

A COMPETENCY-BASED MODEL FOR MANAGERS IN PRACTICE

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Abstract:

Globalization of business during the past decades has led to the development of large firms expanding their activities across countries and continents. One of the main issues facing the development of multinational enterprises (MNEs) has always been to find the right balance between the local autonomy of the subsidiaries and the control of the corporate headquarters (Evans, Pucik & Barsoux, 2002). One answer to what often appears as a dilemma has been the development of managerial frameworks (competency-based leadership models) used by these MNEs to specify what are the expectations regarding their managers. The introduction of such an organizational practice has been investigated in a French MNE. Results show that managers must understand the rationale of the organizational practice that is proposed and introduced. Moreover, significant efforts should be put in the communication about the nature of the practice and in training on the use of the practice to facilitate its internalization by managers.

Key words: integration, competency-based model, multinational enterprise, adoption of an organizational practice

1. Introduction

Globalization of business during the past decades has led to the development of large firms expanding their activities across countries and continents. One of the main issues facing the development of global firms has always been to find the right balance between the local autonomy of the subsidiaries and the control of the corporate headquarters (Bartlett and Ghoshal, 1989). One answer to what often appears as a dilemma has been the development of managerial frameworks used by these global firms to specify what are the expectations regarding their managers. Depending upon the degree of centralization, these expectations could be very different up to very identical across countries and cultures. More recently, global and multinational firms have formalized these expectations through the development of competency-based leadership models (Morrison, 2000).

The objective of this paper is to understand this phenomenon of development and implementation of competency-based models for managers by multinational enterprises (MNE). There are as many variations of these models as companies implementing them but the recurring observation of the development of these models is intriguing, that is why the goal of this paper is to more specifically investigate the process of development of such models through the adoption of this specific organizational practice.

We have chosen to start with the description of the case of a French MNE, called here by the pseudo-name of Lemma for the sake of confidentiality. The Group Lemma has doubled its size in a few years with some major acquisitions that have brought significant changes in organizational culture leading this organization to launch its own competency-based leadership model in 2001.

The main research question here is to investigate how this MNE has introduced a new organizational practice (here the competency-based model for managers) primarily aimed to serve as a common reference across the organization in all businesses and countries as it was expanding mainly through acquisitions (Lunnan et al, 2005). Competency-based managerial models are referenced as competency-based leadership models in the Anglo-Saxon literature. We have chosen to use the same term in the article.

Other research questions of this paper are as follows: what competency-based leadership model has been introduced at Lemma; and how was it perceived by managers?

2. The Context of the Investigation: the Lemma Group

The strategy of the Group Lemma operating on every continent is to be a world-wide leader in each of its business line (division). In order to achieve this goal, the combination of two strategic directions was chosen: continuous growth targeting developing markets mainly and performance or competitiveness by cost reduction, optimization of purchases, amelioration of marketing forces, and the development of new products through innovations. The group Lemma has expanded rapidly over the past several years due to its growth-by-acquisition strategy. The company has recently doubled its size with important acquisitions mainly done in the Anglo Saxon world.

By choosing a decentralized organizational structure and therefore allowing a certain autonomy to managers in the different business lines and due to the fact that it is operating in a highly international environment, Lemma had to manage the issue of coordination with a very low level of integration (Lawrence and Lorsch, 1967). According to Evans, Pucik and Barsoux (2002), multinational organizations should however look for building co-ordination linkages across the units while introducing a decentralized structure, and, on the opposite, try to leave certain autonomy to units while introducing a centralized structure. The introduction of a competency-based leadership model is one of “strong sources of unification” of transnational organizations (Bartlett and Ghoshal, 1989, p. 175).

3. Theoretical Background

3.1. Competency-based models

The systems of competency management are based on the various models and approaches in different countries (Aubret et al., 2005). The widely accepted definition of the competency model used by managers of Anglo-Saxon countries is the set of desired competencies – skills, knowledge, attitudes, underlying characteristics or behavior – that differentiate effective performers from ineffective ones (Boyatzis, 1982; McLagan, 1996). The link between competency and performance is highly important. In general, the competency models concern the management population in Anglo-Saxon countries. In France, the targeted groups are employees of technical activities (Aubret et al., 2005). The debates in the French context relate to changes in job organization: management by competencies versus classification (ex. Zarifian, 1988). Thus, while the Anglo-Saxon world produces “behavioral” competency models for upper and middle managers, French human resources specialists generate “knowledge” and specific “know how” competencies for technicians and operators (Aubret et al., 2005).

