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COMPETENCIES : A CASE STUDY OF ROYAL BANK FINANCIAL GROUP -
PERSONAL FINANCIAL SERVICES

Greta Linstead

A Thesis
in
The Department
of
Education

Presented in Partial Fulfilment of the Requirements
for the Degree of Master of Arts
in Educational Technology
at Concordia University
Montreal, Quebec, Canada

April, 1997

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ABSTRACT

Competencies : A Case Study of Royal Bank Financial Group - Personal Financial Services

Greta Linstead

Competencies, in both academic and professional fields, are currently of interest as a framework for human performance development. Personal Financial Services, a business unit within Royal Bank Financial Group, has turned to competencies as a tool for supporting its business strategies. With the assistance of The Hay Group, external consultants to Royal Bank Financial Group, this business unit has developed and begun implementation of competency models. These models draw from the McClelland/McBer job competence assessment methodology.

This thesis applies a qualitative research approach to determine whether or not the expectations for the initial implementation process of the competency models were fulfilled as intended. A secondary purpose is to determine if the competency supporting tools are being used by employees,

as planned, for personal development purposes at the time of this study.

This thesis therefore profiles the competency model development and initial implementation experiences of Personal Financial Services. It also examines the results of the initial implementation process to date upon a select group of branches.

The resulting analysis suggests a number of gaps between the results of the intended and actual initial implementation. Additionally, the analysis suggests that competency supporting tools are, in some cases, being used by branch employees for personal development purposes, and in other cases these same tools are being used for evaluative purposes. This study discusses these gaps, and advances recommendations, primarily in the areas of future research.

Acknowledgements

Key corporate contacts for such an undertaking are invaluable: I appreciate the support of both Ron McClure and Jim Gannon, of Royal Bank Financial Group.

I am grateful to the employees of Royal Bank Financial Group, Personal Financial Services, and the consultants of The Hay Group who graciously gave of their time and insights.

My sincere thanks to Dr. Gina Walker, my supervisor, Dr. Richard Schmid and Dr. Dennis Dicks, my thesis committee members, for their feedback and encouragement.

Dedication

To my loving husband,

Markus

For your constant support of, and respect for, such a
profoundly personal and professional goal.

To my loving parents,

Mary and Harold Linstead

For cultivating a love of learning and its capacity to enrich
and empower

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Introduction

In academic and corporate North America, and in areas around the world, there is a significant interest in the use of competencies. Competencies are being used primarily as a framework for human performance development having an impact upon all, or a combination, of the following areas: recruitment, assessment, placement, retention, promotion, performance management, training, succession planning, career pathing, and payroll.

Although companies have been using competencies with increasing frequency in the last decade, the concept of competencies is, in fact, not a new one. David McClelland conducted the seminal research in, and development of, competencies over twenty years ago; McClelland was, in part, influenced by Henry Murray's work over two decades prior to that (McClelland, Atkinson, Clark, & Lowell, 1953).

McClelland defines competency in the following way: "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" (Spencer & Spencer, 1993, p. 9). A competency model is a detailed, behaviourally specific description of the skills and traits that employees need to be effective in a job; skills and traits that are directly related to job outputs and that have clearly distinguished superior from average performance (Spencer & Spencer, 1993).

The process for defining and developing competencies will be discussed within the literature review section of this thesis. Figure 1, however, illustrates a sample competency, described as "Achievement Motivation". The opening paragraph of this competency description provides the definition of superior behaviour. The scales and descriptions following this definition indicate the progressive behavioural levels of the competency to be achieved or demonstrated.

The interest in competencies, particularly from a corporate perspective, may be attributable to their behavioural specificity and foundation in superior performance. This allows companies to "gather more accurate data about employee

Achievement Orientation

Desires to improve performance, do a task better (faster, more efficient, lower cost, etc.) by committing oneself to accomplishing challenging objectives, or competing against a self-defined standard of excellence. This standard of excellence may be one's own past performance (striving for improvement), an objective measure (results orientation), the performance of others (competitiveness), goals one has set, a unique accomplishment (an "entrepreneurial" new venture promoting a new product, service, procedure, etc.), or doing better than what anyone has ever done (innovation).

- 1 **No Standards of Excellence** : Shows no special concern with work, does only what is required (may be preoccupied by non-work concerns such as social life, status, hobbies, family, sports, friendships).

- 0 **Task Orientation** : Works hard but gives no evidence of a standard of excellence for work outputs.

- 1 **Implicit Standard of Excellence** : Tries to do the job well or right. May express frustration at waste or inefficiency (e.g., gripes about wasted time and wants to do better) but does not cause specific improvements.

- 2 **Standard of Excellence Set by Others** : Works to meet a standard set by management (e.g., manages to a budget, meets sales quotas).

- 3 **Creates Own Measures for Standard of Excellence** : Uses his/her own specific methods of measuring outcomes against a standard of excellence (not imposed by management); e.g., money spent, grades, outperforming others, time spent, scrap rates, beating the competition, etc.

- 4 **Improvement** : Makes specific changes in the system or in own work methods to improve performance (e.g., does something better, faster, at lower cost, more efficiently; improve quality, customer satisfaction, morale, revenues), without setting any specific goal.

Figure 1. Sample Competency, Achievement Orientation

Note. From Competency Methods (p. 21), by L. Spencer, D.C.

McClelland and S. Spencer, 1994.

New York: Hay McBer Research. Copyright 1994 by Hay McBer Research Press

- 5 **Goal Setting** : Sets and acts to reach specific, measurable, challenging goals for self or others (e.g., "to improve sales/quality/productivity by 15% in 6 months"). [Setting less precise goals, which do not meet the standards of "specific, measurable and challenging" scores as level 3] OR cites baseline performance compared with better performance at a later point in time : "When I took over, efficiency was 20% - now it is up to 85%."
- 6 **ROI/Cost Benefit Analyses** : Makes decisions, sets priorities or chooses goals on the basis of inputs and outputs; makes explicit considerations of potential profit, Return on Investment or cost-benefit analysis.
- 7 **Takes Calculated Entrepreneurial Risks** : Takes calculated entrepreneurial risks (commits significant resources, time in the face of uncertainty) to improve performance, try something new, reach a challenging goal (e.g., starts new products or services, takes on "turnaround" operations), and takes action to lower the risks involved.
- 8 **Persists in Entrepreneurial Efforts** : Takes numerous, sustained actions over time in the face of obstacles to reach entrepreneurial goal.

Figure 1. Sample Competency, Achievement Orientation
Note. From Competency Methods (p. 21), by L. Spencer, D.C.
McClelland and S. Spencer, 1994.

New York: Hay McBer Research. Copyright 1994 by Hay McBer Research Press

abilities and to make more accurate assessments, feedback, development and rewards possible" (Kochanski, 1996, p. 5).

The characteristics of the current corporate environment may also help to explain the increased interest in competencies. The current reality for many companies is a globally competitive business environment that is in a state of constant change. This constant state of change is due primarily to technology, and its revolutionary impact on a company's means of internal and external communication, research and development, and service to its customers.

Technology has provided relatively low cost, immediate access to capital, resources and global markets for many companies. The implementation of competencies is, for many firms, the performance framework that has the potential for a sustained competitive advantage in such a constantly changing environment (Gronhaug & Nordhaug, 1992; Prahalad & Hamel, 1993).

This state of change additionally, particularly in the last five to ten years, has been operating at a highly accelerated

pace. Continuous learning and a set of skills that can be used across any number of positions or functions in a firm thus become the linchpin in creating and keeping a responsive, seamless, innovative, in short successful, organisation as defined by the corporate customer (Beck, 1995; Hammer & Champy, 1993; Boyett & Boyett, 1995). These same skills also become critical in managing change itself (Clemmer, 1995). In other words, the greater and more comprehensive the skill set of the employee, the greater the ease in adapting not only to a continuously changing environment, but to a continuously changing job focus as well.

From an historical perspective, the evolution of the job and organisational development has come from a focus on job specific knowledge and the structure of an organisation to generic skill development based on outputs, e.g., products, services, programs (Beck, 1995; Campbell and Campbell, 1988; Clemmer, 1995). These generic skills can be used in a variety of jobs and across functions as customer and market needs and outputs change.

In the present environment of downsizing, the process of reducing the number of employees and other operating costs, individual competencies purportedly have the potential to cost effectively maintain or increase performance levels, helping firms to continue operating successfully through this downsizing transition (Kochanski, 1996; LeBleu & Sobkowiak, 1995). In the past, in the face of change a firm would potentially either have to 1) invest large amounts of training capital to ensure that employees developed the necessary knowledge and skill for a new job, or 2) ensure that the proper employees, with the required knowledge and skill, were hired. If a generic skill set, i.e., a set of competencies, is already in place, a firm has to ensure only that job knowledge is mastered, without adding people or other significant cost (Kochanski, 1996).

The rapidly changing, globally competitive environment described above is the same environment in which Royal Bank Financial Group is currently operating. In part because of this environment, Royal Bank Financial Group has begun applying the use of competencies.

Royal Bank Financial Group is among the largest integrated financial institutions in North America, based on number of employees, profits and assets. Royal Bank Financial Group provides a variety of financial services, such as mortgages, loans and investments, to both personal and business clients.

For the first time in Royal Bank Financial Group's over 125 year history, it is experiencing unparalleled, dramatic competitive challenges. In the past, competitors were represented simply by other "banks"; financial services were defined within a very narrow scope (e.g., bank accounts, term deposits, mortgages and loans). Financial services are now defined within a much broader scope. This scope includes not only the traditional services, such as bank accounts and term deposits, but now encompasses insurance, securities (e.g., stock market transactions), trust and estate services among many other services. This broader scope of financial services has been influenced by the evolution of customer needs. Customer needs have evolved from opening an account at the bank and purchasing insurance through their insurance company, to having all their financial needs satisfied in one place.

Traditional methods used to offer services to clients, i.e., through bank employees in a branch, have also changed. Employees may now travel to clients' homes and places of work; clients may do their banking on their home or work computer, and others may do their banking by telephone. Royal Bank Financial Group employees must be able to change profoundly and quickly in response to such changes.

To remain competitive, and to accommodate such rapid change, Royal Bank Financial Group, as with many other companies, has had to examine the effectiveness of its human resources, not only in the areas of how to provide services to clients more efficiently as described above, but in how many employees it currently retains and how it hires and trains employees. The implementation of competencies for Royal Bank Financial Group is part of this examination of its overall human resource effectiveness and competitiveness.

An organisational framework is provided in the following two figures. Figure 2 illustrates the structure of Royal Bank Financial Group and the services that each part of that group

provides. Figure 3 illustrates the organisational structure, or organisational chart, of Royal Bank Financial Group. Royal Bank Financial Group is organised by function or operational contribution (e.g., human resources); by business or type of product and service provided (e.g., personal financial services); and by geography (e.g., atlantic district). These units variously report to a group of six individuals or chairmen. Personal Financial Services, or Personal Banking Services, are the focus of this research.

Figure 4 illustrates the structure of Personal Financial Services. Figure 5 illustrates the two main branch structures, or main outlets for personal client services, that form one of the bases of data collection for this case study research.

The customer focus of Personal Financial Services is the personal client, rather than a business entity, for example, and that client's relationship with Royal Bank Financial Group in terms of the products and services provided. Some of these products include mortgages, personal loans, bank accounts and investments. One of the ways in which these

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products are provided to the client is by way of the branch, as illustrated in Figure 5; other means, as mentioned earlier, are by way of telephone and computer.

Personal Financial Services is the second business unit within Royal Bank Financial Group to use competencies. Personal Financial Services has done so to support their strategic direction towards a culture of sales and continuous learning. The structure illustrated in Figure 4 represents the senior management group of Personal Financial Services. This group is responsible for the overall strategic development of this business unit. The Senior Vice President of Sales in this structure was responsible for the introduction of competencies into Personal Financial Services. A competency project manager was appointed from Royal Bank Financial Group to co-ordinate the process of developing competency models, designing training and supporting tools, and communicating competencies to the population of Personal Financial Services.

ROYAL BANK FINANCIAL GROUP STRUCTURE

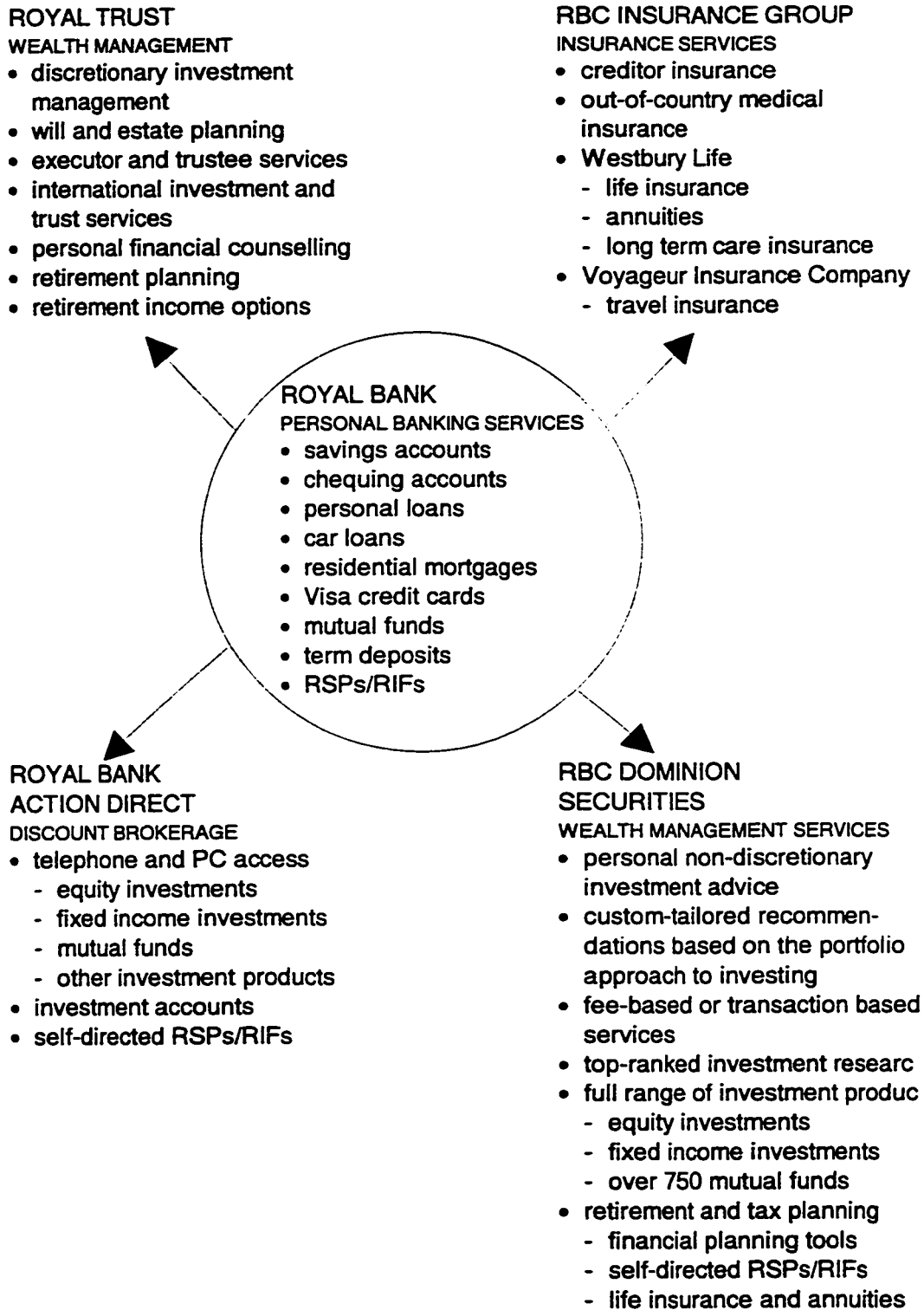


Figure 2. Royal Bank Financial Group Structure and Services
Copyright 1996 by Royal Bank Financial Group

GROUP ORGANIZATION

Effective October, 1996

Group Office	Chairman & CEO	Vice Chairman & CFO	Vice Chairman	Vice Chairman Chairman & CEO RBC DS	Vice Chairman	Vice Chairman
Business Units		President & CEO RBC Insurance Holdings	President & CEO Royal Bank Action Direct Inc. President & CEO Royal Mut. Funds Inc. President & CEO Royal Trust	EVP, Multinational Banking President & COO RBC DS	SVP, F.I. & Trade	EVP, Business Banking SVP, Card Services & Point of Sale EVP, Personal Financial Services
Functional Units	SVP, Corporate Affairs SVP & Corp. Secretary EVP, Human Resources Ombudsman (SVP) EVP, Risk Management Head, Strat. Develop.	EVP, Corporate Treasury SVP, Finance SVP, Internal Audit SVP, Law	EVP, O&SD SVP, Real Estate Ops. EVP, S&T		EVP, Strategic Investments	
Geographic Units		SVP&GM, Europe SVP&GM, Bus. Bkg - Quebec SVP&GM, Retail Bkg - Quebec	SVP&GM, Atlantic SVP&GM, Ontario VP Bahamas&Cayman VP Barbados & Caribbean		SVP & GM, Asia SVP&GM, USA VP&GM, Latin America/Mexico	SVP&GM, Alberta SVP&GM, BC&Yukon SVP&GM, Manitoba SVP&GM, Metro Toronto SVP&GM, Saskatchewan
Committees	Chairman, Group Office Chairman, Group Risk Committee		Chairman, Wealth Management Committee Chairman, Business Services Committee	Chairman, Corporate & Investment Banking Committee	Chairman, Asia Advisory Committee Chairman, Strategic Investments Committee	Chairman, Personal & Commercial Market Committee

Figure 3. Royal Bank Financial Group Organizational Chart
Copyright 1996 by Royal Bank Financial Group

PERSONAL FINANCIAL SERVICES - STRUCTURE

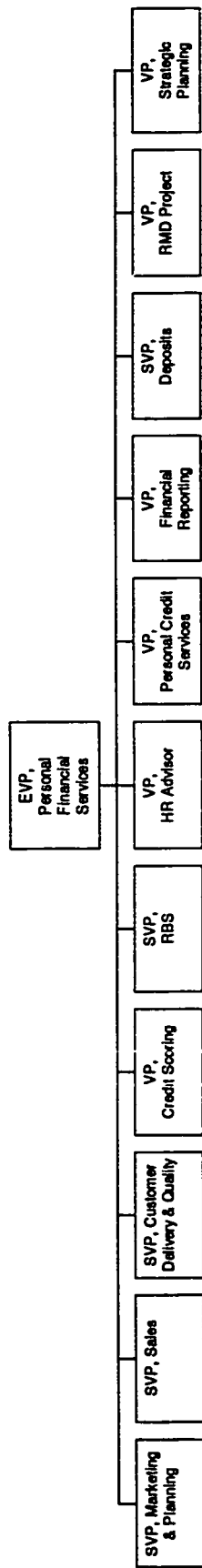


Figure 4. Personal Financial Services Organization Chart

Copyright 1996 by Royal Bank Financial Group

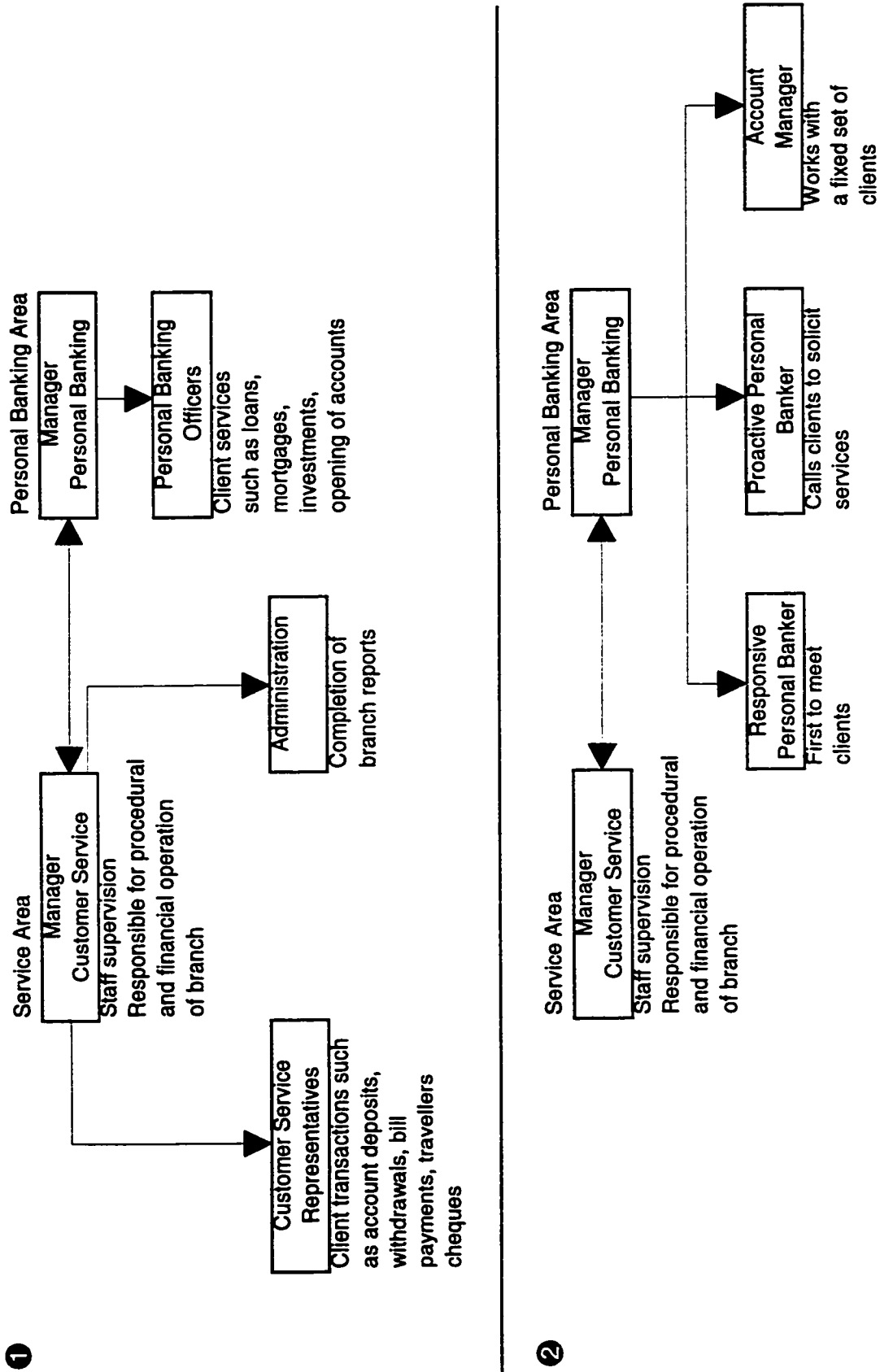


Figure 5. Selected branch structures, Personal Financial Services.
Copyright 1996 by Royal Bank Financial Group

Personal Financial Services, as with any other business unit in Royal Bank Financial Group, made the decision as to what consultant they would use to guide their development and use of competencies within the business. The financing of this consulting partnership was the responsibility of the business. Personal Financial Services chose The Hay Group as their consultant, of which David McClelland is currently the chairman, to develop competency models for key positions within Personal Financial Services.

The Hay Group is a human resource consulting firm that operates world-wide, with a client base that is in excess of 7,000 clients. The Hay Group, when compared to other consulting firms who are involved in competency development, is the dominant firm in terms of number of clients, diversity of industry involvement, and data base of competency models and applications (American Compensation Association Research Project, 1996). It is one of the most integrated consulting firms in terms of the human resource areas in which it consults: planning and development (e.g., selection, assessment, succession planning, performance management, personal development), organisational design, employee and customer surveys, culture studies, strategic implementation,

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compensation planning, benefits planning, compensation surveys and databases, and communication.

Personal Financial Services chose The Hay Group because of Hay's long history in competency development, and for elements of Hay's competency methodology that will be discussed at greater length in the literature review and results sections.

Whether or not it is the performance framework that will contribute to a company's strategic and competitive success, competencies have filled a need for many organizations including Royal Bank Financial Group - Personal Financial Services. Within the context of this widespread interest in the use of competencies, a case study is undertaken to examine the experience of one company's development and application of competencies, that of Royal Bank Financial Group - Personal Financial Services.

The following is a description of the layout of this report. In the literature, there appears to be "no standard format for reporting case study research" (Merriam, 1988, p. 193). Guidelines, therefore, are used from Lincoln and Guba (1985),

and Patton (1980). For each guideline, the applicable sections of this case study report are indicated.

1. The "Research Question" section of this study will discuss the problem which gave rise to this study.
2. The "Context" section of this study provides a thorough description of the context of the setting within which this inquiry took place and with which this inquiry was concerned.
3. Both the "Methodology" and "Results" sections of this study provide a thorough description of the transactions or processes observed in that context. The "Methodology" section also explains the appropriateness of the research methods selected, as well as design and sampling decisions. The credibility of the findings is also examined in the "Methodology" section.
4. The "Results" section of this study provides a discussion of the key elements of this inquiry that are studied in depth. This section presents an analysis of the data collected. This section does not, in all cases, observe a standard publication format (e.g., long quotations are not indented). The reason for this was to use a reporting style that supports the narrative format of this case study.

