

**SWP 50/90 COMPETENCY BASED HUMAN RESOURCE DEVELOPMENT
- MAKING SENSE OF THE IDEAS**

GRAHAM ELKIN
Visiting Fellow (from University of Otago Business School)
Cranfield School of Management
Cranfield Institute of Technology

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COMPETENCY BASED HUMAN RESOURCE DEVELOPMENT - Making Sense of the Ideas.

Graham Elkin

There is growing interest in *competency*, *competency development* and the *measurement of competency*. In *A New Training Initiative* (1) the Manpower Services Commission made a commitment to standards developed and based on the concept of competence for vocational education and training. A number of other MSC and Training Agency publications have suggested how that can be done. Industry lead bodies have produced documents, some of which include models of competency for key roles in their industries. One of the most thorough and energetic has been the National Retail Training Council.

Initiatives emphasising the importance of a competency based approach have been taken in the management development area. The National Forum for Management Education and Development grew from the Charter Management Initiative. By mid-1989 it had developed its Draft Standards Framework for Management.(2) It was competency based. NFMED has subsequently produced Certificate Guidelines (3) including competencies for entry level training and certification of managers.

The Revolution in the 1980's

Profound changes have taken place in the 1980's. The world has become a more competitive place. Survival has been the main item on the agenda for most organisations. Expense items are always liable to pressure in hard times. Human Resource Development has often been regarded as an expense item and pressure to demonstrate that expenditure on HRD will produce an acceptable return has intensified.

There has been increasing emphasis on accountability and responsibility in all areas of management. Managers, newly free to make decisions in the HRD area and being held accountable for every aspect of business and for their management have forced increased accountability upon HRD people. Many HRD practitioners people have learned to develop proposals which can be demonstrated to be worthwhile in quantitative terms. To produce convincing proposals, requires clear ideas about the desired outcomes and how to measure them. It is necessary to know what will produce good performance and how we know when people have achieved it. Competency based orientations seem to offer much in this respect.

There has also been a switch of emphasis towards individually based learning. Our frame of reference has become much more a *learner centred* one. It is a frame of reference that increasingly recognizes some decisions about pace, order, content and initial assessment are best decided either wholly by learners, or in

collaboration with them. The growth of our understanding of individual learning styles has encouraged this change of emphasis.

It is increasingly rare for organisations to hire groups of employees at one time. An alternative has had to be found to trainer led group sessions when they become one to one or one to two or three training events, are unacceptably expensive. New technology now allows the use of individual based strategies.

These strategies also require the specification of clear and measurable objectives. The use of clear and measurable outcomes for training is not a new idea. Perhaps the most influential writer in this field has been *Mager (4)*. His writing in the early 1980's led to a widespread understanding of the need to specify behavioural learning outcomes and measure them. The criterion referencing that he teaches, so simply and elegantly, has become part of the training of teachers and trainers throughout the world.

There is now a situational imperative for HRD practitioners to demonstrate effectiveness. The educational technology has been developed, both in terms of processes and equipment, so that competency concepts now offer a practical way to ensure that the right outcomes are identified and developed.

COMPETENCY - UNDERLYING CHARACTERISTICS OR JOB TASKS ?

The use of the term *competency* is very confusing at present. Two quite different approaches can be identified in practice and in the literature.

Underlying Personal Characteristics

This approach comes from the studies of McBer Associates which have been continuing for almost 30 years. David McClelland (of achievement motivation fame) pioneered the work and is quoted in *Boyatzis' (1982)* landmark book (5) identifying competency as:

"an underlying characteristic of a person which results in effective and/or superior performance in a job".

In November 1989 Hammond (a McBer trained consultant) (6) defined competencies as:

"not the tasks of the job, they are what enables people to do the tasks."

The clusters of competencies in *Fig 1* make it clear that it is personal qualities that are the centre of this approach. Competency for McBer is not about micro-sized job task components. Competencies are generic underlying characteristics which could be described as *macro* or *generic* competencies

In contrast the TSA (7) defines competency as

"ability to perform the activities within an occupation." and so by implication include job tasks. They continue:

"Competence is a wide concept which embodies the ability to transfer skills and knowledge to new situations within the occupational area. It encompasses organisation, and planning of work, innovations and coping with non routine activities. It includes those qualities of personal effectiveness that are required in the work place to deal with co-workers, managers and customers."

The TSA definition is closer to a concern for job tasks, but both definitions are about more than the rote learned performance of mechanical or routinised tasks. They suggest an intermediate level of analysis, between the knowledge, skills and attitudes displayed in the job; and bland statements about the purpose of jobs.

