0 = 2 (3.8%)</td>
</tr>
<tr>
<td>10: I don't know how information will be used</td>
<td>11: 0 + 2 + 0 = 2 (5.7%)</td>
<td>11: 2 + 0 = 2 (3.8%)</td>
</tr>
<tr>
<td>11: I do not understand how to use it/too complex</td>
<td>12: 0 + 0 + 1 = 1 (2.9%)</td>
<td>12: 0 + 1 = 1 (1.9%)</td>
</tr>
<tr>
<td>12: it takes a while to learn it all</td>
<td>13: 0 + 0 + 1 = 1 (2.9%)</td>
<td>13: 1 + 0 = 1 (1.9%)</td>
</tr>
<tr>
<td>13: data is not used properly</td>
<td>T: 16 + 13 + 6 = 35 (100)</td>
<td>T: 9 + 3 + 6 = 18 (100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>T: 35 + 18 = 53 (100)</td>
</tr>
</tbody>
</table>

### 5b) What else do/did you dislike about the competency-based application?

<table>
<thead>
<tr>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0: no response</td>
<td>0: 11 + 3 + 4 = 18 (51.4%)</td>
<td>0: 18 + 14 = 32 (60.4%)</td>
</tr>
<tr>
<td>1: it takes too long</td>
<td>1: 3 + 1 + 1 = 5 (14.3%)</td>
<td>1: 5 + 0 = 5 (9.4%)</td>
</tr>
<tr>
<td>2: I like everything</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3: information is not accurate/useful</td>
<td>3: 2 + 2 + 0 = 4 (11.4%)</td>
<td>3: 4 + 3 = 7 (13.2%)</td>
</tr>
<tr>
<td>4: other: measurement could be subjective</td>
<td>4: 0 + 0 + 1 = 1 (2.9%)</td>
<td>4: 1 + 0 = 1 (1.9%)</td>
</tr>
<tr>
<td>5: other: it's hard to assess my own skills objectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6: competencies are not job-related/it's too general/not geared to my job/needs to be expanded to new jobs</td>
<td>7: 1 + 0 + 0 = 1 (5.6%)</td>
<td>7: 0 + 1 = 1 (1.9%)</td>
</tr>
<tr>
<td>7: needs more flexibility, people are different, not broad enough, does not address soft skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8: having to unify currency of information and forms</td>
<td>10: 0 + 6 + 0 = 6 (17.1%)</td>
<td>10: 6 + 0 = 6 (11.3%)</td>
</tr>
<tr>
<td>9: too detailed</td>
<td>11: 0 + 1 + 0 = 1 (2.9%)</td>
<td>11: 1 + 0 = 1 (1.9%)</td>
</tr>
<tr>
<td>10: I don't know how information will be used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11: I do not understand how to use it/too complex</td>
<td>9: 3 + 6 = 18 (100)</td>
<td>T: 35 + 18 = 53 (100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
for remaining questions | Employee Responses | Manager Responses | Total Responses
---|---|---|---
6a) What is the most important way a competency-based initiative helped you? | n = 21 + 13 + 7 + 41 | n = 10 + 3 + 6 = 19 | n = 41 + 19 = 60
1: it helps me focus on team success factors | 1: 2 + 0 + 1 = 3 (7.3%) | 1: 0 + 1 + 0 = 1 (5.3%) | 1: 3 + 1 = 4 (6.7%)
2: it makes me realize where I need to grow | 2: 12 + 9 + 4 = 25 (61.0%) | 2: 4 + 1 + 3 = 8 (42.1%) | 2: 25 + 8 = 33 (55.0%)
3: it does not help in any way | 3: 1 + 0 + 0 = 1 (2.4%) | 3: 1 + 0 = 1 (1.7%) | 3: 1 + 0 = 1 (1.7%)
4: it helps me focus on organizational factors | 4: 0 + 1 + 0 = 1 (2.4%) | 4: 2 + 0 + 0 = 2 (10.5%) | 4: 1 + 2 = 3 (5.0%)
5: it makes me see my strengths | 5: 0 + 2 + 1 = 3 (7.3%) | 5: 2 + 0 + 1 = 3 (15.8%) | 5: 3 + 3 = 6 (10.0%)
6: it improves manager/employee communication | 6: 6 + 1 + 1 = 8 (19.5%) | 6: 2 + 1 + 2 = 5 (26.3%) | 6: 8 + 5 = 13 (21.7%)
7: it helps me focus on team success factors/ see my strengths | | | |
8: multiple reasons | T: 21 + 13 + 7 = 41 (100) | T: 10 + 3 + 6 = 19 (100) | T: 41 + 19 = 60 (100)

6b) How else has a competency-based initiative helped you?
0: no reason given | 0: 1 + 0 + 2 = 3 (7.3%) | 0: 2 + 0 + 1 = 3 (15.8%) | 0: 3 + 3 = 6 (10.0%)
1: it helps me focus on team success factors | 1: 0 + 1 + 0 = 1 (2.4%) | 1: 1 + 0 = 1 (1.7%) | 1: 1 + 0 = 1 (1.7%)
2: it makes me realize where I need to grow | 2: 3 + 2 + 0 = 5 (12.2%) | 2: 2 + 0 + 1 = 3 (15.8%) | 2: 5 + 3 = 8 (13.3%)
3: it does not help in any way | 3: 1 + 0 + 0 = 1 (2.4%) | 3: 1 + 0 = 1 (1.7%) | 3: 1 + 0 = 1 (1.7%)
4: it helps me focus on organizational factors | 4: 3 + 1 + 0 = 4 (9.8%) | 4: 0 + 0 + 1 = 1 (5.3%) | 4: 4 + 1 = 5 (8.3%)
5: it makes me see my strengths | 5: 8 + 7 + 3 = 18 (43.9%) | 5: 3 + 2 + 3 = 8 (42.1%) | 5: 18 + 8 = 26 (43.3%)
6: it improves manager/employee communication | 6: 3 + 3 + 2 = 8 (19.5%) | 6: 2 + 2 + 2 = 6 (31.6%) | 6: 8 + 6 = 14 (23.3%)
7: it helps me focus on team success factors/ see my strengths | 7: 1 + 0 + 0 = 1 (2.4%) | 7: 1 + 0 = 1 (1.7%) | 7: 1 + 0 = 1 (1.7%)
8: multiple reasons | 8: 1 + 0 + 0 = 1 (2.4%) | 8: 1 + 0 + 0 = 1 (5.3%) | 8: 1 + 1 = 2 (3.3%)
9: it communicates my strengths to others in the organization | 9: 0 + 1 + 0 = 1 (2.4%) | 9: 1 + 0 = 1 (1.7%) | 9: 1 + 0 = 1 (1.7%)
T: 21 + 15 + 7 = 43* (104.7) | T: 10 + 4 + 8 = 22* (115.9) | T: 43 + 22 = 65* (108.3)
<table>
<thead>
<tr>
<th>7a) What is the most important way competency-based initiatives have hindered you?</th>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0: no reason given</td>
<td>0: 2 + 0 + 0 = 2  (4.9%)</td>
<td>0: 2 + 0 = 2    (3.3%)</td>
<td></td>
</tr>
<tr>
<td>1: gives misleading information; makes us focus on wrong issues</td>
<td>1: 2 + 2 + 0 = 4  (9.8%)</td>
<td>1: 0 + 0 + 1 = 1  (5.3%)</td>
<td>1: 4 + 1 = 5  (8.3%)</td>
</tr>
<tr>
<td>2: information is not acted on: increases staff cynicism</td>
<td>2: 7 + 3 + 4 = 14  (34.1%)</td>
<td>2: 4 + 2 + 2 = 8  (42.1%)</td>
<td>2: 14 + 8 = 22  (36.7%)</td>
</tr>
<tr>
<td>3: the competencies identified are not in line with strategic vision</td>
<td>3: 1 + 2 + 0 = 3  (7.3%)</td>
<td>3: 2 + 0 + 0 = 2  (10.5%)</td>
<td>3: 3 + 2 = 5  (8.3%)</td>
</tr>
<tr>
<td>4: it made manager/employee communication worse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5: I resent it: I did not get benefits (e.g., promotion) I expected</td>
<td>5: 2 + 1 + 1 = 4  (9.8%)</td>
<td>5: 1 + 0 + 0 = 1  (5.3%)</td>
<td>5: 4 + 1 = 5  (8.3%)</td>
</tr>
<tr>
<td>6: it does not hinder in any way</td>
<td>6: 5 + 4 + 2 = 11  (26.8%)</td>
<td>6: 3 + 1 + 2 = 6  (31.6%)</td>
<td>6: 11 + 6 + 17  (28.3%)</td>
</tr>
<tr>
<td>7: results may be used against you</td>
<td>7: 1 + 0 + 0 = 1  (2.4%)</td>
<td>7: 1 + 0 = 1    (1.7%)</td>
<td></td>
</tr>
<tr>
<td>8: other: needs to be expanded to other jobs/not in keeping with people's jobs</td>
<td>8: 1 + 0 + 0 = 1  (2.4%)</td>
<td>8: 1 + 0 = 1    (1.7%)</td>
<td></td>
</tr>
<tr>
<td>9: skills may not fit neatly into a box</td>
<td>10: 0 + 1 + 0 = 1 (2.4%)</td>
<td>10: 1 + 0 = 1   (1.7%)</td>
<td></td>
</tr>
<tr>
<td>10: no time to schedule/complete suggested development activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11: linkage to performance management creates defensive positions which inhibits honest communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12: technical/specialist skills have diminished focus</td>
<td>T: 21+13+7=41 (100)</td>
<td>T: 10+3+6=19 (100)</td>
<td>T: 41+19=60 (100)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7b) How else have competency-based initiatives hindered you?</th>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0: no reason given</td>
<td>0: 11 + 6 + 4 = 21  (51.2%)</td>
<td>0: 5 + 2 + 5 = 12  (63.2%)</td>
<td>0: 21 + 12 = 33  (55.0%)</td>
</tr>
<tr>
<td>1: gives misleading information; makes us focus on wrong issues</td>
<td>1: 2 + 3 + 1 = 6  (14.6%)</td>
<td>1: 1 + 0 + 0 = 1  (5.3%)</td>
<td>1: 6 + 1 = 7   (11.7%)</td>
</tr>
<tr>
<td>2: information is not acted on: increases staff cynicism</td>
<td>2: 0 + 1 + 1 = 2  (4.9%)</td>
<td>2:</td>
<td>2: 2 + 0 = 2  (3.3%)</td>
</tr>
<tr>
<td>3: the competencies identified are not in line with strategic vision</td>
<td>3: 3 + 1 + 0 = 4  (9.8%)</td>
<td>3: 1 + 0 + 0 = 1  (5.3%)</td>
<td>3: 4 + 1 = 5  (8.3%)</td>
</tr>
<tr>
<td>4: it made manager/employee communication worse</td>
<td>4: 2 + 0 + 0 = 2  (4.9%)</td>
<td>4: 1 + 1 + 0 = 2  (10.5%)</td>
<td>4: 2 + 2 = 4  (6.7%)</td>
</tr>
<tr>
<td>5: I resent it: I did not get benefits (e.g., promotion) I expected</td>
<td>5: 1 + 1 + 1 = 3  (7.3%)</td>
<td>5: 0 + 0 + 1 = 1  (5.3%)</td>
<td>5: 3 + 1 = 4  (6.7%)</td>
</tr>
<tr>
<td>6: it does not hinder in any way</td>
<td>6: 1 + 0 + 0 = 1  (2.4%)</td>
<td>6: 1 + 0 + 0 = 1  (5.3%)</td>
<td>6: 1 + 1 = 2  (3.3%)</td>
</tr>
<tr>
<td>7: results may be used against you</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8: other: needs to be expanded to other jobs/not in keeping with people's jobs</td>
<td>8: 1 + 0 + 0 = 1  (5.3%)</td>
<td>8: 0 + 1 = 1    (1.7%)</td>
<td></td>
</tr>
<tr>
<td>9: skills may not fit neatly into a box</td>
<td>9: 1 + 0 + 0 = 1  (2.4%)</td>
<td>9: 1 + 0 = 1    (1.7%)</td>
<td></td>
</tr>
<tr>
<td>10: no time to schedule/complete suggested development activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11: linkage to performance management creates defensive positions which inhibits honest communication</td>
<td>T: 21+13+7=41 (100)</td>
<td>T: 10+3+6=19 (100)</td>
<td>T: 41+19=60 (100)</td>
</tr>
</tbody>
</table>

for question 8

<table>
<thead>
<tr>
<th></th>
<th>n = 6</th>
<th>n = 1</th>
<th>n=7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8) If you have never used it, why not?
   0: no response to this question (i.e. have used it)
   1: I do not know about it
   2: a coworker persuaded me not to
   3: it was not implemented in my department/group
   4: other

<table>
<thead>
<tr>
<th></th>
<th>Employee Responses</th>
<th>Manager Responses</th>
<th>Total Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0: no response</td>
<td>1: 3 + 0 + 1=4 (66.7%)</td>
<td>1:</td>
<td>1: 4 + 0=4 (57.1%)</td>
</tr>
<tr>
<td>1: I do not know</td>
<td>2:</td>
<td>2:</td>
<td>2:</td>
</tr>
<tr>
<td>2: coworker persuaded</td>
<td>3: 2+ 0 + 0=2 (33.3%)</td>
<td>3: 1 + 0 + 0=1 (100%)</td>
<td>3: 2 + 1=3 (42.9%)</td>
</tr>
<tr>
<td>3: it was not implemented</td>
<td>4:</td>
<td>4:</td>
<td>4:</td>
</tr>
<tr>
<td>4: other</td>
<td>T: 5 + 0 + 1=6 (100%)</td>
<td>T: 1 + 0 + 0=1 (100%)</td>
<td>T: 6 + 1=7 (100%)</td>
</tr>
</tbody>
</table>

*: multiple responses
The next part of this section will describe the three companies who participated in the research and provide highlights of the findings for each organization. This will be followed by a discussion of the combined findings.

