

Becoming a Strategic Business Partner: Competency Assessment through Technology Innovation

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Goal of this Presentation

- ◆ To understand the strategic impact of competency integration
- ◆ To outline competency implementation process
- ◆ To understand competency & technology integration
- ◆ To answer questions in regard to this concept and process
- ◆ Please hold all questions to the end. (thank you)

Competency Definition

◆ WHAT is a competency??

- "...observable performance dimensions, including individual knowledge, skills, attitudes, and behaviors, as well as collective team, process, and organizational capabilities, that are linked to high performance, and provide the organization with sustainable competitive advantage" (Arvy & Orth, 1999).

◆ Note:

- Focuses on the observable → allows metrics to be developed for evaluation
- Incorporates KSAs → more holistic and inclusive
- It is by definition strategic: adds value

The Battle: Competency VS. KSA

- ◆ How do competencies move BEYOND KSAs??

Incorporates the concept of:

Strategic Total Personnel Management
at an Organizational Level

Competencies move beyond the very discrete unconnected manner in which KSAs are often used

Briefly: Difference between KSAs & Competencies

- ◆ Traditional KSAs are defined: very discrete, not connected to anything, no promotional pathways, no performance levels, the same KSAs that are in entry level positions are also in executive management positions! Example: ability to communicate orally, but to what extent and what is the level of performance expectation?
- ◆ Proposed competency framework defined: performance levels are clearly defined so that everyone understands the level that employees are expected to perform at → establishes a much more clearly defined work environment, eliminates role ambiguity, and creates promotional pathways!!

Competency Modeling Framework

- ◆ Continuum of progression within mastery levels
 - Scope: parameters of operation
 - Context: environment of functioning
 - Autonomy: level of independence
- Clearly operationalizes expected behaviors at the different mastery levels with increasing difficulty and role responsibility

Competency Mastery Levels

Creation of Promotional Pathways:

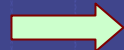
- number of mastery levels can vary depending on organizational hierarchical structure and need

Competency

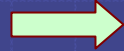
Mastery/Proficiency Level

Definition:

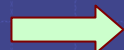
Conceptualization
and continuum
of progression



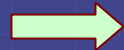
Level 1: Entry-level



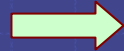
Level 2: Journey-level



Level 3: Supervisory/ Mid-Management



Level 4: Management/ Sr. Management



Level 5: Sr. Management/Administrator

Competencies and Mastery Levels

Mastery levels describe the degree of competency

◆ *Incremental increase in proficiency as the mastery levels increase*

Level 1

Adheres to goals and deadlines set by supervisor

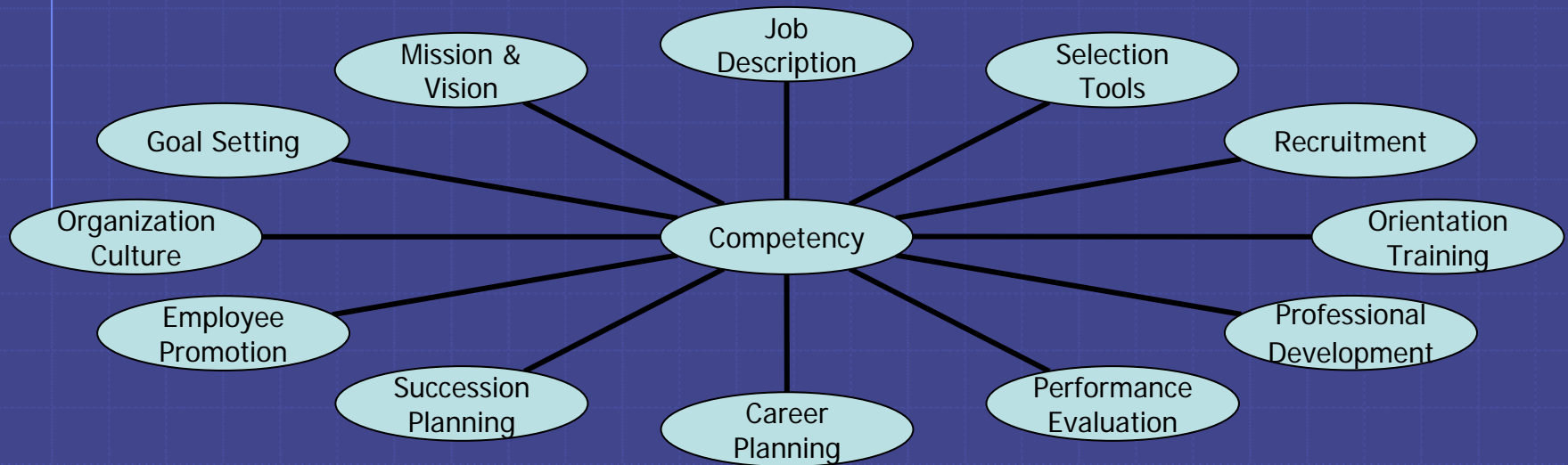
Level 2

Sets goals and priorities for own work to ensure deadlines are met.

