

**COMPETENCE AS A MANAGEMENT PRACTICE IN
EUROPE AND NORTH AMERICA**

Jeffrey A. BERMAN, Ph.D.
10 Rogers St. #418
Cambridge, MA 02142 USA

Tel: (617) 494 – 1967
e-mail: 1) ipswich@banet.net
2) jeffrey.berman@salem.mass.edu

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Résumé

Il existe de nos jours un nouveau concept, celui de la compétence, qui permet la comparaison entre les tentatives faites aux Etats-Unis, en Grande-Bretagne, et en France afin d'améliorer la Gestion de Ressources Humaines. Dans ces pays, cependant, il y a des différences en ce qui concerne la manière de définir, de mesurer et d'appliquer la compétence dans la gestion des ressources humaines (GRH). La comparaison de programmes de développement au niveau des ressources humaines qui est basée sur la compétence, pourrait démontrer s'il existe une tendance internationale ou non dans l'utilisation de la compétence dans la GRH, ou si ces similitudes ne sont que paroles.

Mots clés: compétence – management – bilan des compétences – Etats-Unis – France – Royaume-Uni – qualifications professionnelles nationales

Abstract

At this time there is a concept, competence, which allows a comparison between attempts in the US, UK., and France to improve Human Resource Management (HRM). However, in these countries there are wide differences in the way competence is defined, measured, and applied to HRM. Since the impetus for competence based programs is so different, a comparison of competence based human resource development programs will yield insights into this concept.

Key words: competence – management – national vocational qualifications – United States – France – United Kingdom

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At this time there is a concept, competence, which allows a comparison between attempts in the US, UK, and France to improve Human Resource Management (HRM). However, in these countries there are wide differences in the way competence is defined, measured, and applied to HRM. A comparison of competence-based human resource development programs will reveal whether there is an international trend in the use of competence in HRM or whether the similarities are in name only.

DEFINITIONS OF COMPETENCE

The definition of managerial competence accepted by most HRM practitioners in the US was expressed by Richard Boyatzis in his 1982 book, *The Competent Manager*. He defined competence as any personal trait, characteristic, or skill which can be shown to be directly linked to effective or outstanding job performance. A more recent definition is provided by Spenser and Spenser (1994). They define competence as an underlying characteristic of an individual that is casually related to criterion referenced effective and/or superior performance in a job or situation. Another definition of competence is the US focuses specifically on managers. Sternberg and Wagner (1991) identify a trait they call tacit knowledge. Tacit knowledge is the technical term for street smarts, a talent for learning the kind of practical knowledge that can only be acquired through experience. It is said to be what one needs to know to get ahead that is not specifically taught.

A review of the definition of competence in France has been prepared by Grimand (1995). Based on a synthesis of the many definitions which have been proposed in France, Grimand proposes the following elements: *savoirs théoriques* (to understand, to interpret); *savoirs techniques* (to know what to do to obtain a specified result); *savoirs méthodologiques* (to take action effectively in an uncertain and complex situation); *savoir-faire pratiques* (to develop knowledge of how to do something in a specific activity); *savoir-faire sociaux* (interpersonal skills); and *savoir-faire cognitifs* (to know how to analyze information, to know how to evaluate an action and its consequences).

Le Boterf (1994) states that a competence goes beyond *savoir-faire*, because a person's knowledge alone is not sufficient to explain performance. To be competent, a person must be able to effectively use knowledge to solve a problem. In order to illuminate the many facets of competence, Le Boterf proposes the dynamic model. Some key aspects of the model are:

- The process by which knowledge is translated into action.
- The mental foundation of competence in which the following elements combine to produce action: cognitive representation of what needs to be done, self-image, utilization of knowledge, and utilization of *savoir-faire*.
- Performance results from the interaction of the personal characteristics of the individual and the conditions of the work situation (person-situation fit).

In the UK, competencies are operationalized in terms of National Vocational Qualifications (NVQ). NVQ are meant to represent best practices and to provide an assurance that qualified individuals are able to do what they need to be able to do in order to perform effectively in their jobs (Parsloe, 1992). NVQ are being developed for many occupations. For example, a program called the Management Charter Initiative (MCI) is seeking to develop competence models for British managers. The MCI was sparked off in 1987 by reports from two management gurus, John Constable and Charles Handy. They suggested that the UK had too few managers and those it did have were poorly trained. This provoked a rush from multinationals such as Shell UK, IBM, and BP to sign-up and pledge their commitment to better management training.

