

Competency management as a strategy for performance appraisal

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ABSTRACT

Competency is a tool widely used now in organization to improvise on performance excellence. It includes the identification of critical knowledge, skill and attitude that is to be possessed by an employee to perform his role effectively. The importance of competency based performance is very much critical in the organization in many scenarios. These competencies are mainly used to assess the employees and to evaluate their performance which may result in reward, career, culture, measurement, leadership and team based performance management.

KEYWORDS: Competency, competency mapping, competency management, and competency model Performance, Knowledge, skill, and attitude.

1. INTRODUCTION

Competency is a tool widely used now in organization to improvise on performance excellence. The degree of human resource efficiency reflects in the core competency of an organization; to what extent the organization can optimize its resources and utilize the potential market opportunities of business environment depends solely on the human competency an organization builds. It is off late that the many organizations have understood the significance of competency based management but it is still a mirage to many organizations for its complexity and intricacies of building the competencies for the organizations.

Competency management: Competency management is defined as a comprehensive human resource strategy that identifies and builds the most relevant competencies to facilitate peak employee and organizational performance. It includes the identification of critical knowledge, skill and attitude that is to be possessed by an employee to perform his role effectively. This may be categorized under the individual, departmental and organizational heads. Grouping the different level competencies may develop a competency model for the organization. The articulated and customized competency model brings out the competency based performance. The competency based performance may be better used to reward, career development, leadership, measuring performance and culture building.

History of competency management: The concept of competency was first brought forward by David Mc Clelland. He argued that intelligence tests were not valid predictors of intelligence and irrelevant to the workforce. He conducted a study on US Information Agency in 1973, Mc Clelland found that the five competencies are critical for people to become successful that are, specialized knowledge, intellectual maturity, entrepreneurial maturity, interpersonal maturity and on-the job maturity. Richard Boyatzis is a researcher who contributed significantly for the development of competency management. His studies developed 21 competencies which differentiated managers from average performers. These 21 competencies were organized under six broad competency clusters.

Table.1. BOYATZIS 21 COMPETENCIES

Competencies	Sub-competencies
Goal and action management	1. Efficiency orientation 2. Productivity 3. Diagnostic use of concepts 4. Concern with impact
Leadership	5. Self-confidence 6. Use of oral presentations 7. Logical thoughts 8. Conceptualization
Human Resource	9. Use of socialized power 10. Positive regard 11. Managing group processes 12. Accurate self – assessment
Directing subordinates	13. Developing others 14. Use of unilateral power 15. Spontaneity
Focus on customer	16. Self-control 17. Perceptual objectivity 18. Stamina and adaptability 19. Concern with close relationships
Specialized Knowledge	20. Memory 21. Specialized knowledge

The credit of giving strategic orientation to competency management is vested upon I. Hendry and E. Maggio. They proposed a competency management framework linking to organizational goal with elements of description of skills, attitudes, traits and behaviors that can be attached to pay, performance management, hiring criteria, training, organizational staffing, career development and succession planning. It also include clarification, communication, assessment and development of characteristics that focus individuals on core organizational goals, identification of characteristics and behaviors that differentiate top performers from others in relation to their contribution to strategic objectives.

Why competency based performance: Competency based performance assist the organizations to achieve their vision, mission, objectives and goals. It also paves the career path of the employees. It creates a system which may focus on developing human capital of the organization. There are studies which developed 10 significant reasons why there should be competency based performance assessment. The competency management should be adopted in the following scenarios.

1. Performance
2. Culture Change
3. Training and Development
4. Recruitment and selection
5. Business objectives
6. Career Planning
7. Skill analysis
8. Flexibility
9. Clarity of role
10. Integrating human resource Strategy

To identifying organizational objectives: Competency based performance management system will help the organization to identify the organizational objectives and communicate that to the employees to channelize their effort to achieve them.

To evaluate the human potential: Competency based performance helps in identifying and assessing the human capital in the organization. It identifies the knowledge, skill and attitude of the employees and helps in planning and developing the professional growth of the employees.

To identify the managerial objectivity: The system of competency based performance management will help the organization to assess the managerial objectivity and its accuracy in attaining the objectives.

To build consistency and completeness: Competency management in performance assessment will provide a consistency and it creates a continuation and completeness in the process.

To maximize productivity and efficiency: The competency based assessment helps in increasing the productivity by increasing the efficiency reducing the mistakes since right person is in right job.

To create a benchmark: Competency based performance evaluation fix the standard of performance.

To provide strategic advantage: A strategic approach to the management style can be achieved with the introduction of competency based performance management system in the organization. Identifying the required knowledge, skill and attitude set in the employees may create a strategic edge for the organization.

