

Article

# FOUR DOGMAS FOR CREATING *powerful* COMPETENCY MODELS

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We need to add simplicity to a key discipline that all too often suffers from two organisational illnesses: neglect or unnecessary complication. The result may be twofold; death upon birth or a chronic disease that eventually will suck the life out of all initiatives aimed at making your organisation change behaviour. That may sound very dramatic, but, unfortunately, it's all too often the case.

The key discipline referred to is **competency modelling**, and in many cases organisations unfortunately don't recognise how much value is being lost due to none or at best an immature effort to describe the competencies needed to succeed when it comes to creating strategic impact.

So what is the good news, you might ask? The good news is that with the right outset (and an explicit awareness of some

of the typical pitfalls) you are very likely to design and implement a competency model with the desired impact.

Learning from our experience based on a wealth of both successful and less successful projects involving competency models in small, large, private and public organisations, we have identified four dogmas or success factors that can hopefully inspire better processes and collaboration between HR and the business.

# Four dogmas to ensure impact and value from competency models

The four dogmas below mirror the challenges and dilemmas described on this page and are based on what we have found characterises successful competency modelling projects. To come to life, to stay alive and to deliver behavioural impact, a competency model needs to:

## 1. Be owned by the business – and supported by HR

At its best, the definition of which behaviour the organisation needs in a competency model should not only be initiated but also driven by the business. HR can in any case add value by being a strong facilitator and communicator as well as being the vital link between the direction and the actual HR processes.

## 2. Reflect shared beliefs in the leadership team

A competency model should be deeply rooted in the leadership team's shared beliefs in what good behaviour is. There should be 100% buy-in for the messages, and the leadership team should be role modelling the competency model's core behaviours as the number one communication channel.

## 3. Set direction and provide clarity on behaviour expectations

At its best, a competency model should be described so clearly that it sticks – and sets direction without blurring the message with details. This means choosing the right detail level, taking a clear stand and prioritising what's important – as opposed to “boiling the ocean”. The message should be understood and remembered by everyone.

## 4. Be perceived as fun, easy and rewarding

Whether the design of the model is more or less rigid and implemented as part of a performance management system or competency development initiatives, the model should be perceived as easy, fun and rewarding to understand and work with. This is a prerequisite for people to actually start changing their behaviour.

For the experienced competency practitioner, the four dogmas above can either be used as key principles for a future project or as a short checklist for you to gauge the health of your existing competency model project. That being said, it's seldom the dogmas or principles in isolation that will help the practitioner succeed with whatever initiative he or she has set out to design and implement in the organisation. It's the combination of having a common language for what we really mean by “a competency model” and, more importantly, an aligned understanding of why we need it.

## What? Why?

We wish to provide you with a thorough insight into **WHAT** we really mean when we talk about a competency model, **WHY** we need to invest in a competency model, and the reason why it can be so very difficult to succeed with creating a powerful competency model.

With this insight in place, we encourage the reader to revisit the dogmas above – and, hopefully, the meaning and basis of each dogma will be even more evident.

## What is competency modelling?

In a simple manner, we say that competency modelling is all about defining the core competencies required in order to realise the organisation's mission.

**“BEHAVIOUR IS THE ONLY COMPONENT THAT WE CAN MEANINGFULLY MEASURE, PROVIDE FEEDBACK ON AND VISIBLY DEVELOP”**

Decomposing this definition even further, we define competencies as the sum of skills, knowledge and behaviour needed to fulfil what the organisation aims to achieve. The buzzword in this equation is behaviour. Thereby not saying that skills and knowledge are not equally important, but behaviour is the only component that we can meaningfully measure, provide feedback on and visibly develop.

The competency model itself can take various forms depending on both organisational and cultural fit. However, no matter the form and expression, we recommend three strategic issues that need to be discussed and answered in order to set the frame for the competency model. The example below is based on a public health organisation.

**Why do we need a competency model: The importance of being able to translate strategy into behaviour**

A new 2020 strategy, new processes to be implemented and, ever so important, the translation of the strategy down to the worker on the floor. These are all classic examples of an organisational change calling for somebody to do something different. Whether the change is drastic or incremental, significant or minor, a successful strategy implementation comes down to **people changing behaviour**.

The answer to enforce and impact behaviour is in many cases found in the traditional people processes such as recruitment, people development, performance management, suggestion planning and incentive programmes. What is common for all of these organisational disciplines is that they can be powerful levers to support a desired behaviour. And no matter the discipline chosen, they all call for a crystal clear definition of what the desired behaviour is and looks like: a competency model.

