SHRM’s HR Competency Model: A Roadmap for Building Proficiency

Alexander Alonso, PhD, SPHR
• SHRM’s Efforts for Professionalism
• The HR Competencies Model
  – Research as a foundation
  – The Core 9
• Underscoring the Importance of Competencies for the Future
• The Future
• SHRM’s Commitment to YOU:
  – Advance the Profession
  – Serve the Profession

• Knowledge Development is one way we accomplish this.

• Examples:
  – Knowledge Center
  – Research
  – Academic Initiatives
  – Standards
  – Thought Leadership
**Latest Findings**

**The SHRM Leading Indicators of National Employment® (LINE®) Monthly Report**

<table>
<thead>
<tr>
<th>June 2012</th>
<th>Manufacturing</th>
<th>Services</th>
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<tr>
<td>Employment Expectations</td>
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<td>-0.2</td>
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<td>New-Hire Compensation</td>
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**New! The Ongoing Impact of the Recession—Federal Government**
About two-thirds (68%) of respondents from the federal government were hiring full-time staff in the fall of 2011, a decrease from 76% in 2010.

**New! The Ongoing Impact of the Recession—State and Local Government**
Three-quarters (75%) of respondents from state and local governments were hiring full-time staff in the fall of 2011, an increase from 60% in 2010. Of state and local governments that are currently hiring full-time staff, about one-third (34%) of respondents indicated that they are having difficulty recruiting for specific open jobs.

**New! The Ongoing Impact of the Recession—Finance Industry**
About three-quarters (74%) of respondents from the finance industry were hiring full-time staff in the fall of 2011, an increase from 60% in 2010. Of finance industry employers that are currently hiring full-time staff, about one-quarter (24%) of respondents indicated that they are having difficulty recruiting for specific open jobs.
SHRM’s State of Human Resource Education Study

January 20, 2012

2011 State of HR Education Final Report

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What is a Competency?

**Competency**: A collection of knowledge, skills, abilities, and other characteristics (KSAOs) that are needed for effective performance in the jobs in question (Campion et al., 2011).
MODEL DEVELOPMENT

- Literature Review
  - 35 different competency models

- Development
  - 111 Focus Groups
    - 29 cities globally
    - 1200 HR Professionals globally

- Survey of 640 CHROs

CONTENT VALIDATION

- 2012 Competency Validation Survey
  - 32,000 HR Professionals globally at all career levels (entry, mid, senior, executive)

- 33 Nations represented in total
• When you think of HR you think of *technical competencies*, including activities like:
  – Compensation
  – Talent Management – Recruitment and Selection
  – Training and Development
  – Employee relations
  – Employee engagement
  – Compliance

**Nuts and Bolts HR!**

– Larger companies have specialists who handle these areas and smaller companies have generalists who handle a variety of HR activities.
How much of HR is HR?

• When you think of HR you should also think of **behavioral** and **leadership** competencies:
  – Ethical Practice
  – Communication
  – Consultation
  – Critical Evaluation
  – Global & Cultural Effectiveness
  – Relationship Management
  – Organizational Leadership & Navigation
  – Business Acumen

*To be successful in HR and grow your career you need more than HR Technical Knowledge*

  – Regardless of the size organization you are in – you need all of these skills, developed over time, to be successful in HR
The Substance
Elements for HR Success

The HR Competency Model

KNOWLEDGE + BEHAVIOR = SUCCESS

- HR TECHNICAL EXPERTISE & PRACTICE
  - ORGANIZATIONAL LEADERSHIP & NAVIGATION
  - GLOBAL & CULTURAL EFFECTIVENESS
  - CRITICAL EVALUATION
  - BUSINESS ACUMEN
  - ETHICAL PRACTICE

- STRATEGIC BUSINESS MANAGEMENT
- WORKFORCE PLANNING & EMPLOYMENT
- HUMAN RESOURCE DEVELOPMENT
- TOTAL REWARDS
- EMPLOYEE & LABOR RELATIONS
- RISK MANAGEMENT
“The Core”
(HR Technical Expertise & Practice)

Definition:

The ability to apply the principles and practices of human resource management to contribute to the success of the business.

- 6 Core Bodies of Knowledge
- Additional area including technology
- They are currently conceptualized as:
  - Strategic Management
  - Workforce Planning and Employment
  - Human Resource Development
  - Total Rewards
  - Risk Management
  - HR Technology Knowledge
  - Employee & Labor Relations
  - CSR
Behavioral Competencies
(Competency Domain #2: Ethical Practice)

Definition:
The pervasive integration of integrity and accountability throughout all organizational and business practices

Sub-competencies:
• Rapport building
• Trust building
• Personal, professional, and behavioral integrity
• Professionalism
• Accountability seeking
Behavioral Competencies
(Competency Domain #3: Relationship Management)

Definition:

The art of developing and managing interactions with and between others with the specified aims of service and organizational success.