5. In the "Discussion, Conclusions and Recommendations" section, the outcomes of the inquiry which may most usefully be thought of as the 'lessons to be learned' from this study are discussed.

Research Question

Given the recent corporate applications of competencies within a human resources context, this thesis presents a case study to describe one business unit's initial implementation of competencies, that of Royal Bank Financial Group - Personal Financial Services.

A comprehensive review of the literature around The Hay Group's competency modelling approach will first be conducted to provide the foundation for a case study involving Royal Bank Financial Group - Personal Financial Services. Personal Financial Services has selected The Hay Group as consultant for their competency modelling and implementation.

Once this literature framework is established, the theoretical perspective will then turn to a qualitative research approach, within the framework of a needs assessment.

The purpose of this needs assessment framework is to determine whether or not the expectations of the initial

implementation process were fulfilled as intended and, as a secondary purpose, to determine if competency models and supporting tools were being used, as expected, for personal development purposes at the time of this study.

This thesis takes the form of a descriptive case study. This case study will describe:

1. The context within which the competency models were developed.
2. The actual development of the competency models.
3. The initial implementation of those competency models and supporting tools.
4. The results of the initial implementation, particularly at the branch level.

Context

In 1994, the McKinsey Human Resources Consulting Group was asked by Royal Bank Financial Group to do a complete review of their human resource function. The human resource structures and policies that were in place had evolved incrementally over time, but as discussed earlier, the marketplace and Royal Bank Financial Group's relationship with its customers, and the corporate environment and Royal Bank Financial Group's relationship with its employees, were rapidly changing. Royal Bank Financial Group needed to know the most effective way to restructure its human resource function and, simultaneously, its relationship with its employees in light of these changes.

Inside Royal Bank Financial Group, consistent with what was happening in an increasingly competitive environment around them, significant changes were occurring in order to remain competitive:

1. Downsizing: in order to reduce costs, the number of employees overall was reduced through incentive programs and early retirement.

2. With downsizing came the gradual erosion of the long held, and reinforced, idea that there was lifetime employment at Royal Bank Financial Group.

3. Benefit programs for employees, such as rate reductions on personal loans and mortgages, and "no cost" banking had been significantly reduced or eliminated.

4. The results of recent employee attitude surveys indicated that the bank needed to deal more directly with employees not performing to expectations, and to focus on superior performers through reward, recognition and compensation rather than only by way of promotion to a higher level position.

Once the review of human resources had been completed by the McKinsey Group, and in consideration of the above mentioned changes, a plan of action was developed from these findings. This plan of action confirmed a number of changes, and the message to all employees was:

1. Better alignment of performance and measurement of employees to performance and measurement of the different businesses within Royal Bank Financial Group.
2. Move more accountability for people management to line management, managers in branches and other units,

from the human resource function, as it had traditionally been.

3. Establish management of people as a "non-negotiable" for all supervisors. In the past, the effective management of employees was not implicitly or explicitly rewarded, nor were managers held accountable for this management.

4. Give employees the tools and learning opportunities they need to take charge of their own career development.

5. Do a better job of identifying and developing leaders. (Workplace 2000 Guide, 1995, p. 4)

This message began the development of a new relationship between Royal Bank Financial Group and its employees, and was explained at greater length within an initiative entitled, "Workplace 2000".

The message of "Workplace 2000", communicated to all employees through memorandum and information sessions, was first introduced to employees with an explanation of what had characterised the "past" relationship between Royal Bank Financial Group and its employees.

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The traditional relationship was:

If you do what you're told, are loyal, stay for your full career, and don't change the status quo, then Royal Bank Financial Group will create a good work environment, provide job security, take care of your major financial needs, tell you what you need to know, and guide your career development and you'll be part of a safe, steady organisation, like working here, work steadily, and accept what you're entitled to.

(Workplace 2000 Guide, 1995, p. 14)

In Personal Financial Services in the past, as in other areas of the bank, the focus of development for the employee was the manager. The manager alone would determine what training an employee required, when and if the next promotion occurred, and what salary increases an employee could look forward to. An employee's career, in other words, was planned by their manager. The manager prepared an employee's performance evaluation with little, if any, input from the employee. An employee was given an overall rating, on a scale of 1-7 for their performance, and any salary increases were determined by that overall rating. Employees were rarely interested in any performance comments on the part of the

manager at the time of their evaluation, because their focus was on the overall rating and how much more their salary would be for the following year. It was not uncommon to hear employees coming out of these discussions declaring they were a "5" or a "6" to colleagues. Information on positions open in other areas of the bank was, for the most part, inaccessible to employees. This clearly reinforced the manager's responsibility to plan an employee's development. However, although managers were responsible for their employees' self-development, managers at this time were not provided with any concrete tools or skill development to effectively plan this development. The leadership style that developed, and that was implicitly reinforced, to some degree as a result of this environment was characterised by high Employees, as a result, became highly dependent on, and deferential to, their managers and Royal Bank Financial Group levels of oppositional and conventional behaviour.¹ with respect to their career, professional development and job security.

¹ As measured by the MGR, a copyrighted instrument of Human Synergistics modified with permission of the authors by Thane Crossley, Ph.D. for specific use at Royal Bank of Canada. These styles are described in part, as follows: "A comfort with familiar rocedures and doing things in established, accepted (conventional) ways"; "Disagreeing with others in order to get attention (oppositional)"

The message of "Workplace 2000" then went on to explain the current relationship between employees and Royal Bank Financial Group. Because of a highly competitive work environment and Royal Bank Financial Group's need to quickly change to meet increasing competition and to continue to grow and be successful, this transition created the message characterising the current workplace environment:

If you work harder, do someone else's job, as well as your own and stay, then Royal Bank Financial Group will keep changing things around, provide gestures that we care, tell you to get used to change, give you the same pay, or put some at risk, and tell you to plan your own career. You'll be part of a company fighting to deal with change, tolerate working here, experience extreme pressure, and feel you see only part of the picture.

(Workplace 2000 Guide, 1995, p. 15)

Within Personal Financial Services, it was and still remains a time of extreme change. The way in which services are offered to bank customers continues to evolve from the branch as the main focus to alternatives such as telephone banking, personal computer banking, and banking machines. With greater emphasis on other methods to provide services to clients,

staff working hours are being significantly reduced to have branch staff available only when client transaction volumes dictate; a process referred to as "Customer Service Capacity Management". However, although there are other means for customers to do their banking, this does not mean that now all customers no longer do their banking in a branch. So, while staff are being reduced, the work volumes, or customer transactions, in some branches have remained the same.

Meanwhile, because the scope of financial services offered by the branch has grown, and there is greater competition, the approach towards the customer has become more sophisticated and focused, creating a change from a service or transactional environment to a sales and client relationship culture to not only meet the needs of an evermore aware and informed client but to retain that client's business as well.

The area of personal banking, populated by those employees that provide loan, mortgage and investment advice to clients, has gone through process re-engineering, referred to as "digout", to remove as much administrative work as possible at the branch to increase time available for these employees to discuss and sell products and services to the client. This

kind of "digout" process has not occurred in the service area, those employees that provide the traditional "teller" services to clients such as withdrawals, deposits to accounts, bill payments, travellers cheques and other transactions. Yet, in some cases, the workloads in the service area remain the same or have increased because of reduced staff.

As for "offering support and guidance for career and professional growth" throughout these changes, managers and employees still do not have all the tools or support for skill development. In many cases, these same employees do not have the time for that matter, that help them towards this new, independent approach to their career development. These are profound changes for employees that have not recently, or continually, experienced such dramatic change.

When competencies were communicated for the first time to staff in the environment just described, employees reacted swiftly and negatively: the bank was trying to find out if employees were competent or incompetent so the bank could get rid of them. The idea of competencies as a tool for employee

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skill development, i.e., something positive, was not considered at all by employees.

The message of "Workplace 2000" continues with the intent that employees in Royal Bank Financial Group will make the transition from this current experience to the following relationship:

If you buy into our values and goals, contribute energy and ideas, grow and develop, and take care of our customers, then together, you and Royal Bank Financial Group will create a good work environment, provide all the challenge you can handle, help you develop new skills, and broaden your experience, offer support and guidance for career and professional growth and you'll be part of a company setting the pace in its industry, like working here, manage the pressure, and see how the pieces fit together. (Workplace 2000 Guide, 1995, p.

16)

This "new relationship" was defined by Royal Bank Financial Group in the following terms, almost contractual, in the "Workplace 2000" message:

1. Royal Bank Financial Group will provide: training, learning, development, opportunities, rewards, recognition, pay for your contribution, challenging job and growth opportunities, technology support, support for employability and marketability, support for personal and family needs, and professional human resources support.

2. The employee will provide: commitment to work, teamwork, and customer, work skills in keeping with changing jobs, contribution focused on business objectives, personal ownership of development and growth, flexibility, effective people management, and attitude. (Workplace 2000 Guide, 1995, p. 21)

Competencies, and the supporting tools, are being introduced as those "work skills" required by employees, as well as a framework to provide the "learning, development and support." Initially, competencies, in this new, still forming, relationship, will be used for self-development purposes only within Personal Financial Services. Competencies will not be related to remuneration or performance evaluation. The reason that competencies are being introduced in this way is to provide employees with the opportunity to develop in a non-

evaluative environment, to help them to begin personal ownership of their own development, and to help managers continue their own development in providing support and guidance.

This study took place in the transition between the current and still-forming relationship between Royal Bank Financial Group and its employees. Therefore, within this context of transition and competency introduction, this case study examining the intent of the initial competency implementation, whether or not the initial implementation occurred as intended, whether or not competencies were, in fact being used only for self-development purposes and an evaluation of the results at this time might result in not only learnings of interest to those individuals internal to this organisation, but contextual insights to those firms planning competency development and implementation.

Literature Review

One of the dominant competency models in the literature, and the approach selected by Royal Bank Financial Group - Personal Financial Services, is the McClelland/McBer job competence assessment methodology, used by The Hay Group of consultants.

The dominance of this methodology in the literature can be explained not only by the fact that David McClelland, chairman of The Hay Group, originated this competency methodology, but also by the fact that The Hay Group has been, historically, longer in the field of developing corporate applications of competencies than any other firm.

History

The evolution of The Hay Group's use of the job competence assessment methodology begins with the seminal work on competencies by David McClelland.

McClelland's work is based on a determination of factors or variables that "predict job performance or success in life" (Spencer & Spencer, 1993, p. 9). McClelland's intent was to

identify competency "variables" that would actually predict job performance (Spencer & Spencer, 1993).

The catalyst for identifying these variables was McClelland's determination that based on the preponderance of studies to that point in time, there was little correlation between measures in place, such as traditional academic aptitude and knowledge content tests, and their prediction of job performance. In addition, McClelland found these tests to be biased on "...race, sex or socioeconomic factors" (McClelland, 1973, p. 4; Spencer, McClelland, & Spencer, 1994, p. 3).

McClelland therefore sought out "research methods that would identify 'competency' variables, which would predict job performance and were not biased or, at least less biased..." (Spencer et al., 1994, p. 3). McClelland used the following research methods to identify these competency variables:

"1. Use of criterion samples and; 2. Identification of operant thoughts and behaviours causally related to successful outcomes" (Spencer et al., 1994, p. 3).

The reason McClelland used criterion samples was because it involved comparing superior performers with average performers, which would help to determine what the characteristics were that actually contributed, particularly, to the superior performer's success. McClelland believed that in order to predict performance, or success in life or work, it was critical to know what "success" looked like and what the characteristics were to achieve this success. Operant thoughts and behaviours are those responses to questions or situations that are generated by an individual. Respondent measures, in contrast, ask the respondent to select a response from a series of well-defined, pre-determined choices. McClelland believed that respondent measures were limitative because "they are aimed at assessing the capacity of a person to make a certain kind of response or choice" (McClelland, 1973, p. 9), rather than determining what an individual would actually do in a given situation.

Real life and jobs rarely present such test conditions...the best predictor of what a person can and will do is what he or she spontaneously thinks and does in an unstructured situation - or has done in similar past situations. (Spencer et al., 1994, p. 3)

The essence of McClelland's radical departure was that where traditional job analysis looks at elements of the job, e.g., by following people around with stopwatches or using surveys which find that employees spend 14.3% of their time "communicating", competency assessment studies the people who do the job well, and defines the job in terms of the characteristics and behaviours of these people. (Spencer et al., 1994, p. 5)

The definition of a competency

The result of McClelland's research was the development of competencies:

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. Competencies can be motives, traits, self-concepts, attitudes or values, content knowledge, or cognitive or behavioural skills - any individual characteristic that can be measured or counted reliably and that can be shown to differentiate significantly between superior and average performers. (Spencer et al., 1994, p. 6)

The component parts of McClelland's definition are explained in the following paragraphs.

Underlying characteristics indicate, "ways of behaving or thinking, generalising across situations, and enduring for a reasonably long period of time." (Spencer & Spencer, 1993). These underlying characteristics could be any one or more of the following:

Motive: the underlying need or thought pattern which drives, directs and selects an individual's behaviour; e.g. the need for Achievement (McClelland et al., 1953), as measured by operant tests...

Trait: a general disposition to behave or respond in a certain way; e.g., self-confidence, self-control, stress resistance or "hardiness" (Kobasa et al., 1982)

Self-Concept: (attitudes or values) measured by respondent tests which ask people what they value, think they do or are interested in doing; e.g., occupational preference inventories like the Strong-Campbell Vocational Inventory or psychological tests like the Jackson, Edwards or California Personality Inventory...

Content Knowledge: of facts or procedures, either technical (e.g., how to trouble-shoot a defective computer) or interpersonal (the five rules of effective feedback), as measured by respondent tests...

Cognitive and Behavioural Skills: either covert (e.g., deductive or inductive reasoning) or observable (e.g., "active listening" skills). (Spencer et al., 1994. p.

6)

It is McClelland's assertion that organisations, from a cost-effective standpoint, should "select for core motive and trait competencies and teach knowledge and skills required to do specific jobs." (Spencer & Spencer, 1993, p. 16)

The reason for this assertion is depicted in Figure 6. The Iceberg Model, to the left, illustrates to what degree each of these underlying characteristics of an individual are visible to others. The characteristics of skill and knowledge are above the waterline, i.e., they are the most easily identified for a job or person. Self-concept and motive are below the waterline, and therefore hidden but if done well, provide the biggest performance differentiation. The concentric circles, to the right, illustrate the depth, or

The Iceberg Model

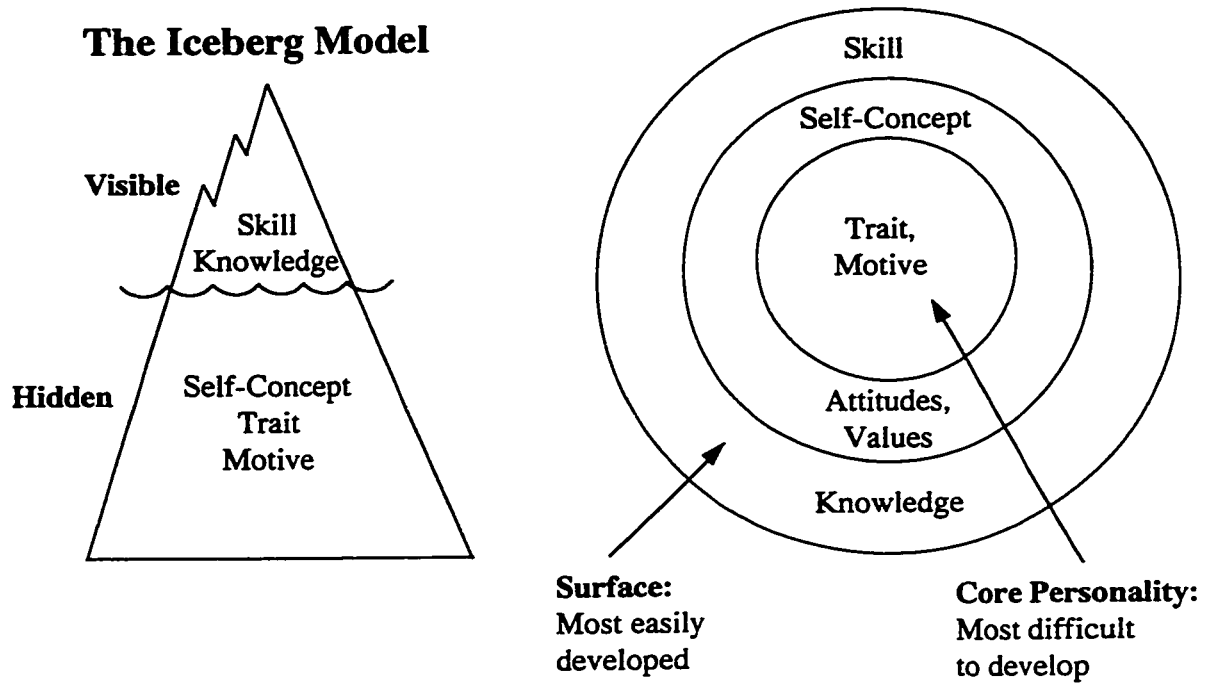


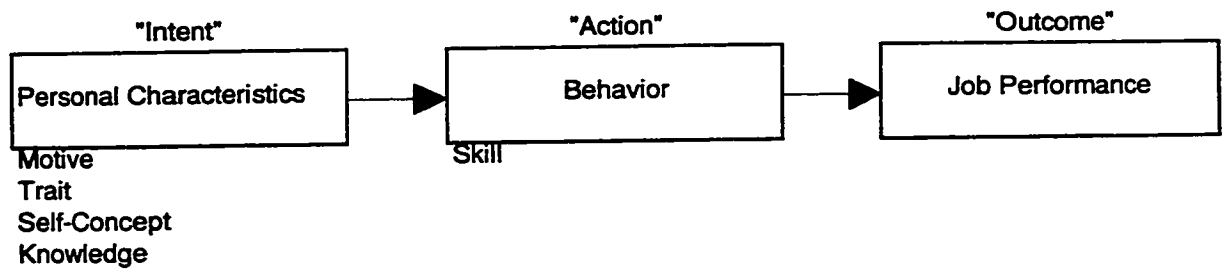
Figure 6. The Iceberg Model. **Note.** From *Competence at Work* (p. 11), by L. Spencer & S. Spencer, 1993. New York: John Wiley & Sons. Copyright 1993 by John Wiley & Sons

the ease of development, of each of these characteristics within an individual.

It is suggested that an individual's motives and traits are more difficult to develop, because they are "hidden". Therefore, a firm's resources would be better served to select for these core motives and traits, and train for skill and knowledge development.

The causal relationship, from McClelland's competency definition, between the core personality traits and knowledge, skill, or behaviour, i.e. those underlying characteristics, and job outputs (i.e., performance in a job or situation) is illustrated in Figure 7, The Causal Flow Model. In reference to the top part of this figure, McClelland asserts that:

Motive, trait, and self-concept competencies predict skill behaviour actions, which in turn predict job performance outcomes. Competencies always include an intent, which is the motive or trait force that causes



Example: Achievement Motivation

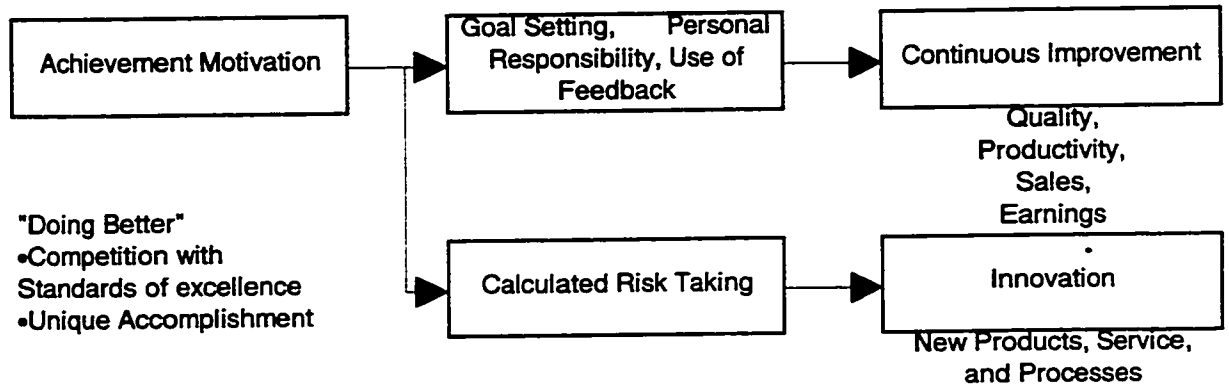


Figure 7. Causal Flow Diagram. Note. From Competency at Work (p. 13), by L. Spencer & S. Spencer, 1993. New York: John Wiley & Sons. Copyright 1993 by John Wiley & Sons

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action toward an outcome. Behaviour without intent does not describe a competency. (Spencer & Spencer, 1993, p. 12)

What is key in the definition of a competency then, is intent. A given action or behaviour could be expressing any number of intentions, so knowing the intent helps to interpret the behaviour displayed, and therefore identify the appropriate competency. For example, a manager is seen walking around, after the lunch hour, greeting each of his or her employees and talking briefly with each of them. The intent of this manager may either be to create a stronger rapport with each of his or her staff members, boredom or, perhaps this manager is just facilitating his or her digestion following a large meal at lunch. If the reason why this manager is doing what he or she is doing is unknown, i.e., the intent, then it would be difficult to interpret his or her behaviour and therefore the competency, if any, that is being demonstrated.

It's debatable whether or not a behaviour is a skill, but I certainly do not feel it is a competency, because

the same behaviour or action can be demonstrated for a number of different intentions or rationales or reasons emanating from within the person...Human organisms don't just act. The action has a different meaning depending on the context, and, if you will, the underlying rationale or intention. (Boyatzis, 1996, p. 129)

This causal relationship between competencies and outputs can be used to perform risk assessment analyses. An example of this analysis is provided at the bottom of Figure 7. From a risk-return standpoint, if a firm hires an individual high in achievement motivation, or provides training and development opportunities to the individual to help them develop this motivation, the causal flow model would indicate that a firm could expect greater job outcomes in terms of continuous improvement and innovation, as a result of goal setting and calculated risk taking behaviours, which are characteristics of a high level of achievement motivation (see Figure 1). Conversely, if achievement motivation is low or remains undeveloped, an organisation can expect "less improvement in

financial outcomes, productivity and quality, and fewer new products and services." (Spencer & Spencer, 1993, p. 12)

The final component in McClelland's definition refers to the causal relationship between those underlying characteristics, i.e. motives, traits, etc., and criterion-referenced performance.

Criterion-referenced performance is defined in the following way:

A characteristic is not a competency unless it predicts something meaningful in the real world.

The criteria used in competency studies are:

1. Superior Performance - this is defined statistically as one standard deviation above average performance, roughly the level achieved by the top 1 person out of 10 in a given working situation.

2. Effective Performance - this usually really means a "minimally acceptable" level of work, the lower cut-off point below which an employee would

not be considered competent to do the job.

(Spencer & Spencer, 1993, p. 13)

A study conducted by Hunter, Schmidt and Judiesch (1990) found that one standard deviation above average performance, or the criteria for superior performance, can result in significant differences in performance levels between average and superior performers, as measured in terms of economic value to a firm. They found that, depending on the complexity of the job, one standard deviation above the mean can be worth "19% and 48% of output for non-sales jobs, and 48% to 120% for sales jobs." (Hunter, Schmidt, & Judiesch, 1990, p. 36).

The objective in defining competencies within a given environment is to describe what superior performance is for a given job, and to determine and make explicit the behaviours that describe those underlying traits and skills for superior performance. The processes for determining superior performance and the concomitant behaviours, or competencies, are described in the following sections.

The Job Competence Assessment Methodology

There are three proposed ways of designing competency studies. Firms may use each of these models in their purest form or in combination, depending largely on the objectives or constraints of a particular company or division.