Contrary to *a priori* conceptualization in North America, competency management in France has emerged from a series of experimentations in enterprises (Bouteiller and Gilbert, 2005). Some large organizations started to use competency management in the second half of the 1980s (Aubret et al., 2005). The scholars mention IBM France or Sollac as companies which launched competency management in 1985 and 1986 respectively. Until the beginning of the 1990s, the notion of “management of competencies” was used rarely in France (Bouteiller and Gilbert, 2005).

While some scholars distinguish French and American approaches to competency management (Aubret et al., 2005; Bouteiller and Gilbert, 2005), other researchers expand American conceptualization to Anglo-Saxon world. Thus, they compare the French way of thinking to that of Anglo-Saxon countries (Defelix et al., 2001).

3.1.1. Definition

A competency is defined as a specific skill, knowledge, attitude or characteristic which is necessary for an effective role performance (McLagan, 1996; Lucia and Lepsinger, 1999 cited in Emiliani, 2003). Dalton (1997) defines competencies as behaviors that distinguish effective performers from ineffective ones.

The definition of Spencer and Spencer (1993, p. 9) is as follows: *“a competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and / or superior performance in a job or situation.”*

Thus, the competency should be part of a person's personality to predict behavior and performance; in addition, the competency should predict a good or bad performance in relation to a specific criterion or standard.

According to Rothwell and Lindholm (1999, p. 97), *“over the past 25 years, competency modeling has evolved from a theory of personal performance to an approach focused on improving organizational performance.”* There is a strong belief (especially in American companies) in the link between competency and performance, personal and organizational. However, some scholars question the direct correlation between competency and performance (Emiliani, 2003; Hollenbeck and McCall, 2003).

Competency models describe desired competencies. Definitions of competencies may take different forms such as descriptions, analogies, examples, explanations (McLagan, 1996).

According to Emiliani (2003), competency categories used by companies are: leadership, analytical thinking, communication, decision making, building relationships, strategic planning, or emotional intelligence.

Competency management is considered to be a management fad by scholars. Paauwe and Boselie (2005) describe it as a real fashion across organizations; Dalton (1997) calls it a competency craze; Rothwell and Lindholm (1999) argue that competency models are becoming extremely popular not only in the USA, but all over the world. The fad perspective or neo-institutional approaches are the theoretical frameworks to analyze the rationale behind the introduction of the model in a French multinational company. Drawing “why” Lemma introduced the model is not the subject of the present article. That's why, we will focus only on the issues of the introduction and the development of the model and its perception by the Lemma's managers.

3.1.2. Classifications of competency models' approaches

Taking into account the current popularity of the competency approach, Briscoe and Hall (1999) have undertaken research aiming at the classification of competency approaches. The scholars studied how organizations develop competencies for their executives. They have found that the use of a competency framework for executives is a recent phenomenon. Briscoe and Hall (1999) explain this sudden popularity by competition pressures that push an organization to seek improving competitiveness by all means including executive performance. It is the development of a common language that is in the heart of the development of the executive competencies.

Briscoe and Hall (1999) argue that the currently existing competency approaches could be classified into three approaches: a research-based approach, a strategy-based approach, a values-based approach.

The research-based approach is based on behavioral research. Top managers considered as high performers are nominated by the executives. Then, the interviews with these managers are conducted to identify behavioral examples that demonstrate the key to their success. The aim of such “behavioral event interview” is to distinguish superior performance from just good performance. This approach is considered as the most rigorous approach grounded in actual behavior. It is considered as the most legitimate approach because it involves executives in the development process and therefore fosters acceptance of the competency framework. Generally, companies hire a consultant in order to facilitate the process of the competencies’ identification (Emiliani, 2003). The data obtained from the interviews conducted with top managers by the consultant is consolidated and then presented to the executive team for review and discussion. At the end of the process, after necessary changes, the final competency model typically contains 4 to 8 primary competencies, 12 to 24 secondary competencies, and 50 to 100 indicators (Emiliani, 2003).

