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Competencies Management - Approaches to Developing Competence in an Organization

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ABSTRACT

Organizations and their environment have changed dramatically over the past years. These changes have altered the concept of career and have contributed to the development of new models for career management. The paper at hand presents a new competence focused management approach which is called competence based management. Competence management has its roots in management theory especially in strategic development Competence management can be defined as the activity that aims to safeguard and strengthen a company's operating capability and competitiveness by means of its knowledge base. Competence management nurtures and develops a company's competencies on all levels. This requires direction, definition, evaluation, planning and development. Competence management covers all purposeful activity that fosters, develops, regenerates and produces the kinds of competencies required by a company's strategy. The prominent role of competency development in enhancing the success of employees and organizations has drawn the attention of practitioners leading them to introduce competency development as a central part of their human resource practices. The main purpose of this study is to present approaches in the process of competency development in organizations.

Keywords : Competence management, organizational competence, organizational development, Strategic management

INTRODUCTION:

Competency defined:

The term competencies have a long history, having been used in several contexts and meanings. As Zemke (1982) stated, the word 'competency' does not have a meaning per se, it depends on the sense given by who defines it. We can still, rightfully, continue to affirm these 25 years on. These differences derive not only from intellectual divergences over the meaning of competencies, but also from the influence of national cultures in which the concept is used as a guideline in the changes to human resource management practices.

The term competency is derived from the Latin word "competere" which means to be suitable. Competencies are a set of clearly defined skills, behaviors and knowledge that are used to evaluate, assess and develop people.

According to McClelland, "*competence is the knowledge, skills, traits, attitudes, self-concepts, values or motives directly related to job performance or important life outcomes and shown to differentiate between superior and average performers*".

United Nations Industrial Development Organization (UNIDO) has defined "*competency in a very succinct way as a set of skills, related knowledge and attributes that allow an individual to perform a task or an activity within a specific function or job*".

Within an organization, competency for an employee are well discussed by Sinnott et al as, characteristic of an employee that contributes to successful job performance and achievement of organizational results. These include knowledge, skills, and attributes plus other characteristics such as values, motivation, initiative and self-control. Skills are seen as _knowledge representation formalism' for which we have to build a meta-processor supporting operations such as defining, evaluating, aggregating, distributing, matching and visualization of skills. The skill model and the described skills must be understood by all participating parties in the same way. This leads to the usage of taxonomies or ontologies and a common exchange format. According to Cheetham and Chivers, effective performance within an occupation may range from the basic level of proficiency to the highest levels of excellence.

Main Components of Competencies:

A competence consists of four main components, namely,

Knowledge/cognitive competence: is defined as the possession of appropriate work related knowledge and the ability to put this to effective use.

Table1: Main components of competencies

Functional competence: is defined as the ability to perform a range of work based tasks effectively to produce specific outcomes.

Personal behavioral competence: is defined as the ability to adopt appropriate, observable behaviours in work related situations.

Values/ethical competence: is defined as the possession of appropriate personnel and professional values and the ability to make sound judgments based upon these in work related situations.

Competencies management:
Competency management, sometimes called competency-based management (CBM) involves identifying the competencies that distinguish high performers from average performers in all areas of organizational activity and using this framework as the foundation for recruitment, selection, training and development, rewards and other aspects of employee management (IDS, 1997). One trend which has taken on a growing prevalent role in the configuration of human resource practices is **competency-based management** (CBM). Rooted in the North-American context, the competencies movement has settled into most economic activity sectors and into the majority of Western countries.

Knowledge intensive management theories have over time spread in several directions. With regard to competitive success factors, the central turning point was the introduction of the concept of **core competence** in 1990 by Prahalad and Hamel. Another essential concept is the idea of **Meta competence**, meaning the competence to develop, maintain and utilize competencies. The essential idea is that competence is a strategic issues integrally tied to company success. **Competence management** has its roots in management theory, especially in strategic development. In addition, competence management has drawn on the behavioural sciences, on pedagogy, cognitive psychology as well as information technology. The main focus has been on competence as a business generator, not on competence as a question of individual competencies.

