Custom Needs Assessment for Strategic HR Training:

The Los Angeles County Experience

Phil Gorman
Bruce McDonald
Richard Moore
Alan Glassman
Lu Takeuchi
Michael J. Henry

Like many local governments, Los Angeles County has been re-shaped profoundly in recent years by a series of external forces such as economic downturns and technological advances. At the same time, the value of strategic human resources management has been increasingly recognized by practitioners and management researchers. Partly to help respond to the external forces, the Los Angeles County Training Academy instituted a "Building a Strategic Human Resources Partnership" program designed to build the competencies needed for HR managers to serve as true strategic partners. This article (a) reports on the decision to build a strategic human resources competency model — rather than to modify or adopt an existing competency model — as a basis for the design of the training program, (b) details the methodologies used to build a reliable, customized list of strategic HR competencies and a categorization structure, (c) describes the outcomes and (d) reports on implications for other local government agencies.

L os Angeles County is the largest municipal government in the nation, serving nearly 10 million people and covering over 4,000 square miles. Comprised of more than 90,000 employees and 38 departments, the County's 2002-2003 budget of approximately $16.5 billion is larger than the annual budgets of 41 state governments.[1]

Since the late 1980s, four external factors have forced a re-assessment of the County's human resource focus:

1. Age distribution — Periodic, lengthy budget constraints and resulting hiring freezes have led to a County workforce whose age profile is top-heavy. By 2001, approximately 25 percent to 30 percent of the County's management workforce was within five years of retirement age. This pinch loomed large for an organization that traditionally had developed its managerial ranks from within.

2. Job competition — For workers skilled in management and technology, the private sector generally offered opportunities that were more lucrative in the short term. Combined with the tight labor market of the late 1990s and early 2000s, this meant that an ability to develop managers internally was more important than ever for the County.

3. Technology imperative — Los Angeles County, like many organizations, felt an increasing need for technical knowledge and skills. This need, combined with increasing competition from other organizations for skilled workers, created a serious potential skill gap at all levels of the organization. The potential skill gap was partly evidenced by an insufficient number of entry-level and journey-level applicants who had the required basic and technical skills.

4. Strategic Partnership – County leadership recognized the need for HR to become an active participant in the strategic planning process at both the organization-wide and department levels. This required that the human resources function be transformed from a record-keeping, monitoring function to a strategic partner with specialized knowledge. The field of 'strategic HR' had spawned models for building an HR capable of making major contributions to development and implementation of strategy at the organization level.

The Los Angeles County Training Academy

This set of external forces led to the November 1999 formation of the Los Angeles County Training Academy[2] (LACTA), a partnership between the County, the California State University (CSU), community colleges and the Los Angeles Unified School District:

> *"One of the Academy's primary purposes is to link job-related certificate programs to the County's business goals and strategies. Course curriculum is customized, based on a needs assessment of actual job duties and required competencies. Participants will develop skills and competencies that are applicable across County agencies."*[3]

The LACTA is designed to respect the geographic scope of the County government; instruction takes place at multiple County facilities, five CSU campuses and community colleges throughout the County. In the first three years following the inception of the LACTA in February 2000, the Academy has offered 12 different programs to 67 cohorts of trainees, and has granted certificates to 1,524 County employees. Programs range from 32 to 100 hours; the Academy offers an average of approximately 1,600 hours of instruction per year.

The LACTA has been designed with an architecture that allows for new courses to be created quickly and integrated seamlessly into the existing curriculum as a new need is defined. The LACTA has won a National Association of Counties Achievement Award (2002), a University Continuing Education Association award as the top non-credit program in the nation (2002), and the Grand Prize "Golden Eagle"[4] award (2001), which is the top prize bestowed by the Los Angeles County Quality and

Productivity Commission. A variety of individual courses have won recognition from the National Association of Counties, the California Association of Counties and the Los Angeles County Quality and Productivity Commission.

The County Strategic HR Imperative

In June 2000, County executive and HR leadership defined a modern human resources management capability as a linchpin in the implementation of the County's strategic plan. The LACTA was charged with developing a training program that would endow County employees in the Personnel Officer and Human Resource Manager job titles with the capacity to act as true strategic partners who could help enable the larger organization to achieve excellence. In order to properly design the curriculum for the proposed "Building a Strategic Human Resources Partnership" course, the LACTA first needed a reliable strategic HR competency model and an accurate assessment of the capabilities of current HR personnel.

Competency Models in Strategic Human Resources Management

The competency as a construct was introduced in the late 1950s[5] and is generally defined as "observable behaviors that encompass the knowledge, skills, attitudes, motives, and temperament, that distinguish excellent performers in a particular environment."[6] The theory of *strategic human resources management*[7,8,9,10,11] employs the competency as a central construct in defining the capacity of workers. Among the most prominent examples are the National Academy of Public Administration (NAPA) Competency Model,[12] IPMA-HR Competency Model,[13,14] Michigan HR Competency Model,[15] O*NET Content Model,[16] and SHRM Human Resource Competency Framework.[17] In assessing the ability of the HR function to play a strategic role, organizations must ask the question: "To what extent does my HR organization have the required competencies to reach future goals?"[18]

An organization aiming to build a strategic HR capability has three choices as a starting point: (1) adopt an existing competency model, (2) modify an existing model, or (3) build a customized model. The choice depends on a wide variety of factors, including the cost of building a customized model versus the expected benefits. Governments are limited in their options, since only the NAPA Competency Model and the IPMA-HR Competency Model serve as templates developed with a data-driven focus on government organizations. The IPMA-HR Competency Model is a modification of the NAPA Competency Model, and is based on the quantitative findings of the NAPA study.[19]

Many government organizations, both within the United States and internationally, have in fact implemented IPMA-HR Competency Model training to build their strategic HR capabilities.[20] However, we are not aware of any local government organization that has built a completely customized competency model for strategic HR management.