Each company in the study has called its competency-based system by a specific name, invariably shortened into an acronym. To preserve anonymity and create some brevity of terminology, all of these processes and initiatives will simply be referred to as CP, as an abbreviation of “competency process,” in the rest of this section.

3.3 Company A

3.3.1 Company A: background

Company A is professional consulting company specializing in information technology related services. The company has approximately 150 professional staff scattered in offices across Canada.

A true “knowledge-based” company, the firm's management is well aware that its primary asset is the people who deliver its services. The individuals who staff the organization are primarily technical professionals who, like their employer, are very aware of the need to ensure the ongoing breadth, depth and currency of their capabilities. They and their organization depend heavily on their abilities, particularly their technical skills, to be marketable in a competitive consulting marketplace. The firm has no centralized human resources function; each office is managed independently. However, each of the organization's consulting personnel has highly specialized technical skills, so the firm needs to accommodate the sharing of professional expertise.

Of the three companies surveyed, Company A is the only one in which at
least some of the impetus for the creation of a competency model and process came from the employee population. Perhaps this is partly a reflection of the competitive nature of the consulting business combined with the learning orientation of consultants themselves, and their constant need to stay on top of technological change. Staff also indicated a strong interest in the creation of a fair and consistent performance evaluation system. Management, on the other hand, expressed an interest in understanding how they could be of better assistance to their staff and wished to find out how they could facilitate the work that their technical consultants were doing. Management also had an important long-range focus: how could Company A get to “the next level.”

Company A began to develop its competency model in 1992. Employees formed committees and made recommendations which the competency champion took to management for approval. In 1994, the competency-based initiative was first rolled out.

Competencies at Company A were defined as: “the combination of individual performance behaviours that are observable, measurable and critical to successful individual or corporate performance.” A focus on communications formed the core of Company A’s model, understandable in a company that derives its success from understanding and solving the challenges faced by external clients.

3.3.2 Company A: tabulation of results

1. The results of the survey can be considered to be representative of employee sentiment, as three quarters of survey recipients replied.

- Based on the survey, most people at company A used the CP; a slightly higher number of managers (90%) than employees (71%)
used the system.

- Only two people, one manager and one employee, had stopped using the CP — and only because the CP was not set up for the job being appraised.

- Almost a quarter of employees had never used the CP, half of these because it was never implemented in their group. More disconcertingly, as the process is discussed in the employee handbook, the other half of those who had never used it said they had never heard of it.

2. Managers and employees viewed the use of the process somewhat differently. Half of employees saw the process as being used primarily for performance appraisal, another 12% saw it as being used for performance appraisal in conjunction with another HR application. Only one manager considered performance appraisal to be the single main use, although almost half (44%) viewed it as a performance appraisal tool in conjunction with another application.

3. Managers and employees agreed on what they liked most about the CP: it set the framework for manager/employee discussion. Half of employees and 44% of managers cited this reason as the primary benefit of the process. Another 25% of employees gave this as their secondary reason.

Complementing this point:

- a quarter of employees at Company A liked the CP because it helped them better understand their strengths and development needs, and
• almost 25% of managers at company A stated that the top reason they liked the CP was because it helped them understand job requirements.

Other reasons for liking the CP were fairly evenly divided among the remaining response choices.

4. More than a quarter of respondents — 31% of employees, 22% of managers — could not identify any dislikes with respect to the CP. Those who identified dislikes cited three main issues:

• A third of respondents, evenly split between managers and employees, questioned the objectivity of the process and skill assessment.

• 24% of respondents, again divided equally between managers and employees, said that the process took too long.

• Another 24% of respondents said that the information was not accurate and/or useful. One manager went so far as to say that the process actually increased cynicism in staff. It should be noted, however, that while 33% of managers cited this as their primary cause for concern, only 19% of employees highlighted this point. On the other hand, once secondary choices were factored in, the total who expressed concern about the accuracy/usefulness of CP output rose to 36%.

Other areas of concern listed in the questionnaire were evenly divided among the other possible responses.
5. When asked how the CP helped them, the overwhelming response was that "it helps me realize where I/my staff need to grow." Fifty-seven percent of employees and 40% of managers gave this answer as their first choice. Another 14% of employees and 20% of managers gave it as their second choice, making a total of 70% of employees and 60% of managers.

Coming a distant second in this category, another 42% cited "improvement in employee/manager communication," as either their first or second choice.

,"It makes me see my strengths/my employees' strengths" was cited by a third of respondents as another, secondary way in which the CP was helpful.

6. A quarter of respondents said that the CP did not hinder them in any way. However, more than a third of respondents — 33% of staff, 40% of managers — felt that the information from the CP was not acted on, increasing cynicism in staff. Since this initiative underpins the human resource strategy of Company A, this response may point to an ill-defined concern about the overall effectiveness of the company's implementation of its human resource strategy. Although the response to the company's CP was positive, this reaction may indicate that some of the respondents from Company A felt the CP had the potential to interfere with the encouragement of staff-management relations.
3.3.3 Company A: conclusion

Staff at Company A, both managers and individual contributors, generally seemed optimistic about the use of competencies at the firm.

Some areas might cause concern in Company A, however. These include:

- a surprisingly high level of ignorance about the CP
- a number of job classifications not included in the CP
- a number of respondents who felt that the CP lacked either use or usefulness.

Not all of these issues point up serious concerns; however, they do indicate organizational issues that should be addressed.

It is interesting that these issues arise even in a small, professional organization geared to the effective use of a process such as the CP. It will be instructive to look at the results from much larger organizations with more vested bureaucracies and (perhaps) more stable long-term client bases than Company A.

3.4 Company B

3.4.1 Company B: background

Company B is large financial services organization headquartered in Canada. With an employee base in excess of 25,000, this company has offices around the world to assist individuals and businesses with services that range from lending to investment and insurance needs. The company has numerous divisions, often called "businesses," with most support services emanating from its headquarters in Ontario.
When the initiators of the competency program at Company B began the process of developing a competency model, they used personal characteristics ("traits") as the primary discriminators and labeled everything they came up with as "competencies." To help in the creation of the basic model, they drew upon the expertise of an external consulting firm. This firm conducted intensive behavioural event interviews with high performers in fifteen different job families in one particularly extensive business. From the transcripts, they abstracted the successful behaviours. These they analyzed to determine the common threads which they distilled into a list of personal characteristics. The consultants noticed fairly early on in the process that the characteristics they identified naturally diverged into two general groups and suggested that Company B split its process into two segments: one part, to be called "competencies," to deal with skills and knowledge; the other to handle personal traits such as the underlying motives, interests and aptitudes.

The personal traits were labeled "attributes." To ensure that the use of attribute profiles would be legally defensible, the initiative was reviewed by the company's legal department. Then it was distributed to employees across Canada for final validation. The attribute model became the basis for a detailed staffing guide widely used throughout the Canadian operation to support and inform the recruitment and job posting functions. However, the CP implementers discovered shortly after implementing the staffing guide, that attributes had become the primary basis for hiring, and work on the skills and knowledge portion of the initiative intensified.

The list of attributes developed for the organization were applied across the organization. Although all subsequent models were derived from the first one, the competency models in use at the time of the survey varied by business across the organization. Each competency model consisted of three sections: relational, business and technical. Relational competencies included competencies such as
interpersonal communication and change management. Business competencies ranged across such diverse areas as computer skills, problem-solving proficiency, project management expertise and consulting abilities. Technical competencies were those competencies that related to a specific business and were not necessarily portable to a different business (e.g., Company C's audit standards in the audit department, knowledge of Company C's insurance policies in the insurance division).

Job profiles that described the competencies required for specific jobs were created first for senior management in the area, then cascaded throughout the division. The competency assessment process was implemented with workbooks, process descriptions, worksheets, a rating scale and a manual linking the competencies identified in the model to specific training and development activities.

The development and implementation of the first competency model and process became the basis for the development of similar initiatives in other divisions of the organization. For these later implementations, consultants internal to the company followed a rigorous series of steps. According to the spokesperson with whom I talked, they researched the business; reviewed the job descriptions and job ads; conducted needs analyses with clients; met with senior management to discuss both the current situation of the business and its future directions; created draft competency profiles for jobs in the business; reviewed the profiles with focus groups of representative employees; validated the reviewed profiles by distributing them across the country to other representative employees; and obtained final approval from the department senior management team.

A number of divisions in this organization (although not all), developed customized competency models. For this study, I was allowed to approach most of the businesses which had implemented a competency model but discovered,
rather distressingly, that use of the models and the process had dwindled in many departments. One support function still using the process was the Audit Department, a group of approximately three dozen people. Since this group indicated willingness to participate and was of a manageable size, I requested and obtained permission to conduct my investigation with this microcosm of a much larger organization. At the time of the study, the Audit Department had used the Competency and Attribute Models for approximately three years. Surveys were distributed by a director in the department to 36 staff members, including the 33 auditors (i.e., professional staff) and three managers in the area. All of the managers and 13 (39%) of the individual contributors (i.e., non-management staff) returned the survey.

When the competency assessment process was rolled out in the Audit Department, it was immediately built into the performance management and business cycle by the senior official in the department. Senior management decided to link the planning component of performance management to learning activities, encouraging employees to determine what learning needs they had to satisfy in order to reach their performance targets.

3.4.2 Company B: tabulation of results

1. As part of the original research request, permission was sought to survey a department which had been using the process for at least a year. Therefore, it is reasonable to find that all participants in the study at Company B indicated familiarity with the process. However, as noted in the next point, respondents commented on the skills and knowledge component of the process rather than the full capabilities process.

All but one of the individual contributors were still using the process at the time of the survey. The single individual who had stopped using it stated
that the information gathered was not accurate/useful and that it was difficult to compare the results of staff reporting to different managers, an indirect comment on the potential subjectivity of competency assessment. This point was mentioned elsewhere by other respondents.

Two of the three managers had stopped using the process, complaining that it took too long, and they couldn't act on the results. They also commented that the information was not accurate/useful and that there was no follow-up by senior staff.

2. Although the questionnaire terminology specifically asked for feedback concerning capabilities and the terms "competencies" and "attributes" were defined at the start of the questionnaire, none of the respondents cited recruitment\(^5\) as a reason for using the capabilities process, implying that their responses were concentrated on the competency portion of the process:\(^6\)

- 62\% of employees used it for training and development.
  Employees also used the process for career planning (46\%) and for performance management/evaluation (31\%).

- 67\% of managers used the process for training & development while another 67\% used it for performance management/evaluation.

\(^5\) Because personal characteristics are considered critical components underlying job success, attributes are an important part of every job posting at Company B.

\(^6\) Percentages do not total 100\% due to multiple responses.
Respondents cited various reasons when asked why they like the process: 7

- 62% of employees liked it because it helped them learn about their strengths (all as first choice) and needs; secondly, an equal number liked it because it set the framework for their discussions with their manager (mostly as second choice). However, 31% of employees said they liked it because it helped them understand better what was expected of them, while 15% said it increased objectivity.

- Managers agreed that they liked the framework which the process provided for their discussions with their employees; two of the three managers selected this option. Two managers also said that they liked the process because it helped them understand the job better.

When asked what they disliked about the process, one manager (33%) and three employees (23%) could not find anything to dislike.

- Of most concern to employees were their feelings of uncertainty about just how the information was being used — 54% cited this as a reason for disliking the process. Five (39%) felt it took too long to do. Among the other comments, 23% felt that the information was not useful/accurate and 15% that results might be subjective. These choices may indicate that employees had an issue with organizational trust rather than a concern with the design or mechanics of the competency assessment process itself.

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7 In this and subsequent questions, “What is your main reason for...” is combined with the follow-up question, “What else do you...” giving a possible response level of 200%. In a number of cases, the “what else” portion of the questionnaire generated multiple answers. For complete details, please refer to the tabulated questionnaire results presented earlier in this chapter.
• Both of the managers who identified dislikes stated that the information they obtained was not accurate/useful. One also said that the process took too long.