To help in change adaptation: The success of any organization depends on its capacity to adapt to the changing business environment. The competency based performance management helps the organization to adapt to any change because of its resourceful human capital. The employees in the organization with their talent will be able to adapt to the changing micro and macro situation.

To develop an efficient human resource system: The competency based performance management system in the organization helps in developing a strong human resource management in the organization. This may guide in recruitment and selection of right person to the right job, training and development may be made easier. A proper career planning and succession planning can be done and effective performance appraisal system can be developed in the organization.

To provide growth and learning opportunities: The competency based performance system will provide a good growth and learning opportunity for its employees as there will be a right blend of competencies in the employees which can be easily channelized for achieving the best result.

Importance of competency based performance: The importance of competency based performance is very much critical in the organization in many scenarios. The competencies are built in various levels like in organizational level, functional level and job level. These competencies are mainly used to assess the employees and to evaluate their performance which may result in reward, career, culture, measurement, leadership and team based performance management.

Competency based performance management helps in developing reward system that is performance centered. The three ways of achieving this is one on the base of position, ie the pay for designation. Second is that the

data based on the employees professional and personal strength which is namely the pay for person. The third is the competencies will help to reward on the base of performance in a job with the required competencies.

Competency based performance management will help to build on career plans and succession plans. The potential appraisal can be done on the basis of competencies exhibited by employees in their present job.

Competency management creates an organizational culture. It creates a climate in the organization which may adapt its employees to a visible management system. The soft skills of the employees and the work environment which will result in competency driven culture based performance management system.

Competency management assesses the knowledge, skill and attitude that is to be possessed by a leader. The competency management act as a catalyst to developing leaders in the organizational environment. It can be said that competency management identifies, defines, tests, refines and benchmarks the competency model of leadership. An effective team is build up on a strong competency management system. Competency models help to identify the factors of interpersonal skills required by employees to build effective teams.

Competency model: Steps in Competency modeling

1. Formulating objectives: The first step in competency model creation is formulating the objectives for a particular job. This may include the understanding of vision, mission and environment in which the job is operated; a complete awareness of process and the organization system, the technology involved in the job.
2. Evaluating the preferences: This step gives a clear idea in which functions of the job. The delegation of the job to the right person, selection process involved, training and performances appraised.
3. Planning competency model: This involves the transfer of objectives of the organization into models. It involves the interview process with the process owner or the job owner to understand what competencies are possessed by him and the interview with the superior to identify what are the competencies expected by the job owner to perform the job effectively.
4. Assessing competency needs: This step involves the assessment of competencies required in the organizational level, functional level and job level. The required competencies are communicated to the job owners and the feedback is taken from the job owners and the superiors.
5. Developing competency model: The assessed competencies are then charted on to different sections and create a model.
6. Testing competency model: This model is tested against their own objectives and is circulated in the organization.
7. Applying competency model: The competency based performance management will help the employees to understand the expected performance and this may be adopted across the organization.
8. Evaluating competency model: The model is evaluated on the organizational level, functional and job level.
9. Refining competency model: The model is refined on different levels to make it perfect and customize.
10. Freezing competency model: The model which is created thus on competency based performance is then finalized and the standardized competency model is benchmarked.

Competency model of its kind was first created by Pinto and Walker in 1978. The model was formulated for training and development. The main focus was on skill, knowledge and attitude to perform training and development for employees. By 1980's American Society of Training and Development researched to determine competencies required for employees in United States of America. The studies by Mc Lagan in 1989 formulated a model improved on the previous researches and finalized the model which was adopted and customized by many researchers in the study of competency mapping. The ASTD Workplace and Learning Performance (WLP) competencies model (1999) by Rothwell, Sander, and Soper is shown below. It is the recent and most comprehensive human resource development competency study that had been done in the United States. The model combines all elements from previous studies including workplace, learning, and human performance. Therefore, this model is widely accepted across the organizations in competency management system and competency model creation.

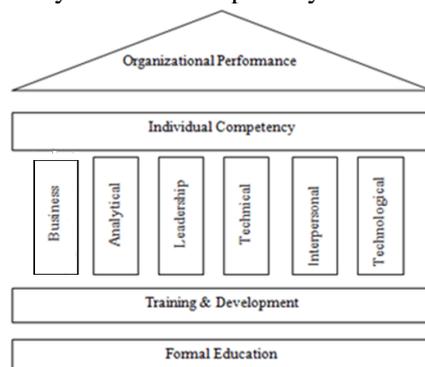


Figure.1.ASTD Workplace and Learning Competency Model

2. CONCLUSION

The studies in the field of competency based performances bring out the clear picture that competency management is giving a better result in performance evaluation of employees and effective and efficient organizational performances. Competency management system has become an inevitable process in the organization in the present business environment. It is the need of the hour to create a cutting edge in the competitive field and this has lead in creating a system where in all process in the human resource system is revolving around the competency based management system.

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