

Competency Systems

I have seen quite many companies struggling with their global competency systems in China. Typical problems are "global" documents being too sophisticated, too conceptual, too vague. Many of the behavior descriptions sound foreign here. Usually weakly translated, sometimes not even translated at all into Chinese. So after "implementation", they quickly get forgotten, and everyone can happily get on with their business, until the next global initiative arrives.... I summarized my thoughts about Competency Systems in China, including the basic concepts and practical advises below. So first:

What are Competencies?

*Competencies are general descriptions of the **abilities** necessary to perform successfully in areas specified. Competency profiles synthesize **skills, knowledge, attitudes, personality traits and values**, and express performance requirements in **behavioral terms**....*

Why competency-based HR management is popular?

Business results depend on the activity of people – *what* are they doing and *how*. In a more professional term, it depends on the behavior of people. Competencies are definitions of the important behaviors that lead to high performance. They clearly spell out in details what is needed and expected from employees. The old management wisdom says, **you get what you measure**. A competency system is a list of important behaviors: things that employees **should do** and **will be accountable for**.

Competencies should play role in all HR activities:

- Recruitment and selection
- Performance measurement/appraisal
- Compensation and benefits
- Rewards and recognition
- Training needs analysis
- Training and development
- Succession/career path planning

What are the success factors of competency systems?

First, the competency system has to fit the organization. It needs to consider the industry, the development stage of the company, company culture and core competitive advantage, and it has to look into the future. In another word, it has to be **strategic**. That's where some companies got it wrong by copying something without a real customization process.

Because the Chinese environment is quickly changing, a successful competency model needs to **meet special Chinese conditions**. It has to be **concise, clear, intuitive**.

You get what you **measure**. Therefore the most important competencies need to be assessed, and adequate **assessment processes** should be designed. The assessment should be linked with **development** – this is a success factor and an important benefit in the same time.

A competency system is an important **communication** towards employees: they spell out what employees **should do and will be accountable for**. This communication should be effective, the wording of competency systems should be **clear, simple and powerful**.

And at last, but not at least, the competency system really should be put in use. It should pop up in Job Analysis, Recruitment, assessment, training, appraisal, etc. An **integrated approach** is needed which connects HR and line management activities, and aligns these management efforts with the business objectives.

Practical advices

- Have a real consulting process to develop or customize your competency system. Look deep into yourself and what you need to do by using interviews and focus group discussions.
- Don't start from scratch. Competency Modeling is a hard task, requires lot's of work, experience and special talent. Start with the global documents, previous systems, or turn to external consultants.
- Have people with successful competency modeling and competency system implementation experience in your team. A competency system is a brief document, but make it work is a complex and delicate task, which should not be underestimated!