5. Despite the issues raised by responses to the previous question, all employees and all managers found at least one way in which the process was helpful.

• 85% of employees said it helped to know where they needed to grow while (54%) found that it helped them to see their strengths. Almost a third felt that it improved their communication with their manager.

• All three managers commented that the process helped their communication with their staff. Two said that it helped them see their staff’s strengths. In other comments, one manager said that the process helped him/her focus on team success, and one said that it helped him/her see how the staff needed to grow.

6. When asked how the process had hindered them, about a third, 31% of employees and 33% of managers, could not find any drawbacks in the process. However, it should be pointed out that this response was at variance with earlier responses that indicated some degree of organizational distrust and might have indicated an operational interpretation of the question (i.e., the process, looked at from a perspective outside the organizational context, is not detrimental).

The other two thirds of respondents offered a variety of ways in which they found the process injurious:
Five employees said that it had made them focus on the wrong issues and four that the information was not acted on, thereby increasing cynicism. In addition, one person wrote in that there was no time to complete the competency development needs identified. Three employees felt that the competencies in the model were not in line with the strategic vision; whether, however, this was because the model needed revision or because respondents experienced a discontinuity between espoused competency requirements and performance rewards could not be determined from these data.

Two of the three managers agreed that the information was not acted on, increasing cynicism. One manager also identified as a second choice that it made manager/employee communication worse. (As all managers indicated that it helped by improving communication, this may be an isolated incident, involving only one or a few relationships.)

3.4.3 Company B: conclusion

The Audit Department was a relatively small department in a very large company, so the response may not have been completely reflective of sentiment throughout the organization. Despite many positive notes in the responses, however, there are areas which Company B should view with concern:

- Competency models and processes are rolled out within cultural contexts. In discussion with implementers from both the organization's human resources department and the Audit Department, the implementation of the competency process in the Audit Department was considered a successful one. Therefore, it is disconcerting that these data show that
more than half of staff worry about how their personal assessments will be used while two of three managers in the department have discontinued their use of the process.

Perhaps this can be attributed to the sort of low-level disgruntlement that seems endemic to most large organizations. However, this seems less likely an interpretation when one looks at the responses elicited from Company C, another large financial services organization, in which only one employee expressed concern about how the results would be used. Only one of the other two organizations surveyed had even a single manager who discontinued use of the process — in Company B the two non-using managers comprised 67% of the total.

Consideration should be given to coordinating or combining the competency and attributes portions of the capabilities process. At the time this research was conducted, Company B had two distinct processes, each used for a different aspect of human resource management. Although each job posting contained competency lists specific to the posting, these were not always directly related to the competencies identified in the organization's competency models in effect through the various departments. And once candidates obtained particular positions, the duality inherent in this model encouraged a shift in the bias from a focus on the 'hows' of job success to the 'whats' of task accomplishment, on skills and knowledge rather than the personal characteristics determinant of success.
3.5 Company C

3.5.1 Company C: background

Company C is also an extremely large financial services organization. The offices in Canada, operating from the national headquarters in Toronto, account for between one and two thousand people. The company prides itself on its service excellence culture. A representative from the information technology (IT) department met with me to discuss the implementation of the Company C competency initiative in that department.

Company C started working on competencies in 1989; in line with its service-oriented emphasis, the concepts underlying the development of its models and processes were determined by 1990: participatory management, teamwork, resource sharing, technology integration, customer focus and empowerment.

Initially, the company created a set of management competencies which incorporated such qualities/abilities as leadership, teamwork building and resource management, and followed this up with a set employee competencies which included teamwork and interpersonal skills in 1991.

The next phase in the development of its competency initiatives was triggered in 1993 as the organization became increasingly aware that its business environment was changing radically: Company C found itself facing heightened competition, greater demands for quality and an industry landscape of mergers, acquisitions and failures. The company, specifically the information technology department, started to re-engineer itself, looking at the impact such an initiative would have on its business practices, its systems and its people. Company C realized that the competence of its people would be a critical success factor and began building models of job-specific competencies.
In the process, the company discovered that it could rationalize its job classifications; the company reduced the number of jobs in the department from 48 to 11. The company found, furthermore, that after the institution of a competency-based performance evaluation process in its Information Technology division, such evaluations became less subjective. This was partly because the job-specific competencies were more precisely matched to performance requirements than the generic competencies identified in earlier roll-outs, and partly because the competency requirements were defined in terms of measurable and observable behaviours.

Unlike the individuals assigned to developing a competency model in many other companies, the developers at Company C did not survey staff looking for critical differences between satisfactory and excellent performance: individuals may be stars today, but would they still be stars tomorrow? Instead they looked at what staff needed to be able to do, projected these needs into the future, and built a map of the required competencies for Company C's information technology jobs. This approach, the company spokesperson told me, would give all employees a chance to grow into the requirements of the future. A software package was used to assist in the work profiling/task analysis phase.

Four to six competency areas, plus some competency subsets, were defined for each job. These were not the same for all jobs although some core organizational competencies applied to everyone. Three proficiency levels were defined for each competency: baseline, developmental, and competent.

Relative to the requirements of virtually any other area of an organization, information technology departments have historically tended to have very high needs for diversity in the technical competencies of their professional staff as well as a high degree of technical flexibility. Tying the information technology competencies into the more generic organizational competencies has often proved
to be an interesting challenge. In Company C, the information technology
department was allowed to develop its own set of competencies but the
competency descriptors were worded to provide a link to the corporate
competencies; the "how do I do that" statements were firmly grounded in the
core competencies defined by the organization.

When the champion of Company C was interviewed, the company’s
competencies were being used primarily to drive performance reviews and
secondarily to assess staff development needs. Results of performance discussions
were entered into a computer system. The results agreements and any consequent
developmental activities were reviewed by human resources (HR) staff to
determine learning need trends. Individual learning needs were addressed
individually as appropriate.

The Company C spokesperson with whom I discussed the initiative told
me explicitly that employees were happy with the system because it enabled them
to know the company’s expectations of them, while managers liked the system
because it gave them a framework for their performance discussions with their
employees. In 1997, a study by Company C’s HR department indicated that the
IT management team felt a decided need to maintain the competency process as a
necessary function.

Overall, Company C’s IT division created the model to rest on a fairly
stable set of competencies. For example, to minimize revision due to
technological changes, the department defined technical platforms (e.g.,
programming in C versus Cobol, etc.) to be environments, not competencies;
rather, competencies were defined in terms of problem solving skills which
transcended whatever language or computer architecture an employee might be
using to write programs. Nonetheless, by 1998 the company decided that the IT
model was due for a complete overhaul.
3.5.2 Company C: tabulation of results

Because sample size was small and drawn from a pool of volunteers, it could be dangerous to extrapolate these results as representative of the full information technology department population at Company C. This is partly because people often find it easier to respond when their overall opinions are favourable; this tendency may cause a slight positive bias to the results.

It should also be noted that people are more likely to respond if they feel knowledgeable about an issue, so there is less likelihood of people who are ignorant of the process participating in a survey of this kind. Since this study specifically requested input from knowledgeable participants on the CP, however, this factor should not affect the findings of this study.

Of those who had used it, all continued to do so. The single respondent who had never used it gave “I don’t know about it” as the reason. Without further explanation, one can only guess at the cause for this anomalous response, but it may simply be that this was a new employee who had not yet encountered the full performance management cycle at Company C.

1. As would be expected, since the process was implemented as a performance management tool, 83% of staff and managers used the process for that purpose. There was some disparity between manager and staff responses, however:

   - All managers used the process for performance management, although some also used it to determine training/development and career planning needs.
Although 2/3 of respondents to the staff questionnaire used it at least partly for performance management, there was more diversity of response from them than from the managers. A third of them claimed that they did not use it for performance management at all: one used it exclusively for career planning and one, interestingly, for recruitment. It cannot be known from this anonymous survey whether this respondent treated the process as a job search tool or used it to select staff for Company C.

2. Employees and managers differed in their primary reasons for liking the process.

- When both first and second choices were combined, five of the six managers liked the process because it set the framework for the manager/employee discussion. Only one non-manager respondent selected this option.

- Four staff indicated that they liked the process because it helped them see their strengths and needs ("it helps me learn more about my strengths and needs"); three employees selected this as their main reason for liking the competency-based process. Only one manager selected this option ("it helps me learn more about my staff's strengths and needs"), and that as a second choice.

- Half of both managers and staff indicated that they liked the process because it "helps me/my staff understand the job better."

Other reasons cited in this context include:

- One manager, one staff liked the objectivity the process
engendered.

- One staff wrote in that he/she liked knowing the specific areas in which he/she needed to improve.

- One manager wrote in that it allowed the simultaneous development of hard and soft skills.

- Two managers and one staff had a hard time deciding between options when asked for a second reason they liked the process, and made double choices.

3. When invited to say what they disliked about the process, half of employees and a third of managers could come up with no reason for disliking it.

- One employee and two managers felt that the process was too generic, not sufficiently job related.

- Other responses were somewhat scattered. However, one employee said that “the information is not used properly;” one said that “I don’t know how the information will be used;” and one employee responded that “measurement could be subjective.” Although not necessarily adverse, and definitely inconclusive, these responses hint at a certain level of discomfort that may need to be addressed in future implementations of competency-based performance management at Company C.

- A minority of respondents (one manager, one employee) felt that the process took too long. Additionally, one manager felt that the
process took a long time to learn.

4. When asked how the process aided (or could aid) them, more than half of the respondents agreed that the competency process helped them understand how they/their staff need to grow. Four of seven employees and four of six managers selected this option, most of them as their first choice. In addition, the same number also agreed that it helped them understand their strengths — a very important facet of any performance management initiative.

Note that despite acknowledging that a better understanding of their staff's strengths and needs was helpful, managers did not seem to find it a reason to like the competency process; although several employees liked the process because it helped them "learn more about their strengths and needs," only one manager cited that as a reason to like the process. (Please refer to point #2, above, for details — managers liked the discussion framework created through the process.)

5. Managers and employees were also asked how the process had hindered them. Echoing sentiments expressed in other firms, five of the seven staff respondents noted some variation of the feeling that the information was not acted on and therefore increased staff cynicism. Two of the managers agreed with this assessment. Furthermore, two employees and one manager echoed this sentiment when they said that they resented the process because they did not get the benefits (e.g., a promotion) that they expected. This may highlight a need for intervention and explanation from a human resources representative as to the role and purpose that the competency assessment process plays in the career progression of individuals at Company C.
Notwithstanding the concerns quoted above, a third of all respondents (two managers and two employees) could not identify any factor about the process that could hinder them.

3.5.3 Company C: conclusion

Bearing in mind the disclaimers cited at the beginning of this section, the sentiment regarding the CP seems generally positive at Company C. Managers and employees are generally happy with both the CP and its benefits. However, as this firm moves ahead with a revision to the model and/or process, it faces some of the same issues as the other two organizations in this study.

One of these is increasing awareness of the scope of the process. Balancing job specificity with the need for transferability of competence and the model's long-term viability is difficult; increasing job-specific skill inventories may not be desirable in the context of the competency model. However, additional education about the CP may be required to enable the users of the system to understand how the assessment process may most effectively and appropriately be used.

Compared to Company B, these results are very positive. However, respondents still identified some concerns about how the results are judged and used, once again indicating some level of organizational distrust. If it is true that people with favourable opinions are more likely to comment publicly about their employer's policies and practices (as stated in the opening paragraph of this section), this may indicate less sanguinity about the CP among the rest of Company C's workforce.
3.6 Discussion of Combined Results

3.6.1 Introduction

In discussing the combined results for all three firms, it should be pointed out that the results have not been weighted and may be skewed to Company A; this firm contributed fully half of the respondent sample.

Moreover, although it is true that several organizations were unable to contribute to this study either because of business pressures or because their models had fallen into obsolescence, still it remains true that only three of a multitude of possible organizations provided specific data for this study.

Even within the companies surveyed, a majority of staff responded in only one. In two of the three organizations, a very small percentage of the organization's full population responded to the request for information. In what directions this may skew the results is hard to estimate. However, in at least one of the participating groups, the department that responded to the survey was one in which the implementation was considered initially successful and in which the CP was still in use. We can say with some confidence that the other large firm represented also considered its implementation successful.

Overall, then, these conclusions can not be said to be representative of the state of competency-based implementations in Canadian organizations. However, I think it would be fair to assert, based on some of the foregoing comments and on anecdotal comments overheard in other contexts, that these data can be considered indicative of CP implementations and organizational HR issues in a fairly broad base of work organizations in the Canadian business environment.
3.6.2 Group findings

Overwhelmingly, survey respondents who had used the CP implemented in their organization continued to do so. A mere 8% of respondents discontinued use once they had tried it, while only 12% had never used it all; half of this latter group never had the opportunity because it was not implemented for their job or group, while the other 6% did not know what the CP was.

