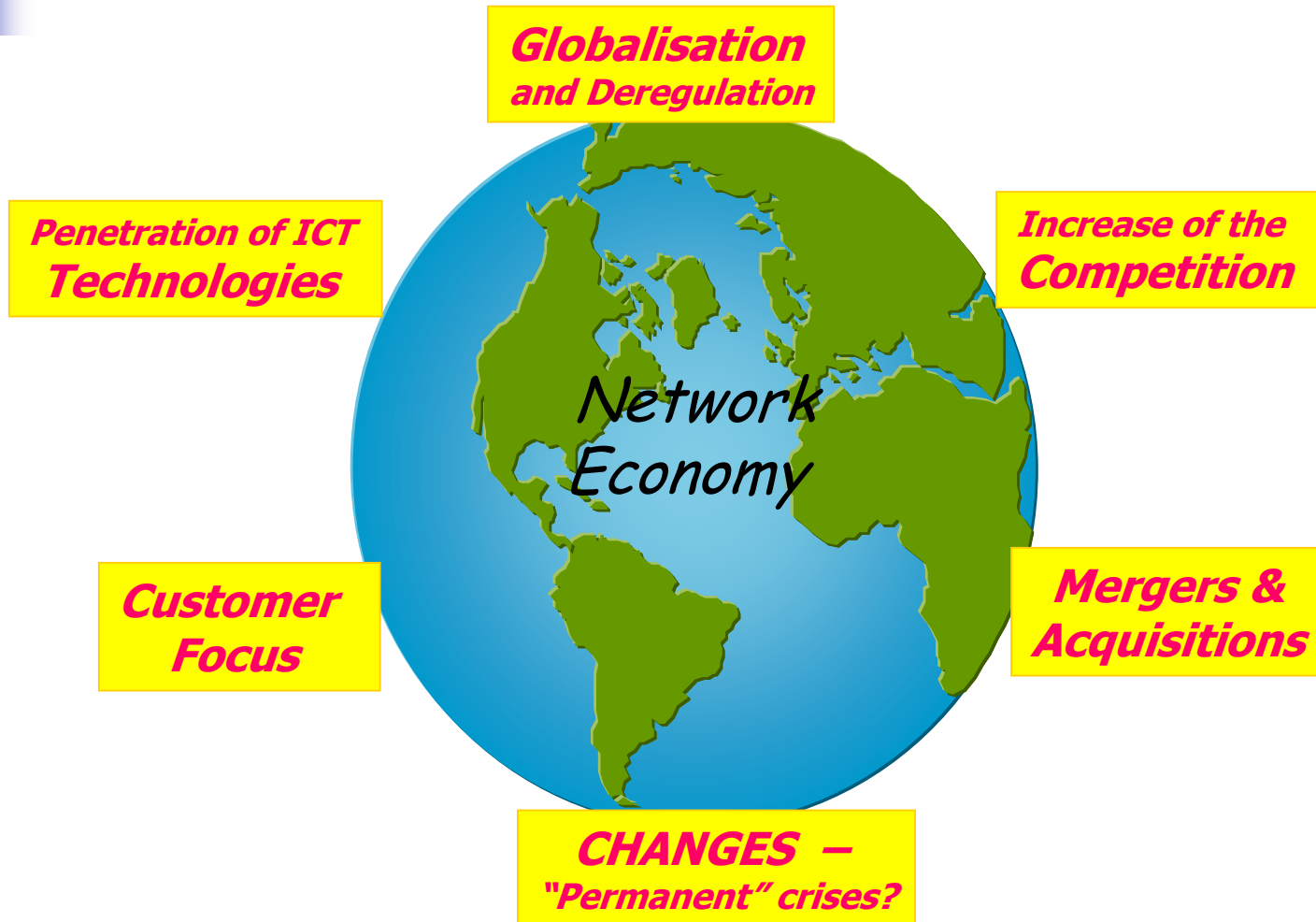


An Application of Competencies Management in the Banking Sector



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The "MEGATRENDS" of our times



What is the impact to management?

**Importance of
DECISION MAKING**
(fast, efficient,
changing)

**Importance
of
INNOVATION**

**Customer
Relations are
VERY important**

**Need to be flexible
& entrepreneurial**

**Need to take
data in account !**

**Relations with co-
employees are also
important**

**We are overflowed
with data**
(internal, external, official,
unofficial,...)

**Need to
understand
TECHNOLOGY**
(for decision making &
operations efficiency)

**Need also to
manage the RISK**

**Importance of
COMMUNICATION,
and LEADERSHIP**



New Competencies are needed

- In addition to hard knowledge, “human competencies” are needed (e.g. communication, leadership, ...)
- These competencies could change, depending on the strategy, and the market needs
- In fact, we look at employees as a “mix of competencies, dynamically changing”



Rising importance of Human Capital

- Human Capital becomes a very valuable resource, that needs special attention to be managed
- Competencies management is a key methodology to manage the human resources of an organization



What is a Competency?