The Classic Competency Study Design

This design is illustrated by the flow diagram in Figure 8. This is the most comprehensive design. Designs that are shorter in duration, or combine some of the steps in the classic design, are discussed in the short study section. The classic design begins with defining superior performance, selecting those individuals performing at, or close to, that superior level, gathering the behavioural data to define the competencies, developing the competency model, and finally validating the model and confirming the human resource applications for these models. The critical starting point is not coincidental: the importance of knowing what superior performance looks like. Superior performance is determined by using a combination of concrete performance data or 360 degree ratings, i.e., assessments of superior performance

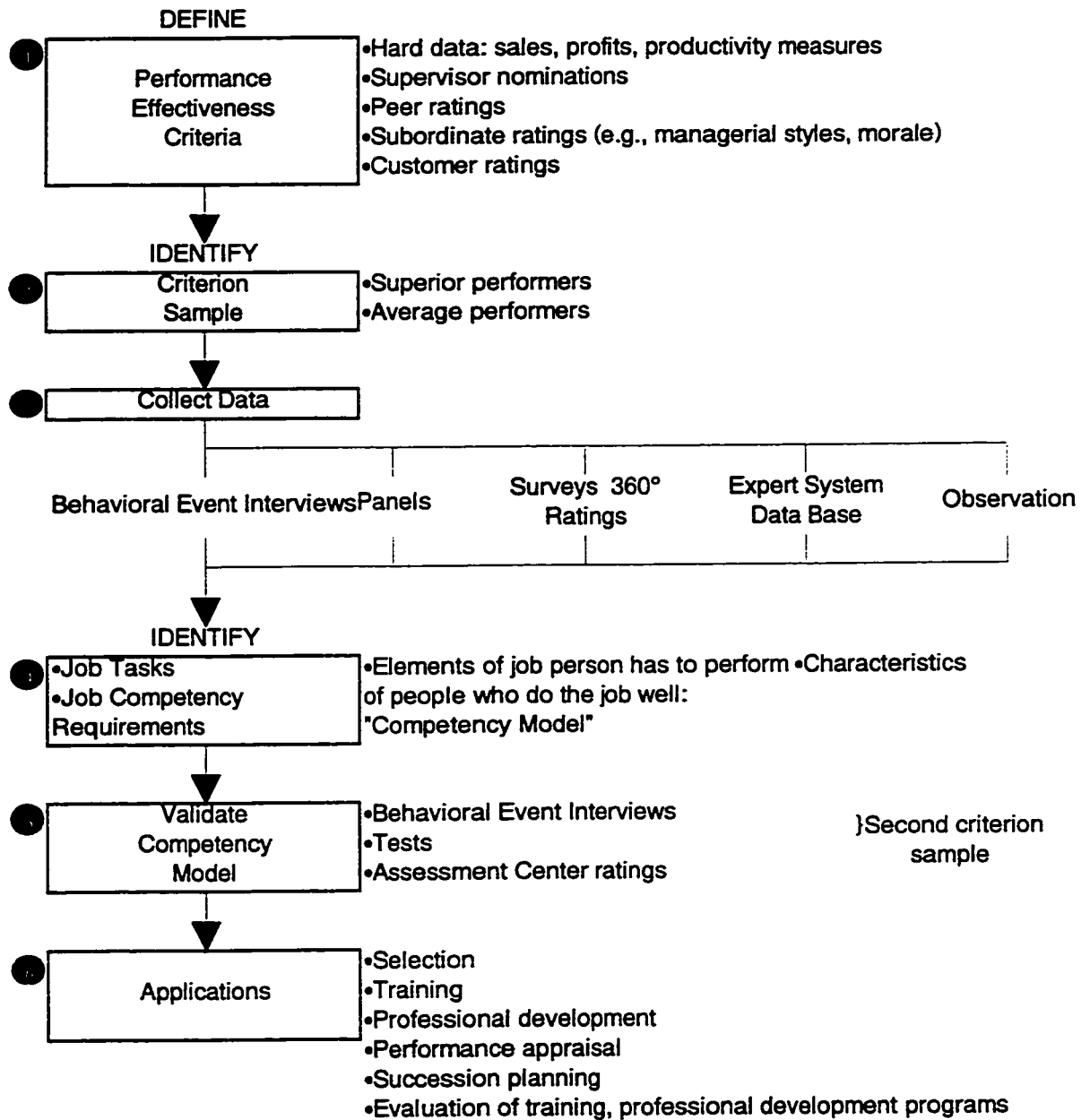


Figure 8. Classic Competency Study Design. Note. From *Competency at Work* (p. 95), by L. Spencer & S. Spencer, 1993. New York: John Wiley & Sons. Copyright 1993 by John Wiley & Sons

criteria by a variety of individuals such as managers and customers who relate directly to the position being modelled.

The next step is determining the sample group of superior and average performers; those superior performers are presumably those performing at, or near, the highest level of the performance effectiveness criteria established in step 1 of this design. These groups will serve as the basis for the behavioural event interviews.²

The data collection for those competencies that distinguish average from superior performance can be done through a combination of these methods : behavioural event interviews, panels of experts, surveys, database, and observation. These methods are explained in the following paragraphs.

Behavioural Event Interviews. The behavioural event interview is an interview process that combines the Flanagan's (1954) critical incident method, which "ask people

² "Ideally each job study sample should include at least 20 subjects : 12 superior and 8 average performers. This number permits simple statistical tests of hypotheses about competencies (such as t-tests, chi-square, ANOVA, or Discriminant Function Analysis of the difference between mean level of competence shown by superior versus average subjects)." (Spencer & Spencer, 1993)

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to identify and describe the most critical situations they have encountered on their jobs" (Spencer & Spencer, 1993, p. 98), and the Thematic Apperception Test, which involves probes that "yield data about interviewees' personality and cognitive style (e.g., what they think about, feel and want to accomplish in dealing with a situation)" (Spencer et al., 1994, p. 4). The objectives of these interviews are to determine those behaviours that contribute to superior performance.

Exemplary performance using behavioural event interviews is determined through interviews with superior and average performers from the same job. During these interviews, these performers are asked to describe two or three events on the job within the last year to year and a half where they were satisfied with the outcome of those events, and two events they found difficult or challenging in achieving the desired outcome. In these interviews, the interviewer acts primarily as a scribe with a very limited number of probes that focus the respondent on what they thought, felt and did in a particular incident; the intent is specificity and completeness.

The basic principle of the competency approach is that what people think or say about their motives or skills is not credible. Only what they actually do, in the most critical incidents they have faced, is valid. The purpose of the Behavioural Event Interview method is to "get behind what people say they do to find out what they really do" (Spencer & Spencer, 1993, p. 115).

These interviews, as well as the other methods of data collection are then thematically analysed using two methods: coding or comparing the information of these interviews to the generic competency dictionary, described shortly, and conceptualising new competency themes not found in the generic dictionary.

The competency dictionary. This dictionary was developed by Richard Boyatzis of McBer Co. in 1981. Boyatzis, after re-analysing data collected by McClelland from all the original behavioural event interviews conducted to determine competencies that distinguished superior and average performance in literally hundreds of jobs,

found a set of competencies that consistently distinguished superior managers across organisations and functions...Encouraged by his success in identifying 'generic competencies', decided in 1989 to look at the competencies found in all the more than 200 jobs for which competency models were available. We used the reports of the studies (referred to as 'models') as the basis for our analysis. We treated each report as a qualitative study of the characteristics of superior performers in that job. Reports of competency models (behavioural event interview-based studies of distinguishing characteristics of superior performers in a job) are generally organised into clusters or groups of distinguishing competencies (generally about three to six clusters). Each cluster contains two to five competencies. Each competency has a narrative definition plus three to six behavioural indicators, or specific behavioural ways of demonstrating the competency in the job. (Spencer & Spencer, 1993, p. 19)

An excerpt from this dictionary can be found in Appendix A. The behavioural indicators can be seen more clearly in Figure 1, illustrated with the scale of -1 to 8. The development of these behavioural indicators is explained in the following paragraph.

Just Noticeable Differences. The just-noticeable-difference competency scales are the set of behaviours within each competency that are scaled to reflect a range of low proficiency or development to high proficiency or development. This range is based on a number of different dimensions:

intensity of the intention or completeness of action taken to carry out an intention, complexity or the degree to which more things, people or data is taken into account, time horizon or the degree to which planning is done now to anticipate future situations, and size of impact or the number of people affected.

(Spencer et al., 1994. p. 20)

These scales were empirically derived,³ which explains why two competencies may have more than one of these dimensions, as well as why competencies can have different levels of behavioural indicators.

A critical way of analysing the interview data, based on the two methods of data analysis described earlier, i.e., coding to the generic dictionary and conceptualising new themes, is to essentially look at the ways in which superior and average performers differ in their responses to the key questions posed in the behavioural event interviews. These key questions are : What was the situation? Who was involved? What did you think, feel or want to do in the situation? What did you actually do or say? What was the outcome, What happened ?

Expert panels and other methods are used to confirm the behavioural event interviews analysis, as well as to contribute additional competencies that did not surface in

³ "50 verbatim examples of each competency were collected from a variety of jobs and Q-sorted by several researchers according to the extent to which they indicated more or less of the competency in question. Examples were arranged in columns or in two dimensional grids by comparing their relative weight, or strength, adding dimensions as needed. Researchers read examples in each column and row and wrote indicators that described the similarities in examples in each column. This process produced just-noticeable-difference (JND) scales for each competency." (Spencer and Spencer, 1993)

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the interviews, or were missed. These expert panels and other methods of data collection are discussed in the following sections.

Panels of experts. Experts on the job, such as superior performers, managers, supervisors, customers or human resource professionals, are brought together to determine what they believe characterise superior and average performance for the job. These panels may also provide information around strategic direction or influence the final selection of the competencies required for a given position. A difficulty with expert panels is the natural tendency for the panel members to articulate espoused values, i.e. what competencies they believe a position should have, rather than what competencies actually determine superior performance in a position. A comparison of the competencies suggested by expert panels is done to the behavioral event interview data, described earlier, to determine the degree to which espoused values should be considered.

Surveys. Surveys are completed by observers who know the job requirements (e.g., managers, peers, and customers).

These individuals complete a survey where they rate competency items or behavioural indicators against the importance of these indicators to superior job performance. The objective is to determine to what extent an indicator is critical, i.e. employees will not succeed on the job without this indicator.

A database of competencies. This database of competencies, identified by previous studies, is used to infer competencies for a position, after a set of job requirements have been input to this database.

Observation. Superior and average performers are observed in an actual or simulated work setting, performing critical job tasks, and the behaviours are then coded for competencies.

Once the data collection phase is complete and the competencies are identified for a job, validation of the competencies then takes place. This step determines if the competencies established do, in fact, predict superior and

average performers. This validation can be done in a number of ways, all involving a second criterion sample:

1. Concurrent cross-validation: This involves collecting behavioural event data with a second criterion sample.
2. Concurrent construct validation: With items that measure the competencies developed in the data collection phase, a test is taken by a second criterion sample.
3. Predictive validity: This involves training a group of individuals based on the competencies identified, and monitor these individuals to see if their performance actually improves.

Once the competency model is validated, the final step is to formalise its application in, for example, the areas of selection, training, and succession planning to name a few.

The Short Competency Study Design

Particularly if resources, such as time or money, a short study design using expert panels, as described above, could be used to develop competencies for a position. This short study design is illustrated in Figure 9. This design is essentially an abbreviated form of the classic design. Data

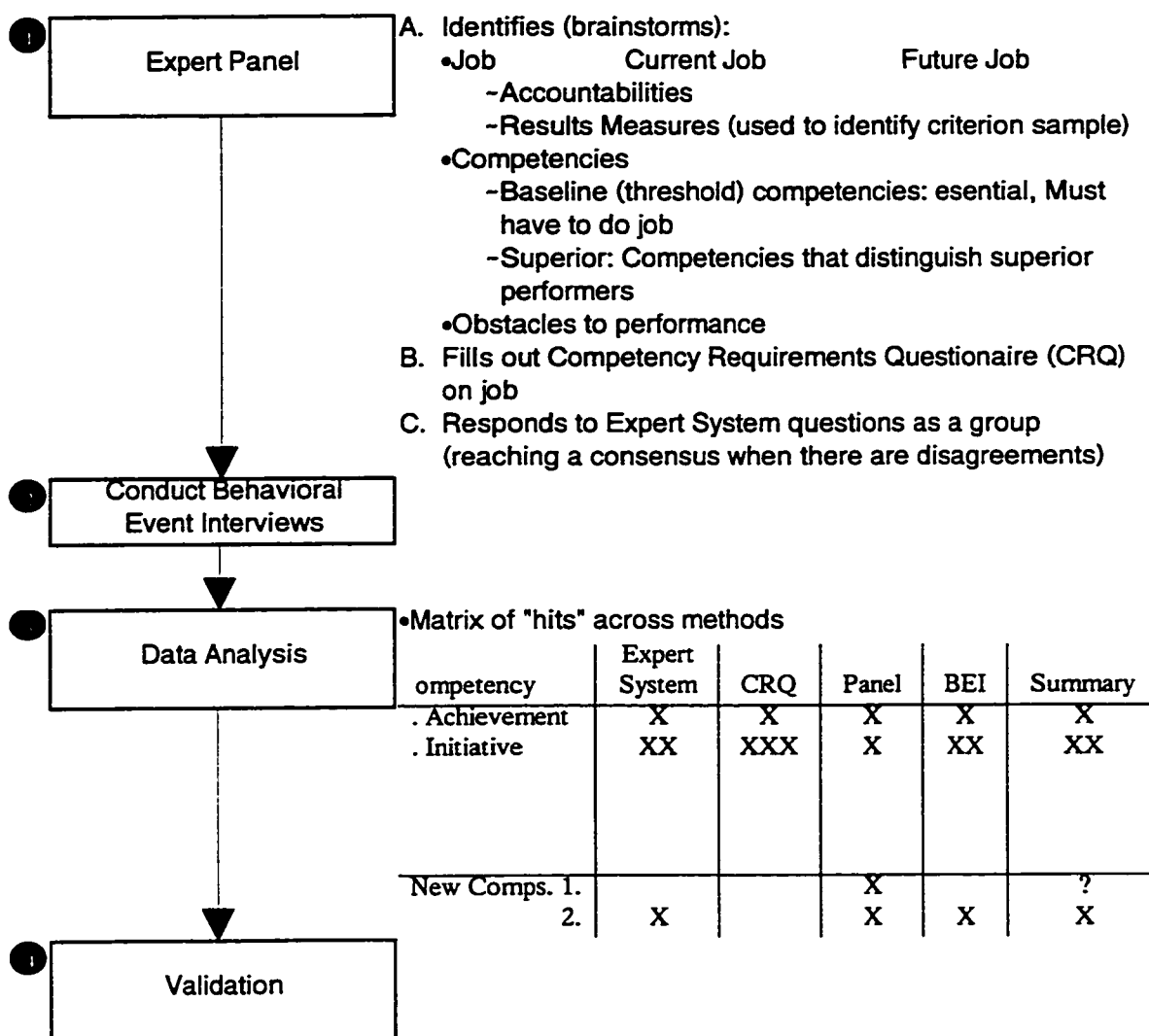


Figure 9. Short Study Competency Design. Note. From Competency at Work (p. 107), by L. Spencer & S. Spencer, 1993. New York: John Wiley & Sons. Copyright 1993 by John Wiley & Sons

are collected, their content analysed and competencies developed primarily from discussions with expert panels, comprised of managers, superior job incumbents and human resources specialists. Behavioural event interviews are used optionally or conducted with smaller samples. Competencies in this design are validated by way of rating or ranking a criterion sample against the competencies identified by way of the expert panels.

Future or Single Incumbent Jobs

Given that the preceding two designs are explicitly based on existing jobs, the challenge is developing competencies either for jobs that have yet to be created or for single incumbent jobs. The design approaches for a study of future jobs or single-incumbent jobs can vary from expert panels to studies of similar jobs to gathering data, in the case of single-incumbent jobs, from those individuals whose jobs are related to the job being analysed. This design may well be an area of future development with a current corporate environment in which jobs change far quicker than in the past.

The use of a combination within and among these classic, short study and future job methods is currently practised (Kochanski, 1996; Conference Proceedings of the 2nd Annual Conference on Using Competency-Based Tools & Applications to Drive Organisational Performance, 1995).

Critical Perspectives

The following section provides a cautionary perspective from the performance technology literature as well as issues for consideration when developing competencies within organisations.

Performance Technology Perspective

A perspective of caution is raised in the literature (Gilbert & Esque, 1995) that competencies may encourage a focus on behaviours, at the expense of accomplishments or the results a performer produces. From a performance technology standpoint, Gilbert argues that performance includes both behaviours and accomplishments (Gilbert, 1996). The critical consideration is for an organisation to first determine what accomplishments are required to achieve success, i.e., performance standards, and then develop those

behaviours that contribute or help overcome the barriers to that success.

The issue is that competencies are not necessarily the right tool for all interventions, or barriers. Once a firm has determined the obstacles to those performance standards, the use of competencies may or may not be an appropriate means to transcend those obstacles. Gilbert and Esque (1996) describe the following conditions for competencies to contribute to performance :

1. The information conveyed by competencies must accurately describe how individuals can prepare to succeed at their current or future jobs.
2. Individuals must, in fact, acquire the competencies needed to succeed at their jobs.
3. Individuals must be able to exhibit these acquired competencies in the appropriate sequence at the right times.
4. Individual success on the job must be defined by the requirements for success of the organisation. In other words, if the organisation is not succeeding, then individuals by definition are not succeeding either.

(p. 44)

Competency Development Issues

An important issue is that, based on both the American Compensation Association Research Project (1996) and a survey from the Conference Proceedings of the 2nd Annual Conference on the Use of Competency-Based Tools & Applications (1995), the use of competencies as the foundation integrating all human resource systems, i.e., performance development, recruitment, compensation, is still by no means universal. The majority of those corporations researched continue to use competencies as the basis for recruitment and performance management. The use of competencies as a basis for compensation, for example, is still selective for many companies. It becomes important for companies to ensure that as competencies become the basis for successive human resource applications, that their use is appropriate and well researched.

If competencies are used on an integrated basis, as described above, another critical issue becomes validity and reliability. In order for competency-based systems to work, they must be developed and administered with methodological

rigor. If an organisation does not apply this rigor, two problems may occur:

First, the system becomes flawed and weak, undermining company performance and wasting the investment in the new competency-based program...

Second, companies that improperly implement competency-based programs become vulnerable to legal action, for example, to violations of discrimination. (Compensation & Benefits Review, 1996, p. 31)

Another issue in competency development is that of corporate "culture", or that set of corporate norms, shared rhetoric or shared politically correct interpretations (Boyatzis, 1996). These norms, both implicit and explicit, can be a significant influence towards the support of, or impediment to, competency development.

For example, for a company where "teambuilding" has been developed as a critical competency, if implicitly through reward and recognition systems individual performance is routinely valued, this may cause employee confusion and

ultimately a reversion to the corporate norms of individual, as opposed to team, performance.

A related issue is that of the emerging experiences from corporations engaging in competency development that "more, not less, managerial discretion and "guts" and more, not less, employee responsibility for performance development may be difficult for companies whose managerial norms implicitly do not support this" (Kochanski, 1996, p. 6). For companies that have implicitly encouraged a manager-dependent form of employee development, the successful use of, or the potential misuse of, competencies by managers may be put to question.

The following are some key implementation success factors for corporations using competencies from Nortel's experience:

- Keep it simple, user friendly and flexible.

- Go for top down organisational commitment from more than one single sponsor.

- Provide choices about whether, when and how to implement.

Link it to other important organisational processes, especially reward and recognition. (Morris, 1996, p. 39)

From the Hay Group U.K.'s experiences with The BOC Group, U.K., understanding and commitment of line managers is key. And lastly, restructuring of work through engineering is enhanced by competencies (Boyatzis, 1996).

A very profound issue is that the use of competencies for many employees implies change, on a number of different levels, e.g., on the basis for personal development or gaps in competency levels. E. Lawlor, of the University of Southern California (Conference Proceedings of the 2nd Annual Conference on Using Competency-Based Tools & Applications, 1995) cautions that the degree of change required may be a potential pitfall of using a competency-based approach. For many companies who are introducing competencies, those issues of change are not implicitly or explicitly addressed. "The systemic problem is that nobody is really helping individuals confront the issues of whether or not they want to change." (Boyatzis, 1996, p. 120). Although an individual can change virtually every level of

their competency development, how much and whether or not they change will depend on their age, career stage, and motivation (Boyatzis, 1996, p. 126).

A last issue involves a strong message sent by the learnings of Brigham and Women's Hospital in Boston, MA (Conference Proceedings of the 2nd Annual Conference on Using Competency-Based Tools & Applications, 1995) to invest in facilitator training, both in the competency implementation phases and in the learning systems designed to support competency development.

These issues, as well as the cautionary perspective of Gilbert, will be examined within the context of this case study, and discussed in the final section of discussion, conclusions and recommendations.

Methodology

In making the decision to describe, and therefore develop as an example, Royal Bank Financial Group - Personal Financial Services' initial implementation of competencies, qualitative research appeared to provide the research method best suited to gather and report the data to be collected. To research the intent of the initial implementation, and the actual results of the initial implementation at this time, a needs assessment framework appeared to be a suitable method to gather data. The reasons for the selection of these methods are examined below.

Qualitative Research

One of the critical research decisions to be made in undertaking this study was whether to select a qualitative or quantitative approach (a hybrid of these two approaches could also have been considered).

The goal of qualitative research, as opposed to quantitative research, is to describe or to discover (Merriam, 1988), not to manipulate treatments or subjects as with quantitative

research. Qualitative research aims for depth and detail, without the constraints of pre-determined categories, as would be the case in quantitative research (Patton, 1980).

The intent in qualitative research is not for broad, generalizeable findings, but rather an increased understanding of specific cases; where context, environment and actions within that setting can provide a basis for generalizeability under very specific conditions. (Patton, 1990).

Qualitative methods are...ways of finding out what people do, know, think and feel by observing, interviewing, and analyzing documents...Extensive field notes are collected through these observations, interviews and document reviews. The voluminous raw data in these field notes are organized into readable narrative description with major themes, categories, and illustrative case examples extracted through content analysis. (Patton, 1990, p. 46).

The purpose of this research provided a guide as to which of these two approaches would be most appropriate. The purpose

of this research was to examine one business unit's initial implementation of competencies and to understand and describe not only the development of their competency models, but to determine whether or not the initial implementation of these models and supporting tools occurred as intended.

To understand and describe Personal Financial Services' development and initial implementation of competency models and supporting tools would suggest, based on the characteristics described above, qualitative research. The intent with this research was to capture depth and detail, i.e., to understand the initial implementation in retrospect and to document the initial implementation results. There were no predetermined relationships being sought, merely a representation of what occurred in the initial implementation for this particular business unit. Merriam (1988) refers to this kind of purpose as appropriate for qualitative research, i.e., when description and explanation rather than prediction based on cause and effect are sought.

In order to gather information on the initial implementation within Personal Financial Services, fieldwork and interviews,

observations and document analysis were used, which would also suggest the appropriateness of qualitative research.

For this research, no manipulation of variables was intended, but rather the discovery or understanding and description of the initial implementation were intended, and were to occur naturally. This discovery would also reinforce the use of qualitative research (Patton, 1990).

The questions of how the models and supporting tools were developed and initially implemented, are questions that are characteristic of a nonexperimental, or qualitative, design (Yin, 1984), as opposed to questions that seek "what" and "how many", which are characteristic of an experimental design. This further supports the use of a qualitative approach.

There are some research forms that are more consistent with qualitative research methods, or qualitative inquiry strategies (Patton, 1990), than others. Within the context of this research, the form of case study, used for this research, is discussed below.

Case Study

To understand and describe the initial implementation of the competency models and supporting tools within Personal Financial Services would suggest a case study design. "A case study is an examination of a specific phenomenon [or bounded system, Smith 1978] such as a program, an event, a person, a process, an institution, or a social group" (Merriam, 1988, p. 9).

The initial implementation of the competency models would be the "event", "process" or bounded system.

A case study, with reference across the literature (Merriam, 1988; Guba & Lincoln, 1981; Helmstadter, 1970; Hoaglin and others, 1982; Stake, 1981; Wilson, 1979), has four essential features, all of which are reflected in the purpose of this research:

1. Particularistic: "Case studies focus on a particular situation, event, program, or phenomenon." (Merriam, 1988, p. 11). The focus on the initial implementation of the competency models and supporting tools, as the event or

process, within Personal Financial Services appear to reflect this feature.

2. Descriptive: "...the end product of a case study is a rich, "thick" description of the phenomenon under study."; "The description is usually qualitative - that is, instead of reporting findings in numerical data, "case studies use prose and literary techniques to describe, elicit images, and analyze situations...They present documentation of events, quotes, samples and artifacts" (Wilson, 1979, p. 448). The description of the development of competency models and more particularly the initial implementation of competencies within Personal Financial Services is reported as a "thick", or literal description, including quotes and interpretations (Guba and Lincoln, 1981).

3. Heuristic: "Case studies illuminate the reader's understanding of the phenomenon under study. They can bring about the discovery of new meaning, extend the reader's experience, or confirm what is known." (Merriam, 1988, p. 14). By selecting Royal Bank Financial Group - Personal Financial Services as an example of one initial implementation - to examine the initial implementation relative to what was intended - there was the inherent

potential to discover something that is perhaps not known in the larger field of competencies, thereby extending the reader's experience. There was also the potential to provide generalizeable findings, to a reduced degree, for companies in a similar situation.

4. Inductive: "Generalizations, concepts, or hypotheses emerge from an examination of the data-data grounded in the context itself." (Merriam, 1988, p. 13). Through careful analysis and discussion of the results, limited generalizations emerge from Personal Financial Service's competency implementation that must be contextualized to be potentially useful to organisations with characteristics similar to Royal Bank Financial Group - Personal Financial Services.

