

Competency modelling – Sales force perspective

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Introduction

Competency modelling, an approach originated 30 years ago, has become a mainstream practice in human resource management. Over that period, the methodology has evolved, partly in response to changes in organizations and the workplace, and partly in response to the needs of people using the competency models to address specific needs in organizations. Some of these insights are still relevant today and changes in organizations and the world of work have affected the present practice of competency modelling.

The First Competency Model

The first competency model was developed in the early 1970's by the eminent psychologist David McClelland and others at a fledgling consulting firm called McBer and Company. The U.S. Department of State was concerned about the selection of junior Foreign Service Information Officers, young diplomats who represent the United States in various countries. The traditional selection criteria, tests of academic aptitude and knowledge, did not predict effectiveness as a Foreign Service officer and were screening out too many minority candidates.

When asked to develop alternative methods of selection, McClelland and his colleagues decided that they needed to find out what characteristics differentiated outstanding performance in the position. They first identified contrasting samples of outstanding performers and average performers, by using nominations and ratings from bosses, peers, and clients. Next, the research team developed a method called the Behavioral Event Interview, in which interviewees were asked to provide detailed accounts, in short story form, of how they approached several critical work situations, both successful and unsuccessful. The interviewer used a non-leading probing strategy to find out what the interviewee did, said, and thought at key points within each situation. To analyze the data from the interviews, the researchers developed a sophisticated method of content analysis, to identify themes differentiating the outstanding performers from the average performers. The themes were organized into a small set of "competencies," which the researchers hypothesized were the determinants of superior performance in the job. The competencies included no obvious ones such as "Speed in Learning Political Networks"; the outstanding officers were able to quickly figure out who could influence key people and what each person's political interests were.

The Purpose

A competency model describes the particular combination of knowledge, skills, and characteristics needed to effectively perform a role in an organization and is used as a human resource tool for selection, training and development, appraisal and succession planning.

Sales personnel are crucial to attaining these business results by increasing revenue and profitability, whilst achieving individual career goals.

Competency models can be an effective means of communicating organizations such as business results and strategy to the sales workforce; including the skills on which to focus their own performance. The model provides a tool for determining gaps in the skills of the workforce and developing industry recognized training solutions.

Lepsinger & Lucia (1999) states that the implementation of a competency model into the company's selection system ensures that everyone involved in the hiring decision is working from the same criteria shown to be related to effective performance; in addition, when integrated into the performance system, would ensure that sales personnel would receive the necessary coaching and feedback on the behaviors and skills that have the strongest correlation to the success of the job, thereby achieving the overall business results and market strategy.

Developing a sales superstar is not done overnight. It takes knowledge resulting from proper training, motivation, practice and sales mentoring.

To implement competencies successfully in any organization requires certain criteria (Achieve Global, 2009):

- A Clear Vision by Management
- Compelling reason(s) for change presented to the whole organization
- Leaders must demonstrate commitment

WIIFM - What's In It for me, employees should be able to see their individual gains in the implementation

- Knowledge Skills – required to implement and sustain the program
- Processes – defined and in place to support and sustain the implementation
- Accountability by everyone in the organization starting from the top

Strategy and human resource planning linkage is affected by a number of influences, including environmental factors such as intense competition, which often requires productivity enhancements and workforce downsizing; and technological change which requires different employee skills and changes in the workforce composition. (Greer, 2001)

Competencies are probably most closely related to abilities, however, in our craft, the term ability normally means either the ability to do or a special talent; while competencies relate more to expertise and experience. Competencies can be thought of as the state or quality of being well qualified to perform a task, a person gains a competency through education, training, experience, or natural abilities (McClelland, D.C. 1973 and Northouse, Peter. 2004).

Competencies are context bound; they answer the question “What does a superior performer look like in a specific setting?” In other words, effective competencies are linked to a particular organizational target or goal. (Schooner, 2002)

Dugin (2006) states that many organizations have struggled with implementing and effectively using a competency based system. Understanding why this happened, learning from the challenges and failures of others, is an important part of ensuring future success.