Research Questions

This article (a) reports on the decision to build a strategic human resources competency model — rather than to modify or adopt an existing competency model — as a basis for the design of a strategic HR training program, (b) details the methodologies used to build a reliable, customized list of strategic HR competencies and a categorization structure, (c) describes the outcomes, and (d) reports on implications for other local government agencies. Specifically, this article answers the following questions:

1. How can a local government develop a reliable, customized list of important strategic HR management competencies for its particular organizational context?

2. How can a local government measure the relative importance of the various strategic HR competencies within its particular organizational context?

3. How can a local government assess how close current and aspirant HR managers are to attaining the strategic HR management competencies?

4. What value is added by a customized approach to building a strategic HR competency model?

Methods

The LACTA team chose, for a number of reasons, to develop a customized strategic HR competency model. First, while the IPMA-HR Competency Model appears sensible, we know of no empirical studies that validate its accuracy[21] or the extent to which it is applicable across organizations. Second, given the size and complexity of Los Angeles County, we expected that the true list of important competencies would contain one or more items that would not have been considered important in other organizations. Third, the process of developing a customized competency model can build a positive constituency that can help legitimize a model and the change process that would be stimulated by the competency training. Fourth, while the cost of developing a customized competency model is significant, the sheer size of Los Angeles County means that the benefits of implementing the 'best' possible competency model were likely to be large.

To be as contextually specific as possible, we used a grounded theory approach to defining the key competencies. Three assumptions guided the process:

1. Organization-specific contextual knowledge is crucial in building a reliable list of key competencies and competency categories.

2. Individuals within the organization possess the relevant knowledge about the strategic HR needs within the particular organization context.

3. A list of competencies and a categorization structure, extracted from workers within the organization, will be the 'best' ones only if synthesized with the latest general knowledge about best strategic HR practices.

Therefore we felt it necessary to implement an open, high-involvement process that intensely taps an organization's expertise, and to overlay that information against the backdrop of more general strategic HR thinking.

The answer to the first research question, "How can a local government develop a reliable, customized list of important strategic HR management competencies for its particular organizational context?" lies in the grounded theory needs assessment methods used to elicit the competencies.

Our overall needs assessment moved through three phases. An overview of the three phases is shown in **Figure 1.** In phase one we used focus groups of County HR leaders to specify which competencies enabled HR managers to contribute as strategic partners in the County. The objective of this first phase was to specify a list of the relevant competencies in a taxonomic model, using terminology that best reflected the language and normal business practices that prevailed in the organization. A questionnaire that seemed ignorant of the organization culture, terminology, history or business practices would likely have aroused suspicion; the legitimacy of the resulting data and the training program would have been questioned. In phase two we went through two rounds of further refinement and pilot testing of a structured needs assessment questionnaire. In phase three we conducted an organization-wide survey including respondents from three separate levels in the organization. The three phases of the needs assessment are described in detail below.

Figure 1. Custom Needs Assessment for an Organization-Wide Strategic Human Resources Training Program
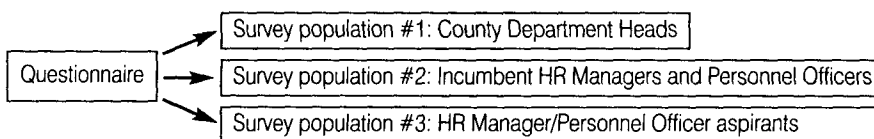
Phase 1: Identification of key competencies
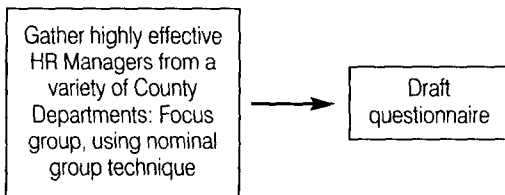
Phase 2: Development of questionnaire (output of phase 1 is the starting point)
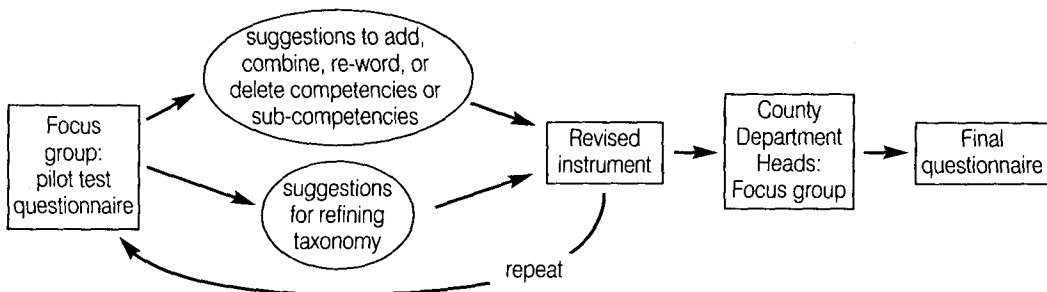
Phase 3: Survey using "triangulation" design (output of phase 2 is the starting point)

Focus Groups: Initial Identification of Competencies

A group of 15 HR managers identified by executives as being among the most effective strategic HR managers in the organization was formed. Each of the individuals was the top HR manager in a major unit of the organization. The objective of the focus group in phase one was to specify a list of competencies an HR manager must have in order to be an effective strategic partner in the organization. We used a nominal group technique[22] to ensure that all ideas were considered.