Level 3

Sets goals and priorities for own work and coordinates activities and time-lines with/for others.

Competencies & Strategic Interconnectedness



Competencies: Total Personnel Management System

- ◆ HR cannot be wholly strategic until it operates as an integrated and reinforcing system at an organizationally impactful level
- ◆ Competency integration creates an environment where the different functions of HR can be interconnected AND observably connected to the organizational goals

Competency Integration: Strategies for Success

Schoonover et al, 2000 found that employee satisfaction levels are impacted by competency implementation strategies

- ◆ Used more multi-dimensional criteria in their models: mastery levels
- ◆ Implemented competencies across more organizational levels and across more functions: Were designing and implementing more comprehensive performance and development feedback systems.
- ◆ Were enabling their competency applications through technology to a greater extent

Competencies:

Total Personnel Management System

- ◆ Competencies allow you to be organizationally strategic:
 - Can connect competencies to the organizational mission and goals: IMMEDIATELY you are observably showing how HR adds value and is viable at an organizationally wide level: are selecting and bringing in employees that will help an organization achieve its goals

Competencies: Total Personnel Management System

- ◆ Scenario: an employee is selected and then sent off into the organization: this process is not interconnected with other HR functions and is not strategic
- ◆ Need to ask how does this add value: the organization is being provided with a body, but most anyone can do this with some training

Competencies: Total Personnel Management System

- ◆ **INSTEAD:** use of competencies can connect selection to classification to performance expectations AND all this information can be pulled directly from the class spec in the form of mastery levels
 - **NOW:** through use of competencies performance management is integrated with the classification and selection process
 - ◆ The employee knows what is expected of them
 - ◆ The manager knows what is expected of the employee

Competencies: Total Personnel Management System

- ◆ How can we connect this even further and create a Total Personnel Management System at an even more fully developed level?
- ◆ Answer: Training
- ◆ Training programs can be developed based on the different competency mastery levels (i.e., performance expectations) which are on the class spec

Competencies: Total Personnel Management System

- ◆ What does integration of training allow?
 - It provides employees with the tools they need to succeed as employees
 - It provides managers with the tools they need to succeed as managers: train employees so they are at the level they need to be at
 - Taking this another step further: the training enables managers and employees to take ownership of this process
 - Adding value: setting the organization up for success by creating an environment where competency expectations are visible to all organizational members and organizational structures are in place to achieve desired performance levels

Competencies: Total Personnel Management System

- ◆ Strategic impact of competency training
 - Think about all the retirements that are pending...
 - Competency training enables organizationally built in succession planning!
 - AND it is more cost efficient to develop employees internally

Competencies: Total Personnel Management System

- ◆ Strategic impact of competency training
 - ALSO retirements mean you are going to be competing for high potential (HiPo) employees
 - internal training programs show that you value and invest in internal employees and want to provide them with ownership of professional development
 - This increases your chances of employee retention: setting your organization up for success, higher quality employees at lower costs

Competencies: Total Personnel Management System

- ◆ Now, can we take this another step and integrate HR processes even further becoming more integrated and strategic?
- ◆ YES: evaluation metrics can be added into this system creating an environment of constant feedback, evaluation and improvement
 - Example: evaluate the employee on performance expectations in the mastery level that is connected to the organizational mission "customer service", see a skill gap, send them to training, re-evaluate, make adjustments as needed: set employee up for success b/c you provided them with the missing skill, set the org up for success b/c you are helping them provide a valued service

How do Competencies Add Value: HR as a Strategic Business Partner

Classification Strategic Impact Summary:

Job Descriptions: are more well defined, greater role clarity, able to understand performance level better (both managers and employees)

Impact statements:

Employees become more than a number in an organization, understand their role and contribution in the organization, and how and where they specifically fit into the organization

Core competencies should be connected to the organization mission and values

How do Competencies Add Value: HR as a Strategic Business Partner

Recruitment Strategic Impact Summary:

Helps to target recruitment, know the specific skill set you are looking for, example: do you need to look outside the organization or can you develop someone in the organization through use of the promotional pathways and targeted training

- Better RJP and self-selection
- Decrease in administrative work

Selection Tools Strategic Impact Summary:

Modular testing on the different competencies: even more strategic to create parallel sets of modular tests

How do Competencies Add Value: HR as a Strategic Business Partner

Training Programs Strategic Impact Summary:

