Best Practices for Implementing Competencies

- Competency Architecture And Dictionary
- Recruitment & Selection

A division of:
Human Resource Systems Group, Ltd
6 Antares Drive, Phase II Suite 100
Ottawa, Ontario, K2E 8A9, Canada

T: 1-866-574-7041    T:613-745-6605
F: 613-745-4019
info@hrsg.ca
www.competencycore.com
For more information, contact
info@hrsg.ca


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1 Introduction

1.1 Purpose

This document provides guidance for developing policy, processes and tools to support the full and effective implementation of competency-based management within:

- Recruitment and Selection;
- Learning and Development;
- Performance Management, including 360 / Multi-source Feedback;
- Career Development and Succession Management; and,
- Strategic Human Resource Planning.

It also addresses:

- factors that need to be taken into account to ensure that the competencies will support all of the intended applications in the long run (e.g., structure of the competency profiles; competency dictionary), as well as
- overarching considerations to ensure that all aspects of the human resource management life cycle are integrated and focused on achieving of the organizational vision and strategic goals.

1.2 Why Competency-based Management

While competencies are not new to most organizations, what is new is their increased application across varied human resource functions (i.e., recruitment/selection; learning and development, performance management, career development and succession planning, human resource planning). Organizations are looking for new ways to acquire, manage and retain the precious talent needed to achieve their business goals.

Properly designed, competencies translate the strategic vision and goals for the organization into behaviours or actions employees must display for the organization to be successful. Competency-based Management (CBM) standardizes and integrates all HR activities based on competencies that support organizational goals.

Competencies Defined:
Competencies are observable abilities, skills, knowledge, motivations or traits defined in terms of the behaviours needed for successful job performance.
2 Competency Architecture & Dictionary

The start point for any competency application is a competency model / profile that is valid and constructed in a way that it can be easily used to support all intended HR goals (e.g. recruitment, selection, learning, etc.). Establishing a clear competency structure is one of the first and fundamental steps in profile development.

2.1 Competency Architecture Defined

A competency architecture describes the common rules for defining competencies within the organization. It includes the guiding principles that describe how the profiles will be designed for the entire organization - e.g., the format for displaying the competency profile, content for the profile (e.g. behavioural competencies and technical / professional competencies), core vs. unique competencies, etc.)

There are three basic criteria that competency structures in most organizations must meet:

1. The competency profiles must include the competencies that employees must have, both now and in the future, to ensure that organization can achieve its vision and support its values;
2. The competency profiles must support all of their intended applications (e.g., Recruitment/Selection; Learning and Development; Performance Management; Multisource Feedback; Career Development and Succession Management; Human Resources Planning); and
3. All competency profiles must be easy to use by all stakeholders.

2.2 Competency Architecture

Several competency architectures are possible. Each organization needs to identify the architecture that best meets its needs. The following figure graphically depicts a model that is typically used as the basis for the development of competency profiles and implementation of competency-based management. This or similar models in combination with a well-researched and constructed Competency Dictionary have been used successfully by many organizations as the basic framework for developing competency profiles.
2.2.1.1 Competency Layers

The model builds from the vision, values and strategic business priorities of the organization and includes the following competency layers:

**Core Competencies** - The Core competencies includes very general/generic competencies that all employees must possess to enable the organization to achieve its mandate and vision (e.g., Teamwork). These competencies describe in behavioural terms the key values of the organization and represent those competencies that are core to the organization’s principal mandate.

**Job Family Competencies** - Job Family competencies are those competencies that are common to a group of jobs. They often include General Job competencies that tend to be required in a number of Job Families (e.g., Partnering), as well as Job Specific competencies that apply to certain job families more than others (e.g., Project Management). These tend to be related more to knowledge or skill required for certain types of jobs (e.g., Accounting for jobs involving financial administration).

**Technical / Professional Competencies** - The technical/professional competencies tend to be specific to roles or jobs within the Job Family, and include the specific skills and knowledge (know-how) to perform effectively (e.g. ability to use particular software; knowledge in particular professional areas such as finance, biochemistry; etc.). These competencies could be generic to a Job Family as a whole, or be specific to roles, levels or jobs within the family.

**Leadership Competencies** - These are the key competencies for roles in an organization that involve managing, supervising or influencing the work of others in some way. Some organizations view “leadership” to be a part of every job of the organization in that employees are expected to contribute and offer new or better ways of working regardless of their level or role in the organization. Leadership is required in teams, project management, as well as at the managerial, executive and board levels.