The purpose of this case study of Royal Bank Financial Group - Personal Financial Service's initial implementation of competencies is two fold, and illuminates one other research form of qualitative inquiry strategies (Patton, 1990), that is consistent with qualitative research methods. This research form is discussed following the case study objectives.

1. For this case study to serve as an example of one application, with context-sensitive findings, potentially useful to other similar organisational applications.
2. For this case study to potentially provide useful information to decision makers within this business unit on whether or not the initial implementation occurred as intended.

The following research form of Process Evaluation serves to contextualize the needs assessment framework used in this research. This form is discussed below, integrating at the same time discussion of the needs assessment framework as it relates to this form and therefore, on a larger scale, to qualitative research.

Process Evaluations. Process evaluations are aimed at elucidating and understanding the internal dynamics of how a program, organisation or relationship operates...Process data permit judgements to be made about the extent to which the program or organisation is operating the way it is supposed to be operating....
(Patton, 1990, p. 95)

The purpose of this study was to determine not only if the expectations for the initial implementation were fulfilled as expected, or the extent to which the initial implementation was operating "as it is supposed to be operating", but whether or not the competency models and supporting tools were being used for self-development purposes, or used as they were expected to be used. This would suggest a process evaluation as one perspective, but would also suggest a needs assessment framework. A needs assessment framework is described below.

Needs Assessment

Purpose-based needs assessment involves examining desired performance or knowledge against actual performance or knowledge to determine what gaps or discrepancies exist between desired and actual performance (Rossett, 1987). This gap analysis, involving what should optimally be happening in performance or knowledge and what is actually happening in performance or knowledge seems a very appropriate form of analysis in determining the intent of the initial implementation of competencies and the actual results of the initial implementation in Personal Financial Services.

Design Considerations

The following sections discuss the key design issues concerning sampling, sample size, data collection, and reliability and validity.

Sampling

Sampling is making decisions about "where to observe, when to observe, whom to observe and what to observe." (Merriam, 1988, p. 47).

Qualitative inquiry typically focuses in depth on relatively small samples, even single cases...Quantitative methods typically depend on larger samples selected randomly...that will permit confident generalization from the sample to a larger population. The purpose is generalization. The logic and power of [purposeful] sampling lies in selecting information-rich cases for study in depth...from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term purposeful sampling. (Patton, 1990, p. 169)

Given the qualitative nature of this research, strategies from both Patton's purposeful sampling and Goetz & Lecompte's criterion-based sampling were selected (Merriam, 1988).

A variety of sampling strategies were selected, emphasising triangulation: "Because each method reveals different aspects of empirical reality, multiple methods must be employed." (Patton, 1990, p. 187). Criterion-based sampling and network selection were selected from Goetz & Lecompte, and particularly convenient participants/groups sampling and criterion sampling were selected from Patton. These strategies, and the rationale for their selection are described below. The limitations of these strategies are also discussed.

The selection of strategies was based not only on the personal choice of this investigator, but what appeared to make the most sense given the ongoing conditions and constraints of this research.

Criterion-Based Sampling (Goetz and LeCompte, 1984).

Quota selection seeks to "identify the major, relevant subgroups of some given universe" and "then proceed to obtain some arbitrary number of participants in each category" (Goetz and LeCompte, 1984, p. 79). For this research, within the universe of Personal Financial Services, major subgroups were defined as those groups principally, in terms of time and accountability, involved in the competency model development and initial implementation. These major subgroups were: senior management for Royal Bank Financial Group (e.g., the area of compensation), Personal Financial Services (e.g., the area of Sales, charged with competency development and implementation), consultants designated to Royal Bank Financial Group and Personal Financial Services from The Hay Group, individuals involved in the training implementation and selected branches.

Network selection involves the process of "each successive participant or group being named by a preceding group or individual" (Goetz and LeCompte, 1984. p. 79). Given the fact that the Personal Financial Services business unit employs over 27,000 employees, and has branches located across the

country and internationally, successive referrals by individuals sampled was a reasonable strategy given the potential difficulty of this investigator in knowing where to begin with that size population. As each individual was contacted for purposes of an interview, they were asked at the end of the interview if they could suggest anyone else that may be helpful to speak with. The investigator took particular care to not only follow up on network referrals that were similar in opinion, orientation and/or understanding with respect to the initial implementation, but dissimilar in opinion as well, in order to avoid biasing the sample selected.

This network referral strategy was also reasonable given the limited time availability of this investigator: two working days only per week could be allotted to sample selection and interviews, within a five month time frame. Network referrals expedited the selection process, and allowed greater time for actual data collection. However, the quality and utility of these network referrals were highly dependent on the individuals doing the referring and may have influenced the accuracy and completeness of the data gathered.

Both these strategies of quota and network selection were combined with a selection of a preponderance of individuals based on this investigator's knowledge (Merriam, 1988). This investigator has been with Royal Bank Financial Group for over thirteen years, and knew either certain individuals central to this initial implementation or knew individuals who could provide important referrals.

Purposeful Sampling (Patton, 1980). Particularly convenient participants or groups were those groups interviewed determined primarily by time and money availability on the part of this investigator, and time and availability of those interviewed. Initial implementation of the competency models and supporting tools, at the start of this research, had not occurred in Quebec where the most convenient set of branch groups for the investigator would have been. The next most convenient participants and groups were in Ontario, as this area could be reached in a relatively short period of time, at comparatively less cost than other provinces. It should be noted that this strategy, with the main rationale of saving time and money, often yields "information-poor" cases (Patton, 1990, p. 183).

Criterion sampling was used for the branch interviews, where the training departments of two geographical districts in Ontario were contacted, and the training officers that facilitated the competency introduction sessions to managers were consulted for a list of branches that met the following two criteria: branches that had, at the very least, gone through the competency introduction training, and had started competency implementation in their branches. These criteria were extended to include branches at three main stages: within one to two months, within two to four months, within four to six months; those stages were based on length of time since the actual initial implementation of competencies. An additional criterion used for the selection of those branches interviewed was having a representation of both Managing Priority Market branches, for which competencies were originally developed, and non-managing priority market branches. One other criterion was considered: size of branch in terms of number of employees on staff. To some degree, these criteria parallel the sampling strategy of confirming and disconfirming cases (Patton, 1990), i.e., testing

variations, or preconceptions about what factors may in fact influence the initial implementation.

Sample Size

The design consideration of sample size is treated very differently from quantitative research to qualitative research. Patton provides the following guidelines for sample size, when qualitative research is being undertaken:

There are no rules for sample size in qualitative inquiry. Sample size depends on what you want to know, the purpose of the inquiry, what's at stake, what will be useful, what will have credibility, and what can be done with available time and resources. (Patton, 1990, p. 184)

The logic of purposeful sampling is quite different from the logic of probability sampling . The problem is, however, that the utility and credibility of small purposeful samples are often judged on the basis of the logic, purpose, and recommended sample sizes of probability sampling. What should happen is that purposeful samples be judged on the basis of the

purpose and rationale of each study and the sampling strategy used to achieve the study's purpose. (Patton, 1990, p. 185)

A total of forty-three individuals were ultimately interviewed from all subgroups. The question of how many individuals to be interviewed was less clear at the branch level than at the senior management and training levels simply because of the larger number involved. The challenge was to determine how many branches to visit and how many employees within those branches to interview. It was nominally decided, primarily given the time and geographical constraints outlined above, that at least three branches would be visited, with at least half the staff, with a cross section of positions, interviewed in each of those branches.

Ultimately, four branches were visited with, at most, half the staff interviewed. It was decided that all individuals within Royal Bank Financial Group at the senior management (i.e., compensation), implementation and training levels from a Personal Financial Services standpoint should be interviewed, and all were ultimately interviewed.

Care must be taken in the judgement of these samples, given the sampling strategies used and the limited availability of time and resources on the part of this investigator and those interviewed.

Data Collection

In order to strengthen the study design, methodological triangulation (Denzin, 1970), as in the selection of sampling strategies, of combining interviews, observations, and physical evidence (e.g., documents), was used. All three primary methods of data collection, i.e., interviews, observation, and document analysis were utilised, with an emphasis on interviewing. Within the context of this research, each of these methods are described below, focusing on the rationale, implementation and limitations of each methodology.

Interviews. Interviewing was the primary source of data collection for this research. The reasons for this are discussed in the following section.

Rationale

As Dexter (1970, p. 11) suggests, this method is preferred when one will receive "...better data or more data..." than other methods, such as observations or document analysis. In the case of this research, more data was obtained as it was discovered that as the data collection progressed, much of the documentation relative to the initial implementation had either not been kept by some of the principal individuals involved in this initiative, or that some of the documentation was considered proprietary information, e.g., the behavioural event interviews conducted for Personal Financial Services. In addition, the data collection occurred after the initial implementation, so events that might have been observed, for example, could not be.

The option was, therefore, to speak with the individuals involved to essentially reconstruct the initial implementation.

Implementation

Questions were prepared in advance, to provide a certain degree of structure, for two main reasons:

1. Due to this investigator's level of experience in conducting interviews. This investigator possessed some interviewing skills based on past work experience. In order to ensure the data would be as free from bias as possible, a set of basic questions were developed in advance of all interviews. These questions were constructed using not only Patton's question guidelines, i.e., asking questions that elicit information around a respondent's experience or behaviour, opinions or values, feelings, knowledge and background but Rossett's guidelines for needs assessment questions as well. This is discussed in greater detail in the next section. See Appendix B for these questions, notated to highlight what group of individuals were being interviewed, (e.g., senior management, training, or branches), what guidelines (e.g., Patton, Rossett) were used for these questions, and what research purpose was being focused on.

Additional questions were posed as the interview progressed, and often incorporated hypothetical (what would you do if...) and devil's advocate questions (intentionally taking an opposite point of view) (Merriam, 1988). To as great a degree as possible, multiple and leading questions were avoided, and

if closed questions were posed, follow up questions were asked for detail or interpretation.

2. To ensure the purpose of the research was being explored.

It was during interviewing that the needs assessment framework was at its most pronounced. One of the purposes of this research was to determine what was intended with the initial implementation and what actually occurred. What is sought through needs assessment research, as discussed earlier, are optimal and actual performance or knowledge and detailed discrepancies relative to what was intended or optimal. Interviews are a "prime agent for carrying out needs assessment", and the most frequently used front end tool (Rossett, 1987, p. 134).

Interviews were normally no longer than one hour, a half hour at most at the branches, given that branch interviews were conducted during business hours and staff were needed at their desks to service customers. The listen/talk ratio on the part of the investigator would be estimated at 70%:30%.

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In all but one of the branches, all interviews with sampled individuals were conducted in a spare room or office, one on one. For one of the branches, interviews, for lack of a private room, were conducted in a spare office surrounded by partitions.

All interviews were taped and transcribed for purposes of analysis. Two methods of transcription were used: for approximately one-third of the interviews, all dialogue was transcribed and for the remaining two-thirds of the interviews, Merriam's Interview Log was used (Merriam, 1988). The log format involves taking notes on important statements or ideas expressed by respondents. These statements or ideas are quoted exactly, and coded to the tape counter, so the exact location and context can be accessed at any time. The log captures the main points, rather than everything that was said. This method was used simply given time constraints.

Interview Limitations

Interviews, on their own, can be a limited source of data as they represent only the perspectives of those interviewed, based on, among other things, their own personal biases,

emotions, and level of awareness. "Interview data are subject to recall error, reactivity of the interviewee to the interviewer and self-serving responses." (Patton, 1990, p. 245). This investigator found that some interviewees could not recollect when competencies were introduced or what competencies were to be used for. Some interviewees would often say "Well, you know what I mean", presumably reacting to this investigator's position as a Royal Bank Financial Group employee, and the respondent would not elaborate unless this investigator pursued these statements for clarity.

This investigator also, at times, encountered individuals who would often end their sentences with "that's right, isn't it?", or "you probably have the correct answer", presumably reacting to the perception of this interviewer as interrogator or tester (Patton, 1990) in attempting to provide the "right" response; notwithstanding this investigator's attempt to ensure at the outset of the interview that no right or wrong answers were being sought, merely perspectives and experiences.

The skill of the interviewer and formulation of questions are also critical elements in this method of data collection, to avoid bias and erroneous data interpretation. In the early interview stages, there were some questions posed, unintentionally, that may have been interpreted as leading, which would necessarily taint the data. For example, this investigator asked the same question in two different ways, consecutively, to a senior manager in Personal Financial Services, which may have been an unconscious attempt to elicit a preconceived response from this manager.

Observations were conducted and physical documentation consulted as additional forms of data collection. These methods are described below.

Observations. Observations were the data collection method used least for this research. However, there were some elements of the initial implementation of competencies that were observed. These are described in the following section.

Rationale

Even though research data exists in virtually all forms that can provide meaningful information, there is often "...no substitutes[s] for direct experience through participant observation" (Patton, 1990, pg. 202).

Observations can occur in any setting where people are doing things : ...programs, organisations,...places of business... The purpose of observational data is to...describe the setting that was observed, the activities that took place in that setting, the people who participated in those activities and the meanings of what was observed from the perspective of those observed. (Patton, 1990, p. 206)

Given that one of the purposes of this research was to determine what was intended with the initial competency implementation within Personal Financial Services and what occurred in this implementation, it could have been argued that direct experience in the training and information sessions forming this initial implementation would have provided an additional and perhaps valuable perspective towards understanding how the initial implementation actually

occurred. Otherwise, what transpired in these training and information sessions would be represented only through reconstruction by way of interviews and documentation analysis.

As with interviewing and the issue of determining whom to interview, a similar issue arose in this methodology in determining what to observe. The timing of this research determined, to a greater degree, what was or could be observed. All training sessions to managers, to prepare them to introduce competencies to their staff, were completed across the country, with the exception of Quebec, at the time this research began. It was decided that two of these sessions in Quebec would be observed to provide another perspective, in addition to interviewing, on how the initial implementation actually occurred. All the introductory sessions on competencies given by managers to their staff had transpired, once again with the exception of Quebec. These sessions would not be held in Quebec until following the end of this research. These sessions might have been valuable to observe for additional perspective.

To have observed, at the branch level, employees engaging in self-development activities to gain insights on their use, may have proved valuable. However, this was impractical given the pace of the branch, the presence of clients, and the inherently private nature of competencies for self-development purposes.

A number of stances can be taken by the observer while observing (Patton, 1990; Merriam, 1988). These stances range from full participant to onlooker, overt observation to covert observation, full explanation of real purpose to everyone to false explanations, single observation to long-term multiple observations, and narrow focus or single element of a program to broad focus or entire program.

Implementation

The observational focus was the two day training program for managers, designed to prepare them to introduce competencies to their staff. These two sessions were observed on two different occasions in Montreal, Quebec.

In the first session, there were approximately fifteen to twenty managers, from a variety of branch functions, from one geographical area. In the second session, there were approximately twenty to twenty-five more senior level managers than the first group, from diverse geographical areas.

The choice of observing both these particular sessions was made based on the time availability of the investigator. For purposes of simplicity and in the interest of time, the stances of onlooker, overt observation, full explanation of real purpose, single observation and narrow focus were selected for this research. This investigator would sit at the back of the room in these sessions, and not at the tables designated for participants. This investigator would be introduced at these sessions, by the workshop facilitator, as an observer for thesis research and a brief explanation of the thesis topic would be provided to participants.

The duration of these observations extended over the entire two day session in both cases. As the sessions progressed,

notes were recorded on setting, activities, participant and facilitator interactions.

Observation Limitations

There is always the possibility that the "observer may affect the situation being observed in unknown ways." (Patton, 1990, p. 244). The activities of those observed may very well have been altered given this investigator's presence, e.g., responses given in socially desirable ways or behaviour regulated based on this investigator's note-taking (Kazdin, 1982).

On several occasions, this investigator remarked that workshop participants would offer comments or ask questions that could be interpreted as inflammatory or highly "critical" of the competency process (depending on the perspectives of all involved), and glance clearly, at times smiling, in this investigator's direction at the back of the room. Additionally, some workshop participants would often glance at this investigator while this investigator was recording observations, and on two occasions a participant

approached this investigator and asked, "So, are we a pretty normal group?".

Another limitation is simply the small sample of those observed, i.e., the degree to which those activities observed may be typical or atypical of other workshops. (Patton, 1990) This investigator observed only two workshops among hundreds of these same type sessions given across Canada.

Document Analysis.

Rationale

Written documents were used as a secondary source primarily because this investigator preferred to see the concrete situation and respondents in person by way of interviews and observations (Glaser and Strauss, 1967). However, given the timing of this research, document analysis provided additional context, perspective and reconstruction of events relative to the intent of the initial implementation.

The documents for this research primarily provided historical understanding, context (in the case of Workplace 2000) and

descriptive information of the initial implementation process.

The data found in documents can be used in the same manner as data from interviews or observations. The data can furnish descriptive information, verify emerging hypotheses, advance new categories and hypotheses, offer historical understanding, track change and development, and so on. (Merriam, 1988, p. 108)

An important activity in examining documents is determining the authenticity of these same documents: "It is the investigator's responsibility to determine as much as possible about the documents, its origins, and reasons for being written, its author, and the context in which it was written" (Merriam, 1988, p. 107).

Given that documents are not produced, typically, for the purposes of the research, it follows therefore that a rigorous examination of these documents would be required to ensure that they are used in their proper context and properly interpreted (Merriam, 1988). A series of questions

are suggested by Guba and Lincoln (1981) to authenticate the documents used. These questions were used as guidelines for the analysis of the documents used for this research. Some of these questions were: "What is the history of the document? How did it come into my hands? Is the document complete, as originally constructed? Has it been tampered with or edited? What were the maker's sources of information?" (Merriam, 1988, p. 107).

Implementation

The following documents were used for this research, and are described in greater detail in the "Results" section.

1. A case study presentation--a presentation made jointly by the Hay Group and senior management of Personal Financial Services. This document's purpose was to provide one record of the initial implementation sequence and rationale.
2. The 1995 Compensation Package. The purpose of this document was to increase this investigator's understanding of the historical context for the development of competencies.
3. The competency models and questionnaires for all positions modelled in Personal Financial Services. The models and questionnaires provided a concrete example of what employees

actually received in terms of competency documentation or tools and instructions for their use. They served as a contrast point to what information was obtained on what was intended with these models and supporting tools.

4. The Resource Kit. This document contained all the learning maps for each position within Personal Financial Services. Once again, these served as concrete examples.

5. The Leader's Guide for competency introduction for district trainers: This document provided a reference point in understanding what trainers actually executed in the training programs for managers as compared to what was intended.

6. The launch kit for competency introduction to employees by their managers. This document served not only as a concrete example of the initial implementation kit for managers, but as a reference point for what was the intended form of the initial implementation by managers to employees.

Document Analysis Limitations

A significant limitation of this methodology is that documents are not produced with the research project in mind,

so they are inherently incomplete or inaccurate (Merriam, 1988).

This investigator, in most cases, obtained documents in their final form. Attempts were made to capture the iterations prior to these final documents, such as notes or working drafts of documents, as well as to understand the specific methodological and technical decisions that may have been made in the production of these documents, but this was not always successful. In many cases, documents had since been thrown away or individuals simply couldn't or wouldn't take the time to share notated or previous versions.

Data Analysis

The characteristics of data analysis in qualitative design distinguish it from traditional positivistic research in that the process of data collection and analysis is "recursive and dynamic" (Merriam, 1988, p. 123). Analysis occurs throughout the data collection process, taking various forms such as the reformulation of interview questions once in the field for an period of time, testing ideas on individuals interviewed, and/or the ongoing record of notes and learnings by the

investigator (Merriam, 1988). There is greater analytic focus once the data collection has been brought to a close, where data is "consolidated, reduced, and, to some extent, interpreted" (Merriam, 1988, p. 130).

The data was analysed along the lines of the proposal. Goetz and Lecompte suggest that "one begin analysis by reviewing the research proposal...those questions shaped the inquiry and must be addressed in the final report" (Goetz & Lecompte, 1984, p. 191).

From the interviews, documents, and observations categories were developed that described expectations for the initial implementation of the competency models and supporting tools, actual initial implementation events and the effectiveness of that implementation. "Although categories and 'variables' initially guide the study, others are allowed and expected to emerge throughout the study" (Merriam, 1988, p. 131). There was sensitivity to other elements or primary factors not identified or anticipated in the original proposal such as, to some degree, potential causes of why parts of the initial

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implementation did not occur as intended. See Appendix C for the data analysis framework.

Internal Validity, External Validity, Reliability

Internal Validity

Internal validity answers the question: "Do the findings capture what is really there?" (Merriam, 1988, p. 166). In qualitative research, internal validity must "be assessed in terms of interpreting the investigator's experience" (Merriam, 1988, p. 167).

In case study research, the researcher attempts to convey reality by way of interpretation and analysis of interviews, observations and documents. Judging the validity or truth of a study therefore rests upon the investigator's showing "that he or she has represented those multiple constructions adequately" (Merriam, 1988, p. 167). There are a number of ways internal validity can be ensured. Two methods of ensuring internal validity were used for this research and are described in the following paragraphs.

Triangulation of qualitative data sources was one method. In attempting to understand and capture reality from a number of different perspectives, it is hoped a holistic understanding is achieved and represented.

Frequent "member checks" were done throughout the study (Guba and Lincoln, 1981); as analysis was ongoing throughout data collection, this investigator would return to individuals interviewed and ask if interpretations, results, and conclusions reached were realistic or made sense (Merriam, 1988).

A final means of considering internal validity was in clarifying this investigator's biases at the outset (Merriam, 1988). In conducting this study, this investigator was concurrently working part time in the capacity of Personal Banking Officer at a West Island, Quebec branch of Royal Bank Financial Group. This investigator has worked for Royal Bank Financial Group for over twelve years. There is, therefore, a possibility that corporate cultural or environmental influences would have influenced the way in which questions were posed during data collection, and the extent to which

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follow up questions were formulated. For example, the investigator may have assumed or pre-empted an answer to a question, presuming understanding or realistic interpretation. Additionally, having been impacted by, and co-initiator of, a variety of corporate initiatives in the past within Royal Bank Financial Group, this investigator's philosophical orientation is towards believing that large scale corporate initiatives do not always get executed as planned, and that leadership and corporate culture have an impact on some, if not all, initiatives. It was critical to acknowledge and be sensitive to these biases and consciously monitor data collection and analyses phases to ensure data was not being collected that supported only this orientation.

A neutral individual, someone who was not involved in this research, went through the data as it was being collected, as well as through the analysis, in an attempt to regulate these potential biases.

External Validity

External validity responds to the question of, "To what extent can the findings of this study be applied to other

situations?" (Merriam, 1988, p. 173). There is a line of thought in qualitative design, when using a case study approach, that argues that "one selects a case study approach because one wishes to understand the particular in depth, not because one wants to know what is generally true of the many" (Merriam, 1988, p. 174). A step further to this thought is advanced by Erickson (Merriam, 1988), that what "one learns from a particular situation is indeed transferable to situations subsequently encountered. This is, in fact, how people cope with the world every day" (Merriam, 1988, p. 176).

However, there is a view of external validity that "involves leaving the extent to which a study's findings apply to other situations up to the people in those situations" (Merriam, 1988, p. 177). By providing thick description and specifying everything a reader may need to know in order to understand the findings (Lincoln & Guba, 1985), which is what was attempted in the following "Results" section, the reader of these findings can ask what applies to their given situation, and clearly what does not.

Reliability

This refers to the extent to which "one's findings can be replicated" (Merriam, 1988, p. 170). In other words, if this study is repeated, will we see the same results? In qualitative research, "since there are many interpretations of what is happening, there is no benchmark by which one can take repeated measures and establish reliability in the traditional sense" (Merriam, 1988, p. 170).

The notion of reliability with regard to instrumentation can be applied to qualitative case studies in a sense similar to its meaning in traditional research. Just as a researcher refines instruments and uses statistical techniques to ensure reliability, so the human instrument can become more reliable through training and practice. (Merriam, 1988, p. 171)

This is the first time this investigator has undertaken a qualitative research design. Therefore the familiarisation with, and learning of, this methodology was occurring as the actual process was being carried out. This, implicitly, is biased: because of a lack of experience, certain elements of the methodology, most particularly the data collection phase

may have been influenced in an adverse way. The way in which questions were asked, responses were interpreted, and further data located and analysed, particularly in the beginning stages, would be flawed.

This investigator's reliability as the research instrument conceivably became stronger, through practice, as further interviews were conducted. Additionally, feedback was solicited from neutral, but methodologically experienced individuals, regarding the way in which questions were asked and the way in which responses were followed up on during all interviews. Feedback was also solicited, from neutral but methodologically experienced individuals, in the data analysis and conclusions and recommendations phases.

A final thought with respect to reliability within the context of qualitative research, as it used within the confines of this research: "rather than demanding that outsiders get the same results, one wishes outsiders to concur that, given the data collected, the results make sense - they are consistent and dependable" (Lincoln & Guba, 1985, p. 288).