Of those who no longer use it, only Company B had managers who stopped using it and only Company B had a minority of managers who continued to use it.

There was no convenient way in the survey to ask the question: "Why do you continue to use it?" At the time the questionnaire was designed, I also thought that the issue was covered through other questions, and to a large extent it has been. However, when I now look back and see with what regularity CP implementations have been discontinued in individual departments of large organizations and in entire companies, asking the question deliberately and bluntly may have provided some answers with a different or stronger flavour.
Figure 2: Percentage of Respondents in the Organizational Samples who use the Competency Process
Some of the other findings are highlighted in the following points:

1. Respondents in all three firms used the CP for some form of performance management and evaluation.

   - Overall, 58% of participants agreed to this use, ranging from 19% in Company B to 36% in Company A to 62% in Company C. In Company C, the CP was specifically rolled out as a process to inform performance management, while in Company B the CP was linked to individual learning initiatives to avoid generating fear of the CP in line employees. However, as the spokesperson from Company C told me at one point, it is hard not to associate CP with performance, as the reason for implementing such a process is invariably to increase employee capability and productivity.

   However, given the variable reasons the different companies offered for the initial implementation, it is perhaps not surprising that more managers used the process for this reason than employees: 65% of managers used the CP for performance management while only 51% of individual contributors did so.

   - Altogether about 38% of respondents used the CP for training and development, ranging from 63% of Company B respondents to 15% in Company C. Approximately equivalent percentages of managers and employees used the CP for this purpose.

   - While 32% of respondents also used the CP for career planning, the difference between managers and employees was quite marked. While 43% of employees found the CP useful to plan their careers, only 11% of managers admitted to this use.
Figure 3: Reasons why Respondents in the Samples use the Competency Process (by Percentages)
2. Respondents indicated surprising consensus about their reasons for appreciating the CP: 66% said they liked the CP because it provided a framework for manager/employee discussions. This response was strong for both managers and employees in all three of the companies surveyed.

Another strong response was elicited by: "it helps me learn about my/my staff's strengths and needs." Overall, 41% of respondents selected this option; however, while this option generated an overwhelming response among employees — 57% chose it — managers did not attach the same significance. Only 11% of managers selected this.

Managers liked having a better understanding of what their employees' jobs required: 58% of them selected this option. However, employees also liked this aspect of the CP — 28% of them chose it. Employees further emphasized this when another 31% of them said they liked knowing what was expected of them (this option was selected by only one manager).
Figure 4: Most Common Reasons why Respondents like the Competency Process (by Percentages)
3. Just over 30% of employees could not identify anything they disliked about the CP. In Company C, the contentment was highest; 50% of employees and 33% of managers identified no reason to dislike the CP. Of the remaining 70% who did express at least one reason they disliked the CP:

- Exactly 32% felt that the process took too long: this included 37% of employees and 22% of managers.

- Approximately 28% felt that the information generated by the CP was either not useful or not accurate. The ratio of managers to employees who felt this way, however, was almost exactly reversed from the previous citation; 39% of managers felt that the CP was not accurate, while 23% of employees felt this way.
Figure 5: Most Common Reasons why Respondents dislike the Competency Process (by Percentages)

- Takes too long
- Info not accurate/useful
- Like everything
- Could be subjective
- Not job-related/too general
- Don't know how info will be used
4. Several reasons stand out when respondents were asked how the CP helped/could help them:

- The most important way in which the CP helped was by helping staff understand where they needed to grow; 73% of them cited this option. Their opinion was echoed by their managers, 58% of whom said the same thing. Moreover, it was also backed up by their response to the obverse option; 51% of employees and 58% of managers agreed that the CP helped them to understand their/staff's strengths.
  Response to these options was strong across all three companies.

- A solid 39% of individual contributors found the CP helpful by improving manager/employee communication; this ranged from 31% for Company B to 43% for both Company A and Company C. Managers felt just as strongly that this was a benefit; 58% of them, including 40% from Company A, 100% from Company B and 67% of Company C chose this option.
Figure 6: Most Popular Ways Respondents feel helped by the Competency Process (by Percentages)
5. More than two thirds of the participants in the study responded with a reason when asked how the CP hindered/could hinder them. Only 28% of respondents said that the CP did not hinder in any way. The percentage of individual contributors (27%) who said this was slightly lower than the percentage of managers (32%). The ratios were relatively even across the organizations surveyed. Ways in which the CP was perceived to be damaging were varied; the most commonly cited were:

- Some issues were pervasive. Respondents in all three organizations surveyed reported that the information was not acted on and that this increased staff cynicism; overall, 39% of individual contributors gave this reason, including about a third of respondents from Companies A and B plus an overwhelming 71% from Company C, an organization whose CP otherwise seemed to generate a generally positive response.

Managers in all companies were also concerned about this issue; in Companies A and C, 40% and 33% respectively cited lack of follow-up leading to staff cynicism as a way in which the CP could hinder or had done so. This figure rose to 67% for Company B managers; however, the total sample for this group was only three, so this percentage reflected the input of only two people.

- Just under a quarter of individual contributors said that the CP gave misleading information or made them focus on the wrong issues. By company, these responses ranged from 14% for Company C through 19% for Company A to 38% for Company B. Managers, however, discounted this reason; only two in the complete sample (one from Company A, one from Company C) gave this reason.
Figure 7: Most Common Ways Respondents feel the Competency Process Hinders (by Percentages)

- Focus on misleading/wrong issues
- Competencies not strategic
- Resentment due to lack of benefits
- Not acted on/more cynicism
- Worsened mgr/staff communication
- Experienced no hindrance
Another issue raised by employees but not by their managers was around perceived personal benefit. Again, only two managers in the sample agreed that the CP caused resentment because people did not get benefits, such as promotions, which they expected to arise from a positive CP evaluation. Employees were not highly concerned about this either, but did raise the issue: 14% in Company A, 15% in Company B and 29% in Company C felt this was a way in which the process hindered them.

3.6.3 Conclusion

Each organization in the study had a unique profile in these data; at the same time it is interesting to note the overlaps in their opinions of the CP. This is also true when one looks at the differences and similarities between the samples collected from managers and their staffs: in many cases the concerns were the same. In other instances, however, managers perceived the work environment differently from the individual contributors.

In the next section we will look at some of the conclusions we can tentatively draw from these data and their implications.
Chapter 4: Implications and Conclusions

4.1 Introduction

At the beginning of this thesis, I talked about the context in which many organizations felt — and feel — driven to implement competency-based approaches to their human resource practices.

Some of these changes affect the business itself, including accelerating technological innovation; the ongoing shift from production to knowledge based work; escalating globalization driving intensified business competition; greater diversity in both employee populations and customer profiles; the need to develop a flexible workforce easily mobilized to take advantage of new business and technological opportunities; the need to acquire the best and most motivated individuals to drive and implement the organization's vision; the desire to streamline organizational human resources practices and invest wisely in human resources programs; and greater awareness of the need for succession planning, partly because of the aging of the "baby boomer" group that today manages many of our organizations.

Other changes directly affect the well-being of the employees as stakeholders of our organizations. An example is the change in the long implied employment contract from one of guaranteed employment to one that promises workers the skills to ensure ongoing employability. Another is the need for organizations to promise relevant career development and interesting job opportunities to its employee constituencies; increasingly, personal development and interesting career/job opportunities are believed to be the factors that attract the best individuals to organizations, especially to knowledge-based organizations whose success depends most heavily on the acquisition of the best educated and
most technically competent people available.

Despite the discussion generated by the development and use of competency-based initiatives, however, little has yet been proven about their effectiveness. Early in this thesis, I also expressed my personal interest in the impact of competency processes on the front line users, an impact I believe has not been sufficiently explored despite the encomiums and endorsements from theorists in human resource practices and organizational design.

This is a good point at which to elaborate further on some of the issues discussed in previous chapters of this thesis, although it is unlikely that resolution can be achieved in the concluding pages of this thesis. Rather, as mystery writer Dorothy Sayers (1942, pp. 152-153) noted in another context, the conclusion of a conflict or need invariably results in new challenges which are not only left unaddressed by the immediate resolution, but also actually arise specifically from it. Competency models and processes will need ongoing evaluation by their users, designers and the organizations that commission them.

Before discussing some of the issues, however, it is important to place them in proper perspective; many respondents expressed very favourable opinions about the competency process implemented in their respective organizations. No participants could say that they disliked everything about it, while almost a third (31%) of employees and slightly fewer managers (28%) could identify only things they liked about it — they had no negative sentiments to express. A couple of respondents even wrote in that they could think of nothing negative because they endorsed their company's competency-based initiative so wholeheartedly. Similarly, only one respondent out of all three companies stated that the process did not help in any way, while 27% of employees and 32% of managers could not think of any way in which the competency process had
hindered them.

4.2 Challenges

4.2.1 Ongoing applicability

In assessing the results, some issues became apparent before I had even submitted questionnaires to the first organization: models and processes were obsolete or, at least, out of general use within only a few months or years of implementation. Even in the organizations that did participate there was universal agreement that the models in use were due for renovation and repair.

There may be more than one reason for the decline of a process both time-consuming and expensive to design and implement, some of them unavoidable as organizations develop. For example, sometimes organizations do not think through their strategic competency needs or applications before beginning to analyze and design competency models. This may lead to models and processes that are either unusably complex or inappropriate for the targeted application/audience.

Sometimes organizations get bogged down in detail: what emerges from the process is more like a skills inventory than a competency model. In other words, companies ultimately build a compendium of professional knowledge and skill sets instead of job or task specific profiles describing the full array of characteristics prerequisite for successful performance — especially an individual's underlying personal traits, interests and motives on which the ability and desire to exercise professional expertise depend. While skills inventories are very useful, they tend to be superficial as well as detail-oriented and present-focused. As McClelland pointed out, it is the underlying characteristics and
motive needs that will either generate successful performance or sabotage professional capability. To summarize a description of competency as provided in Chapter 1 of this thesis:

We call these characteristics of outstanding performers competencies and attributes of an individual that are necessary for effective performance in a job or life role. These attributes can include (1) general or specialized knowledge of use in an occupation; (2) abilities, both physical and intellectual; (3) traits, such as energy level and certain personality types; (4) motive or need states that direct individuals toward desired behavior patterns; and (5) self-images that reflect the role people see themselves in and their concept of how effective they are in their roles... The important thing to note is that competencies are defined within a role, so that an attribute is a competency only if it contributes to effective performance of the role specified. (Klemp and McClelland, 1986, p. 2)

"Competency" models that equate to lists of professional and technical skill sets require considerable maintenance and constant updating to ensure that the skills listed remain current. Knowledge-based technology departments and companies, groups often eager to embrace the benefits of competency modeling, are particularly vulnerable to the problems caused by obsolescent skills inventories, as the number and volatility of requisite professional skills are extremely high — technical skill needs change constantly. For these reasons, detailed "competency" models can become out of date, housing "competencies" (i.e., in this context, knowledge and skills) no longer in high demand, while missing competencies newly come into professional use. Users (certainly the technology workers with whom I have dealt!) have very little tolerance for inventories which do not include the skills constellation they need — so even if only a few of the required "technical competencies" are not included in the inventory, they may dismiss the entire model and process as time-consuming overhead which imposes an onerous burden but confers limited benefit.
The essential value of a competency process is usually stated to be the understanding of the underlying motives and individual characteristics that predict success for the particular job/organizational role and, by extension, for the organization as a whole. As discussed in Chapter 1, the diagram often used to illustrate this is the iceberg: the skills and knowledge component of an individual’s competence is the tip of the iceberg that extends above the water-line. What is potentially more significant is the bulk of the iceberg which lies hidden below the surface and can unexpectedly either elevate mediocre professional skills or sabotage the most excellent array of technical proficiencies.

The need to balance detail and long-term legitimacy will probably remain an issue for a long time to come. In illustration of the difficulty of such balance, some of the respondents to my research questions found the model was too general, others thought the (same) model was too detailed, and still others felt that their model was out-of-date.

When organizations stop the use of a competency-based practice, it often stems from complexities, such as those described above, inherent in the competency modeling process. However, the discontinuance may also be the natural consequence of business reorganization; when departments and/or organizations merge, the resultant organizational cultures will of necessity be modified, sometimes quite significantly. This creates a legitimate need for an overhaul of the new organization’s competency needs.

All of the reasons stated above are real challenges to the development of sustainable competency models and processes. However, it is my contention that many of the issues are larger, stemming from general organizational practices and the quality of the relationships between organizations and their front-line staff. It has often been demonstrated that belief in the value of a practice, or trust in those
champions who endorse it, can make a success of even the most unwieldy initiatives and procedures. Conversely, even the best and most efficient practices can be subverted to the point of destruction by users who either disbelieve in the process or distrust the intentions of those who implement it. We will return to this point later in this final chapter.