These ideas are difficult to use in practice. To focus on the competencies that lie behind job performance, and not on performance, requires a large change in thinking. This is particularly so when considering non-managerial roles. If, as Hammond suggests, *"competencies can be deep-seated qualities of people (motivation, traits etc)"* training may be a doubtful investment - given the difficulty of change in those areas. Some development activity may be possible, but it is likely to be too long term and self-directed to be very useful in the short run.

These ideas are easier to apply to selection and to the management development activity where underlying personal characteristics are the main determinant of success.

Performance and Task Lists

Other writers and practitioners focus on job performance instead of, or as well as, the underlying level. This leads to long detailed lists of job task *micro-competency* statements that are daunting by their very volume.

One example is the document describing competencies identified by the retail industry lead body. They are included in levels 1 and 2 of the City and Guilds Retail Certificate (8). The document consists of simple statements of largely task competencies using a structure of **Units and Elements**. (Fig 2). These, plus assessment criteria for this entry level programme, cover around 60 pages.

The *Third Draft Standard Framework on Management Competencies* is similarly structured. It has one **Key Purpose**, with 4 **Key Roles**, 31 **Units** and 109 **Elements**. (Fig 3) The terminology used is based on a

view about the purpose and tasks of management and not on the underlying generic or macro competencies that McBer identify.

These comprehensive listings of *micro-competencies* tend to overwhelm anyone seeking to base learning strategies on them. An enormous investment in set up time and money is required. The task might be acceptable in an environment with stable jobs, companies and markets. It could also be appropriate for an enterprise where there are a large number of similar jobs with regular vacancies or a series of jobs with common components. In a turbulent and dynamic setting it would be a never-ending task. Few attempts have been made to use the approach rigorously in the private sector. One or two have been made in the public sector in the United Kingdom and in New Zealand.

KEY COMPETENCIES - THE WAY AHEAD.

HRD practitioners professionals face a dilemma. On one hand the underlying *macro-competencies* approach seems to be removed from the day to day reality of most jobs and the need to demonstrate short term benefits from training and development. However, adopting a *micro-competencies* approach means facing the task of training in all of the hundreds of job elements that can be identified. All the job analysis could lead us to training paralysis.

Both approaches have a part to play. The McBer philosophy is of major significance for management development. It can also be a useful element in selection for all roles where new work skills and behaviours are likely to be substantially important. Focusing on key competencies, both *macro-generic* and *micro-specific* (including Job tasks), can provide a way ahead.

The idea of concentrating effort on key things that maximise the return is not new. The 80/20 rule seems to apply to most areas of endeavour. The immediate question is "*what are the key competencies?*".

Different competencies will be of key importance to different types of jobs. *Fig 4* suggests that in general the further up the occupational hierarchy in an organisation the more important the underlying macro-competencies and the less important the micro-competencies.

Different competencies will be important during the different phases of someone's time in a job. Competencies can be key in terms of an enterprises commercial success at a particular time. Some competencies (particularly the macro-generic ones) can be key in terms of individuals, their self development and ability to move between jobs and employers.

Key Competencies within a Job

Initial Competencies

An employer wants a new, promoted or transferred employee to be able to enter the workplace as soon as possible. A retailer naturally wants new staff on the shopfloor as soon as possible. The competencies required are **Initial** or **Orientation** competencies (*Fig 5*). For a shop assistant they will be largely micro-competencies. They will often be to do with being in the right place, using equipment safely and not disrupting or reducing the activity. For a department store the initial competencies for a sales assistant were:-

Basic Education:- reading, writing and simple arithmetic.

Company Orientation: Store rules/employment terms; health and safety , locations of important facilities.

Selling: Basic Selling Skills

Systems: Basic systems and terminal operation

Stock: Merchandise knowledge.

Some of these could be regarded, not as the first things to be learned, but as **Recruitment Competencies**. They would then be used as minimum criteria for recruitment - particularly the educational parts.

In some cases it is wise to recruit with not just initial competencies in mind but also the job and developmental competencies in mind. (*Fig 6*) This is particularly true where there is opportunity for substantial upward mobility. Graduates recruited for a management training scheme including accelerated progress from shop floor to store General Manager will be recruited using more criteria than those used for new employees who will be career shop assistants. For a management consultant the recruitment and initial competencies will have a predominance of the generic underlying macro-competencies.

Job Competencies

Once the initial competencies have been gained, employees need to develop **Job** or **Core** competencies. These competencies are those which will allow long term career employment in the job. To identify them requires an analysis of what is regarded as acceptable performance and behaviour for a long-term holder of the job.