Consistent with the requirement for ease of use, organizations typically define a limit on the number of key / important competencies that are included in the profile for any job / role within the organization. As a rule of thumb, best practice organizations establish a limit on the total number of competencies included in any one profile in the range of 12 to 15. An example of one organization’s rules for competency profile development is shown in the box below.

**Example Guidelines**

**Competency Profile Development**

- Up to 12 competencies per profile, including five (5) core competencies.

  - **Core Competencies**
    - 5 competencies that apply to all employees
  
  - **Job Family Competencies**
    - Common to whole family
  
  - **Technical / Professional** (work specific) Competencies
    - Apply to some or all jobs / roles in group
2.3 **Proficiency Levels**

Organizations typically include incremental competency proficiency scales as part of the overall competency structure. These scales reflect the breadth of proficiency typically required by the organization within a competency area. For example, communication skills may be a requirement for most entry-level jobs as well as at the Executive levels; however, the depth and breadth of communication proficiency needed at these two levels may be quite different.

The proficiency scales serve two purposes:

1. They facilitate planning and development for improvement within current roles or jobs; and
2. They allow for comparisons to occur across jobs, roles and levels, not only in terms of the competencies required, but also the proficiency levels needed using a common incremental scale for defining the competencies.

Thus, having competency proficiency scales supports career development, succession management and human resource planning activities within the organization.

An example of proficiency levels within a competency (from HRSG’s Comprehensive Competency Dictionary) is shown below.

General Work competencies are most often expressed as incremental competency proficiency scales - in other words, proficiency at one level assumes proficiency at all levels below that level on the scale. Work Specific competencies, on the other hand, may be expressed as common group requirements and, where required, differences in proficiency requirements (by level of responsibility in a specified field of work) may be noted.
### 2.4 Target Proficiency Levels

Organizations typically define in their competency profiles the levels of performance (proficiency) to be attained for each competency. These are often driven by the use to be made of the competency profiles. For example:

- **Entry** - is the standard expected of employees on entry into a role. This is often used when the new entrant must learn or be trained to be able to perform to the standards required within the role / job.

- **Fully Effective** - is level required of employees who are performing at the standard expected for their role / job.

- **Stretch / Mastery** - is typically displayed by employees who have mastered their job / role. These employees are often sought out by other employees and managers / supervisors to provide advice / assistance.

It is important to define what standard (or standards) of performance will be modeled in the competency profiles as a component of the Competency Architecture. An example of how these standards for employee performance relate to competency proficiency is shown below.

**Client Focus**

Providing service excellence to internal and/or external clients.

<table>
<thead>
<tr>
<th>LEVEL 1</th>
<th>LEVEL 2</th>
<th>LEVEL 3</th>
<th>LEVEL 4</th>
<th>LEVEL 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responds to immediate client needs</td>
<td>Maintains client contact</td>
<td>Provides added value</td>
<td>Provides seasoned advice</td>
<td>Ensures continued service excellence</td>
</tr>
<tr>
<td>Responds to client needs in a timely, professional, helpful, and courteous manner, regardless of client attitude.</td>
<td>Follows up with clients during and after delivery of services to ensure that their needs have been met.</td>
<td>Looks for ways to add value beyond the clients' immediate requests.</td>
<td>Acts as a seasoned advisor, providing independent opinion on complex client problems and novel initiatives, and assisting with decision-making.</td>
<td>Strategically and systematically evaluates emerging and longer-term opportunities and threats to meeting clients' needs.</td>
</tr>
<tr>
<td>Clearly shows clients that their perspectives are valued.</td>
<td>Keeps clients up-to-date on the progress of the service they are receiving and changes that affect them.</td>
<td>Explores and addresses the unidentified, underlying and long-term client needs.</td>
<td>Pushes client to consider difficult issues that are in their best interests.</td>
<td>Determines strategic business direction to best meet clients' evolving needs.</td>
</tr>
<tr>
<td>Strives to consistently meet service standards.</td>
<td>Ensures service is provided to clients during critical periods.</td>
<td>Enhances client service delivery systems and processes.</td>
<td>Advocates on behalf of clients to more senior management identifying approaches that meet clients' needs as well as those of the organization.</td>
<td>Monitors, evaluates and, as needed, reviews the client service model and service standards.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entry</th>
<th>Fully Effective</th>
<th>Stretch / Mastery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puts clients' issues in order of priority and addresses most pressing concerns.</td>
<td>Anticipates clients' upcoming needs and concerns.</td>
<td></td>
</tr>
</tbody>
</table>
2.5 Competency Dictionary

Competency Dictionaries include all or most of the general competencies needed to cover all job families as well as competencies that are core or common to all jobs within the organization (e.g., Teamwork; Adaptability; Communication). They may also include competencies that are more closely related to the knowledge and skills needed for specific jobs or functions (e.g., IT skills, financial administration skills).

