9. Competence (human resources)

Competence (or competency) is the ability of an individual to do a job properly. A competency is a set of defined behaviors that provide a structured guide enabling the identification, evaluation and development of the behaviors in individual employees. The term "competence" first appeared in an article authored by R.W. White in 1959 as a concept for performance motivation. Later, in 1970, Craig C. Lundberg defined the concept in "Planning the Executive Development Program". The term gained traction when in 1973, David McClelland, Ph.D. wrote a seminal paper entitled, "Testing for Competence Rather than for Intelligence". It has since been popularized by one-time fellow McBer & Company (Currently the "Hay Group") colleague Richard Boyatzis and many others, such as T.F. Gilbert (1978) who used the concept in relationship to performance improvement. Its use varies widely, which leads to considerable misunderstanding.

Some scholars see "competence" as a combination of practical and theoretical knowledge, cognitive skills, behavior and values used to improve performance; or as the state or quality of being adequately or well qualified, having the ability to perform a specific role. For instance, life, management competency might include systems thinking and emotional intelligence, and skills in influence and negotiation.

Competency is also used as a more general description of the requirements of human beings in organizations and communities.

Competency is sometimes thought of as being shown in action in a situation and context that might be different the next time a person has to act. In emergencies, competent people may react to a situation following behaviors they have previously found to succeed. To be competent a person would need to be able to interpret the situation in the context and to have a repertoire of possible actions to take and have trained in the possible actions in the repertoire, if this is relevant. Regardless of training, competency would grow through experience and the extent of an individual to learn and adapt.

Competency has different meanings, and continues to remain one of the most diffuse terms in the management development sector, and the organizational and occupational literature.

9.1 Dreyfus and Dreyfus on competency development

Dreyfus and Dreyfus introduced nomenclature for the levels of competence in competency development. The causative reasoning of such a language of levels of competency may be seen in their paper on Calculative Rationality titled, "From Socrates to Expert Systems: The Limits and Dangers of Calculative Rationality". The five levels proposed by Dreyfus and Dreyfus were:

1.Novice: Rule-based behaviour, strongly limited and inflexible

2.Experienced Beginner: Incorporates aspects of the situation

3.Practitioner: Acting consciously from long-term goals and plans

4.Knowledgeable practitioner: Sees the situation as a whole and acts from personal conviction

5. Expert: Has an intuitive understanding of the situation and zooms in on the central aspects

The process of competency development is a lifelong series of doing and reflecting. As competencies apply to careers as well as jobs, lifelong competency development is linked with personal development as a management concept. And it requires a special environment, where the rules are necessary in order to introduce novices, but people at a more advanced level of competency will systematically break the rules if the situations requires it. This environment is synonymously described using terms such as learning organization, knowledge creation, self-organizing and empowerment.

Within a specific organization or professional community, professional competency, is frequently valued. They are usually the same competencies that must be demonstrated in a job interview. But today there is another way of looking at it: that there are general areas of occupational competency required to retain a post, or earn a promotion. For all organizations and communities there is a set of primary tasks that competent people have to contribute to all the time. For a university student, for example, the primary tasks could be:

Handling theory

Handling methods

Handling the information of the assignment

9.2 The four general areas of competency are:

1.Meaning Competency: The person assessed must be able to identify with the purpose of the organization or community and act from the preferred future in accordance with the values of the organization or community.

2.Relation Competency: The ability to create and nurture connections to the stakeholders of the primary tasks must be shown.

3.Learning Competency: The person assessed must be able to create and look for situations that make it possible to experiment with the set of solutions that make it possible to complete the primary tasks and reflect on the experience.

4.Change Competency: The person assessed must be able to act in new ways when it will promote the purpose of the organization or community and make the preferred future come to life.

9.2 McClelland and Occupational Competency

The Occupational Competency movement was initiated by David McClelland in the 1960s with a view to moving away from traditional attempts to describe

competency in terms of knowledge, skills and attitudes and to focus instead on the specific self-image, values, traits, and motive dispositions (i.e. relatively enduring characteristics of people) that are found to consistently distinguish outstanding from typical performance in a given job or role. It should be noted that different competencies predict outstanding performance in different roles, and that there is a limited number of competencies that predict outstanding performance in any given job or role. Thus, a trait that is a "competency" for one job might not predict outstanding performance in a different role.

Nevertheless, as can be seen from Raven and Stephenson,[3] there have been important[peacock term] developments in research relating to the nature, development, and assessment of high-level competencies in homes, schools, and workplaces.

9.3 Benefits of Competencies

Competency models can help organizations align their initiatives to their overall business strategy. By aligning competencies to business strategies, organizations can better recruit and select employees for their organizations. Competencies have been become a precise way for employers to distinguish superior from average or below average performance. The reason for this is because competencies extend beyond measuring baseline characteristics and or skills used to define and assess job performance. In addition to recruitment and selection, a well sound Competency Model will help with performance management, succession planning and career development.

