

Competency Management - An Integrated Approach to Human Resource Management

Naazia Zafar^{*}

M.B.A, Department of Business Management

Dr. B. R. Ambedkar Open University, Hyderabad, India.

naazia284@gmail.com

Abstract

Nowadays, competency management is being used in every aspect of human resource management. It is utilized in recruitment and selection, succession planning, compensation and benefits, training and career development. Competency Management is being increasingly used in organizations as it targets enhancing the potential of the organization's workforce which will ultimately aid in the organization reaping more revenues and having an edge over other competing firms. If properly designed, the competency approach can enhance selection, development, promotion, and reward processes to meet both individual and organizational needs.

Key words: Competency management, Human resource management, Recruitment, Selection, Compensation.

1. Introduction

1.1. Definition

The word 'competency' has been derived from the Latin word 'competentia' that entails 'having the right to speak' or 'being authorized to judge' [1]. Competencies are the abilities, behaviors, knowledge, and skills that influence the success of employees and organizations. Some of the common categories of competencies are analytical thinking, communication, flexibility, integrity and teamwork [2].

1.2. Types of Competencies

1. Organizational competencies: The mission, vision, values, culture and core competencies of the organization that sets the tone and/or context in which the work of the organization is carried out.
2. Core competencies: Capabilities and/or technical expertise distinctive to an organization. An organizational core competency is an organization's vital strength.
3. Technical competencies: Both technical and performance capabilities (depending on the position) should be weighed precisely as employment decisions are made.
4. Behavioral competencies: Individual performance competencies are more distinct than organizational competencies and capabilities. As such, it is important that they be elucidated in a quantifiable behavioral context in order to validate applicability and the degree of proficiency.
5. Functional competencies: Functional competencies are job-specific competencies that steer proven high-performance, standard results for a given position. They are often technical or operational in nature.
6. Management competencies: Management competencies identify the specific qualities and capabilities that demonstrate an individual's management potential. Management characteristics, unlike leadership characteristics can be learned and developed with the proper training and resources.

2. Competency Management

Competency management is the set of management applications that recognize and develop the skills and competencies required to carry on an organization's business strategy. It provides the foundation to manage strategic talent management practices such as workforce planning, acquiring top talent, and developing employees to optimize their strengths. Competency management gives importance on integration of human resource planning in an organization with its strategic vision by qualitative and quantitative analysis of competencies of current manpower of the organization and its contrast with the level of competencies required in meeting the goals and mission of the organization [3]. It comprises competency profiling, competency based job descriptions, competency based selection and competency

based training. For example, an organization that designs its training program directed towards achieving set objectives and 'performing', rather than focusing on 'knowing' is using competency based training.

Competencies are significant in the following employee management applications

- Workforce planning: Competencies are used in order to assess the current and future organizational and individual competency requirements. A gap analysis can disclose the chasm between the competencies that the individual employees or groups or even the organization should have and give to the workforce development plans. .
- Recruitment management: Competencies are used in order to contrast the capabilities of the candidate with the needs of the offered position; once the best candidate is identified, competency gaps form the basis for an initial new-hire learning plan.
- Learning management: Competency gap analysis can locate the needed competencies; these competencies can be associated with the equivalent learning objects.
- Performance management: Worker performance is assessed against job competency requirements as well as objectives.
- Career development: Competencies are used to generate the personal development plans of the employees. The latter can review the needed competencies of all the positions and through contrast with the competencies they possess they can identify potential positions and evolve their career plans. .
- Succession planning: Organizations estimate potential replacements for key positions depending on competency requirements.
- Compliance and Safety Incidents: Proper interpretation of competencies which have a direct impact on operational safety and who in the team does and does not comply with these requirements. Managing competencies permits you to manifest compliance to auditors, whether internal, external, yearly scheduled event or following an incident.
- Time to Revenue: By cutting time to revenue by a significant percentage, one can save costs that would be used by assisting employees that aren't properly trained.

2.1.Strategies for successful Competency Management

- Strategy 1: Developing planning tools.

Evolving competencies can be complex, mostly for large organizations with thousands of employees. Planning tools, such as identified goals, a communications plan and even a competency glossary, are components of the project that you can put in place to expand the possibility of success.

- Strategy 2: Utilizing technology.

