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Core Competencies

A Driving Force for Organizational Excellence

An effective organization knows its mission, has a clear and inspirational vision, and develops measurable goals and objectives, complete with a strategy for achievement. Foundational to this achievement is an acknowledgement that success depends on resources—the most important of which are an organization's people, or human resources. This is particularly true in the audit, evaluation, and investigations arena, where an organization's capacity for conducting operations depends on the knowledge, skills, commitment, and energy of its people. Recruiting and retaining good people, then, is key to an organization's success. To know whom to recruit and retain, you must first define the knowledge, skills, and abilities that your organization needs. While this is an important first step, one that most personnel departments do on a regular basis, at the highest levels of management, the leadership must identify which of these are core. In other words, which knowledge, skills, abilities, and, increasingly, behaviors are so important that failure to possess them would compromise an organization's ability to compete successfully and achieve its mission. Taken to this level, we call these qualities core competencies.

The concept of core competencies was introduced to modern organizations in a 1990 *Harvard Business Review* article[1] written by C.K. Prahalad and Gary Hamel. Concerned with private corporations, Prahalad and

[1] C.K. Prahalad and Gary Hamel, "The Core Competence of the Corporation," *Harvard Business Review* (May-June, 1990).

Hamel wrote that each company develops its own distinctive key areas of expertise that are critical to its long-term development. To successfully apply the company's unique expertise, managers must be able to "identify, cultivate, and exploit the core competencies that make growth possible." For those of us in the public sector, this translates into "value." In an era where programs are being asked to justify their existence and demonstrate competitive performance, being able to demonstrate value moves the argument away from cost alone. Long-term development requires an organization to demonstrate its value—return on investment to both its customers and investors. For those of us in the public sector, this means many times that our customers—the benefactors of our services—recognize and acknowledge that they are receiving benefits that are worthwhile and delivered in a manner that generates loyalty. In addition, our investors—the Congress, or legislative branch—need to see value in their continued funding of this particular program and that, in the long term, it is sufficiently distinctive that it stands out as a program that works and works well. Excellence in this arena, while not a guarantee, provides the greatest insurance for continued funding and long-term health.

Although the concept seems simple, Prahalad and Hamel suggested that core competencies might be difficult to identify in a given company. They advised that one way to identify a core competency is that it should contribute significantly to the customer's perceived benefits of the end product. To those of us who provide audit, evaluation, and investigation services, we need to understand how our products and services provide "value" to our direct customers and, more broadly, to our larger stakeholders. Having a good understanding of these relationships is critical to identifying an organization's core competencies.

Many types of organizations have labored over their core competencies—the Virginia Community College System, the American Association for Paralegal Education,[2] public health organizations, corporations, librarians, school principals, and consultants. The process is always difficult but is made easier when an organization understands clearly the mission, its competitive niche—what gives it competitive advantage—and who its competitors are. When this is known, the identification of core competencies becomes a logical extension of the business model. The President's Council on Integrity and Efficiency (PCIE) and Executive Council on Integrity and Efficiency (ECIE) Human Resources Committee[3] has been studying application of core competencies to Federal Offices of Inspector General (OIGs) for the explicit purpose of evaluating the training programs for auditors, evaluators, and investigators. Increasingly, the missions of the Inspectors General have been expanding from a traditional compliance orientation to a focus on effectiveness. The reasons for this are many. Certainly one could cite the Government Performance and Results Act as an impetus for this expanding orientation. But even without this mandate, IGs have seen their role moving from compliance to actually working with their departments and agencies to improve performance. With this expanding role, the Committee felt that we needed to take a look at the community to see how this expansion has impacted on the critical competencies in our field.

To that end, last summer, the Committee surveyed 57 Federal OIGs to determine who had developed core competencies for auditors, investigators, inspectors or evaluators, and other OIG professionals. OIGs responding to our survey

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[2] AAFPE Core Competencies for Paralegal Professionals may be found at http://www.aafpe.org/core.html.

[3] The PCIE is the President's Council on Integrity and Efficiency comprised of Presidentially appointed Inspectors General, and the ECIE is the Executive Council on Integrity and Efficiency comprised of designated Federal entity Inspectors General. The Human Resources Committee is chaired by Nikki Tinsley, Inspector General, U.S. Environmental Protection Agency.

indicated varying degrees of progress in developing or implementing core competencies for auditors (26 OIGs), investigators (15 OIGs), and inspectors or evaluators (5 OIGs). Survey respondents indicated the following competency development leaders:

TABLE 1.

