

Competence Through Competency

**Using Competencies to
Drive Performance**



Introduction

January, 2005, powerful leaders and significant figures from the worlds of business, politics and popular culture were attending the World Economic Summit in Davos, Switzerland to discuss Economic Aid for Africa.

Tony Blair, then British Prime Minister, was in attendance, as was Bill Gates, the chief executive of Microsoft and rock star Bono, lead singer of U2, one of the best selling bands in history.

As the summit closed, bags were packed and delegates left the Swiss Alpine town, Blair's notes were found by a lucky reporter and passed on to the graphologist Emma Bache, an expert in the field of handwriting analysis.

Bache diligently assessed Blair's doodles, uncovering a story as fantastic for the world's tabloids as it was negative for the British PM. His triangles and crosses suggested a death wish, interpreted by Bache as symbolic of his concern for the imminent threat to his political career. The pressure between pen and paper was indicative of the stress and tension that was upon him. The 't' in the word 'taxes' was below the baseline, suggestive of a stubborn individual who won't back down, even when he knows he's wrong. In comparison to 18 months previously when Bache had completed a similar analysis, the PM was markedly more stressed and aggressive.

Fair enough. Blair had been going through a difficult period. Since gaining the premiership he had experienced the stresses of brokering a peace deal with Northern Ireland, he had sent British forces to Serbia to cease hostilities against their Kosovan neighbours and only a few months previously seen the country he was leading come to a standstill as petrol pumps ran dry and supermarkets rationed their food, demonstrating how inconsequential his power was if a group of lorry drivers decided to blockade the nation's roads.

Fair enough that is, until it materialised that the notes were not actually Blair's at all but were in fact those of the world's most successful business man and the then richest man on the planet, Bill Gates. Journalists quickly turned on the graphologist who had given them their coo and people who had championed the story back tracked and wriggled out of the mess.

This incident clearly identifies two facts about graphology. Firstly, people like it. It captures their imagination in the same way a horoscope or deck of tarot cards does. Secondly, it has no predictive validity whatsoever; it's useless. Alone these facts are harmless but together they present a dangerous issue.

Although it's no longer used in the workplace in the UK, graphology continues to be in other parts of the world. The work of graphologists regularly passes across the desks of HR professionals in France for example.

In order to be used then, it seems techniques for helping to understand people need to appeal to those who are trying to do the understanding. To be useful however, as this unfortunate story shows, they also need to be valid. In this incident, a useless technique led to embarrassment on the part of a graphologist and no doubt, a clip around the ear of more than one keen journalist from their editor who didn't think to check the story out with Downing Street. The result could be much more serious however. Use an invalid technique when appointing a plant manager and people could die due to poor safety, use it with a head teacher and students will fail exams, use it with a CEO and shareholders will be up in arms as the company falls apart.

When we talk about graphology, we refer to it as coming out of the field of 'junk science'. Headline grabbing, popular and appealing, but little or no use in working life. Like junk food, it has a satisfying initial hit, but over the long-term leaves a bad taste in the mouth and does you no good whatsoever. Techniques developed with apparent application but without rigour end up on the scrap heap eventually. Unfortunately however, they tend to do some damage first.

The important thing in developing techniques therefore is to consider both practical application and methodological rigour, developing pragmatic measurement tools and approaches that are both practical and valid. They need to have both appeal to the user and quality in measurement. Behavioural competencies and competency based interviewing have just this.



Defining Competency

Through the broad range of competency work we have engaged in, we have a clear definition of what we mean by a competency. It is as follows:

- A behaviour that is shown to be associated with the achievement of successful outcomes
- Each competency is a distinctive piece of behaviour that does not overlap with other competencies in a framework
- It is not a personality characteristic, a value or a belief, which although important, is something that goes on inside the individual. It is actually a piece of behaviour that can be observed and therefore potentially measured
- It is not a complex management process. So for example, leadership is not a competency, neither is being a good team member. These are both very necessary qualities but are underpinned by a fuller range of the individually defined competencies, i.e. a good leader has a raft of different behavioural competencies.

The Case for Competency

In the early 1980s, Glowinkowski International set out to understand what differentiated outstanding from average performers. This had two drivers. Firstly, there was a realisation of the importance of leadership and that if you were going to appoint someone into a leadership role you needed to be sure that they had the qualities and characteristics to add value as a leader and the capability to excel in that role. The second factor is somewhat crude but nevertheless critical. At that time, organisations needed

to get more from less people. In this case you have to again be very sure that the people you have represent the best performers from the general pool of people. This of course is a selection or recruitment perspective but another way of looking at it is in developmental terms. If we know what underpins outstanding performance then that provides the focus for what needs to be developed in people in order to help them achieve their fullest potential.

The Research Process

We thus had a quest to understand the qualities that underpin outstanding performance and over the last 25 years have conducted a raft of studies with different occupational groups and levels in order to try and understand this question. Table one shows some of the occupational groupings and levels with which we have conducted such studies.

These research studies have followed a very practical formula. Firstly, we have conducted extensive and exhaustive behavioural style interviews together with biographical and psychological audits of the respective employee group. For example, in the very first study we conducted with chemical engineering plant managers we interviewed and evaluated the complete population of plant managers within a particular organisation (55 people in total). Five to six hour interviews were conducted with each individual, the interviews covering the life history of the interviewee together with the interviewee describing several significant achievements.