- ◆ Based directly on the competencies, even more strategic: create different levels of training based on the mastery levels → enables to an organization to develop internal training academies (competency enhancement)
- ◆ Creates a sense of ownership of career planning by employees as they can select different levels of competency training
- ◆ Orientation training: able to training incoming employees on the core organizational values/core competencies, can help with employee retention: immediately understand the organizational values and expectations

How do Competencies Add Value: HR as a Strategic Business Partner

Performance Evaluation & Management Strategic Impact Summary:

Connect the selection instrument to the performance evaluation: criterion validation, enhances legal defensibility

Succession Planning & Promotion Strategic Impact Summary:

Helps with employee retention and employee development, create internal training programs based on competencies, address productivity losses in this manner

How do Competencies Add Value: HR as a Strategic Business Partner

- ◆ All of these initiatives jointly create an interconnected human resources management system that:
 - Shows you value employees
 - Create a system of continuous evaluation and therefore system improvement
 - Create a culture of continuous learning
 - Able to maximize employee skills set via training
 - Enhances legal defensibility of instruments
 - ALL of this jointly enhances cost efficiency and value: thus HR becomes a strategic business partner through competency integration



DEVELOPING COMPETENCY MODELS

Approaches in Developing Competency Models

◆ “Bottom-Up” Method

- Criterion Sampling
 - Superior performers
 - Average performers – form a baseline measure
- Behavioral-Event-Interviewing (BEI)– created by Daniel McClelland
 - ◆ Variation of a critical incident technique (Flanagan, 1954)
 - ◆ Gathering information on responses/behaviors in critical/challenging situations either through individual/focus group interviews
 - HR expert conducts content analysis to delineate critical behaviors that differentiate superior versus average performers

“Bottom-up” Approach Drawbacks

- Inadequate criterion sample
- Need for Qualified Staff – internal staffing may not be available requiring outsourcing to a consultant
- Time consuming
 - May be disruptive to the workforce
 - Requires time away from the job, which results in lost productivity of the group -> additional financial cost

Approaches in Developing Competency Models

◆ "Top-down"

- Essential Competencies are identified by HR professionals w/ feedback from management
- Competency models from other organizations are adopted based on job comparison

Examining JA & CM Practices

- ◆ Schippman et al., (2000)
 - CM practices lack rigor and standardization
 - Only advantage is that they link to business strategy and goals
 - Recommendation: capitalize on job analysis methodology to create uniformity in competency model development

Capitalizing on Job Analysis

- ◆ Lack of empirical literature on evaluating competency modeling methodology with regard to accuracy and reliability of ensuing competency profiles
- ◆ Need to capitalize on decades of empirical research in the job analysis domain examining factors impacting accuracy and reliability of job analytic data

Factors Impacting Rating Accuracy & Reliability

- Rater Type: incumbent vs. supervisor
 - ◆ Incumbents inflate/deflate ratings based on self-serving biases: impression management
- Job Knowledge: employee tenure
 - ◆ Experience employees provide more accurate job ratings
 - Recent research finding: profession tenure versus job tenure is more predictive of rater accuracy
- Amount of job descriptive information
 - ◆ (Harvey et al, 1988; Lievens et al, 2004)
- Organizational mission statement, values and goals (Lievens et al, 2004)

Need for Structure in Competency Modeling Methods

◆ Biases in Cognitive Judgment

- Morgenson et al (2004)

Findings:

- ◆ ability statements are more subject to inflation than task statements across all rating scales
- ◆ frequency and importance ratings of global competency statements were generally higher than decomposed ability and task scales, but required-at-entry job requirements judgments demonstrated the opposite relationship.

Research Implications

- ◆ Drawing on JA research:
 - the cognitive task of rendering judgments about competency and competency proficiency levels would seemingly not only parallel in complexity to a task of identifying ability requirements, but is subject to an even larger abstract inferential leaps in the judgment process.
- ◆ Recommendation: breakdown of a complex judgment process into a series of concrete manageable steps helps to diminish the inferential leaps involved in determining a job's competency requirements

Alternative Competency Framework Sample

Handling Stress: Maintains composure in the face of high workload, competing or conflicting demands, ambiguous assignments, interruptions and distractions. Maintains focus and emotional control in stressful interpersonal situations and in unpleasant or extreme environments.