Building your Own versus Purchasing a Dictionary
Organizations may chose to create their own competency dictionaries, or purchase one that has been developed by experts in competency profiling and competency-based management. The advantage of developing your own competency dictionary is that it will reflect the breadth of competencies that are required for success in the organization expressed in a way that reflects the values, vision and way of communicating within the organization. On the other hand, this option is very costly and time-consuming, and most do not have the internal expertise to embark on such a venture.

Purchasing a Competency Dictionary from a reputable company has the advantage providing the organization with a well-developed and researched Dictionary that can be used in a timely manner to support profile development and implementation. The disadvantage is that the Dictionary may not reflect the full range of competencies needed, nor reflect them in a language that is suitable for the organization.

Organizations often achieve a compromise by customizing a purchased Competency Dictionary (e.g., adding competencies; modifying the language slightly to reflect the organization’s style of communicating; including additional behavioural indicators to reflect performance expectations of the organization). This provides a more expedient and cost-effective solution, and results in a Competency Dictionary that is targeted to the organization’s specific needs.

HRSG’s Comprehensive Competency Dictionary

HRSG’s Comprehensive Competency Dictionary includes a broad range of competencies developed through extensive literature search, review of best practices as well as ongoing refinement based on field research with various client groups. The competencies in the dictionary are required by a broad range of employees functioning within a wide variety of private and public sector organizations. The demonstration of these competencies by employees and managers is related to increased performance at the individual, team, and organizational levels. Each competency has a general definition, which provides the user with a general understanding of the type of behaviour addressed by a particular competency. Each competency includes up to five proficiency levels and each level has an associated brief statement describing how that particular level is distinct from the other levels within that competency. The behavioural indicators at each proficiency level are illustrative of the proficiency level as opposed to representing a definitive list of all possible behaviours at each level.

Finally, the defined levels of proficiency for each competency are incremental and additive so that employees demonstrating proficiency at a particular level can be assumed to perform effectively at all competency levels below (see example on previous page).

HRSG’s Comprehensive Competency Dictionary is comprised of two sets of competencies:

1. General Job Competencies – common across many jobs and demonstrate the key behaviours required for success regardless of position.
2. Job Specific Competencies – these are required for success in particular functions or jobs.
3 Recruitment & Selection

The introduction of Competency-based Management (CBM) provides organizations with a unique opportunity to create and shape a recruitment and selection system based on competencies that job experts within the organization have identified as being critical for success in the targeted job or role.

3.1 Best Practices

Having established the competency profiles for groups and roles, organizations can use the competencies as the standards for assessing candidates throughout the screening and selection process as well as advertising and communicating the organization’s requirements to potential applicants.

Competencies support recruitment and selection by:

- Providing bona fide, validated, fair and unbiased standards against which to assess applicant competencies to perform in the targeted role / job.
- Improving the transparency of the selection process by clearly communicating the behaviours employees must display for success in the role / job.
- Contributing to the design of a well-articulated, efficient and effective recruitment and selection processes.
- Creating efficiencies by providing re-usable selection tools and processes (e.g., question banks for interviews and reference-checking organized by competency; template interview and reference checking guides for roles / jobs within the organization; targeted role plays, work simulations, in-basket assessments; etc.)
- Providing explicit, clear and transparent criteria on which to give candidates feedback on their performance in the selection process (e.g., input for future learning and development; etc.)
- Providing standards for evaluating the success of the selection process - e.g., correlating the results of the selection process with competency-based on-the-job performance.

Here are some of the common benchmark competency-based practices in Recruitment and Selection:

- **Notices of job requirements**
  A template is developed to define how competencies will be reflected in notices regarding the requirements of jobs to be filled. As the competency profiles are completed, sample notices are developed for the varied types of jobs/roles.

- **Template Interview and Reference Checking Guides**
  Template interview and reference checking guides are developed for varied types of jobs/roles, including instructions and rating guides. These are made available to hiring managers and HR Advisors.
- **Template Interview and Reference Checking Guides**
  Template interview and reference checking guides are developed for roles/career streams and levels within Occupational Groups including instructions and rating guides. These are made available to hiring managers and HR Advisors.

