

# Ensuring Alignment of Your Competency Models to the Business

Fall 2017 Newsletter

## Considering an Update to Your Organization's Competency Model?

Competencies are part of the mainstay of many organizations. However, if these are not managed and updated they become outdated, resulting in the loss of their impact on and relevance to the business and employees.

Creating a great strategy is easier than making it work. For the strategy to come alive, you need alignment.

FYI For Strategic Effectiveness

### WHY UPDATE?

In general, we recommend a review and refresh of your competency model(s) every 3 – 4 years. However, if your business goes through any type of significant change the model(s) should be reviewed to reflect that. These can be:

- ◆ Change in business and/or talent strategy
- ◆ Change in Leadership
- ◆ Organizational Restructuring
- ◆ Merger/Acquisition

As we know, the constant flux and evolving business world makes your business subject to uncertainty, change and in all probability more complex. Have you asked yourself as to whether your existing competency model(s) will help your business adapt?

We all know the benefits of competency modeling, e.g.:

- ◆ Greater **Alignment** with the business strategy
- ◆ Ability to **better manage talent** and build your bench strength
- ◆ Enabling the business to be more **agile**
- ◆ **Attracting and retaining talent**

### PERFORMING UPDATES

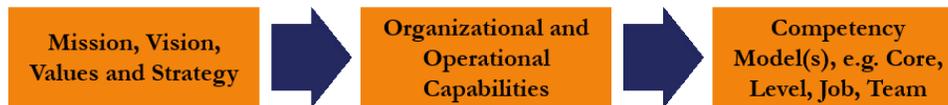
Many of you are already using the Korn Ferry Leadership Architect™ and Korn Ferry is releasing the new normative data which will help support you in undertaking a quick refresh of your competency model(s).

However, does your competency model(s) need a significant update, or are you at the beginning stages of undertaking a competency modeling initiative? If the answer to these questions is yes then we highly recommend taking a more strategic business centric approach.

Clearly understanding what the organization does well today and what it needs to do well in the future to achieve strategic goals is a critical key to success

## HOW TO ALIGN YOUR COMPETENCY MODEL WITH YOUR BUSINESS STRATEGY

A KFLA competency model is still the end-result, but is it always the best place to start? In our experience, by starting with the KFLA you are likely to identify the most commonly thought of competencies, **not necessarily those that will address the business objectives or differentiate it.**



With this experience, we recommend starting the whole process by using **Korn Ferry’s Strategic Effectiveness Architect® (SEA) with the Leadership team.** SEA is a research-based tool supported through a facilitated process. The **outcome is the identification of the mix of organizational capabilities and cultural attributes** that are **mission-critical to the success** of the enterprise and to the execution of the long term (3 – 5 years) business strategy.

“Research demonstrates a sustained and significant increase in ROI when talent management practices are linked to firm strategy and customer value. Using the right tools, organizations are in a better position to define strategic goals, assess organization capabilities and align expectations of the management team. The Strategic Effectiveness Architect® (SEA) provides the language for translating strategy into organizational capabilities, organizational capabilities into mission-critical talent competencies, and strategy and organizational capabilities into team requirements.”

Korn Ferry

From the identified organizational capabilities and cultural attributes, a **translation to the supporting KFLA competencies is made.** From this list of identified competencies your organization can establish an organizational core model and identify those competencies key to specific levels, roles, etc.

In our experience, **we have found the exercise sparks great conversation amongst a leadership team.** In many cases bringing up issues that the team has avoided or ignored in the past. Through the facilitated discussion, the organization can focus the conversation on what is really needed to **implement the business strategy and how that relates to the current and future talent needs.**

### WHY UNDERSTANDING ORGANIZATIONAL CAPABILITIES ADDS VALUE

This enables an organization to build alignment around its talent management systems and processes, **lacking this ultimately leads to behaviors and decisions that can destroy business value.** What alignment offers is:

- ◆ **Having and articulating a common language** for business strategies, key results, talent, high-potentials, high-performers and competencies (skills).
- ◆ A holistic perspective on organizational capabilities that facilitates **the integration of all systems that touch human capital** thereby improving the overall impact. For example:
  - **Competency models** – the critical **professional**, general business and technical skills need for success in a job.
  - **Selection** – the capabilities criteria for hiring, promotion, pipelines, succession
- ◆ Enabling managers to **link people development** to the organization’s business goals through competencies.

The bottom line is that companies that **integrate and align all components of their Human Resources** can see a substantial **increase in per employee market value.**

## WHAT WILL THIS DO FOR YOU?

By identifying the organizational capabilities and competencies that are mission-critical to current and future success, you understand:

- ◆ What we/you are good at today
- ◆ What we/you need to do to be good at today
- ◆ What we/you need to do to be good at tomorrow?

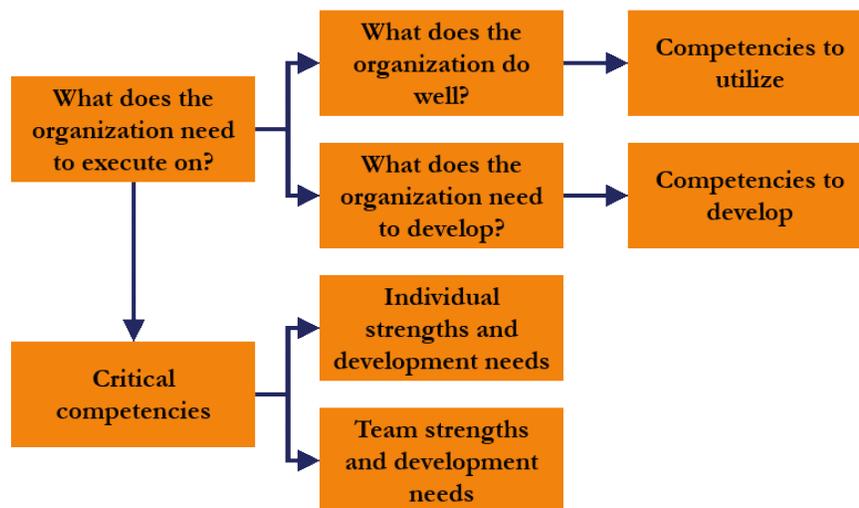
An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage

Jack Welch

This perspective can be extended to identify the mix of leaders and people required to execute the business strategy.

Understanding the organizational critical competencies:

- ◆ Provides a 'filtering' lens for identifying the critical job-related skills.
- ◆ Identifies gaps between the organization's current capabilities and those needed to be successful in the present and/or future.
- ◆ Assists in the creation of action plans to address the capability gaps – make/buy.



## WHAT TO DO IF YOU DON'T HAVE AN ORGANIZATIONAL COMPETENCY MODEL?

Let **BettSolutions LLC** help you in making this strategic talent management step. Our expertise and experience can guide you through this process...

**TO DISCUSS FURTHER, OR FOR ADDITIONAL INFORMATION/ASSISTANCE PLEASE CONTACT US AT:**

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