Investigation	Audit	Inspection/ Evaluation
Environmental Protection Agency	Department of Defense	Department of Health and Human Services
Department of Labor	Department of Education	
	Department of Health and Human Services	
	Social Security Administration	

Building on the survey results, the Human Resources Committee developed an Inspector General Core Competencies Worksheet to be administered to OIG professionals, starting with the Association of Directors of Investigation (ADI) Conference, held in Knoxville, Tennessee, in mid-March 2003. Participants were instructed to select no more than 10 skills by placing a "1" to the right of a specific skill they deemed critical to their organization from three perspectives. Participants were encouraged to write in additional skills to be included in the selection. The three perspectives were: journeyman, senior management, and organizational. First, by making these three cuts, participants expressed their understanding of the degree to which employees must apply different competencies as they take on added leadership responsibility. Second, given the changing occupational diversity of OIGs, we wanted to understand better and therefore test whether there were organizational core competencies that were critical/

foundational regardless of occupation and/or level. Can we say, for example, that the functions of IGs require a set of competencies that distinguish them from other Federal activities? If so, what are they?

TABLE 2. Inspector General Core Competencies Worksheet

Instructions: Select no more than 10 skills by placing a "1" to the right of the specific skill and total and circle the number of "1s" for each skill selected.

Leadership	Management
Constitution	Stewardship
Vision	Accountability
Political Skills	Customer Service
Influencing/Negotiation with External Groups	Financial Management
Globalization & Cultural Awareness	Human Capital
Entrepreneurship/ Business Practices	Technology Management
Continual Learning	Project Management
Results Orientation	Systems Thinking
Resilience	Decisiveness
Leading People	Strategic Thinking
Integrity	
Team Skills	**Occupational Mastery**
Creativity	Agency/Mission Knowledge
Team Problem Solving	Audit Standards and Practices

(Continued)

TABLE 2. Inspector General Core Competencies Worksheet *(Continued)*

Instructions: Select no more than 10 skills by placing a "1" to the right of the specific skill and total and circle the number of "1s" for each skill selected.

Team Skills	Occupational Mastery
Coaching	Criminal Laws and Procedures
Conflict Resolution	Evaluation Methods and Techniques
Integration	Oral Communication
Time Management	Written Communication
Group Facilitation	Administrative Law and Procedures
Team Development	Information Technology Tools
Additions	Additions

Directors of Investigation, who responded to the worksheet, agreed significantly about what competencies drove success in their organizations at all three levels. As would be expected at the journeyman level, the emphasis was on occupational mastery, followed by behavioral competencies in leadership. Moving into the higher levels of management for IG investigators, respondents agreed that managers needed balance between leadership and management on the one hand and communication skills and agency/mission knowledge on the other (see Table 3).

Following the ADI Conference, we administered the worksheet to attendees of the Federal Executive Audit Council Conference in Philadelphia in mid-May 2003. Again, the conferees took three cuts of the organization, starting with

TABLE 3. Criminal Investigator Core Competencies Results

Journeyman (GS 12–13)

Leadership	Management
Results Orientation	Accountability
Integrity	
Continual Learning	

Team Skills	Occupational Mastery
Time Management	Agency/Mission Knowledge
	Criminal Laws and Procedures
	Oral Communication
	Written Communication
	Information Technology

Senior Management (GS 15–SES)

Influencing/ Negotiation with	Management
External Groups	Accountability
Integrity	Financial Management
Vision	Decisiveness
Leading People	

Team Skills	Occupational Mastery
	Agency/Mission Knowledge
	Oral Communication
	Written Communication

Organizational (All grades)

Leadership	Management
Results Orientation	Accountability
Integrity	

Team Skills	Occupational Mastery
	Agency/Mission Knowledge
	Oral Communication
	Written Communication

journeyman, then senior management, and concluding with organizational. The results of their work can be found in Table 4, Audit Core Competencies Results. Like their associates, criminal investigators, "integrity," "agency/mission knowledge," and "oral and written communication"

continue to receive the highest frequency of responses. Similarly, there is, as one would expect, variation in competencies as one advances into management and leadership positions. Competencies such as "vision" and "results orientation" jump out in both occupations. Interestingly, teamwork is not viewed by criminal investigators with the same degree of importance as auditors to successful job performance. Admittedly, the authors are rather perplexed at this difference in responses for teamwork. We intend to explore this further as we see teamwork as a critical component to successful criminal investigations and prosecution. This may only be a difference of definitions, but is something on which the community needs to get a handle (see Table 4).