- A job-related competency is a set of *observable* performance dimensions, including *individual* knowledge, skills, attitudes, and behaviours, as well as *collective* team, process, and organisational capabilities, that are linked to *high performance*, and provide the organisation with *sustainable competitive advantage*
 - Athey & Orth (1999)



How do you implement Competency-based Management?

- The competency approach to management is based on identifying, defining and measuring individual differences in terms of specific work-related constructs, especially the abilities that are critical to successful job performance
- Need a COMPETENCY FRAMEWORK to proceed
- Application in one of the largest banks in Greece



Basic Principles (1)

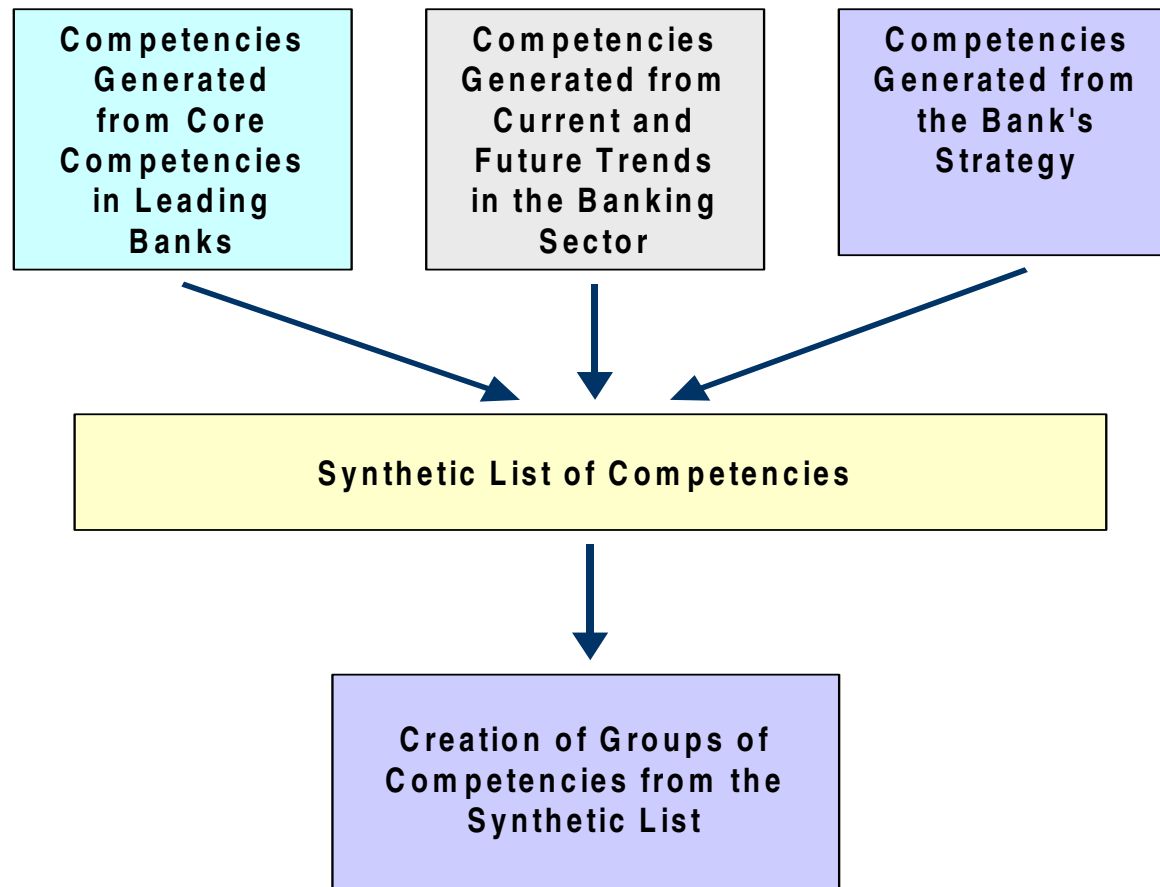
- A Competency framework is a template, indicating (in a hierarchical tree structure) the generic competencies, called **competency areas**, with each competency area to be composed of not more than 4-5 competencies, called **competency clusters**, that would hold for every position in the bank' network
- The competency framework should take in consideration, not only the bank's job descriptions, but also best practices and recent trends in the banking sector, as well as the bank's own strategy, so as to guarantee the relevance and "survival" of the framework