Developmental Competencies

Once core competence is achieved and maintained, individuals may aspire to further growth. The method may be to gain a set of developmental competencies. These may need to be demonstrated before being an individual will be considered for a promotional move. The developmental competencies in one job or role may be the recruitment or initial competencies of the next step. (Fig 7).

In all of the phases of time in many jobs, HRD people are likely to be interested in micro-competencies. As an individual moves away from initial competencies through core competencies towards developmental competencies more of the underlying macro-competencies will be significant. (Fig 8) shows this change in emphasis.

Key Competencies and the Needs of the Enterprise.

Because people change; and because jobs change as a result of the turbulent environment in which most enterprises operate, some account of the current short term needs of the organisation must to be taken. This implies frequent reviews and perhaps a new competency emphasis in Appraisal. While many of the changing competencies will be micro-competencies (task lists); as the speed of change increases, so the ability, of the individual to adapt and manage new environments becomes more important. and the macro (underlying) competencies will be part of our focus and the McBer analysis becomes more relevant.

Key Competencies and the Needs of Individuals.

Developmental competencies need not be about upward mobility. They can be competencies concerned with extending knowledge and skill in new lateral directions or to demonstrating the ability to manage self-development. The growing phenomena of plateauing has led IBM and other pioneers to develop systems to allow lateral development for individuals largely by individuals. The competencies which allow individuals to cope with change and manage their own rising competence are from the McBer macro-competency clusters.

COMMENT

Competency based HRD has a useful role in turbulent competitive market place. Both *macro-competency* and *micro-competency* approaches have a contribution to make to future development of HRD activity. They need to be used sensitively to focus on key competencies - both underlying characteristics and specific tasks. The identification and concentration upon key competencies needs to take into account the

type and level of job, task competencies , the phases of individuals tenure of jobs, the current needs of the company and needs of the individual.

