

## **Competency Management through OD Interventions**

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**Abstract:** *In today's competitive business environment efficient and effective Salesforce plays a paramount role in achieving the organisational goals and attaining sustainable growth. In this context the paper analyses the need for periodic OD interventions and competency mapping exercises for building competent salesforce within the organisation. This paper highlights the importance of competency mapping in project based organisations with special reference to Firepro Systems. Here the tools and methods used by Firepro in measuring competencies of its sales force are discussed in detail.*

**KeyWords:** *Competency, Competency Mapping, Functional Competency, Leadership Competency, Organisational Competency, Organisation Development, OD Intervention.*

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### **I. Introduction**

The legend and, the father of business consulting, Peter Drucker, made a very profound statement "Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business." So it is the favourable customer relationship which has been driving business organisations, especially in Business to Business context. Educating, inspiring and empowering salesforce is path way to achieve favorable customer relationship. Salesforce in all the business organisations play a vital role in implementing organisation's customer centric strategies. In view of increased competition due to globalisation and technological innovations, the organisations are moving towards transactional sales to relationship selling, delivering higher customer satisfaction.

The definition given by McClelland (1973) referred to competencies as "components of performance associated with "clusters of life outcomes" and Sparrow (1996) divided competencies into three categories: organisational competency, managerial competency, and individual competency. He defined individual competency as list of behavioural characteristics related to job tasks.

A competency model describes competency as combination of knowledge, skills and attributes needed for better-quality performance, and is integrated in the functions of HR, selection, training and development, succession planning and performance management. The model addresses two important aspects: what skills, knowledge and characteristics are required to do the job and what behaviour has the most direct impact on performance and success in the job.

The determinants of competency which can distinguish superior achievers from normal performers are motives, traits, self-concepts, attitudes or values, skills and abilities. In today's scenario of knowledge based service industry the organisations are concerned in maximising intangible assets like human resources & intellectual properties like patents, copy rights, trademarks, and brands and so on. This is one of the most important aspects contributing to competency or competitive advantage of organisations. Competency gap analysis helps in recording and harnessing competency of human resources. A good selling organisation facilitates or provides opportunities for sales team to enhance their competency for better performance. Competent sales force is more efficient in managing customers, is able to understand their requirements/concerns/problems and offer them better solutions thereby satisfying customers and bringing more business to the organisation. The training programs conducted to empower sales team increases their morale, confidence level, efficiency, and reduces attrition rate.

### **II. Literature Review**

Pursuing sustainable relationships with customers is one of the most important objectives for business organisation in B-B segment. Piercy, N. F., Cravens, D. W., & Lane, N. (2007) opined that strategic requirements and pressure from customer end have made it imperative for the organizations to focus on strengthening salesforce performance. Depending on the selling situation of company, the authors have recommended an approach to help executives in identifying control levels. And an approach to make comparisons of manager competencies in executing the recommended control activities. Having realized the importance of human resources in dynamic environment, organisations are working on mapping and harnessing competencies. Sanghi, S. (2009) brought out the importance of competent human resources in implementing organizational strategies effectively. An effective Human resources strategy should be prepared to map and

design competency model which will help to bring an orderly change. Propagating competency based leadership development Rice, J. A. (2006) pronounced strengthening and enhancement of modern leadership development can be done by relying on career mapping of teams and individuals within the team.