4.2.2 Flexibility versus consistency

Linked to the previous issue is that of consistency. Organizations need to be flexible, true; however, it is also critical that one human resource initiative not be replaced by another at whim; in a number of organizations, employees refer quite cynically to "flavour of the month" initiatives. In one organization, a manager told me quite openly that she just liked to get things done, and then change them if they did not work. In this same organization, an employee mentioned to me that her job had been declared redundant four times in the previous two years, yet she was still performing almost the same function she had been then. Neither of the two competency models developed for this organization has ever (to my knowledge) been widely used (largely because of yet another restructuring initiative).

In such organizations, each new implementation generates a new and increasing wave of employee cynicism. When employees start to believe that an initiative such as a competency process is a passing fad, they lose interest in spending the considerable time and emotional investment that such a process requires, creating a downward, self-perpetuating spiral that starts from skepticism, moves to inaccurate or unhelpful results and cycles to cynicism.

In all three companies surveyed, champions of the initiative claimed success for their models and processes. It may seem surprising, then, that
cynicism was surprisingly widespread: more than a third of respondents in each of the organizations participating in this survey said that the information was not acted on, increasing employee cynicism. Both managers and employees agreed to this: 39% of employees and 42% of managers believed that the competency-based initiative ultimately increased employee cynicism.

What can organizations do to combat this creeping disengagement, when the very employees who recognize the value of the process also dismiss its viability for their own situations? In a thread (of cable-like diameter) that runs through this discussion, the issue reverts back to organizational challenges: organizations must truly commit to the implications of the processes they implement. For example, often employees anticipate increased personal development from their individual competency assessments. In such cases, organizations must ensure not only that appropriate training is offered but, in addition, that time is made available for the training opportunity to be properly exploited. For example: in one call centre operation, the president was adamant that all staff complete ten training days per year. Managers and staff were to be held accountable for their success in accomplishing this target. However, the support infrastructure was not put into place; that is, the call centre continued to be staffed only to the level required to maintain call centre service ratios. No one extra was brought in to allow individuals time to complete training programs. In a support department of this same organization, one person had to discontinue taking a three-hour self-study course she was completing over the course of several lunch hours because work pressures did not allow her the time to take lunches! This case, more common than we like to suppose, creates a no-win situation and understandably generates profound levels of scorn and disregard in staff.

Nor is provision of training activities enough. Development must also
include opportunities in which learners can use and grow in their new abilities. With the movement in many organizations from long-term work in single departments to project work (that is, successive short-term assignments to specific initiatives rather than long-term assignments to functional departments), this should be a priority. However, it is still easy for organizations to pigeonhole staff in ways that do not adequately consider individual learning and growth — learning and growth that the organization may itself have encouraged and underwritten.

In the end, the generation of deep-seated discontent in employees may also turn into a tremendous loss for the organization. When employees lose a sense of future with an organization, it may lead them to search for opportunities outside the organization. As outlined so clearly by Thomas Stewart (1997) in his discussion of intellectual capital, by Lester Thurow (1996) in his insights on knowledge work trends, by Peter Drucker (1995) in his comments on management in the modern world, and by all their thoughtful colleagues in the analysis of business trends, the competency such organizations nurture disappears. Often these are the brightest and best of the talent the organization has attracted, since the learners and seekers are the individuals who tend to have the most value to offer competing organizations. Even worse for the organization, are those who “quit and stay,” that is, those whose creativity and commitment have been killed but who stay with the firm and continue to draw a salary.

4.2.3 Measuring competence: usability, accuracy and futurity

In theory, a competency model should be able to deliver on all the measures listed in the heading. It should certainly be both accurate and easy to use. In practice, however, it often seems that organizations trade off these two qualities. Most models of human behaviour seek to use two dimensions to
describe multi-dimensional humans. By definition, then, they must omit some factors of human potential so that what is left fits on the measurement scale. This is true of competency processes as well. In fact, the more detailed and complete a picture of individual capability a competency model provides, the longer it seems to take for individuals to assess themselves against the measurement scales — and the more difficult it can be for the system’s developers to maintain.

The more competencies identified, for example, the more likely the competencies required by any particular individual or job is likely to be met. However, by the same token, the more likely it is that such a model will tend to approximate a skills inventory, which may diminish some of its effectiveness in describing underlying traits. In addition, it will almost certainly be more obsolescent and therefore quickly less usable. It may also take longer for individuals to analyze and select the competencies that apply to them and their roles, since the list of applicable competencies is likely to be longer.

But it is not only the competency profiles that are at issue; it is also the measurement scales themselves. The easiest are those models that use behavioural scales to identify proficiency levels; if, for example, someone exhibits a proficiency level of “3” on a scale from “1” to “5”, that person behaves in such and such a way. However, this may leave certain behaviours unmeasured. Where do those fit? Should they still be part of the expectation?

Although I cannot divulge the company identity, I obtained a set of competency definitions from a Canadian organization in a private communication in 1993. In the list of competencies is one called “Performance Management” which we find is generally defined as: “Creates a working environment in which individuals and teams are motivated, empowered and able to achieve/exceed business targets and measures.” The rating scale ranges from 0
(does not know or need to know) to 5 (mastery, innovation). At level 3 proficiency on this scale (is able to do/apply without assistance), an individual:

Manages the performance of a small team of professionals or large team of semi-skilled employees; understands the shift from managing, controlling and directing to one of empowering, enabling and educating.

1. Sets objectives and meaningful performance targets/measures in conjunction with employees.
2. Determines individual and team-based capabilities required to accomplish targets.
3. Determines and allocates individual and team-based compensation against job value, and in line with performance and organizational standards.
4. Analyzes feedback from the client in assessing performance.
5. Manages changes in priorities in a timely and effective manner.
6. Identifies problems and implements strategies to improve performance.
7. Provides ongoing and timely feedback to staff throughout the year.
8. Is aware of the impact of statutory legislation (e.g., Labour Code, Human Rights Act., etc.)

Using the “Performance Management” description, one can immediately discern two issues with this type of definition. First, even though it attempts to give specific and measurable behavioural descriptions, much is still left to the discretion of the evaluator. In other words, the definition above exemplifies that behavioural definitions are not as truly “objective” as they initially appear to be. What, for example, does “in a timely and effective manner” actually mean?

More importantly, however, these definitions tend to describe and value the most easily measurable. This competency concerns itself with people management capability. Where are the leadership characteristics of management
identified? Are leadership qualities missing? Or is leadership a separate, different competency? If so, how are leadership and management competencies linked?

This is only one instance. Because divergent abilities are much harder to determine — in some cases the language may not even exist yet — only behaviours that are observable and measurable are likely to be included. Therefore, even though they may be specifically geared to open-ended views of competency, such specific scales ultimately also run the risk of describing convergent types of behaviours. And, as with any initiative, only qualities that are recognizable are likely to be seen and included.

In the case of the three companies in this study, Companies A and C both used behavioural scales. In Company B, the attributes (traits such as leadership and service orientation) portion of the model had no scale of any kind; individuals either had the attribute or not. The competencies, or skills and knowledge portion, had a dual proficiency scale. At each level the entire range of activities was subsumed in that category (e.g., communications included all forms of writing, listening and talking), but novices exercised them in simple, straightforward situations while experts were expected to demonstrate complex skill levels even under conditions of great stress.

Company B's approach undoubtedly left great freedom for analysis, but it also increased the subjectivity of assessments and in fact increased the difficulty of making appropriate judgements. Some of the frustrations and difficulties were highlighted by an experience a company champion then responsible for the design of the organization's capabilities model and process shared with me. She and Person X, who reported to her, had been instrumental in determining the proficiency scale they used and had developed the proficiency descriptions associated with the scale. Nonetheless, when these two experts held a
development planning discussion using the model they had created for their group, they could not agree on what those scales meant when they were actually applied to their own situation. If even these two authorities experienced difficulty, how much more complex would such a discussion be between a conscientious manager and employee — and how much more easily downgraded to a shallow analysis that would minimize emotional threat to either or both parties?

It must be understood that there is no clear answer to this issue. Generally speaking, in most organizations, it is probably best to minimize subjectivity of evaluation, as this may alleviate some concerns about subjective biases which invariably crops up in some employees' minds. In doing so, however, one must bear in mind that different, well-intentioned, managers can, and inevitably will, attach their own biases to even the most clear cut of processes. Because individual standards of excellence vary, what one individual may see as exemplary performance, another may deem to be mediocre. For example, what one evaluator may interpret to be a good exercise of initiative, another may see as unwarranted presumption. (In an unrelated instance, reflect on the work of Stephen King; while most of the English-speaking world appears to consider his novels excellent examples of writing and story-telling competence, a significant minority seems less enthusiastic about his abilities.) This is natural and proper. Not everyone does or should value the same things in the same ways. Certainly managers are appointed in order to exercise judgment and make decisions. It is incumbent on organizations, then, to ensure that the individuals they appoint to supervisory roles to interpret organizational strategy and competency requirements, using their insights to manage the worklives of one or more other employees, are capable of meaningful and ethical judgment in line with the organization's goals.

It is also worth restating that when formal processes are designed to reduce
subjectivity this may also reduce the variety of response options available; in other words, it will promote convergence of possibilities over divergence. For organizations which plan their competency processes in alignment with other organizational initiatives, the competency processes live in a well-defined framework. Therefore, if the framework is appropriate for the organization, the convergence of competency definition and direction may not necessarily be a major concern; the organization understands what it wants and actively encourages those competencies. Even so, the challenge of encouraging those personal traits and individual characteristics the organization needs remains significant. Even if an organization needs "creativity," for example, can it measure such a trait in its staff? Does one define it according to the number of new ideas ... or the value of new ideas ... or perhaps the innovativeness of new ideas (that is, does it build on an existing theme, or is it an idea not related to any current concept) ... or even the marketability of new ideas? It is very difficult to devise irreducible measures appropriate to such a competency; the essence of the competency will invariably elude the designer deliberating an adequate definition.

A competency process is, and must be, anchored in present reality to be effective. By its very nature, however, this grounding limits the capacity of the process to capture qualities that go beyond the observable. Nonetheless, to be truly successful in their design and usage of competency models, organizations must find some way of identifying individuals with the capabilities to see beyond the "now," to break the frame(s) of reference that constrain and define business, technological and interpersonal capacities. One finely descriptive phrase calls it "thinking outside the box." Chris Argyris (1992) calls this double loop thinking; Peter Senge (1990) considers it an important aspect of the "learning" organization.

Organizations are often adjured to become comfortable with ambiguity as
they navigate paths in a chaotic and rapidly changing world. With their human resource strategies they must also learn to tolerate discomfort and uncertainty. Perhaps they can, just as in my research questionnaire, use blank lines to capture the occasional "je ne sais quoi" aspects of individual and corporate development needs. Irrelevant as it may initially seem, they might also encourage their employees to develop themselves in as many unrelated fields as possible through the allocation of time, money and diverse experiences; varied learning seems often to generate the unexpected insights that lead to innovative solutions to challenges and opportunities previously unencountered.

4.2.4 Building trust

In the survey results, of the two large financial organizations represented, employees from one firm expressed much higher levels of distrust than the other. Over half of the non-management respondents for Company B said they did not know how the information would be used, compared to none in Company A and a single person in Company C.

Part of the issue for Company B was undoubtedly the high degree of organizational change the company had experienced over the previous few years. However, the immense organizational change that Company B was experiencing is not unique. Almost all organizations are enduring on-going restructuring. Seemingly these days, if departments within the organization are not merging or the department's function is not being scheduled for outsourcing, then the entire organization is subject to merger activity from competitors. As Peter Drucker (1995, p. 5) picturesquely put it: "Corporations once built to last like pyramids are now more like tents. Tomorrow they're gone or in turmoil."

This unpredictability in the modern organization can potentially create
problems in the implementation of human resource practices designed to balance the needs of the organization's stakeholders. Companies which wish to use a competency-based approach to their human resource management cannot hold off implementing competency-based human resources initiatives until the business world stabilizes somewhat; that is unlikely to happen within the foreseeable future.

Company B and the other companies surveyed did contrast significantly in one aspect of their implementation. In Companies A and C, the process was openly rolled out to assist in performance management. In Company B, the process was rolled out specifically for training and development. In intent, Company B was interested in the performance planning part of performance evaluation, while the other two also indicated their interest in the performance evaluation side. This is a significant difference, as stated earlier in the paper, between whether competencies should be considered inputs or outputs.

It is possible that employees in Company B were afraid of an unstated performance management agenda. However, even if this were the case, it offers a somewhat simplistic conclusion; it is likely that the organizational distrust that would cause such a belief predated the implementation of a competency process. This finding was all the more disturbing in that the survey was conducted in a department believed to have a positive attitude towards the implementation. In several other departments which had implemented a competency process, the process was no longer in regular use. The issues that caused this response should be elicited and addressed as part of any long-term endeavour to enhance the organization's culture.