The group began work by individually reflecting on the recently refined County mission and the missions of their respective departments. Each individual wrote three mission-related goals for his or her department. Then each participant individually listed, for each of the goals he or she specified, key competencies that were required for the HR manager to be a valued partner in achieving these goals. Forty-five competencies were identified during this first focus group session.

At this point each individual's ideas were written on large sheets that all could see, overlapping ideas were consolidated, and wording was revised to reflect consensus that emerged during roundtable discussion among the participants. Then each participant was given 10 votes to allocate across the items, with each vote being worth one unit of 'importance.' Votes were tallied and the rankings were recorded. The group discussed the rankings, brainstormed thoughts on what was missing, and considered the extent to which the ranking seemed intuitively accurate. Then the group discussed how the various competencies might fit together in broader categories.

Questionnaire Development

We then categorized the 45 competencies in order to better target subsequent discussion. Ideas for how the competencies might fit sensibly into categories were culled from textbooks, academic research, and other publicly available competency models.

Three rating scales, as shown in **Figure 2,** were attached to an evolving survey instrument containing the list of competencies, arranged in categories. The *importance* scale was designed to measure the extent to which each of the competencies was important for an HR manager to be an effective strategic partner. The two *preparedness* scales were designed to measure the extent to which HR personnel were sufficiently capable in each of the competencies. The midpoint of each scale was designed to represent a critical threshold level – 'important' on the *importance* scale, and 'prepared' on the *preparedness* scale.

Figure 2. Scales on Survey Instrument

Importance scale
1 = Not related to job
2 = Somewhat Important
3 = Important
4 = Very Important
5 = Essential

Preparedness scale
1 = Unprepared: None or few of the skills required
2 = Somewhat Prepared: Some of the skills required
3 = Prepared: Many of the skills required
4 = Very well prepared: Most of the skills required
5 = Exceptionally well prepared: All of the skills required

The draft questionnaire, including rating scales, was then presented to focus group members, who independently completed the questionnaire and then discussed the instrument and suggested revisions. This second focus group session resulted in some of the categories being re-configured. Many of the competencies were split into two or more distinct items, and in some instances a handful of items was condensed into one. During this focus group session, participants made an effort to weed out competencies that were judged to be relatively unimportant; those competencies that remained at the end were defined as 'important' enough to be considered for inclusion in the questionnaire. Two more focus groups of this type were conducted in series, with each considering a newly revised draft survey instrument.

Revisions were made and the questionnaire was presented to a meeting of department heads and other senior executives. This group suggested a number of changes, including reducing the length of the instrument by restricting the number of items under each competency category. This particular suggestion was consistent with research showing that the quality of responses to questionnaires often declines as the length of the instrument grows.[23] Schoonover suggests an 80-20 rule — meaning that the competency model should contain the 20 percent of behaviors that drive 80 percent of excellent performance — as a guideline in reaching the ideal balance between accuracy and simplicity. This 80-20 rule may provide an appropriate conceptual target, but finding this critical point is difficult and probably expensive in practice. To implement the executives' request, we surveyed a panel of experts in the organization to narrow each category down to one category definition including six sub-competencies.[24]

Whereas the list at one point consisted of 10 competency categories subsuming 129 sub-competencies, the final version of the questionnaire contained 13 competency categories and 78 sub-competencies (six per category). **Figure 3 (next page)** shows the competency categories that emerged from phases 1 and 2 of the needs assessment.

Before the survey instrument was approved for pilot testing, our collection of competencies and sub-competencies was compared to the IPMA-HR Competency Model. Ensuring complete coverage of the IPMA-HR competencies was not deemed necessary, as our primary goal was to include all competencies that County HR experts believed to be crucial for strategic HR managers within their organization. However, the comparison served as a check to see that no glaring omissions existed.

Survey

The questionnaire was administered to three populations of employees: (1) department heads and senior executives, (2) current HR managers and personnel officers, and (3) senior human resources staff. The three populations represent, respectively, (1) an executive view from above, (2) a view from individuals currently tasked with 'strategic human resources' responsibilities (*i.e.* 'incumbents') and (3) a view from individuals who frequently rise to the position of HR manager or personnel officer (*i.e.* 'aspirants').

Figure 3. Competency Category Definitions

1. *Knowing External Forces that Impact Strategy*: Perceive and understand trends that are occurring in the organization's operating environment.
2. *Organizational Strategic Planning*: Design organizational processes to 'fit' with the organization's operating environment.
3. *Knowing and Understanding Customers*: Define your customer base and communicate with your customers (a customer is defined as any person or entity directly served by the HR operation).
4. *Strategic Workforce Development*: Define what competencies are needed to improve organizational effectiveness.
5. *Personal Values, Qualities, and Leadership Skills*: Know how personal traits contribute to organizational effectiveness.
6. *Technology Changes and Effects on Organization*: Understand how new technologies can give the organization new or improved capabilities.
7. *Organization Environment*: Understand how things get done in an organization; know the communication channels, gatekeepers and informal networks.
8. *Organization and Reporting Structure*: Understand how the classification structure and individual job assignments impact organizational effectiveness.
9. *Recruitment and Selection*: Design strategies to effectively and efficiently achieve County vision and values through the hiring and promotion of personnel.
10. *Measuring and Rewarding Performance*: Understand the relationship between individual performance and organization performance.
11. *Organizational Integrity and Business Ethics*: Do 'the right thing' even when short-term consequences do not seem to support doing so.
12. *Communication Skills*: Convey ideas clearly and persuasively in a way that helps achieve vision.
13. *Human Resources Legal*: Understand legal environment impacting organizational and employee actions required to meet strategic HR objectives.