Rosenbaum, B. L. (2001) came out with Seven Emerging Sales Competencies model for successful business to business selling. The Seven Emerging Sales Competencies are engaging in self-appraisal and continuous learning, listening beyond product needs, orchestrating internal resources, aligning customer/supplier strategic objectives, establishing a vision of a committed customer/supplier relationship, understanding the financial impact of decisions, and consultative problem solving. According to Marshall, G.W., Goebel, D.J. and Moncrief, W.C (2003) the top ten success factors in selling are listening skills, follow-up skills, ability to adapt sales style from situation to situation, tenacity-sticking to the task, organisational skills, verbal communication skills, proficiency in interacting with people at all levels within an organisation, demonstrated ability to overcome objections, closing skills, and personal planning and time management skills. Training sale force requires innovative approaches for better result. Sherlock, P. M. (2002) proved that traditional training approaches which are isolated and one time affair used by most of organization were unsuccessful and hardly delivers any positive outcome and long term impact on sales team. Adding to the above research works Seong-Kook & Ji-Sook Hong (2005) suggested out of three dimensions of competency, motive & traits and self-concept have positive causal effect on employee performance. So companies should develop education and development programs for salespersons to build up their competencies. The organizational and function specific competency models are very essential for business organizations to have a competitive advantage in the current competitive scenario. Competency models are very useful for HR executives; Farah Naqvi (2009) opined the competency model and mapping are mainly useful for the three vital HR functions, i.e., recruitment, training and development. He also explained that there is resistance from the employees while introducing a competency model, as some employees perceive it as a threat to their careers; but involving the employees in designing the model eradicates their uneasiness. Similarly in specific to IT industry, Anne E. Lara (2009) recommended to IT companies that competency management is an effective tool in the development of all employees and this tool can be used during employee selection, performance appraisal, and succession planning and also suggested to conduct competency gap analysis every year to enhance the skills of employees.

The competency level varies at different stages of employees. Throwing light in this aspect Brian W. Lambert (2009) opined the competencies desired for entry-level positions mainly fall within nine curriculum areas determined to be sales process, performance, technology, relationship, risk management, influencing, customer, product and industry, and administrative. And competencies needed by entry-level salespeople in the services industry vary by type of organization. Based on the research work of Thomas Gilbert—"Human Competence: Engineering Worthy Performance," 1978 and 1996; Myette, M., & Lambert, B. (2010) found weight age of two factors influencing 'sales performance gaps.' Work environment factors contribute 75 percent and individual factors 25 percent.

#### **Need For Competency Management:**

The importance of nurturing a talented workforce cannot be understated. It enables every organisation to perform effectively today, while also preparing for future growth. All companies today realise the importance of nurturing a talented workforce. With it, everything is possible—the sky is the limit! Without it, companies will encounter numerous unsuccessful strategic efforts—one after another. Among the wide range of organisational processes related to retaining high-performing employees, corporate competencies have become a focal point, helping successful organizations understand where to focus resources such as incentives, coaching, and training programs. By clearly identifying the right competencies, organisations can make sure they are recruiting and managing talented people in the most strategic way, putting the right people in the right jobs with the abilities to perform at their maximum potential every day. In organisations utilising best practices, a small set of core leadership- and values-based competencies are established across the organisation. These competencies are broadly applied to all employees and send a powerful message, reflecting the company's culture, business strategy, expectations and unique market dynamics.

Measuring competency gaps within the organization and addressing them proactively allows the organisation to focus on the areas which impact most on its business performance such as employee engagement and retention, and overall profitability etc.

#### **Measuring Competency Gaps:**

Competency assessment is essential in the process of building an employee's career development plan. One of the critical elements of performance management is coaching people to develop the skills that may be holding them back from realizing success and eventually moving up the corporate ladder. This development planning process is traditionally tied to an assessment of the individual's skills gaps—assessed against specific competencies which the organisation believes are valuable. Individuals, managers and HR administrators can

each evaluate gaps against the current job or a potential position and devise development strategies accordingly. The assessment gives the employee a sense of what is necessary to perform at a higher level, and specifically, what skills and competencies are necessary to develop for success. The organization, in turn, gains a sense of the employee's fit and potential within the company as well as a clearer understanding of which competencies result in higher performance.

### **III. Types Of Competencies**

The various competency types used in performance management are: Organisational Competency, Leadership Competency and Functional Competency.

#### **Organisational Competencies (Core):**

The organisational competencies are based upon “the type of company one wants to be”—reflecting the type of people and behaviors that are valued. This type of core competency is often designed personally by the CEO and/or selects top executives. Organisational competencies are the unique factors that make an organization competitive. According to Prahalad and Hamel, organisational competencies (a) provide potential access to a wide variety of markets, (b) make a significant contribution to the perceived customer benefits

of the end product and (c) are difficult for competitors to imitate (Harvard Business Review, 1990, pp. 83–84). Authors in this area recommend that organisations focus their efforts on their organisational competencies and outsource other activities. Organisational competencies cannot be outsourced—no matter how much money is available—because they are fundamental to the organization and its success.

