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Employee competency in the knowledge based economy as a tool to enhance performance

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Abstract
All employees in an organization are unique in terms of their qualities, motivation, skills, and personality traits. The challenge for modern HR professionals is to ensure that each employee perform their duties to the best of their ability by identifying a role which is best suited for them. This matching of jobs and people to facilitate excellence in performance can be achieved through competency mapping.

Keywords: Competition, ability, Planning

1. Introduction

In a knowledge-based economy, it is important for organisations to evaluate workforce competency and develop them on an ongoing basis to meet the global competition. Organizations rely on their competent employees as a main resource. Such concept has lead to the success of an organization. stated that a "competence" in tradition, is "*a personal trait or set of habits that leads to more effective or superior job performance*", in other words, an "ability that adds clear economic value to the efforts of a person on the job".

Competency mapping is used to identify key attributes (knowledge, skills, and behaviour attributes) that are required to effectively perform job classification or any identified process. Competency mapping evaluates individual strengths and weaknesses, helping to show them, where career development efforts are required.

2. History of competency

The term competency was probably first introduced to psychology literature in 1973 when David McClelland argued in his article 'Testing for competence rather than for intelligence' that traditional tests of academic aptitude and knowledge content in fact predicted neither job performance nor success in life.

Thus, the quest for theory and tools that could reliably predict effectiveness in the workplace began. In 1982 it was Boyatzis who first drew together comprehensive data that had been collected in the USA using the McBer & Company 'Job Competence Assessment' method. Since then, competency has become a significant factor in HR development practices.

The word competency comes from a Latin word meaning "suitable". Defines a competency as "an underlying characteristic of a person which results in effective and/or superior performance in a job" (p.97). According to a job competency represents ability.

An individual's set of competencies reflect their capability or what they can do. A job competency may be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge that an individual uses, and the existence and possession of these characteristics may or may not be known to the individual. Similarly, state that competencies could be motives, traits, self-concepts, attitudes or values, content knowledge, or cognitive or behavioral skills.

3. Description of competency

A competency is an individual characteristic that can be measured or counted reliably and that can be shown to differentiate significantly between superior and average performers, or between effective and ineffective performers. Meanwhile, competency can be described as a set of behavior patterns that an incumbent needs to bring to a position in order to

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perform its tasks and functions in the delivery of desired results or outcomes.
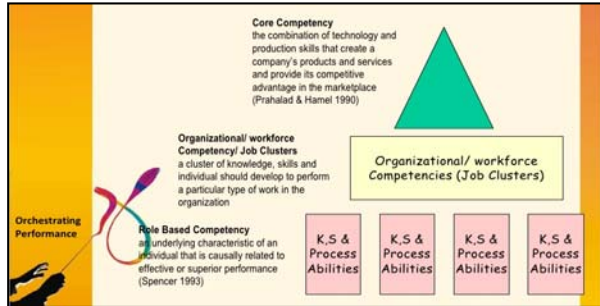
4. Building blocks model

To ensure that the Building Blocks model reflects the foundational knowledge and skills needed by today's workforce, ETA conducted a review of the 22 industry models in the Clearinghouse and analyzed the various changes our industry partners have made to Tiers 1-3 over time.

Based on this review we have consolidated the information to update the Building Blocks model to ensure those competencies accurately reflect the workforce needs of industry. As part of this update, ETA also reviewed other competency frameworks, including the Department of Education's Employability Skills Framework and the National Network of Business and Industry Associations' Common Employability Skills.

The updated model features new information on Sustainable Practices and Health and Safety. It also includes a revised Basic Computer Skills block and updated key behaviors in several competency areas, as well as changes designed to promote equitable access to jobs for all jobseekers. The industry model frameworks are based on the competency model building blocks which are modified to meet the industry needs.