The executive population rated the 'importance' of each competency and sub-competency, and also rated the level of preparedness of incumbent HR managers and personnel officers in the respondent's department. Incumbents rated the importance of each competency and sub-competency, their own level of preparedness, and the level of preparedness of aspirants within the respondent's work unit. Aspirants rated only their own level of preparedness. The questionnaire was distributed via mail to 500 employees. Fifteen executives, 51 incumbents and 96 aspirants returned usable questionnaires, for a response rate of 32.4 percent. The response rate did not differ substantially between the three populations. Confidentiality was promised to all respondents. The three populations formed a 'triangulated' sample design, as each of the three rating scales was rated by two populations. This allowed an analysis of the extent to which the items were viewed similarly by individuals at different levels of the organization.

Statistical Tests

Two types of statistical tests were used to analyze the data and to address the second and third research questions:

1. The Intraclass Correlation Coefficient statistic was used to determine if there was agreement among raters. For this analysis, missing values for a rater's response on a given item were converted to the mean of the importance rating for the item.

2. The SAS mixed linear model procedure was used to measure the effects of both fixed and random classification variables (factors) on a continuous dependent variable using a Restricted Maximum Likelihood (REML) method. The mixed linear model is a version of the general linear model. In the mixed model, data are allowed to display correlation and non-constant variability. In variables (factors) with fixed effects, the number of levels is predetermined by the researcher. In our model, the variables modeled as having fixed effects were the 13 competency categories. By contrast, variables with random effects are those for which the levels of the effects are not fixed by the researcher; the levels are assumed to be randomly selected from a population with an infinite number of possible levels.

To analyze the mean 'importance' rating for each competency, the variable 'competency' was treated as a fixed variable with 13 levels — one level for each competency category. In addition, the effect of systematic, individual variation among raters that might influence the way they tended to rate the competencies (*e.g.*, rater errors such as leniency, harshness, central tendency, etc.) was estimated by allowing the 'rater' variable to have random effects. Covariation among the levels of the random factor 'rater' (in which each respondent represents one level) and the responses on the dependent variable 'importance' was used to estimate the population component of variance in the dependent variable that was attributable to the random factor 'rater'. This modeling technique would show whether or not individual characteristics of raters systematically affected the way they assigned ratings of 'importance' or 'preparedness.' Including the 'rater' effect in the model reduced the extent to which measurement error affects the model and would therefore increase the accuracy of the analysis; the exact amount of the increase in accuracy was a function of the magnitude of the random rater effects.

Using the mixed-model procedure, 'importance' was entered into the model as the dependent variable and 'competency' was entered as a fixed factor with 13 levels (one for each competency). A fit statistic known as –2 Residual Log Likelihood (-2RLL) was calculated by the mixed-model procedure to indicate how well the model fit the data. This fit statistic has no well-defined distribution and, taken by itself, is not useful for hypothesis testing. However, the difference between the value of -2RLL for two models when one model is nested within the other does have an approximate Chi Square distribution and can therefore be used to test the improvement in fit between the two competing models. The same procedure then was used to test for rater effects in models using 'incumbent preparedness' and 'aspirant preparedness' as dependent variables.

All mixed-model analyses presented in this paper showed significant covariation between the random factor 'rater' and the dependent variables. Modeling the effect of the random variable 'rater' in the models therefore did increase the accuracy of the analyses and improved statistical measures of fit.

Figure 4 shows the difference of the model fit statistics (–2RLL) for the models. The Chi Square values are all highly significant ($p < .000001$), indicating that the statistical fit of the models was improved by modeling 'rater' as a random variable. In other words, individual characteristics of raters did systematically affect the way they assigned ratings of 'importance' and 'preparedness.'

Figure 4. Improvement in Model Fit Due to Modeling "Rater" as Random Variable

Mixed Model Analysis	Difference in −2RLL (Chi Square Value)	Probability of Chi Square Value with df = 1
Importance	193.0	< .000001
Aspirant Preparedness	750.67	< .000001
Incumbent Preparedness	192.3	< .000001

Results

Since the competency categories were the primary constructs that were used in building the framework that drove the 100-hour curriculum, the individual sub-competencies are mostly omitted from this discussion of the quantitative analysis.

Importance

The second research question was, "How can a local government measure the relative importance of the various strategic HR competencies within its particular organizational context?" To answer this question, we pooled responses from the executive and incumbent populations. The Average Intraclass Correlation Coefficient was 0.89, significant at the 0.0001 level. The test confirms that raters generally agreed on the ratings of the importance of the competencies. The relative importance of the competencies was then measured using the mixed model analysis. **Figure 5** displays the results.

Figure 5. 'Importance' Results

Dependent variable: 'importance' rating

Competency (sorted by importance)	Importance (1-5 scale)	Maximum observed std. error of the difference	Number of competencies that are significantly*... More important	Less important
3. Knowing and Understanding Customers	4.66	0.12	0	8
7. Organization Environment	4.55	0.13	0	3
11. Organizational Integrity and Business Ethics	4.55	0.12	0	3
12. Communication Skills	4.48	0.13	0	2
1. Knowing External Forces that Impact Strategy	4.33	0.14	0	1
5. Personal Values, Qualities, and Leadership Skills	4.29	0.13	0	1
13. Human Resources Legal	4.28	0.12	1	1
4. Strategic Workforce Development	4.27	0.13	1	1
2. Organizational Strategic Planning	4.17	0.14	1	0
9. Recruitment and Selection	4.12	0.14	1	0
8. Organization and Reporting Structure	4.11	0.13	3	0
6. Technology Changes and Effects on Organization	4.05	0.13	4	0
10. Measuring and Rewarding Performance	3.79	0.14	8	0

F=10.19 (significant at the 0.0001 level)
aPost-hoc (Tukey's HSD) tests significant at the 0.05 level

The F value of 10.19, significant at the 0.0001 level, indicates that according to HR experts within the County, some competencies are significantly more important than others for strategic HR managers. The first column of Figure 5 displays the competencies in descending order of importance. The second column displays the mean importance rating. Measuring importance ratings against the anchors established by the rating scales, all 13 of the competencies were rated as 'important' (i.e. 3.0) or higher, and 12 of the 13 were rated as 'very important' (4.0) or higher. The third column displays the standard error for each competency.[25] The fourth and fifth columns display results of Tukey's Honestly Significant Difference Test. This test made all pairwise comparisons between the competencies and set the error rate equal to the error rate for the collection of all pair-wise comparisons.