While competencies developed using the research-based approach are driven by the behavior of high organizational performers in the past, the strategy-based competency approach places strategic direction of the organization at the center of the process. Therefore, future orientations are more important in this case. The scenario for the future should be done as accurately as possible for the competency framework to be efficient. This approach is used when current performers do not possess the skills and behavior needed for the future development of the organization. The advantage of this approach is its relevancy to organizational business. As the strategy-based approach focuses on the new skills learning, it can support organizational transformation.

If the competencies are based on cultural values of the organization, the approach is values-based. According to Briscoe and Hall (1999, p. 44), “*company values may provide stability and a consistent approach to conducting business, learning, meeting customer needs, and leading that is able to weather and even proactively shape trends in the business environment.*” The scholars emphasize the potential effectiveness of this approach, which can have a strong motivating power. Among the disadvantages of the values-based approach is a possible lack of rigor in the development process. Another important shortage is that it can be difficult to translate cultural values of the organization into actual behavior.

Three major approaches are the components of another classification of competency modeling proposed by Rothwell and Kazanas (1998) and reformulated later by Rothwell and Lindholm (1999).

The borrowed approach is based on the borrowing of an existing competency model from another organization. It is the least expensive approach and is easy to conduct as it does not require any methodology. Its main disadvantage is that it does not take into account the corporate culture of the organization. None of the external environmental conditions important for the organization is considered.

The borrowed-and-tailored approach is the borrowing of an existing competency model from another organization and modifying it to the corporate culture of the new organization. This method requires a minimalist methodology as another organization has already conducted the research to develop the model. Tailoring – modifying the model – could be sophisticated as well as extremely simple. It could include small scale interviewing or surveying members of a target group.

The basis of the tailored approach is developing a competency model appropriate to the organization. Evidently, it is the method that requires the most significant research in comparison to previous approaches. This approach serves to “*ensure legal defensibility*” (Rothwell and Lindholm, 1999, p. 97). The tailored approach is used when the competency-based model is aimed to serve as a basis for recruitment, evaluating performance, or promoting.

3.1.3. Advantages and limitations of competency models

Diffusion of common language is one of the most important advantages of competency management (Bouteiller and Gilbert, 2005). According to the scholars, it also enforces a certain standardization of the way in which employees describe and evaluate themselves.

Fulmer and Conger (2004, p. 11) provide an excellent summary of the benefits of using competency leadership models. They argue that competency models:

- Communicate clear expectations for roles and for levels of performance;
- Provide more valid planning data;
- Link development activities to goals;
- Provide guidelines for development;
- Protect the morale of people;
- Quantify performance management;
- Streamline HR activities;
- Provide a common framework;
- Communicate leadership development strategies.

A competency-based leadership model and its applications are helpful for executive development (Hollenbeck and McCall, 2003, p. 107): “*competency-based 360 degree feedback can provide direction to behavioral executive coaching than can improve the effectiveness of executives; training programs can teach, for example, steps that enable executives to handle the transition to a higher level effectively.*”

As was discussed above, the founders of competencies argued that by developing competencies one may get desired behaviors to achieve results (competencies are linked to performance). Hollenbeck and McCall (2003, p. 106) contest these relationships.

According to the scholars (Hollenbeck and McCall, 2003; Hollenbeck et al., 2006), the application of competency management to executive performance is the wrong way to develop leaders. The scholars refuse to see an executive as a sum of a set of competencies. *“The very nature of executive jobs (with the CEO’s the prime example) is that they can be done in myriad ways”* (Hollenbeck and McCall, 2003, p. 105). The researchers argue that competencies, behaviors, and results are loosely coupled in the case of executive development. Developing a competency model *“seldom garners much executive support where it really counts – getting the business results”* (Hollenbeck and McCall, 2003, p. 107).

Another important limitation of the competency models is that they are *“subject to interpretation and are not usually actionable”* (Emiliani, 2003, p. 908). The competencies are ambiguous; their definitions could be translated in various ways by different people.

3.2. Adoption of an organizational practice

Kostova and Roth (2002) argue that the adoption of organizational practices imposed by headquarters of multinational corporations by subsidiaries has two components: behavioral (actual implementation of the practice) and attitudinal (internalized belief in the value of the practice).

