

## ***Avoiding Discrimination in Competency Design: the Business Case***

**There is growing interest in the problem of bias in competency design. In this article, equality and diversity expert Mee-Yan Cheung-Judge outlines the commercial dangers of such bias and suggests ways of tackling the problem.**

In an earlier article in this journal<sup>i</sup>, Katherine Adams argued that the issue of bias in competency design, though often neglected, is an important one. In this article, I shall expand on her argument, suggesting that organisations that fail to incorporate the principles of equality and diversity into their competency frameworks are running grave business risks.

Before competencies came into fashion, successful performance at work was often described in vague and highly elusive terms. So it was relatively easy,

from the “professional” equality and diversity point of view, to dismiss it. But when people began to define explicitly the behaviours of those who are “successful” in an organisation, using the methodology of competencies, what used to be elusive and obviously biased started to appear robust and professional.

My fear is that the competency approach can become a tool of discrimination, justifying deep-seated notions of “acceptability” with a veneer of respectability.

### **The Perils of “Acceptability”**

Let us start by looking at this question of acceptability and the connected one of corporate culture. One of the most important factors determining corporate culture is the organisation’s leaders. In the UK, 96% of directors and 89% of function heads are men.<sup>ii</sup> The values they bring to their corporate world are very much those they are at home with, and these are gender- and culture-specific.

It is these values that directly shape the corporate mindset. The demarcation of what and who is acceptable in the organisation is shaped by this mindset and institutionalised through the organisation’s policies, systems, processes, and reward system. In his research into racial discrimination,

Jenkins<sup>iii</sup> found that when individuals are *different* from those in power, the probability that they will be regarded as acceptable becomes slim.

Anyone who is designing a competency framework – and those who are implementing it or assessing the competencies - needs to be aware of this issue of acceptability. This is because, as Jenkins has shown, the existing gender and racial mix of the workplace significantly influences the collective view of who is acceptable through the process of cognitive and social modelling. Moreover, he argues, although “acceptability” is different from someone’s actual “suitability” to do a particular job, views about acceptability have effect on

perceptions about someone's suitability.

The idea of "acceptability" concerns how well someone fits into the existing corporate culture, and how smoothly they can be integrated into the managerial procedures and social routines of the organisation. In other words, it is about one's ability to fit into the organisation's ways of thinking and doing things - not about one's ability to achieve in certain tasks in order to achieve specified results.

But the questions of acceptability and suitability are very much interlinked. Jenkins found that when staff cross the threshold of suitability, criteria of

acceptability will swing into action. Moreover, suitability criteria are often defined within the framework of acceptability. In defining whether someone demonstrates "successful" behaviour, it is the acceptability packaging that really matters.

Given that so much is already taken as read about a person's acceptability vis-à-vis the organisation's culture, what counts as success – who are the successful people and what behaviour they manifest – becomes merely a rhetorical question. Thus discrimination is routinely embedded in the day-to-day life of the organisation: invisible and taken for granted.

## Why does it Matter?

The danger that competency frameworks, while attempting to identify "successful" performance, merely reinforce ethno- and gender-centric views of "acceptability" ought to alarm employers. For one thing, there is growing evidence of the benefits of an effective equality and diversity policy for organisations that are concerned to keep their competitive edge in a highly complex and fast-changing environment.

For example, in research on both sides of the Atlantic, Hammond and Holton<sup>iv</sup> found direct benefits stemming from such a policy, such as becoming an employer of choice, and getting close to customers. Similarly, Cox, Blake and others<sup>v</sup> have established a link between managing diversity and organisational competitiveness in terms of cost, resource acquisition, marketing, creativity, problem solving and organisational flexibility. And Kandola and Fullerton<sup>vi</sup> have itemised potential benefits (not all of them

proven) such as access to talent, organisational flexibility, team creativity and innovation, better decision-making, improved customer service and increased sales to members of minority culture groups.

However, I think documenting the benefits of equality and diversity at work in this way can be misleading. This is because it suggests that embracing equality and diversity is an add-on which an organisation can opt for if these particular benefits appeal to them – or ignore if they do not.

A better approach, in my view, locates the logic of equality and diversity in strategic business issues, such as the environment in which the business functions and the organisation's strategic objectives.

The following facts about our environment, for instance, all have an immediate relevance to the question of equality and diversity:

- The labour pool from which business draws its supply is no longer homogeneous;
- worldwide population movement is a reality;
- markets are increasingly diverse, and are all influenced by factors such as gender, class and culture;
- many businesses now operate in a global setting; and
- there are changing social attitudes among younger workers.