Cranfield, February 1990

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Hay/McBer Competencies

Themes & Clusters

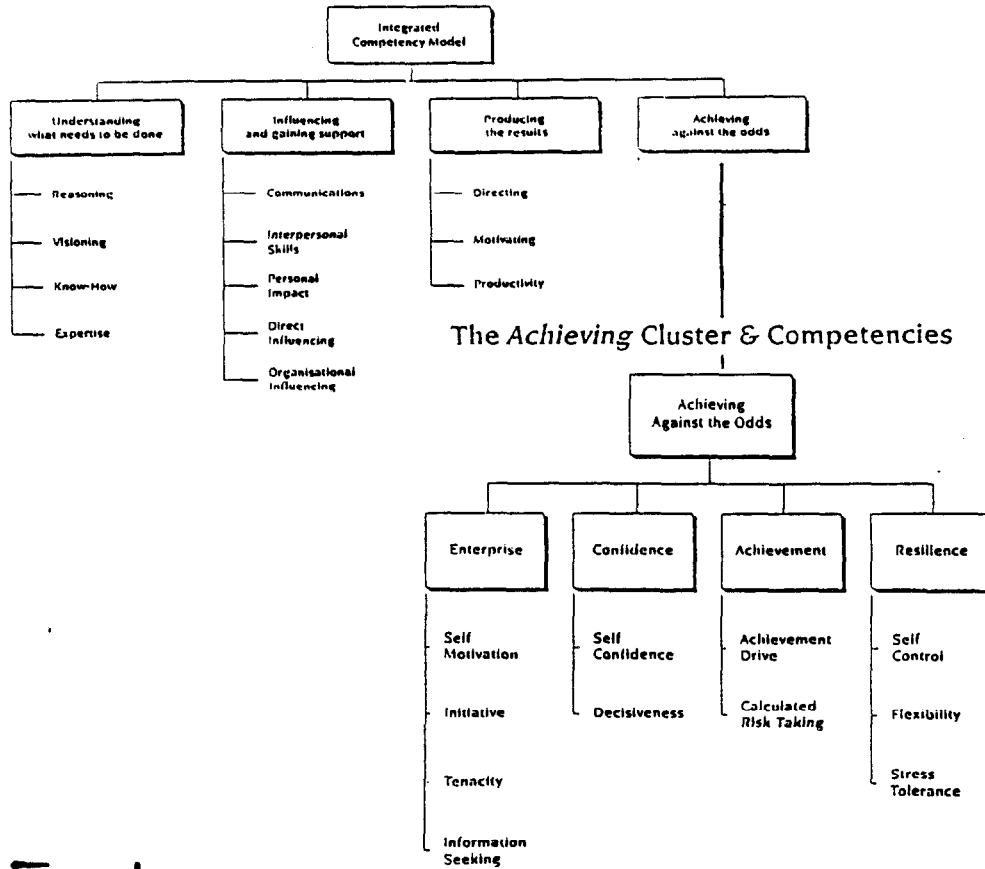


Fig 1

Retail Certificate:- Units of Accreditation

COMPETENCY UNIT:- CUSTOMER CONTACT

Element 1.2 Receive and Direct Visitors

Performance Criteria

Visitor greeted politely with a smile

Purpose of visit established

Appropriate person notified

Appropriate documentation completed if necessary

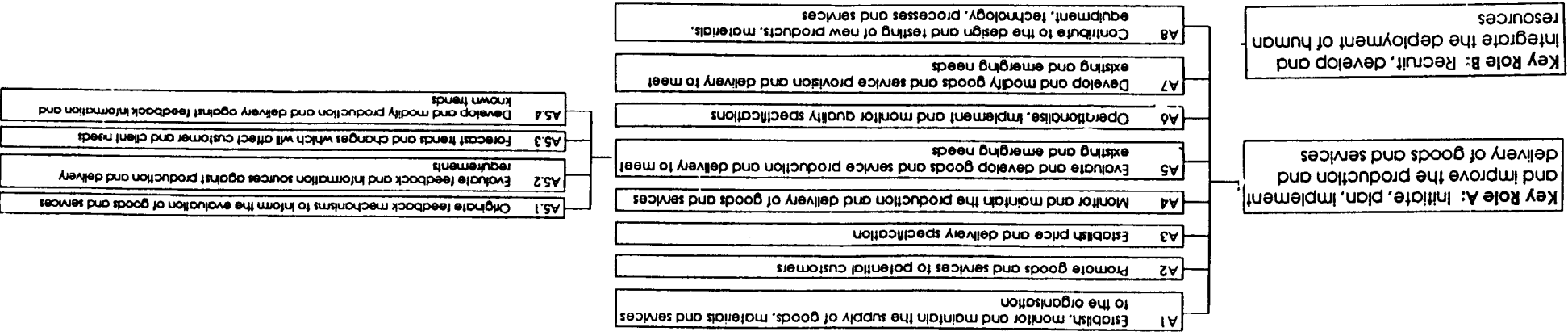
Visitor directed or accompanied to correct location

Courteous manner adopted

FIG 2

Management Competences Project - Third Draft Framework: Key Roles and Units and Elements

Key Purpose: Sustain and enhance the performance of the organisation to achieve its objectives



Key Role A: Initiate, plan, implement and improve the production and delivery of goods and services

Key Role B: Recruit, develop and integrate the deployment of human resources

Key Role C: Plan, control and optimise the utilisation of financial resources

Key Role D: Collect, interpret and disseminate information to support and coordinate organisational functioning

Fig 3

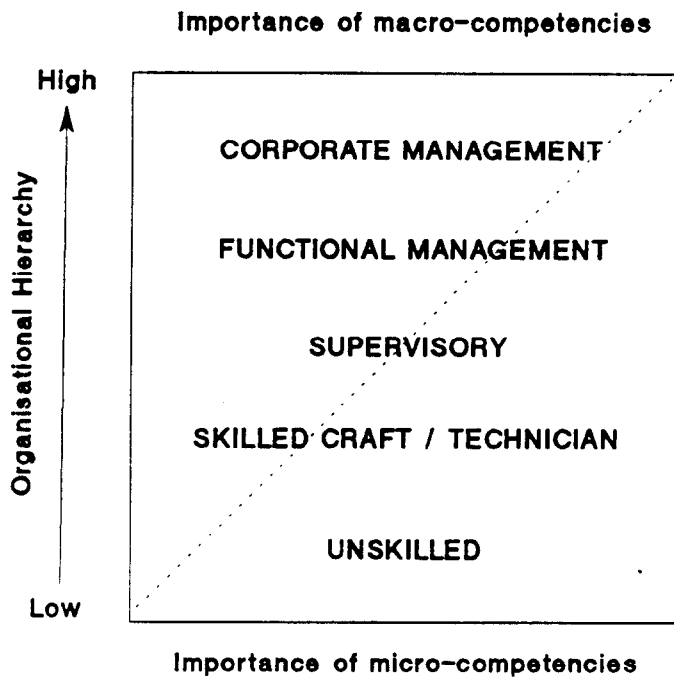


Fig 4.

