

Competency Atlas

From Guardian to Business Manager

Why a new competency model is necessary
for corporate security managers

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Foreword

The German Security Management Academy is pleased to have commissioned this important study which provides a practical description of the competencies modern security managers need in today's environment. As critical strategic partners within their organisations, security managers deliver tangible added value in a continuously changing and globalised world.

We are grateful to EBS Executive Education of the EBS University of Business & Law, Egon Zehnder, the Horváth Academy and the Association for Economic Security in North Rhine-Westphalia (VSW NW) for conducting this study and developing this Competency Atlas. Valid competency models form a key component of a successful human resource development programme. Consistently applied, they provide a valuable tool for tasks ranging from employee and executive staff selection through to ensuring effective career management programmes. A robust competency model can also assist with retaining employees over the longer term by highlighting career advancement opportunities. Correspondingly, this study outlines the hidden career advancement potential that exists for security managers, but which has so far remained largely unexploited. Based on interviews with Chief Security Officers (CSOs) as subject matter experts and their experiences, this study identifies a comprehensive competency profile for corporate security managers.

We would like to thank all who participated in this study for their time and the insight they gave into their challenging duties. Only with the insight that we were afforded into the work of CSOs has it been possible to develop this Competency Atlas.

We commend this Competency Atlas to all those who have responsibility for the advancement of employees in their CSO division and trust this will provide valuable stimulus for employee development.

Florian Haacke

Chairman of the Executive Board

***Association for Economic Security in
North Rhine-Westphalia (VSW NW)***

Management summary

The internet, globalisation and the hugely increasing complexity of worldwide business processes means that every company is vulnerable in this day and age. The risks that must be countered are becoming more multifaceted and are changing at an ever faster pace. Volatility, insecurity, complexity and ambiguity are having a steady impact on the business environment. In terms of corporate security, the objective is no longer to simply combat individual, clearly definable threats – it is now necessary to take a holistic approach to identify, respond to and manage security threats/risks. It is no coincidence that today, there is a great deal of focus on information security. Ensuring information security means facilitating and safeguarding business in an environment of complex structures and highly variable influences. As a consequence, the role of the Corporate Security Officer (CSO) within the organisation is changing radically.

The question of what characterises a CSO arises in this context. Which requirements and role models are found in practice, and what is the current trend? What competencies will security managers in general – and a CSO in particular – need to demonstrate in future? To answer these questions, EBS Executive Education of the EBS University of Business & Law, Egon Zehnder, the Horváth Academy and the Association for Economic Security in North Rhine-Westphalia (VSW NW), under the auspices of the German Security Management Academy, have carried out a survey of 22 security officers from companies with operations worldwide.

The results indicate that current practice has generally not yet caught up with the changing environment. This applies not only to the area of corporate security (CS), but also – and in particular – to the CSO. The role of the CSO is experiencing radical change: developing from the original guardian of physical corporate assets to a globally thinking business advisor that assumes strategic management responsibilities (see page 3 et seq. for more on this subject). This also means that the requirements profile of the CSO is changing. In future the CSO will primarily need communication, collaboration and networking abilities. He must furthermore be capable of managing strategically, acting flexibly and adopting an entrepreneurial approach (see page 4 et seq. for more on this subject).

This Competency Atlas provides a detailed profile which sets forth the competencies that are critical for the success of the CSO of tomorrow. This profile is based on the Egon Zehnder Competency Model, which defines the relevant competencies required of an executive (see page 5 et seq. for more on this subject). If we apply this model to the results of the survey, it becomes clear that there are three key competencies

modern CSOs must possess: results orientation, customer focus and team-oriented collaboration (see page 9 et seq. for more on this subject). The Competency Atlas paints a clear and comprehensive picture of this. It therefore offers valuable orientation for defining a target profile that can serve as a central point of reference for selecting and advancing the career of a CSO.

Supplementing the study report, the Competency Atlas contains two interviews which deal with the currently perceptible changes and the demands placed on security officers. The interviewees are Michael Sorge, Head of Corporate Security at Bayer AG, and Florian Haacke, Head of Group Security at RWE AG (see page 13 et seq. for more on this subject).

Report on the results

1. Security-related general framework: New challenges facing corporate security

The threats against which companies must protect themselves are becoming increasingly complex. At the same time they are also becoming less physical and tangible. The internet, globalisation and the hugely increasing complexity of worldwide business processes mean that practically every company is increasingly vulnerable in this day and age. The risks that must be countered are becoming more multifaceted and are changing at an ever faster pace. Every company, irrespective of where it is located in the world, can today suffer damages caused through risks such as terrorism, political instability and the growing scarcity of valuable resources. However, the most far-reaching attack is aimed at accessing corporate knowledge and know-how. Information has now become an elementary part of creating added value – a precious commodity for which protection is essential.

In view of these developments it is becoming clear that, in terms of security and averting risks, we are no longer dealing with the simple “bogeyman” of the past. It is no longer a question of merely combatting individual, clearly definable threats. On the contrary, such threats are becoming intertwined within a business environment that is characterised by volatility, insecurity, complexity and ambiguity. Correspondingly, a holistic approach must now be taken when dealing with the field of security. Today, ensuring that information remains secure means facilitating and safeguarding the company's business in an environment of complex structures and highly variable influences. This means that corporate security (CS) departments will in future assume strategic management responsibility.

Corporate security organisations must therefore undergo rapid development to ensure they are still capable of operating successfully in view of the challenges outlined above. As a consequence of this, the role of the corporate security officer (CSO) within the organisation will also change. The question of what characterises a modern CSO therefore arises in this context. Which requirements and role models are found in practice, and what is the current trend? What competencies will security managers in general – and a CSO in particular – need to demonstrate in future? How can we find the right personnel... the right CSO? And how do we ensure the CSO evolves his professional skills to meet the ever-changing challenges?