Sub-competencies:

• Social, face-to-face, and business Networking
• People management
• Integrity-based practice
• Advocacy
• Negotiation and conflict Management
Behavioral Competencies
(Competency Domain #4: Communication)

**Definition:**

The ability to communicate with purpose for all possible audiences

**Sub-competencies:**

- Persuasiveness
- Verbal communication skills
- Written communication skills
- Honesty
- Perceptual objectivity
- Active listening
- Effective feedback
Behavioral Competencies
(Competency Domain #5: Consultation)

Definition:
The art of providing direct guidance to organizational stakeholders seeking expert advice on a variety of situations or circumstances

Sub-competencies:
- Creativity
- Coaching
- Consulting (design, implementation, and evaluation)
- Analytic reasoning
- Problem-solving
- Multi-tasking
Behavioral Competencies
(Competency Domain #6: Global & Cultural Effectiveness)

Definition:
The art of managing human resource regardless of cultural differences both within and across borders.

Sub-competencies:
- Perspective taking / empathy
- Openness to experience
- Tolerance for ambiguity
- Embracing diversity & Inclusiveness
Behavioral Competencies
(Competency #7: Org. Leadership & Navigation)

Definition:
The ability to lead or maneuver initiatives and processes within the organization with great agility

Sub-competencies:
- Results orientation/goal-setting
- Resource management
- Product and project management
- Mission fostering
- Political savvy
Behavioral Competencies
(Competency Domain #8: Critical Evaluation)

Definition:
Skill in digesting large amounts of data and assessing the value to your work and organization

Sub-competencies:
• Measurement and Assessment Skills
• Objectivity
• Critical Thinking
• Curiosity and Inquisitiveness
• Study Design
Behavioral Competencies
(Competency Domain #9: Business Acumen)

Definition:
The ability to understand all business functions within the organization and industry

Sub-competencies:
- Strategic focus
- Business knowledge
- Systems thinking
- Economic awareness
- Effective administration
- Finance knowledge
- Marketing knowledge
- Operations knowledge
**Closer Look: Levels of Experience**

**Career Level/Years**

- **Entry (0-2)**
  - Specialist in a specific support function
  - Titles include, but not limited to, HR assistant, junior recruiter, or benefits clerk

- **Mid (3-7)**
  - Generalist or tenured specialist
  - Manages projects or programs
  - Titles include, but not limited to, HR manager, generalist, or tenured specialists

- **Senior (8-14)**
  - Very tenured generalist or specialist
  - Holds a formal title such as but not limited to, director or principal.

- **Executive (15 or more)**
  - Typically is the most tenured person in HR
  - Holds the top HR job in the organization or VP role.

**Career Levels**

- **Entry**
- **Mid**
- **Senior**
- **Executive**
Competency: Business Acumen

The ability to understand business functions and metrics within the organization and industry.

Career Level/Years

Executive
15 or more

Senior
8-14

Mid
3-7

Entry
0-2

Proficiencies:

Defines strategy for managing talent within the confines of the labor market and the business model

Creates an action plan for managing talent within the confines of the labor market

Implements strategy for managing talent across business lines as well as competitive market

Gathers, assembles, and reports HR metrics and labor market trends
Competency: Business Acumen

The ability to understand business functions and metrics within the organization and industry.

Career Level/Years

Executive 15 or more

Senior 8-14

Mid 3-7

Entry 0-2

Proficiencies:

Develops HR business strategies to drive key business results

Ensures all HR initiatives have ROI that adds to organizational value

Defines critical activities in terms of value added, impact, utility derived from cost-benefit analysis

Develops basic knowledge of HR Metrics
Competency Importance Ratings: Overall

- HR Technical Expertise and Practice
- Relationship Management
- Consultation
- Organizational Leadership and Navigation
- Communication
- Global and Cultural Effectiveness
- Ethical Practice
- Business Acumen
- Critical Evaluation
Competency Required Upon Entry Ratings: Overall

- HR Technical Expertise and Practice: 90%
- Relationship Management: 90%
- Consultation: 80%
- Organizational Leadership and Navigation: 70%
- Communication: 60%
- Global and Cultural Effectiveness: 50%
- Ethical Practice: 40%
- Business Acumen: 30%
- Critical Evaluation: 20%
Competency Importance by Organization Size

- HR Technical Expertise and Practice
- Relationship Management
- Consultation
- Organizational Leadership and Navigation
- Communication
- Global and Cultural Effectiveness
- Ethical Practice
- Business Acumen
- Critical Evaluation
Different Levels, Different responsibilities, Different needs