In this environment, simply knowing how to manage staff is no longer sufficient. What is needed from all

managers is the ability to manage diverse groups of staff and to bring out the best in them. Being non-discriminatory is no longer leading-edge; cultural sensitivity to customers and product range is critical.

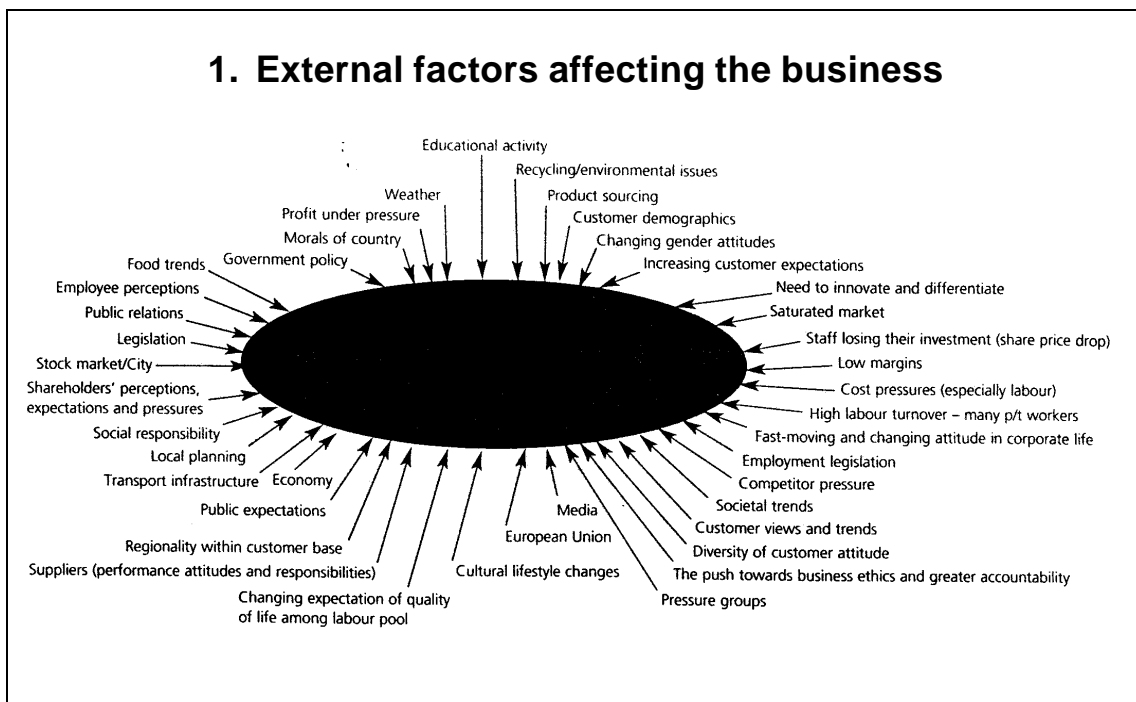
Furthermore, having all the strategic scanning of the environment being done by a homogenous group of senior managers is no longer a guarantee of accuracy. What is needed is a diverse group of senior managers with different values who can meet a range of different external challenges.

## Getting the Message

Focusing senior management's attention on strategic issues can really bear fruit when trying to get commitment to equality and diversity.

An example will help to illustrate this. When I was working with the board

members of Sainsbury Supermarkets Ltd, I decided to focus their effort on mapping out the all the external factors that influence the way they managed the organisation. They developed the list of factors shown in box 1.



Scanning this list, I realised all I had to ask them to do was identify those factors whose impact could helpfully be managed by an effective equality and diversity policy, helping the company to capitalise on resources, and minimise potential damage.

This was a very powerful exercise, with board members immediately catching

hold of why equality and diversity was important to their business. I then focused their minds upon the “strategic web” they had built and asked whether they could really deliver these strategic objectives without the ethos of equality and diversity. Again, their answers convinced them that these principles had to be integrated into everything they were doing.

## Avoiding Bias

Once the point of equality and diversity is properly located in the business context, then it becomes very clear that this dimension must be explicitly incorporated when an organisation comes to develop its competency framework. But how can this be done?

There are a number of possible methods, and the first can be illustrated by an example from my own work. A client who works for a public utility company called me one day and said she had just received the first draft of the company’s new managerial competency framework, which had been produced by an external consultancy firm.

Not only was it macho in tone, but the content of the framework was inconsistent with the “transforming” culture the organisation was trying to develop under the leadership of the chief executive. As a senior manager, she wondered what she could do to intervene.

I asked her what method the consultants had used. She answered: behavioural event interviews with the top 200 managers. Without asking about the gender or ethnic profile of the top 200 managers, I suggested that she should

try to push the draft document down to the next two levels of the organisation for consultation. For example, she could run some focus groups, particularly for female and/or black managers, to comb through the document.