2. What changes are taking place? – The design of the study

To answer this question, the EBS Executive Education of the EBS University of Business & Law, Egon Zehnder, the Horváth Academy and the Association for Economic Security in North Rhine-Westphalia (VSW NW) carried out an exploratory study at the end of 2014. This study surveyed 22 security officers from companies with operations worldwide. A series of semi-structured interviews were performed by two people and the results were recorded by hand. Following the interviews an interview record was compiled and the content coordinated by both interviewers. The source material was subsequently paraphrased where necessary, and statements bundled. On this basis the material was openly coded in an initial step and then, in a second step, coded using a scale-based approach with reference to the Egon Zehnder Competency Model.

Unlike many medium-sized enterprises, large corporations have long maintained dedicated security departments. They have also been more intensively involved with the issue of the skills that security managers will require in future. They can therefore be considered as trendsetters and opinion leaders.

This Competency Atlas presents the results of the study, supplemented by the very latest expert knowledge based upon practical experience. The purpose of the Competency Atlas is to offer companies – and security officers in particular – assistance and guidelines to help them solve the problems outlined at the beginning. It discusses the profile of traditional CSOs and describes in detail the new skills the CSO of the future will require. It was possible to translate the results of the survey – in the context of the Egon Zehnder Competency Model – into a competency model for the modern CSO. This model can be used to support the CSO in his everyday duties – and in the development of his organisation in particular.

3. Corporate security: Current and target

The current focus of corporate security varies depending upon the prevalence of different factors. The key issues at work here are:

- the underlying corporate structure,
- the manner in which security is integrated into the organisational structure,¹
- the history of group security within the organisation,
- the personal commitment and background of the lead security officer.

Furthermore, the business sector – including the statutory framework conditions under which the respective company operates – also has an influence on corporate security.

On the one hand, security departments exist which primarily take a reactive and operational approach to their professional responsibilities. The focus here is placed on specific security-related challenges that need an urgent solution (“fire-fighting”). On the other hand, there are centralised business units which are organised strategically and act in an advisory capacity in the context of their professional responsibilities. Operational implementation is in these cases (almost) completely outsourced to service providers or is the responsibility of decentralised security departments or even the business itself.

Particularly when considering the latter type of security department, the survey revealed a significant deviation between the current and target situations. This applies to five core areas in particular:

- **Process integration and interfaces:** Corporate security is not yet fully integrated into the commercial decision-making processes, despite the fact that it is still generally responsible for security governance. Integration primarily entails stronger anchoring within management processes – in the capacity of risk assessor or “trusted advisor” – that are the responsibility of interface partners such as Strategy, IT, HR, Legal, Communications, Finance, Risk Management and Procurement.
- **Perception and acceptance:** Corporate security is consistently perceived throughout the company more as a cost factor than as a value-added factor. Overall, the

subject of security is not fully anchored to the full extent in the minds of employees throughout the company. But this is exactly the point that will matter in future; because security is ultimately an issue that affects each business unit and the company as a whole. It is not the responsibility of a single department.

- **Globalisation:** In many cases, robust corporate security structures have not been implemented at foreign locations. This is partly because deploying qualified, trustworthy personnel in crisis-prone regions often proves unpopular and difficult. Furthermore, there is no globally standardised definition of threat levels or the concept of security; these are issues that are, under certain circumstances, subject to a high degree of cultural influence. This not only has an adverse effect on corporate security in its function as advisor to the business on the local security situation, it also negatively affects the implementation of security policies and processes in-country.
- **Qualification:** Personnel qualifications and training do not always meet the requirements demanded by modern corporate security in all locations. This applies not only to internal and external security experts, but also affects the strategic personnel at the security departments. For instance, while they must be well versed in cyber security issues, it is equally necessary for them to possess knowledge of internal company management practices and business processes.
- **Budget and resources:** Insufficient finances and resources are often provided for corporate security. This applies particularly to recruiting and retaining qualified personnel – and to their ongoing (continuing) qualification and training. This is partly due to the lack of importance accorded to security within the company, but is also a result of poor representation of the CSO at board level. In future, corporate security will need to be promoted on the basis of user-oriented reasoning and relevant business cases.

¹ Cf. Kestermann, C., Langer, M., & Hartmann, A. (2014). CSO Top 100: Konzernsicherheit in den TOP100-Unternehmen. University Campus Vienna / University of Bremen School of Public Administration.

4. The Corporate Security Officer: New fields of activity, new strengths

In relation to the questions of how they view the current position of the CSO and which changes are emerging in his role and requirements profile, the interview partners were in agreement. The function is currently undergoing radical change. The new image of the corporate security officer can, on the basis of the interview results, be outlined as follows: The modern CSO is developing from the original guardian of physical corporate assets to a globally thinking business advisor who leads teams comprising employees from various cultures, mindsets and qualification backgrounds. More than ever, he must be capable of managing complexity on various levels. He builds globally active security organisations (organisational complexity), controls processes across different departments and sites (geographic complexity) and cooperates with partners from various corporate divisions and hierarchy levels (hierarchical complexity).

The modern CSO combines the roles of a controlling authority, business partner and entrepreneurially-minded executive. He maintains an overview of the global interrelationships affecting his company's business activities and is aware of the responsibility he carries for ensuring its success and security. In short, he defines himself as a senior executive who possesses foresight and the ability to think strategically. He is no longer satisfied with simply controlling day-to-day business operations and defending against daily security risks. On the contrary; he must think outside the boundaries of his own company and beyond the present. Subject areas and perspectives must be continuously expanded and new operating horizons opened up in the context of security.