**Executive**
Develops HR strategy; Has a seat at the table

**Senior**
Operationalizes HR strategy; Translates strategy into a plan

**Mid**
Implements plan and contributes to the refinement of the plan

**Entry**
Carries out the plan at the transactional level
Entry Level

- Ethical Practice
- Communication
- Relationship Management
- HR Technical Expertise & Practice
- Business Acumen
- Critical Evaluation
- Consultation
- Global and Cultural Effectiveness
- Organizational Leadership and Navigation
Mid Level

- Ethical Practice: 2.64
- Relationship Management: 2.34
- Communication: 2.33
- HR Technical Expertise & Practice: 2.24
- Consultation: 2.07
- Business Acumen: 1.88
- Critical Evaluation: 1.84
- Organizational Leadership & Navigation: 1.73
- Global & Cultural Effectiveness: 1.69
Senior Level

- Ethical Practice
- HR Technical Expertise & Practice
- Relationship Management
- Communication
- Consultation
- Organizational Leadership & Navigation
- Business Acumen
- Critical Evaluation
- Global & Cultural Effectiveness

Senior
What Keeps YOU up at NIGHT?
Over the next 10 years, what do you think will be the three biggest challenges facing HR executives at your organization?

- Retaining and rewarding the best employees: 59% (2012), 51% (2010)
- Developing the next generation of corporate leaders: 52% (2012), 29% (2010)
- Creating a corporate culture that attracts the best employees to our organization: 44% (2012), 36% (2010)
- Remaining competitive in the talent marketplace: 34% (2012), 21% (2010)
- Finding employees with the increasingly specialized skills we need: 41% (2012), 33% (2010)
- Creating smooth and efficient HR processes that ensure a good employee experience: 20% (2012), 17% (2010)
- Finding the right employees in the right markets where we do business around the world: 33% (2012), 15% (2010)
- Creating an employee-centric, service-oriented HR organization: 13% (2012), 12% (2010)
- Breaking down cultural barriers that make it difficult to create a truly global company: 24% (2012), 11% (2010)
- Other: 6% (2012), 1% (2010)

Note: Percentages do not total 100% due to multiple response options. Respondents who answered “don’t know” were excluded from this analysis.
HR Competencies of the Future
Ten years from now, which of the following competencies do you see being most critical for the HR professional?

- Business Acumen: 42%
- Organizational Leadership and Navigation: 40%
- Relationship Management: 37%
- Communication: 35%
- Critical Evaluation: 30%
- HR Technical Expertise and Practice: 26%
- Consultation: 25%
- Ethical Practice: 21%
- Global and Cultural Effectiveness: 17%

Note: n = 472. Percentages do not total 100% due to multiple response options.
Ten years from now, when considering Business Acumen for HR professionals, which of the following components (i.e., sub-competencies) will be most critical?

- HR and Organizational Metrics/Analytics/Business Indicators: 45%
- Knowledge of Business Operations/Logistics: 41%
- Strategic Agility: 41%
- Business Knowledge: 28%
- Knowledge of Government and Regulatory Guidelines: 25%
- Knowledge of Finance and Accounting: 18%
- Economic Awareness: 17%
- Knowledge of Labor Markets: 17%
- Knowledge of Technology: 16%
- Systems Thinking: 14%
- Effective Administration: 11%
- Knowledge of Sales and Marketing: 6%
- Other: 1%

Note: n = 469. Percentages do not total 100% due to multiple response options.
Rate the importance of these bodies of knowledge for HR professionals 10 years from now.

<table>
<thead>
<tr>
<th>Body of Knowledge</th>
<th>Average Rating (0-10)</th>
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<tbody>
<tr>
<td>Strategic Business Management</td>
<td>8.8</td>
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<tr>
<td>Talent Management</td>
<td>8.6</td>
</tr>
<tr>
<td>Change Management</td>
<td>8.5</td>
</tr>
<tr>
<td>Workforce Planning and Employment</td>
<td>8.5</td>
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<tr>
<td>Compensation and Benefits</td>
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<td>Human Resource Development</td>
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<td>Employee and Labor Relations</td>
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<td>HR Technology</td>
<td>8.0</td>
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<tr>
<td>Risk Management</td>
<td>7.7</td>
</tr>
<tr>
<td>Global and International Human Resources</td>
<td>6.9</td>
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</tbody>
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Note: n = 446. Respondents rated each body of knowledge on a scale from 0 (not important) to 10 (very important).
The Future

- Outcomes
- Moderators

Criterion Validation

Future Context

Toolkit

Re-validation

- Personal
- Organizational

- 5 years from now
The Future Toolkit

- Organizational Assessment
- Behavioral Interview Questions Database
- Job Profiles/Descriptions
Questions?
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Web: www.shrm.org/competencies
Thank You!