- **Competency-based Track Record / Portfolio Reviews**
  Track record / portfolio reviews allow employees / applicants to document their past experiences and accomplishments that relate to the competency requirements for positions within the organization. Once completed, trained evaluators score the extent to which the required competencies are demonstrated in the written examples using standardized scoring criteria. Typically, the candidate / employee also provides references who can attest to the validity of the examples provided. Results can be used as part of the staffing process and / or for other purposes (e.g., competency gap analysis for Learning and Development; Succession Management; HR Planning).

- **Other Competency-based Assessment Methodologies**
  A variety of other competency-based assessment methodologies can be incorporated into the selection process, including in-basket assessments, role plays or simulations of workplace situations that the employee will encounter, multi-source input (as appropriate), etc. When designing and implementing any methodology, it is important that it be defensible (i.e., reliable, fair, valid and unbiased).

- **Training on Competency-based Selection**
  Managers must have the knowledge and skills to be able to apply the various competency-based assessment methodologies noted above to arrive at valid selection decisions. Likewise, employees must be able to participate effectively to provide an accurate picture of the competencies they possess. Finally, both managers and HR professionals must be able to establish selection processes that are both efficient and effective (i.e., reliable, fair, valid and unbiased). All of this requires targeted training / orientation programs to ensure that all stakeholders have the necessary skills.

### 3.2 Implementation Stages
As competency profiles are developed for varied job groups, the following implementation stages are suggested for their use in recruitment and selection on a corporate-wide basis.

**Stage 1:**
- Define the policies and decision-rules for using competencies in the recruitment and selection processes
- Identify considerations / guidelines for including information on competencies in notices of job requirements
- Develop sample notices of job requirements as the competency profiles become available for use.
- Customize or build an interview / reference checking question bank organized by competencies included in the competency profiles.
- Customize or build other competency-based tools or processes (e.g., track-record reviews) that can be used across a number of occupational groups.

**Stage 2:**

- As the competency profiles are completed for the job groups, develop and implement recruitment, and selection processes consistent with policy and tools / templates defined in Stage 1. Review and evaluate the effectiveness and efficiency of these processes and adjust policies, procedures, templates, etc., as required.

- Plan for and train managers and HR personnel on appropriate competency-based interviewing approaches (e.g., behavioral interviewing; situational interviewing). This training should be just-in-time – i.e., as competency profiles become available for the different job groups.

- Plan for, design and implement an orientation / training program for employees on how to participate in a competency-based recruitment and selection as new processes are being implemented.

- Collect data on the effectiveness of the new recruitment and selection process (e.g., correlate results of selection process with on-job or training performance results) and make adjustments to the process, as required.
4 Learning & Development

Once organizations have defined the competency requirements for groups, areas or the whole organization, it becomes possible to develop learning strategies targeted to close major gaps in organizational competencies and to focus learning plans on the business goals and strategic direction for the organization.

4.1 Best Practices

Competency profiles assist in effective learning and development by identifying the behaviours, knowledge, skills and abilities that are necessary for successful performance in a job. Employees can assess their competencies against those required for their own job, or for another job in which they are interested, and then take steps to acquire or improve any necessary competencies.

Competencies support learning by:
- Focusing learning on the critical competencies needed for success in the job and organization
- Providing standards for measuring employee performance and capabilities
- Providing the framework for identifying learning options/curriculum/programs to meet employee and organizational needs
- Supporting effective forecasting of organizational, as well as project-related learning requirements
- Providing standards for determining how well learning has occurred, both at the individual and organizational level

Here are some of the common benchmark competency-based practices in learning and development.

Assessments against Competencies

Once the competencies have been defined for particular job / roles, it becomes possible for employees and others to assess the employee’s competencies against those required for current or future roles within the organization. This assessment can occur in the following ways:

Self-Assessment

Typically, the behavioural indicators for the competencies and proficiency levels needed within the target role / job are used as the standard for assessing the performance of the employee using a common rating scale (e.g., five-point scales from Never to Always) for assessing each indicator. The results are compiled and a report is provided that includes the results for all competencies, highlighting both employee strengths as well as competencies requiring improvement. This information can then be used to support the development of an individual learning plan (see below).
• **Multi-source / 360**
  Multi-source or 360 feedback is similar to the self-assessment process except there is more than one evaluator. The process includes at a minimum the employee and their supervisor, and can include others with whom the employee interacts within the workplace (e.g., peers, team members, clients both within and outside the organization, reporting employees; etc.). Once again, a report is prepared on the feedback results to allow the employee, supervisor and / or others (e.g., coach / mentor; learning advisor; etc.) to target learning and development efforts to the particular employee’s needs.