Selection: The use of behavioral interviewing and testing where appropriate, to screen job candidates based on whether they possess they key necessary job competency profile:

- Provides a complete picture of the job requirements

- Increases the likelihood of selecting and interviewing only individuals who are likely to succeed on the job
- Minimizes the investment (both time and money) in people who may not meet the company's expectations
- Enables a more systematic and valid interview and selection process
- Helps distinguish between competencies that are trainable after hiring and those are more difficult to develop

Training & Development: Development of individual learning plans for individual or groups of employees based on the measurable "gaps" between job competencies or competency proficiency levels required for their jobs and the competency portfolio processed by the incumbent.

Focuses training and development plans to address missing competencies or raise level of proficiency

Enables people to focus on the skills, knowledge and characteristics that have the most impact on job effectiveness

Ensures that training and development opportunities are aligned with organizational needs

Makes the most effective use of training and development time and dollars

Provides a competency framework for ongoing coaching and feedback, both development and remedial

Performance Management: Provides regular measurement of targeted behaviors and performance outcomes linked to job competency profile critical factors.

Provides a shared understanding of what will be monitored, measured, and rewarded

Focuses and facilitates the performance appraisal discussion appropriately on performance and development

Provides focus for gaining information about a person's behavior on the job

Facilitates effectiveness goal-setting around required development efforts and performance outcomes

Career Paths: Development of stepping stones necessary for promotion and long term career-growth

Clarifies the skills, knowledge, and characteristics required for the job or role in question and for the follow-on jobs

Identifies necessary levels of proficiency for follow-on jobs

Allows for the identification of clear, valid, legally defensible and achievable benchmarks for employees to progress upward

Takes the guesswork out of career progression discussions

Succession Planning: Careful, methodical preparation focused on retaining and growing the competency portfolios critical for the organization to survive and prosper

Provides a method to assess candidates' readiness for the role

Focuses training and development plans to address missing competencies or gaps in competency proficiency levels

Allows an organization to measures its "bench strength"—the number of high-potential performers and what they need to acquire to step up to the next level

Provides a competency framework for the transfer of critical knowledge, skills, and experience prior to succession – and for preparing candidates for this transfer via training, coaching and mentoring

Informs curriculum development for leadership development programs, a necessary component for management succession planning

9.4 Building a Competency Model

Many Human Resource professional are employing a competitive competency model to strengthen nearly every faced of talent management—from recruiting and performance management, to training and development, to succession planning and more. A job competency model is a comprehensive, behaviorally based job description that both potential and current employees and their managers can use to measure and manage performance and establish development plans. Often there is an accompanying visual representative competency profile as well (see, job profile template).

Creating a competency framework is critical for both employee and system success. An organization cannot produce and develop superior performers without first identifying what superior performance is. To do this, organizations developed behavioral interview questions, interviewed the best and worst performers, review the interview data (tracking and coding how frequently keywords and descriptions were repeated, selecting the SKAs that demonstrated best performance and named the competencies)

One of the most common pitfalls that organizations stumble upon is that when creating a competency model they focus too much on job descriptions instead the behaviors of an employee. Experts said that the steps required to create a competency model include:

1. Gathering information about job roles.

2. Interviewing subject matter experts to discover current critical competencies and how they envision their roles changing in the future.

3. Identifying high-performer behaviors.

4. Creating, reviewing (or vetting) and delivering the competency model.

Once the competency model has been created, the final step involves communicating how the organization plans to use the competency model to support initiatives such as recruiting, performance management, career development, succession planning as well as other HR business processes.

9.5 Outsourcing Competency Models

The most frequently mentioned "cons" mentioned by competency modeling experts regarding creating a competency model is time and expense. This is also a potential reason why some organizations either don't have a competency model in place or don't have a complete and comprehensive competency model in place. Building a competency model requires careful study of the job, group, and organization of industry. The process often involves researching performance and success, interviewing high performing incumbents, conducting focus groups and surveys.

When asked in a recent webcast hosted by the Society of Human Resource Management (SHRM), 67 percent of webcast attendees indicated that hastily written job descriptions may be the root cause of incomplete competencies. Defining and compiling competencies is a long process that may sometimes require more effort and time than most organizations are willing to allocate. Instead of creating a competency model themselves, organizations are enlisting the help of specialist/consultants to assess their organization and create a unique competency model specific to their organization. There are many ways that organizations can outsource these functions:

Competency Libraries: Organizations that don't have the time or resources to build to develop competencies can purchase comprehensive competency libraries online. These universal competencies are applicable to all organizations across functions. Organizations can then take these competencies and begin building a competency model.

Specialist/Consultants: For organizations that find they want a specialist to help create a competency model, outsourcing the entire process is also possible. Through outsourcing, a specialist/consultant can work with your company to pinpoint the root causes of your workforce challenges. By identifying these workforce challenges, customized action plans can then be created to meet the specific needs. Typically, these solutions are unique to every organization's culture and challenges.

9.6 Competency identification

Competencies required for a post are identified through job analysis or task analysis, using techniques such as the critical incident technique, work diaries, and work sampling. A future focus is recommended for strategic reasons.