MCI defines competence as the ability to perform effectively. It considers competence is the outcome of using skills appropriately. Competence is the ability to perform the activities within an occupational area to the level of performance expected in employment. Competence is action, behavior, or outcome that can be demonstrated, observed and validly and objectively assessed; or demonstrable possession of underpinning knowledge or understanding. According to Carrington (1994), "MCI divides management into four key areas: operations, finance, people, and information. For each of these it has developed detailed

standards that can be broken down into units of competence and then into yet smaller elements. Having started with supervisors, MCI is now testing standards for senior managers and directors in the UK" (p. 17).

INITIATIVES IN EDUCATION

In the U.S. there is a competency movement in education. This is not a new idea. Competencies have long been used as an educational standard. What is new is the use of competencies in the area of higher education. A study by Evers, Rush, and Berdrow (1998) concerns the importance of competence as an outcome for all forms of higher education. Competencies are considered to be skills for lifelong learning and employability. A model is developed that contains general skills that higher education graduates need as a base supporting their specialist knowledge and skills. A book entitled The Bases of Competence by Frederick Evers, James Rush, and Iris Berdrow documents an extensive competency study of undergraduate students. The premise of the study is that all undergraduate students regardless of their field of study need employability skills. The four base competencies identified in this study are: managing self, communicating, managing people and tasks, and mobilizing innovation and change. A further breakdown of the competencies studied follows:

- Problem solving / analysis
- Decision making skills
- Planning and organizing
- Personal organization and time management
- Risk taking skills
- Oral communication
- Written communication
- Listening
- Interpersonal skills
- Managing conflict
- Leadership and influence
- Coordinating
- Creativity, innovation, change
- Ability to conceptualize
- Learning skills
- Personal strengths
- Technical skills
- Visioning

An important aspect of the study is that the competencies were measured quantitatively. Therefore, normative data for these competencies is available (summarized in the book's appendix. Research findings show that undergraduate students consider themselves to be deficient in many key competencies upon graduation. The study emphasizes the need to update curriculum to include training in competencies students need to succeed after their formal education is completed.

There are some notable examples of U.S. business schools that have adopted a competency-based curriculum. A competency model has been developed for students of management by the Management Department at Bentley College¹:

Essential Competencies for Management Majors

1. Personal, interpersonal and organizational competence
 - Self-awareness - understanding yourself, particularly your strengths/weaknesses

¹ <http://bnet.bentley.edu/dept/mg/management/>

- Self-confidence - belief in your ability to be successful
- Active learning skills
- Empathy
- Diagnostic assessment ability regarding interpersonal situations
- Ability to acknowledge and accept differences and work effectively with people of diverse backgrounds
- Negotiation/persuasion/conflict resolution skills
- Organizational skills
- Time management
- Ability to "take the heat" and respond effectively to criticism
- Ability to use technology effectively

2. The ability to work effectively in groups/teams as both leader and member; ability to work with and through others to accomplish tasks; ability to lead a group of diverse individuals to accomplish a project.

3. Ability to use both qualitative and quantitative data to diagnose a situation/problem, identify and evaluate the various courses of action, clearly state and persuasively present the results of an analysis, move toward a reasoned decision and then develop, implement and evaluate an action plan. Able to understand and evaluate the financial, quantitative and organizational implications of management decisions and actions.

4. Ability to think systemically, entrepreneurially, and strategically and to invent better ways of accomplishing an organization's purposes; can understand how to create a business that can gain and maintain success; can understand and explain a business plan.

5. Ability to integrate and apply learning to the real world, through internships and other field-based learning experiences such as student consulting teams, student businesses, site visits, attendance at on-campus speaker programs, etc. Ongoing learning through integration of local, business and world media.

