

Competency Management: a debate – the SMR viewpoint

Introduction:

Are you competent in what you do? You better be if you do not want to be out of your job. Whatever the term may mean to different academics, we all have a feel for the word – it simply means a person is able to do the job. This is purely from a workplace viewpoint. The English dictionary describes the word “competence” as suitable, sufficient or fit.

There have been so many descriptions of what the word means. Competency is a very contested concept. Those who use it shape the meaning. Some have stated them, as behaviors for superior performance while others have strongly promoted them, as the minimum required to perform a job to the required standards which is seen as a way to improve the link between training and workplace requirements.

It became popular in the 1970's with the performance based vocational teacher and educational movement in the United States of America. In 1986, the UK started the National Vocational Qualification movement (NVQ). This was followed by the Australian National Training Board, the New Zealand NQ format, the Malaysian National Vocational Council and the Singapore initiatives. The United States introduced SCANS – Secretarial Commission on Achieving National skills and National Skills standards.

Competency standards are propelled by a strong political desire to prepare the workforce for the competitive global economy. Competency based education and training gives individuals opportunities to achieve qualifications that relate to required performance in the workplace and consequently satisfies employer needs for a skilled workplace.

Competency became popular in the 1970's. David McClelland in his 1973 ground breaking article in the Harvard Business Review stated that behavioral traits and characteristics are much more effective than aptitude tests in determining who is and who is not successful in job performance.

Boyatzis described competencies as underlying characteristics of an individual, which are, causally (*change in one variable cause change in another*) related to effective job performance. Selby described it as an ability expressed in terms of behavior while Vroom described it as $\text{ability} \times \text{motivation} = \text{Performance}$. The National Vocational Council for Vocational Qualification described competency as performance standards, the ability to perform in work roles or jobs to the standard required in employment. The Higher and Further Education described it as a capability – which possesses the knowledge and skills required performing a task effectively. Goleman, author of the book Emotional Intelligence promoted two sets of competencies- Personal and Social competencies.

Here the debate started with organizations choosing either of the two approaches:

1. One that was purely technical described in a context free way and related to satisfying the minimum requirements of the job. On occasions, this was described totally in a skills format.
2. Another was one that described attributes needed for superior performance.

The debate stretches far beyond these two concepts. They stem from the disagreement between behaviorists and constructivists.

What are Competencies?

“Competency is any knowledge, skills, attitude, motive or value or any other personal characteristic that is essential to perform the job.”

“The demonstration of knowledge and skill to required standards in a given context to produce a product or service and the ability to transfer the knowledge and skills to new and differing context.”

Some others talk about competency modeling - identifying the qualities, characteristics and behaviors necessary for success in a job. Competency task books, competency profiling, we can list a few more terms. It looks like what it means and what purpose it is used for depends on the person using it.

Overall we can define a competency framework as one that covers the knowledge, skills behaviors and attributes required to successfully accomplishing a job. It focuses on how the job is performed by identifying those elements that contribute to achieving effective performance. The level of competence can also be assessed against standards. Many organisations have used levels 1 to 5. Some have described it as Advanced, Intermediate and Basic similar to as Specialist, Expert and Novice.

A review of literature indicates two approaches:

- Threshold or baseline competencies – the minimum required to do the job
- Attributes that lead to superior performance.

Technical competence is what we need to do. This is mainly functional skill required and necessary for entry into a job. Performance characteristics were those found in top 1/3 of the performers. These characteristics were mainly behavioral competencies needed to meet a standard of excellence.

The approach organisations chose depended on the purpose of using competencies. Most Middle Eastern and South East Asia nations chose the threshold approach, as they had major localization programmes to replace expatriate talent. The approaches were based on the two schools of thoughts; we will analyse in this article.

The behaviorists view

The behaviorists describe competencies as standards of performance required to meeting workplace standards. The behaviorism school of thought put forward by Pavlov (Russia) and Thorndike and Skinner (USA) always look for observable processes.