• **Assessment through other Methods**
  Competency assessments can be accomplished through a wide variety of other methods, including those typically used in a selection process (see Recruitment & Selection section), such as: competency-based behavioural interviews; in-baskets; role-plays and simulations; track record / portfolio reviews; etc. As well, formalized assessment is often included as a component of employee development programs for the purpose of assessing the employee’s base skills / competencies going into the program, progress in development at any point, as well as level of success at the end of the program.

• **Individual Learning Plans**
  Once employee strengths and areas for development have been defined, it becomes possible to develop individual learning plans targeted to particular learning needs. At a minimum, tools to support this process include a set of instructions or guide for completing a learning plan as well as a standard learning plan form.

• **Learning Resources Catalogued by Competency**
  Organizations often support employee learning by providing a catalogue of learning options organized by competencies, often incorporating a variety of learning options, such as: on-the-job assignments / activities; books and written reference material; courses / workshops / conferences; videos / DVDs; e-learning; etc. This information is often delivered via internet or intranet with links to other sites for additional information or course registration.

• **Aggregate Reports on Organizational Gaps in Competencies**
  Individual gaps in competency requirements can be consolidated into group reports, and decisions can be made on the best strategies for closing the organizational gaps in the most fiscally prudent and cost-effective manner (e.g., instead of sending several employees on “one off” courses or conferences, offer such a program in-house for less money).

• **Program Design / Development**
  Having defined the competencies and behaviours required for success in a particular role it becomes possible to target the design of curriculum and development programs to address these requirements. In addition, curriculum can be developed in a modularized fashion by competency, allowing the organization to quickly assemble a program of learning that will be specifically tailored to address organizational gaps (see above).
Finally, many organizations establish comprehensive competency-based employee development programs in high need areas. These programs are staged development initiatives that include: formal in-class learning events; planned work assignments aimed at developing certain skills and competencies; self-study components; and, formal assessment to evaluate progress in development as well as to accredit or certify that the employee has gained required competencies and knowledge. In some cases, the employee is promoted to a higher level once certain performance standards have been met. Organizations are increasingly moving to this model of employee development to address current or looming shortages of staff and to ensure that there is a continuing supply of qualified staff to meet future organizational needs. This approach also demonstrates to employees that the organization is committed to their development and advancement within the organization.

- **Learning Evaluation / Validation**
  Competencies that have been identified for roles within the organization can serve as the standards or criteria for determining the level of success of learning interventions. This approach is particularly powerful because assessments based on the competencies provide the organization with an indication of the extent to which employee workplace behaviour has improved. For example, pre- and post-learning event assessments (e.g., multi-source assessment – see above) can be conducted to evaluate the extent of development at both the individual and aggregate level (i.e., all employees who have completed the program). Based on this, the organization can determine whether the learning investments are paying off and, as appropriate, what changes need to be made to address performance gaps.

### 4.2 Implementation Stages

The following implementation stages are suggested for mid to large organizations implementing competencies in Learning and Development on a corporate-wide basis.

**Stage 1:**
- Determine policy for integrating competencies in Learning and Development.
- Design Individual Learning tools and processes (Learning Plan Form; associated instructions / tools) and / or acquire tools to support individual Learning Planning (e.g., i-SkillSuite Assessment and Learning Plan modules).
- Build or acquire a catalogue of learning resources organized by competencies in the Dictionary and classify organization specific programs and tools in the catalogue. Advertise and make the catalogue widely available to employees and managers (e.g., post the catalogue on an intranet site; acquire and implement web-based software to support employee).
- Develop or acquire self-assessment and multi-source surveys and reporting processes as competency profiles become available for job groups (e.g., i-SkillSuite Assessment and Learning Plan modules). Post self-assessment tools on the organization’s intranet website, and introduce supervisor and multi-source assessments as employees become familiar and comfortable with the competencies and the assessment process.
• Develop and introduce training / communications related to competencies and their use in the learning and development process in the organization.