At Babson College a competency assessment program has been initiated. The Babson External Assessment Program (BEAP) provides real world feedback to students from sources external to the faculty. Freshmen receive intensive assessment and feedback on their competencies from a range of sources. Key competencies assessed are: leadership, teamwork and creativity, numeracy, rhetoric, working in a global environment, and ethics and social responsibility. Assessment Center methodology is used to provide feedback to students on leadership, teamwork, decision making, oral communications, and listening. The competency assessment program is integrated with the curriculum. In the sophomore year, there is a self-assessment process as a follow-up to the initial assessment. In addition, the course curriculum has been revised to become more competency based.

An academic program based on the idea of competencies has been developed at the School of Business at Case Western Reserve University in Cleveland, OH. In this M.B.A. program, students are assessed at an early phase of their academic experience. They are then given feedback on their level in each competency, and suggestions are made for personal development during their time at the university. This assessment process is a part of the academic curriculum. It is operationalized by means of a required course which consists of assessment exercises and individual feedback. The feedback to students can be acted upon by the students in subsequent course work during the program. The assessment process and subsequent feedback to students is structured in terms of developing competencies. Relevant competencies are determined by subject matter experts. Students are encouraged to use the feedback they receive to improve their competence profile while they are in the academic program. A description of the program excerpted from the school's web site follows.

Since its inception in 1990, the Weatherhead School of Management's revolutionary competency-based MBA curriculum has been recognized by educators, practitioners and the media as one of the most innovative programs in the world. The Management Assessment and Development course is the cornerstone of the Weatherhead MBA Program, fostering educational partnerships that offer students an active role in developing the shape and character of their learning experience. As a result, Weatherhead MBA

graduates have entered the increasingly competitive management sector with a unique set of tools and insights to contribute value

to their organizations. The Weatherhead MBA curriculum offers students a unique four-stage Management Assessment and Development experience to develop and focus a dynamic learning strategy:

- Stage I: Assessment of individual abilities in critical management areas _ e.g., goal and action abilities, people management abilities, analytic reasoning abilities _ during the first semester of the MBA Program. With the assistance of trained facilitators, small groups of students learn to process and interpret documentation, exercises and feedback to determine their strengths and weaknesses in these areas.
- Stage II: Development of individualized learning plans at the end of the first semester to focus students' goals and maximize the resources of the School and the community to meet individual learning objectives. Following a series of workshops focused on processing feedback and developing presentation and communication skills, each student submits a learning plan and strategy to stimulate the process of self-directed learning.
- Stage III: Review and re-creation of the learning plan at the beginning of the student's last year in the MBA Program. The learning plan is a living document, requiring periodic review and adjustment. Reflecting on the knowledge and insights gained during the first year in the MBA Program as well as the skills developed through internships and mentor meetings, students reassess their career and personal goals and revise their learning plans to meet their individual developmental needs.
- Stage IV: Completion of an individual outcome assessment, at the end of the MBA Program, to evaluate skill and knowledge development and revisit the learning plan. In the outcome assessment, MBA students reassess their management abilities and knowledge areas and measure the progress they have made during their learning experience at the Weatherhead School. This documentation of individual strengths is applied to students' job search strategies and/or their postgraduate learning plans.

Weatherhead MBA Outcome Assessments have demonstrated marked improvement in students' critical management abilities between the point of entry into the MBA Program and graduation. Some areas of improvement are planning, efficiency orientation, use of technology, systems thinking, pattern recognition, self-confidence, empathy, and networking.

In the UK there is also an increased emphasis on competency in higher education. Many British universities have begun to include competency as part of the curriculum. Graham Hills, Vice-Chancellor of Strathclyde University, in an article printed in *The Guardian* (18 September 1990, p. 19), put forth the view that knowledge (in the sciences in particular) has a short self-life, and that we should re-evaluate its importance. The emphasis should go, instead, to the skills of "statement, assertion, argument, proof, application and communication, involving teams, case studies, work study and plenty of practice."

In France the Ecole Supérieure de Commerce de Montpellier includes competencies in the curriculum. Students are assessed by a consulting firm and feedback is given to them. The purpose of the assessment is to apprise students of their strengths and weaknesses in an effort to prepare them for internships and for employment.