By “implementation”, the authors mean the external and objective behaviors and actions. It is *“the degree to which the recipient unit follows the formal rules implied by the practice”* (Kostova, 1999, p.313). In the notion of “internalization” there is a subjective implication: it is *“the state in which the employees at the recipient unit view the practice as valuable for the unit and become committed to the practice”* (Kostova and Roth, 2002, p.217). According to the scholars, the degree or “depth” to which practices are adopted by subsidiaries varies depending on their perception and interpretations of the practices imposed. Kostova (1999) defines the success of the transfer of an organizational practice as the degree to which it is institutionalized. According to the researcher, if a practice achieves a taken-for-granted status, one can speak about successful institutionalization process.

Ceremonial adoption is defined as *“a relatively high level of implementation accompanied by a low level of internalization”* (Kostova and Roth, 2002, p. 222). The researchers argue that ceremonial adoption could occur when, for example, an imposed practice is considered as a fad. As stated by the founders of new institutionalism, the formal or ceremonial adoption of organizational practices may take place if driven by legitimacy motives (Meyer and Rowan, 1977). For example, Westphal and Zajac (1994), in their paper on CEOs’ long-term incentive plans, find that the implementation of these plans does not guarantee their use in the case of many companies. The scholars demonstrated that the adoption of these plans may be partly or largely symbolic (Westphal and Zajac, 1994).

It is clear that the introduction of an organizational practice should be considered in the context of the organizational culture of the MNE and its environmental context. Kostova and Roth (2002) define them as the internal relational context in the organization and the external institutional context. Furthermore, according to the scholars, both the institutional

environment of the host country and the relational context within the MNE have a great deal of influence on the components of the adoption process: implementation and internalization (Lunnan et al, 2005).

4. Methodology

Thanks to a research agreement between the authors' university research center and the Group Lemma, the first author of this paper has been a part-time employee of Lemma during three years. The intense and prolonged contact with the everyday life of the Group allowed gaining a systemic overview of the organizational culture. Informal conversations, participation at organizational events, reading internal documents, and simply exercising work duties within human resources department of the Group permitted to capture "an inside" perception of the organizational and cultural changes by the company's employees. The position of the first author was close to the principles of "ethnomethodology" (Garfinkel, 1967) according to which the researcher is part of the organization under study.

The research design used in this paper has adopted the exploratory and descriptive single case study approach (Yin, 1993). The theoretical framework proposed serves as a guideline to explain some issues regarding introduction and the adoption of a competency-based leadership model. The investigation conducted at Lemma used the theoretical background described above not to validate some hypotheses according to a traditional deductive approach but rather to provide a general framework for this exploratory research, adopting an inductive approach, that is aimed at generating some propositions likely to be tested in future research works.

To investigate the process of introduction and adoption of the leadership model, 24 formal in-depth interviews with Lemma top managers were conducted. In addition, a questionnaire was then elaborated on the basis of these interviews and sent by intranet to 1,208 top managers of Lemma in May 2003. 278 responses were received, which corresponds to a rate of response of 23%. Among 278 managers 5% were not familiar with the Leadership Profile. Thus, the responses of the remaining 264 managers were analyzed (the rate of response is 22% = 264 respondents out of 1,208). Content analyses techniques (Miles and Huberman, 1994) and descriptive statistics were used to perform the data analysis. A number of advanced statistics are also performed in order to understand possible relationships between the responses and characteristics of managers: their nationality, seniority, country of work, etc. For this, Kruskal Wallis's non-parametric statistical test is chosen as it allows one to examine the differences between three or more independent groups (Evrard et al., 2000).

5. The competency-based leadership model at Lemma

5.1. The objectives of the competency-based leadership model

Lemma launched the project of a competency-based leadership model in 2000. The Group stressed the need to create a common language for leadership development. The main objectives were to improve business results through newly developed leaders' behaviour and to help managers' career development (Internal document of Lemma, 2000).

In April 2000, the manager of the project presented it to the General Human Resource Management Committee. Apart from the development of a common language for leadership development, which is considered as the most important objective of the model, it also aims to prepare competent successors for the future, to staff the expanding group, and to formalize the group expectations concerning leadership development (adapted from internal document, April, 2000).

The competency-based leadership model was developed at Lemma in order to:

- *“Develop the behaviour that impacts upon business results for the whole Group, according to our values.*
- *Provide executives with opportunities for growth in their current job, and in the future.”* (internal communication document “Leadership Development at Lemma”, October, 2001)

The guiding principles of the leadership model are consistency with the Lemma culture, strengthening cohesion, result orientation, and alignment with the Lemma way (internal communication document “Leadership Development at Lemma”, October, 2001).