Stage 2:
• Conduct a needs assessment / analysis and design / develop tools and reporting processes to support aggregate analysis and reporting of organizational strengths and gaps in competencies.
• Assess how curriculum / learning program design and development could be improved with the introduction of competency-based management. Implement changes, as required.
• Review current processes for conducting evaluations of learning programs within the organization and integrate competencies, as required, to determine: the extent to which workplace behaviour and outcomes have changed in the desired direction; as well as, the return on investment for the learning / training provided.
5 Performance Management & Multi-source Feedback

Performance management is about achieving results in a manner that is consistent with organizational expectations. Integrating competencies within the performance management process supports the provision of feedback to employees not only on “what” they have accomplished (i.e., performance goals), but also “how” the work was performed, using competencies for providing feedback. Assessing competencies as a part of performance management is an important means of assisting employees in understanding performance expectations and enhancing competencies. Multi-source feedback, while not an HR application per se, is a method that is often used in performance management to assess and provide employees with feedback on “how” they performed their work (i.e., their demonstration of the competencies).

5.1 Best Practices

Performance Management

Performance management programs are set up to provide feedback to employees on how effectively they are performing in their jobs. Such programs normally include a set of goals or objectives the employee must accomplish within the review period as well as the standards or criteria for determining whether the defined goals have been accomplished.

Effective performance management include the following features:

- Linking individual goals to the corporate and work unit business plans and goals;
- Focusing on results, behaviours (competencies) as well as process improvement;1
- Regular reviews and updating of performance plans to address changing demands;
- Training for both managers and employees on how to effectively give and receive feedback, including providing feedback to employees who experience challenges in performing to the standards required in their jobs / roles;
- Training for managers on how to provide performance evaluations that are valid, fair and unbiased.

Integrating Competencies in the Performance Management Process

Competencies can be integrated into the regular Performance Management (PM) process in one of two ways:

- **By defining the competencies needed to perform each Performance Goal / Objective**
  
  In this case, the manager and employee identify the key competencies required to achieve each performance goal / objective (typically 1 to 3 competencies per goal / objective). At the end of the performance cycle, the employee’s performance is evaluated in relation to the performance goals / objectives as well as the key competencies associated with each goal. Using this approach, the competencies included in the employee’s performance plan may or may not completely coincide with the standard competency profile for the employee’s role / job. The advantage of using this
method is that the competencies being assessed are entirely consistent with the employee’s performance goals for the performance review cycle. The disadvantage is that not all competencies within the competency profile for the employee’s role / job will necessarily be assessed within the cycle.

- **By integrating the competencies for the employee’s job into the PM process**

In this case, the performance plan includes the performance goals / objectives for the review period as well as the complete set of competencies from the competency profile for the employee’s role / job. The performance goals / objectives address “what” must be accomplished during the review period, and the competencies measure “how” the employee conducted him/herself to accomplish their work. The advantage of this method is that all competencies defined in the competency profile for the employee’s role / job are evaluated. The disadvantage is that due the specific nature of the performance goals / objectives, key competencies for the effective performance during the review cycle, but not included in the competency profile, will not be assessed.

In both cases, feedback provided on the employee’s competencies typically feeds into the development of a learning or action plan to address gaps in performance and development within or beyond the employee’s current role / job.

**Multi-source / 360 / Upward Feedback**

In Multi-source, 360 and Upward feedback, the behavioural indicators for the competencies needed within the target role / job are used as the standard for assessing the performance of the employee. In Multi-source / 360 feedback, different stakeholder groups provide ratings, including the employee, their supervisor, as well as others with whom the employee interacts (e.g., peers, team members, clients both within and outside the organization, reporting employees; etc.). In Upward Feedback, all employees reporting directly and / or indirectly to the supervisor provide feedback on the supervisor’s performance.

The results are compiled and a report is provided to the employee. The report includes the results for all competencies, highlighting both the competencies that are strong as well as those rated lowest by the different stakeholder groups. In almost all cases, individual ratings from others (except for the employee’s supervisor) are combined in such a way (e.g., averaged ratings) as to protect the anonymity of the individuals providing the feedback. The report is set up to show similarities and differences in ratings across the different stakeholder groups. The results of the process are normally used to develop learning and action plans for improvement (see section on Learning and Development). They can also feed into broader assessment programs (e.g., management assessment centres; development programs) to support employee career development and / or succession management within the organization.
Upward and Multi-source / 360 Feedback programs must be managed well in order to protect those providing, as well as those receiving, feedback. The Society for Industrial / Organizational Psychology has published guidelines for the effective development and implementation of Multi-source Feedback.²

5.2 Implementation Stages

The following implementation stages are suggested for mid to large organizations implementing competencies within Performance Management on a corporate-wide basis.

