

Competence management: facts and fables

Ype Wijnia and John de Croon

22 March 2013

Anyone who is engaged in organisation development will sooner or later ask the question whether the current employees still are suitable for the job in future. That question may cover both numbers and skills. Take for example an average German premium car manufacturer (let's call them A, B and M). If the sales increases year after year (thanks to China) then the manufacturer is constantly working to increase production capacity. A part can be achieved by means of the improvement of the processes (simply stated by increasing the speed of the assembly line) but one may also have to build new factories. In that case new people need to work in this factory. But improvements can also deal with skills. In the past, field technicians were sent off with a paper work list for the coming week. If the schedule could not be met (or the work was running out of time) then the work was often exchanged with colleagues (there are companies known where almost the entire schedule went upside down) with the result that the management had no idea who performed which work. In modern times that of course is unacceptable and technicians are now working in a field office environment. Work is no longer issued for a whole week but the technician selects the work from a list. Of course someone must ensure that all work is conducted including the tedious tasks. But working in a field office requires a better trained technician of course.

Whether it is about new people for existing work, or new work for current staff, someone has to decide which skills the new employees should have. Normally this is specified in the qualification requirements of the job. If an organization has many different functions, it can be useful to define this in a permanent structure, so that the wheel does not have to be reinvented for every new function. One can choose for a layered structure. A function consists of one or more roles and to fulfil a role you need one or more skills. Thus, with a limited set of skills the qualification requirements for a multitude of functions can be described. This standardised description of skills is called a competency model, a very useful tool in the design of an organization¹.

As with any tool it can also be misused. In the case of the competence model this applies if an organization implements competence management. Let us be very clear about this. We have nothing against the use of qualification requirements for functions. When we eat somewhere it is highly desirable that the cook is properly trained in food hygiene and from the hairdresser you expect more than a flowerpot and a clipper. But when it comes to Personal Development Plans (PDP), development meetings between manager and employee and 360° evaluations then it starts to itch a little. If someone is not doing her or his job, then the manager should have a chat with that person. If someone gets a new job, then you need to provide training if required. If an employee has the ambition to make a career (and the organisation has confidence in the ability of that person) then a development path can be defined, with task extensions, job changes, education, training and ongoing assessments. But if the person works just fine and does not have the ambition to do something else, leave that person alone. Especially since the organisation often does not want professionals to do something else. If someone is forced in a PDP model, then it becomes a farce. On the job for which the person is hired, there can hardly be development. Of course the person can learn (no one is ever fully developed) but the specialized practitioner knows more on the subject than the competency manager and so the practitioner has no serious sparring partner in the preparation of development agreements. Often the really required skills are not even included in the competency model, or only little appreciation for real specialists is granted. Higher levels of competence are then the ability to manage people with the skill,

¹ We have ever solemnly resolved to connect the words useful words and competency model, but in this case, in this case it is simply true.

not being better in the skill. The other skills are hardly relevant. To capture develop agreements in the PDP can then only result in a negative review which has little benefit to the skilled person. You do not have to be very smart to understand this. Competence management seems to particularly useful for the competency manager and possibly for the training company which provides training to get the competencies up to standard.

A good example of this perversion can be found in the competency model for asset management which the IAM has issued. In itself it is good that there is such a model, because in the beginning of this century asset management competencies were 'terra incognita'. About 10 years ago we have therefore set up a model ourselves and also specifically applied this as part of an organisational design, but of course we are not specialists in this field. However, if apply the IAM model on the best asset managers, probably not a single one gets a reasonable score. So if you would embrace this model then you are only concerned with the achievement of diplomas and certificates to meet the qualification requirements and no longer with managing assets. That seems not entirely intentional.

The Framework consists of two documents:
Part 1 sets out Asset Management Competence requirements
Part 2 contains guidance on how to use the Framework



What ultimately matters is that people do their job well and they are flexible enough to adapt in case the work changes. Now it depends a bit on the type of work on how you measure it. With well-defined products the quality of the products can be measured, and in case of vaguer functions such as a consultant you just measure the sales or utilisation. If customers want to pay for the service, it will be good. One needs to focus on competencies (free to Mintzberg²) only if one of these two does not work, such as in science. The products cannot be specified (because not known beforehand) and customers do not exist, though you can use a proxy (someone who gets funds for research should be good). The fact that all certifications deal with processes (with product specification) and not on competences (although theoretically possible) is a further substantiation.

Finally a small anecdote to put the importance of the competency model into further perspective. At a German customer of ours, a competency model is not applied within the projects. People are staffed in project teams based on their function. In one of these teams there was an employee with a huge purpose. Some questioning about his hobbies (it is a kite surfer) showed that the person has swum in the past, and how! Several times German champion and winner of a silver medal at the Athens Olympics in 2004. Since such a performance demands total focus³ it is not strange that this feature is visible in his work as well. But to demand a qualification requirement that someone must have won an Olympic medal? It is better just to occasionally ask for the experiences and aspirations of the people. Together you will then come to a solution.

John de Croon and Ype Wijnia are partner at AssetResolutions BV, a company they co-founded. In turn, they give their vision on an aspect of asset management in a weekly column. The columns are published on the website of AssetResolutions, www.assetresolutions.nl/en/column

² Mintzberg: Structures in five: designing effective organisations. Englewood cliffs: Prentice Hall, 1983

³ During the study period in the pool for five days a week at 6 am, then to the university, then swim again, plus enjoy competitive swimming in the weekend.