5.2. History of the project

In the beginning of 2000, the Group’s top management started to develop a competency-based leadership model for Lemma leaders. The project was supervised by a new manager for Organization Development and Training of the Group appointed in 1999. By this new appointment executives of Lemma were looking for a person with an “international” (contrary to the French –“*Franco-French*”) profile (from the interview with HR Director of the Group).

The following strategic needs are respected when generating leadership competencies (adapted from internal document “Organization Capability”, April, 2000):

- International environment of the organization;
- Professional (Divisional) diversity;
- Strategic needs of the Group dictated by the changing market and industry specifics;
- Integrating the values of Lemma.

The first step in the development of the competency-based leadership model was to define the general approach to the leadership development. This approach was determined with the help of a well-known European university.

Second, the Lemma Group invited the consultants of one well-known consulting company in the framework of the competency model project. The project manager from Lemma together with the consultants developed the straw man of “Lemma Leader”. The construction of a “straw man” consisted of the identification of key leadership competencies based on the values shared by Lemma employees.

The process started with the analysis of internal documents of the organization. Various documents concerning leadership development were developed in different divisions of Lemma. Because the management was not willing to ignore and reject tools successfully working in different parts of the organization, these documents were also analyzed with the help of the consultants.

A generic set of seven competencies – the first draft rooted in the culture of Lemma – was the result of this step accomplished in the end of 2000. Each competency was followed by a general definition explaining its meaning. For each competency, there was a description of three stages which represent mastering levels inside a competency. The stages were conceived to help HR managers in the processes of identification of potential, recruitment, development, and others: each stage indicating a mastering level of competency facilitates the choice of managers in recruitment process, specifies the needs of managers' development, etc.

The next step was to conduct interviews with Lemma leaders to validate this first draft of the model. Interviews were conducted by the manager of the project and consultants. For this, 32 managers occupying key positions of the Group and well recognized in the organization were asked to give their opinion on the first draft of the model.

“We have conducted validation interviews with Lemma managers. Above all it was methodological validation. There is no credibility if we do not interview top management. These interviews are to preserve us from criticism and to make managers adhere to the project.” (Consultant)

Apart from the objectives to test, validate, and improve the straw man, there was an intention to look at real examples of leadership within the organization. Choosing managers from different divisions and of different nationalities the management wanted to achieve the objective of taking into account the Group's diversity.

Interviewees – Lemma top managers – were asked to give their opinion on the developed straw man: do leadership competencies correspond to the competencies desired from Lemma leaders?, what competencies do they propose?, what competencies are inadequate?, etc. Apart from critical assessment of the competencies in general and development stages (levels of expertise of each competency) in particular, managers were also invited to present examples of leadership at Lemma.

It is highly important to emphasize how competencies are defined by the consultants. In order to avoid any confusion, the consultants communicated a definition of competencies to interviewed Lemma managers. Competencies are defined as *“the knowledge, skills and behavior required for effective performance in a role”* where knowledge concerns the domains of engineering, HR, and marketing; skills – problem solving, communication, and analysis; behaviors – teamwork, leadership, and client orientation (Lemma internal document, 2000). It is highlighted that *“competencies are measurable, observable and can be developed”*. One can state that it is Anglo-Saxon conceptualization which is chosen for the definition of competencies.

5.3. The Lemma competency model

After the analysis of the interviews, a competency model with levels of expertise, tested against an organizational strategy and priorities and validated with group values, was put in the resulting document. This communication module defining the six competencies with different levels of expertise and target was developed in the beginning of 2001. It would be worth emphasizing that there are two versions of the model – English and French.

The resulting six competencies are competencies regarding the vision, leadership qualities, change management, result and customer orientations, and Lemma values.

The final document contains detailed definitions of each of the six competencies, a description of foundation level, two stages (levels of expertise) and the target level which represents the highest level of mastering leadership capabilities. Each stage is illustrated by 3 day-to-day business situation examples. An accompanying document clarifies the objectives of the tool development, its use, advantages, etc.

The definitions of stages of the competency vision are presented in the following table.