The interview style used a simple probing strategy where individuals were asked to describe what they thought,

said and did during the course of their achievements. The interviews were tape recorded and then transcribed. Transcripts were analysed and behavioural categories were identified. These behavioural categories were then written up into what we describe as a competency framework. The idea is that each competency is a distinctive piece of behaviour and together the list of competencies accounts for the totality of behaviour observed across the interviews. Each transcript is then quantitatively scored in terms of the number of observations of that particular behaviour. In the case of this particular study therefore, each of the 55 individuals received a competency score for each of the competency categories. In this study there were in fact 14 distinctive sets of behaviour.

The second part of the study was to separate the group of 55 into an outstanding and average grouping. This was done entirely on the basis of bottom-line measures relating to plant performance, i.e. productivity, trade union relationships, safety performance, minimal plant shutdown, etc. Statistical

The Chief Executive	The Custodial Banker
The Executive Director	The Retail Banker
The CFO or FD	The Food Scientist (chocolate to be precise!)
The HR Director	The Physicist
The CIO	The Chemical Engineering Plant Manager
The IT Director	The Chemical Plant Manager
The Customer Service Director	The Contact Centre Team Leader
The Corporate Banker	The Contact Centre Advisor
The Investment Fund Manager	The Factory Supervisor
The Trust Fund Manager	The Mechanical and Electrical Engineer
The Accountant	The Vicar
The Sales Director	The Marketeer
The Salesman	Etc ...

Table 1: A summary of the specific types of roles and groupings where we have conducted research

tests were then applied to see whether the outstanding group were different from the average group in their competency profiles. In this study we found that out of the 14 sets of identified behaviour, the outstanding group were significantly superior against 12 of the 14 competencies. With the remaining two competencies there were no significant differences. The fundamental finding was a statistically significant relationship between an individual's possession or delivery of a certain set of competencies and the bottom-line performance of the plant that they managed.

Further research showed no clear relationship between other factors such as biographical details, education, psychometric ability tests and the bottom line performance of their respective plants. Interestingly we also found that length of service as a plant manager also did not correlate with bottom-line performance. The key drivers were in fact the behaviours, not the biographical details.

This was the first of these studies that we have conducted and the results reported here in terms of the behaviours and predictors of bottom line performance have been replicated over the many years of research we have conducted across occupational groups and levels of management. We believe therefore that we have successfully modelled or, if you prefer the words defined and characterised, the behaviours that are associated with outstanding performance. In this sense we have a valid model of what outstanding performance looks like.

The key question then is how we apply and implement this framework to achieve two things:

- Firstly to select and recruit the right people
- Secondly, to define a focus for what people need to develop in.

In terms of our earlier point we have at this stage achieved validity. However, we now need to achieve practicality, i.e. usefulness and an appeal in order to make it work for you in your organisation.



Using Competencies in Selection and Recruitment

Having a competency framework for a particular role in the organisation provides you with an insight of what criteria you need to assess in an individual in order to understand whether they make the grade for a role and are the best candidate to select.

Our assessment processes focus on measuring the extent to which the individual delivers a set of competencies and the extent to which they have done so in the past. On the grounds that past behaviour is the best predictor of future behaviour, measuring the extent to which an individual has delivered the behaviours previously gives you a good bet as to whether the individual will deliver in the role in question. Measures of past behaviour provide an indication of the extent to which an individual will have the ability or potential to develop and deliver those or additional behaviours that may be required in the future.

To achieve this assessment of past and current behaviour in order to assess fit for a role we utilise a competency based interviewing process. We have shown that our approach is robust and highly reliable and in this sense brings a practical aspect to the competency model, i.e. we know what outstanding performance actually looks like and we are able to predict the extent to which the individual will do that behaviour in future.

We contrast our approach with interview techniques that ask the individual, "what would you do if...?". This is essentially a fortune telling approach to assessment. We are only interested in what an individual has actually achieved because this will predict what they will achieve in the future.

Performance Management/Development

Selection and recruitment is one thing and of course, it's critical to get it right. Getting the right people in the right roles is fundamental for any organisation or indeed, for any chief executive putting together the right team. Further, having your succession or talent management processes based on a valid prediction of future potential is vital. Nevertheless, people are eminently capable of developing their competencies. Given that organisations essentially have the people that they have, they need to make the most of the capability of those individuals. Knowing what outstanding performance actually looks like, it is critical for organisations to employ development processes that help their employees to get better and do more of the behaviours or competencies relating to high performance.

There is little doubt that competencies can be embedded

and implemented within an overall approach to performance management. Individuals can begin to learn how the delivery and possession of the competencies intimately underpins the tasks that they are expected to deliver and how those tasks in turn underpin their overall objectives and accountabilities. The role of the leader is to help their employees to see and understand this linkage. Through the skills and use of coaching, we have seen organisations using a 'coaching for competency' approach to raise their behavioural game with improved resulting bottom-line performance improvement. We are in effect getting more from less when this approach is employed. It does of course critically emphasise the importance of a leader as a coach and further more the importance of the leader's set of behaviours in terms of their capacity to engage effectively with their employees.

Summary

The take home message from this is that competencies underpin human performance and by adopting competency practices an organisation can substantially raise its game.

We have a range of research and accreditation tools, approaches, processes and programmes for identifying competencies, defining competency frameworks and for implementing competencies within the fabric of an

organisation's selection and performance management processes. More information on all of these are available via www.glowinkowski.com. In order to contact us for a conversation about how you could make use of Glowinkowski International's competency methodology, please find contact details via the website.



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