Furthermore, the modern CSO must also possess a broad and deep level of specialist expertise (technical/functional complexity). Only in this way will he be capable of combatting the increasing number of multifaceted risks and anticipating new threat scenarios that have not been faced before. His comprehensive level of knowledge also allows him to structure his organisation in an agile and flexible manner, such that it is effectively prepared to face threat situations.

Alongside these complexities, increasingly multifaceted tangible and intangible threats are arising in rapid succession – and these must also be countered. The CSO must be capable of flexibly dealing with such volatile, insecure, complex and ambiguous situations. Without displaying a willingness to change and a “multi-compatibility” capability, he will not be able to navigate his way through the more complex future environment.

The CSO will therefore increasingly take on the role of progressive thinker, change manager and navigator. As a communicator, networker and reliable advisor he manages the

issue of security in an environment of mutual cooperation with the business, with the objective of ensuring that value can be added to business processes on a sustained and stabilised basis.

So what capabilities does a CSO need in order to be successful in this environment? Where should his specific strengths lie? The following four fields have emerged from the interviews:

- **Communication:** The CSO must not only decide what needs to be done in order to avert security threats. He must also be capable of presenting his decisions in a convincing manner and persuading colleagues and employees from various divisions, hierarchy levels and nationalities of the necessity of the required changes. He must furthermore create acceptance and awareness of the issue of security among all employees.
- **Collaborating and networking:** The CSO must have built up a good network, not only within his own organisation, but also with other companies, authorities and associations. As an “inclusive” person, he must operate on a cross-discipline and cross-company basis. As an empathetic facilitator, mediator and coach he must be able to listen, promote harmony and find compromises.
- **Manage strategically, act flexibly:** The CSO must be capable of anticipating and evaluating developments in order to be able to lead proactively and accumulate forward-looking know-how. In so doing he must take an interdisciplinary approach to thinking and networking. The CSO must at the same time be flexible in his thoughts and actions in order to be able to respond rapidly and specifically to acute situations. He must be capable of penetrating and managing complexities and dynamics.
- **Adopt an entrepreneurial approach:** The CSO must have a precise knowledge and understanding of his company's business model. Only then will he be able to effectively protect it. He must know what benefits the business, what could damage it and where in a business process security-related threats could lurk. He must equally act as an entrepreneur within the company. In other words, he must identify needs for – and with – internal and external customers, develop corresponding solutions for these needs, and drive innovation.

Several further issues were also stated in addition to these four core aspects. The most important of these however, relates to the perception of the CSO within the company. Security managers in the traditional sense usually come from the security industry or a public authority. They consider themselves more as a control function than a manager. This image is still prevalent today in many organisations. It is

therefore necessary to change this traditional attitude and establish a new image: the CSO as an entrepreneurially-minded, trustworthy advisor with management competencies and a role model.

5. Competencies, experience, potential: Background

5.1 Formulating the skills required of executives

CEOs and executives must repeatedly evaluate the extent to which a person is suitable to fill a (vacant) position within their area of responsibility. This initially assumes that the required skills are precisely defined for the position in question. Above all however, a methodology is needed that allows the potential of a candidate to be assessed and his suitability determined on the basis of objective criteria. Such a methodology is the requirement for ensuring that a closely focussed interview can be held, during which relevant aspects can be established with the minimum possible effort.

In the following we will first discuss the logic of the Egon Zehnder Competency Model. Subsequently we will deal with how this model can be applied to the role of the modern CSO.

This chapter can therefore serve as a guideline for this task. It sets out to give the reader an understanding of the competency model in general and the competency profile of future security managers in particular. It is of course not possible through reading alone to obtain the tools required for systematically querying and profoundly understanding the competencies of a candidate during an interview. It is necessary to undergo corresponding training and gain significant experience. However a fundamental understanding of the competencies and their application, as presented in this chapter, is in any case extremely helpful when evaluating a candidate.

5.2 How do you evaluate an executive?

If you want to evaluate the suitability of an executive for a particular position, the very first task is to draft a clear picture of the requirements and specific challenges presented by the job. This extends far beyond the scope of a purely technical requirements profile, because the candidate's personality and management style are the decisive factors which determine his success in the respective position.

Another aspect must also be included here: The requirements of the job and the personality of the potential jobholder must take the long-term corporate strategy into consideration. What will be required of this position in future? How could the future corporate strategy affect the role of

the jobholder? To what extent must he already possess characteristics that qualify him for forthcoming changes? Questions like these must be answered here.

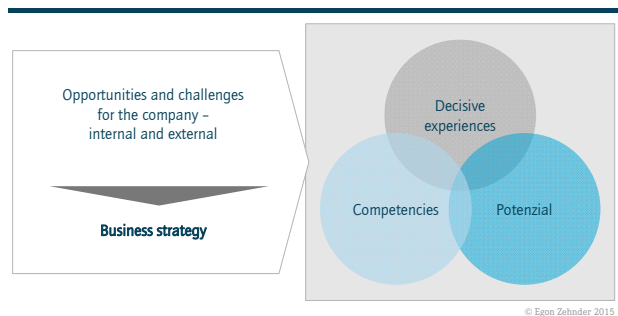


Fig. 1: The business strategy defines the decisive experiences, competencies and potentials that executives must possess.

5.3 Professional experience - a toolbox for operational activities

Once the professional and personality requirements have been defined for the position, the next task is to appraise the candidate's suitability. In order to be successful in a position, executives primarily need the right competencies - in addition to the respective professional experience. Under certain circumstances it is also necessary to demonstrate that the candidate possesses the potential for future stages of development. And if the (prospective) jobholder is still active in a lower-level position within the company, it must be determined whether he has the potential for the step up into a more senior role (cf. figure 1).

