

THE CASE FOR AN INTEGRATED COMPETENCY PROFILING TOOL

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INTRODUCTION

It is common practice for any corporation today to refer to its employees as their most important asset. In fact, the more workers continue to acquire knowledge and retain prime intellectual property, the more the ratio of value of human capital to market value will intensify.

Nevertheless, although the inherent worth of human capital has long recognized by corporate and HR executives, *most are at a loss regarding how to best manage such a commodity*. Unlike financial capital, proper management of human capital does not yield neat returns on a balance sheet - if it merits any visible proof of success metrics at all. Real knowledge about employees is at best superficial especially in view of the lack of scientific methods to accurately predict people's behavior. As a result, companies are faced with crucial gaps of knowledge about their employees - a situation which prevents companies from making decisions about human capital from within a knowledge driven environment.

In light of these barely perceived metrics for assessing human capital, there have been very little breakthrough returns on human capital management and very few organizations seem to be taking a lead in resolving this issue. The majority of HR activity continues to be oriented towards a managerial view of human capital via the traditional lifecycle processes of hiring, performance, training, compensation etc. Consequently, management efforts remain for the most part concentrated on introducing new software systems or enhancing development programs or training budgets without tackling the primary issue of what crux of the real investment lies – their employees.

BUILDING A COMPETENCY MODEL:

The basic aim of any competency profiling tool is to build a robust model by scoring specific competencies (cluster of related attitudes and behaviors) and then tying those clusters to identifiable business processes. Scientific thinking in this area relates to mathematical models of organizational models created from the sum of individual competencies which establishes competency profiles and identifies subsequent gaps between strengths and weaknesses. Although this seems straightforward enough, the critical phase in which those employee actions and behaviors are first linked to business drivers and then translated and integrated into competency profiles, tends to be problematic. This is because competency building involves many stages and is largely dependent on human perception and intuition - leaving much room for error. Furthermore, because the competency building process

relies on obtaining information relating to a comprehensive understanding about a job, the competency profile **can only be as accurate and strong as the job analysis tool utilized in the process.**

COMPETENCY MODELING UP UNTIL NOW

The requests for implementing successful competency models organizations has accelerated in recent years as more and more organizations are under pressure to improve business performance and quantify the worth of their human capital. As such companies have been intensifying their efforts to develop, and implement progressive models of human capital initiatives that are not only more defined and structured than their predecessors, but can demonstrate measurable results.

However, as much of human resources activity continues to rely mostly on traditional methodology the delta of change in competency model effectiveness tends to remain minimal. Candidates or existing workers continue to be assessed for various positions based on classic interviewing process coupled with internal intelligence testing. This is often combined with the creation of a competency list by SMEs (subject matter experts) to try to reflect the uniqueness of each organization.

So, although it seems that all aspects are included in the competency profiling process, results continue to demonstrate a lack of efficacy inherent to the system. Human resources personnel still express surprise when although potential identification process showed lots of potential and the succession plan showed lots of successors, **many candidates earmarked for success could not in the end, offer the critical skills. In summary, if one subscribes to the theory that valid competencies predict performance one must infer that that if the necessary competencies needed for a position are not identified the result will be in "unexplained" gaps in performance.**

OVERCOMING THE CHALLENGES AND OBSTACLES IN BUILDING A COMPETENCY MODEL

It is common knowledge that the effectiveness of any selection or evaluation process within an organization depends on a comprehensive understanding of the job in question. So although many companies have made attempts at building a successful competency model, the results produced are usually less than desired **because the tools used to assess the competency are not integrated with the tools used to build them.** In fact, a great deal of the competency building process tends to be executed intuitively without a systematic basis for integration among the various elements involved in the somewhat intricate process.

This should come as no surprise to those involved with the phenomena of human behavior: when it comes to constructing a competency to parallel a business process it **appears that there is a great deal of confusion regarding causal effects and correlation.** This is because the concepts of reliability and validity so vital in the realm of assessments, are not fully understood, or are misinterpreted when it comes to what combination of behaviors and traits will attain what results.

COMPETENCY PROFILING IN THE HR LIFE CYCLE

Best practices organizations will implement a working competency management system that is able to link employee actions and behaviors with business processes and then tie both of them to actual results

In terms of the hiring process this means bringing people into the organization that have the skills and behaviors that top performers possess. Using competency measure hr personnel will be able to identify those newcomers who have the potential to evolve into top performers.

Furthermore if all the functions of human resources management are smoothly integrated, it stands to reason that If competency measures are utilized in an optimal way across the board, there will be new opportunities generated regarding maximum optimization of the employee base. For example, according to the elementary laws of statistics predict the output of a group of workers to be in a normal bell shaped distribution. **By identifying the competencies that differentiate superior performance from average performance, the selection and training process could be refocused to recognize who possess these competencies or who is capable of developing them.** As those personnel familiar with reviewing returns on training programs have become painfully aware - only a few limited things are able to be attained through training or learning – the rest depends on inherent traits.

So at the most basic level a competency can clearly indicate what individuals should strive to develop with their inherent characteristics with regard to individual training or development needs. On an organizational level, maintaining that an organization's competency profile embodies its aggregated corporate culture, the sum of its parts can be or can be utilized to assessing organizational needs against customers. On a higher level, unique competencies can even be matched against clients and integrated within effective teams.

Additionally, a competency based approach empowers both the team and the individual by virtue of its definition and will lead to more of an open attitude towards the job to be done and the organizational objectives to be met. Perhaps even more crucial to business performance, it will allow for the best possible fit between person and job.