INITIATIVES IN GOVERNMENT

On December 31, 1991 a national law was published on France which gave workers the right to receive a paid three day leave from their job to participate in a process called the bilan des compétences (BdC). According to Levy-Boyer (1993), the objective of this process is to respond to an individual's request for information about himself, a request motivated by a desire for candid feedback, and by the desire to manage his/her own career by exploring the competencies he/she possesses versus what is sought after by employers.

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In the U.S., there have been no national initiatives in the area of competency-based management. As is typical, the government is reluctant to engage in initiatives that are typically taken in the private sector. On the other hand, there are several management consulting firms that are actively engaged in promoting the concept. It is by this means that information and practical experience in competency-based human resource management is widely disseminated.

INITIATIVES IN INDUSTRY

In the US, there have been competence-based programs in business organizations for over 20 years. The assessment center method, skill based pay, and structured employment interviewing have been practiced by many organizations. Each of these methods has impressive scientific documentation of the impact of the program on performance outcomes. However, the increased emphasis on competence being tied to the strategic plans of organizations has spawned a new generation of competence-based human resource management programs. The most well known program is known as the 360 degree performance management (Edwards and Ewen, 1995). In this process, a person's performance is evaluated not only by the person to whom he/she directly reports but also by colleagues, peers, coworkers, and strategic business partners. The content of the evaluation is often directly tied to competencies identified as being the essence of the person's position. Feedback from this procedure is intended to stimulate the person to engage in developmental activities which will raise the level of competency. In some cases the results are tied to pay raise decisions.

Another area where competence has made a significant impact is the area of competence-based pay. In general competence-based pay systems are focused on non-managerial personnel.

An important human resource management function affected by the competence concept is employment interviewing. The competence approach to human resource management utilizes the behavior event interview as the means of collecting and evaluating information about job applicants. This refers to the practice of asking job candidates to document descriptions of their competence with actual incidents where they demonstrated it. Each job opening is studied to determine what competencies are required. Candidates' competencies are then matched up with requirements, and the most competent candidate is selected (Van Claijff, 1991). Perhaps the most dramatic application of the competence concept to management are the company-wide efforts. Some of these projects occur in green fields situations, such as a new manufacturing plant. Others occur in mature businesses which are seeking to align human resource management with their corporate strategic planning. An example of the green fields approach is provided by the Consumer Products Division of the Walt Disney Company. In this division rapid growth (from 200 to 20,000 employees and from \$100 million to \$2.5 billion in revenue) occasioned the decision to introduce a competence-based HRM system. In the Consumer Products Division, competence is defined as a constellation of knowledge, skills, and motivations clustered to provide a description of the complex job of managing and leading. HRM sub-systems have been developed based on this definition of competence. They include: structured interviews for employee selection; 360 degree performance management for performance evaluation; tie-in between performance management results and pay raises; assessment centers for employee development; and custom designed management training programs matrixed against strategic core competencies. Each of these sub-systems has been implemented, and the HR Director is planning to evaluate the competence-based practices to determine the impact of the competence model on organizational outcomes.

A French approach is a program called Gestion Prévisionnelle des Emplois et des Compétences (GPE) (Gilbert, 1994). This program has been associated with the restructuring of organizations in order to assure that the employees are competent to fulfill the organization's strategy.

In 1990, a labor accord, entitled A. Cap 2000, was signed by GESIM (Groupement des Entreprises Sidérurgiques et Minières, an association of steelmaking and mining business organizations) and four labor unions. As a result of this accord, the base salary of steelworkers will henceforth be a function of the sum of individual and collective competencies and knowledge.

Many British organizations such as British Petroleum (Greatrex, 1989), Cadbury Schweppes, Safeway (Crabb, 1991), Manchester Airport (Jackson, 1991), IBM (Summers, 1994) Perkins (Carrington, 1994) National Health Service (Wellman, 1994) Ocean Group (Conway, 1994) have actively embraced the NVQ and have implemented programs for the assessment and development of managerial competence.

An approach to the use of competence as a management standard is illustrated by Safeway, a food retailer (Crabb, 1991). In this case, assessment of a trainee's competence is made on the job by managers trained in assessment procedures. Trainees are expected to master 40 competencies which have been established on the basis of job analysis. Fourteen of these are specific to Safeway, and 26 are derived from the occupational standards. Trainees are given extensive classroom and on-the-job training in order to prepare them for competency assessment. After nine months in training, trainees are assessed. Successful trainees are then assigned to positions as assistant store managers. Based on their experience in the program, some trainees are routed into career paths that do not involve store management. The overall goal of the program is to identify long term potential before a person is placed in a managerial position.