A candidate's level of professional experience is normally very straightforward to determine. Most interviewers also focus on this, because a candidate's experience can be quickly gleaned from his curriculum vitae and is also relatively easily "verbally queried" during an interview. Crucial indicators can often be obtained by studying the application documents. During the in-depth interview any unanswered questions relating to the scope of duties and responsibilities and experiential background can then be clarified.

Interviewers mostly assume that the extent to which a candidate will be successful in a future position can be derived from his past professional experience. But this is a fallacy. Professional experience is without doubt an essential requirement in more operationally-related business areas. It delivers a kind of "toolbox" needed to solve operational problems and confer the status of a credible partner on the jobholder. However, professional experience provides no information about management and leadership abilities - exactly those attributes required for higher level positions. It is therefore necessary to draw upon further, more pertinent criteria in order to determine a person's suitability for an executive role: his competencies.

5.4 Competency – the term and its history

There is no standard definition for the term “competency”. It was first mentioned in academic literature in the 1970s. Back then, David McClelland, a psychologist at Harvard University, published his first thesis entitled “Testing for competence rather than for ‘intelligence’”.² The concept behind his thesis was derived from a study that McClelland carried out during the course of appraising candidates for the American Diplomatic Service. The results indicated that it was not possible to conclusively appraise a candidate’s suitability solely on the basis of his professional experience. It is instead necessary to take a much wider spectrum of criteria into consideration.

In 1982 Richard Boyatzis published “The Competent Manager”.³ This work defined for the first time the crucial competencies that are necessary for a manager or entrepreneur to be successful. In 1998 McClelland introduced his competency scales.⁴

Towards the end of the 1990s Egon Zehnder developed a standardised competency model for wider application in commercial practice. The company went on to introduce this methodology around the world for the purpose of evaluating executives during the course of so-called management appraisals. Zehnder has since continued to develop this model. The competency model has not only proven to be conceptually consistent; it is also practically oriented and robust in its application.

5.5 Competency as a suitability criterion

But what exactly is a competency? The Egon Zehnder Competency Model defines it as a characteristic of a person that influences his performance in a specific job, company or culture. More specifically, these may be:

- A characteristic trait – for example attention to detail,
- An ability – for example strategic thinking,
- A behavioural tendency – for example extraversion (outward-looking) or introversion (inward-looking).

Characteristics of this type offer practically no information about the professional abilities of a person. What they do provide however, is a corresponding insight into that person’s management style. Competencies therefore reveal

whether someone can be successful in their role as an executive – a decisive criterion for evaluating an executive.

Consider this example: Let us assume that a large company wishes to reappoint its technical director. Frequently, the company will give first consideration to promoting the most technically competent employee in its development department. Someone is needed who has worked at the company for years, is fully acquainted with each individual product and is passionate about finding the best technical solutions. If we concentrate only on these criteria, it is highly probable that the selected person will fail in his new role – because the job of the technical director requires far more than simply technical and specialist competence.

While the technical director does of course operate in a technical environment, he is primarily a company executive. A large proportion of his duties concerns managing people, creating an organisation – and leading it. His responsibilities also include budgeting and financial planning, staff development and advancement, managing the development departments and many other similar tasks. On the other hand however, assisting with product design or discussing detailed solutions on the operational level are normally not among the core tasks of the technical director – even if he does need a thorough understanding of the technical details in order to allow him to competently assess the capabilities of his staff and the solutions they propose.

Among the higher management levels the focus falls on quite different capabilities and behaviour patterns instead. A “pure” developer would quickly find himself out of his depth here, even if he is an expert in his specialist area. If one had analysed his competencies it would probably have become apparent at an early stage that, while he may be an excellent technician, he may not necessarily be a good manager – because he does not have the required management and leadership competencies. Should he fail for this reason it would amount to a double loss, because the company would not only have to fill another vacant management position, it would also be deprived of a capable developer.

2 McClelland, D. C. (1973). Testing for competence rather than for “intelligence”. *American Psychologist*, 28(1), 1–14.

3 Richard E. Boyatzis. (1982). *The competent manager: A model for effective performance*. New York: John Wiley & Sons.

4 McClelland, D. C. (1998). Identifying competencies with behavioral-event interviews. *Psychological Science*, 9(5), 331–339.

5.6 The Egon Zehnder Competency Model

Competencies can provide information about a person's management abilities. But what specific competencies can be used to evaluate an executive?

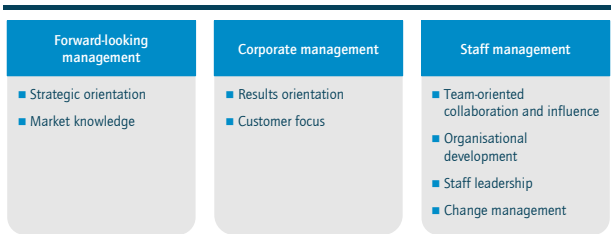


Fig. 2: The three core competencies and eight competencies of the Egon Zehnder Competency Model.

The Egon Zehnder Competency Model defines a total of eight competencies that can be applied to each person in every organisational context (see figure 2). These are divided into three areas:

- Forward-looking management:** This includes strategic orientation and market knowledge. Both of these core competencies apply to all of the individual competencies that have a future-oriented, strategic perspective. They describe an executive's capabilities in terms of planning the future and implementing the plan through specific actions. The requirements for this are strategic, visionary thinking together with conceptual capabilities. In addition, a good knowledge of the market and client environment is required in order to allow business opportunities and strategic options to be identified and evaluated.
- Corporate management** encompasses results orientation and customer focus. There are two key questions here: How does the future executive implement content and results-driven leadership in his division and how does this lead to success? And: How well developed is his market perspective so that the business can grow?
- Staff management** applies to all aspects of leadership. These include team-oriented collaboration, developing organisational capability, staff leadership and change management. In terms of the competencies in this area, the key questions are how effective is a manager as an executive, how does he deal with people and the organisation and how does he manage to develop these successfully?