Figure 1. Competencies in the HR Life Cycle

BENEFITS OF A WORKING COMPETENCY MODEL

It is obvious that if competencies are employed correctly, they can make key connections between all phases of the human capital management system from recruiting to succession planning.

However the key to making this endeavor an operable success is to utilize a platform that facilitates smooth interactions between all the elements. If an organization is able to use one system to build, measure, assess and report the competency, **the inherent worth to the organization is manifold because there will be consistent and measurable criteria throughout the whole process.** As such, the competency can identify individual skill gaps, improve performance management by setting measurable metrics, and in general provide a database for accumulative transferable skills the organization possesses in its human capital.

THE HRVISION COMPETENCY PROFILING SOLUTION

Maintaining that the real difference in human capital management will stem from an intrinsic knowledge of human capital, HRVision Ltd. has developed a set of unique competency profiling tools to map skills and knowledge across a corporation. Consistent with HRVision's unique scientific approach, this solution encompasses behavioral scientific methodologies to minimize unpredictability and risk in human capital investment. Believing that successful organizations should focus on building valid storehouses of human capital knowledge HRVision provides a unique competency platform *per organization* that will enable making optimal human capital decisions for that organization. Subsequently, once the true nature of the organization's human capital becomes apparent, provisions can be made for development and training programs to drive performance - and not the other way around.

HOW DOES THE HRVISION COMPETENCY PROFILING TOOL WORK?

The HRVision solution offsets the frailties of human intervention encountered in the various phases of the competency building process by offering one completely integrated platform for

job analysis, profiling and assessment of the organization's competencies. This use of a competency model that is based on an integrated selection system maintains the direct relationship between assessment methods and competency profiling as a predictor for success. In fact HRVision is the only company that provides a smooth interface and negotiable bridge between the person, the job and the organization to ensure that the competency framework will accurately reflect the key capabilities necessary for job success.

Known in the assessment arena for quantifying the relationship between predictors and overall job performance HRVision assessment solution was developed to facilitate the highest possible level of job person fit. Bearing this in mind, the **HRVision platform, Savvy Recruiter** encompasses 3 main building blocks (profiling tools, testing and matching/reporting) that seamlessly work together to provide a consistent, yet dynamic means of evaluation of human capital at any level of the organization.

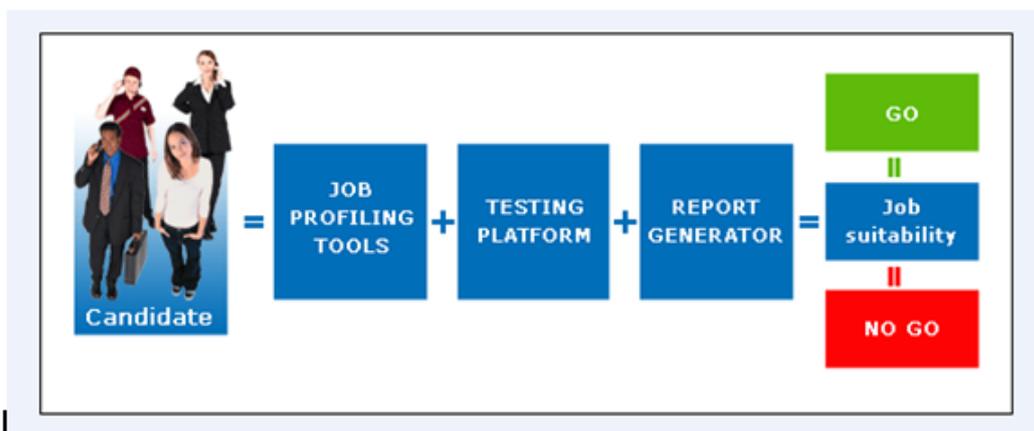


Figure 2: One integrated platform for profiling tools including competency

Utilization of the competency profiling tool, leaves little room for guesswork but a lot of room for flexibility and scalability. The profiling tool is structured so that organizations can freely and easily, define and test a competency on their own without limitations, but at the same time enjoy a finite systematic process based on years of experience working with organizations.

THE PROCESS

HRVision's SavvyRecruiter Platform enables formulating, defining and measuring organizational competencies per job using one transparent application. This includes building the competencies using analysis and profiling tools, choosing the testing elements to be included in the assessment of the competencies necessary for a job and finally automatically generating a conclusive report regarding the suitability of the candidate/ competency/ job. An additional benefit of using the SavvyRecruiter Platform concerns the reporting mechanism which enables comparing, testing and ranking one candidate for many jobs, and/or many candidates for one job using any of the profiling devices. This reporting feature has special significance for competency modeling in the business environment where a clear method for the comparison or numerical ranking of competencies will be of immense value across the corporation. On a larger scale, the **HRVision** competency profiling tool allows for investigating different aspect of performance separately and indicates where the person might be strong or weak with regard to a particular job. *From that it can be assessed if the individual has the ability to be productive in any role.* Furthermore, the fact that the system is online, and interactive means that organizational changes and market dynamics are easily implemented and automatically adapted on every level.

CONCLUSION

Organizations are increasingly faced with having to meet complex requirements for fair selection. In view of that, it is more important than ever to ensure the validity of the assessment methods used in the selection process. Because the **HRVision** assessment solution is based highly predictive scientific tools utilizing knowledge rich tools and methodologies, there is minimum risk for encountering the most common pitfall of competency profiling in non integrated systems - the misinterpretation of the linking of traits and behaviors to actual performance criteria.

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