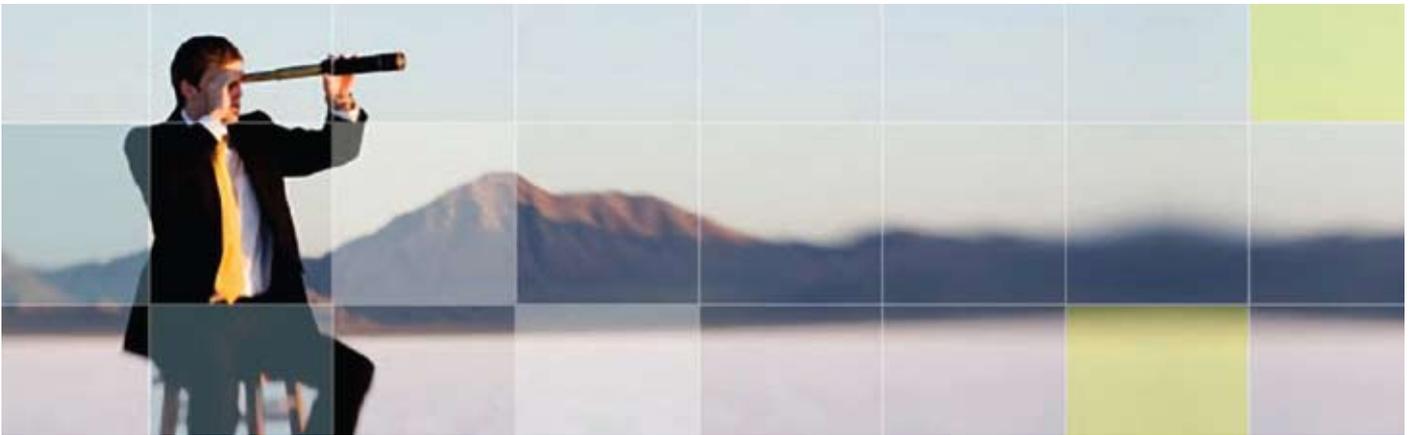
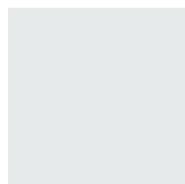


TALENT INSTITUTE



COMPETENCY FRAMEWORKS

The Foundation for Integrated Talent Management



THE BUSINESS CASE

A competency framework is at the core of human capital management. It translates the human capital requirements of the business strategy into clear behavioural terms.

As such the framework supports critical HR-processes, including:

- Recruitment and selection
- Learning and development
- Performance management
- Talent management
- Leadership development
- Succession management
- Career development
- Compensation management.

A competency framework integrates HR-processes and clearly articulates the behaviours that are necessary to achieve strategic business objectives.

In addition, a future-focused competency framework stimulates organisational change and growth.



THE BENEFITS

A competency framework has the following benefits:

- Reinforces corporate strategy, culture and vision
- Establishes expectations for performance excellence
- Increases the effectiveness of HR-processes (e.g. recruitment and selection)
- Provides a common framework and language for discussing how to implement and communicate key strategies
- Provides a common understanding of the scope and requirements of a specific role
- Provides more objective performance standards
- Provides a clear foundation for dialogue between managers and subordinates about performance and development.

TERMINOLOGY DEFINED

For organisations to succeed in today's competitive and complex environment, employees at all levels need to develop and demonstrate high performance competencies. That is, the personal capabilities, underlying characteristics and behaviours that contribute to successful job performance.

COMPETENCY

Competencies distinguish outstanding performers from average or mediocre performers. Simply put, competencies are:

- Behaviours some people carry out more effectively than others
- A combination of skills, abilities, knowledge and personal attributes
- Specific, observable and verifiable.

Competencies are context-bound. They answer the question 'What does superior performance look like in a specific setting?'

Examples of competencies include:

- Strategic Thinking
- Commercial Orientation
- Driving Continuous Improvement and Innovation
- Results Orientation (making things happen).



COMPETENCY FRAMEWORK

A carefully selected group of competencies for a specific organisation, which are distilled from the strategic business plan and interviews with senior decision makers.

BEHAVIOURAL INDICATORS

Each competency has a definition and a set of behavioural descriptors called behavioural indicators. These indicators describe, in behavioural terms, the actions required to demonstrate a particular competency.

PROGRESSIVE PERFORMANCE BENCHMARKS

These benchmarks allow organisations to evaluate employees against different performance benchmarks for the same set of competencies. Benchmarks differ in scope and impact by job level.

DESIGN OPTIONS

The design of a competency framework is driven by the needs and budget of the organisation.

The three primary methods for developing a competency framework for an organisation include:

BUY

There are several software vendors that provide standard online solutions that draw on fairly comprehensive competency dictionaries. These dictionaries are the result of extensive research over a period of time.

MAKE

This alternative involves the design of a new and unique framework for an organisation, a process that is resource-hungry, time consuming and expensive.

COPY AND TWEAK

This approach draws on several readily available competency frameworks and dictionaries, resulting in the selection of a set of competencies appropriate for a given context.



Research into competency models indicate that, irrespective of the chosen design-option, there is a significant overlap in the eventual outcome.

Stated differently, competency frameworks are fairly similar across organisations.

COMPETENCY REVIEW

Once designed, a competency framework is not cast in stone. It needs to be reviewed for continued relevance when there is a shift in business strategy.



DESIGNING A COMPETENCY FRAMEWORK - THE PROCESS

There are at least five steps to the design of a competency framework.

The process starts by focusing on the business strategy and the capability requirements of the chosen strategy. With this foundational understanding, it is necessary to probe the (desired) culture, values and specific challenges the organisation faces, and to translate successful strategy execution into behavioural terms or competencies.

Simply put, the process:

- Focuses on the business strategy (Where is the organisation headed?)
- Identifies specific business challenges
- Considers the (desired) culture and values
- Evaluates the associated capability requirements (What behaviours are required to successfully deliver the strategy?)
- Results in the design of a competency framework that supports strategy delivery.

The process includes:

- A strategy-analysis
- Interviews with executives
- Focus groups with senior leaders
- Use of benchmark data.



ABOUT THE TALENT INSTITUTE

The **Talent Institute** is a professional services firm that specialises in helping clients develop and implement talent strategies to more effectively manage the acquisition, deployment, development and retention of talent to support current business strategies and to prepare for future challenges.

Our focus is on *reducing people risk* in organisations - which ones to hire or promote and when - how to train and develop them to their fullest potential - and how to organise them and systems around them to maximise their collective potential. Our combination of psychological insights and real-world business experience removes the guesswork from making decisions about people.

Our team of psychologists and experienced management consultants offer proven solutions for hiring and promoting the best, identifying and developing extraordinary leaders, enhancing organisational capability and unleashing talent.

Our work is grounded in organisational psychology and the science of measuring and developing people and organisations.

A virtual management consultancy, we deliver services at any location preferred by the client.

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