Generic Building Blocks Competency Model
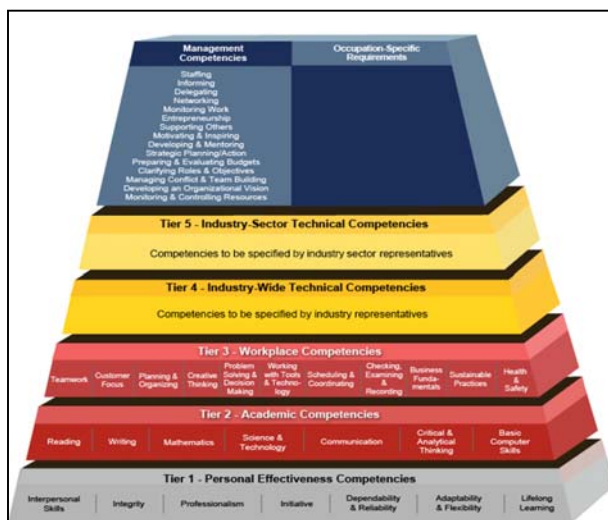
5. Strategies for building competency models

In an organization with many different jobs there are two approaches for building competency models- Universal and Multiple model approach

Universal approach

This is a one size fits all approach. It involves creating a single model with one set of competencies applicable to all jobs. These are less related to specific job or function and more related to values and skills.

Multiple approach

This method creates multiple models depending on jobs and levels. This method is used when all the jobs do not have anything in common.

6. Literature survey

Mily Velayudhan T.K (2011) [1] propagates that competency mapping, the buzz word in any industry is not complicated as it may appear. At the heart of any successful activity lies a competence or skill. In the recent years, various thought leaders in business strategy have emphasized the need to identify what competencies a business needs, in order to compete in a specific environment. Competency mapping is a strategic HR framework for monitoring the performance and development of human resource in organizations. Regardless of whatever happens to the future of software in India, the people who are outstanding in their performance will continue to be in demand and will keep rising and for this the human resource of each organization should develop the competencies which they have in order to compete with the highly competitive market.

N. Anisha (2012) [2] asserts human resource management is a process of bringing people and organizations together so that the goals of each other are met. Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order. Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. Competency Mapping is a process of identifying key competencies for an organization, the jobs and functions within it.

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Krishnaveni.J (2013) [3] examines the competency of the employees of Meenakshi Mission Hospital and Research Centre, Madurai, India. It evaluates various aspects of employees' competency such as ability to mutual relationship, communication, adaptability, leadership and overall task proficiency. The study identifies the incompetence among the employees, and to take remedial measures to improve their performance. The study evaluates competency possessed by the employees of Meenakshi Mission Hospital and Research Centre, Madurai.

Dileep Kumar M, Sashidhar Chengappa and Srota Pandya (2013) [4] asserts capacity enhancement has been defined in

multiple ways; its ultimate purpose is to leave behind better skilled and oriented individuals, more responsive and effective institutions, and a better policy environment for pursuing development goals. Enhancing the capabilities of people in the organization is the most inevitable change expected in the era of globalization and liberalization.

People capability enhancement induces better knowledge, skill and aptitude and it develop better business opportunities during global change. To accelerate with new technology, new manufacturing and development process, new ways of meeting the needs of customers, of course, are in need of better capacities and capabilities of people at work.