National Strategy to Secure Cyberspace (2003) states that competency improves performance, manage organizational transformation and accelerate employee development. These are key objectives to an organization's ability to stay competitive in a constantly changing business environment. Over the past ten years, many companies and government agencies have addressed these needs in part, by implementing competency modeling programs, strategic initiatives aimed at aligning employee performance with job requirements. (p. 38.)

Human competence is the most important element, which leads to the success of any business, the organization has to make a “buy or make choice.” It is not possible to buy all talent externally; rather, organizations need to develop talent internally by ensuring that an employee holding a particular job position is equipped with the right kind of skills at a right time and cost. It is due to this reason that competency mapping has gained so much relevance in the present scenario. (Sonam Bhatia, 2009)

In a competency-based system there are difficult decisions that need to be made (explicitly and transparently) during selection and training, the relationship between skill acquisition and aptitude is important to consider in developing competency based training. In other contexts, aptitudes have been defined as any learner characteristic, which might have relevance to a learning outcome. (Tobias, 1987).

Selling based competencies

ZS Associates states that Customer access to high quality decision-making information, commoditization of products, and numerous sources of supply have combined to empower customers. Today customers are no longer willing to listen to the salesperson's description of how the marketing department defines value, actual sales competency is the ‘Act of communicating the Business Reason to Meet’ once you are given the opportunity to have a face-to-face or telephone conversation with your intended target prospect. (Jeff Hardesty, 2009).

With “make and sell” marketing becoming obsolete, successful sales and marketing now relies on learning and responding to customer needs. The role of sales has evolved from communicating a predefined value proposition, to working with the customer to create their own unique value proposition, yet most sales forces have not made this transition. To survive and prosper in this new environment, sales force management and personnel must recognize and accept that the customer — not the marketing department — defines the value proposition.

Sales is no longer about doing a good job of communicating features and benefits, It's about working with each customer to create value as defined by that same customer. In the current economic environment, clients are putting expenditures under the microscope. They want to know what they are getting for their money.

Competencies have stood the test of time - and are now the required approach for organizations seeking to integrate their HR practice with the strategic and operational needs of the organization. (Global Competency Development, 2009)

To defend prices, salespeople must be able to show customers how a company's products and services are going to deliver measurable dollars-and-cents benefit, in other words, salespeople must learn to speak the language of money. The good news is that calculating and communicating dollars-and-cents benefit is a learnable skill. (Channel Focus, Issue 29)

Success in business today evolves around understanding and addressing customer needs. Market-driven philosophies suggest that companies implement strategies focusing on customer value and satisfaction in order to develop the ongoing relationships needed to facilitate their long-term competitiveness. Value-added selling has materialized as a key response to increased customer focus (Manning and Reece 2006).

Value Based selling is a key strategy for addressing increased competition, more sophisticated buyers, and more value-propositions that additionally, are complex. The heightened importance of this capability is leading to an ongoing renaissance in sales that continues to elevate the status of the profession while simultaneously demanding new competencies. (Moorman & Tousi, 2009). Changing the way a large, dispersed sales team operates is difficult, quick implementation of a sales program like competency and assessment, and making it stick, is even harder.

Rather than relying on a central team of change leaders and rolling out a program in sequence, from area to area, the company adopted a phased “university approach,” which enabled it to launch the program in all areas simultaneously. (Leibowitz & Vonwiller, 2008).

Durgin (2006), of Human Capital Institute, mentions phase implementation by groups using two options – who needs it the most? And where is management the most supportive?

Schoonover (2002), studies of competency initiatives indicate that successful programs use more integrated approaches to competency implementation, provide tools and job aids to managers and team members and apply change management principles during rolling out (Schoonover, 1986, 1988, 1996). Others, such as Dubois (1993), also advocate for more systemic, comprehensive approaches to competency implementation.

Conclusion:

ZS Associates (2008), the alignment between the competency model and downstream drivers is characterized by a number of conditions. Some of the most important include the following: Expectations, hiring, training and coaching.

Durgin (2006), a successful company is one in which a high-performing workforce demonstrates the competencies necessary to drive business success and meet the organization’s strategic goals. Half of success is execution. This is particularly true of key human capital initiatives, such as competency management, the foundation for organizational performance management.

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