Indicate how relevant the competency is to performing essential job functions successfully:

(1) Not at all Relevant (3) Somewhat Relevant (5) Extremely Relevant

Classification Title:

Human Resources Generalist

Human Resources Director

STRESS MANAGEMENT

The extent to which one can function productively under varying degrees of pressure and frequency of recurring and newly arising stressors that impede completion of one's job duties/responsibilities.

| | |
|---|---|
| <i>Works In Low Level Stress Situations</i> | Works to achieve set performance targets under minor and typical day-to-day stressors. |
| <i>Adjusts To Temporary Fluctuations In Stress Levels</i> | Attunes to personal stressors and takes initiative to limit the impact of stress factors on job performance during short, but occasionally intense stress provoking situations; solicits expertise on appropriately handling stressful situations. |
| <i>Adjusts To Varying Stress Levels</i> | Finds alternative methods to carry-out work assignments during prolonged exposure to one or more stressors; recognizes personal limits for workload and negotiates adjustments, while ensuring appropriate levels of personal and group productivity. |
| <i>Employs Stress Management Strategies</i> | Functions under critical and tight deadlines, heavy workloads, and varying pressures that a unit/department are subject to; manages multiple work challenges simultaneously through strategic workload planning, and responds effectively to frequently novel and ambiguous situations. |
| <i>Anticipates Stress And Plans Strategically</i> | Remains strategically focused and functions optimally under conditions of on-going pressure, high stakes or opposition from multiple organizational stakeholders where one is subject to functioning in an environment where it is difficult to achieve work objectives and lead a department/organization. |

WEB-BASED COMPETENCY ASSESSMENT QUESTIONNAIRE

Rater Objective: evaluate each competency on the following scales:

Need for Competency Scale: Please assess the relevancy of the given competency in performing essential/critical job functions.

Competency Level: Please indicate the minimal level of competency mastery/proficiency that is required at job-entry in order to perform successfully on the job of a Personnel Director.

Competency Value: Please indicate to what extent a given competency contributes value to differentiating between superior performances in comparison to minimally qualified performance on the job.

Competency Models/Profiles

◆ Forced Distribution

- Once the rater renders judgments, the preliminary “essential” tasks are once again reviewed to select a narrow range of competencies to be designated as “essential”
- Competency Models should range from:
- 5-15 competencies depending on classification
 - ◆ Fewer competencies requirements for entry-level classification

Developing Competency Models: Key Points

- ❖ Develop/Adopt a Framework that adequately meets organizational needs
 - How extensively will you be implementing competency models?
 - ◆ ie. few select HR functions or whole-systems approach
- ❖ Develop/Adopt Methodology w/ sufficient rigor and standardization to achieve accuracy in competency requirement judgments
 - Cannot develop effective HR programs if the foundation is flawed (ie. competency models lack consistency, accuracy and reliability)