Competency model - example from an IT portal



**1. MISSION – What is our mission?**

The outset of any discussion of capabilities and competencies is the mission as the centre and focus point that ensures direction and relevance.

**2. CORE CAPABILITIES – Which core capability areas are needed to accomplish the mission?**

The second layer in the model indicates which core capability areas are needed to accomplish the mission. The essential characteristics of the capability should be defined so it's crystal clear what is needed to win in the field.

**3. COMPETENCIES – What key competencies constitute each capability area?**

The third layer breaks down the core capabilities into key or essential competencies, i.e. which essential competencies are needed to ensure the capabilities. The competencies should be described at a high level by pointing out which 2-4 core behaviours should characterise people displaying the competency.

It sounds simple, but in reality it's not. In fact, the saddening truth about some competency modelling initiatives is that they often fail to deliver the intended impact of supporting the overall strategy.



Why? Let's take a quick glance at one scenario for designing a competency model.

### The competency model that never made it

Meet Peter, the HR professional. Peter is a young, eager and aspiring internal consultant within people performance at a mid-sized but fast-growing tech company.

The story goes that Peter's boss, Irene (an experienced and long-standing HR director), is asked by Group Management to design and implement a performance management system to improve people performance.

Carrying great trust and admiration for her newest employee, Irene delegates the task to Peter who is granted the full responsibility for managing the project and, if needed, involve external consultants to help.



From the beginning, the scope and initial focus of the project is on the structural HR elements, i.e. process design, planning, conceptual models etc., primarily due to the fact that the project is anchored in HR.

At some point, the need for a common understanding of what "good looks like" appears, and with good reason, because how can you evaluate performance, give feedback or change any behaviour if you don't know what you're trying to achieve?

Bright as he is, Peter addresses the need for a clear competency model to be the reference model that ties it all together, and, equally important, he ensures a common direction.

He therefore asks the executive team to provide input to the model. Having heard the rhetoric enough that they somehow feel obliged to believe it, they reluctantly accept. With good intentions, they set aside two hours to define the future competency needs across their organisation.

**“PEOPLE ARE THE KEY ASSET TO SUCCEED IN A HYPERCOMPETITIVE AND INCREASINGLY COMPLEX MARKET”**

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The aggregated input from the key stakeholders in the leadership team is unclear and reflects the desire to do everything right instead of making rational prioritisations and agree on key areas for development. In summary, no real opinions are shared concerning the corporate capability needs of the future.

Peter manages to put together a competency model that reflects the sum of the input, and as a result it's somehow generic. At its best, the computed model reflects generic views on functional areas as well as beliefs in best practice on leadership. Ironically, the rather innocent and conforming content of the model is approved by the sponsors at the very first status meeting (probably due to exactly that).

The next task for Peter is to communicate the number one prerequisite to achieve anything through the new HR processes: the newly formulated competency model. In recognition of the importance of getting this critical basis right, Peter has spent quite some time describing each functional role with a lot of characteristics, daily tasks and responsibilities, required competencies as well as general behaviour. The amount of text is massive, and as a result it provides little direction for both leaders and employees to understand what is actually expected of them.

The organisational impact is scarce and unsystematic. Due to the generic descriptions, the competency model is basically impossible to apply. In some parts of the organisation, the model in fact enforces

random behaviour, and energy is released in all directions.

But luckily for Peter, the consequences are not visible to the leadership team. In fact, they are close to being invisible to the entire organisation, and so is the effect of the newly implemented performance management process.

And so the story goes of a wasted chance of creating value through an HR-owned initiative. Of course this is a story set to portray a bad example of competency modelling by highlighting some of the major pitfalls of the process, but, unfortunately, it's not far from the truth.

## But why is it so very hard to create a powerful competency model?

The story above captures at least three of the typical dilemmas listed below that we perceive as highly critical when it comes to competency modelling, and as with all kinds of organisational change it all comes down to one thing: leadership.

### The need for taking a stand vs the underlying interests in the leadership team

The leader's ability to articulate what he or she wants and the power of expectation have always been highlighted as imperative to good leadership. The problem is that in large organisations this often becomes an extremely difficult and complex matter – not to mention controversial and risky, because it means taking a visible stand on what you as a leader expect of your employees. Not in terms of skills, knowledge and targets, but in terms of behaviour.

### HR desire to deliver vs the need for the business

In the context of an HR initiative or HR-driven project, the leadership team would typically expect HR to deliver. On the other hand, HR can in most cases “just” deliver the “shell”, i.e. concepts, process, planning and design facilitation, whereas the “juicy parts” – the key choices as to direction, design etc. – can in reality only sit with the business.

