

Leadership Competencies: An Introduction

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Our goal with this column is to provide a useful, practical introduction to competency modeling, a practice that is already a mainstay in many health professions and that is likely to find expanded use within health administration in the coming years. The competency model recently made available by the Healthcare Leadership Alliance (HLA) will serve to frame subsequent installments of this column. The Alliance was formed as a partnership between six of the major healthcare leadership professional associations in administration, nursing, and medicine, including the American College of Healthcare Executives (ACHE), Healthcare Financial Management Association (HFMA), Health Information Management Systems Society (HIMSS), American Organization of Nurse Executives (AONE), American College of Physician Executives (ACPE), and Medical Group Management Association and American College of Medical Practice Executives (ACMPE). In this column, we will illustrate several of the ways competency models can be used efficiently and effectively by individual leaders, leadership teams, and organizations to support their organizational strategy.

In this first installment, our focus is on clarifying what competencies are, what they can be used for, and what is currently happening within the profession related to competencies. We offer a practical definition of competencies, a task that calls for providing some historical context as well.

A BRIEF, PRACTICAL HISTORY

The modern concept of competencies traces back to the work of psychologist David McClelland (1973). McClelland was increasingly concerned about the widespread use of intelligence and related aptitude tests, which he viewed as too far removed from practical outcomes. He suggested that competencies—outcomes-relevant measures of knowledge, skill, abilities, and traits and/or motives—should be adopted as a more useful approach to aptitude measurement. Although competencies have been in use ever since, their popularity gained considerable momentum in the United States in the early 1990s, partly in response to the accelerated pace of change that many organizations were facing. The notion of positions as a static set of roles and responsibilities was giving way to the idea that positions could be more useful if described in general terms, allowing greater flexibility for their adaptation to changing organizational needs.

Traditional job design and analysis methods, while helpful in creating position specifications, were far less useful if the jobs themselves were constantly evolving. Competency modeling, while less rigorous, had two key advantages. First, it involved more general and thus more flexible descriptions of job requirements. Second, because competency descriptions were more general, they could more easily be made universal and thus could be tied to corporate strategy. The latter goal led to the concept of organizational-level or “core” competencies, a concept articulated in the widely cited article by Prahalad and Hamel (1990).

The subsequent explosion in competency activity brought along considerable confusion about appropriate practice. A tremendous variety of approaches were being used, but little definitive guidance existed, and there was even less of an evidence base to inform practitioners. In 1997, the Society of Industrial/Organizational Psychologists commissioned a task force to study the science and practice of competency modeling, with the goal of providing greater clarity and guidance. This effort did not result in an authoritative definition. Instead, it suggested a breadth of definitions to be used, none of which appeared to be a gold standard (Schippman et al. 2000).

For application in healthcare leadership, the following can be used as working definitions for competency-related concepts:

- *Competencies*: characteristics of employees with behavioral implications that are thought to be associated with successful performance of their *job*
- *Core competencies*: competencies thought to be associated with the success of an *organization*
- *Competency model*: a collection of competencies associated with successful performance
- *Competency modeling*: a systematic process for identifying and articulating competencies at either the individual or organizational level

USES

As tools for defining and communicating about performance, competencies can be used for a variety of performance improvement purposes. At the individual level, they can be used to clarify an individual’s roles, performance expectations, and plans for development. At the organizational level, competency models can help articulate the behavioral implications of a strategic vision.

For example, a hospital may seek to be recognized as particularly innovative, or alternatively as particularly customer focused. Each of these goals may, in turn, suggest a profile of specific behaviors that would be important for leaders to master. In the case of innovation, leaders should be particularly open to cutting-edge approaches and should foster a climate of creativity and a sense of safety in trying new things. In the case of customer focus, the behavioral implications may include

sensitivity to customer needs, as well as a focus on measuring and continuously improving the patient care experience.

Competency definitions can also create a path to a portfolio of strategic human resource management practices, including targeted recruiting, prescreening, using balanced scorecard, identifying career ladders, and talent management/succession planning.

COMPETENCY-RELATED ACTIVITIES IN HEALTH ADMINISTRATION TODAY

A tremendous amount of competency modeling activity has been happening in health administration in the past five years or so. These efforts provide a rich ground from which to draw on for local purposes. A number of the more noteworthy recent efforts are summarized in Table 1.

HEALTHCARE LEADERSHIP ALLIANCE

A key goal of the partnership between the members of the Alliance is to identify common ground of competencies across a breadth of healthcare leadership positions. These organizations' work in this area resulted in the development of a database of 300 competency descriptions as well as a database user's guide, both of which are available free of charge on HLA's web site (HLA 2005a, 2005b). The individuals that served on the task force commissioned to develop the directory included members of five of the Alliance organizations (Cynthia A. Hahn, FACHE, of ACHE; Andrea Rossiter, FACMPE, of ACMPE; Pamela Thompson, FAAN, of AONE; Joseph Abel, Ph.D., of HFMA; and Julianna Kazragys of HIMSS) with Mary Stefl, Ph.D., from Trinity University serving as consultant to the group.

In each of the next five installments of this column, we will explore the five competency domains identified by the HLA: business knowledge and skills, communication and relationship management, knowledge of the healthcare environment, professionalism, and leadership. Our next column will focus on business knowledge and skills.

TABLE 1
Recent Health Administration Competency Models

Source(s)	Population/Focus	How Model was Developed	Structure
Ross, Wenzel, and Mitlyng (2002)	General (students and health administrators at all levels) / In-depth treatment of competencies relevant to health administration	Author experience; review of prior models	24 competencies in 4 clusters
ACMPE (2003)	Medical group management professionals / Develop and disseminate resources to advance the development of the profession	Subject matter expert panel and validation with incumbent sample	5 competency clusters
AUPHA (Hilberman 2004)	Graduate students and early careerists / Support pedagogy enhancement in graduate health administration education	Review of related competency models; consensus of expert panel	35 competencies in 3 clusters
Garman, Tyler, and Darnall (2004)	Early, mid-, and senior-level administrators / Identify behavioral competencies that distinguish higher from lower performers	Content validation with subject-matter experts	26 competencies in 7 clusters
NCHL (2004)	General (health administration and related fields) / Develop a benchmark model of core competencies for the profession	Qualitative meta-analytic review of prior competency models; refinement based on practitioner input	26 competencies in 3 clusters
HLA (2005a, 2005b)	General (health administration at all levels) / Develop and disseminate resources for core and specialty competencies in health administration across sub-disciplines	Collaboration of six major health administration professional associations (ACHE, AONE, HFMA, HIMSS, ACPE, MGMA/ACMPE)	300 competencies in 5 clusters
Dye and Garman (2006, in press)	Senior-level executives / Support self-development in areas that differentiate the highest performers from other strong performers	Experiences of senior executive search consultants	16 competencies in 4 clusters

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