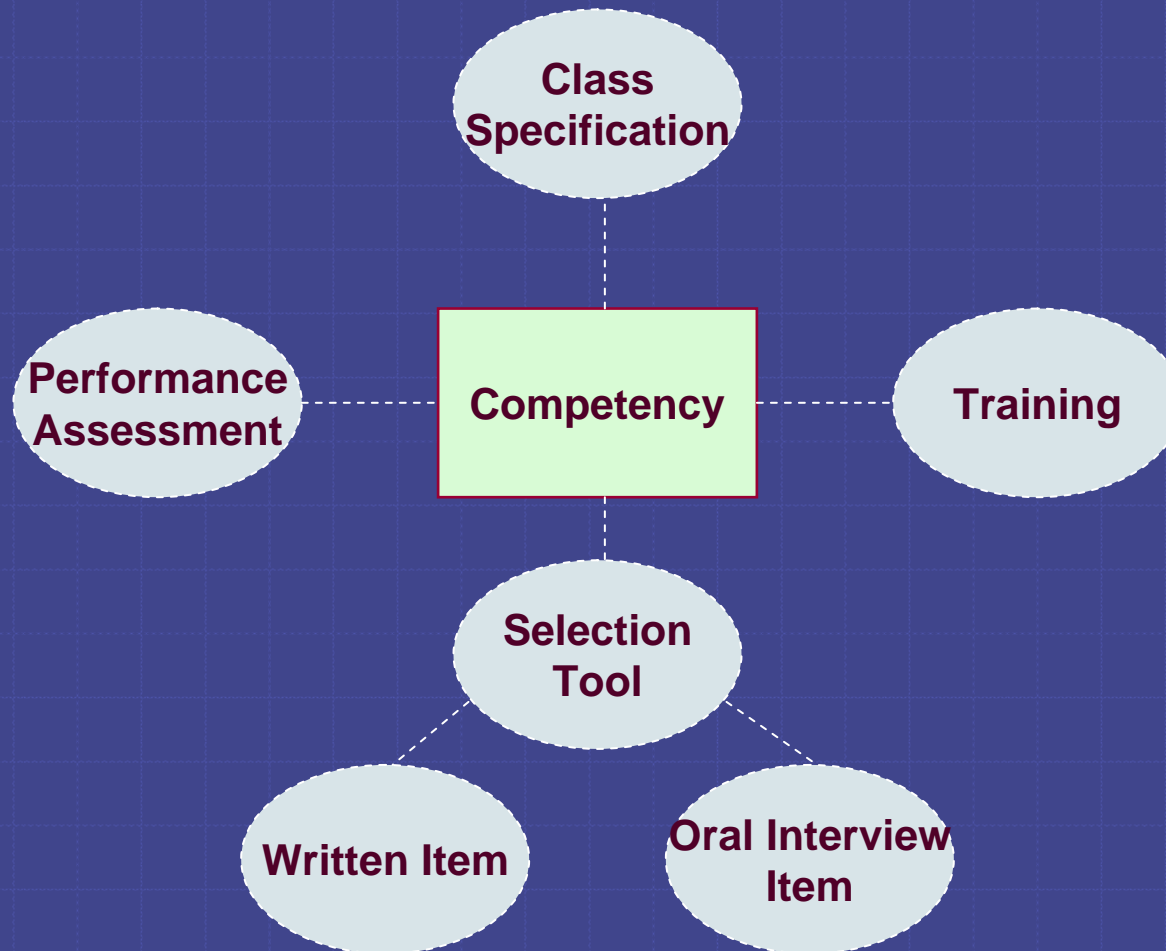


Capitalizing on Technology Innovation

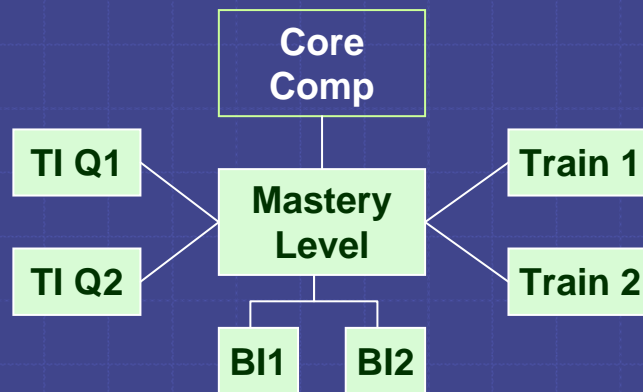
Using Technology to Enable Competencies

- ◆ **Competency Anatomy**
- ◆ **Competency Bank**
- ◆ **Create Selection Tool**
- ◆ **Create Performance Assessments**
- ◆ **Conduct Criterion Validation**
- ◆ **Measure Training Effectiveness**
- ◆ **Track Certification and Training**
- ◆ **Organize Succession Planning**
- ◆ **Become More Strategic**

Competency Anatomy

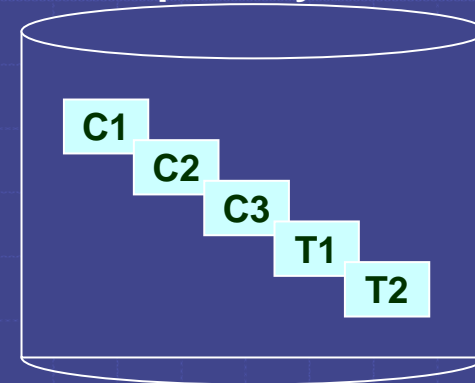


Competency Bank



- TI Q: Test Item
- Train: Required Trainings
- BI: Behavioral Indicator

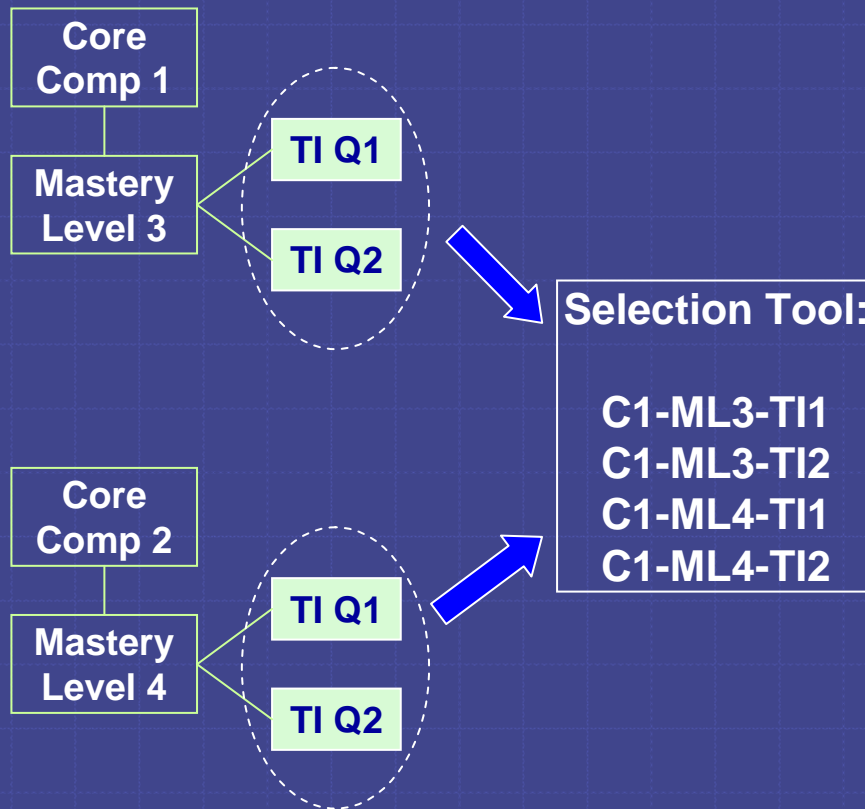
Competency Bank



Competency Bank contains:

