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KSAOCs Matter

How to define knowledge, skills and abilities

by Naomi Bloom

"What did you think about that last applicant?"

"Do you mean the Harvard MBA with the mind like a steel trap?"

"Yes — I thought she had considerable presence, a nice way of listening to your questions before leaping to an answer, and some relevant experience in risk arbitrage."

"Well — I wasn't entirely comfortable with her lack of international exposure, but we really could use someone with the Harvard touch."

"Will you follow up with

Human Resources or shall I check her references and make an offer? We need to be sure that she's compensated properly in view of the competition for her degree and background."

"I think I should follow up since she'd be assigned to my risk management team. Let's make sure she gets some startup training about working across countries and our non-US risk algorithms."

Sound familiar? Staffing, compensation, development, organizational design, day-to-day

assignment and performance management activities depend for their execution on having some way to assess the knowledge, skill, ability, and behavior of the work force and of what's needed to perform the work. We've always used surrogates like work experience, degrees and certifications from which to impute specific desirable characteristics, as well as an informal and fairly imprecise colloquial vocabulary for this purpose. However, as with so many aspects of today's competitive business climate, greater precision and specific target values

are needed for these predictors of human performance and productivity.

KSAOCs are the formalization of these ideas, providing a more precise and business-validated notion which includes what are often referred to as competencies and behaviors. Using a definition that is quickly becoming an industry standard, KSAOCs are a specific, identifiable, definable and measurable Knowledge, Skill, Ability and/or Other Characteristic which

Why should we care about KSAOCs?

a human resource may possess and which is necessary for, or material to, the performance of the organization's work. Some KSAOCs can be assessed with great objectivity, while detecting the presence and extent of others must rely on subjective assessment techniques. But all KSAOCs must be relevant to the work of the organization to be worthy of our attention here.

Why should we care about KSAOCs? One reason is that there's a lot of money at stake. Improving the revenues and/or profits of organizations absolutely depends

on improving the performance of individuals, teams and departments. Even if we choose to replace everyone we have with "better" performers, we still need some rigorous method for selecting and deploying those "better" performers, and for making sure that they remain motivated toward and capable of that "better" performance.

Such improvements in performance can only be accomplished by successfully manipulating individual and group performance. Thus, greater revenues and/or profits — which are much more important dollars than those saved by cutting down the HR department's budget — require that we:¹

- ▶ Better define and organize work, ideally organizing it around the natural KSAOC groupings of the available or obtainable work force;
- ▶ Better define and organize work roles with an idea of how individuals and groups carry out those roles by using and growing their KSAOCs;
- ▶ More accurately model role-specific KSAOCs — which include the competency models along with the related human resource assessment tools and techniques;
- ▶ Improve the generation, selection and deployment of KSAOC-rich individuals and groups, with careful attention to matching the individuals and groups to the demands of work and work-related roles;
- ▶ Achieve greater flexibility in deploying individuals and groups with the critical

KSAOCs, whether or not they are employees, consultants, contractors, or leased employees;

- ▶ Increase motivation of the work force toward desired behaviors, including improvement in results and KSAOC growth through the use of targeted compensation plans;
- ▶ Improve the forecasting and development of needed KSAOCs, whether these KSAOCs are developed in the on-board work force or solicited externally;
- ▶ Create a work environment that removes barriers to and encourages effective performance;
- ▶ Improve coaching, mentoring, assignment, development planning and performance management — all of which should revolve around work requirements and results as measured against validated KSAOC models.

Once you introduce an odd-sounding term like KSAOC as a consistent way of referring to what have otherwise been a collection of related ideas, it becomes obvious just how important a foundation these ideas are to the HRM business.

For many years there has been considerable discussion of and experimentation with such KSAOC-related topics as skills-based pay, succession planning, core competencies, competency-focused learning, etc. Organizational development, performance management, and training professionals have depended on the concept of KSAOC as a foundation for their work.

Only recently, however, has our industry begun to produce and

¹ This list is a starting point for considering which areas of the HRM business model represent the best opportunities for achieving significant business benefits through a more strategic focus and process innovation or improvement.

connect the three critical elements that make it possible for organizations to become truly KSAOC-centered in all of their human resource management activities. These three elements are:

- ▶ An industry standard HRM business model that revolves around KSAOCs,
- ▶ A set of validated KSAOC models for important roles, and
- ▶ KSAOC-enabled HRM application software.

We can't even discuss these issues without an industry standard HRM business model which uses KSAOCs as the link among HRM processes, events and information. Without such a model, it isn't possible to understand how all of the major HRM processes and events relate to one another and rest upon the common KSAOC information foundation. Very few organizations could afford the analytical work to produce their own HRM business model, nor could they take advantage of expertise from various sources unless there was an agreed-upon model being used by everyone. While no such industry standard yet exists, there is an emerging commonality among those major HRM application software vendors and consultants who are rethinking their products and services to provide this KSAOC-centered, more strategic view of HRM.