5.7 Making competencies quantifiable

Once the individual competencies are known, three questions need to be answered:

- How can the strength of a respective competence be determined for a candidate?
- What level of the respective competence can we expect from a candidate?
- How well do the determined and expected levels match?

In order to be able to answer these questions, Egon Zehnder has introduced the scaled competency model already mentioned above. With the help of these competency scales, candidates can be appraised on the basis of absolute scales thereby facilitating a comparison of the different candidates (see figure 3).

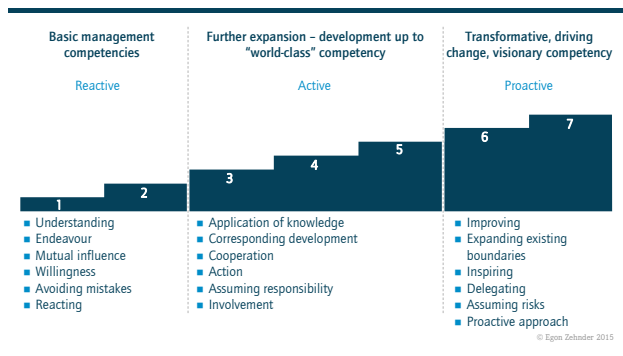


Fig. 3: Competency scales showing the reactive, active and proactive tendencies

The model is based on the assumption that every candidate can fundamentally be appraised on an absolute scale of 1 to 7. The competency scale is divided into three levels:

- The reactive level** encompasses the basic management competencies. Persons that are to be assigned to this area behave in a reactive way. They react to instructions and guidance. They understand what is being demanded of them and endeavour to complete their tasks as instructed and in a reliable and optimum manner. In so doing, they attempt to deliver a consistently high level of performance.
- The active level** is reached within a particular position, assuming the person develops correspondingly. Persons that are to be assigned to this area independently apply existing knowledge, define their own objectives and attempt – to the best of their abilities – to achieve optimum results. They actively shape their area of responsibility and endeavour to expand it. At this level we find preferred employees from mid and upper management who are capable of acting as responsible executives.

- The proactive level refers to people that set standards with their competencies, thereby representing a benchmark. They continue forging ahead with the development of their divisions, are transformational in their approach and expand existing boundaries to reach a new and higher dimension. They achieve improvements so far unknown, inspire others and are active on an overall much further-reaching level.

Application of this scale facilitates a more exact assessment and helps prevent subjective evaluations. Figure 4 illustrates this using the "strategic orientation" competency as an example. The requirements profile of a head of strategy demands a significantly higher level of the "strategic orientation" competency than is necessary for an operations manager for instance, whose focus lies on the operational levels of a factory. With a classification of between 2 and 3, the factory manager could quite probably fall within the target range. On the other hand however, a significantly higher level would be expected of the head of strategy. Once one is aware of these interrelationships, it becomes easier to appraise the suitability of a person for filling a certain position and objectively discuss it.

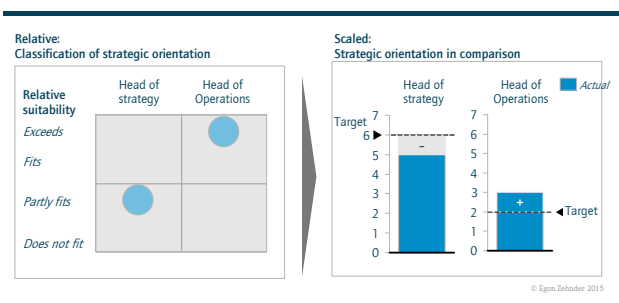


Fig. 4: A more objective and precise comparison of people and positions with the assistance of scales.

6. The competency profile of the CSO: Customer, results and team orientation are the focus

The competency model described provides a foundation that can be used to systematically identify competency requirements for the modern CSO. On the basis of an evaluation of the interviews it was possible to translate – in the context of the model – the described capabilities of modern security managers into competencies. Figure 5 illustrates which characteristics result on an aggregated level for the three core competencies of forward-looking management, corporate management and man management.

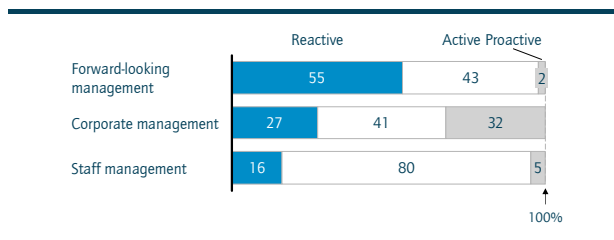


Fig. 5: Core competencies of the modern security manager (n=22) on the basis of the Egon Zehnder Competency Model.

The figure demonstrates very clearly that the "corporate management" competency – comprising "results orientation" and "customer orientation" – tends towards the proactive end of the scale for the security officers questioned, whereas the "forward-looking management" competency – comprising "market knowledge" and "strategic orientation" – on the other hand tends more towards the reactive end. This may be surprising at first glance, but is explained upon more detailed examination of the underlying eight competencies (see figure 6) and their development in line with the change from traditional to modern CSO.

