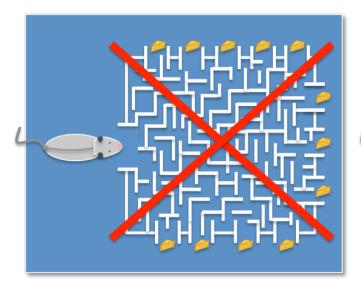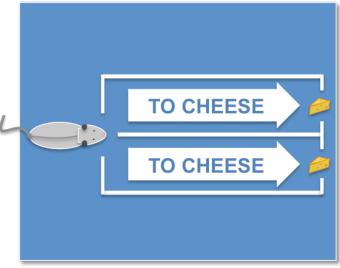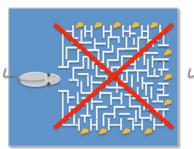A consulting partner of . . .

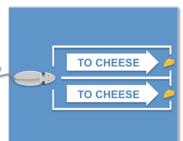The
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INSIGHTS

Life After the Competency Model

Leadership competency models have advanced the art of human resources but left managers overwhelmed and uncertain about what really matters

Life After the Competency Model

By Marc Effron, President, The Talent Strategy Group

Few human resource practices promise as much and deliver as little as today's competency model.

Competency models were created in a well-intended effort to identify the capabilities that drove individual success. Two decades into their existence they've evolved into complex, unusable examples of how HR "just doesn't get it." Managers don't want the smothering "help" of a 10 competency, 50-behavior model. They simply want to know how to succeed.

What Went Wrong?
The competency model was popularized in the 1990s by consultants, academics and a flood of new books that declared competencies the remedy for every organizational illness. Competencies would drive objectivity into our selection processes. They would allow us to balance the "what" and the "how" of performance. They would provide precise development plans for aspiring leaders. In short, competencies were going to be the ultimate human resource tool.

The excitement around competencies ignored some significant issues including the fact that no clear definition of "competency" existed (or exists today). Some consultants defined them to include factors that were largely driven by personality and very difficult to change (e.g. Self-Confidence). Others chose to include attitudes, beliefs, motives and similarly hard to define attributes. The definition of a competency entirely depended on who was designing the model.

More importantly, in the ensuing rush to create competency models designers often forgot to ask themselves two critical questions:

- How does what we're doing add value to the business?, and;

- How can we ensure successful implementation?

As a result, today's typical competency model is an all-encompassing, multi-layered monstrosity whose complexity far outweighs its value. And, even with its verbosity and heft, it still doesn't tell managers exactly how to succeed.

Creating a Success Model
It is possible to define success for managers in a crisp, compelling and accurate way. A Success Model describe the outcomes that differentiate successful leaders using a few brief phrases. It's more effective than a competency model because it focuses on outcomes, not the behaviors that precede them. It's easy to implement because managers instantly understand its brief, engaging and aspirational statements.

Three things differentiate a Success Model from the traditional list of competencies:

1. *It Focuses on Outcomes*: Managers want clarity about the outcomes for which they're responsible. A Success Model describes the outcomes that define high potential, not the underlying behaviors.

The Success Model states outcomes, not the precursors to outcomes

Company Strategy Plank
How the company will win

> Provides integrated customer solutions

Success Model Statement
Describes how to show performance-driving behaviors

> Integrates diverse parts of the business into strategic solutions for our customers

Better Competency Model
Identifies performance-driving management and leadership behaviors

Innovative Mindset	Strategic Thinker	Leadership	Customer Focus	Decisive
Mature Confidence	Influences Others	Drives Execution	Builds Collaboration	Talent Champion

Typical Competency Model
Lists generic management and leadership behaviors

Innovative Mindset	Strategic Thinker	Leadership	Customer Focus	Decisive
Mature Confidence	Influences Others	Drives Execution	Builds Collaboration	Talent Champion

For example, consider four competency model staples: Strategic Thinker, Influences Others, Building Collaboration and Customer Focus. In the abstract one could easily support the merits of each. But a competency has no value on it's own. It only has value when applied to achieve a specific outcome. A leader could combine those four competencies to deliver a variety of results. How is a leader expected to know exactly which outcomes are desired?

As shown in the diagram above, a Success Model statement describes the outcome that the company values, e.g. Integrates diverse parts of the business into strategic solutions for our customers. For leaders, it succinctly states what they must deliver to "win" in their organization. It is purposefully agnostic about how those results are achieved, recognizing that there are many paths that might lead to the same result. This approach doesn't eliminate the focus on "how" work gets done – that can be captured in the model as well.

2. *It includes Only the Vital Few:* The Success Model uses four to five statements to describe what will differentiate tomorrow's stars. Each statement succinctly expresses one concept. It's a holistic statement of results, not a string of competencies tied together with conjunctions.

A focus on the vital few is beneficial for two reasons. First, it reinforces the reality that a hierarchy of organization priorities exists. A manager can engage in many important activities during her day. Yet a small number of those activities will have a disproportionately large impact on her, and the organization's, success. We owe it to busy managers to help them differentiate the critical from the merely important.

Second, identifying the vital few acknowledges the scientific research[2] that people more accurately remember information when it's presented to them in "chunks" of three or four. A manager will recall four desired outcomes far more easily than 10 critical competencies.

This tight focus makes the Success Model easy to explain and simple to use to assess performance and potential.

3. *It Sounds Like Your Company*: Managers will understand success when it's described "their way." Your managers may say that their best performers "Create programs that humble others while staying humble themselves" or "Grow teams that deliver legendary projects." They likely don't speak in competencies and they wish you wouldn't either.

A Success Model statement should both reflect your company's vernacular and be specific enough to apply when assessing or developing leaders.

Implementing a Success Model

It's easy to integrate the Success Model into core talent processes.

First, communicate it broadly to your current and future leaders. They'll be thrilled that the rules for success are now clear.

Second, identify the experiences in your company that will build strength in each of Success Model areas. Use this to guide leaders' development plans.

Third, use it to evaluate potential in talent review discussions and as your behavioral standards in performance management. You'll get far more helpful information evaluating individuals against desired outcomes than you will by pondering theoretical competencies.

Technically Correct, Practically Useless

Some in the Human Resources community still argue that competency models are the right answer even if they're difficult to use and show questionable value. It's the user's fault, they say, for not trying hard enough to make the models work.

If we evaluated competency models based on their technical merit, that would be a flawless argument. Unfortunately for those true believers, business leaders don't care about theoretical value. They seek actual value in practical, easy to use solutions that directly benefit their teams and organization.

Competency models have increased the objectivity with which we evaluate leaders and woven behaviors into our performance lexicon. We must now help our leaders to understand the vital few results that those competencies should deliver. Our leaders aren't concerned with how artfully or elegantly we present that model. They simply want to know how to win.

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[1] Cowan, N., Morey, C.C., & Chen, Z.. The legend of the magical number seven. In S. Della Sala (Ed.), *Tall tales about the brain: Things we think we know about the mi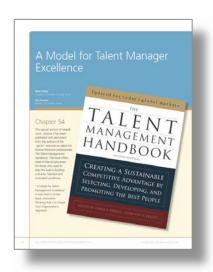nd, but ain't so*. Oxford University Press, 2007.