Unfortunately, mistrust, whether or not warranted, leads to burking of the issues. When employees fear the use to which the data will be put, they become
reluctant to analyze their strengths and weaknesses honestly. Ultimately, this
sabotages the process and prevents the organization from accurately
understanding both its capabilities and its needs.

The mistrust may have little to do with the specific initiative (such as the
competency process, in this case) but does point to organizational issues that
require an organization's attention. Before any human resource initiative
requiring a willingness on the part of employees to feel vulnerable can be
successful, participants must accept that the organization will treat them with
fairness and generosity. This is sometimes difficult to accomplish in organizations
confronted with rapid and radical changes in their business environments (some
involving job redundancies), but some organizations nonetheless seem to handle
this difficult balance with grace.

Many organizations “take the temperature” of their workforce
constituencies through the use of employee surveys that ask employees about
their working conditions, their managers, their workloads, and so forth. While I
don't want to discount the value of such opinion polls, the results may understate
some of the personnel issues the organizations face. Questions are not always
worded in a way that allows full expression of feeling. Sometimes employees are
reluctant to criticize managers with whom they have established working
relationships. Occasionally, employees are concerned that these surveys are not as
anonymous as they purport to be and wonder if honest response will compromise
their jobs. Human Resources Departments may be tempted to soft-pedal some
issues that arise if such issues are politically sensitive and difficult to change. As a
result, action arising from such surveys may deal more readily with issues like
office thermostat settings than the enforcement of espoused organizational values.
Feedback reports to employees can comfortably cite the steps taken, but
substantive amendments to organizational culture are less likely to be sustained.
A different level of organizational awareness can be reached by noting the response of employees to human resource initiatives. It means listening, without arrogance or prejudgment (occasionally difficult for organization "experts" who feel comfortable with all the relevant theory!) to the messages employees send by their wholehearted embrace or avoidance of programs such as competency assessment. But the response of employees to a competency-based approach to our human resource practices is only one example, albeit an important one, of such initiatives. It is important that organizations learn to listen. This means soliciting, hearing and acting on what exiting employees say during termination interviews. It means documenting the willingness with which people participate in new learning opportunities. It means finding new ways to identify employee and organizational concerns.

The best organizations capitalize on the abilities of their employees. This includes the abilities of the employees to see the organization from the inside. It is important that organizations establish measurement tools and procedures to take the pulse not only of what employees say about the organization in opinion surveys but also what they articulate by their behaviours in response to company practices. I would argue that employee behaviours are better barometers of organizational stresses than any survey is likely to be.

Once organizations have heard the issues, especially if they have indicated interest in hearing the issues, then it is essential that they act on their learnings. Otherwise the cynicism cycle, documented so well in some of the responses to my research, begins.
4.2.5 Strategic linkage

Most theorists advise that organizations align the competencies in their processes to their corporate strategies. Some suggest that organizations need to identify what they are or want to be good at, their corporate “core capability,” and predicate their human resource practices on those: what kinds of people and/or expertise must we hire/develop to meet our capability mandate? This may be easier in theory than in practice; certainly a significant percentage of front-line users in my study disagreed that this kind of linkage was actually happening: 23% of employees and 39% of managers felt the information collected was either not accurate or not useful. In addition, 24% of employees and 11% of managers felt that their competency processes focused on the wrong issues which gave rise to misleading information. In yet a third statistic, 17% of employees and 17% of managers agreed that their competencies identified in their competency models were not strategic.

Such beliefs could give rise to two serious concerns, one related to corporate values, the other to professional capability.

First, if the corporate values are not accurately reflected in the model, the organization risks developing a critical rift between its espoused and its actual values. Here is just one anecdote that describes such a dichotomy occurring in one company a few years ago. In this case, senior management was extremely concerned that staff had to develop and demonstrate strong competency in teamwork, foreseeing this as a critical factor to enhance the creativity needed for future organizational success. However, in practice, the skill seemed less valued: teamwork skills were blatantly contrary to the “modus operandi” for virtually all those deemed excellent performers on year-end performance evaluations for “Position Y” (and other positions). Instead, senior management rewarded those
who accomplished the most work, regardless of cost to other teams and teammates.

In the design of the system, the “excellent performers” nominated to identify critical competencies for “Position Y” were those without notable teamwork skills, an instance that highlights the potential for discrepancy between espoused and practiced values (and one danger inherent in using today’s top performers as arbiters of tomorrow’s needs). Nonetheless, when this ability was not identified as critical in the subsequent analysis of competency requirements, the executive group insisted that teamwork be added to the competency profile for “Position Y.” In this case, the teamwork competency was not actually critical, merely desired to be so without any real measure being taken to ensure that it become so. In the rollout of this process, teamwork rapidly became a “motherhood” competency that contributed little besides irrelevant overhead to the process and diminished its credibility. It is indeed true, as Scott Parry (1996, p. 50) wrote, that competencies should matter to the job.

The United Way of Greater Toronto with which I had the privilege of working during their 1997 fund-raising campaign, demonstrates an appropriate integration of competency in the balance between the accomplishment of its goals and the way in which the goals are met. Fund-raisers are constantly reminded that the amount of money raised in a single campaign is only one concern. Another critical piece of the fund-raising campaign is the continuing effort to build satisfying relationships among the fund-raising companies, the client agencies and the United Way staff to ensure the ongoing sustainability of the United Way’s fund-raising capacity in future years. The United Way extends more than lip-service to the display of this competency, constantly reminding staff of its importance and monitoring their use of this competency. Moreover at the end of each campaign, the relationship building aspect is an important standard
by which each fund-raiser’s performance is gauged.

The second potential issue has been highlighted earlier and follows up the point discussed in the previous paragraphs. If users encounter discrepancies between the competencies identified and the professional skills actually required for individual and organizational success, use of the models and processes will quickly be bypassed to concentrate on those that actually do matter, especially since individual competency assessment is usually a time-consuming activity. As organizations cope with business and technological change, it is critical that the identified competencies are reviewed to make sure they continue to reflect the competencies that individuals must demonstrate or develop.

Moreover, if organizations really wish to use competencies to identify and meet their future needs, they must also put into place those initiatives and practices that encourage the development and utilization of these capabilities. If a certain competency is identified as critical to the future success of the organization, the organization must implement ways to recognize the development and demonstration of the new competency, even if its exercise does not currently affect performance results (or affects them negatively).

Furthermore, organizations must be careful to align their other human resources and business practices to ensure that individuals who model the desired competencies are not recruited away by a business rival or, even worse, that they are inadvertently encouraged to leave because they no longer “fit” as well into the current organizational structure or ethos.
4.3 Some other Competency Questions and Issues:

4.3.1 Inherent or learnable?

McClelland (Harvard Business Review, 1965) contended that competencies, even deep-seated characteristic competencies such as achievement motivation, could be learned. Lyle Spencer (1993, p. 11), a more recent theorist in the McClelland tradition, has suggested, however, that it might be more productive to train for skills, but to hire for underlying motives.

This is an issue that is unlikely to disappear, although some theorists do not see an uncrossable gulf. Although Scott Parry (1996, p. 52), for example, believes that competencies for the most part should be trainable, he also believes that sometimes a personality attribute can be converted into a measurable teachable competency. For example, good judgment might be assessed and developed as decision-making and analytical thinking. Similarly, providing vision and ability to motivate might be addressed under such competencies as setting goals and standards, providing feedback and assessing performance.

This is a valid perspective; however, are good judgment and leadership competencies really synonymous with the measurable and trainable qualities to which he links them? Are they convergent as the term “measurable” indicates or do we lose something in the transformation of a competency to a teachable output?

Indeed, this rekindles the discussion earlier in this paper: how do organizations regard competencies? Are they inputs or outputs to the employee’s performance? The organizations in this study had not come to a clear decision
either. Company B followed Spencer's approach: in this organization, the competency process was active under an umbrella rubric called capabilities: skills and knowledge were used for training, underlying traits were used in the hiring process. In the use of the capabilities process, skills and knowledge, called competencies by company B, tended to be seen as outputs from training while personal characteristics, called attributes by Company B, were seen mainly as inputs.

Other organizations diverge from this approach: Companies A and C, for example, looked for observable and measurable behaviours. Since the competency process in Company C was used primarily as a performance management tool, this organization tended to regard competencies as outputs. Company A also looked for observable behaviours but further defined them as those behaviours critical to success for both the individual and the organization.

These issues arise from a debate that has been going for a very long time, the debate between nature and nurture. Are individuals products of their genetics or their environments? Vociferous arguments can be heard in favour of each side of this debate. As in all things, however, reality probably lies somewhere in

Figure 8: Nature vs. Nurture Environment vs Learning

Nature (inherent traits) vs Nurture (learning activities)
level of trainability
the middle. Indeed, even organizations must at some level believe this or they would certainly have little incentive to move beyond traditional skill inventories to invest considerable resources in the development and deployment of competency models.

Almost all competencies are to some extent trainable, while almost all skills to some extent rely on innate capability. Indeed, I say “almost,” but I can think of no exception. However, although the belief is changing, there is still a tendency among business people to believe that skill-based competencies can be trained while attitudinal competencies cannot.

Creative thinking is an example that is often used — if one is not creative, well, that’s that. One is never going to be creative. However, Edward de Bono (1986) is only one theorist who believes that everyone can develop his or her creative abilities. It is probably accurate to say, however, that different individuals could develop creativity to different levels. Even with an appropriate scientific background, very few of us could ever attain the intuitive leaps of an Einstein. However, with proper encouragement and the freedom to take risks, everyone is likely able learn creative techniques such as brainstorming or mind-mapping to become reasonably practiced at exploring divergent options.

The same is true of the ability to communicate: not everyone has the capacity to write as well as William Shakespeare, or speak as compellingly as Cicero, or listen as compassionately as Mother Teresa, but most individuals can learn the component skills to such an extent that they can be considered functionally competent. Writing classes and Toastmaster clubs are predicated upon that belief.

The obverse is also true. In theory, the work of a filing clerk seems highly
skill-based; however, although most people can attain functional levels of expertise, the complexities of transformational capability in the administrative field, even the work complexities handled by a highly qualified executive assistant are beyond many of us. Even more simply expressed: most of us can develop the ability to run — but few of us can attain the standard of excellence needed to be competitive at the Olympic level!

If we establish a hypothetical generic gauge to measure competence on a scale that ranges from one to five, with low knowledge/ability as "1" and transformational capability as "5," then most people are capable of achieving level two or three competence with effort and training. Beyond levels three (basic or functional capability) or four (advanced competence or professional expertise), formal training is generally ineffective. Starting at a proficiency level four and through level five, inherent abilities become the determining factors that define whether one is a recreational jogger or an international track star, a competent report writer or a John Milton. This is true whether the competency at issue requires technical, emotional or physical capability.

Figure 9: Example of a Generic Competency Rating Scale Using Five Proficiency Levels

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Transformational capability (&quot;master&quot;)</td>
</tr>
<tr>
<td>4</td>
<td>Advanced competence (&quot;expert&quot;)</td>
</tr>
<tr>
<td>3</td>
<td>Basic competence (&quot;user&quot;)</td>
</tr>
<tr>
<td>2</td>
<td>Basic knowledge (&quot;user&quot;)</td>
</tr>
<tr>
<td>1</td>
<td>Awareness</td>
</tr>
<tr>
<td>0</td>
<td>No knowledge or not applicable</td>
</tr>
</tbody>
</table>
Every organization has employees that cannot or will not change to align with the organization's goals and/or values. Obviously, these misfits need to be separated from the organization to associate themselves with organizations that do fit their needs and aspirations. Notwithstanding such cases, however, the discussion above implies that if employees seem dysfunctional, this may be an indicator to suggest the desirability of organizational self-examination.

Organizations are always encouraged to recruit individuals who align with their values and direction. However, in this changing world, strategic direction and values may become open to revision. Organizations should constantly seek ways to resist the natural tendency to classify and label employees in static ways, instead finding opportunities to encourage and assist their work force constituencies to learn and grow with the company. Competencies, when seen this way, are inputs to individual and organization performance that can be leveraged as outputs to develop the new competencies required in the emerging business world. The more effectively organizations leverage the capabilities with which employees are already equipped to develop new capacities, the better organizations will be served by their employees.

4.3.2 Looking to the future or locked in the past?

Building a competency model is a difficult task, one surrounded by unexpected obstacles. Does one use current employees to inform the process? In the Hay-McBer approach, for example, the Hay Company consultants ask the client organization to provide them with individuals considered excellent performers. The Hay consultants then benchmark the qualities that differentiate the leaders from the pack. At first glance this seems an obvious approach. But then we ask: will the traits these people exhibit today still be the qualities the organization will look for in the future? As argued earlier in this thesis, the
relevance of the competencies exhibited by the "excellent performers" selected is directly proportional to how well current reality matches future needs and how closely allied the potential differentiating factors are to these future requirements.