CONCLUSIONS

While it is difficult to compare HRM in different societies, the concept of competence permits such a comparison. In the US at present, the concept of competence is at the center of attention in human resource management. The concept of strategic planning explains a large part of this phenomenon. A major problem in strategic planning is that once organizations have gone to great expense to develop a winning strategy, many times the failure is one of implementation. The organization lacks the human resources, the culture, or the structure and systems necessary to back-up the strategy. The elevation of competence as a priority in human resource management can be seen as an attempt to address this aspect of the dilemma of implementing strategy. Organizations are now aligning their human resource systems with their strategic plans. Competence profiles are the foundation for programs in staffing (internal/external), performance management, career development, succession planning, training and development, team formation/development, and human resource planning. As the result of this high level of activity there are the beginnings of a scientific record of the validity of the competence concept as a predictor of success in management. A related concept, the assessment center method, has already compiled an impressive scientific record. Management candidates who are rated highly in assessment centers are more likely to be promoted and will achieve higher rates of compensation than candidates who are rated low.

Another trend that has influenced the ascendance of competence is competition. As markets become more efficient competition intensifies. In many industries automation, downsizing, and globalization have already been used to meet competition. Often what remains is to make better use of human resources. Competence provides a performance-based standard that can become the center of a human resource management system. An important issue in this development is how managers should be judged competent. A key question is whether a useful definition of competence can be broad enough to include both managers and non-managers. The managerial job is one of the hardest to analyze. According to Thornton and Byham (1982, p. 95) "management jobs are complex, unstructured, and often ill-defined....some would argue that management is undefinable." With regard to the practice of leadership, Warren Bennis refers to it as "magic". The idea that the essence of management is inscrutable is a tradition in management education. In contrast to this tradition, are proven approaches which have been developed to predict managerial success and develop successful managers.

The French bilan des compétences is an admirable program which seeks to place competence at the center of attempts by workers and managers to develop their careers. However, the program has not been utilized to a large degree. On the other hand, the French attempts to develop pay for competence programs have been significant. In the steel industry, hard hit by global competition, employers and unions have gotten together to implement contracts based on pay for competence. Hence, the focus of these programs have been on the development of compensation plans for workers, and managers would typically be covered by different compensation programs. The idea of competence based HRM systems is now beginning to have an impact in France. Some organizations (e.g. Schneider SA) have instituted such programs. There is considerable discussion among HRM experts about how to move forward. For many, competence remains a cognitive concept. The emphasis is on what one knows. This reflects a movement away from the rigid job description to a flexible way of defining work in terms of acquired competence. There have been implantations of competence based programs in France, particularly in the domain of

competence based job classification systems linked to compensation systems. There are also many skeptics who think that qualifications should remain the dominant way managers are selected and developed. There are also researchers and practitioners who are implementing the concept of the management of competencies in France.

In the UK, the competence movement has taken on a national dimension. There is a movement to install competence as a standard in every British occupation. The strength of this approach is that the public awareness of competence as a managerial technique will be very high. In the UK management has been identified as an area where competence is necessary. The idea of certifying managers as competent across the entire economy of a country is quite powerful. There are still some unresolved issues in the UK approach. If the definition of competence is one of acceptable performance or adequate knowledge, there may be little room for a focus on excellence or superior performance. Furthermore, in the UK when people are certified competent, is there an attempt to determine whether their subsequent performance is competent? In addition, is there continued certification as a person advances in their career?

How do we summarize the usefulness of a comparative approach to competence programs? By focusing on the person-situation orientation of competence (e.g. the bilan des compétences), there is a possibility of developing contingency theories to account for its impact on performance effectiveness. By focusing on competence in terms of qualifications, the relevance of competence for training and management development is highlighted. By focusing on competence as excellent performance, the relevance of HRM to strategic planning is highlighted. By focusing national attention on the concept of competence, the goal of excellence in management is furthered.

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