- All Core & Technical Competencies
- Selection Tool Test Items
- Required Certificates and Trainings based on each Mastery Level
- Behavioral Indicators based on each Mastery Level

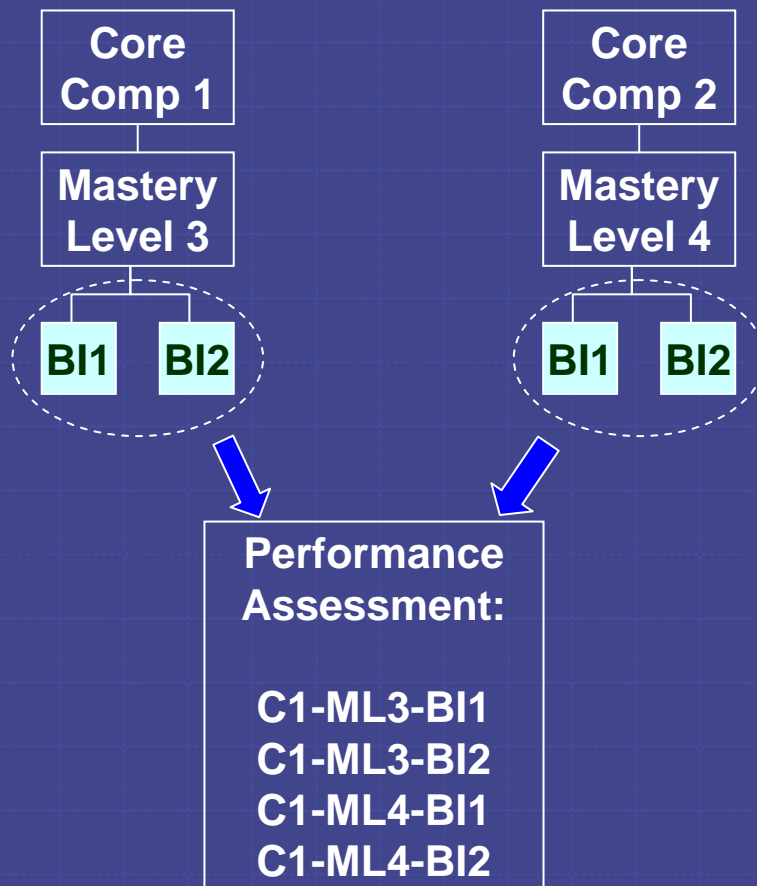
Create Selection Tool



How to Create

- Decide on selection tool (written, oral, T & E, etc.)
- Based on the Class Specification competencies and corresponding mastery levels, go into the competency item bank and select the appropriate test questions

