

Job/Role Competency Practices Survey Report

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The impact of linking job/role competencies to human resource systems increases over time. . . . Identifying results-oriented competencies requires the input of managers and job incumbents. . . .

Purpose

The objective of this study was to investigate how organizations identify and use job/role competencies and how their application affects organizational outcomes. The study, based on survey results from 292 members of the HR Benchmark Group, addressed the following areas:

- A general profile—percentage of organizations with defined job/role competencies, job levels for which competencies were first defined, the length of time organizations have used them, and usage differences across the globe.
- How organizations identify job/role competencies.
- Links to organizational systems.
- Value of job/role competencies.
- Bottom-line impact.
- Barriers.
- Job/Role competencies for success.

Types of Competencies

The word “competencies” is used in many contexts, with very different meanings. Basically, competencies fall into three categories or types:

1. Organizational competencies—unique factors that make an organization competitive.
2. Job/Role competencies—things an individual must demonstrate to be effective in a job, role, function, task, or duty, an organizational level, or in the entire organization.
3. Personal competencies—aspects of an individual that imply a level of skill, achievement, or output.¹

This survey, however, focuses only on job/role competencies, that is, how organizations use the competencies that are associated with a specific job or role.

¹Byham, W.C. (1996). Developing dimension-/competency-based human resource systems. Pittsburgh, PA: Development Dimensions International.

Definition and Coverage

Survey results revealed that competencies are relatively new to most organizations—two-thirds of the respondent organizations have been using competencies for five years or fewer. However, the information provided was compelling and revealed several trends.

Findings Overview

Priority in Defining Competencies

Organizations define competencies most comprehensively for first-level managers and least fully for senior-level managers. Nonmanagement employees typically are the first group for which competencies are defined.

Sources

- **Most widely used sources.** Eighty-five percent or more of respondent organizations rely on managers and job incumbents to provide data for identifying job/role competencies. They also rely heavily on human resource staff. And, in 70 percent of the organizations, senior leaders are involved in the identification process.
- **Multiple sources.** Organizations rely on an average of five separate sources for input and most (86%) collect data from three to seven sources to identify/define competencies.

Methods

- **Traditional job analysis.** Most organizations (80%) use interviews to collect competency data. They also use focus group discussions (68%) and surveys (61%). Many combine these methods to some degree, but only a small number rely extensively on all three.
- **Analysis of organizational values/objectives.** Nearly 75 percent of respondents rely on an analysis of their values/objectives for competency information, and 31 percent use it extensively.

Links to HR Systems

Organizations use job/role competencies, in varying degrees, to support one or more of their human resource systems. Competencies are critical as systems building blocks because they can be used to evaluate performance and guide actions.

Findings Overview

- **Competencies are prevalent.** Seventy-five percent of respondent organizations use job/role competencies to support selection and promotion and also use them equally to support training and development.
- **Performance management.** Sixty-five percent of respondents' performance management systems link to job/role competencies.
- **Planning activities.** Individual career planning and succession planning are well supported by job/role competencies in more than half the respondent organizations.

Value and Impact

Findings Overview

- **Job/Role competencies strengthen HR systems.** Organizations report positive impact in specific areas and outcomes when competencies supported corresponding human resource systems. For example, 91 percent reported improved processes for selecting and designing training programs when they supported training and development practices with competencies. In contrast, only 48 percent report such impact when associated practices are not supported by job competencies.
- **Supporting multiple HR systems with job/role competencies increases overall performance.** The following table illustrates the percentage of organizations reporting improvement in overall performance as a function of the number of HR systems supported by competencies.

Organizations Reporting Overall Improvement	Systems Supported by Competencies
30%	2 or fewer
57%	3
73%	4
84%	5
91%	6

- Competency impact increases over time.**
 - Many (67%) respondents reported job/role competencies to be at least moderately effective in improving overall organizational performance. However, only half that used competencies for less than a year report moderate or better effectiveness in improving overall performance.
 - For organizations using job/role competencies for 2 years or more, this percentage rises to more than 75 percent; 86 percent of those using competencies for more than 10 years report moderate or better improvement.
- Improvement differs across the globe.** A majority—92 percent—of Asian and Pacific Rim organizations reported moderate or better organizational improvement because they used competencies. This result is statistically higher than improvement reported by the other four regions (Canada, Europe, the United States, and Latin and South America).

Barriers

Findings Overview

Respondents rated each of eight potential barriers to the effective application of competencies.

- Time and cost.** More than half (54%) the organizations report that the time and expense associated with conducting comprehensive job analyses are barriers.

- Competency strategy.** Nearly half (41%) report lack of a strategy for using job/role competencies as a significant barrier, and fewer (38%) find linking competencies to other organizational strategies as a significant barrier.

Many organizations experience difficulty in creating a competency strategy. The process requires patience, planning, and a clear vision of where the organization is headed. But the benefits far outweigh the time and cost involved.

Competencies for Success

Findings Overview

Given a list of 16 competencies, respondents indicated 5 that are important to leaders' success and 5 important for associates' success.

- Balance = Success.** Respondents reported that successful leaders should focus on strategic decision making (66%) and that associates should emphasize customer focus (70%). Leaders also should focus on building teams and coaching; however, good interpersonal communication is critical to their success. Associates also should hone their initiative, continuous learning, and interactive skills, such as collaboration and communication.

Participant Profile

The study sample includes 292 organizations.

- The typical survey respondent is a human resource director or manager (54%) or vice president (24%).
- Most respondent organizations (78%) are from the United States. All regions of the country are well represented in the sample.
- The sample is dominated by manufacturing (31%) organizations, with a number of wholesale/retail/trade (15%) and health care (13%) organizations. Other industries also are represented, although not as extensively.

- In 1997 one-third of the organizations reported revenue in excess of \$1 billion.
- Organizations comprise mostly hourly employees (mean = 45%) and technical/professional employees (mean = 32%).
- Companies range in size from 147 to 379,000 employees with a median number of 4,755.

A Look Forward

Survey results revealed two keys to reaping the benefits of identifying and applying job/role competencies:

1. Support multiple HR systems with job/role competencies.
2. Exercise patience—increased impact and improvement come with time.

Findings assert that, across organizations of all sizes, industry types, and geographic regions, positive impact increased and organizational and specific outcomes improved as competency use increased.

Most organizations rely on traditional sources and job analysis methods for gathering data to identify competencies. Managers, job incumbents, and human resource staff provide information in interviews, focus groups, and surveys. This is the most accurate process for defining competencies, and organizations will continue to use it. However, the competencies identified in this process become even more effective when linked to the organizational/core competencies that senior leaders define.

Organizations use competencies primarily in the areas of selection, training and development, and performance management. But as they reap the benefits of basing these systems on competencies, companies will increasingly use competencies in other systems, such as career and succession planning. It makes good economic and strategic sense to use the already established competencies from assessment and evaluation to train, develop, and promote incumbents.

Organizations have the capability to clearly define competencies that are supported by management. But cost and lack of strategic application are potential barriers. However, the fact that few organizations define them as large barriers is encouraging. Competencies have little value without an established strategy for applying and aligning them with organizational objectives.

Leaders and non-leaders must be evaluated, selected, and developed against a balanced set of competencies. To do this, organizations increasingly are focusing on motivational, or “fit,” competencies to complement the more traditional behavior and knowledge competencies. Companies are realizing that they no longer can afford to focus only on technical ability or results-oriented skills. They need a complete picture to determine whether someone is right for the job or doing it well.

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