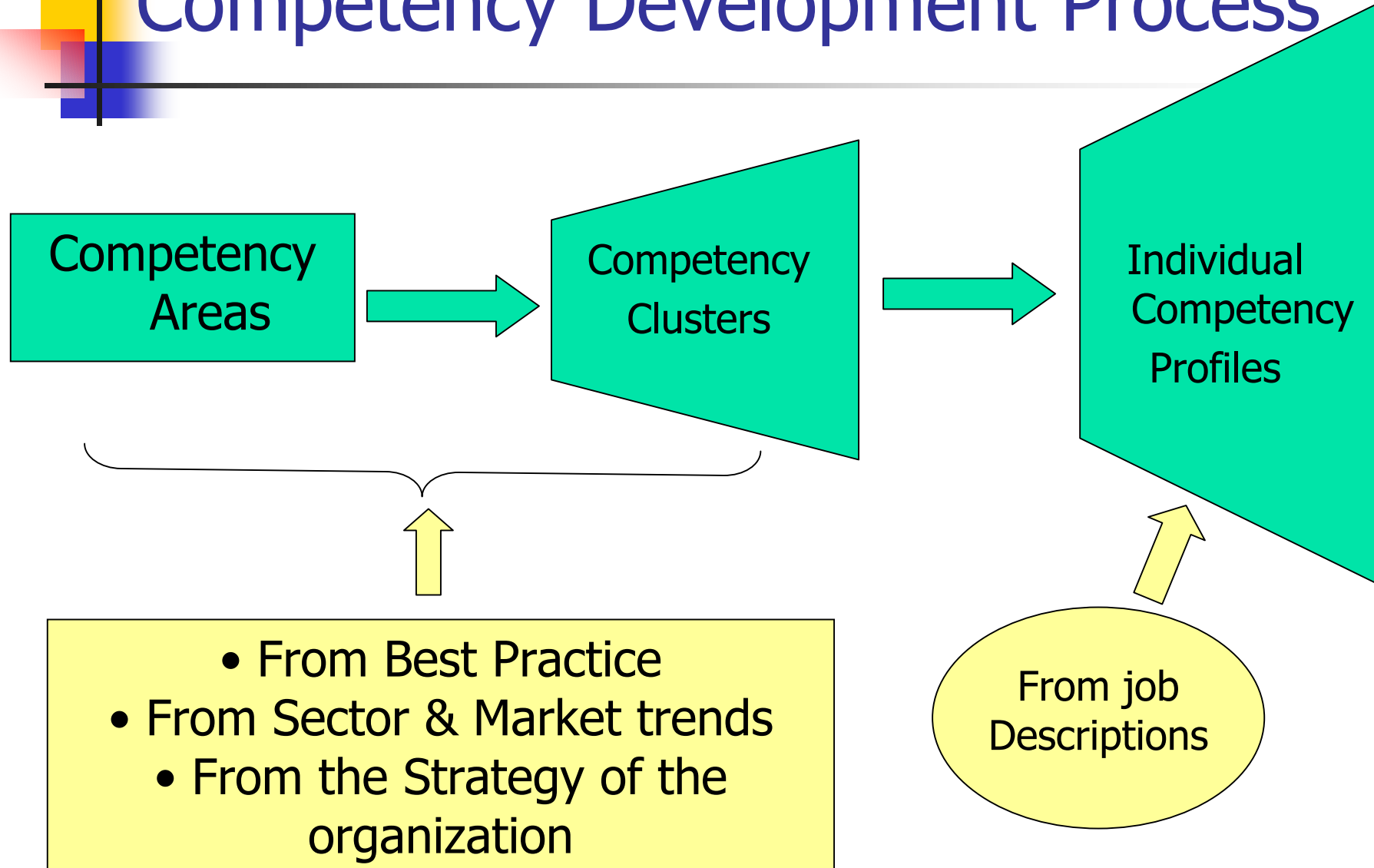
Basic Principles (2)

- For every position in the network, a competency would then develop to a **competency profile**, that would indicate the detailed job-related competency characteristics, specific for that position in the organisational structure of the bank
- Functional as well as behavioural characteristics of the job would be taken into account, referring to both knowledge- and skill- based competencies, as well as **behavioural ones** that should characterise the job-holder.

Competency Development Overview



Competency Development Process





An Example

1. Competency Areas

1. Interpersonal Excellence
2. Management of Resources & Projects
3.

2. Cluster of competencies for Interpersonal Excellence

1. Development of Customer Relations
2. Management of Change
3.

3. Competencies related to Customer Development relations for the Branch Manager

1. Maintains social relations with large customers
2. Negotiates successfully big business deals



Competency Areas identified

- Interpersonal Excellence
- Projects & Operations Management
- Decision Making
- Sales Management
- People Management



Competency Profile: An Example

COMPETENCY AREA 1: INTERPERSONAL EXCELLENCE

COMPETENCY CLUSTER 1.1: INTERPERSONAL COMMUNICATION

Competency Profile for Branch Manager

Functional Characteristics	Development of public relations; Responsibility of bank's promotion in the local market
	Develops collaboration with colleagues and subordinates and ensures timely and accurate information and knowledge sharing
	Uses appropriate communication channels
Behavioural Characteristics	Creates a climate of trust
	Can cope with the unexpected
	Deals with conflicts
	Appreciates diversity



Implementation Experience

- Complete Framework developed & implemented for entire network
- Currently changing the HR processes (selection, recruitment, training, performance appraisal) to adopt to the competency approach
- Has impacted the interaction between branches and headquarters
- Has impacted the day-to-day operations
- Instilling a culture of transparency, thus significantly motivating the human capital of the bank