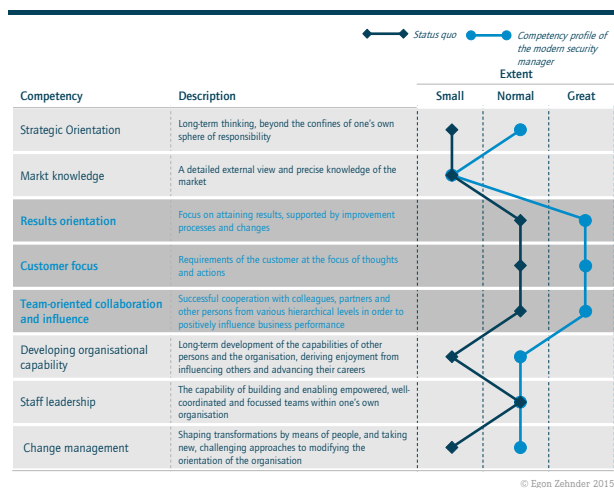


Fig. 6: Competency profile of the modern security manager

The reactive tendency of the "forward-looking management" core competency, with the individual competencies "strategic orientation" and "market knowledge", may appear irritating, since the global general framework and continuous expansion of the business demands a high degree of foresight and strategic thinking from the modern CSO – as discussed at the beginning. This relates primarily, however, to the area of security. While it is for instance necessary to take internal corporate developments and external developments into consideration during the formulation of robust security strategies, strategically developing the company as a whole is not required. The perspective of the modern CSO will however be more strongly integrated into strategic corporate decision making in future than has been the case to date. After all, it is his task to create the basis for ensuring that the corporate strategy can be successfully implemented in a global context through security structures, guidelines and everyday rules.

In order to achieve this, the CSO must be capable of anticipating forthcoming developments in his sphere of responsibility and analysing their effects on the company. This demands an entrepreneurial thought process, good knowledge of the business processes and the ability to discuss strategic issues in the presence of – and on equal terms with – top-level decision-makers. But at the same time the individual "strategic orientation" competency takes on increasing importance. For "market knowledge" the situation is different. Here, it is in most cases only necessary for the CSO to possess a general understanding of the (commercial) market in which the company is operating. At the same time, detailed knowledge of the security issues relating to the relevant (geographic) markets is of course imperative.

For the "corporate management" core competency the CSOs who were interviewed most frequently exhibited proactive tendencies, even though a security manager does not of course manage the whole company, but primarily his division. This corresponds with the self-perception of the security officers questioned: They primarily consider themselves to be service providers who create awareness and deliver practical solutions – and that need to be viewed by others as competent partners.

In this context a CSO requires a clear focus on results: His objective must be to intelligently transform business practices in order to achieve significant (security-related) performance improvements. The issue here does not only involve guaranteeing the security of employees and the material and intellectual assets of the company, in order thereby to fulfil his responsibility to the business. In constant dialogue with the security community and the authorities, the CSO must also be able to anticipate future developments in his area of responsibility, analyse the effects these may potentially have on the company and – by implementing future-oriented security structures, guidelines and everyday rules – create the basis for successfully implementing the corporate strategy in a global context. His objective is to establish security as an inherent component of effective and efficient business processes – not only on an operational level, but also on a strategic one. This means that the CSO is increasingly becoming a sparring partner who plays a significant role in strategic corporate decision making.

But it's not only in the area of security where the CSO must continuously create value-added for his clients' business. Possessing a fundamental understanding of the perspectives and requirements of the business is therefore no longer sufficient for the CSO. In order to be able to build a stronger, long-term relationship with the business and, as a sparring partner and service provider, develop business-related solutions which the business itself would not have thought of, he actually also needs a well-developed customer orientation. Only in this way can the CSO – on the basis of his deep

professional expertise in the business's sector and in the geopolitical context – gain the capability of developing early solutions to as yet unheard of threat scenarios and implementing them in cooperation with the business. This can also help him turn security into a unique selling proposition (USP) for the business or even enable the business to market its own products in the area of security solutions.

In the area of staff management there is a proactive focus on the individual competency of "team-oriented collaboration and influence". The competencies "organisational development" and "change management" are increasingly important to the CSO. Only with a strong competency in the area of "team-oriented collaboration and influence" will the CSO be able to create the conditions under which security can actually be "practised" on a day-to-day basis across the business units. This is because rules, guidelines and best practices by themselves are not sufficient here. The security officer must awaken awareness for the required behavioural changes in each division and drive forward cross-divisional collaboration. He will only be able to do this if he is in a position that allows him to convince others of the necessity of the required changes.

His knowledge relating to future challenges and changes, together with his high degree of competence in organisational development, furthermore allows the CSO to expand upon the professional and methodological capabilities of his team in a systematic and future-oriented manner. The "staff leadership" competency neither takes on greater importance, nor should it be neglected. As a result of the organisational, geographic and professional/functional complexity of his area of responsibility, the CSO must lead a diversified team while at the same time being able to strengthen the team's level of self-responsibility. "Classic" command and control structures fall down here; instead, the team must be capable of operating independently and driving forward innovative services.

The "change management" competency is acquiring increasing importance. The modern CSO drives forward security-related change processes within the company and creates a culture of acceptance for them. This also means that he identifies trends relating to security and prepares all of the relevant divisions within the company for the corresponding changes. To do this, he not only identifies requirements for change in the organisation, but also brings about change in others. He therefore acts as an "agent of change" within the company. The CSO can only be successful in this task if he is open to new ideas and views upheaval as a welcome challenge that has to be mastered and proactively managed.

An overall assessment of the individual competencies highlights three particular competencies which stand out in particular as "spikes". These are "results orientation", "customer focus" and "team-oriented collaboration and influence". These then, are the three key competencies that characterise the profile of the modern corporate security officer. It would however be wrong to assume that the remaining competencies are irrelevant to the CSO: they are simply of less significance to achieving success than are the prominent "spikes". On the other hand, it would also be a mistake to assume that an "ideal" competency profile would be characterised by top ratings in all of the competency fields. This simply does not occur in practice.