Results

This section represents the data collection synthesis. Events are laid out chronologically, that is, this description begins with the intent of introducing competencies into Royal Bank Financial Group and Personal Financial Services, then describes the actual process of developing the competency models within Personal Financial Services, progresses to a description of the initial implementation of these competency models across Personal Financial Services, and finally to a description of the results of the initial implementation at the branch level. This chronological layout appeared suitable given the purposes of this research.

Note. The use of pseudonyms throughout this section is to protect the confidentiality of those individuals involved. A guide to these pseudonyms is provided in the following paragraphs.

The Hay Group: Catherine, the lead consultant working with Royal Bank Financial Group - Personal Financial Services in

the development and implementation of the competency models; and Diane, the consultant responsible for the development of the training programs for the implementation of competencies.

Personal Financial Services: Jane, the Senior Vice President of Sales, Personal Financial Services; John, the Competency Project Manager responsible to oversee the implementation of competencies in Personal Financial Services; and Sue, a training officer involved in integrating competencies with the existing work routines for personal banking employees.

Corporate Compensation: Chris, the corporate or head office human resources competency resource to business units; and David, from Corporate Compensation, involved historically in the introduction of competencies into the organization from a human resources standpoint.

Royal Learning Network (Head Office or Corporate Training Group): Ralph, the individual responsible for the delivery of competency training and the certification of field

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trainers for the competency training program to managers;
and Marie, Manager of the Royal Learning Network.

Field Training: Quebec, Mary, field trainer, facilitating
the competency training sessions to managers.

The Introduction of Competencies in Royal Bank Financial Group and Personal Financial Services

Royal Bank Financial Group

Chris stated that one of the main reasons competencies were
introduced within Royal Bank Financial Group was to provide a
guide for employees around how to develop, based on the
individual results they needed to achieve on their positions.

The behaviours articulated through competencies would
presumably contribute to those results, and simultaneously
help employees develop a set of skills that would increase
their marketability for other positions both inside and
outside the bank, as part of the emerging partnership
outlined in "Workplace 2000".

Chris believed strongly that the critical success factor for competencies would be how smoothly a business unit integrated competencies with other work processes, particularly so that competencies were not viewed as yet another "human resources initiative", an initiative that was disconnected to either the work processes or work objectives of a particular unit.

Although Royal Bank Financial Group is considering integrating competencies into all areas of human resources, e.g., recruitment, assessment, compensation and promotion, the application of competencies in some of these areas is still very new in most other companies in North America, based on the 1996 American Compensation Association Survey.

Chris felt that until the use of competencies was proven successfully in these other human resources areas, it was preferable to introduce them into Royal Bank Financial Group for personal development purposes initially, so employees could get used to them. Chris also felt that if you believed that employees react differently in an assessment situation versus a developmental situation, using one tool for both applications may cause a breakdown in that tool's ultimate

effectiveness. The plan was to use competencies for developmental purposes for the time being, i.e., employees wouldn't be evaluated or paid on their competency levels, until those kinds of issues, among others, are resolved. However, David wryly observed that when competencies were first introduced to Royal Bank employees, it was implied that employees would be paid for their competency level. David said that, "rightly or wrongly", Business Banking, the first business unit in Royal Bank Financial Group to introduce competencies, immediately linked competencies to pay; this was the way competencies made their way initially into the organisation. David felt this "aboutface" regarding the initial use of competencies would definitely cause some confusion for employees, and affect how competencies were actually viewed and used, at least for now.

Personal Financial Services

Personal Financial Services is using competencies as one tool towards two key business strategies: developing a sales culture and fostering continuous learning. Jane stated that competencies will contribute to "...driving sales effectiveness".

With the strategic focus in Personal Financial Services on a sales culture and continuous learning, competencies are seen as a logical tool not only to articulate and reinforce the behaviours, or competencies, that would drive sales results but provide employees with a concrete framework for learning and competency development on current and future positions.

Jane was adamant that, for the next two years, competencies be used for self-development purposes only, otherwise if pay were linked to these competencies, for example through an employees' performance appraisal, she believed "...it would just be too threatening for people." Jane acknowledged that the temptation in branches and centres may be to link it in some way to performance evaluation given this is a process employees know.

However, the idea was to keep competencies as far away as possible from the evaluation process not only because it may influence the truth of how employees assess their competency levels but also because the bank has not determined how competencies will be used in evaluation and compensation.

Jane also said that the current performance evaluation process is being changed anyway, and the fit for competencies in the future will likely be as a development discussion upon which conceivably base salary will apply, but apart from the actual performance appraisal or what employees now know as the appraisal discussion. The performance appraisal of the future would still likely compare expectations to results, but with remuneration tied to reaching or exceeding business targets, as opposed to individual job results.

Employees will have about two years to familiarise themselves with their job competency models and to begin the relatively unfamiliar process of self-evaluation against those competencies. The idea, Jane said, is for the employee to begin that process of undertaking the responsibility for their own development and career planning.

John added that these first two years will allow time for adjustments to be made to the models to ensure not only that those behaviours continue to reflect the jobs for which they

were designed but to confirm that those behaviours actually produce the results targeted.

Within the context of self-development, a key objective is the completion and use of the Development Planner. John and Jane both emphasised this point. An employee completes a Development Plan, which outlines the behavioural and technical competencies that employees are working on first and foremost in their current job. There is also an opportunity for the employee with this development plan to begin developing the competencies required for future jobs, once the existing job competencies are at the target levels. Jane felt that if employees have a plan they themselves have developed, a plan they could take away with them and call their own, then employees would feel "that they owned this thing". Jane felt that employees, as a result of completing this plan, would be more committed to developing their competencies.

The Development of the Competency Models and Supporting Tools in Personal Financial Services

Panel discussions were held across the country, involving Personal Financial Services senior management, to discuss strategy, direction, key result areas, and the use of competencies. After considerable debate, all senior managers in Personal Financial Services agreed to the strategic use of competencies, and the process of competency modelling began.

A competency project manager was designated within Personal Financial Services, John, who's chief responsibility was to work with the Hay Group Client Relationship Manager for Royal Bank Financial Group, Catherine, to coordinate and help develop the competency models and supporting tools for Personal Financial Services.

The Development of the Competency Models

After much deliberation with the Hay Group, John and Jane decided that the competency models would be developed using a hybrid of the classic competency study design (see Figure 8) for existing roles that would likely still exist in the

future, and the short study design using expert panels (see Figure 9) to incorporate future roles.

The structure of the managing priority markets branches, the "branch structure of the future", was used to determine the roles for which competency models would be developed. These branches were also the only branches that were initially scheduled to use the new competency models. Ralph explained that the managing priority markets structure fosters a role purity, or a role specialisation, based on specific client groups and activities, that facilitated the development of the competency models. Although the titles of these roles exist in other branches, the expectations are different, and less "pure". However, Ralph said that once the word got out that competency models were available, all other branches demanded to have them. Ralph felt that the non-managing priority market branches would have some trouble reconciling the competency behaviours to their roles, because these models were not designed for what essentially are "jack of all trades" or "mixed bag" positions in all other branches.

The eight initial roles used for the development of the competency models were decided upon by a senior management steering committee within Personal Financial Services. The committee's decision was based on the belief that these positions represented those roles that were critical to current and future strategies and objectives.

The eight roles were: Customer Service Representative, Customer Assistance Officer, Manager Customer Service, Responsive Personal Banker, Proactive Personal Banker, Account Manager, Manager Personal Banking and Area Manager. Additional competency models were being developed to incorporate the remaining critical positions.

John described the process used to develop the competency models in Personal Financial Services. A sample competency can be seen in Figure 10.

About six to eight superior performers for each of the eight roles and about four to six solid performers per role were selected. The performance effectiveness criteria used for

IMPACT AND INFLUENCE

Impact and Influence is the intention to persuade, convince or influence in order to have a specific impact. It includes the ability to anticipate and respond to the needs and concerns of others.

For example :

People with this competency are storytellers - they grab your attention and impart something to you in a way you want to hear. They can take a client who may not have considered a product or service, get them interested, and close a sale. They think about the target audience and what will work to influence the audience.

IT IS...

presenting selling features that will have the most impact with enthusiasm, confidence and credibility

considering the client, potential resistance and identifying what will work with them (charts, examples, a second opinion)

using novel tactics to make a point

closing not only existing business but influencing a client to purchase other products (i.e., planned versus accidental selling)

IT ISN'T...

giving up after a single attempt at to make a sale ("They just weren't interested so I didn't even try")

using the same argument over and over ("I told them again and again but they didn't get it")

presenting points that are not relevant to a client's situation and needs

responding only to a client's request

Figure 10. Sample Competency, Account Manager, Personal Financial Services
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COMPETENCY SCALES
IMPACT AND INFLUENCE

Impact and Influence : the intention to persuade, convince or influence in order to have a specific impact. It includes the ability to anticipate and respond to the needs and concerns of others. Impact and Influence is one of the competencies considered "most critical".	
Level	Behaviors
0. Not Shown	<ul style="list-style-type: none"> • Lets things happen. • Quotes policy and issues instructions.
1. Direct Persuasion	<ul style="list-style-type: none"> • Uses direct persuasion in a discussion or presentation. • Appeals to reason; uses data or concrete examples • Does not adapt presentation to the interest and level of the audience. • Reiterates the same points when confronted with opposition.
2. Multiple Attempts to Persuade	<ul style="list-style-type: none"> • Tries different tactics when attempting to persuade without necessarily making an effort to adapt to the level or interest of an audience (e.g., making two or more different arguments or points in a discussion).
3. Builds Trust and Fosters Win-Win Mentality	<ul style="list-style-type: none"> • Tailors presentations or discussions to appeal to the interest and level of others. • Looks for the "win-win" opportunities • Demonstrates sensitivity and understanding of others in detecting underlying concerns, interests or emotions and uses that understanding to develop effective responses to objections.
4. Multiple Actions to Influence	<ul style="list-style-type: none"> • Takes more than one action to influence, with each action adapted to the specific audience (e.g., group meeting to present the situation, followed by individual meetings). • May include taking a well thought-out unusual action in order to have a specific impact.
5. Influences Through Others	<ul style="list-style-type: none"> • Uses experts or other third parties to influence. • Develops and maintains a planned network of relationships with customers, internal peers and industry colleagues. • When required, assembles "behind-the-scenes" support for ideas regarding opportunities and/or solving problems

Level 3 reflects the level of superior Account Managers in this competency

Figure 10. Sample Competency, Account Manager, Personal Financial Services.
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selecting superior and solid performers were determined by an expert panel, comprised of two human resource groups and selected area managers. The criteria used were: sales effectiveness, channel optimisation, pricing effectiveness, and service quality. These criteria were based primarily on the future expectations of these roles, as opposed to current performance criteria. The area managers then put forth names of individuals who they believed were performing at the required levels on those, or on most of those, criteria.

Behavioural Event Interviews were then conducted with all these superior and solid performers. These interviews were conducted both by employees of The Hay Group and employees within the Personal Financial Services competency project group. Training in behavioural event interviewing was provided to the employees in Personal Financial Services by The Hay Group.

The process of coding, or analysing the interviews for competency-related behaviours and the distinctions between superior and solid performers, was then done in part by

Personal Financial Services' employees who were involved in the interviews. John had suggested that his employees also be allowed to code some of these interviews, to deepen their understanding of the interview process. The majority of the coding, however, was done by the Hay Group simply to save time. The Hay Group were obviously more experienced, and as a result knew more quickly and accurately what to look for.

The coding of the interviews was then compared to the Hay Group's generic competency dictionary. In other words, did generic competencies surface in the interview data, if so which ones? Or, did unique or different competencies appear? If so, what were they? For focus, Catherine said they needed to keep the final job competency models to between five and ten competencies, so the emphasis was placed on those competencies that clearly differentiated superior performance, called "critical competencies".

These competencies were then clustered around the outputs those positions were delivering in order to link these competencies to each role's existing results criteria and role activities. This clustering and linking was done through

extensive discussion, comparison and trial and error, i.e., determining those activities that intuitively "fit" with certain competencies. The final product can be seen in Figure 11, with the sample job map of an account manager.

The outputs or key result areas flow from the left to job activities and routines, which are aligned with the job competencies.

Expert panels, of individuals whose roles were "one up" or supervisors, of those models being examined, were assembled and asked what they felt the competencies for each role should be. Catherine said "one up", versus actual job holders, is often preferred, because these individuals "...really understand the role and where the role's going".

Sample Job Map - Account Manager, Personal Banking

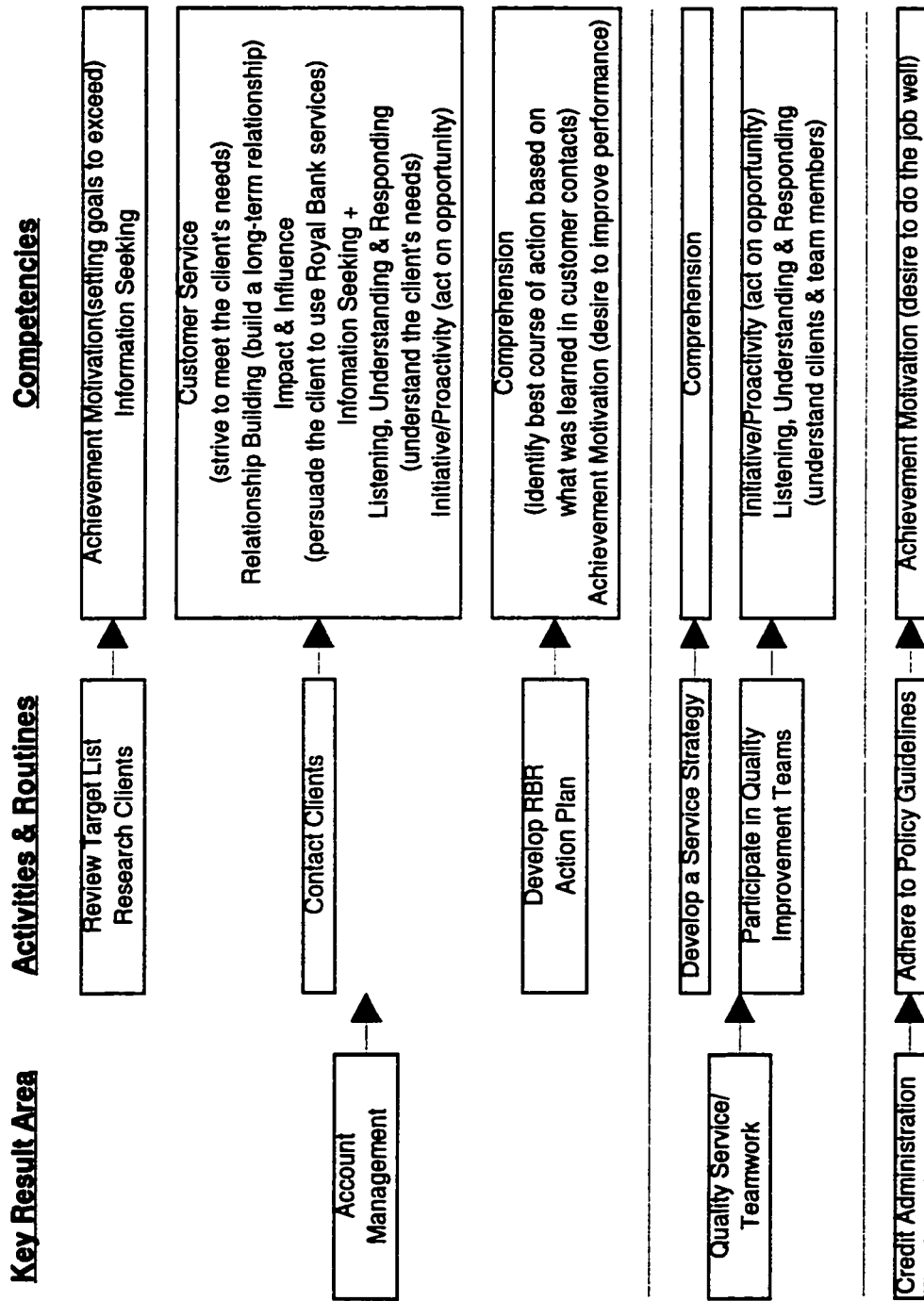


Figure 11. Sample Job Map, Account Manager, Personal Financial Services.
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The competencies resulting from the behavioural event interviews were then revised and validated, through considerable debate and discussion, by this same expert panel to develop the actual role competency models. Catherine said these validation sessions were normally very intense because of the interplay between the expert panels and the behavioural event interview data in finalising the competency models. Catherine further explained that the expert panels normally select competencies to 50% of what actually will differentiate superior performance. The balance of suggested competencies are often those resulting from espoused values. She related the following example to explain espoused values: The expert panel, in one discussion, was adamant that "customer service" should appear as a critical competency for the role of Manager Personal Banking. The behavioural event interview results were brought in because, as Catherine put it, the data was "overwhelming"; although customer service was important, an espoused value in Royal Bank Financial Group given that it operates in a service industry, the best managers, the superior performers, were achieving customer service through their team members, on whose competency

models you would see customer service as a critical competency.

A significant challenge was that models were being created not only for existing roles, for which actual job holders could be implicated in the behavioural event interviews, but for roles that were evolving. As a result, a steering committee of executive members was consulted for futuristic or strategic input; this same committee also revised and validated the competency models.

Twenty-four focus groups of actual job holders of modelled positions were then held across Canada (three groups for each of the eight jobs; ten to twelve employees in each session) to: (a) validate the models by discussing and debating if the models that were developed reflected the critical competencies for their jobs; (b) validate the superior or target levels by determining if the target levels established for each position were realistic and applicable; and (c) to establish threshold or minimum levels: those levels below which performance would be unacceptable.

There was considerable discussion around the issue of whether or not to establish target levels. Target levels, for superior performance, are levels that set the standard for optimum performance in each role. See Figure 10, where level 3 is considered the optimum level. This is not a requisite part of developing a competency model. Diane said ultimately the decision came down to what they felt the Personal Financial Services population needed: "I think the numbers and the huge size of Personal Financial Services, is such that had we not given them targets...the ambiguity would have been much harder for them to deal with. Because they're dealing with much sort of linear jobs, you kind of need to know...what's the answer, where am I supposed to be going ?"

At the same time, Diane mentioned two potential problems in establishing target levels: the pressure of having targets to work towards and confusion with the current performance appraisal system. These targets can be a pressure for employees to push to get to that level; all of a sudden, a standard is set. However, Diane quickly added that there was nothing conclusive at this point that would make a more compelling argument for or against setting target levels.

Also, within Royal Bank Financial Group, targets could be interpreted, because of employees' familiarity with the existing performance appraisal system, as acceptable performance rather than optimum performance.

So, given that the competency scales and target levels will differ competency to competency, employees may be inclined to, or feel they should, rate higher than the target level, or be "higher than a four or a three or a two." Diane said that statistically only a very small percentage of the population can actually be higher than the target levels or at the highest level of a competency. Diane added, based on the behavioural event interviews, "not even your superior performers are at the uppermost level."

The models for each position were provided in booklet format, with each competency defined, an example of that competency (normally derived from the actual behavioural event interviews), a role-specific section that highlights what that competency is and what it isn't, and the levels for that competency with the target level highlighted with an arrow. See Figure 10 for a sample competency, as it appears in that

booklet. At the end of the booklet was a "job map", explained in greater detail below, which graphically illustrated the relationship between existing expectations, job activities or "sales routines" (specific activities) and competencies.

As the models were being finalised, Jane, John, Catherine and Diane were deciding how best to develop the supporting materials or tools around the competency models : the Competency Assessment Questionnaire, the Learning Maps and the Development Planner. Jane believed that the "key success factor [of competencies] would be around the packaging and making this thing look simple."

The Development of the Supporting Tools

The Competency Assessment Questionnaire. (See Figure 12). This questionnaire is a series of behavioural statements, with a scale of one to five, where employees rate themselves as to how often they exhibit those behaviours. The objective of the Competency Assessment Questionnaire was that it be used by employees as a self-assessment tool. This tool was developed not only as a means of providing learner

control, but also with the idea that an employees' own perception of their competency level is the strongest impetus for change and development. The employee was to complete their own self-assessment and determine gaps between actual and target behaviour against each competency for their role.

There was extensive debate around the use of a blind questionnaire format for the Competency Assessment Questionnaire. A blind questionnaire is defined here as a scrambled group of eighty five questions, to which employees answer how frequently they display certain behaviours, behaviours of course related to the competency model for their role; employees do not know what behaviours relate to which competencies.

The decision was finally made that the blind questionnaire format would probably be more user friendly and simpler to use for more junior staff. The other option that was considered was using a scale where each employee not only rated what level they felt that were at for each competency but also wrote a behavioural example of why that level was

selected. This method was eventually thrown out because it was felt that it might be more subject to bias and confrontation. Employees might end up defending their rating to themselves or to their managers, rather than having a meaningful developmental discussion.

The Learning Maps. See Figure 13. A learning map is a list of learning activities, such as training workshops, books and videos, that are specifically targeted to help each employee develop their competencies.

Learning maps were developed within Royal Bank Financial Group; the Hay Group had not been involved in their creation. The intent of the Learning Map was to provide employees with a concrete list of activities that could be used in developing their job competencies; in the past, training and developmental activities had not been as focused or available to employees.

Diane emphasised that 80% of the activities suggested are on-the-job, leveraging what she believes is the most powerful

Sample Learning Map - Customer Service

Activities You Can Do On Your Own - On the Job Activities	
1. List all of the different groups of clients you currently have (i.e., the groups of individuals who receive either a product and/or service from you). Be sure to include both internal and external customers on your list. Once you have developed your list, follow these steps:	<ul style="list-style-type: none"> List the expectations each group of clients has of you. In other words, what criteria do they use to determine if the product and/or service that you provide is acceptable to them. Verify your list of expectations with each client group. Share your list of expectations and ask for feedback. How accurate was your original assessment? Update your list of clients and client expectations on a regular (i.e., quarterly) basis. <i>Note that this approach to looking at clients is also covered in the Personal Bankers Companion.</i>
2. Identify your three most important internal and external customers.	<ul style="list-style-type: none"> Ask them for specific examples of what you are doing well and specific areas they would like to see improved.
3. Think of something special you can do for a client. Do it.	
4. Keep a client service time log for one month.	<ul style="list-style-type: none"> In your daily planning diary, make daily notes of how much time you actually spend on providing services to your clients.

Figure 13. Sample Learning Map, Customer Service, Personal Financial Services.
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way to learn, with the other 20% being books, videos and training courses.

These learning maps were validated by the same focus groups used to validate the job competency models. The Development Planner. See Figure 14. The planner is a simple, four page document that primarily serves to provide a comprehensive structure for employees to use in writing down their competency development activities with dates for completing these activities. Once an employee determined where their gaps were in their competency levels, they were to consult their learning maps for the activities to help them towards developing those competencies, and then they were to complete their development planner.

Jane emphasised that the development planner, in anticipating the employee's viewpoint, is "...a very private thing - this is about my personal development...this personal planner, development planner, you sit down as an individual and actually identify...what you're working on...and then you can share that with your manager...But it's a piece of paper that you keep. Which I think is very, very important. Because we

Sample Development Planner

Development Planner

Complete a development plan and review your progress with your Manager

Behavioral Competency(ies):

- 1. _____
- 2. _____

Development Activity (see Learning Map for Suggestions)	Target Completion Date	Comment/Follow-up
Behavioral Competency Activities:		

Technical Competency(ies):

- 1. _____
- 2. _____

Technical Competency Activity		

Figure 14. Sample Development Planner, Personal Financial Services.
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could've done it on PC...but you wouldn't have something tangible that was yours.....So we really geared in on who the audience was here, and made tools that we thought they would be receptive to, that they would understand, and they would own."

The manager is to act as a coach and resource when an employee discusses their action plan, and it is the employee's responsibility for action and development. John felt a key issue is discussion with the manager around an employee's development; employees should not feel they have to prove what competency level they are at.

The idea was that discussion about the development plan and an employee's competency level should not become a debate or a confrontation. John said that the message they wanted to send to employees and managers was that the initiative and follow-through for this action plan should clearly be the responsibility of the employee.

For both the models and supporting tools, John emphasised that considerable time was spent aligning language and

activities with the existing sales infrastructure, "embedding and harmonising the sales management and some of the other initiatives that were going on in Personal Financial Services...with the competencies so that they would link and support each other."

In fact, what occurred was a very deliberate effort to actually take competency models a step further, which resulted in a learning point for the Hay Group.

Marie explained that after ensuring that the competency models developed would be, in fact, "performance based competencies, additional consultants were brought in to build what was termed the "companion piece to competencies": determining which sales routines or job activities, that were proven successful in attaining the sales objectives set within Personal Financial Services, applied to which competencies. Sue emphasised that the idea was to help employees understand what competencies meant to their job, the activities they were currently doing, and how they would "know it [a competency] if they saw it". The final product can be found both in Figure 10: a section termed "What it is/What it isn't speaks to the activities that the

competencies directly support for that particular role; and
Figure 11: under activities and routines.