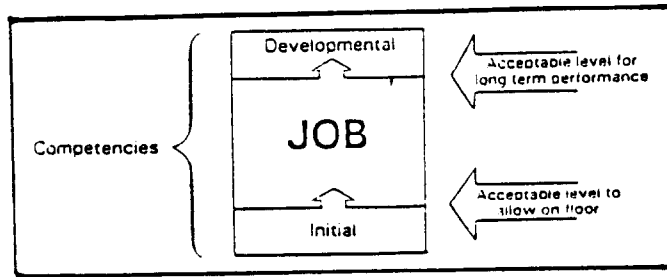
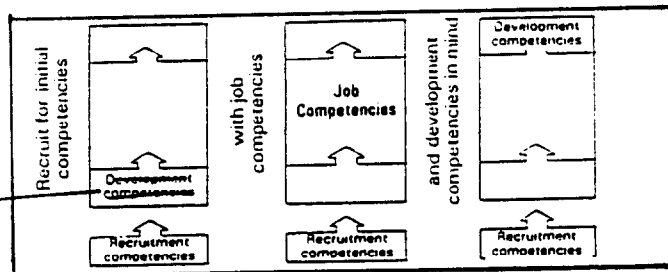


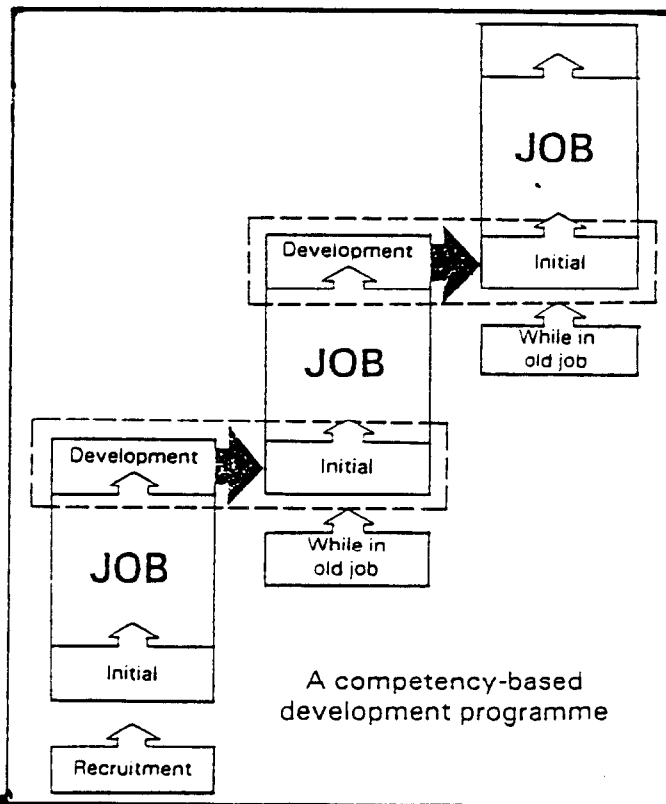
Fig 5



Initial

Use recruitment competencies to select with initial job and developmental competencies in mind.

Fig 6



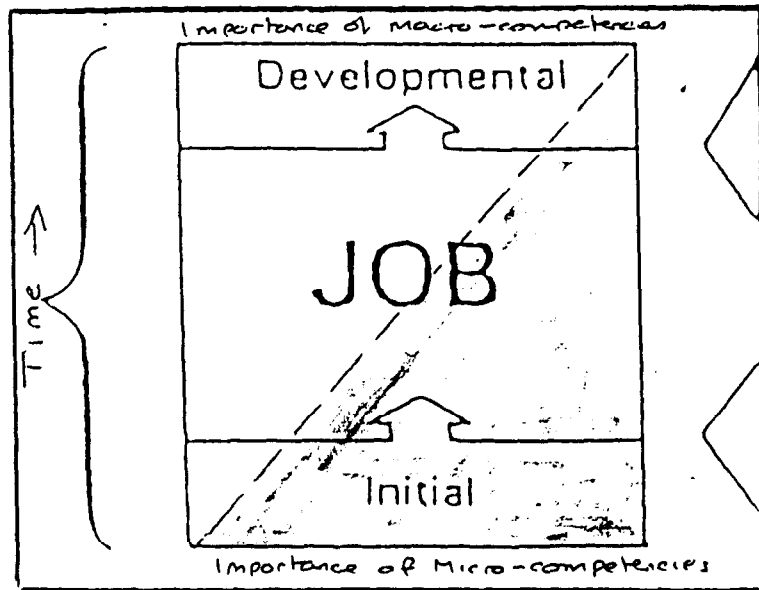


Fig 8