In actual fact, each individual has his own personal competency profile that usually exhibits irregularities – and therefore "spikes". In other words, each candidate offers his own competency strengths and talents. In both the application process and human resource development, the ultimate aim is to give particular consideration to exactly those identified competencies that are important for a particular position. A good executive will always endeavour to deploy an employee in a position that matches his individual competency profile. Similarly, where an individual's profile exhibits weaknesses, the executive will provide closely focussed support.

Conclusion: The new world of corporate security

In summary, the results of our investigation substantiate three clear trends which are currently gaining increasing importance in corporate security practice:

1. Diverse security issues are converging under the umbrella of a single responsibility. Whereas corporate security previously concentrated primarily on the protection of physical assets, personal protection and individual information security issues, these days such clearly delineated fields of security can no longer be determined. The protection of physical assets, such as factory premises for instance, is receding into the background, while protecting know-how and information is turning into a challenge of ever increasing proportions in the face of digitalisation. This has taken over as the primary security issue. At the same time however, information security can neither be clearly delineated from a technical perspective, nor can it be regionally confined – because the business operations and processes are becoming increasingly networked and multifaceted. The global division of labour means that proprietary knowledge is now being globally distributed and open structures allow information to leak out. Companies are therefore faced with the challenge of defending themselves against a range of diverse risks in the most organisationally feasible manner, where such risks do not converge in a single function (global risk convergence).

2. The CSO is becoming a business manager. In view of these developments, a company's head of security will in future require proven management competencies. In the context of increasing organisational, geographic, hierarchical and technical/functional complexity, he must manage security on a multi-disciplinary and cross-departmental basis. He must also initiate and control change processes globally. A further responsibility of the CSO is to assess the effects of corporate strategies on security and to influence decisions relating to such strategies. He can only successfully master these challenges if he is able to gain the acceptance and trust of his staff and partners, both within the company and externally. As a sparring partner and competent adviser he induces them to support and drive forward new ways of thinking and new processes.

3. The requirements profile for security officers is changing. Security is no longer an asset in itself. It serves the business that it is meant to protect and facilitate. The requirements profile of a security manager – and the modern CSO in particular – therefore now attracts a strong corporate focus. This means that future CSOs not only have to distinguish themselves with a much broader range of specialist skills than before: In order to be successful, they primarily need a wide range of additional management competencies – and must be able to project a convincing leadership style.

Management and competencies in corporate security – in discussion with experts

Florian Haacke (CSO/Head of Group Security at RWE AG; Chairman of the Executive Board of VSW NW) and Michael Sorge (CSO/Head of Corporate Security at Bayer AG) report on corporate security experience gained during business operations and show how CS can create corporate values if it is anchored in corporate management practices as a strategic partner.

What management role do you consider yourself to hold within your company as Head of Corporate Security to-day?

Sorge: As Head of Corporate Security I, on the one hand, promote and manage key security issues and ensure that it is actually possible to implement them. On the other hand – and this is how I understand my role as manager – I am involved in developing the potential of my staff; not in the sense of “they must all follow my lead”, but by promoting their own profiles, responsibility, accountability and of course, their competencies.

Haacke: The expectations that the Board places on the Head of Group Security are identical to those expected of top executives at other divisions within the group. Being answerable for governance, I carry responsibility for the group-wide specialist control and coordination function for security issues. This supplements my existing disciplinary responsibility. In performing my job it is important to be proactive and forward-looking. This allows me to address security issues within the group – which have a strong impact on the business – at the earliest possible stage and take a solution-oriented approach to them.

In your opinion, what competencies do you currently need to be successful as Head of Group Security at your company?

Haacke: In my opinion, the ability to not only identify and monitor permanently occurring changes in every company, but also to actively shape them is of particular importance. Opportunities can be better leveraged by harnessing the expertise of the relevant specialised divisions of the company and subsequently agreeing and communicating them in a recipient-oriented manner.

Sorge: I also consider management and communication competencies as the key characteristics required of a security officer. Equally necessary are, however, also, project management capabilities, intercultural skills and taking a solution-based approach. Not to forget: flexibility and adaptability.

Nonetheless, I actually also consider classic specialist know-how to be a fundamental requirement.

Let's dare to take a look ahead: What will the profile of a CSO be in future? In what role do you see yourself as Head of Corporate Security?

Sorge: Corporate security will become a competence centre for company security executives – and the CSO is ultimately responsible. Communication and management skills, combined with the ability to embrace change will still be required of executives. However, they will also have to develop new capabilities over and above these. Such capabilities include cross-sector thinking, the ability to leverage synergies, collaborating with internal and external players, understanding the cyber and virtual world and further developing strategic orientation. The CSO will no longer manage an organisation in the classic sense – he will manage an intercultural competency network.

Haacke: From my perspective the image of a CSO will change significantly over the medium term. In this sense, we will ourselves have to break down the conventional ideas that are still prevalent in many companies. To achieve this, the ability to work and communicate on a multi-disciplinary and cross-departmental basis within complex enterprises, to quickly internalise complex issues – not only in your own division – and to act critically, but also in a solution and results-oriented manner, are absolutely essential requirements.

What significant changes do you see when you compare the key qualifications necessary for corporate security to-day with those of tomorrow?

Haacke: The significance of professional qualifications will not change and the importance attached to communicative qualifications will continue to be very high. Furthermore, conceptual and methodological qualifications will be extremely relevant in future. But greater emphasis is also being placed on corporate social responsibility. These days we are not only concerned with what we deliver, but the question of “how” we deliver it is taking on increasing importance.