Table 11 : Stages of the competency Vision

Competency / Level	Foundation Level	Stage One	Stage Two	Target
Definition: <ul style="list-style-type: none">○ Understands the environment○ Has a clear sense for market, social, economic and technical trends○ Contributes to a coherent vision for the business and ensures that it is shared widely○ Develops strategies in order to turn personal vision into reality	Understand the business environment and takes it into account in his/her actions.	Knows the direct business environment, develops a vision and organizes his/her teams accordingly.	Influences the wider organization to ensure that the needs of the business are met.	Promotes his/her vision both inside and outside Lafarge.

Source: Internal Document of Lemma (2003)

Initially, this competency-based model was designed for the 700 top managers of Lemma. It was adapted for lower management level (about 1,700 managers) as an orientation tool. Human Resource managers of the corporate headquarters later proposed a tailored model for all corporate managers.

In the beginning of 2001, as soon as the communication module was developed, a series of workshops with the aim of introducing the model and its applications were launched.

One of the ways in which the project was communicated was to integrate the competency model into training programs of the Group: integration program for persons who join the organization, training programs for HR managers of the Group and many others present the key leadership competencies of the model.

According to the classification of competency approaches developed by Briscoe and Hall (1999), one could argue that the combination of two methods was used in order to identify the competencies of the Leadership Profile: the research-based and values-based approaches. Developing competencies on the basis of internal documents, validation interviews with exemplary Lemma leaders, willingness to keep traditional organizational values, all these characteristics of the process of the profile's development provided benefits from the advantages of different competency approaches. The scientific rigor of interviews gave the air of legitimacy to the model and made it possible to involve top managers in the development process. Using traditional Lemma values contributed to the reinforcement of the culture. Thus, a hybrid approach, the combination of the research- and values-based methods, used by Lemma to develop the Leadership Profile, made it possible to produce a beneficial competency framework.

Using another classification of competency modelling approaches, one could state that the tailored method (Rothwell and Kazanas, 1998; Rothwell and Lindholm, 1999, p. 99) was used for the development of the profile. The company intentionally chose to create its own competency model appropriate to the organizational culture and not to borrow a standard leadership model.

5.4. Applications of the competency model

According to the HR managers, the competency-based leadership model supports four HR processes: performance management, staffing, development, and recruitment.

The model is applied in the annual appraisal interview, the 360-degree feedback and the guide for leadership development. A regularly updated web site (e-learning tool accessible via intranet and internet) structured around the competencies of the model – provides useful readings on the leadership, its development, existing best practices, etc.

The competency model is also planned to be used for the purposes of recruitment, retention, personal development and training, and performance measures. These human resource functions also play an important role in the creation of integration capacities of the transnational organization (Bartlett and Ghoshal, 1989).

A leadership competency assessment grid is incorporated into the annual appraisal interview. The superiors are asked to rate their subordinates' leadership competencies using the model's definitions. Managers together with their superiors have to elaborate their individual

development plan in the end of the interview. An important role is given to the development of the leadership competencies required for the job profile and responsibilities.

360-degree feedback was developed on the basis of leadership competencies. And according to the gathered data, it was highly appreciated by the managers of Lemma. They especially appreciated the fact that the 360-degree feedback was not developed and conducted for their evaluation, but for their development.

The Development Guide for Managers presents “success stories” (*belles histoires*) that are aimed at introducing the six key competencies of leaders. These stories, based on real events at Lemma, provide examples of the remarkable implementation of different projects conducted by Lemma managers. The six managers considered as exemplary leaders were chosen to tell their stories related to the six competencies of the model.

Many researches emphasize the importance of stories in sense making. According to Weick (1995), one of the sources of an organization’s vulnerability is the loss of sense making. One of the elements in organizational sense making is a “past moment”. Lemma is an organization which values the past. One could say that the past experience is largely used in maintaining traditional values and therefore in the maintenance of sense making in the organization.

By putting real success stories in the Development Guide for Managers, Lemma aims to develop a positive attitude toward leadership competencies. As story telling facilitates the understanding of the new model, it creates managerial confidence. It is important to emphasize the enthusiasm of the interviewed managers for whom the fact of having their stories chosen was a sort of recognition from top management.

6. Managers' perceptions of the competency-based leadership model

6.1. Rationale behind the introduction of the competency-based leadership model

The majority of the interviewed managers perceive the leadership model as “*a natural need of the Group*”. There is no initial rejection of the idea which could harm the implementation of the organizational practice.