A threshold competency also known as the baseline competency is the minimum required performing the job. It is individualised and emphasizes outcomes – what an individual knows and can do. It also allows flexible pathways for achieving the outcomes. We can specify the learning program as Essential, Highly desirable or desirable to facilitate the allocation of resources to close the gaps. It makes it clear what is to be achieved and standards for measuring achievement. In theory it overcomes the divide between hands and mind, theory and practice, general and vocational education.

The behavioral framework breaks down competence into performance of discrete tasks identified by functional analysis of work roles. This analysis is the basis for competency standards or statements upon which competence is assessed and towards achievement of qualification.

Critics see it as a narrow view. They contend that it is empirically flawed, confused and inadequate to the needs of a learning society. This approach has been criticized for ignoring the connections between the tasks, the attributes that underlie performance, the meaning, intention or disposition to act, the context of performance and the effect of interpersonal and ethical aspects. Can we practice behavioral objectives with precision in real life?

The constructivists view

The constructivist school defines competency refers to outcomes due to underlying characteristics – qualities, skills, attitudes and values. Constructivism, a branch of cognitive psychology mainly centered on the work of Jean Piaget (France) and Vygotsky (Russia) and focussed on the mental processes. The basis for this school was that individuals construct and reconstruct knowledge. They stated that competency as skills; abilities and capacities people have for performance in desired ways of society. The contention was that people learned by experimenting and emulating the performance of others.

Critics see it as too broad and irrelevant to employer needs.

The SMR viewpoint:

So the debate has centered on four key issues:

1. What are competencies? Are they behaviours or are they just skills.
2. How to approach competencies implementation?
3. Should competencies be context specific?
4. Can anything be measured?

What are competencies? Are they behaviours or are they just skills.

Competencies need not be narrowly defined but can be all encompassing and a simple definition could be:

“The demonstration of knowledge, skill, attitudes, motives, values, behaviors or any other characteristic to required standards in a given context to produce a product or service and the ability to transfer them to new and differing context.”

It has been clearly established that the distinguishing characteristics for superior performance are the underlying behaviours and traits. It causes no harm to include them as core competencies.

We can adopt a more holistic view – integrated in the context of the task performed. Rather than one single accepted outcome, performance maybe demonstrated in a variable context. There is no need for organizations to be immersed in this debate.

Though behaviorism is very influential, it is only one of the competency systems. It is certainly easier to specify task behaviors than identify and describe underlying characteristics. Many different conceptions of competence are being accommodated now. In 1991, in the UK, the NVQ movement included **core skills** and they included communication, interpersonal skills and problem solving. In 1994, the Australian

National Training Board included **key** competencies; New Zealand included **essential skills** and SCANS in the USA included **foundation** skills.

It is important to remember that a trade skills such as Stone Masonry was actually taught from one person to another. After a while, when the knowledge was codified and the demand for the trade was more, trade schools for stone masonry were established. These trade schools were very focussed as they rigorously did a job analysis. Over the years, they tried to focus on the whole person concept, which was good, but unfortunately the focus on the trade skills such as stone masonry were lost. The purpose of the vocational schools is to address the area of trade skills though some organisations have looked at differentiating characteristics for superior performance.

How to approach competencies implementation?

We focus on two key principles:

- **Principle of leverage**
How can we get most done for the least amount of time, effort and cost. Organizations always complain they have too much work to do to implement competencies.
- **Workability Principle:**
How can we make the process easy and simple enough?

Should competencies be context specific?

It is very clear that context free attributes are not possible. The cultural debate has been intense and we do know that we need to differentiate contexts. Any idea that competency is a skill must be resisted. It is far beyond skills but the fact that employers are looking for certain competency sets, which includes certain skill sets must not be ignored. We should not just focus on a toolbox concept but on the whole person concept.

Can anything be measured?

Unless and until the competencies are measurable and the competency gap established, it will be difficult to determine a pathway to close the gap or to acquire the qualification. Two things need to be done to ensure measurement. The goal is not to have 100% accuracy but to ensure reasonable objectivity. In reality, 100% accuracy is difficult to achieve.