Considering many organizations haven't built much room into their budget for competency projects, it is regularly the case that progress is slow in using technology for competency management. Mainly, when there is greater investment in competency-based initiatives, some of that budget gets distributed to tools and competency management software that can make a real impact.

- Strategy 3: Regulate your competencies and business goals.

Being accomplished to translate your company's vision and values to employees in ways that makes sense in their day to day work-life goes a long way to generate a closer coalition between business goals and employee actions.

- Strategy 4: Do not abandon your competency budget.

Organizations are contrary to have meaningful success with competencies if they do not make an active, strong investment to develop a well-developed competency initiative. This comprises taking several steps such as budgeting properly, aligning competencies and business goals, leveraging technology, etc. [4].

2.2. Challenges of Competency Management

- **Competency management is considered as a Human Resource process, rather than a business imperative.**

Performance excellence implies clear communication of the competencies for which an employee is answerable. Until competency management is appreciated as the business imperative it is, performance will continue to weaken.

- **Identification of critical competencies is difficult.**

Without an assessment strategy and the potential to predict the skills needed by the business going ahead, organizations are left ignorant as to what skills exist and are needed.

- **Regulation of competency development with business goals is weak.**

Organizations have to describe critical job responsibilities and success criteria. In the non-existence of these competency procedures the employee and leader skill building is only somewhat concentrating on developing competencies requisite for achieving business goals.

- **Investment in competency management is deprioritized.**

The organization's people strategy replaces the organization's business strategy, in view of its importance in meeting business goals.

- **Competency models are entirely of technical competencies.**

Technical skills are frequent among many critical job roles including engineers, IT specialists, medical professionals, etc. However, in many organizations, their competency models are, regrettably, lack of technical competencies.

- **Competencies are usually paper based.**

Among other things, automating competency management provides a means to generate a quality approach to competency management across the enterprise and provide for incorporation of competencies among all talent processes.

2.3. Benefits of Competency Management

- **Enriched interpretation of expected behaviors and performance.**

Organizations that take the time to explain the short list of competencies and expected expertise level for each competency, by job role, essential for the attainment of business goals, have moved the first step towards giving employees and leaders the best shot at performance excellence.

- **Improved talent planning.**

Competency assessment results in inform leadership about current and future talent potential. To be assessed as competent, the employee must reveal the ability and experience to perform a job's distinct tasks.

- **Optimized development and mobility strategy.**

Competency based development is generated around the competency standards that have been recognized for a particular role in an organization.

- **Enhanced talent pipeline.**

Automated competency management entitles on-demand information about employees and leader's competency mastery and willingness to move into next-level or other crucial roles.

- **Improved operational efficiencies.**

Competency management automation facilitates business-driven learning and growth, removes non-value-add training, highlights strengths to be further developed, flags critical skill gaps for mitigation, and creates higher levels of employee and leader satisfaction with their general experience with the organization.

- **Integrated talent processes.**

Serving as the degree for expected performance by job role, competency management becomes the standard by which the highest-performing organizations talk about and control all phases of the employee lifecycle, from talent accession to development, to retention and reward.

3. Competency Model

A competency model is a framework that lists down set of key competencies, accurately selected in alignment with an organization's business goals. Here, the competencies are categorized into two types i.e. soft competency that connects to communication and interpersonal skills like leadership and hard competency, which connects to technical qualifications needed for the job, like financial analysis and operational analysis [5]. High-performance models include four types of competencies like core competencies, leadership competencies, functional competencies and career competencies.

3.1.Principles of a Competency Framework Model

1. **Involve the people doing the work:** These frameworks should not be developed entirely by Human Resource people, who don't always know what each job actually includes. Nor should they be left to managers, who don't always interpret exactly what each member of their staff does every day. To understand a role fully, one has to go to the person doing the job and as well as getting a diversity of other inputs into what makes someone successful in that job.
2. **Communicate:** People incline to get nervous about performance issues. The more the communication beforehand, easier the implementation will be.
3. **Use relevant competencies:** Ensure that the competencies that are included pertain to all roles covered by the framework. If irrelevant competencies are included, people will probably have a hard time associating to the framework in general.

3.2.Stages involved in developing Competency Models

1. Elucidating the performance criteria that are required for the success of the job.
2. Adopting a group of people who will be involved in the role of data collection.
3. Collecting the data concerning to the traits or attributes that lead to superior performance.