Marie termed this a critical "missing link"; behaviours that drive superior performance must be linked to the specific activities "on the job", against which that competency is to be directed and developed. Marie added that, particularly for her, and also the Hay Group, this connection answered the question: "What tasks do people do when they are exhibiting those behaviours ?"; or "How can we tie competencies down to what employees are actually doing different or better in the job?"

A tools steering committee then validated these supporting tools.

The Implementation

Once the models and supporting tools were complete, these needed to be communicated to all employees within Personal Financial Services. With a population of over 27,000 employees, this would certainly be a challenge. Figure 15

Competency Implementation Process

Royal Bank Financial Group - Personal Financial Services

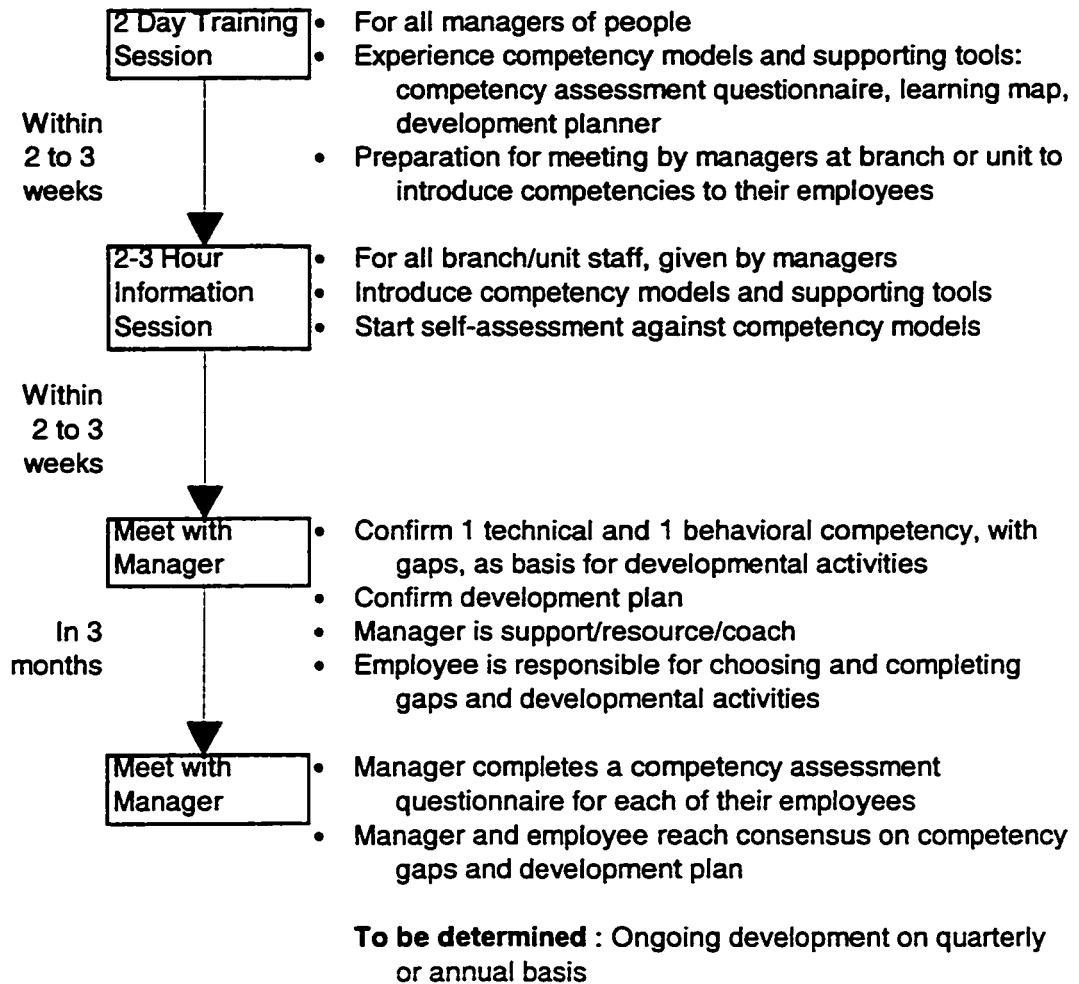


Figure 15. Intended Initial Competency Implementation Process, Personal Financial Services.

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illustrates the full implementation process and is described in greater detail in the following sections.

The Two-Day Training Program-Development. Given the large numbers of employees within Personal Financial Services, and the desire on the part of Jane and the senior management of Personal Financial Services to have competency models introduced as much as possible at the same time to all employees, Diane suggested that the competency models and supporting tools be introduced to employees by all managers who supervised those employees. In other words, managers would train their employees on how to use the competency models and supporting tools. This was referred to as the "cascade approach".

Jane, John and Diane decided that rather than bring all 27,000 employees in to training sessions where a trainer explained the models, or send out the models to all employees with some sort of explanation, a two-day workshop was developed for managers was developed. Diane explained why this approach made sense: "...putting the masses through in two days of training is not practical, nor realistic nor do

most people at the front line truly want to know that much...they want to know what's in it for me, what do you want me to do, and does this have any impact on my salary and the way I work ?"

Another reason this approach made sense was that, as John explained, speed to market was a key issue, i.e., how to roll out the models and tools as quickly and effectively as possible. The objective was for all employees to have their competency models in hand, and the development process started within a period of six months. Diane mentioned, though, that there was some fear in using this cascade approach:

"We're really concerned once you start transferring this message from here to Royal Bank trainers, to Royal Bank other trainers to staff, people managers then give it to their staff, I mean you know the old broken message thing. It's dilution, changes, interpretations and it's like all of a sudden, I had people in a....session categorically telling me something which I knew was not true."

The two-day workshop, with managers of people attending, would be facilitated by designated trainers across the country. Diane explained that the challenge with this kind of a workshop was helping these managers understand the models, and provide them with the tools to return to their staff and to easily explain competencies. "How we were going to train people managers how to, kind of, how to not teach them too much so that they weren't totally buried in competency technology and lost. But also give them enough of an experience to actually get them to, sort of, understand how to make it work."

Diane believed that the best way to transmit concepts to employees was through experiencing it: "What we did with the training was say, here's the process an individual has to go through...now let's...design training around what that person needs to learn to be able to go through that process....You need to know how to do it yourself, and be done unto."

Diane described the two-day workshop, and the design decisions around content & timing. See Appendix D for sample course materials.

The two days set out to accomplish two key objectives: to familiarise managers with the competency models and the process of assessing individual competency levels and developing an action plan, and to prepare these same managers to communicate competencies to their staff.

Diane decided that participant materials should be kept to a minimum to avoid information overload. The only materials given to each manager were the competency models for each of their positions, an assessment questionnaire, a learning map and a development plan. These are the same materials their staff receive when these managers return to their branches or units to explain competencies to their staff.

Managers work through these materials (as their staff will), with case studies, practice exercises, role plays (i.e. where a fictitious but realistic scenario is described to participants and with specific instructions managers act out manager and employee roles assigned to them) and games to reinforce learning and make it "interesting and real".

Diane explained why: "I made a decision that we were not going to use participant materials as in a traditional

course. Because we had so many tools, and materials for them to use, that to give them yet a binder of stuff about competencies and that you'd usually put together, I said you know what, we're going to bury them."

The two-day training program began with an explanation of competency theory (summarised from a twelve page information booklet, provided as pre-reading with the course invitation). Managers are then introduced to the competency models, or competency dictionary for the roles within Personal Financial Services, through a game and two video vignettes.

The game required managers to match cards describing a behaviour with cards specifying the appropriate competency (See Appendix D).

The video vignettes helped managers begin the challenge of identifying real-life behaviours and levels associated with each competency.

Managers then completed a competency assessment questionnaire not only for their own position, but for one of their

employees to make sure they understood the questionnaire and understood the challenge their employees would experience in completing this questionnaire.

Managers then worked through case studies to not only practice identifying behaviours related to competencies but also to practice completing an assessment on an employee.

The exercises finished with a role playing exercise where managers have the opportunity to practice an actual development discussion between employee and manager (See Appendix D). This exercise was designed to help reinforce the consensus building process between manager and employee, in order to finalise a development plan based on what competencies have been chosen by the employee for development.

The two days finished with a forty-five minute discussion on the "launch kit": the materials the managers would use to communicate competencies to their staff.

Diane recommended that managers hold a two to three hour session with their staff to sufficiently explain competencies. The launch kit contained materials that were condensed from the two day session these managers would have attended, to material considered reasonable in length for a two to three hour session without resulting in information overload.

This launch kit contained an exhaustive script to accompany selected overheads from the two day session, as well as flipcharts and video, with script, for exercises managers could do with their employees.

The intent, Diane explained, was to provide the manager with everything they needed to conduct this session, down to a script they could read from if necessary. Another objective in providing such a kit was to encourage consistency in the delivery of this competency session to staff; the same words, the same message, the same materials would be communicated to all employees.

The launch kit also contained a coaching guide for managers which outlined, generally, the coaching process to be used with employees. This coaching guide was to be used to help employees with their development plan, and to help managers identify behaviours associated with each competency. This coaching process was designed to be generic, so that it could be applied in a variety of situations.

It was recommended that managers hold their launch meeting within two to three weeks of their training to reinforce retention and commitment, after which employees should be doing a self-assessment, picking two competencies to work on, completing the development plan and then meeting with their manager shortly following this launch session.

Diane emphasised that the environment for this meeting should be non-defensive, supportive, and non-directive, in order to emphasise that it is the employee making decisions about their own self development. The manager discusses if any resources are needed. The employees do not have to show their assessment to their manager. Diane clarified: "We're trying

to tell managers, let them do self development, let them take responsibility for doing a self-analysis."

Three months later, the manager now does an assessment for the employee, and then sits down to a consensus-building discussion. Out of this comes the next stage of the development plan: what competencies the employee will continue to work on, what developmental activities are planned, what resources will be needed and what time frame is being planned. The manager inputs only if he/she feels that a certain focus would be recommended given, for e.g., a shift in business.

Diane confirmed that "we know it takes about three to six months to move one level on any one scale, because it's a change in behaviour", so employees looking for immediate progress were cautioned.

The Two-Day Workshop - Training the Trainers. Ralph explained the process that was developed to train the trainers, i.e., certify those individuals who would facilitate the two-day sessions for the managers.

One of the first decisions made was in the choice of trainers for this two day session. Ralph, with Diane, Marie and Jane decided that the trainers who would give these two day sessions to managers had to be experienced trainers, very well prepared and at ease with the material. There were several reasons for these requirements:

1. Competencies were given a priority, high profile status in the field because of an intense support and commitment by senior management for a quick implementation, so only the best trainers would do.
2. Managers would be going through this training just once so they had to "get it right the first time", particularly because the managers would be delivering a smaller session to their staff. These trainers had to serve as strong role models.
3. The subject of competencies itself was considered complex, so these trainers had to be able to grasp the concepts quickly and be able to relate these concepts to the "real world" for managers.

Ralph said, though, that unfortunately his department had no input to the final selection of these trainers. Training

groups across the country made their own selection of trainers. Ralph was not aware of the criteria, if any, used to make these selections. He remarked that some trainers probably were selected simply because they were available.

He also mentioned that some of these trainers had been technical trainers before this assignment so at times they found it difficult to relate to more conceptual issues. Also, some of these trainers had never managed people before, so they subsequently found it difficult in the actual workshops to connect competencies with managerial issues.

Ralph commented that it was one of the first training programs he had been involved with where all trainers were not necessarily certified on their first try; and in one case, he would not certify an individual at all.

The first step in "Train the Trainer" for these trainers took them as participants through the two days of training that was developed for managers. The objective was to have these trainers fully understand and experience what the managers would experience.

Following the two-day workshop, Ralph gave each trainer a Facilitator Guide that provided a script of the two day session. The trainers were to review this guide, and then schedule one-on-one coaching sessions (by phone, e-mail, and in person) with Ralph to discuss any questions they had on the material. Ralph made himself available extensively, and did a considerable amount of travelling in order to provide adequate support to these trainers.

He confirmed that given that the project was such a high priority, he felt this kind of commitment was necessary.

The final step was to actually begin delivering these two day sessions. Ralph would arrange to sit in on one of the first sessions these trainers were facilitating for managers to provide feedback towards certification, or Ralph would actually co-facilitate with the trainer to complete the certification process.

Each district trainer, once they finished the two day session with each group of managers, was to indicate what support

would be available to managers in helping them to prepare for their "launch" sessions with their employees. Ralph explained that given that competencies were to be introduced originally only to managing priority market branches, many district training groups had few, if any, additional trainers to help managers. Ralph mentioned that once they started the two day sessions, to all branches now and not just managing priority markets branches, the amount of support to managers had to be dramatically reduced; there were just no trainers available.

Ralph divulged that in many cases, most managers had never done facilitation of this magnitude before, and he was concerned with what the results would be, particularly if there were no trainers available to help these managers.

An Actual Two-Day Session for Managers. Mary emphasised two success factors, prompted by questions from managers at two sessions :

1. Personal Financial Services is waiting two years before linking competencies to performance evaluation and remuneration. Competencies are to be used in the interim for

self-development purposes only. The objective was to clearly separate competencies from the performance appraisal process for these managers. Much discussion ensued around the uncertainty both these managers and their staff might be feeling, and likely would feel, about not being able to relate competencies to remuneration or their performance appraisal. These managers had understood, before coming to this session, that competencies were to be used for performance appraisal.

2. Before the manager implicates themselves in an employee's competency development, they should wait three months, giving their employee time not only to prepare but to "own this process" as well.

Mary was careful to make the point that the employee is encouraged to take charge of their own development plan, with the role of the manager to remain positive throughout the employee's choices and decisions. Prior to the role plays where managers practice having a development discussion with their "employees", many managers mentioned that they thought an "appraisal" or "evaluation" discussion would actually

occur. One manager returned from the role play confirming just this : "I told you it would be an appraisal !", this manager exclaimed. "I ended up justifying my ratings of my employee's competency level and asking the employee to justify their ratings !"

A group discussion then took place around the difficulty of "letting go" and living with the decisions of employees around their own development. Managers stated this was difficult when, they said, this has not been encouraged in the past. One manager asked if they should be "also reading the book an employee chooses [as a development activity] so they know what they employee has read." The response to this was "no": Mary suggested that different individuals are going to have different insights based on each book read, and the issue is what the employee finds meaningful and not what the manager might feel compelled to "check up on".

Mary emphasised that the role of the manager is to "create the taste for learning". It is the employee's choice whether or not to develop.

An exercise was completed, that was not found in the facilitator guide, where a comparison was performed between the forms of remuneration in Royal Bank Financial Group. Managers were asked to describe, while Mary wrote down their responses on a flipchart at the front of the room, what characterised each form. Mary then explained how competencies may likely be applied to compensation in the future. The objective of this exercise was to disengage competencies from the performance appraisal and compensation process. This was, once again, to reinforce that competencies are not replacing the current performance appraisal system, nor are they being used yet as a basis for compensation. The managers acknowledged the logical flow of current changes towards the bases for future remuneration.

Although some discussion occurred on how sales activities related to competencies, this was a short discussion and the relationships for some of these managers were not clear, as the question on how competencies related to their job kept coming back.

Behavioural competencies were given greater emphasis during the two days, given their novelty and complexity. Mary emphasised that technical skills were those that have been developed and focused on in the past and therefore needed less "work" within the context of this workshop. However, many managers said they, and believed their employees, felt more comfortable with the technical competencies.

A fair bit of time in the workshop was taken to understand the relationship between actions and intent to distinguish a competency from some other action, and the importance of understanding an individual's intent around their action to determine the behavioural competency being demonstrated. Many managers, at the end of the two days, said they were still highly uncomfortable with being able to determine or distinguish their employees' intents.

An Area Manager dropped in to both sessions. They drop in to share their personal perspective on competencies, their lessons learned, and the key issues managers should focus on over the two days.

The main point made by two Area Managers was that the idea of competencies was "not for evaluation", acknowledging that, unfortunately, evaluation is "in our blood...I have to show my boss I'm good." A case was made by the Area Managers that managers and employees had to be honest in their self-assessments, reminding the managers that this process was not about "getting the highest rating".

A real effort was made by Mary, in words and feedback after selected exercises, to encourage the managers to stand back and let their employees take charge of their own development. In the role plays, a number of managers were observed talking the majority of the time and actually directing the development plan of the individual role playing the employee.

A flipchart exercise was completed with all the managers to get initial feedback on the competency process. Managers were asked what they felt were the advantages and the potential challenges that lay ahead of them and their employees. Some of their responses for advantages included that competencies were "clear, concrete, defined, uniform, [having] tools as we had to "invent" activities before, [and provided] structure."

Some of the challenges touched on were that competencies might cause a "disconnect for a 6 performer on the performance appraisal scale who came out low on a competency assessment"; "creating enthusiasm" for competencies in the midst of so much change; having the time to go through all of this process; empowering employees, having to let go some of their own "power"; having sufficient information to actually "identify competencies."

The consensus building discussion role play was prefaced with an exercise that encouraged managers to think about their preparation for this discussion and what they would actually "say, ask or do" during this discussion. The purpose of this exercise was to help managers develop a concrete plan, in order to make them and their employees more comfortable, before they actually started a discussion.

Four different scenarios were provided, dealing with managers' biggest concerns around this discussion: what happens if an employee rates themselves lower than the manager does, higher than the manager does, or an employee

has not "bought into the process". In one of these workshops, managers who brainstormed around an employee who had not "bought into the process", suggested that the manager must try everything they can to walk their employees through the process. Mary asked these managers if their point was to "sell" employees on the process?

The point was quickly made by Mary that the onus should be on the employee to take their own development in hand; that the employee owns this process, not the manager. This point was mentioned again after this exercise. The reason it was mentioned again was because Mary found that in a number of groups, where a manager was role playing their discussion with an employee, the manager could still be overheard "selling" competencies, particularly where the discussion focused on ratings that were not similar between the manager and the employee. An employee would say, in so many words that they were "not buying in", they did not see the point or use of competencies, and many managers would begin extolling the virtues of competencies and how employees should "give them a chance, they are really good".

Mary made the point that managers may have real difficulty in letting go of their relatively dominant role in the current appraisal and employee development process, which will likely affect their competency development discussions with their employees.

The launch kit was explained in twenty minutes, with Mary encouraging managers to take the necessary time to properly introduce competencies to their staff.

The Branch Launch. Branch #1. At two half-day sessions in May of last year, the Manager Personal Banking and Manager Customer Service of this branch, facilitated the "launch", or staff introduction to competencies, for a group of employees from a collection of branches within their designated geographic location or area. There were about thirty staff that attended each of these sessions. These managers would not have held this session exclusively for the staff of their branch, but rather their manager had asked them, as well as other managers in that area, to hold these two sessions, for a variety of employees in the area, in order to speed up the introduction process.

Following this session, one on one follow up meetings were held with their staff in the early summer. These one on one sessions took at least a half hour each. Employees discussed their assessment and went over their learning map with these managers to finalise developmental activities. These managers, at this time, had yet to schedule the meeting where they complete their assessment of each employee. These managers have not been to any further training around coaching for competencies.

In a joint interview with these managers (which was their suggestion), they mentioned that at the launch sessions for the staff, employees had many questions around how competencies related to their expectations. These managers tried to emphasise to employees that "there was no link yet, and that their quarterlies [where, every three months their performance against expectations is assessed and discussed], would be scheduled separately".

Generally, these managers felt that, at their launch session, and their one on one meetings following that session, there was "no fear or apprehension [around competencies], people

understood, and the material was really excellent." They also added that, "I guess the only down side...is the availability of the books and videos [found in the learning maps]...we don't want each branch to run out and buy all the videos necessary and all the books necessary. So, if anything that is, we sort of dropped the ball...the area doesn't have the budget to go out and spend \$8000 on books and videos...the other thing we've come across is some of the material that head office is saying relates to this, the area has viewed it and said it's not worth \$400 and didn't get it."

These managers had said to their staff that the bank will "... will be hiring or staffing based on skills...so you can look at [a job] and say this is what they're expecting at this level and if I don't have it, no use applying...[competencies will also be used down the road] for appraisals as well...that's been brought out to them."

These managers felt that the timing was not the best for competencies, during the summer months people are on holidays, so there has not been alot of time to devote to

competencies, "...it hasn't been a priority these last couple of months." However, these managers emphasized that even once the summer holidays are over "...when do we find the time to give them to do this ?" They believe that their staff "probably use their own time or their product knowledge time to do this." They expressed concern about employees having to use their own time to complete their development plan and actually do some of the activities from that plan, and doubted that some of their employees would either have, or take, this time.

These managers also believed that "job security is a real priority and concern for the service staff right now" and in the case of the Manager Customer Service, she was actively encouraging her staff to go through the competency self-development process so that they might be able to explore potential job opportunities, particularly in light of the fact that the number of staff continued to be reduced in all the branches in their area.

In reference to the competency assessment questionnaire, one of the managers mentioned that "...[staff] won't get a really

good understanding of them. They're complicated. And maybe they won't answer properly. I found the [questions on the] technical ones worse...I just find that when you're dealing with more junior staff, are they really going to understand what they mean?"

The following is a presentation and interpretation of the responses of their employees.

CAN YOU DESCRIBE FOR ME WHAT YOU USE THESE COMPETENCIES FOR ?

This question was asked to see if employees had understood that competencies were, first and foremost, for personal development, and that they would not be evaluated on their competency levels for at least two years. Although this question generated a wide variety of responses, generally these employees understood the developmental nature of competencies.

"to better myself...to be an outstanding performer, and not average...to be flawless".

"...to gauge as to how well I'm doing on my job. If I'm not doing these things indicated in the competencies, then I'm not doing the job, period."

Two employees believed that competencies were more appropriate in identifying existing strengths and were concerned that the bank was trying to turn "turn them [employees] into being somebody they're not." There was some doubt in these employees' minds that unless this was a competency that came "naturally", an employee could not actually develop this competency.

They replied to this question by stating, "[competencies are] so that you can use peoples' strengths in the right positions...and if you want to compete for another job, and the job is extremely sales oriented and you're not - why do you want that job ? And you're probably not going to get it."

An employee at this branch felt she really did not understand her competencies because she did not have a competency model specifically developed for her position. In the launch session she attended, she was given the competency model of

"Central Teller", because she was told this was a comparable model to her position. But "this didn't work for me at all, the positions are not at all alike." She felt she did not understand as much as her branch colleagues about the purpose of competencies because her launch session had been "terribly conducted, it was rushed, he [the facilitator] made jokes and generalised things, and I was made to feel embarrassed in asking questions, and stupid that I could not figure out the [questionnaire] ." She believed that the facilitator had been asked to substitute for another trainer at the last minute, so she understood his behaviour to some degree, but still felt "a certain standard should have been upheld", or the session should not have been given at all. She said she was "not alone" in feeling this way about this session.

HOW DO YOU FEEL ABOUT DISCUSSING YOUR COMPETENCY DEVELOPMENT
WITH YOUR MANAGER ?

The objective of this question was to explore how employees felt about having this kind of non-evaluative, personal discussion with their manager. Since the objective of these discussions was to have the manager play a less active role, and to have the employees direct both their development and

this discussion, this question was posed to determine if this actually proved to be the case.

The experience of directing a discussion on strengths and developmental areas proved unsettling to two employees. One of these employees felt that the discussion is "quite personal...you're talking about you and what you need to improve and it's pretty direct." She added that an important factor to ease that discussion would be to have a manager with whom you had "a long working relationship, someone who knew you and the job, and with whom ultimately you would feel comfortable". The second employee admitted to a similar sensitivity around this process, "...I find competencies are alot of personality things so I think for some people it's kind of uncomfortable to discuss their personality. And where their shortfalls are. And actually if you can, you must be a pretty strong person to be able to discuss them openly and say yes these are the things I need to work on."

The balance of the respondents generally felt that this was a constructive, informative discussion. These respondents also believed that the responsibility for action lay clearly with

them and felt they had talked so much more with their manager in this discussion than in other discussions they have had.

DO YOU FEEL THAT THERE ARE OBSTACLES TO USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

A relatively specific time line regarding the initial implementation of competencies had been proposed to managers at their two day session. The objective with this question was to determine if, which was the case with an overwhelming majority of employees at this branch, employees were not working on their competencies, why were they not doing so? There was marked frustration on the part of all the respondents and, to some degree, disappointment that they could not work on their competencies. These respondents felt that "the bank" was asking them to develop, which they believed was ultimately for their "own good", but that in reality it was just not possible to do so without sacrificing something. The respondents clearly stated that they had not made any progress against their development plan or activities following their first meeting with their managers three months ago. The number one reason cited for this was "time".

A respondent spoke for this group of employees in saying, "The problem that we faced is time to do it. A lot of people reject having to do this on their own personal time and felt that work time should be given to work on it. There is no work time available to do it."

The possibility of being able to devote work time to personal development seemed an even further remote possibility to these employees because, as one respondent argued : "They may say well, you have to schedule the time for the person to do this...but with cutbacks, we're already bare to the bones most of the time or someone calls in sick...we're here to serve customers."