Aspirant Preparedness

The third research question was, "How can an organization assess how close current and aspirant HR managers are to attaining the strategic HR management competencies?" To assess the preparedness of the aspirant population, we pooled responses from the incumbent and aspirant populations. The Average Intraclass Correlation Coefficient was 0.97, which was significant at the 0.0001 level. The test confirms that raters generally agreed on the ratings of the preparedness of aspirants in the strategic HR competencies. The relative preparedness of the aspirant population in the various competencies was then measured using the mixed-model analysis. **Figure 6** displays the results.

Figure 6. 'Aspirant Preparedness' Results

Dependent variable: 'aspirant preparedness' rating

Competency (sorted by aspirant preparedness)	Preparedness (1-5 scale)	Std. error of the difference	Number of competencies in which preparedness is significantly[a]...	
			Better	Worse
11. Organizational Integrity and Business Ethics	3.72	0.08	0	11
3. Knowing and Understanding Customers	3.59	0.08	0	9
12. Communication Skills	3.43	0.08	1	8
5. Personal Values, Qualities, and Leadership Skills	3.35	0.08	1	8
7. Organization Environment	3.31	0.08	2	7
8. Organization and Reporting Structure	3.08	0.08	4	4
10. Measuring and Rewarding Performance	2.98	0.08	5	2
13. Human Resources Legal	2.97	0.08	5	1
6. Technology Changes and Effects on Organization	2.93	0.08	5	0
4. Strategic Workforce Development	2.77	0.08	6	0
9. Recruitment and Selection	2.75	0.08	6	0
1. Knowing External Forces that Impact Strategy	2.69	0.08	7	0
2. Organizational Strategic Planning	2.68	0.08	8	0

F=38.39 (significant at the 0.0001 level)
[a]Post-hoc (Tukey's HSD) tests significant at the 0.05 level

The F value of 38.39, significant at the 0.0001 level, indicates that HR aspirants are significantly better prepared in some important strategic HR competencies than in others. The first column of Figure 6 displays the competencies in rank order, with those in which aspirants are best prepared at the top. The second column displays the mean preparedness rating. The third column displays the "Standard Error of the Difference" for each competency.[26] Measuring aspirant preparedness ratings against the anchors established by the rating scales, aspirants were rated as being 'prepared' (3.0) or better in six of the 13 competencies. A 95 percent confidence interval would include three additional competencies as perhaps falling above the 'prepared' threshold.

Incumbent Preparedness

To assess the preparedness of the incumbent population, we pooled responses from the incumbent and executive populations. The Average Intraclass Correlation Coefficient was 0.95, which was significant at the 0.0001 level. The test confirms that raters generally agreed on the ratings of the preparedness of incumbents in the strategic HR competencies. The relative preparedness of incumbents in the various competencies was then measured using the mixed-model analysis. **Figure 7** displays the results.

Figure 7. 'Incumbent Preparedness' Results

Dependent variable: 'incumbent preparedness' rating

Competency (sorted by incumbent preparedness)	Preparedness (1-5 scale)	Std. error of the difference	Number of competencies in which preparedness is significantly*...	
			Better	Worse
11. Organizational Integrity and Business Ethics	4.23	0.12	0	8
7. Organization Environment	4.03	0.12	0	8
3. Knowing and Understanding Customers	3.92	0.12	0	7
5. Personal Values, Qualities, and Leadership Skills	3.87	0.12	0	7
12. Communication Skills	3.87	0.12	0	7
1. Knowing External Forces that Impact Strategy	3.54	0.12	2	2
8. Organization and Reporting Structure	3.47	0.12	5	1
13. Human Resources Legal	3.46	0.12	5	1
2. Organizational Strategic Planning	3.44	0.12	5	1
10. Measuring and Rewarding Performance	3.36	0.12	5	0
9. Recruitment and Selection	3.15	0.12	5	0
4. Strategic Workforce Development	3.15	0.12	6	0
6. Technology Changes and Effects on Organization	3.04	0.12	9	0

F=19.35 (significant at the 0.0001 level)
[a]Post-hoc (Tukey's HSD) tests significant at the 0.05 level

The F value of 19.35, significant at the 0.0001 level, indicates that HR incumbents are significantly better prepared in some important strategic HR competencies than in others. The first column of Figure 7 displays the competencies in rank order, with those in which incumbents are best prepared at the top. Measuring incumbent preparedness ratings against the anchors established by the rating scales, incumbents were rated as being 'prepared' (3.0) or better in all of the 13 competencies. Incumbents were rated as being 'very well prepared' (4.0) in two, and perhaps as many of five when drawing 95 percent confidence intervals, of the 13 competencies.

Value Added by a Customized Approach

Our fourth research question was, "What value is added by a customized approach to building a strategic HR competency model?" The context in which our study was performed is unique in some important ways, but many of the key contextual variables that exist within Los Angeles County are shared to some extent by many other government organizations. In general, the strategic HR imperative and a workforce squeeze resulting from demographic, economic and technological forces are present in many government organizations. Some generalizable lessons from our study add value to previous literature related to strategic human resource management in a government organization.