Stage 1:
- Determine policy for integrating competencies within the Performance Management process
- Design a Performance Management process consistent with the policy (as required)
- Design communications and training program to support implementation
- Pilot the process
- Revise and finalize ready for full implementation

Stage 2:
- Communicate and implement the Performance Management process
- Review and evaluate the process during the first cycle of implementation (e.g., first year) and make revisions, as required.

6 Career Development & Succession Management

The populations of most western countries are aging, while most developing countries are experiencing accelerated demand for qualified workers who can meet the needs of their fast-growing economies. Many organizations are experiencing difficulty keeping their organizations fully staffed with qualified resources, and organizations worldwide are realizing the importance of putting in place programs and initiatives to attract well-qualified workers and retain them once they have been hired. These trends underscore the importance of career development and succession management initiatives aimed at preparing employees for increasing responsibilities within their organizations.

6.1 Best Practices

Career Development and Succession Management Defined
Career Development traditionally has been driven primarily by employees. Organizations provide the frameworks, tools and processes, but the responsibility rests with employees to take advantage of these to advance in their careers.

Succession Management, on the other hand, has traditionally been management driven. Key roles are identified, and ranked lists of suitable candidates are prepared based on their existing competencies and/or potential to perform in the targeted roles or levels. Potential to perform can be identified in a number of ways: past performance in career track positions; supervisory assessments of potential; standardized assessment programs (e.g., assessment centres); etc. The lists are used to appoint candidates as positions become available.

More recently, however, the lines between the traditional concepts of Career Development and Succession Planning have blurred. Organizations are instituting development programs that allow employees to progress through a phased program of development aimed at increasing employee competencies and preparing them to take on increased responsibility. These programs typically include: formalized in-class training; planned work assignments; assessments at key stages; and, “gradation” defined through some form of assessment or certification, and/or appointment to targeted roles or levels.

Basic Competency Architecture Requirements
Establishing effective career development and succession management programs starts at the planning stage by:

- Defining the Competency Architecture
  Competency dictionaries and competency architectures are established that allow employees and managers to compare and contrast competency requirements across roles and levels within or across job groups.

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3 Those positions that are important to the success of the organization and cannot remain unfilled for long.
Defining Career Streams and Roles
Beyond this, typical roles and career streams within the group to be profiled are defined. This allows both managers and employees to see how progression typically occurs. It also allows the organization to develop career development and succession management programs, tools and processes that support progression.

Competency-based Tools and Processes
Career Development and Succession Management typically include a selection of competency-based elements that address the requirements of the job group:

- career stream information provided in a number of formats (e.g., intranet; orientation programs; guidebooks; etc.);
- employee guides to support self-directed development or participation in a planned program;
- learning resource catalogues organized by competency (see Learning and Development section);
- training for both managers and employees on how the program works and how to gain the maximum benefit;
- self-assessment or multi-source assessment to evaluate progress in development (see Learning and Development and Performance Management sections);
- formal in-class training;
- e-learning elements;
- work assignments or action learning exercises aimed at developing skill (see Learning and Development section);
- supervisory (or other) assessment of performance in roles or work assignments (see Performance Management section);
- a form or process (e.g., passport) that accredits or documents employee progress;
- final assessment to validate that the employee has acquired the necessary competencies to be considered for targeted roles / positions.

Best practice organizations also have a talent management HR system that stores and reports information on employee competencies, and enables some or all parts of the Career Development and Succession Management process, for example:

- employee / multi-source competency assessment;
- catalogued learning resources;
- on-line registration for courses / programs;
- job / role matching that compares employee competencies against targeted role / job requirements;
- various reporting capabilities that support both Succession Management (e.g., lists of employees ready for targeted positions / role) and broader HR Planning.
6.2 Implementation Stages

The following implementation stages are suggested for mid to large organizations implementing competencies in support of Career Development and Succession Management.

Stage 1:
- Establish a Competency Architecture and Competency Dictionary that will support Career Development and Succession Management.
- For each group to be profiled, define the typical roles and career streams for the job group.
- Determine philosophy and policy with respect to how competencies will support Career Development and Succession Management and a high-level plan for implementation.

Stage 2:
- Build and incorporate competency-based elements that will support Career Development and Succession Management (e.g., self-assessment; multi-source assessment; on-line information on Career Development for job groups; etc.).
- Develop and implement Career Development / Succession Management programs for high need job groups.
- Determine the human resources information management infrastructure required to support effective and efficient Career Development, Succession Management and HR Planning. Evaluate and implement on-line systems and tools consistent with requirements.
7  Strategic Human Resources Planning

Aging worker populations in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective Human Resources Planning.