Most often, competency models are determined in conjunction with the employees who use them. That is, profiles of the competencies required to be successful in a particular job role are defined by interviewing employees deemed above average in the execution of the job's responsibilities. Both Companies A and B used input from people performing the job function to determine the critical competencies for those roles. In contradistinction to that approach, the designers of Company C's competency system instead analyzed what their staff would need to be able to do in the future. Based on that assessment, they built the organization's competency models and process.

Balancing the need for future focus with the need to include the real competency needs of today will probably continue to be a challenge in the design of competency-based approaches to organizational and human resource practices. Recapitulating the point made in previous sections, it is important to build on present excellence, but critical to embrace the potential needs of the future. This requires both flexibility and foresight in the pursuit of organizational vision. Most importantly, it requires organizations to embrace ambiguity in their design and deployment of their competency models, and to actively recognize capabilities for which rewards are not yet formally integrated in the workplace.

4.3.4 Homogeneity or diversity?

One issue not addressed in the study is that of homogeneity versus diversity. In baseball, for example, (as my colleague Ian Rafuse described to me in 1992) a team may not obtain all desirable qualities in one player; therefore, the
manager might trade off hitting for fielding skills. One player’s extraordinary fielding skills might compensate for inconsistent hitting skills at the plate and a low batting average. Another player might be able to hit homeruns, although he cannot run or field well, while a third consistently gets on base and runs them skillfully. A good team is made up of a variety of players with diverse skill sets; when these are well deployed, the team is highly successful, even in the extremely competitive world of professional sport.

Spokespeople for many organizations these days often talk about their support for diversity, their need to capitalize on diversity, the diversity of their customer bases. In fact, however, do organizations really use and reward diversity in their ranks? In practice, it is much easier to capitalize on visible diversity such as race or culture than it is to seek out and build teams with diversity in attitude, motivation, aptitude and professional abilities.

Do managers and team leaders seek out those who are different to incorporate their variant ideas? Or are those who differ treated as heretics? For example, in one group, the manager (who at the time was trying to build a competency model for her department and also strongly espoused her organization’s emphasis on encouraging diversity in the workplace) hired around her a team of staff who reflected her activity-focused work style; when someone with a more analytical style joined her team, the manager was unable to see or value how this different perspective could be used to build a more effective team.

In the survey done for this thesis, responses to questions on diversity were not sought. Nonetheless, some respondents took action to make sure the issue was documented. Only a few people added that their competency models needed more flexibility; that people were different; that the models were not broad enough; and, in response to another question, that skills might not fit neatly into a
box. However, that several people saw fit to note this point, even though the questionnaire did not list this option, may indicate that it is a poorly defined but real concern to a number of people using competency models.

This issue really is encapsulated in a challenge facing human resource departments that was articulated earlier: the dichotomy between convergent and divergent objectives. As stated then, there is no easy answer. In the end, each organization must answer for itself the relative merits of decision-making complexity inherent in divergent approaches, versus the scope limitations imposed by convergent methodologies.

Organizations which behaviourally express trust and trustworthiness in their employees, and which in turn experience high levels of trust from their employees are most likely to do well with divergent objectives. These organizations are most likely to successfully integrate diverse competencies and viewpoints into their environments.

Once again, we return to the ideas that permeate this thesis. The issues are organizational. An organization gets not what it says it wants in its employees but what it demonstrates it wants from its employees by its behaviours. It is critical for each organization, particularly if it is a knowledge-based organization (which describes an increasing proportion of North American organizations) to look critically at its behaviours and how these behaviours align with its intentions. Moreover, it is not enough for an organization to initiate good practices, it is also necessary to ensure that everyone across the organization promotes both the letter and the spirit of the desired practices. This can be very difficult, especially for some of the mammoth organizations which modern industrial practices have engendered. Managers who have risen to success in the Taylorian universe may utilize the new practices without understanding or agreeing with the intention
behind it — and this can lead to some odd inversions and perversions! Returning to statements made earlier, this requires that organizations not only survey staff to obtain their anonymous opinions but also critically review their initiatives and assess how successfully these have been integrated into the daily life of the organization through an analysis of their actual utilization, and the results thereof.

For example, if the process is linked to learning, just what learning is taking place? How is the learning done? How much time is allocated? How much money is set aside? Are there procedures in place to ensure that learning is practiced and/reinforced back on the job? (For example, has a learning contract between manager and employee been completed to set goals and accountabilities for learning?) If the process is linked to performance management, is the job designed to utilize or develop the stated competencies? Is learning planned to ensure that the competency requirements are met? Are the goals for competency and performance results within the control and reach of the individual? These are only a few of the questions to which hard answers must be sought if the competency process is to be successfully incorporated into the culture of the organization.

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8 In one illustrative incident in the early 1990's, I remember a discussion group (a "bear-pit" session) in which a vice-president of an organization with which I had an association met with a group of human resources people to answer any questions they might have. He talked eloquently about his alignment with the organization's goals in terms of providing learning opportunities for people in the organization. With the next breath, this man, quite unconscious of the irony, said that they did not need any training when he was coming up in the organization and did not understand why it was such an issue today. (He has since retired.)
4.3.5 Evaluation

According to the wide-ranging ACA study (1996), measurement is of significant concern for companies using competencies; 16% of respondents wanted to know how to measure change; in terms of training and development, 15% were concerned about establishing consistent measurement by managers; 13% wanted to ensure they correctly measured staffing results; 16% wanted to make certain that they were correctly measuring results that support compensation decisions. In Canada, 32% of companies which responded to the Sibson project (1996) identified effectiveness measures for their competency endeavours; most of these were qualitative and none measured the companies’ return on their investment (ROI) in their competency work.

Reiterating a reference in Chapter 2, the most prevalent form of evaluation in the training and development field is the four-stage model advocated by Donald Kirkpatrick in 1959 and cited by training professionals ever since. Kirkpatrick suggested that evaluation approaches do the following:

1. level 1 measure participant satisfaction with the learning experience;
2. level 2 measure the amount of learning that actually occurred;
3. level 3 measure whether the participants have been able to translate and use the learning to modify/improve how they do their jobs
4. level 4 measure how much impact this change (i.e., the learning experience) has had on the organization.

This model can quite easily be adapted to review the efficacy and benefits of other human resource initiatives, notably competencies, as well.

In my experience as a training and development professional over the last
decade and more, the results of level 1 evaluations are usually very positive. However, if we look at the results of my research with front-line users from the perspective of stage one evaluation, we notice that a number of issues cropped up. The conclusion to draw from this is not clear, however; it could be argued to demonstrate a certain degree of disenchantment with the process. On the other hand, this is not necessarily a fair conclusion to reach. A competency process is of broader significance and longer-term impact than a course that lasts a few days. It is also faceless which makes honesty easier; course participants often are unwilling to be unkind to an ineffective instructor because a personal relationship invariably develops as individuals interact during the course. Finally, my research was done externally, which may have created feelings of greater anonymity and lower risk for those who responded.

Level 2 evaluations deal with internalization of the program content and its transfer to the workplace. Training courses happen outside the work environment and are not invariably supported by further development sessions and coaching back on the job, which may reduce the integration of the learning into daily practice. Competency processes, on the other hand, are by their nature internal. They require the active participation of both manager and employee to reach consensus about both the job requirements and the incumbent's or applicant's competence for the job. Indeed, when we look at the results of my research for this thesis, employees and managers overwhelmingly (73% and 58% respectively) agreed that the competency process helped them understand where the employees needed to grow and develop, while 51% of employees and 58% of managers also agreed to the converse: the competency process helped both parties see the employees' strengths. In another indication of support, 39% of employees and 58% of managers stated that the competency process improved their communication with each other. It should be pointed out that for some managers and employees, this may have been the first initiative to formalize discussions
between managers and their staff within the context of performance planning, making this initiative of enormous significance.

In the training and development field, level 3 evaluations document how development activities are being utilized in the work environment. In a competency initiative, level 3 evaluation identifies if and how the program is translated into particular human resources practices. As shown by the various studies cited in this paper, including the research conducted specifically for this thesis, competency initiatives are invariably implemented for clearly defined purposes. This has been documented more fully earlier in this thesis. However, also documented earlier is the disparity between implementation and action. According to the respondents in the three companies covered by my research, follow-up action was not always taken after competencies were assessed. Therefore, although 63% of employees and 72% of managers liked their organization's competency process because it set a framework for manager/employee discussions, and although 39% of employees and 58% of managers agreed that it improved their communication with each other, they (39% of employees, 42% of managers) also felt that the information gathered was inadequately used or not used at all, generating cynicism about the system by its users.

If the perception is indeed the reality as a modern proverb would have it, then this disparity has a seriously detrimental effect on any level 4 impact; how can the organization be positively affected by the process if the individual and organizational capabilities, strengths and growth opportunities are not explored and utilized in further organizational improvement? In relation to level 4 assessment of competency initiatives, it should be noted that respondents also identified a couple of other issues that would negatively affect the effectiveness of the initiatives. When asked how a competency-based initiative hindered them,
24% of employees and 11% of managers stated that the competency process either gave misleading information or made them focus on the wrong issues while 17% of employees and 16% of managers felt that the competencies identified in their model were not aligned to the strategic vision of their organization.

Based on the issues identified above, it would seem that organizations have made a good start with competency models; overall, employees have a reasonable satisfaction with the process and many believe the process contributes to their and their team's well-being. However, when placed into the larger context of the organizational culture, the companies have more work to do. Certainly, based on the discussion throughout this paper, organizational leaders need to focus on matching their values and their vision to the capabilities they wish their organizations and employees to embrace and demonstrate. Secondly, if the firms researched for this paper are at all typical, organizations need to place more emphasis on ensuring that the information gathered through the painstaking process of competency assessment is utilized in a manner that employees can see and appreciate.

Thoughts on Further Research

This thesis has not been based on an exhaustive investigation of the topic. In the introduction, I listed several questions about competency models and competency-based human resource practices in Canadian organizations. Although I have hinted at responses to all the questions posed there, I have focused on only one of these in detail in this thesis. Even within this limitation, the study has not been exhaustive. Only sixty people participated in the actual survey and another three individuals, champions of their respective processes, discussed their competency models and the rationales their organizations used to develop and deploy their competency processes. Altogether only three
organizations provided feedback, although the feedback from several others helped inform the discussion when their spokespeople indicated their unavailability for inclusion.

Given the escalating popularity of competency-based practices, it seems important that the questions identified in Chapter 1 be asked in more depth of more organizations. In addition, all of the questions in the survey I conducted should be asked in more detail with considerably larger samples. I stated that I felt the results of my research were indicative of the state of the practice. Further research would let us know if these results are actually representative or if they are aberrations.

It should also be pointed out that the research was based on the interpretation of tabulated responses, mainly in terms of calculated percentages. Neither statistical hypothesis testing nor a quantification analysis methodology such as dual scaling was used to examine and evaluate the data. From this perspective, as well, the study cannot in any way be considered definitive. This project was conducted as an initial, exploratory study that begs for a much larger-scale quantitative research project in the future.

The challenge of competency model evaluation is not merely of theoretical import. It has been argued by a number of thoughtful experts that organizations are more than the sum of their parts, that they are organic entities, capable of learning and growth. Moreover, organizations are cultures occupied by people. The culture of the organization affects those who inhabit it and is in turn affected by its inhabitants. If competency processes both influence and are influenced by the cultures in which they are created, then it is important that we understand and develop those organizational qualities that emphasize the best in employees so that, in a mutually beneficial process, our organizations and their employees
challenge and change each other to be better.

4.5 Final Comments

Governments as well as private sector enterprises are concerned about their capabilities. Recently, Rita Burak, the Secretary of Cabinet for Ontario, stated in her endorsement of new public service human resource strategies:

Looking to the future, if someone were to ask me what the key to the success of the organization would be, my answer would be simple. It is people.

The future success of the OPS (Ontario Public Service) will continue to depend on people — the skills they acquire, the approaches and fresh ideas they bring, and their ability to adapt to challenges that almost certainly lie ahead. (1999, p. 1)

North American organizations seem to agree with her comment, flocking to the creation and implementation of competency models as a way to drive their employee and business capabilities forward. The surveys from Aon, ACA and Sibson demonstrate just how widespread are competency-based approaches to organizational development today, and how quickly the movement is growing.

To the spokespeople representing the organizations who so generously contributed to this study, the development work and ongoing effort seem well-worth it; the employees who contributed their input to the research also found much of worth in their firm’s competency implementations.

However, from the perspective of this study, the caveats the employees expressed, despite their general satisfaction, indicate that organizations still have work to do in order to reap the full benefit of their competency initiatives. Among the most critical should be ranked the linkage of competencies to the strategic
direction of the organization, and the utilization of information obtained through competency assessments in ways that the users can appreciate.