HR as a Lever for Strategic Change

The revitalized strategic planning effort in the County requires that HR managers and aspirants can be counted on as strategic partners, and also requires that HR managers and aspirants believe they are empowered to act as strategic partners. To these ends, positive changes were created by pulling three major change levers.

The first strategic change lever was the act of sanctioning the strategic HR needs assessment. The public commitment of County executives and HR leaders to the process was essentially an opportunity for HR to gain a seat at the table at which key strategic choices are made. Sanctioning the open discussion that would occur as a result of a series of focus groups and a large-scale survey of County HR personnel could be seen by some as a significant risk in such a large, visible organization.

The second lever was the use of a grounded approach to the needs assessment. "Real strategic change requires inventing new categories, not rearranging old ones."[27] The needs assessment methods used in this study resulted in some competency categories and sub-competencies compared to other competency models.

The third lever was in the actual implementation of multiple, cross-departmental cohorts of the training program, including an action research model. As part of the training, HR managers and aspirants have now identified and analyzed dozens of truly strategic issues in the County, with many of these issues crossing departmental lines.

These three change levers have begun to build competencies and a culture that increase HR managers' ability to make substantial contributions to achievement of County-wide mission-driven goals.

Competency Categories, Sub-Competencies, and Program Design

Our competency taxonomy ultimately consisted of 13 competency categories and 78 sub-competencies (six per category). In the subsequent process of designing the training program, the competency categories proved to be indispensable in setting the overall parameters of the training program: data regarding the competency categories alone provided guidance in allocating the 100 training hours. For example, the competency category 'knowing external forces that impact strategy' was rated relatively high in importance, and relatively low in aspirant preparedness. From this we infer a substantial 'competency gap' that called for a significant allocation of hours in the 100-hour program. Once training hours had been allocated across the competency categories, details of the curriculum were designed by examining the same gap for each of the six sub-competencies within the category. **Figure 8** shows a simple matrix with four or the more dramatic 'competency gap' scenarios that emerged for the sub-competencies. The actual gap was calculated mathematically for each of the 13 competencies and 78 sub-competencies.

Figure 8. Use of Needs Assessment Data for Program Design

Preparedness

	LOW	HIGH
HIGH (Importance)	**training imperative** Example: "See the 'big picture' in decision-making" ➤ rated as the 5th most important sub-competency (out of 91) ➤ rated only 39th (out of 91) in terms of aspirant preparedness	**minimal training hours** Example: "Maintain high personal character standards on the job" ➤ rated as the 2nd most important sub-competency ➤ aspirants were rated as being better prepared in this sub-competency than in any other
LOW (Importance)	**minimal training hours** Example: "Devise employment programs that respond to changing lifestyles of employees or potential employees" ➤ rated 2nd-lowest in terms of importance ➤ rated 4th-lowest in terms of aspirant preparedness	**no training hours** Example: "Understand the difference between internal (co-workers, managers, and supervisors in your department) and external (the public, other agencies) customers" ➤ rated as the 62nd most important sub-competency ➤ rated 3rd-highest in terms of aspirant preparedness

Competencies that were 'important' and in which the current workforce was not well prepared (according to the survey results) were defined as training imperatives. Competencies and sub-competencies that fall in this category are not controversial in terms of program design; they require substantial attention in the training program. The upper-right and lower-left quadrants also contain competencies that could merit some lower level of attention in the curriculum. The lower-right quadrant contains competencies on which scarce resources should not be spent.

Importance of Language and Other Contextual Variables

The language in our competency model undoubtedly was driven by previous debate and events that had occurred within the County. Allowing these unique contextual variables to drive discussion and influence the specification of the competency model yielded a great deal of robust data that otherwise would have been suppressed. In addition, building a competency taxonomy that respected the idiosyncrasies of the organization alleviated suspicion and generated a good level of buy-in among key stakeholders.

For example, the first draft of the survey instrument included the word 'incentives' in more than one spot. The final version, however, omitted the word as a result of the fact that our focus groups disagreed on its meaning in the County context. While the underlying concept of appropriately recognizing performance clearly was important, the word 'incentives' was laden with additional meaning that resulted from specific policies that had been implemented in past years. After significant debate and brainstorming, focus group discussion arrived at the conclusion that 'rewards' was a good substitute that conveyed the desired concept clearly, and was free of connections to past policies within the County.

Local demographic and social forces also have helped shape the mindset and practices of County HR personnel. For example, the concept of 'diversity,' which is evident in the IPMA-HR Competency Model, was filtered out during our focus group process. Our focus group sessions illustrated clearly that a variety of demographic, sociological and organizational forces have led to a current situation in which respecting and valuing diversity are well-ingrained in the mindset County HR personnel.

A failure to pinpoint the proper language, and a failure to account for conditions unique to an organization, would lead to mis-specification of training needs and costly mis-allocations of training resources.

Implications for Research

Many sensible guidelines for researchers undertaking needs assessment studies have been offered in previous publications.[28,29] Some methodologies from our effort can be used to increase reliability of strategic needs assessments in a variety of settings.

Grounded Theory Methods

The data resulting from a needs assessment are only as good as the survey instrument used to gather the data. While it is possible — even common — to assume some prototype 'typical' organization, the typical organization does not exist. Perhaps more importantly for researchers, employees *believe* their organization is unique and programs that do not respect this belief may not be fully accepted. Grounded theory methods help ensure that all key viewpoints are considered. Equally important is the perception that results from the use of grounded methods: members of the organization can see that the outcome of the needs assessment was built from within in a way that values the uniqueness of the organization.