- The competency statements have to be determined precisely.
- The assessors have to be trained so as to facilitate the measurement.

The credibility of competency standards reflects on whether they relate to industry standards or the company norms.

Another question is also the transferability of the attributes. This would depend on how the competency statements have been defined and recorded. They have to be related to the contexts.

Two other issues will determine if your competency management exercise will succeed:

1. **A tool to record competencies.**
2. **A tool to generate reports**

SMR has developed HRDPower; a competency based tool to facilitate this process.

Notes:

The competency approach attempts to identify competencies that were generic, under the umbrella of which organisation could identify specific competency needs in the context of their vision, mission and goals. The term competency indicates work performed to a pre-determined standard.

Standard

Once identified, competencies for the workplace need to be written up in a particular format called *competency standards*.

Agreement on the benefits of identifying key competencies in the organisation

- ✓ *tool for use in quality management and review of standards*
- ✓ *tool for applying standards to curriculum and resource development*
- ✓ *tool for use in the development and implementation of assessment*
- ✓ *tool for use in recognition of prior learning and current competence*
- ✓ *tool for use in career guidance and career management*
- ✓ *tool for use in staff selection and training needs analysis*
- ✓
- ✓ *provides a better link between workplace competencies and performance*
- ✓ *provides valuable benchmarks across occupation in employment related areas*
- ✓ *provides a clear milestone for localization programme*

Focus on Performance

It is a dynamic concept of how these three components are utilised and integrated in the workplace that is a true indicator of the good performer. The term competency refers to this more dynamic concept, shifting the focus from what people “have” for **what they can “do”**. Demonstration (“**doing it**”) and Assessability (“**measuring it**”) The areas in which the competency concept is providing advantages:

Mobility

The workplace must be flexible i.e. able to respond to new competency needs quickly.

By the establishment of competency standards, the competencies needed to undertake work within one part of the organisation could be easily adapted/equated with those of another part. This will make movement between departments/jobs easier.

Effectiveness

In addition, the concept of competency has tangible advantages when used as a means of recruiting, selecting, appraising, deploying and training staff.

These advantages include:

- more precise definition of requirements to do a particular job well;
- more equitable and effective selection and recruitment of staff;
- measurable performance criteria;

- greater knowledge of workforce competency mix;
- easier and more accurate identification of necessary training;
- avoidance of unnecessary training.

Education

The identification of an individual's competencies (whether acquired on the job or elsewhere) can prove that individual with credits or advanced standing in certified vocational education programs. This is done through a process called the **Recognition of Prior Learning** which is a formal assessment process that may be done in the workplace or by an education institution.

Benefits of identifying key competencies

- tool for use in quality management and review of standards
- tool for applying standards to curriculum and resource development
- tool for use in the development and implementation of assessment
- tool for use in recognition of prior learning and current competence
- tool for use in career guidance
- tool for use in staff selection
- provides a better link between workplace competencies and school and post school curriculum
- provides valuable benchmarks across occupation in employment related areas

Job Profiling

Current job description forms focus on tasks and essential and desirable knowledge and skills. A new way of profiling a job has been developed which focuses on:

- linkage of the job to specified organisation requirements for the area of work;
- key products and services on the job;
- competencies needed to produce the required products and services;
- Performance standards required in the job.

Advantages

Re-defining job descriptions in this way will broaden the uses of the job profile statement because it will:

- describe the link between the organisation program outcomes and role of the job;
- make redundant the need to have a separate planning process for performance management;
- provide clear performance standards for performance appraisal generally and for the identification and management of sub-standard performance in particular;
- more accurately define individual training needs;
- Encourage line managers to keep job profile statements up to date as programs and products/services change.

Work Involved

Short Term: Initially line managers and HR managers will need to become familiar with the competency approach and the process of writing job profiles in the new format which may lead to other needs, such as work redesign.

Long Term: Once managers are proficient in the new approach, job profiles can be easily altered as jobs are advertised or redesigned as part of a work place project.