A positive perception of the model by the majority of managers, who consider it as “*the first attempt towards formalization*” (*HR Manager, Division 5*) and “*a good initiative to develop a common reference*” (*HR Manager, Division 5*), has a great influence on the adoption of the practice by the group managers.

“It is not important to create an excellent model. What is more important is to have a common approach, to share essential questions. Common language – this is a central question.” (Strategy Manager, Division 2)

According to the questionnaire data, a strong majority of respondents agreed that the leadership model was introduced to formalize and communicate the Group’s expectations from those in leadership positions. The respondents also agreed that the leadership model was

introduced to create a common language for the evaluation and the development of leadership competencies. This result is close to the conclusions of Briscoe and Hall (1999).

Moreover, the general acceptance of the leadership model's necessity allows us to argue the following proposition in line with previous research (Bartlett and Ghoshal, 1989; Kostova, 1999).

PROPOSITION 1: Rationale of a practice. An understanding of the need to introduce an organizational practice leads to the higher level of implementation and internalization of the practice.

6.2. Communication about the competency-based leadership model

One of the points criticized by the interviewed managers regards the way in which the competency-based leadership model has been communicated. Some managers complain about the way in which the model was developed and introduced.

“A very good paper was printed and distributed. There was no communication or training support.” (Country Manager, Division 1)

Lemma managers welcomed the idea of the model; however, they vigorously expressed their willingness to obtain much more information during the launch phase.

“It is a quick start without any preparation for managers.” (HR Manager, Division 3)

Looking at the introduction of the model through the framework of Lewin's (1958) three-step change model, one can state that the efforts put into minimizing barriers to change were not sufficient. According to Lewin (1958), top-down communication efforts do not provide successful implementation of changes: in order for people to support a change, they have to actively participate.

It is due to communication efforts by the human resources departments that Lemma managers learned about the project. About half of questionnaire respondents learned about the leadership model through workshops or meetings devoted to the communication of the subject and the Group's information letters. One third of managers received the information through the project's applications in the annual appraisal interview and different internal training programs. Below is a table that describes these statistics.

Table 2: How Lemma managers learned about the model

How did you learn about the competency-based leadership model?	Number	Percentage
Annual appraisal interview	84	32%
Informal conversations with colleagues	19	7%
Information letters (group communications – info online)	35	13%
Workshops or meetings devoted to the communication of the subject	99	38%
Other	25	9%
Non response	2	1%
Total	264	100%

The “other” category of this question contains the responses of new arrivals who learnt about the model through the integration programs and of managers who contributed to the development of the leadership profile.

As can be seen in the table below, 35% of respondents state that there was a lack of information received in the beginning of the launch process.

Table 3: “The information received on the leadership model was sufficient”

The information received on the leadership model was sufficient	Number	Percentage
Fully Disagree	12	5%
Disagree	80	30%
Agree	143	54%
Fully Agree	24	9%
Non response	5	2%
Total	264	100%

Thus, it was demonstrated that Lemma managers found that the information communicated on the competency-based leadership model is not sufficient and could be richer. This discussion leads to the formulation of the following proposition.

PROPOSITION 2 : Communication of a practice. A lower level of communication of a practice is associated with a lower level of its internalization.

6.3. Training about of the competency-based leadership model

According to the gathered data, the competency-based leadership model was not easy to understand for all managers. As argued by one of the interviewees, the precipitated introduction of the model entailed some problems:

“We introduced the model, but we did not train managers, we did not explain them how to use it.” (HR Manager, Division 3)

Some managers find the model too “academic” and complicated:

“The leadership model is too ‘verbalized’, with a lot of text and ‘blah-blah’. People need training to understand the main axes. Comprehension of it will not come about naturally. Maybe it is natural for HR managers who conceived it, but for others...” (Performance Manager, Division 2)

82% of the questionnaire respondents claim the need for training in order to understand how to use the leadership competencies. Training, the managers claim, is extremely important to bring coherent understanding of the competencies and their use in different applications. As stated by Emiliani (2003), one of the shortcomings of competency models is their ambiguity: they are subject to interpretation as expressed by the following manager:

“When you schematize, you became ambiguous. Therefore, you should explain in great detail. The leadership model is a framework that should initiate discussions.” (Strategy Manager, Division 2)

Even if the Lemma managers in their absolute majority perceived the practice well, one should not ignore certain complaints about it. The following comment by the questionnaire respondents demonstrates managers’ unease with the model.