4. Studying the collected data to identify the requisite competencies.
5. Authenticating the results obtained from the data collection and analysis stage.
6. Applying the true competencies identified for top performance of the job.

3.3. Advantages of Competency Modeling

- Helps organizations to interpret the minimum capabilities required by an employee to accomplish the job.
- Helps organizations to identify and indicate superior performance of a job.
- Helps in identifying and arranging the different performance levels and in appraisal of an employee based on these performance levels.
- Competency levels also help organizations to budget and intent the costs involved with the training of the competencies.
- It also helps in recognizing the resources with superior abilities within the organization.

4. Competency life cycle and core application areas

The competency life cycle is the group of four macro-phases which aim at the continuous improvement and development of individual and organizational competencies [6]. They are

1. Competency mapping
2. Competency diagnosis
3. Competency development and
4. Competency monitoring.

- Competency mapping aims to dispense the organization with an overview of all the essential competencies in order to fulfill its targets, which are described by the organizational business plan, the project requirements, the group needs and the job role requirements. The required expertise level for each job profile is defined in this phase as well.
- Competency diagnosis means an example of the current situation of the competencies and equivalent expertise level that each individual employee possesses. A skill gap analysis is also necessary in this phase in order to define the gap between the number and level of competencies that the employees owns, in comparison with the number and level of competencies required by the organization, confirming to their job role.
- Competency development negotiates with the scheduling of activities so as to expand the number and proficiency level of competencies that the employees should have, according to the previous two phases and the skill gap analysis.
- Competency monitoring is a continuous examination of the results attained by the competency development phase.

The distinct core components of a competency-based system are as follows

- Identification/assessment of desired results: One needs to know what organizational performance he is trying to attain in order to identify the desired state competencies. Organizational performance assessment will also provide data to help assess the success of the development efforts [7].
- Competency models: Identify the competencies that truly have an influence on results.
- Employee competency assessment: One needs to know the competencies of employees in order to contrast them with desired or ideal state.
- Employee development strategies and resources: One needs to have the right training and development programs and resources that can direct the gap in competencies.

5. Competency Mapping

Competency mapping identifies an individual's strengths and weaknesses in order to help them better interpret themselves and to show them where career development attempts need to be directed.

Competencies are acquired from specific jobs within the organization and are assembled into categories like strategy, relationships, innovation, leadership, risk-taking, decision-making, emotional intelligence, etc. [8]. The methods that are used in combination for competency mapping are interviews, group work, task forces, task analysis workshops, questionnaire, use of job descriptions, performance appraisal formats etc. [9].

5.1.Steps involved in Competency Mapping

The steps included in competency mapping to identify the key competencies for an organization and the jobs within the function are

1. Recognize the department for mapping.
2. Identify the structure of the organization and choose the grades and levels.
3. Job description from individuals and departments.
4. Carrying out semi-structured interviews.
5. Accumulating interview data.
6. Categorize the required skill list.
7. Identify the skill levels.
8. Assess identified competencies and skill levels with immediate superiors and other heads of concerned departments.
9. Construction of Competency calendar.
10. Mapping of Competencies.

6. Conclusion

Effective and automated competency management generates a real-time and predictive inventory of the potentiality of any workforce. By defining and automating job roles and related competency proficiency, leadership can readily identify strengths and skill gaps. Competency management then appraises targeted skills development learning solutions improving individual and organizational performance, leading to superior business results.

7. References

7.1. Websites

- [1] www.trainingmag.com
- [2] www.mbaskool.com
- [3] www.kahunaworkforce.com
- [4] www.resources.hrsg.ca
- [5] www.mindtools.com

7.2. Books

- [6] Dubois, D.D. and William, J. R., “Competency-based human resource management”, Davies-Black Publishing, Palo Alto, California, (2004).

7.3. Journals

- [7] Draganidis, F. and Mentzas, G., “Competency based management: a review of systems and approaches”, Information Management and Computer Security Journal, vol. 14, no. 1, (2006), pp. 51–64.

[8] Özçelik, G. and Ferman, M., “Competency Approach to Human Resources Management: Outcomes and Contributions in a Turkish Cultural Context”, Human Resource Development Review, vol. 5, no. 1, **(2006)**, pp. 72–91.

[9] Sharma, N. and Khanna, K., “Competency Mapping”, Paripex - Indian Journal of Research vol. 4, no. 1, **(2015)**, pp. 161-163.