A number of employees felt they should have some sort of a "competencies reminder". They felt that this reminder would prevent competencies from "falling by the wayside", particularly because there was "no time" to work on them.

One employee suggested that competencies may not continue any further in the bank because "...hopefully it's not just one of these things that can get put aside in the course of a

busy day...assuming everybody stays focused on it from Area Management down to branch management, down to us and keeps it in your face." She added,"...if it were just mentioned more during your weekly sales meetings...you're constantly hearing about your sales but maybe if they started to...give it some weighting."

DO YOU FEEL THAT THERE ARE FACTORS THAT FACILITATE USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

In the development of the models and the supporting tools, an attempt was made to illustrate a relationship between job activities and competencies through the "companion piece". An effort was also made to remove considerable work from the (personal banking side of the) branch, to free up employees' time. A last objective was to make the tools as easy as possible to use. Only two employees mentioned anything about what might facilitate their use of competencies. These two employees replied, "the activities [in the learning map] that are job-related."

HOW DID YOU FEEL ABOUT COMPLETING THE COMPETENCY ASSESSMENT
QUESTIONNAIRE ?

The objective of the competency questionnaire was not only to provide a tool for self-assessment of competency level against which employees could develop an action plan, but to make a questionnaire that was more "user friendly and simpler to use for more junior staff." This question was asked to determine was this, in fact the case?

The other objective of this question was to determine if employees may have felt compelled to demonstrate, legitimately or not, that they were a "6" or a "5" on the competencies for their position, i.e., that they were at or above the target level on all their competencies. It was important to keep in mind that, as discussed earlier, not even your superior performers, from your behavioural event interviews, may consistently be at, or above, that level.

A number of respondents experienced difficulty in completing this questionnaire because of an inability to relate, at all times, to the competencies outlined for that role. One respondent explained, "If I look at my account manager

competencies, in a perfect world I would answer yes I always do this. But I mean, "whenever I can" wasn't an answer...you can't be an account manager all day long." This employee felt, as a result, it would be important to have a manager who knows the job and therefore would understand if and why there were gaps in their competency levels.

A number of employees, including the Manager Customer Service for the branch, found the questions very complex and unclear. An employee "...found the questions were duplicated in a very tricky way...I found the questions to be asked several times in different ways...you could find yourself answering yes and no to the same question three, four times...I don't feel right about that." Another employee spoke for the balance of the staff in saying, "It was very difficult to understand alot of the questions as to what exactly did they mean...nearly everyone that I spoke to, it didn't matter what their position was, there were questions...that were extremely ambiguous."

A number of employees believed that, based on their assessments, they were at or above the target level, and were

therefore focusing towards their next position. They felt that given they had been doing their job a number of years, they would have been surprised had they not been at, or above, the target level.

BRANCH # 2. In this mid-size branch, the Manager Customer Service for this branch had held a one hour meeting, at the end of a day, once the branch was closed to customers, to introduce competencies to all the branch staff. The Manager Personal Banking was being transferred from the branch at that time, so a session where they both introduced competencies was not possible. At this one hour session, a brief introduction to competencies was conducted and then staff began to complete their competency assessment questionnaires. One-on-one follow up meetings were then held with all staff, where both managers completed the assessment on their employees, instead of, as is the intended objective of this session, discussing the employees' self assessment and finalising the employees' action plan. In the personal banking area, given the impending departure of the Manager Personal Banking, brief one-on-one sessions were held, where

a form of "consensus" discussion took place based on a comparison of the assessments done by the manager and the employee. In the customer service area, the first follow up meetings not only touched on competencies, but employees' performance appraisal quarterlies were discussed at the same time. The Manager Customer Service actually introduced competencies as "the new form of performance appraisal" at these meetings.

It may be interesting to note that although both were there, neither the new Manager Personal Banking, nor the Manager Customer Service scheduled themselves to be interviewed.

In my discussions with their staff, the following results emerged around the questions posed. Rather than repeat the purposes of each question, as outlined for Branch #1, only the responses and interpretation will be included for the remaining branches.

CAN YOU DESCRIBE FOR ME WHAT YOU USE THESE COMPETENCIES FOR ?

Among these respondents, there was a relatively uniform understanding that competencies were being used as the "new

form of performance appraisal", i.e., that their performance would now be evaluated using competencies. These respondents also mentioned the value of competencies for planning their career and future positions. One respondent spoke for the majority of employees when stating that you "...use them [competencies] as a tool to further your career in the bank or to determine where your strengths are if you want to choose a specific path in the bank...my understanding it's how the bank is going to rate you in your performance."

One respondent highlighted that competencies are "...to make sure you're doing your job right. That you have the skills necessary to do that job, and also for career planning."

HOW DO YOU FEEL ABOUT DISCUSSING YOUR COMPETENCY DEVELOPMENT WITH YOUR MANAGER ?

Nearly all employees described this meeting with their manager as their "performance appraisal". One respondent captured the process for the majority of employees interviewed when they stated: "...the first part of the interview...was still based on the old method [of performance appraisal]. This [competencies] is gradually coming into

effect [as the new form of performance appraisal]. And the second half [of the meeting] is where we brought the competencies in." Another respondent concurred: "We, well basically [had] a quarterly based on the old way, and then he brought in the new way [of competencies] to show how the process [of the new performance appraisal] works."

Although most employees found this discussion was a positive experience, and felt that they really had a two-way discussion, one employee expressed concerns about how a manager could actually assess their competencies when the manager can't actually see them demonstrating these competencies. This employee explains that, "there are certain particular areas that have to have, be more defined I guess? How do you determine that I am an ace at this? How do you determine that I suck at this when I'm behind a closed door all day?" Another respondent really wondered to what degree, as an employee, their assessments and action plan would actually be taken seriously with their managers. This respondent felt, "Like it's still very much what your manager feels about you, right?...He's still going to hold alot of weight because he is your manager, right "

DO YOU FEEL THAT THERE ARE OBSTACLES TO USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

All respondents mentioned that time was an obstacle. All employees had not revisited their development plan since the discussion with their manager almost four months ago, nor were they actively engaged in any developmental activities since their last meeting with their manager. When these respondents stated that time was an obstacle, they included both work and personal time. One respondent felt there was really no "personal time to develop...it's difficult with a family...".

The only other obstacle that came up was mentioned by one respondent : "...a person would have obstacles if maybe they didn't respect the opinion of the other person trying to coach them along." This respondent felt that an employee's development might be impeded in some way if they did not respect the opinion of their manager or supervisor.

DO YOU FEEL THAT THERE ARE FACTORS THAT FACILITATE USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

Most respondents felt that their colleagues were a strong resource not only in helping them to identify their competency levels, but in suggesting developmental activities. One employee actually reviewed the questionnaire, question by question, with a co-worker, not only to help determine what this employee's "real" competency levels were, but to help find concrete examples of how he was actually demonstrating those competencies.

One employee added, "my fellow employees, my peers [help me with competencies]...through networking you will find somebody else that has gone through that [activity]...and will be able to guide you."

HOW DID YOU FEEL ABOUT COMPLETING THE COMPETENCY ASSESSMENT QUESTIONNAIRE ?

A number of employees felt that completing the competency assessment was a long process, somewhat repetitious, and for one employee, "it was difficult to complete at first, all the calculations, especially when you're not good at math."

Also, some employees were confused, at the introductory session, about when to use the "0", "1" and "X" so as a result, a number of employees had to redo their questionnaires.

Two respondents mentioned the importance of being honest when completing the questionnaire, because the tendency may be to artificially increase your competency levels so that "in your manager's eyes, you look good".

BRANCH # 3. This large downtown branch has been a "Managing Priority Markets" branch for a little less than a year. Two forty minute meetings, to introduce competencies, were co-facilitated by members of the branch senior management for two different groups of employees. One on one meetings were then held with staff, their direct supervisor and the branch manager for specific questions or concerns on competencies. At these meetings, employees were not expected to have completed their self-assessments. Employees then completed their competency assessment questionnaire, and had the three month follow up meeting with their direct supervisors.

Although both were there, neither the Manager Personal Banking, nor the Manager Customer Service were scheduled to be interviewed.

In my discussions with their staff, the following results emerged around the questions posed.

DO YOU FEEL THAT THERE ARE OBSTACLES TO USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

Time, personally and professionally, surfaced as a significant issue, which these employees felt actually prevented them from making progress against their development plans. One respondent put it this way, "To be frank, I don't think anyone's opened up that book [learning map] since. I mean we just don't have the time. I think you know exactly what you have to read to keep up...my investment related material, reading the newspaper everyday...by the time you get home, I don't have time to do anything else."

This same employee felt that if employees didn't work longer hours not only for their job but also to complete their developmental activities, then this decision, in her mind,

meant she could expect lower performance ratings on her next performance appraisal: "Personally I think we work very long hours, so I have to decide what I want to do. Do I want to spend 50 hours a week here, or cut it down and then I won't be a 7 or 6 performer."

This same branch has had Royal Learning Network installed, which is a computerised form of the Learning Maps and Development Planner. All staff explained that they have had "no time" to use the Royal Learning Network. One manager said that "...if I have extra time that's not where I'm going to be spending it, like there is no extra time...there should be more work time allotted, more support in getting those courses done not just on your own time...work and family is an issue, [there is] alot of pressure on people in these roles to be doing alot of courses."

HOW DO YOU FEEL ABOUT DISCUSSING YOUR COMPETENCY DEVELOPMENT WITH YOUR MANAGER ?

By and large, most respondents felt this was an open, two way discussion, and felt it was a good opportunity to get important feedback. One respondent felt that "actually, I was

really comfortable with it in terms of determining where I felt I was at and then compiling those numbers and seeing whether or not I was on target [vis-a-vis my manager]...it just reinforced how I thought I was doing."

CAN YOU DESCRIBE FOR ME WHAT YOU USE THESE COMPETENCIES FOR ?

Most of these respondents felt that competencies were a really good tool not only for personal development but for career planning as well. One respondent explained that "...what I seem to understand is that basically we are in control of our own career. And the introduction of competencies is just going to better us as individuals, in terms of where we see ourselves at, as well as management, and where we can improve upon." Another respondent took this point one step further, "[Competencies help] to keep you on track...to make sure you're performing at the level necessary for this job. I think there were no surprises in the behaviours that you needed to be at this level...they had already been demonstrated and that's why I was here."

Some respondents made comparisons with competencies and the existing performance appraisal system. One employee put it

this way, "...so we kind of questioned it, versus the old way that we are normally used to. Our regular review. It wasn't for us to evaluate ourselves as such. It's what our supervisors see us as...this way, this is a more fairer way to really evaluate us because you get the chance to actually say on paper what you think about yourself."

DO YOU FEEL THAT THERE ARE FACTORS THAT FACILITATE USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

A number of employees clearly felt that their colleagues were important resources in helping them to develop their competencies. One respondent explains, "In the group concept, as a responsive banker, there's eight of us. A lot of technical weaknesses a person has, [he] has other people to feed off of. So you have that learning amongst us."

Another source of support, on an equal footing with peers, was voiced by another respondent: "management. It was always firmly expressed that whatever courses I needed to take, whatever tools or whatever it is that you need will be provided for you in terms of cost."

One respondent felt that the behavioural competencies might be easier to work on because the learning activities suggested for these competencies were very work-related, but she also felt that you "have to be willing to set it as a goal."

HOW DID YOU FEEL ABOUT COMPLETING THE COMPETENCY ASSESSMENT QUESTIONNAIRE ?

A number of employees completed the questionnaire at least twice, because they were concerned that they were at or above the target levels on their competencies when they felt they shouldn't have been. They then attributed this response to the fact they perhaps they were being too hard on themselves. One respondent explained it this way, "At first I did the questionnaire twice. On the first, the score came out too high...and then [the second time] it came a little more [lower], even then I thought I was being too harsh on myself, so I did it again to get a truer picture." Another employee experienced something similar, "I filled it out four times, because there were competencies where I was coming up superior where I didn't think I was."

Two employees felt it was important to complete the assessment as honestly as possible. One employee felt this honesty was particularly important because she thought that "there would be people that would probably try to manipulate it."

HOW DO YOU FEEL IN GENERAL ABOUT COMPETENCIES SO FAR ?

Generally, employees felt good about competencies so far. One employee spoke for all respondents when she said that "...it really is nice to see that the bank is really focusing on personal development."

One employee, before competencies were introduced, was very apprehensive; she said that she really wanted to know honestly what they would be used for. She feared that she might lose her job because of competencies. She felt this might have been, to some degree, simply because competencies were so new. Once she had been through the competency introduction, and discussed them at greater length with her manager, she felt far more comfortable with the idea of competencies, and felt they might actually benefit her.

BRANCH # 4. This branch began making the transition to becoming a "Managing Priority Markets" branch over a year ago, with the actual "launch" in September. During this transition, there was virtually a complete change in staff. The Manager Customer Service found the two day competency training program "hard to absorb, all brand new, I've come to understand it more as I have utilised it." A two to three hour meeting was held with the branch staff, after branch hours, to introduce competencies. The Manager Customer Service felt that the employees' reacted warily to competencies. She mentioned that some employees stated "...there's so many new things it was like 'another thing'." About three months after the introductory session, one on one meetings were held with staff to follow up on their development plans. The Manager Customer Service described that when she got to those one on one meetings with her staff, they could not really have much of a discussion:

"We asked them [the employees] to do the questionnaire, but no one really did it. Especially here with rolling out [the] Affluent project, then Managing Priority Markets, then

competencies...all we were doing was surviving, we didn't have all our staff...it was tough."

The Manager, Personal Banking could not be there to be interviewed; the Manager, Customer Service was scheduled to be interviewed.

HOW DID YOU FEEL ABOUT COMPLETING THE COMPETENCY ASSESSMENT QUESTIONNAIRE ?

Generally respondents felt that they had completed the questionnaire to their satisfaction, with some deliberation in determining to what degree they actually demonstrated certain competencies.

One respondent felt that the questionnaire could have been clearer: "...it was quite extensive, some of them quite complex, you don't really know what they want from us sometimes...[they're] not straightforward questionnaires...[particularly] for people who are not sophisticated in language skills...you probably have to go to the dictionary to find out what they want."

CAN YOU DESCRIBE FOR ME WHAT YOU USE THESE COMPETENCIES FOR ?

Generally, these respondents understood that competencies were a means to build their skills, skills that were related to their job. One employee explained it this way, "To make sure that you know the skills required to service the clients. To ensure that staff has the support from the bank to learn these skills..."

The Manager Customer Service used the questionnaires to complete their new performance appraisal process as a managing priority markets branch, a process called "profiling". Profiling helps to determine what an employees skills are and what positions are best suited to those skills (Go back to interview). Although it was not communicated to her that competencies should be used in this profiling process, she explained that: "...we're doing the profiles...and I just started from scratch with competencies...it was the perfect tool to do the profiling, like the back of the old performance appraisal card [with employee skills and career plans]...it's a tool for evaluating...and it's going to be great when I do quarterlies, because they know where I'm coming from."

HOW DID YOU FEEL ABOUT THE FIRST ONE ON ONE MEETINGS ?

The Manager Customer Service explained that when it came to conducting the first set of one on one follow up meetings with staff to discuss their development plan, none of her staff had completed the competency assessment questionnaire so she "...took out the booklet for each position, it took a good hour...we read them all and I asked them, where do you think you are ?...they were very honest, because it was right there."

DO YOU FEEL THAT THERE ARE OBSTACLES TO USING COMPETENCIES FOR SELF-DEVELOPMENT ? IF SO, PLEASE DESCRIBE THEM.

Time was the obstacle most mentioned by these respondents. These employees felt not only did a lack of personal and work time prevent them from working on their competencies, but that when they actually did work on their competencies, these competencies didn't save them any time because their job competencies didn't actually help them do their job. One employee explains, "Yes. I think to put competencies in place is very easy and I think the bank is doing that very well. I think the most difficult part is how to assist the staff to acquire these competencies. You still work eight, nine hours

a day, all of us are taking courses outside the bank, Certified Financial Planning, Canadian Securities Course, you have families as well, you find out alot of the times that the competencies, or the course you are taking, they are not immediate answer to our job."

This branch had Royal Learning Network installed in the summer, but according to respondents, not only has no-one had the time to work on it, but the Manager Customer Service has not been able to schedule anyone for recommended one hour per week because of scheduling challenges : "I've been on RLN, I'm trying to implement a timetable...I'm supposed to dedicate an hour each week for each staff to go on RLN...and that's a challenge...we've got to run a business here." The Manager Customer Service explained that staff had been reduced prior to starting as a managing priority markets branch, but as a managing priority markets branch, they are expected to increase business volume by 15, so they found that they were now too short staffed, but were not able to add any more staff at that time.

One respondent, among most of these employees, feels more should be done to allow an employee to use bank time for development : "...you have a computer that's available in the back room for you at the same time knowing that the individual never can afford one hour to go back to this room to develop ourselves...it is a little bit thrown on the individuals."

Discussion, Conclusions and Recommendations

Discussion and Conclusions

The purpose of this research was to:

1. Describe the way in which Royal Bank Financial Group - Personal Financial Services, with The Hay Group, external consultants to Royal Bank Financial Group, have developed competency models and the supporting tools to those models, and the way in which competencies have been initially implemented.
2. Determine what the specific intentions were with respect to the initial implementation, and whether or not this implementation occurred as intended, particularly at the branch level.
3. Determine if competencies were, at this time, being used by branch employees and their managers for personal, and not evaluation, purposes.

The following represents a discussion of these questions based on the research results, integrated with comparisons to the critical issues highlighted at the end of the literature review, where appropriate.

The Intent of the Initial Implementation Process and the Results of the Actual Implementation

The following is a summary of the initial implementation process and discussion of the intentions with respect to that process, as well as a discussion of what actually occurred in the execution.

Competency models were developed by The Hay Group and Personal Financial Services for a specific set of positions within Personal Financial Services. Supporting tools were then developed, by The Hay Group and Personal Financial Services, for these models. Those tools were: a competency assessment questionnaire, learning maps, and a development planner. These tools were designed with the intent that they would be simple and easy to use, thereby facilitating employee ownership of skill development. The competency models and supporting tools were communicated first to managers by way of a two day training session, and then to all employees of Personal Financial Services by their managers with the help of a launch kit. Employees, to this stage, were to have determined their competency gaps, developed an action plan and met with their managers to

confirm any resources needed. Employees were then to begin their developmental activities only for self-developmental purposes at this stage. The Hay Group of consultants, senior management within Personal Financial Services, corporate training groups and selected branch employees were then interviewed, as well as documents and observations researched, to report what the intentions of the initial implementation were and what actually resulted.

The "launch kit" was designed to help managers adequately explain competencies to their staff within a recommended time frame of two to three hours. The intent of these materials and time frame was, to a greater degree, to ensure consistency in the way the competency "message" was conveyed to all staff. There was, in the actual initial implementation, considerable variety not only in the way managers actually conducted their introductory sessions, but also in the way that the use of competencies was explained to staff. The actual time used to introduce competencies to branch staff ranged from forty minutes to four hours. In only one launch session were all the recommended materials used; in the balance of the launch sessions, apart from the

description of what competencies were, the remainder of the session time was spent reviewing the models and completing the competency assessment questionnaire. In the case of two branches, staff emerged from these sessions believing that competencies would now represent a new form of performance appraisal, and anticipating that their performance would now be evaluated based on their competency levels.

Another objective of the implementation was to develop competency supporting tools that were simple and easy to use. The use of a blind questionnaire, as explained earlier, was one of the examples of developing materials that was thought to be particularly simple for more junior staff to use. The competency assessment questionnaire, in fact, was confusing and very time consuming to some branch employees. This was particularly true for those employees who made the decision to complete the questionnaire a number of times. In one case, an employee felt that the questions were "tricky".

Another objective of the implementation was to have employees "own" the competency process, thereby making it "live". The use of the development planner and learning maps was to be

the process through which this ownership would occur. In some branches, employees had not even completed their development planners within and after the prescribed time frame following the launch. In cases where employees had completed their development planner, employees had "no time at all" to actually devote to developmental activities. This was true both for those branches where development planners were made available to employees on paper and in branches where the development planners were accessed by way of the Royal Learning Network (on computer). Managers, when they participated in their two day training session, had also believed that time for staff to work on developmental activities would, in fact, be an issue.

Another objective of the implementation was to encourage branch managers not to implicate themselves in the competency development process for the first three months following the launch. The intent was to give the employees time to take ownership of this process by having them complete their self-assessment without the manager also doing an assessment at this stage. The intent was also that employees complete the development plan on their own, proceed with their

developmental activities, and to simply confirm with their manager--not obtain approval for--their developmental decisions and progress against their activities. There was clearly a case where this "ownership" did not occur and this was with the manager who, because her employees had not touched their competency assessment questionnaires since the launch, actually sat each employee down and completed the questionnaire for them by asking each employee the questions and then marking down their responses. To some degree, there was some difficulty experienced around ownership for those employees who felt that the manager's assessment would, at any rate, take final precedence over their own self-assessment, as in the case of the employee who stated that "...it's still very much what your manager feels about you, right? He's still going to hold a lot of weight because he is your manager, right?" Managers, at the two-day training session, had also manifested some difficulty in letting employees take charge of the developmental discussions, as in the cases where managers did most of the talking during the role plays. These same managers also had some difficulty in letting their employees take ownership of their own development, as in the case of the group of managers who felt

"empowering" their employees through this process would be a definite challenge.

The intent with the implementation was ultimately to provide managers with coaching training to help them develop the skills necessary not only to identify competency behaviours, but also to successfully support their employees in their developmental activities. Managers, to this point, had not received any additional coaching training.

Using Competencies for Personal Development, Not Evaluation

The intent, in introducing competencies initially, was to have employees address their competencies only for self-development purposes for the next two years. This intent was to clearly separate competencies from the performance appraisal process and compensation, simply because it had not been decided, either within Royal Bank Financial Group or Personal Financial Services, how competency-based performance appraisal and compensation would be developed. This was also intended to emphasise that employees should not feel they have to "be" at a certain level with respect to their competencies; the idea was not to assess to what degree an

employee was at "the top of the scale" but rather to assess to what degree an employee was working towards a development plan. In the case of two branches, the use of competencies to develop skill level, in a non-evaluative setting, was very clear to employees.

In the other two branches, staff believed that competencies now represent a new form of performance appraisal, and anticipated that their performance would now be evaluated based on their competency levels. In the case of one branch, competencies were explicitly introduced as the "new method" at a performance appraisal quarterly discussion. Lastly, there were a number of employees in all branches who mentioned that they were at or above the target levels for all their competencies. If statistically, as Diane mentioned, that few employees were likely to be consistently at or above the target levels, how was it that these employees had achieved or exceeded the target levels for their roles ?

Evaluation of Results at this Stage

It was generally clear that the preponderance of managers and employees believed the implementation of competencies to be a

positive step. Both managers and employees, generally, believed that competencies represented a more measurable, concrete, objective way to assess and measure their skill development. There almost appeared to be a visceral reaction to the concept of competencies; a sense of, "it's about time-this fits."

However, with respect to the implementation, there were certainly demonstrated gaps, as discussed earlier, between not only the intended and actual implementation, but the intended and actual perceived use of competencies (at least based on their intended use over the next two years). This would therefore lead to a conclusion that the overall success of this initial implementation remains questionable.

The following discussion examines the results at this time not only from the perspective of concerns and issues raised by those individuals who worked on the development and implementation, but also from the perspective of the critical issues related to competency implementation that were included in the literature review section.

From the beginning stages of the development of the implementation process, there were concerns expressed by The Hay Group, and senior management of Personal Financial Services, about the potential drawbacks of having managers introduce competencies to their staff. Diane had mentioned, on more than one occasion, the possibility that the "message" would become diluted the further it progressed from workshop to manager to employee. Given the variety of ways the message was finally delivered at the branch level, and the time taken, or not, to deliver that message, the cause for her concern would appear to have been legitimised. A complicating factor to this may have been, as Ralph mentioned earlier, that many managers had never conducted this type of facilitation before, i.e., a three-hour session on a very conceptual topic about which they've just learned. To expect that managers, after two days of training on competencies, would feel comfortable enough to return to their branches and be able to integrate that understanding into a condensed two to three hour session may have been, in retrospect, somewhat unrealistic. As Ralph described earlier, he had spent an extensive amount of coaching time with the trainers who were to hold the two day sessions; managers did not receive this

kind of intensive coaching time. Although the facilitation of this session at the branch could have been interpreted by these managers as a developmental activity towards the development of, for example, their "Developing Others" competency level, this kind of a session may have been an activity that was, in fact, inherently beyond either their own or that of the target level for that particular competency.

Although there had been considerable effort to remove administrative functions from the personal banking positions, not only was this not the case for all branch positions, but for many employees, this effort did not appear to make a difference. Many employees, as noted earlier, continued to feel that their work responsibilities were considerable, and that they were already working long hours, excluding any consideration of competency development.