“The model itself is OK. However, the descriptions are hard for most people to relate to and to translate into concrete behavioral descriptions.” (Comment from questionnaire)

This discussion leads to the elaboration of the following proposition in line with the findings of Kostova and Roth (2002).

PROPOSITION 3: Understanding of a practice. A lower understanding of a practice is associated with a lower level of its internalization.

6.4. Application issues

79% of the questionnaire respondents think that the competency-based leadership model brings more objectivity to the assessment of leadership competencies.

An interesting finding of this study is that despite the fact that the model was conceived as a common reference for leadership development and evaluation; the way in which competencies are rated is not the same across the businesses.

“Great care should be taken in comparing the evaluations as the bosses do not have the same way of grading.” (Comment from questionnaire)

“The rating system is completely confusing and not calibrated across the different businesses.” (Comment from questionnaire)

Some interviewed managers express their concern regarding the usefulness of the model for functional and lower managerial positions.

First, the applicability of the competency model to lower managerial positions is to be discussed. Initially, the target population of the leadership model was the top managers of Lemma. Later, in the introduction of the practice, the leadership competencies were included in the annual appraisal interview for the lower managerial positions. Certain managers support the use of the model in the annual appraisal interview for young managers claiming that it would be helpful for them in their career development.

“The introduction of the Leadership model into the annual appraisal interview makes it possible to sensitize young future managers to the practice and leadership requirements.” (HR Manager, Division 5)

However, there are managers who find it inappropriate to evaluate competencies that are not exercised by managers in certain positions.

“How can we evaluate the competency of ‘leading people’ for the experts or for the managers who have no team to lead?” (General Manager, Division 2)

The model was designed for senior managers who could be considered as international managers. And its application to lower management is not always welcome.

“The Leadership model was designed for the population of top managers who are not representative of the whole Group. And now, it is used for all managers...” (HR Manager, Division 5)

Another significant issue for the interviewed managers is its applicability to functional positions.

“The Leadership model is difficult to apply to certain positions. For example, positions where managers do not exercise leadership.” (General Manager, Division 2)

“The model is half appropriate for functional positions”: this comment from the questionnaire is widely supported by many Lemma managers. They claim that, for example, the competency “customer focus”, if a customer is considered as an external customer, is hardly

applicable to functional positions, or that the competency “driving for the results” is difficult to apply to finance managers.

Thus, it is concluded that the application of the competency-based leadership model to functional and lower positions is a significant issue for Lemma managers. This apprehension may influence the process of the model’s adoption by Lemma managers.

7. Conclusion

The positive perception of the competency model by Lemma managers and their understanding of the reasons for its introduction positively influence both its implementation and internalization (Kostova and Roth, 2002). The high level of the leadership model implementation influences the internalized belief in its value. In order to strengthen the internalized belief in the value of the competency model, it should be communicated as much as possible: better more than less. Another important point is that managers should be trained to better understand the model itself and its applications.

It is concluded that Lemma managers positively perceive the introduction of the competency-based leadership model. However, to be certain that it is not a ceremonial adoption, the model has to be completely institutionalized. Managers believe in the need for the practice; however, there is a certain doubt as to its value because of some difficulties in its application. As stated by Briscoe and Hall (1999), a competency model by itself has no value. Its applications make it useful. Spending a lot of time on the competency development could be a waste of time if there are no applications. Zarifian (2005) argues that the success or failure of “competence pace” depends largely on the engagement of the actors and the meaning they see in all its applications.

Managerial implications stemming from this experience is that while starting to implement an organizational practice, the management should be always aware of underlying important change mechanisms. First, company managers must understand the rationale behind an organizational practice. Second, significant efforts should be made to communicate the nature of the practice. In other words, managers should understand what is proposed and why in order to facilitate the adoption of the practice (Morrison, 2000).

How the practice is introduced plays a crucial role in its adoption. Again, one should not forget one of the important principles of change: direct involvement and the active participation of people minimize their resistance to change (Lewin, 1958). Moreover, training is important to explain the practice in order for this practice to be properly applied.

And, once the practice is introduced, management should not repeat the experience of many companies, which invest significant efforts and resources into the development of a leadership model and then almost abandon it (Briscoe and Hall, 1999).

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