#### **Leadership Competencies:**

Leadership competencies are those which are used to assess an individual's ability and skills to be a leader or manager. These are usually a unique set of competencies only applied to people with a certain level or certain potential.

Some examples of competencies that may be included are:

- Execution
- Energy
- Strategic decision-making
- Communication

### **IV. Functional Competencies**

The third type of competencies used in performance management is functional competencies, or those that pertain to a particular job function. These competencies are rarely defined at an enterprise level, but rather are created at the department level since they often take the form of specific skills and are best managed at a group or functional level.

#### **Addressing Competency Gaps:**

Successful organizations focus on the competencies required for their industry at their level of maturity. When desired competencies are clearly articulated, employees can be expected to bear more responsibility for developing those competencies. One way this is done is by requiring employees to formulate development plans or goals that arise from competency-based performance reviews. The competency review process includes providing a clear and ongoing communication plan to all employees about what they are doing and why, with a focus on clear roles and accountabilities and alignment of their talent initiatives with systems such as rewards, recognition and compensation to drive results.

#### **Competency Management At Firpro Systems:**

Incorporated in 1992, Firepro Systems is a Panasonic Group Company which offers integrated solutions for fire protection, security and building management systems with a sales turnover of over Rs.1000 crores. In the year 2007 Firepro initiated a major OD (Organisation Development) intervention and competency mapping exercise and came out with eight organisational or core competencies which are common across the role holders and two functional competencies which are specific to the role, function and hierarchy level of the employee.

These are as follows:

##### **1. Competencies driving customer success:**

- a. **Establishing enduring customer relationships:** Proactively understanding customer's stated and underlying needs and acting on them to build enduring relationships.
  - Interacts regularly with customers, through personal visits and phone calls in addition to written communication

- Understands customers' business strategy and partners them in identifying their changing / future business needs to evolve reliable, innovative, customised new solutions to deliver customers' business goals.
  - Owns customer relationship completely and makes extraordinary efforts to meet customer commitments at all costs.
  - Gains customers' respect, trust and builds a long lasting bond with them
- b. **Ensuring quality and result excellence:** Setting high performance and quality standards, seizing opportunities, creating quality consciousness.
- Puts in time and effort to ensure work is done better than before
  - Appropriately balances quality of work with ability to meet deadlines
  - Tracks efficiency & quality indices and uses data to showcase results
  - Drives others to strive for quality & result excellence, influencing them to persevere when faced with obstacles
- c. **Evolving robust processes:** Using, improving, developing and managing processes for better performance and client satisfaction.
- Balances need to achieve results/keep customers happy with process orientation. Is not limited by defined processes.
  - Executes in a structured manner to ensure process efficiency and achievement of specified standards.
  - Utilises existing processes to achieve maximum resource utilisation, cost efficiencies and productivity.
  - Supports process improvements to meet varied and changing needs of business.
- 2. Competencies driving team success:**
- a. Creating winning teams; Thinking in terms of “we” rather than “I”, promoting a feeling of belonging and team spirit, standing in for team members.
- Shares information, experience, and knowledge
  - Participates in delivering team goals
  - Supports a climate of openness and trust; encourages positive resolution of conflicts.
  - Carries the team together to accomplish team goals.
  - Pitches in to assist/support others in fulfilling their responsibilities.
  - Collaborates with team members to ensure team output is far superior to individual output.
- b. **Developing people capability:** Developing self and others and building capability of the organisation.
- Enables the team to keep their knowledge / skills current in rapidly changing business environment.
  - Identifies development needs of self/team members and provides opportunities to develop their capabilities.
  - Learns and helps others learn from mistakes, hardships and failures.
  - Thinks long term and proactively ensures people with right skills and knowledge are available as business needs change.
- 3. Competencies driving organisation success**
- a. **Demonstrating organisation ownership:** Demonstrating complete ownership for organization and its business goals. Acts as a company ambassador
- Understands organization vision and goals
  - Aligns own activities to organisation objectives
  - Identifies & acts upon opportunities to increase profits, save costs, grow business & company reputation
  - Fiercely protective of company's assets and reputation. Sacrifices short term benefits for long term good of self, department and organization.
  - Takes hands on approach; willing to do routine work, owns mistakes of other departments/subordinates in front of customers etc.
- b. **Being a leader:** Being confident, leading and influencing others; communicating effectively.
- Provides direction to people working with him/her.
  - Is able to gain support of & influence peers, subordinates & leaders
  - Takes charge and drives others towards reaching objectives.
  - Communicates with clarity and conviction. Adept at using all communication tools as per the situation and creates positive results in all interactions.
  - Is willing to speak up to a group when they disagree with a decision etc.