Sorge: I also think that communicative qualifications will be extremely relevant in the future and I also expect to see conceptual abilities and social responsibility becoming increasingly important. In regard to professional qualifications I take a slightly different view in that their significance will – when looking into the future – only decrease marginally in comparison with today.

What do these changes mean in terms of qualification and competency profiles for you and your team?

Sorge: These changes represent a fantastic opportunity for me and my team. They facilitate collaborative work, shared learning and support as well as breaking down organisational boundaries within the company. Furthermore, it is necessary to expand the competencies of ones employees, especially in relation to the international context and the cyber and virtual world in particular.

Haacke: For us this primarily means that we consider change to be an integral part of our activities. Lasting change always begins by saying "I". The future qualification and competency profiles described in the Competency Atlas allow us to expand our focus – over and above further training in our own specialist area – and channel it systematically towards other relevant competencies such as strategic thinking, team-oriented collaboration and change management. This will certainly pay off over the medium term for the individual security managers, for the team and for the company.

How should corporate security be positioned/should it report directly in order to be effective as a business partner?

Haacke: At RWE, security is anchored in top management. This is also true of many other companies, where it has been practised successfully for many years. For me this is an indicator that many corporations have already recognised the significance of the issue and the importance of the associated management competencies, and have taken consequent action. There may be other solutions, but the results of the current Competency Atlas have convinced me that this is the right direction to take.

Sorge: I agree with the positioning within the organisational structure. For me, the positioning represents the starting point for the function of the CSO. It is paired with increased responsibility and opens up modern corporate structures to develop an up to date and efficient security management system. Positioning yes – but the decisive factor is what we do with this.

What is your view of the changes taking place in corporate security in the context of medium-sized enterprises?

Haacke: The challenges facing small and medium-sized enterprises – in particular the "hidden champions" – are clear: They operate internationally, are sometimes more innovative than major corporations and therefore require particular protection in terms of know-how. Protecting them is at the same time in the interest of major corporations whose processes are increasingly networked with suppliers and service providers on all levels. I still consider that this is where the greatest leverage exists for bringing about lasting change and that this is the reason why it is also the focal

point for associations that champion security in the economic sector.

Sorge: The significance of so-called medium-sized enterprises is undisputed and they will gain in importance in future; for instance in the area of vertical integration, the supply chain and networked production. This is why security loopholes at medium-sized partner companies will have a direct effect on the respective major cooperation. This is not a German issue alone – it is a global one. For this reason, a global security system must not only have a vital interest in maintaining high standards of security, but must also be able to influence the quality of security service providers that are often contracted by such companies. The current ongoing discussion in Germany, regarding quality requirements in the security service provider sector, precisely highlights the fact that - in my opinion - politics have not become sufficiently involved in the issue of corporate security. While it is true that the coalition government in Germany has the subject of protecting the economy on its agenda, it is also absolutely necessary for the issue of qualification and quality in the security service provider market to be handled similarly.

Partners in the study

Cooperation network: German Security Management Academy

The German Security Management Academy is a cooperation network of the Association for Economic Security in North Rhine-Westphalia (VSW NW) and the Horváth Academy. The academy operates under the scientific leadership of Prof. Ronald Gleich, professor at the EBS University of Business & Law. The programme leader of the German Security Management Academy is Michael Sorge, Head of Corporate Security at Bayer AG. The academy regards itself as a thought leader in its field. In addition to providing continued training formats it also offers courses and issues publications on security-related issues.

Horváth Akademie

The Horváth Akademie is the continuing training provider of the Horváth & Partners Group. Acting as an interface between theory and practice, the academy provides a wide range of continuing training solutions for companies and their employees. Open seminars, congresses and specialist conferences draw on a wealth of experience gained over many years. The Horváth Academy, together with its clients, develops exclusively tailored in-house seminars for delivering continuing training within organisations. Our seminars employ a mix of teaching methods which demand a high degree of interactivity and an exchange of experiences.

Egon Zehnder

Egon Zehnder is the leading consultancy for executive search and leadership services. Our clients include blue chip companies, medium-sized enterprises, family-owned companies and also government agencies together with well-known cultural and educational establishments. Our services include executive searches and filling top management positions, executive development, committee development and the appraisal of management performance and potential. We also provide our clients with consultancy services in relation to prominent functional roles such as corporate security officers (CSOs). In Germany Egon Zehnder has 50 consultants working at six sites. Globally, the firm employs 400 consultants in 68 offices across 41 countries.

EBS Executive Education

Under the umbrella of the EBS University of Business & Law, the EBS Business School has been providing future management talent with internationally oriented training since 1971. The close contact with the business world contributes to providing EBS students with an optimum mix of theoretical and practical training. EBS Executive Education offers a wide spectrum of continuing training courses – from internationally recognised Master's Degrees, through certificate programmes at university level right up to tailored company programmes. Since 2010 EBS Executive Education has been offering the successful Security Management certificate programme in cooperation with the German Federal Criminal Office.

The Association for Economic Security in North Rhine-Westphalia e. V. (VSW NW)

The VSW NW offers a cross-sectoral platform for exchanging information relating to the security-related challenges facing private enterprises. The association promotes the prevention of crime with its extensive portfolio of services. Its members include major corporations, small and medium-sized enterprises and companies in the security industry. The association is a member of the public-private partnership "NRW Security Partnership Against Industrial Espionage and White-collar Crime", together with the State Ministries of the Interior, the economy in general and the North Rhine-Westphalia Chamber of Commerce and Industry. In carrying out its work, the Association for Economic Security in North Rhine-Westphalia solely and directly pursues non-profit purposes.

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