### The need to communicate the overall direction vs the wish to control and manage in detail

If any competency model should impact employees and be present in their minds, it should be short and clear and reflect the overall direction, values and priorities. On the other hand, there is often a tendency to go into more detail – either because of the urge to manage and control or the inability to focus. The organisational resistance often lies in the argument that “it’s impossible to grasp all our specialist competencies in one simple model”. And the simple answer to that is: “You’re absolutely right, but we don’t need that. What we need to do is to describe the right functional behaviour and the skills and knowledge will be a prerequisite”.

Hopefully, the four dogmas stated above will either help you establish the proper platform for your coming competency model project or bring clarity to key areas in your existing competency model that need immediate attention.

We wanted to bring simplicity to the discipline of translating strategy into behaviour, and this article is the first step towards fulfilling this ambition. The next step concerns the practical formulation and implementation of the model.

The article “Five strategic choices to design and develop a competency model” will take a pragmatic perspective on how to design and facilitate a capability and competency model that enforces simplicity and direction by asking four questions:

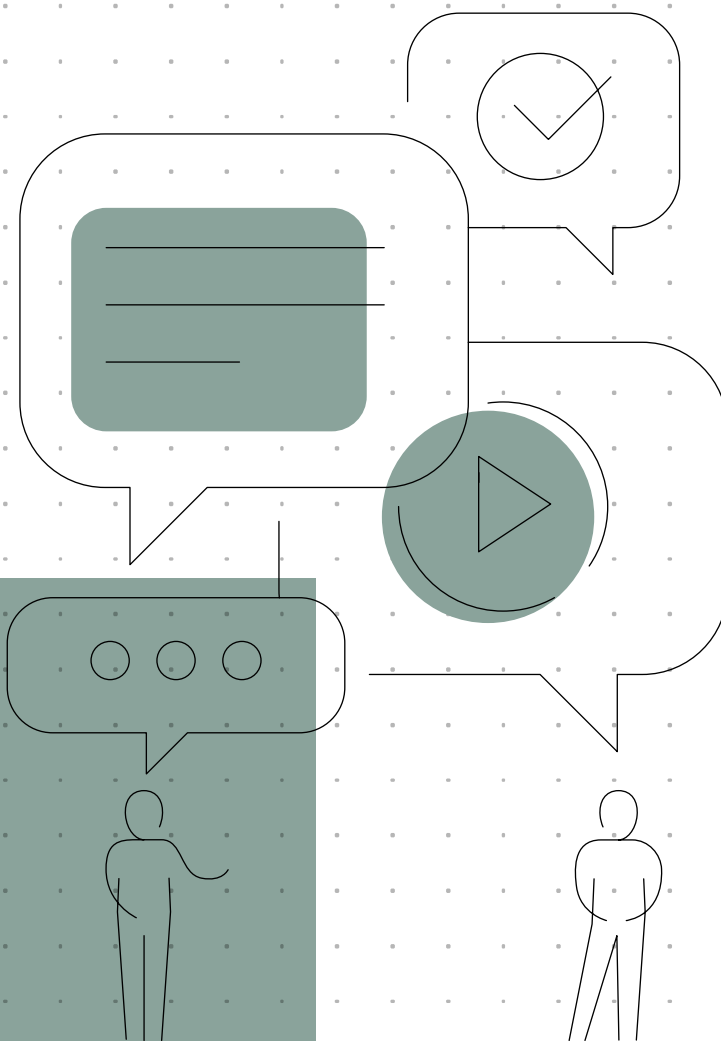
- Which core capabilities are needed to deliver on the strategy?
- How can we translate the core capabilities into competencies and related behaviour?
- How can we link these competencies to the roles and profiles of the organisation?
- How do we make our new competency model constitute the foundation for all people processes aimed at making someone change behaviour?

## Key questions for the curious reader

- **Am I** really the right person to own this important project, OR have I appointed **the right person** to drive and own the project?
- Does our competency model reflect the **consensus definition of what good behaviour looks like** in our leadership team?
- Is our competency model able to set a **simple and concrete direction** for the behaviours that we need to deliver on our strategy?
- Is our competency model **fun, easy** to work with (both as a leader and as an employee), and is it **rewarding** – is it important, and does it count?







## FAST FACTS ABOUT IMPLEMENT

Founded: 1996

Number of employees: 850

Headquarters: Copenhagen

Offices: Aarhus, Stockholm, Malmo, Oslo, Zurich and Munich  
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