Triangulation Sample Design

To increase the reliability of the survey data, and to help spot ambiguity where it existed in the minds of respondents, we implemented a triangulated sample design. Each rating scale was rated by individuals from two separate levels in the organization. This allowed us to conduct reliability analyses to see if County personnel at different levels in the HR hierarchy interpreted some of the items differently. This alone would have been a valuable finding in terms of designing an effective "Building a Strategic Human Resources Partnership" training program. The fact that we found no substantial differences between ratings by the various populations increased the reliability of the data.

Statistical Analyses

We found a highly significant degree of covariation between the patterns of ratings on the 'importance' scale and the identity of individual raters. We also found this type of covariation on ratings on the 'preparedness' scales. Modeling these random effects reduced the amount of noise in our measurement and improved the fit of the model to the data, and therefore improved the accuracy of the analysis. Isolating the random rater-specific effects improves the accuracy of analysis with respect to the variables of interest by removing the unwanted component of variance from the error term. This could have beneficial effects on many other popular types of analyses (*e.g.*, needs analysis, job analysis, organizational surveys) that rely on the judgments of raters as a primary data source.

Conclusion

There are three key reasons an organization might choose to invest in a customized needs assessment. Each organization is unique and has some unique goals, so the relative importance of the factors that would argue in favor of a customized needs assessment will vary across organizations.

First, the process itself can be a lever for change. The grounded approach requires a great degree of open discussion. Employees in the organization can see the openness of the process, and a great degree of suspicion is thereby eliminated. Further, change agents who may have been latent in the organization may arise during the process. In short, the process itself can both break down barriers and build support.

Second, the methodology underlying a customized needs assessment ensures that all relevant ideas are considered. In the latter phases of the study, it is necessary to quantify results to accurately design the curriculum. But prior to quantifying results, it is necessary to ensure that the right variables are being measured. Failure to draw input from a wide cross-section of experts and other key stakeholders can result in putting numbers on competencies that are not, in fact, the most important ones in a particular organization. Only through an intense, grounded approach can researchers ensure that the most important competencies are in fact on the survey instrument.

Third, a customized approach leads to accurate measurement of the 'competency gaps' that serve as valuable inputs to curriculum design. Some words and phrases whose meanings may be generally accepted in other organizations could be laden with other meanings in one particular organization. If the 'wrong' language is used on a survey instrument, the result may be that some competencies that truly are important are measured as unimportant because respondents were thinking of the 'alternate' meaning of the words rather than the intended meaning. Conversely, some truly unimportant competencies or some small competency gaps could be over-stated, thus occupying scarce space in a training curriculum and draining scarce training resources.

It is not always feasible for an organization to undertake customized needs assessment. The process is relatively expensive and may be hard to justify in financial terms for a small organization. From our experience, we offer three key contingencies that seem to call at least for modification of a generalized competency model to fit the organization context, and perhaps for a completely customized competency model. Three situations that would tend to encourage a grounded, highly customized approach are when:

- Charged debates on a given topic have previously occurred within the organization and have generated indelible perceptions of key words, phrases, issues or topics.

- Local demographic, sociological, technological, legal or economic forces have already shaped the organization's competencies and needs in important ways.

- A new or significantly altered strategic planning environment has recently emerged, and there is value in giving key employees a forum to openly discuss its meaning in a highly meaningful forum and with visible results.

The grounded needs assessment methodology we employed led to a survey instrument that, in many ways, resembles the IPMA-HR Competency Model. Though we did not attempt to quantify the extent of agreement between the two models, our sense is that our findings validate most of the contents of the IPMA-HR Competency Model. However, the differences are important and they add substantial value toward the goal of building an effective strategic HR training program for a particular organization.

Notes

1   Online: http://www.nasbo.org/Publications/fiscsurv/nov2002fiscalsurvey-revisedC.pdf

2   Online: http://www.losangelescountyacademy.org/general/Home.html

3   Online: http://www.losangelescountyacademy.org/general/Academy_background.html

4   This awards program is a County-wide recognition event undertaken by the Quality and Productivity Commission and the Productivity Managers Network, with the support of the Board of Supervisors and the Chief Administrative Officer. The awards recognize departmental program and process improvements made during the previous year, thank employees, and emphasize best practices that may be built upon throughout the County.

5   White, R. (1959). "Motivation Reconsidered: The Concept of Competence," *Psychological Review*, 66, 279-333.

6   Schoonover, S.C. (1998). *Human Resource Competencies for the Year 2000*. SHRM Foundation.

7   Lawler, E.E., S.G. Cohen & L. Chang (1993). "Strategic Human Resources Management," In P. Mirvis (Ed.), *Building the Competitive Workforce*. New York: Wiley, 31-59.

8   Lawler, E.E. (1995). "Strategic Human Resources Management: An Idea Whose Time Has Come," In B. Downie and M.L. Coates (Eds.), *Managing in the Human Resources in the 1990s and Beyond: Is the Workplace Being Transformed?* Kingston, Canada: IRC Press, 46-70.

9   Lawler, E.E. (1996). *From the Ground Up*. San Francisco: Jossey-Bass.

10 Ulrich, D.W. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*, Boston: Harvard Business School Press.

11 Ulrich, D.W., M.R. Losey & G. Lake (Eds.) (1997). *Tomorrow's HR Management*. New York: Wiley.

12 National Academy of Public Administration (1996). *A Competency Model for Human Resources Professionals* (http://38.217.229.6/NAPA/NAPAPubs.nsf).

13 IPMA: International Public Management Association (2000). *Leadership: A Competency Model for HR Professionals*. (Online: http://www.ipma-hr.org).