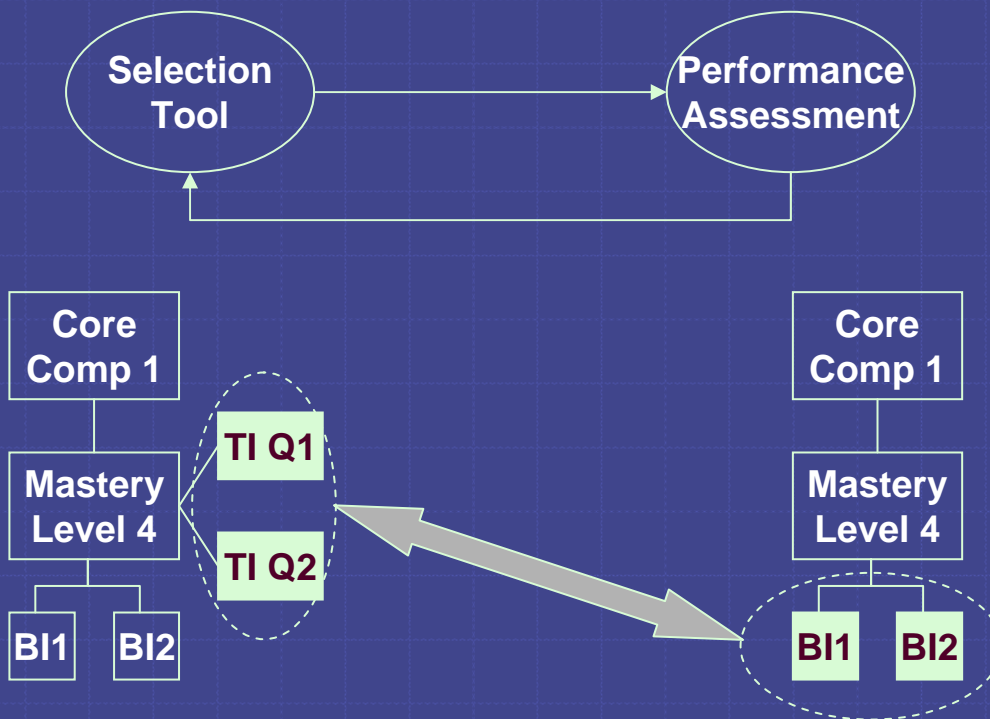
Create Performance Assessment



How to Create

- Based on the Class Specification competencies and corresponding mastery levels, go into the competency item bank and select the appropriate behavioral Indicators

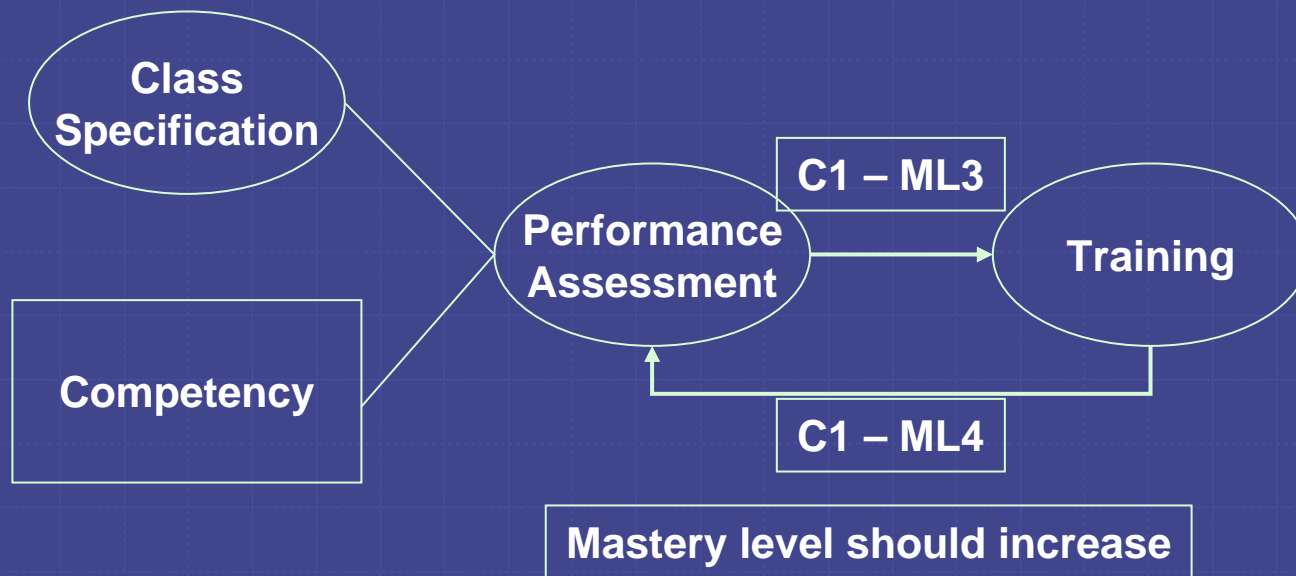
Criterion Validation



Goal is to obtain validity estimates by examining the relationship between selection tool test items with the behavior indicators of the on the job performance results.

Report would show the relationship between competency scores on both selection tool and performance assessment through regression analysis

Training Evaluation



Goal is to validate that trainings increase the on the job behavior indicators for required mastery levels. Report would show change results of behavioral indicators for particular mastery levels compared with the completed training.