Given what we gathered and learned, we now need to take what we have learned to the next level. We feel fairly comfortable that our technical training is on track with an understanding that information technology and technology skills sets are becoming increasingly the norm, not the exception, and that in all fields of endeavor our IG associates will need to acquire, retain, and improve skills in technology as tools in the performance of their occupational duties. However, something else has come out of this exercise, and that is the importance placed on new behaviors and programmatic expertise. As stated earlier in this article, our community is moving towards a paradigm on effectiveness. With that, more and more of our work is done through multidisciplinary teams where personal leadership, judgment, and interdependence are required for success. These teams are not just looking at whether programs are working within established law and regulation. How effectively are they working and to what end? What is the impact these programs are having? These questions are significantly different—an order of magnitude that takes our offices into new territory. To work at this level, we need staff with increased interpersonal skills, an understanding of business principles and practices, and expertise in public policy and research

TABLE 4. Audit Core Competencies Results—May 9, 2003

Journeyman (GS 12-13)

Leadership	Management
Results Orientation	Accountability
Integrity	
Team Skills	**Occupational Mastery**
Creativity	Audit Standards and Practices
Team Problem Solving	Oral Communication
Time Management	Written Communication
	Information Technology

Senior Management (GS 15–SES)

Leadership	Management
Results Orientation	Accountability
Integrity	Strategic Thinking
Vision	
Leading People	
Team Skills	**Occupational Mastery**
	Agency/Mission Knowledge
	Oral Communication
	Written Communication

Organizational (All grades)

Leadership	Management
Results Orientation	Accountability
Integrity Continual Learning	Customer Service
Team Skills	**Occupational Mastery**
Creativity	Agency/Mission Knowledge
	Oral Communication
	Written Communication

methods. Finally, our staffs must be equally proficient in the purpose, law, and administration of the programs for which we audit, investigate, and evaluate. Clearly the hurdle bar has risen.

Traditionally, our training programs have been devoted to transferring technical skill sets. Our focus was on making good auditors, evaluators,

and investigators. Teaching the techniques for each occupation and their professional standards was the primary objective. Recruiting, training, and building organizations along new competencies, such as results orientation, creativity, vision, and strategic thinking, were and continue to be far afield from what our technical schools delivered.

These new core competencies will require us to recruit differently and our training programs must address these new requirements. We will need to recruit and retain people who are self-starters, understand systems theory, think strategically, and accept risk. To achieve programmatic results we envision for our client organizations, we ourselves will have to venture out into new territory. Increasingly, we will have to exercise our independent judgment into areas for which we have had little experience in the past as we move from compliance to effectiveness. We must be able to accept this if we are to change organizational behavior and improve programmatic performance. These are not words, but a charge to change the basic fabric of what it means to be an OIG. What we are hearing is that we must move from bureaucracy to enterprise.

In the next months, we will be engaging experts in detailing what a curriculum that entails education, training, and on-the-job experience would look like to prepare our community for this emerging new role. We have already taken the first step on this path with a pilot leadership program. The leadership pilot for mid-level and executive management levels addresses creativity, systems thinking, networks, and leadership, with an orientation toward performance improvement. It will be interesting to see how this pilot does, given what we have learned from our data gathering.

What's next? Our project will continue to meet with various groups to collect and analyze the core competencies. Once the collection and analysis phase is complete, we will present the findings to the PCIE. Our purpose will be to get their buy-in and support from this governing group to support the development of a new curriculum for the IG community. Working with both Federal and for-profit training providers, we will create a new curriculum that resonates with and supports our collective missions around these new critical core competencies. Concurrently, the PCIE Human Resources Committee is working on several other complementary projects that will build off of this effort. They include a leadership course and increasing rotations between and among IG offices. In both cases, the building of new core competencies is very much a part of these additional efforts.

In closing, our community has taken a giant step toward improved performance in the identification of IG core competencies. This effort has been supported and led by the IGs themselves and has the full support of the PCIE and ECIE. The acknowledgement that competencies are more than technical but include behavior is a significant step forward in that it recognizes that character and interpersonal skills are equally important to professional expertise in auditing, investigations, and inspections. Furthermore, this effort has highlighted and documented what we already knew but for the first time formally document: that the skills sets within the IG community are becoming increasingly diverse. Finally, while our work methods and work itself is becoming more complex and interdependent—collaborative work methods, disciplines, and styles—our data gathering efforts have documented little support for team skills. This is despite evidence in the published records. We need to do more here to understand why this is so. It may be a matter of definition. Still, teamwork must be looked at in terms of working collaboratively with others and building agreements that work.

As a final word, we want to thank the PCIE and this Journal for giving us the opportunity to share with you what we have learned, what we hope to accomplish, and to ask you the reader to participate in your own organization in the conversation over what are our core competencies. What drives our business? Those of us who accept this challenge, work the issues, and drive the change will be well positioned to meet tomorrow's opportunities. ☏