Computerised database: All jobs will be defined, as Position profiles. The Position profiles detail the required competencies for the job – stating the **Required Performance Level (RPL)**.

Assessment

Describing jobs in a new way will mean that assessing whether an individual can do a job will also have a new focus. Individuals will seek to prove competency through the use of portfolios of evidence and demonstration. Managers will be trained in assessing competency against defined standards.

Also important here is that competency can be acquired from numerous sources (e.g. life experiences) and not just from work experience and formal education programs. This means that the full range of competencies possessed by staff are more likely to be evident and therefore utilised. This process is called “Recognition of Prior Learning” or “Recognition of Current Competence” (RCC). We can establish the Current Performance Level (CPL) of an individual employee by conducting a Skills Audit against the Required Performance Level (RPL).

Advantages

- more effective job assignment and selection system;
- more equitable job assignment and selection systems;
- Potential for establishing a database of the competency pool within an organisation, which will facilitate deployment of staff and organisational flexibility.
- Creating an organisational competency inventory.

Work Involved

Short Term: Staff (managers and employees) must receive training in competency identification and assessment.

Long Term: Once training has been received, this new way of conceptualising jobs and job “fit” will be integrated into organisational process in the way non-competency based approaches are currently used.

Computerised systems need to be set-up. HRDPower software provides the best fit.

Training Need Analysis

Once managers and staff know what competencies are required to do a job and what competencies each individual staff member possesses, it is fairly simple matter to pinpoint training needs. Similarly, new competency needs across an organisation (e.g. in the area of computing, contract management etc.) can be matched against a known competency pool and future organisation wide training needs accurately forecasted.

Competency based training also means that, if assessed as competent individuals do not have to “jump through the training hoop” in order to get recognition. This is also true of the recognition process for formal certified programs from accredited education/training institutions.

Advantages

- More accurate forecasting of training needs.
- Less “wasted” training.
- Formally assessed training.
- Formal recognition in the workplace and by education institutions of the competencies held.

- Evaluation of training effectiveness is assisted by competency based training. Competency assessment will measure the amount of learning that has taken place. Competency assessment in the workplace will provide a measure of “changed behaviour” resulting from training.

Work Involved

If new job descriptions and assessment training are already in place, competency based training is a simple corollary. SMR describes their training programs in terms of the competencies the programs address. This makes selection of off the job training a relatively easy exercise.

Performance Outcomes

Current performance management systems generally include an interview to plan the expected work outputs of a staff member. However, if the job profile has been written in an “outcomes” format this planning interview becomes more efficient and less arbitrary. Expected outcomes and required competencies (including training needs) are easily identified.

HRDPower system provides reports on Employee matching for a position based on Competencies.

Similarly, if a manager has been trained as a competency assessor, the assessor skills are readily transferable to a performance appraisal scenario.

Advantages

- Shortens and simplifies the performance management process.
- Provides clearer signposts to training and development needs.
- Competency assessment skills can be used when appraising performance and are in fact likely to be demonstrably fairer than the less structured approaches currently in use.
- You can also assess potential and process 360-degree feedback.

Work Involved

Subject to the work on job profiles and assessment training having been undertaken, the competency approach to performance management will not require additional work, other than setting up the computerised system.

Examples:

Organizations tied in with the National Vocational Movements in the U.K. and Australia have pioneered the use of:

- Unit
- Element
- Performance criteria

Organisations such as Matsushita Air-conditioning in Malaysia and Wesfarmers Insurance in Australia have adopted this approach.

Irish Civil Service

They use a Behavioral Competency Menu, which includes 17 competencies categorized into 4 main categories:

- Personal,
- Thinking & Problem Solving,
- Results and
- Group and interpersonal effectiveness.

Chartered Public Accountants

They use a model that categorizes competencies into 4 areas:

- Personal attributes
- Leadership
- Business Perspectives
- Financial expertise.

Other examples

In some organizations, they have integrated both these approaches:

- Knowledge – Employment ACT
- Skill – Interviewing
- Behavior – Self confidence

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