- c. **Innovating:** Converting creative ideas into commercial/ tangible gains for the organisation.
  - Comes up with new, imaginative ideas; identifies fresh approaches.
  - Offers multiple solutions and recommendations to customers.
  - Generates and champions new ideas for fundamental change.
  - Selects and executes ideas that are feasible and hold promise.

**4. Competencies driving department success:**

- a. Domain expertise
- b. Two functional competencies

**Sales force functional competencies are:**

➤ **Selling Skills:**

- Communication skills
- Business acumen
- Time Management skills
- Computer skills
- Negotiation skills
- Presentation skills
- Product knowledge
- Selling skills
- Customer focused

➤ **Supervisory Skills:**

- Business plan implementation
- Developing people
- Leading and influencing
- Coaching and mentoring skills

In sales, some key sales competencies might be presentation skills, communication skills, and time management. The required competencies may vary between different sales jobs and hierarchy levels.

**Competency Level Descriptors:**

Each competency has a proficiency scale comprising of 5 levels. The levels enable all Firepro team members to plan their competency development. Level 1 is the starting level with Level 5 being the highest level for each competency. Each level has a definition, an explanation of the level, and examples of behaviours which validate the presence of the competency.

The behaviours for each competency are indicative and not exhaustive. Each competency scale is cumulative which means that each level builds upon the previous one: i.e. the level 1 behaviours are a pre-requisite for level 2 etc. and as one moves up the scale by adding effective behaviours to the existing ones. So though behaviors from lower levels are not mentioned at higher levels, they nonetheless apply.

Team members are expected to demonstrate specific levels of each competency as per the level of responsibility assigned to them.

All Firepro sales team members are periodically assessed on their competency levels in order to determine gaps in their competency levels vis-à-vis desired levels. Competency development plans are designed based on the assessment.

The five levels of competencies are as follows:

Level 1- Aware , Level 2 -Competent, Level 3- Specialist, Level 4- Champion, Level 5 -Thought Leader  
Here 1 is the lowest level and 5 is the highest level.

By using these competency level descriptors each sales person measures his competency levels and gives scores during self-assessment. Later his/her supervisor assesses the subordinate's competency levels and provides scores. After this the head of the department moderates these scores and gives the final rating on these competencies and sends the same to Human Resource Department.

The above scores coupled with the feedback on personal development plan and performance appraisal of the individual sales person will enable the Human Resource Manager to come out with the detailed training plan for the calendar year. Accordingly sales people are trained to enhance their organisational competencies

and functional competencies. This will become base for the career development plan and succession planning activities within the organisation.

## V. Conclusion

Ultimately, the organisation's core competencies will help to define and sustain its position and reputation in the industry. Measuring competency is critical for assessing any gaps that may exist between organisation's current workforce and the current and future needs. Competency assessments provide critical information for management to put in place the necessary training and development programs to cultivate sustainable talent pools for the future. Tying competency gap assessments to development programs are a win-win proposition; it provides organisations with a means of upgrading and retaining their valuable workforce, and employees recognise that development programs enhance their job security and prospects for career growth. The regular OD interventions and competency mapping exercises really helped Firepro in enhancing the employees' competency levels resulting in higher productivity levels and lower attrition rates. Within short span Firepro became market leader in Integrated Fire and safety Solutions and Building Management System domain.

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