7. Results and Discussions

Table 1: Nature of competencies

Sl. No.	Statements	CMT (N=5)					EXE (N=25)					N-EXE (N=250)				
		SA	A	N	D	SD	SA	A	N	D	SD	SA	A	N	D	SD
1	A competency is an underlying attribute of a person which enables him/her to deliver superior performance in a given job, role, or a situation.	2 (40)	2 (40)	1 (20)	-	-	8 (32)	11 (44)	3 (12)	2 (40)	1 (4)	77 (31)	89 (36)	26 (10)	31 (12)	27 (11)
2	Competency consists of clusters of knowledge, attitudes, and skills that influence an individual's ability to perform.	1 (20)	2 (40)	1 (20)	1 (20)	-	12 (48)	6 (24)	4 (16)	2 (40)	1 (4)	139 (56)	72 (29)	21 (8)	9 (4)	9 (3)
3	Competencies are generic knowledge, motive, trait, social role, or a skill of a person linked to superior performance of the job.	(40)	2 (40)	1 (20)	-	-	9 (36)	8 (32)	3 (12)	3 (12)	2 (40)	111 (44)	98 (39)	19 (8)	10 (4)	12 (5)
4	Competencies are characteristics that outstanding performers do more often in more situations with better results than average performers.	1 (20)	3 (60)	1 (20)	-	-	14 (56)	9 (36)	1 (4)	1 (4)	-	108 (43)	116 (46)	12 (5)	7 (3)	7 (3)
5	Competency can be thought of as the tools that individual use for successful or exemplary (best-in-class) performance.	1 (20)	2 (40)	1 (20)	1 (20)	-	11 (44)	8 (32)	4 (16)	1 (4)	1 (4)	98 (39)	103 (41)	26 (10)	14 (6)	9 (4)

Key: CMT=Competency Management Team
SA=Strongly Agree EXE= Executives A=Agree N-EXE= Non-Executives, N=Neutral, D=Disagree, SD=Strongly Disagree, Figures in the parenthesis are in percentage

Analysis

It has been universally accepted that the individuals' inherent and apparent attributes will decide the superior on-the job performance or otherwise. Competency includes knowledge, attitudes, skills, ability, motive, trait, and the like of an individual. When asked about to indicate as to what constitutes employee competency, the respondent competency management teams, executives and non-executives in the sample organizations, 80 to 85 percent of them conceded to the given statements. A miniscule of respondents in all the three categories either remained neutral or declined to the given statements.

Interpretation

Way back in 1953, American management guru for the first time recognized the concept "competence" later in the year 1973, David McClelland developed the competency management phenomenon. McLagan, Richard Boyatzis, Signe Spencer and David Ulrich remarkably developed the concept employee competency management in the organization for its survival and sustained competitive advantage.

Gone are the days where gigantic plant, superior technology and marketing strategy played central role in organizational success. Today employee competency which is the combination of his or her attributes which will decide his or her performance in the organization and that will have a telling effect to achieve core competencies. Organization devoid of competencies will soon be out of place in the industry. Competency is the essence for individual performance, departmental performance and organizational performance. It is the bounden duty of the organization to identify, nourish and utilize the employee competencies.

Table 2: Competency Model

Statement	Scale	Response-MT	
		Number	%
A competency model is a valid observable and measurable list of the knowledge, skills and attributes demonstrated through behavior that results in outstanding performance in a particular work context. Total	SA A N D SD	02 02 01 - - 05	40 40 20 100

Source: primary data

Analysis

The competency management teams in the sample organizations expressed that models on competencies provide valid, observable and measureable list of knowledge, skills, and attributes. These parameters are reflected in the demonstrated behaviour of employees leading to outstanding performance. This view was given by four-fifth of the sample respondent teams (N=5)

Interpretation

Like any other model, competency model provides the causal relationship between knowledge, skills and attributes demonstration of employees on the one hand and the behaviour emanating from such demonstration leading to outstanding work performance by them. The adoption of competency model provides the organization with competency standards against which the actual competencies are measured, indicating the competency gap for various jobs, positions, functions, department and organization as a whole. The model provides directions for the organization to harness various competencies including crucial competencies as indicated by the competency management teams in the sample organizations.