I also suggested that she should ask the company’s “culture change” team to work through the draft competency profile so that they could identify those bits that did not fit the new culture the company was trying to achieve.

Later on, the client told me none of the top 200 managers were black, and just 3% women, while for the next two levels down the percentages were 2% Blacks and 12% women. How had I guessed?

While the action I proposed could only be a matter of damage limitation, it did help to rescue a framework that had previously been derived exclusively from a 97% white male population.

Better still would have been to build in equality and diversity principles at an earlier stage. I would suggest that organisations involved in competency design should make sure that behavioural event interviews do not stop

at the senior level. It is much better to use a stratified sample to ensure that the

resulting competency framework incorporates a diverse perspective on what constitutes “success” at work.

## Good Practice

Another method is to include in the research specialised staff, such as experts in human resource management, and/or equality and diversity champions. Compare data from these groups with data from the main sample, and bring representatives from the two groups together to work through the similarities and differences, hence increasing understanding of their different perspectives.

In terms of good practice, it is obviously a good idea to encourage a partnership between those who are developing the competencies and a number of other groups: those responsible for strategic planning; people concerned with customer care; the custodians of the culture and of culture change; and those who are internal champions for equality and diversity. In this way, the design of the organisation’s competencies will not only be backward-looking, but also

visionary, linked to the success of the organisation in the future.

A final suggestion is to benchmark what your organisation has come up with against the framework used by an organisation that is well-known for its commitment to equality and diversity, and learn from their example.

To provide a start, box 2 below lists a number of behavioural indicators that explicitly incorporate the principles of equality and diversity. All these examples have been developed through my work with clients, who have included them, alongside more traditional behavioural indicators, under a range of standard competency headings. I hope these examples will help to dispel the myth that incorporating principles of equality and diversity into a competency framework is an artificial exercise.

### 2. Sample behavioural indicators

The following are examples of behavioural indicators that explicitly incorporate equality and diversity principles.

#### ***Strategic thinking***

- Considers long-term strategic impact and effects on products and services to all types of customers when reacting to short-term demands.
- Ensures equality and diversity issues are included in the business-planning processes and/or any operational/project-planning processes.

#### ***Creative thinking***

- Prepared not to accept established methods as the only solution and willing to actively seek fresh ideas to meet diverse needs.
- Willing to challenge established assumptions and generalisations with staff and colleagues, so that both operational practices and policies/procedures will move on to effective management of a diverse culture.

### ***Team leadership***

- Role models and leads in a way that will develop within a team a culture where diversity is valued and being “different” is not considered to be a problem.
- Ensures that inclusive dialogues are held with all staff members, acknowledging the diverse needs among the team.
- Actively utilises the diversity in a team to increase its creativity and problem-solving capacity.
- Ensures that appropriate equality and diversity issues have a place on the team’s agenda.

### ***Development orientation***

- Facilitates and coaches each person regardless of their background and membership group so that they can realise their full potential.
- Values the contribution of all members of staff by involving, listening and giving constructive feedback on their development.
- When assessing individual staff members’ professional and career development needs, takes their background, their history in gaining access to such opportunities, their career pattern and their aspirations into consideration.
- Gives unbiased formal recognition for each individual’s positive work practices and achievement.

### ***Relationship-building***

- Actively practices appreciation of colleagues, partners, and contractors who are different in background in race, class, ethnicity, religion, disability etc, and works with their differences to achieve common goals.
- Demonstrates awareness that different people have different levels of access to networks. Sets up appropriate steps to ensure that those who will need help will be given it.
- Demonstrates acceptance of others who are different and who hold different views when working with them to achieve corporate results.

### ***Responsiveness – customer service***

- Demonstrates understanding that customers are made up of diverse groups of people who have different tastes, needs, and preferences.
- Responds promptly, courteously and positively to different customer needs and requests for services, information and support.
- Actively builds relationships with diverse communities and extracts key issues from each community when considering what type of services and products the organisation should provide.
- Ensures all changes and improvements in service and products incorporate appropriate equality and diversity standards.

### ***Self-confidence***

- Recognises and values one’s own diversity and the benefits it can bring to the workplace.

### ***Information management***

- Conveys ideas or concepts that are comprehensible and relevant to different levels of staff.
- Recognises the impact of certain information on different staff members, hence is discriminating in choosing the means of communication.

## Conclusion

My aim in this article has not been to undermine the methodology used to design competency frameworks, nor would I question the value of competencies as a way of developing people to help meet the demands of the

modern organisation. My argument is that if competencies are just being used to help maintain organisation's status quo, then their value in terms of return on investment will be truly limited.

## References

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