Performance Assessment Indicators

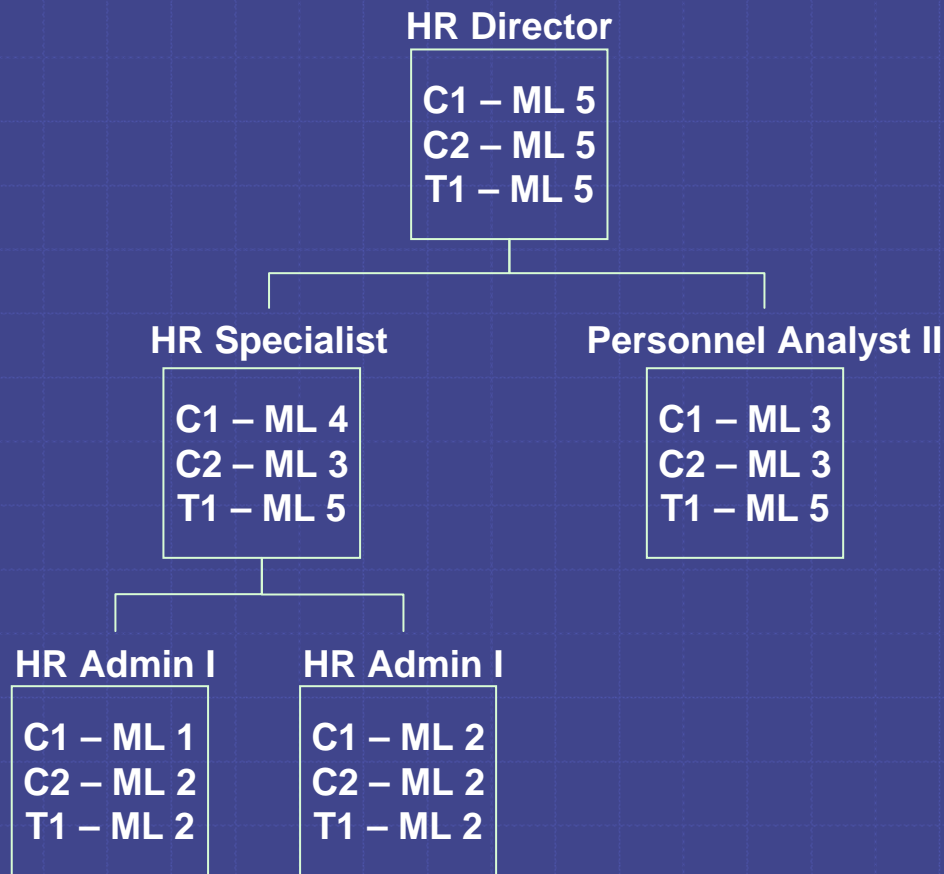
Criterion Validation

- 1) Selection Tool Test Item results CORRESPOND with On the Job Behavioral Indicators in the Performance Assessment

Training Validation

- 2) On the Job Mastery Level Behavior Indicators in the Performance Assessment INCREASE as a result of attending Trainings

Succession Planning



Challenge

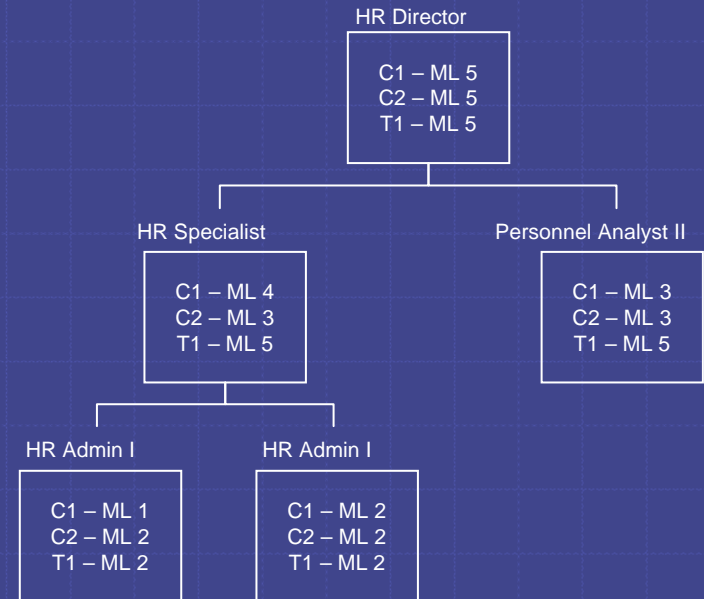
- How to track what competencies your current employee base possesses
- How to structure create and define succession plan (needs analysis in competencies, training, and certifications)

Succession Plan

- 1) Report of needs analysis of comps and MLs
- 2) Comps and MLs are tied to trainings and certifications

Results are:

- **HR Specialist needs**
 - **C1-ML4-ML5, which requires training A**
 - **C2-ML3-ML5, which requires training C and D**
- **PA II needs**
 - **C1-ML3-ML5, which requires training A and B**
 - **C2-ML3-ML5, which requires training C and D**



**** Competencies allow you to do true succession planning, above and beyond recruitment planning**

Recap

Criterion Validation

- ◆ Effectively identify selection tools and items are / are not good indicators of actual job performance (TI : BI)

** Employees do not need to know "how" to do criterion validation, they just run the reports and the statistics determine the validity results.

Training Effectiveness

- ◆ Accurately identify which agency trainings have a positive / negative / no impact on employee growth and competency enhancement (BI from performance Assessment : Train)

Succession Planning

- ◆ Quickly establish a succession plan detailing what competencies, trainings, and certificates are required for every employee to move to every position within the agency (i.e., a Clerk Typist I to become Director of Public Works and determine the path and timing of how they can get there)

Strategic Organizations

Recruitment, Selection/Testing, Validation, Planning = Strategic Organization



Results:

Time Effort Cost Service Satisfaction Retention

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