However, the business model view of KSAOCs can't be made operational without a set of validated KSAOC (i.e., competency) models for key organizational roles, especially models that consider the business context along with the desired behaviors of excellent performers, accompanied by their assessment tools and techniques. An excellent article on progress in this area is the lead story in the July 1996 issue of *Human*

Resource Executive. While there is no industry standard here, several major consulting firms have produced reusable KSAOC models (along with the relevant assessment tools and techniques), thereby introducing a greater degree of validation and lowering the cost to use.

There must be integrated HRM delivery systems based upon core HRM applications software packages that can support a KSAOC-centered HRM business model while using state-of-the-art technology to minimize the administrative and data management burden of delivering it. There are now several products in delivery and more promised for 1997 that offer the necessary capabilities (or at least enough to get started). Without these capabilities, every organization must provide the necessary automated capabilities via a patchwork of niche applications, core package customization, and custom development — an expensive and risky approach at best.

The use of KSAOCs as the foundation for human resource management is already moving from a dream to reality for many organizations, but there are still many barriers to the successful creation of a KSAOC-centered organization. Perhaps the most obvious barrier is that none of this is possible without investing the time and resources needed to identify the key roles and their related KSAOCs — not to mention figuring out how to attract, retain, deploy, develop and manage individuals and groups with those KSAOCs. Even using available competency models for these key roles, there is much complicated, analytical work to be done. Very few organizations have sufficient expertise internally to do this analytical work

Getting Started

Always start by reading the literature in a new area of interest. Since KSAOCs are not a new topic, there is a wealth of published material easily found through a literature search on skill, competence(cy), etc. From my current reading, two good but very different perspectives can be found in the following works. *Competitive Advantage Through People* by Jeffrey Pfeffer, a professor at Stanford University's Graduate Business School (Harvard Business School Press, 1994), focuses on broad issues and its own subtitle of *Unleashing the Power of the Work Force From a 30,000 Foot Level*. *Competence at Work: Models for Superior Performance* by Lyle M. Spencer, Jr. and Signe M. Spencer, both of McBer and Company (a Hay Group company), where Lyle is a worldwide consulting practice director (John Wiley & Sons, Inc., 1993), reports on years of accumulated consulting experiences and the specifics of applying competency models.

Once you've gotten some background, I recommend attending one of several good conferences in this area — try the Human Resource Planning Society programs or those commercially produced by Link, Inc. of Lexington, MA — in order to understand the state of the practice regarding the analytical work needed and/or available and delivery system implications.

There are few good published sources available to help you understand the implications of the KSAOC-centered approach on the business model and delivery systems. Here you must turn to vendors and consultants — always use more than one of each variety to get a broad perspective on an issue. Attend an IHRIM vendor fair or HR application conference and ask the software vendors to demonstrate their ability to accommodate a KSAOC-focused approach to HRM. Ask the systems integrators for their materials — the larger ones with major HRM, and/or change management practices are all working heavily in this area. And don't forget the traditional HRM program and policy consulting firms. All of these providers are excellent sources of "getting started" information and services.

with enough rigor to justify replacing the rules of thumb and surrogates upon which they've relied for years. Even where the expertise is present (or can be bought), it takes time to do this work, including the time of your best performers whose KSAOCs are being modeled. Thus, you must justify a considerable up front investment, recognizing that the payoff won't be obvious until considerable time has passed.

Another major barrier to making all of this possible is that many HRM delivery systems, with automated components that may be struggling with the year 2000, cannot support this view of the HRM business. Thus, most organizations will either have to replace their core HRM applications or create/buy add-ons to provide the necessary functionality, which sounds like more time and money. The good news here is that many organizations will be overhauling their HRM software anyway over the next few years and there are KSAOC-centered options available for that overhaul. But beware, just because HRM packages are new, they do not necessarily provide the essential functionality. A simple test is to look at the underlying data structures and determine to what extent KSAOC data (e.g., code, name, assessment techniques, rating scales, usage history, etc.) are linked not only to the human resources who possess these KSAOCs, but also to:

- ▶ those human resources whose developmental plans target those KSAOCs;
- ▶ the developmental events that impart those KSAOCs;
- ▶ the total compensation plans that reward the presence and

use of acquisition of those KSAOCs;

- ▶ the positions/roles and work units that require those KSAOCs in order to accomplish their work.

But perhaps the biggest barrier of all is the view that implementing KSAOCs must be an all-or-nothing proposition. Instead, start small and focus on the biggest payoff roles. Executive placement and succession planning would seem to be an obvious target on the theory that better performance of those who run an organization should produce a rapid, positive bottom line impact. But what about sales roles or customer service roles? Obviously, the target roles should be those that hold the organization's future in their hands. Similarly, you need not start by modeling every conceivable KSAOC related to those roles. Focus on those critical competencies for which the surrogates of education and experience do not produce sufficient rigor and consistency (e.g., goal orientation, interpersonal networking, customer orientation, innovation, etc.). With only a few roles and 10-12 competencies per role, the analytical as well as administrative work to implement these ideas is manageable. Add a decent delivery system, and you're on your way to greater revenue and/or profits.

KSAOCs do matter! As we automate more and more of the lower skilled work in every business process, from manufacturing to customer service to human resource management, the competitive advantage inherent in a KSAOC-centered approach to HRM becomes very obvious. To get you started, figure

I suggests some sources of additional information.

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