Table 3: Aligning Employee Competencies with business strategies

Linkage Parameters	Response-executives (N=25)				
	SA	A	N	D	SD
Whether employee competencies in your organization are linked to					
a. Individual goals and objectives	8 (32)	7 (28)	4 (16)	3 (12)	3 (12)
b. Individual performance	8 (32)	8 (32)	3 (12)	4 (16)	2 (8)
c. Departmental goals and objectives	9 (36)	8 (32)	3 (12)	3 (12)	2 (8)
d. Departmental performance	9 (36)	9 (36)	2 (8)	3 (12)	2 (8)
e. Business unit goals and objectives	7 (28)	8 (32)	3 (12)	5 (20)	2 (8)
f. Corporate goals and objectives	8 (32)	7 (28)	4 (16)	3 (12)	3 (12)
g. Business performance	8 (32)	8 (32)	3 (12)	4 (16)	2 (8)
h. Productivity	9 (36)	8 (32)	2 (8)	4 (16)	2 (8)
i. Profitability	10 (40)	9 (36)	2 (8)	2 (8)	2 (8)
j. Diversification	1 (4)	1 (4)	5 (20)	9 (36)	9 (36)
k. Expansion	2 (8)	3 (12)	5 (20)	8 (32)	7 (28)
l. Interpersonal relations	5 (20)	6 (24)	5 (20)	6 (24)	3 (12)
m. Overall corporate growth	8 (32)	7 (28)	4 (16)	3 (12)	3 (12)
n. Change management	2 (8)	3 (12)	5 (20)	8 (32)	7 (28)

Source: Primary data

Analysis

Competencies are forceful trigger and strong determinant for achieving individual and corporate goals and objectives. The respondent executives ranging from 75 to 85 percent agreed that employee competencies are linked to business strategies, performance and results. The linkage produced positive results in the areas of productivity, profitability and overall growth. The results are minimum and moderate on the variables such as diversification, expansion, interpersonal relations and change management from employee competencies linkages with business strategies.

Interpretation

In the sample organizations, it was found that the mere linkage between employee competencies and business strategies is not enough, what is important is quality of linkages between competencies and business strategies to achieve the pre-determined individual and organizational performance. A majority of learning organizations under the study strategically linked competencies with goal achievements.

8.   Conclusion

Employee Competency is a necessity in the organisations where the competency is assessed through the performance of the employees and the job is effectively executed. The tool is more imperative in the modern era where there is huge competition and the organisations must earn huge profits.

9.   Suggestions

- Beyond competency based pay, to retain the talents the employees must be provided with learning opportunities, exciting jobs, challenging jobs and scope for growth.
- Organizations seek advantage through execution. Although many companies share business strategies and, apparently, competency strategies as well. They may be seeking unique advantage through better execution. This would mean that organizations should select the competencies that best communicate their business strategies, and they count on implementation to achieve an advantage. This would suggest that wherever competencies come from, and regardless of which competencies are deployed, execution is the key.
- Performance-based pay is needed to encourage the application of acquired competencies to generate desired outcomes. Competencies are most likely to serve as a learning platform for performance, it is suggested. Further, companies should pay for competencies that are aligned with their core ideologies.
- The past decade has provided ample evidence that concern for customers is both a challenge and a shortcoming for most companies. Therefore, the sample firms need to match challenges, shortcomings and solutions early and deploy future oriented competencies effectively.
- The balance between technical expertise and strategic competencies is important and needs definition within the organization's context to provide advantage for the sample firms.
- Starting with the business strategy and the role people will play in making the strategy a reality makes clear

sense as the foundation for developing competency models and defining competencies.

- The competency-based processes have been institutionalized, the sample firms can begin to integrate different competency-based processes into a multi-disciplinary process that better integrates the work of several workforce competencies.
- Competency- and performance-based pay are necessary partners in linking rewards to business strategy and direction. Performance-based pay is needed to encourage the application of acquired competencies to generate desired outcomes. Competencies will serve as a learning platform for performance.
- The sample firms need to diagnose their situations and determine the match between their challenges and their shortcomings are the common ground in the selection of competencies.
- Uniqueness most probably does not come from what the competencies are called but from how they are defined in terms of which behaviors, skills and knowledge areas are important. The sample companies are suggested to take note of this.
- It is suggested to the sample companies to concentrate on employee competency mapping for the purpose of customer focus, communication, team orientation and technical expertise.
- The "secret sauce" of competencies is to define both "before" and "after" competency circumstances to suggest where people may be and where they need to go to demonstrate competency at a satisfactory level, it is suggested.

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