14 "The International Personnel Management Association (IPMA) is an organization that represents the interests of over 5,000 human resource professionals at the federal, state, and local levels of government." (www.ipma-hr.org).

15 Ulrich, D.W., A.K. Brockbank, A. Yeung & D.G. Lake. (1995). "Human Resource Competencies: An Empirical Assessment," *Human Resource Management*, 34, 4, 473-496.

16 http://online.onetcenter.org/

17 Schoonover (1998). Ibid.

18 Ulrich, D.W. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*, Boston: Harvard Business School Press, 214.

19 IPMA: International Personnel Management Association (1997). "News From the Executive Council," April. (http://www.ipmaac.org/acn/apr97/execncl.html).

20 For example, the city of St. Louis, and the states of Oklahoma, Kansas and Virginia have implemented some IPMA-HR Competency Model training.

21 Note that this point does not in any way indicate that the IPMA-HR Competency Model was deemed *invalid*. Validity can be built only over time as complementary and overlapping studies are performed. Pedhazur & Schmelkin (1991). *Measurement, Design and Analysis: An Integrated Approach*. Hillsdale, NJ: Lawrence Earlbaum, pp. 224-229, provides a good overview of the importance of validity in research studies.

[22] Delbecq, A.L., A.H. Van de Ven & D.H. Gustafson (1975). *Group Techniques for Program Planning, a Guide to Nominal Group Technique and Delphi Processes*. Scott Foreman.

[23] Sudman, S. & N.M. Bradburn (1996). *Thinking About Answers: The Application of Cognitive Processes to Survey Methodology*. San Francisco: Jossey-Bass.

[24] Up to this point in our paper, we have been using the word 'competencies' generically to refer to *any* idea that emerged from our focus group process for consideration in the model. But from here onward, the discussion distinguishes between the 'big' and 'small' competencies. Our survey instrument ultimately listed 13 groupings, each of which included six distinct items. Each grouping was defined by a category header. These category headers are referred to as 'competencies' or 'competency categories' from this point forward in our paper. The distinct items within a competency category are referred to as 'sub-competencies.'

[25] The figures in column 3 are more accurately referred to as the "Highest Observed Standard Error of the Difference." The 'importance' ratings showed unequal variance among the 13 competencies. To remove this as a source of error in the analysis, the unequal variances were modeled in the "mixed" procedure.

[26] The 'preparedness' ratings did not show unequal variance among the 13 competencies.

[27] Mintzberg, H. (1994). "The Fall and Rise of Strategic Planning," *Harvard Business Review*, January-February, 109.

[28] Holton, E.F. III, R.A. Bates, & S.S. Naquin (1999). "Large-Scale Performance Driven Training Needs Assessments: A Case Study," *Public Personnel Management*, 29, 2, 249-67.

[29] Holton, E.F. III. (1995). "A Snapshot of Needs Assessment," In J. Phillips & E.F. Holton III (Eds.), *In Action: Conducting Needs Assessment*, pp. 1-12, Alexandria, VA: ASTD Press.

Authors

Phil Gorman

California State University, Northridge

COBAE-8376

18111 Nordhoff St.

Northridge, CA 91330

E-mail: philip.c.gorman@csun.edu

Phone: (818) 677-4515

Fax: (818) 677-6265

Phil Gorman is assistant professor of management at California State University, Northridge. He was a member of the team that conducted the needs analysis for the "Building a Strategic Human Resources Partnership" program described in this article and is a member of the teaching faculty for the program.

Bruce McDonald

County of Los Angeles

Department of Human Resources

3333 Wilshire Blvd.

Los Angeles, CA 90010

E-mail: bmcdonal@dhr.co.la.ca.us

Phone: (213) 738-2124

Bruce McDonald is principal analyst for the County of Los Angeles Department of Human Resources. He oversees a variety of organizational research and development projects. He has previously supervised recruitment, selection and test development operations for the Los Angeles County Fire Department and the Department of Parks and Recreation.

Richard Moore
California State University, Northridge
COBAE-8376
18111 Nordhoff St.
Northridge, CA 91330
E-mail: richard.moore@csun.edu
Phone: (818) 677-2416

Richard W. Moore is professor of management and associate director of the Center for Management and Organization Development at California State University, Northridge. He has developed and evaluated public training programs internationally and is co-author of a new book on state-funded incumbent worker training programs from the Upjohn Institute.

Alan Glassman
California State University, Northridge
COBAE-8376
18111 Nordhoff St.
Northridge, CA 91330
E-mail: alan.glassman@csun.edu
Phone: (818) 677-3576

Alan M. Glassman is professor of management and director of the Center for Management and Organization Development at California State University, Northridge. He is an active researcher and consultant in the private and public sectors in the areas of organization change and development, strategic planning, leadership development and organizational assessment.

Lu Takeuchi
County of Los Angeles
Department of Human Resources
3333 Wilshire Blvd.
Los Angeles, CA 90010
E-mail: ltakeuch@dhr.co.la.ca.us
Phone: (213) 738-2299

Lu Takeuchi is senior human resources manager of the Organizational and Employee Development Division of the County's Department of Human Resources. She manages the Los Angeles County Training Academy (LACTA) and is an active participant in needs analyses and curriculum development for LACTA programs.

Michael J. Henry
County of Los Angeles
Department of Human Resources
3333 Wilshire Blvd.
Los Angeles, CA 90010
E-mail: mhenry@dhr.co.la.ca.us
Phone: (213) 974-2406

Michael J. Henry is director of personnel for the County of Los Angeles Department of
Human Resources. He is responsible for directing programs and establishing policy for
major functional areas of the County's human resources management system for a
workforce of over 90,000 employees.