For reasons that were difficult to determine, for all the time that went into developing a strong link between employees' performance objectives, work activities and competencies, as evidenced by the Job Map, this linkage did

not seem clear to many employees. This lack of clarity became apparent for two reasons :

1. Because of the majority of employees who said that they did not have "time" to work on their competency development. If the competencies were intended to be highly job related, why did these employees not have the time ?
2. Because of those employees who felt that competencies did not, in fact, help them with their job.

It might have been anticipated that managing priority market staff would not have experienced such issues as lack of time or difficulty in relating competencies to their job. The reason for this would have been because competencies were developed with their positions as a template. This, however, was not found to be the case.

Kochanski (1996), spoke of the emerging experience that "more, not less managerial discretion and more, not less employee self-responsibility for performance development may be difficult for companies whose managerial norms implicitly do not support this." Both Diane, Jane and David spoke of what could be termed as the shared rhetoric and management

culture within Royal Bank Financial Group and Personal Financial Services. Internal studies showed that managers "want to break new ground...but [they] are being rewarded for conventional thinking" This shared rhetoric, in fact, was made explicit in the Workplace 2000 message, which described the current and future employee-manager relationship within Royal Bank Financial Group. The questionable results of this initial implementation may have been influenced less by these cultural and managerial factors that are, admittedly, strong, and influenced more by what Boyatzis refers to as the "systemic problem...that nobody really is helping individuals confront the issues of whether or not they want to change", when a company introduces competencies.

To ask employees to self-assess their competency level and take action on areas that need development implicitly involve issues of profound personal change. This change process was never explicitly discussed throughout the entire implementation process. Many employees, in articulating their concerns about having to demonstrate (what may be unrealistically) high competency levels, in deferring to their managers for their development plan, or in not working

on their development plans, may in fact, be manifesting their ambivalence towards change, and may be unsure how to reconcile this.

The concept of competencies is a very strong one, in that it has the potential to provide an integrated approach to all human resource systems. This provides not only for consistency, but also a common foundation across all human resource applications, particularly in the area of performance development. The concept is also solid in that it literally provides a blueprint for success: superior performance is very clearly defined.

The use of competencies should not be viewed as a panacea, but rather from a performance technology standpoint, as a potential tool in an integrated performance improvement plan. The success or failure of the use of competencies in an organisation may be directly related to the amount of preparatory work that is done to determine the environment for, and suitability of, competencies for an organisation and the employees that are employed there.

Recommendations

Given these conclusions at this point, further research is recommended. A number of research perspectives may be considered, and these perspectives are suggested in the following paragraphs.

One research perspective may be to conduct a longitudinal study, over the next one to two years, that would study employees' use of competencies for self-development purposes. This research took place just as competencies were being initially implemented in Personal Financial Services; care and caution, therefore, has been taken in the interpretation of the data within this context. To increase internal validity would certainly argue for a longer term study.

It may also be valuable to determine quantitative measures of implementation "effectiveness" and conduct research against these using the methodology or methodologies found to be the most appropriate.

Another prospect may be to conduct a study, which could be qualitative or quantitative in methodology or a mixed design

for that matter, to determine if the use and development of competencies by employees, over a longer period of time than this research, are different for a managing priority market branch versus a non-managing priority market branch. These competency models were developed using the roles found in managing priority market branches as templates. A control group study may prove insightful.

A final research perspective may be to examine and validate the potential causes of the gaps articulated within this research. The learnings from this exercise would surely provide potential intervention recommendations.

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APPENDIX A: EXCERPT FROM COMPETENCY DICTIONARY

Achievement Cluster	
1 Achievement Orientation	Acting to improve performance, do a task better (faster, more efficiently, at lower cost, etc.) by committing oneself to accomplishing challenging objectives, or competing against a self-defined standard of excellence.
2 Concern for Quality and Order	Acting to minimize errors and maintain high standards of quality by checking or monitoring data and work, and by developing and maintaining systems for organizing work and information.
3 Initiative	Taking self-directed or self-motivated initiative to do more than is expected or required in the job, act before being required to by events, to improve job performance, avoid problems or find or create new opportunities.
Helping/Service Cluster	
4 Interpersonal Understanding	Understanding, interpreting and responding to others' concerns, motives, feelings, and behaviors; accurately recognizing strengths and limitations in others.
5 Customer-Service Orientation	A concern with helping or serving others; efforts (including initiative and tenacity) to discover the customer or client's needs, and to meet those needs. "Clients" may include internal staff, such as a boss or downstream department, students, or actual external customers.

APPENDIX B: INTERVIEW QUESTIONS

BANK BIG PICTURE - COMPETENCIES

Rossett: Questions structured to seek optimal performance, knowledge (i.e., intended use of competencies), and to some degree actual performance.

Patton: Questions structured to seek background/demographic information on individuals involved in competency development, experience/behaviour information on competency use in Royal Bank Financial Group, knowledge, and to some degree opinion/value information on where competencies will be used in Royal Bank Financial Group within a given time frame.

1. What is your role in the realization of competencies in RBG ?
2. Please describe why the RBG has brought competencies into the organization.
3. What are RBG's objectives with competencies ?
4. How does RBG plan on using competencies ?
5. How was the decision arrived at to pursue competencies ?
6. Were other approaches to competencies examined ? Is so, what were they ?

7. What decisions were made relative to these approaches ?
(Why were these options not chosen ?)
8. What competency modelling approach has been selected for realization within RBG ?
9. Are all groups within RBG using this competency modelling approach ? Why ?
10. If not, what groups and why ?
11. Why did RBG (selected groups, Hay McBer) choose this approach ?
12. What is Hay-McBer's mandate for competencies in RBG ?
13. What is Hay-McBer's definition of competency ? What is RBG's definition of competency ?
14. Have there been any obstacles in introducing competencies into RBG ? If so, please describe them.
15. How are these obstacles being addressed ?
16. What do you see for competencies and RBG employees in, say, three to five years ?

BANK IMPLEMENTATION - COMPETENCIES

INTERNAL

Rossett: Questions structured to seek optimal performance, knowledge (i.e., intended use of competencies), and to some degree actual performance.

Patton: Questions structured to seek background/demographic information on individuals involved in competency development, experience/behavior information on competency use in Royal Bank Financial Group.

1. What is your role in the realization of competencies in RBG ?
2. What are RBG objectives with competencies ?
3. Why did RBG choose Hay-McBer for the competency work in RBG (PFS&other groups) ?
4. Were other competency approaches examined other than Hay-McBer ? If so, what were they ?
5. What decisions were made relative to these approaches ?
6. What is Hay-McBer's definition of competency ? What is RBG's definition of competency ?
7. How is the Hay-McBer approach to competency modelling being applied in RBG ?
8. Have there been any obstacles in implementing competencies in RBG ? If so, please describe them.
9. How are these obstacles being addressed ?

10. Have there been any successes in implementing competencies in RBG ? If so, please describe them.

EXTERNAL

1. What business(es) are you in ?
2. What is Hay-McBer's definition of competency ?
3. What are Hay-McBer's objectives with competencies ?
4. Describe for me Hay-McBer's competency modelling approach.
5. What is Hay-McBer's approach for effecting competency implementation and training/interventions around competencies ?
6. Is Hay-McBer's foundation for competency modelling David McClelland ? If so, why ?
7. What is Hay-McBer's mandate for competencies in RBG ?
8. How is RBG defining competency relative to Hay-McBer's definition ?
9. Please describe how Hay-McBer is fulfilling their mandate in RBG.
10. Please describe for me Hay-McBer's experiences in competency modelling in other, similar, organizations.

PFS IMPLEMENTATION - COMPETENCIES

Rossett: Questions structured to seek optimal performance, knowledge (i.e., intended use of competencies), and to some degree actual performance.

Patton: Questions structured to seek background/demographic information on individuals involved in competency development, experience/behavior information on competency use in Personal Financial Services, and opinion/value questions about the status of competency rollout so far.

1. What is your role in the realization of competencies in RBG, Personal Financial Services ?
2. What are RBG Personal Financial Service's objectives with competencies ?
3. Why is RBG Personal Financial Services using Hay-McBer for the competency work ?
4. What is the status of implementation of competencies in Personal Financial Services ? What has been the time line ?
5. How has the Hay-McBer approach to competency modelling been applied in Personal Financial Services ?
6. How was the decision arrived at to pursue realization around competencies in this way ?
7. Have there been any obstacles in the implementation of competencies in Personal Financial Services ? If so, please describe them.

8. How are these obstacles being addressed ?
9. Have there been any successes in the implementation of competencies in Personal Financial Services ? If so, please describe them.
10. How do you feel about competencies for personal financial services ?
11. How do you feel about the realization so far ?
12. How do you feel about the training so far ?

PFS TRAINING - COMPETENCIES

Rossett: Questions structured to seek actual performance, knowledge and, to some degree, optimal performance (i.e., intended use of/training around competencies).

Patton: Questions structured to seek background/demographic information on individuals involved in competency development, experience/behavior information on competency use in Personal Financial Services, and opinion/value questions about the status of competency rollout so far.

1. What training and/or development tools have been designed around competencies for Personal Financial Services ?
2. Why has this approach been selected ?
3. Have there been any obstacles in the implementation and training around competencies in Personal Financial Services ? If so, please describe them.
4. How are these obstacles being addressed ?
5. Have there been any successes in the implementation and training around competencies in Personal Financial Services ? If so, please describe them.
6. How do you feel about the realization so far ?
7. How do you feel about the training so far ?

SELECTED BRANCHES - COMPETENCIES

Rossett: Questions structured to seek actual performance, knowledge.

Patton: Questions structured to seek background/demographic information on individuals at branch, experience/behavior information on competency use at branch, and opinion/value questions about the views on competencies so far.

1. What is your position in the branch ?
2. How long have you been in that position ?
3. Do you have competencies for your position ?
4. How were these introduced to you ?
5. Can you describe for me the competencies you have for your position ?
6. Can you describe for me what you use these competencies for ?
7. How do you develop these competencies ?
8. How do you feel about the materials you have for helping you to develop the competencies for your position ?
9. How do you feel about discussing your competency development with your manager ?
10. Do you feel there are obstacles to using competencies for self-development ? If so, please describe these.

11. Do you feel there are factors that facilitate using competencies for self-development ? If so, please describe these.
12. How do you feel in general about competencies so far ?
13. How do you feel about the training so far ? (MPB, MCS)

APPENDIX C: DATA ANALYSIS FRAMEWORK

DIMENSION	DATA
Royal Bank Financial Group - Intent	<ul style="list-style-type: none"> • "Clear expectations for the individual, how what they do impacts performance"; "focus training and development efforts on those things that really will drive performance"; "what's expected of them and what they need to do to actually be a superior performer"; "competencies as a tool to manage performance that drives business results" • "Overall the idea with competencies was to increase results, there was a thought that rather than just clearly identify what results are expected, we had to help people understand what would achieve those results and that's what behaviors might be operative in achieving those results and so that Royal Bank in general has introduced competencies as a guide for employees in an effort to increase, primarily, individual results and hope that would aggregate up to organizational results"; • "That's probably the biggest success factor, is how integrated you can make this with other processes"
Personal Financial Services - Intent	<ul style="list-style-type: none"> • "Use competencies to support business strategies of sales culture and continuous learning" • "We didn't want it to become like performance appraisal where the initiative is, right from day one, is to prove how competent you are and have no honesty"; "That's diametrically not what it's supposed to be about at the moment."; "It's supposed to be about personal development"; "Do you have a development plan and what level of energy are you putting towards it as opposed to have you got all your competencies up to the target level they're supposed to be at."; "we don't want people proving what level they are on a competency scale" • "What a competency model or developing

competencies will do in driving sales effectiveness"; "competencies as a map to follow for focus, particularly if something is not happening, along with sales management behaviors and sales routines as part of an infrastructure for a sales culture" "How I want to see competencies positioned is around personal development"; "I'm saying keep them as far away from performance evaluation as possible for now, because it would just be too threatening for people"; "competencies drive your performance but we don't want it anywhere near your quarterly review or your annual review";

Development-
Intent

- "In PFS, when bringing in competencies there were some challenges for us in terms of can we produce simple, easy to use tools for managers";
- "key success factor would be around the packaging and making this thing look simple" (real language and straightforward formatting)
- "Spent a large amount of time embedding and harmonizing the sales management and some of the other initiatives that were going on in PFS with the competencies so that they would link and support each other"
- "We needed to have this model developed in such a way that they felt it was theirs. That they owned this thing"; "it's a very private thing, this is about my personal development. And so a key piece to it is this personal planner, it's a piece of paper that you keep"

Development -
Descriptive
(process,
rationale)

- "Some of the responsive and proactive personal banking, which were evolving, we didn't, people didn't have as much role clarity so those ones were a little dicier" (expert panels used more extensively)
- All notated points in interview coded development (aligned with I,BB, notated points coded development)
- All notated points in interview coded development : (chronology and description of competency development) Criteria for

superior/solid performers from area →
 Nomination of superior/solid staff from
 Ontario/Metro Toronto → BEIs → Coding →
 Expert Panels (prior to BEIs as well) →
 Steering Committee → Focus groups of job
 holders to validate models → Concurrent
 development and validation (with focus groups)
 of supporting tools (competency assessment
 questionnaire, learning maps, development
 planner); number of superior/solid performers
 interviewed & ratio; number of focus groups
 and numbers of participants; blind format for
 competency assessment questionnaire versus
 scale positioning; blind questionnaire format
 "more user friendly and simpler to use for
 more junior staff" (long term implication)

Training -
 Intent

- "When I started in September right around that time we were doing the design of the training and how we were going to train people managers how to, kind of, learn about competencies, what they're going to have to know, how to not teach them too much so that they weren't totally buried in competency technology and sort of lost. But also give them enough of an experience to actually get them to, sort of, understand how to make it work."; "I made a decision that we were not going to use participant materials as in a traditional course. Because we had so many tools, and pieces for them to use, that to give them yet a binder of stuff about competencies and that you'd usually put together, I said you know what, we're going to bury them."; "you need to know how to do it yourself, and be done unto"
- "Putting the masses through in two days of training is not practical, nor realistic nor do most people truly want to know that much" (cascade approach; cornerstone jobs; 40,000 employees)
- "Speed to market" (within 1 year)
- "What we're trying to do here is change peoples' mindsets about development"

•"I mean to me, the only value we have in this stuff is getting it to be live"

•"I think for it to be successful, it's going to need huge amounts of reinforcement and constant little things coming at them that say here's the next piece on competencies"

•"We didn't want information overload for the employees in two hours. But we did want them to get a chance to see competencies in action. So that's our video."

•"We also wanted it to be a time where we explain where the whole process comes from. And why the bank is doing it. And be able to get through all that in two hours."

•"We also wanted to make sure that the two hour sessions were being co-delivered by managing partners and as much as possible having area management present for the kickoff"

Training -
Descriptive
(process,
rationale)

•All notated points in interview coded "training flow"

•All notated points in interview coded "training"

Realization

•See Observation Log, Training Sessions observed

•See Branch Interview Summaries

Influences/
Factors that
might affect
(not pursued
within scope
of this
research;
potentially
items for
recommend-
ations)

•"I mean it's all very well to tell people what's expected of them, but if they don't have the authority to actually operationalize those expectations then nothing's going to work. So you've gotta deal with job design";

•"Because if you're getting down to job specific competencies, then you're communicating very clear expectations to people about what they need to do and so you need to make sure that the processes around them actually support those expectations." (dig out done in personal banking, not in service; CSCM impact on service side)

•"We want to back off on paying for people's behaviors without results not until we're at a

stage where we're totally convinced that those behaviors produce results"

- "we could probably measure if you've changed your behavior, what we have a lot of trouble doing is saying okay now we understand that your behavior has changed but did it actually produce a positive correlation with business results ?"

- "Well the challenge was always pay. Because they'd heard all this stuff. Anywhere from a 1/2 hour to the first four hours there was always, that question was going to rear its ugly head - and you never had a good enough answer for them because you know what ? There is no news - but they don't want to believe that, they think you must be hiding something" (in 2 day pilot sessions for people managers)

- "Developing others is not something that's rewarded inside of the bank structure"; "So I think you know there's a whole bunch of work that probably still has to happen to sort of enculture that kind of developing others kind of thing"

- "You know, Royal Bank is trying to move from kind of, if I can say this loosely, command and control because they are very directive as a management style, they're very authoritarian, you know, if we cluster them generally, which is not to say they don't have other management styles, but moving to a coaching/mentoring style"

- "And I think that's where you require huge amounts of investment of leadership in saying okay, let's stay with the vision here, the vision here is about moving people, raising the bar and moving people up those competencies, let's not get hung up on all the mechanics, but let's get hung up on having discussions with people"

- "We're really concerned once you start transferring this message from here to royal bank trainers, to royal bank other trainers to staff, people managers then give it to their staff, I mean you know the old broken message

thing - it's dilutions, changes, interpretations and it's like all of a sudden, I had people in risk management business banking session categorically telling me something which I knew was not true"

•"So, I think that's going to vary, in the amount of influence, guidance that employee's going to need will vary, whether managers have the skill to do that, I don't know. You know, because there's a tendency for them to manage one way. Like they get comfortable in the way they manage and so everybody gets managed the same way."

•"We know it takes about three to six months to move one level on any one scale, because it's a change in behavior"

Context

•Workplace 2000 documentation (presentation)
 •"We had lots of entitlement programs in the bank, as opposed to contribution programs, if you like"; "on the other hand we've been telling our employees the way to get ahead is to get promoted. So, all of a sudden, those things come into the organization and it's caused a fair amount of disruption; "More and more we'll be paying the person rather than the job" (1995 compensation package)' "So what we found is we found that competencies scared people. Because you're either competent or incompetent. And the feeling was the bank was looking for a way to find people incompetent so we could change them, or do something, so the trust level in the organization had started to decrease"

•"Rightly or wrongly, and it's probably wrongly in terms of timing, pay was the initial thrust which got competencies moving in Royal Bank" (learning from Business Banking competency introduction)

•"Royal Bank didn't choose Hay McBer. Most of the businesses have used Hay as a consultant and the decision about what style of

competency model to use was left to the business groups to decide on their own"

APPENDIX D: SAMPLE WORKSHOP MATERIALS

"I asked her what she was looking for, what she was hoping to get out of dealing with us and how much money she was looking for because I wanted to get a little information about her personally. I asked her where she had dealt before, why she was unhappy with their service and what exactly made her feel that they weren't providing her with good service."

Information Seeking**Level 3**

"I told him that taking the course on financial planning would improve his self-confidence and competence in his new position. I also let him know that I knew he could do it and reassured him that I would be working closely with him to support him."

Developing Others**Level 5**

ASSESSMENT AND CONSENSUS BUILDING SKILL PRACTICE

SCENARIO #2 - MANAGER'S ROLE

Background Information	You are the Manager, Customer Service and have Antonio Martin, Assistant Manager, Customer Service reporting to you. Antonio has been in this position for ten months. You are reviewing Antonio's file and planning your discussion for a coaching for competencies session.
Overview of Antonio's contributions	<p>Antonio is a highly motivated Assistant Manager, Customer Service. Ten months ago, Antonio was promoted to this position from Senior Account Services Representative in another branch.</p> <p>However, from the first ten months in his new position, it's apparent that some of the attributes that served him well as a top-performing ASR may now be working against him as an Assistant Manager, Customer Service. Antonio had always been excellent at dealing with customers and was constantly trying to improve on his sales/service results. He was known to be an outstanding ASR, who was extremely self-motivated, and was always willing to take on more responsibility.</p>
Specific examples of Antonio's behavior	<p>You have collected the following examples of Antonio's behavior over the last six months:</p> <ul style="list-style-type: none"> • Antonio's high energy and commitment were initially infectious, and got the customer service staff excited and working hard at first. But, over the last six months, when he didn't provide feedback or recognition, the original burst of energy and commitment turned to frustration. It has become increasingly obvious that he prefers to be a "lone star". One staff member organized two years worth of bulletin updates into binders and was not acknowledged by Antonio. Also, he has not attended any of several staff social luncheons or breakfast gatherings. • Antonio had recently been involved in launching this year's RSP campaign to the customer service staff. You had attended the meeting as an observer. While at the meeting, you observed that Antonio allowed for little opportunity for input from the customer service staff. He dominated the meeting, and spent most of the time explaining how he sold all of "his" customers on the idea of buying RSPs to meet his referral targets. You noticed that there was some resistance from one or two of the CSRs about how Antonio was suggesting they talk to customers, but Antonio quickly overruled their concerns. • From observing Antonio you know that he has spent a considerable amount of time focusing on pleasing his customers. He is constantly at the CSR counter and spends much of his time dealing directly with customers and providing additional personal service. There have been a number of times when you know that the branch was out of passbooks and Antonio has personally dropped off passbooks to

SCENARIO #2 - MANAGER'S ROLE

Specific examples of Antonio's behavior, cont'd	<p>customers who live nearby. In fact, alot of customers are now coming into the branch and asking for Antonio, regardless of what service they require.</p> <ul style="list-style-type: none"> • Antonio has spent little time planning, organizing, or developing the customer service staff. When you met him at the end of his first six months you emphasized the importance of this aspect of his new position. During this next meeting you are concerned that he has not recognized some of the areas where he needs to improve.
Actions	<ol style="list-style-type: none"> 1. Review each of the above examples and identify the specific behaviors and competency levels which have been demonstrated by Antonio. 2. Compare your ratings against the competency model for a Small Branch MCS (Assistant Manager, Customer Service). 3. Prepare for a coaching discussion with Antonio, be prepared to use specific examples to support your ratings.

Observer Form

For: _____

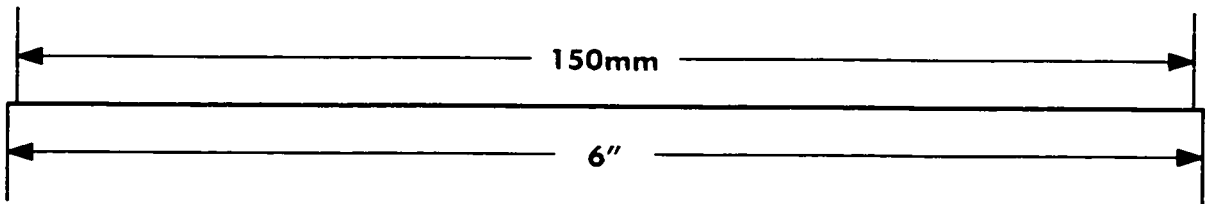
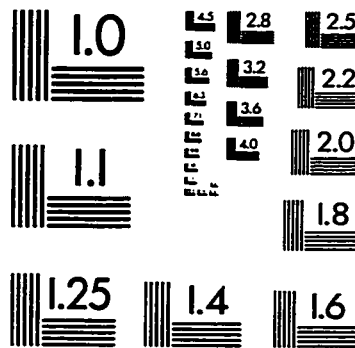
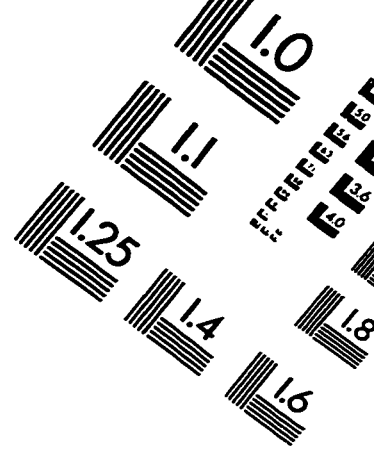
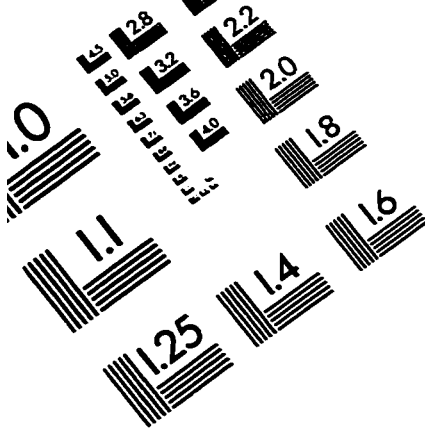
Observe the Manager and provide your input on how he/she does in coming to consensus.

How well did the Manager:

<input type="checkbox"/> Introduce the discussion? <input type="checkbox"/> Ask probing questions? <input type="checkbox"/> Listen to employee's point of view? <input type="checkbox"/> Reflect or paraphrase employee's views/feelings? <input type="checkbox"/> Look for common ground to build on? <input type="checkbox"/> Explain own assessment using behavioral examples? <input type="checkbox"/> Provide positive feedback on employee's accomplishment of target levels?	<input type="checkbox"/> Reach consensus on the assessment with the employee? <input type="checkbox"/> Encourage employee to select a competency for development? <input type="checkbox"/> Agree on the developmental actions? <input type="checkbox"/> Ask employee to summarize the discussions and the commitments made? <input type="checkbox"/> Avoid inappropriate language (ex.: rating, weakness, numbers, evaluation) <input type="checkbox"/> Listen more than talk (70% - 30%)
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What was done well	Suggestions for Improvement

N.B. As the observer, please manage allotted time



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