7.1  Best Practices

The planning processes of most best practice organizations not only define what will be accomplished within a given timeframe, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.).

Competency-based management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and corrections are made as needed. This Strategic HR Planning and evaluation cycle is depicted in the diagram aside.
7.2 Implementation Stages

The following implementation stages are suggested for mid to large organizations implementing competencies in support of Strategic Human Resources Planning.

Stage 1:
- Establish a Competency Architecture and Competency Dictionary that will support Strategic Human Resource Planning.
- For each group to be profiled, define the roles and career streams to help identify current and future human resources needs.
- Determine how competencies will be integrated with the existing HR Planning process and systems (e.g., Human Resource Information Management systems; other computer-based tools, for example forecasting models).

Stage 2:
- Build or revamp HR Planning tools, templates and processes to incorporate elements as determined in Stage 1.
- Train managers and / or facilitate corporate HR Planning process.
- Continuously monitor and improve processes, tools and systems to support HR Planning.
8 Overarching Policy, Process & Tools

8.1 Best Practices

Common Competency Dictionary and Architecture
Establishing a common Competency Dictionary and Architecture is fundamental for the successful implementation of competencies throughout the organization. Maintaining this common architecture is essential for ensuring that all human resource management applications are fully integrated and that maximum efficiencies can be gained. It is important, therefore, to identify an organizational group accountable for the maintenance of the Competency Dictionary and Architecture on an ongoing basis.

Human Resource Information Management Infrastructure
In a recent review, the Gartner Group noted that CBM talent management initiatives have not necessarily yielded the desired benefits and return on invest, for the main part because organizations have not invested in the talent management software systems and infrastructure to facilitate full and effective implementation. To gain maximum benefit from CBM, organizations need to have a human resources management system and on-line tools and processes that will support many of the implementation recommendations contained in this document.

Governance / Accountability Structure
Organizations that have effectively implemented competencies on a corporate-wide basis have ensured that there is an appropriate project management, governance and accountability framework in place to support the development, maintenance and revision / updating of the competency profiles to meet changing demands.

8.2 Implementation Stages

The following implementation stages are suggested for mid to large organizations.

Stage 1:
- Establish a Common Competency Dictionary and Architecture to support competency profiling within the organization.
- Ensure that the internal (and external, if needed, such as consulting expertise) project resources and framework are in place to support the development of competencies and their implementation in the planned applications. (This is critical to the successful implementation of CBM.).
- Review and establish the governance structure and accountabilities for implementing and maintaining CBM within the organization.
- Communicate the importance and the benefits of competency-based management for employees, managers and the organization regularly and widely.

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- Identify the infrastructure and system requirements to support full implementation (e.g., Human Resources Information Management System; other on-line software tools needed to support various CBM applications).
- Develop the competency profiles.
- Implement the competency profiles in a staged-way to demonstrate benefits and create buy-in (e.g., as soon as profiles for a group are developed, implement quickly within a low-risk high-benefit planned application for the group).
- Communicate success stories as competency profiles are implemented.

**Stage 2:**
- Develop, revise / update competency profiles to meet changing demands.
- Monitor and evaluate applications to ensure that they are meeting organizational needs, and adjust programs / plans, as needed, to meet evolving needs.
Basic Competency Architecture

LEADERSHIP COMPETENCIES

Job Specific Competencies

+ 

Job Family Competencies

+ 

Core Competencies

CORE / COMMON COMPETENCIES

VISION AND VALUES
About HRSG

Human Resource Systems Group, Ltd (HRSG) provides competency-based talent management solutions that address challenges in human capital planning, performance improvement, retention and succession management.

Why do organizations turn to HRSG?

Organizations work with HRSG because our competency-based approach more effectively translates their strategic vision into employee behaviors that deliver business goals. Organizations, who believe that success rests on optimizing productivity by improving skills and maximizing workforce effectiveness, have turned to HRSG as a trusted partner for over twenty years.

Clients frequently face challenges in understanding the performance capacity within their organization, formulating a plan to match organizational capacity to mission, engaging and retaining the right people, and sustaining the organization's capacity to perform over time. HRSG can help clients meet those challenges with great success.

Essential to overcoming these challenges are:

- Understanding and defining the talent needed versus available
- Addressing skill deficiencies
- Matching the talent to performance needs
- Matching the right people with the right skills with the right jobs

For more information about HRSG products and services, visit [www.hrsg.ca](http://www.hrsg.ca).