Competency-based approaches to organizational development lie within the domain of organizational strategy implementation. They should fall naturally within the organization's culture, identifying both areas for growth and areas of strength. In some cases, following on the work of Argyris (1992) and Senge (1990) with respect to the "double loop" learning characteristic of effective learning organizations, they should cause the organization to question its premises about its culture and its strategy.

Competencies do not, however, comfortably lead the development of organizational strategy. When competency-based practices are disconnected from the values and strategies in use in the organization, they lose effectiveness and may actually damage the organization by increasing cynicism within the firm. Asking an initiative such as competency modeling to introduce and enforce new values without concurrent support and reinforcement from other strategic initiatives will at the least diminish the value and significance of the competency-based initiative. If the initiative is perceived to run counter to prevailing attitudes, it may also lead to employee cynicism. Worst of all, it may actively inspire employee distrust if the organization is perceived to be fulfilling a hidden agenda (e.g., creating the framework for a corporate "downsizing" based on so-called individual competency assessments) in the implementation of competency initiatives.

Lester Thurow (1996, p. 257) says, "Successful societies have to unite around a powerful story with a sustaining ideology. If there is no story to tell, leaders have no agenda." Our work organizations are also societies. I submit that this argument should underlie all approaches to capability-building in
organizations, linking the organization’s vision of itself to its strategies and its human resource practices. In that way, employees and the organization can develop that single vision that enables the organization to truly understand its mission and capabilities, building on the strengths of its employee constituencies to create new capabilities integrated into its mission and organizational direction.

And so, as the participants in this research project demonstrated, it all comes back to the employees who form the backbones of our organizations. They have much to tell us about the practices we emplace for them and about our larger organizational issues. It behooves us to listen carefully.
Appendix A: Interview and Survey Questions

Questions for Background Interview with Primary Contact

1. How do you define ‘competency’?
2. Why do you define it this way?
3. For what HR application(s) do you use a competency-based approach? (Identify which application is primary)
4. Why did you institute a competency-based approach (for these applications)?
5. How did you identify which competencies were important to your organization?
6. How did you develop profiles of appropriate competencies for different staff?
7. How many competencies have you identified?
8. What kinds of descriptions do you assign to them?
9. How do you determine proficiency?
   - do you use a scaled approach?
   - if so, how do you define proficiency at different levels?
10. How is an individual’s competency assessed?
11. Do you aggregate the information? How is it used?
12. How do you link this into your (other) performance management initiatives?
13. How long have you used a competency-based approach?
14. How do you determine whether you are successful?
15. By that measure/those measures, how successful has it been?
16. To what do you attribute your success/lack of success?
17. Do you have any documentation of your model/process that I could review?
Questions for Individual Contributors

Your organization has implemented a competency-based approach to Human Resources issues. It has defined competencies as: (insert company definition of competencies obtained from sponsor)

Based on this,

1. Have you used a competency-based human resources application in your organization?
   - yes, but I no longer use it (please go to question 2)
   - yes, and I still use it (please go to question 3)
   - no, I have never used it (please go to question 6)

2. Here are some possible reasons for not using a competency-based human resources application:
   - (a) it is too time consuming
   - (b) I am uncomfortable using it
   - (c) it is no longer available
   - (d) information is not accurate/valuable
   - (e) there is no point; can’t act on results
   - (f) other
   - (g) other

   What was your main reason for stopping your use? Please select one from the list above.
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)

   If you had any other reasons for stopping, please identify them:
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)

3. What was/is your main purpose for using it?
   - recruitment
   - training & development
   - career planning
   - performance management/evaluation
   - succession planning
   - other

4. Here are some reasons you might like using a competency-based human resources application:
   - (a) it increases objectivity
   - (b) it helps me learn more about my strengths and needs
   - (c) I understand better what the job requires
   - (d) it sets framework/structure for discussions with my manager
   - (e) I understand better what is expected of me
   - (f) I do not like anything about it
   - (g) other

   Please choose the single thing you like(d) best about the competency-based human resources application. Use the list above and circle one letter below.
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)

   What else did/do you like about competency-based application? Use the list above.
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)

5. Here are some reasons you might dislike using a competency-based human resources application:
   - (a) it takes too long
   - (b) I don’t dislike anything
   - (c) data are not accurate / useful / valuable
   - (d) I don’t know how data will be used
   - (e) I don’t know how to use it / it’s too complex
   - (f) other
   - (g) other

   Please choose the single thing you dislike(d) most about the competency-based initiative from the list above and circle its letter below.
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)

   Did you dislike anything else about it? Please use the list above and circle a letter below.
   - (a)  (b)  (c)  (d)  (e)  (f)  (g)
Here are some ways in which a competency-based human resources application might help you:

(a) it helps me focus on team success factors
(b) it makes me realize where I need to grow
(c) it does not help in any way
(d) it helps me focus on organizational success factors
(e) it makes me see my strengths
(f) it improves my communication with my manager/supervisor
(g) other
(h) other

Please choose the most important way competency-based initiatives helped/Helps you.
Please pick one from the list above and circle its letter below.
(a) (b) (c) (d) (e) (f) (g)

Please identify any other ways in which it helped/helps you. Use the list above.
(a) (b) (c) (d) (e) (f) (g)

Here are some ways in which a competency-based human resources application might hinder you:

(a) gives misleading information;
(b) information is not acted on;
(c) the competencies identified are not in line with strategic vision
(d) it made my communication with my manager/supervisor worse
(e) I resent it; I did not get the benefits I expected
(f) it does not hinder in anyway (e.g., promotion, raise) after I did it
(g) other
(h) other

Please choose the most important way competency-based initiatives hinder(ed) you.
Please choose one from the list above and circle its letter below.
(a) (b) (c) (d) (e) (f) (g)

Please use the list above to identify any other concerns you have/had.
(a) (b) (c) (d) (e) (f) (g)

If you have never used it, why not?
___ I do not know about it
___ it was not implemented in my department/group
___ a coworker persuaded me not to
___ other

Thank you very much for your help with my research project.
Questions for Managers

Your organization has implemented a competency-based approach to Human Resources issues. It has defined competencies as: (insert company definition of competencies obtained from sponsor)

Based on this,

1. Have you used a competency-based human resources application in your organization?
   - yes, but I no longer use it (please go to question 2)
   - yes, and I still use it (please go to question 3)
   - no, I have never used it (please go to question 6)

2. Here are some possible reasons for not using a competency-based human resources application:
   (a) it is too time consuming
   (b) I am uncomfortable using it
   (c) it is no longer available
   (d) information is not accurate / useful
   (e) there is no point; can't act on results
   (f) other
   (g) other

What was your main reason for stopping your usage? Please select one from the list above.

If you had any other reasons for stopping, please identify them:

3. What was/is your main purpose for using it?
   - recruitment
   - career planning
   - succession planning
   - training & development
   - performance management/evaluation
   - other

4. Here are some reasons you might like using a competency-based human resources application:
   (a) it increases objectivity
   (b) it helps me learn more about the staff on my team
   (c) it more clearly defines standards
   (d) it creates framework/structure for manager/employee discussions
   (e) I do not like anything about it
   (f) other
   (g) other

Please choose the single thing you like(d) best about the competency-based human resources application. Use the list above and circle one letter below.

What else did/do you like about competency-based application? Use the list above.

5. Here are some reasons you might dislike using a competency-based human resources application:
   (a) it takes too long
   (b) I don't dislike anything
   (c) data are not accurate / useful / valuable
   (d) I don't know how data will be used
   (e) I don't know how to use it / it's too complex
   (f) other
   (g) other

Please choose the single thing you dislike(d) most about the competency-based initiative from the list above and circle the letter below.

Did you dislike anything else about it? Please use the list above.
6. Here are some ways in which a competency-based human resources application might help you:

- (a) it helps me focus on team success factors
- (b) it makes me realize where my staff need to grow
- (c) it does not help in any way
- (d) it helps me focus on organizational success factors
- (e) it makes me see the strengths of the staff on my team
- (f) it improves my communication with the staff on my team

Please choose the most important way competency-based initiatives helped/ help you. Please pick one from the list above and circle a letter below.

(a) (b) (c) (d) (e) (f) (g)

Please identify any other ways in which it helped/ helps you. Use the list above.

(a) (b) (c) (d) (e) (f) (g)

7. Here are some ways in which a competency-based human resources application might hinder you:

- (a) gives misleading information;
- (b) information is not acted on;
- (c) the competencies identified are not in line with strategic vision
- (d) creates unrealistic expectations
- (e) worsens my communication with the staff on my team
- (f) it does not hinder in any way
- (g) other (__________________________)
- (h) other (__________________________)

Please choose the most important way competency-based initiatives hindered you. Please choose one from the list above and circle its letter in the list below.

(a) (b) (c) (d) (e) (f) (g)

Please identify any other concerns you have/ have had with the competency-based application(s).

(a) (b) (c) (d) (e) (f) (g)

8. If you have never used it, why not?

- I do not know about it
- it was not implemented in my department / group
- a colleague persuaded against it
- other (__________________________________)

Thank you very much for your help with my research project.
Appendix B: Glossary

attribute: an inherent quality or characteristic; the same as 'trait.'

behavioural (event) interview: Instead of asking interview participants how they would handle particular situations, in a behavioral event interview (BEI) interviewers ask subjects to talk about actual experiences. Usually subjects are asked to describe major successes and failures (three examples of each are recommended). The stories are analyzed to identify what specific competencies the subjects used most comfortably and effectively and which ones seem least characteristic.

competency: please refer to the discussion in Chapter 1, Section 1.5.

competency assessment: Individuals measure themselves against the configuration of competencies defined for their roles. When done for a role in which the individual is an incumbent, the assessment is often completed in conjunction with a supervisor. If individuals do an assessment to determine their suitability for a desired future role, they may do it alone as part of a career planning exercise or in conjunction with a supervisor or mentor.
competency gap: When individuals assess themselves against a competency model, it is unlikely that they are at exactly the competency levels identified as desired for each competency in the applicable competency model. They may be either less proficient or exceed the stated competency requirements. These differences are called gaps.

Gaps can be either positive or negative. Because strengths are an important foundation to build additional strengths, it is important that the positive gaps be fully acknowledged in competency assessments. They can/should also be leveraged to build the capabilities of others in the organization and other capabilities in the individual (for example, someone with technical capabilities can be assigned a coaching role with a less technically competent colleague to develop both the coach’s interpersonal abilities and the colleague’s technical expertise).

competency level: Most organizations have aligned competencies with specific performance levels that range from low competence to full mastery. The number of proficiency levels may vary by organization but most commonly range between three and five levels.
competency model: When organizations decide to use a competency-based approach to one or more of their practices, they determine which competencies are critical and use these to build models that describe which combination of competencies at which proficiency levels apply to their employees. Often different areas of an organization and/or different job families have different models to describe their desired competency configurations.

competency process: This comprises all the activities that make up usage of a competency-based approach to human-resources practices. Each organization has a unique process determined by its organizational needs.

differentiating competency level: In every job role, baseline levels of some competencies (called “threshold”) are required to be even moderately functional. Differentiating factors are those which separate normal levels of performance from those which stand out as excellent. Please also refer to the definition for “threshold competency level.”
double loop learning: Sometimes this is called “frame-breaking.” Most learners (whether individuals or organizations) rely on what they know (their “experience”) to inform their decisions about their world and their roles in it; in many cases, the conditions that inform this knowledge have changed.

For new learning that reflects current reality to occur, the old frames of reference must be broken. This is the basis for double-loop learning: what is learned must be unlearned; that learning must in turn also be questioned, creating an iterative “double-loop” learning process that constantly challenges existing assumptions.

job profile: In a competency model this is the particular constellation of competencies and proficiency levels that has been defined as required for effective performance in the job role.

In some models, two profiles are identified for a job, an entry-level profile which establishes the baseline characteristics necessary to qualify for the job, as well as a profile that describes the characteristics of incumbents who meet all job requirements.
job role: This identifies the specific function an individual performs in an organization. The term distinguishes the unique responsibilities employees may fulfil although they hold identical job titles.

organization: A group of people devoted to achieving communal goals, often business oriented. The more cohesive and integrated the group goals, the closer the organization becomes to being, in some (virtual) sense, an organic entity with an existence different/larger than the sum of its component constituencies; as such, many argue that it has its own capacity to think, grow, learn, etc.

skilled incompetence: A term used by Chris Argyris (1992) to describe the inability of some people in an organization to question their assumptions, because their assumptions are so thoroughly rooted in well-developed expertise that they form part of their underlying ground-point, part of their basic, “weltanschauung.”
threshold competency level: In some competency models, competency proficiencies are defined at two levels: the threshold level is the baseline competence at which an individual can perform satisfactorily for the role. However, the differentiating level is the level that distinguishes "satisfactory" from "excellent" performance capability. Sometimes the threshold level is considered the entry level at which to grant individuals specific job responsibilities with the understanding that they will develop their capabilities beyond this baseline proficiency.

trait: Please refer to the definition for "attribute," above.
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