Competence management can be defined as the activity that aims to safeguard and strengthen a company's operating capability and competitiveness by means of its knowledge base. Competence management nurtures and develops a company's competencies on all levels. This requires direction, definition, evaluation, planning and development. Competence management covers all purposeful activity that fosters, develops, regenerates and produces the kinds of competencies required by a company's strategy. It is a broad concept, covering management on many levels. The concept refers to all aspects of the management system that guide an organization's competence management activities. Competence management is not only about identifying the core competencies but also about strengthening them. To achieve the latter, one first needs to identify the competencies on which the future of the corporation is to be built, and to make these visible throughout the organization by active communication. Core competencies development is a matter for many functions, e.g. process engineering, quality management, human resource management and human resource development in general.

Stähle and Grönroos (1999) consider a **company's knowledge base** to be a dynamic and immaterial phenomenon that arises from expertise, interaction and information flows. Information cannot be shared without personal exchange, cannot be useful if it is insufficient, and even the best information cannot function as a reserve for strategic growth if it is not shared throughout the organization.

A successful knowledge base strategy requires that people share their expertise with each other. The more the opportunities for contact, the more people are likely to share information with each other. And the better the quality of personal exchange, the richer will be the information that is conveyed. An analysis of such exchange will reveal the underlying dynamic of how information is transferred and flows within the units of an organization, and will also indicate how receptive a company is to innovation.

A company's core competencies:
A company's competitive advantage resides strongly in its expertise. As a strategic factor, expertise is typically studied through a company's core competencies, their creation and development, and this has opened up new perspectives to strategic management. The first strategic perspective is the idea that the focus is on core competencies as such, and not on the results that these competencies achieve. Core competencies can enable the creation of new product and service selections to meet customer demands in changing markets (Hope & Hope 1997), and they also can make it easier to enter new markets (Hamel & Prahalad 1994). The second strategic perspective is that competition is not understood as the battle for market share in existing markets, but as an attempt to establish a vision of future possibilities and their exploitation (Hamel et al. 1994), especially in relation to competencies. Furthermore, corporate management builds its core competencies by investing in infrastructure and networks that link the various functions and units of the value chain together (Stalk, Evans & Schulman 1992).

Companies must therefore also compete in the development of core competencies. In other words, they must compete not only with product quality and market share, but also with the quality of their core competencies and their speed of development.

For most companies, the core competencies can be found on three levels:

Competence in customer management.
Competence in the production process.
Competence in operations and operations development.

Approaches to developing competence in an Organization:
There are seven approaches to developing competence in an organization

The self
The coach
The certificate
The signals
The peers
The supervisor
The Manager.

The Self: Self-discipline and self-development refer to the training that one gives one's self to adopt a particular pattern of behavior. Nobody needs to tell me that I should answer other people's calls and emails within a reasonable amount of time. It is part of the behavior I have adopted myself, and that I intend to stick to.

The Coach: Coaching is the method of training a person, with the aim to develop specific skills and behavior. A coach might be able to help someone in establishing proper email usage patterns, making sure that she doesn't leave other people's emails unattended.

The Certificate: A certificate says (or *should* say) that some external authority has verified that a person has shown the necessary skills, behavior, and willingness to be able to carry out certain tasks. Like picking up a working phone and dialing a correct number.

The Signals: Signs and signals are a way to steer people's behavior by making sure that they know what they need to do. Just one hour before I wrote this paragraph I ticked off "call

back customer" from my own To-Do list. I configured the system to notify me in case I forget about such important items.

The Peers: Peer pressure refers to the influence exerted by peers in a group to encourage a person to change her behavior in order to conform to the norms of the group. The first time a person keeps me waiting I gently and understandingly remind her when I am still waiting for a reply. The second time I make sure to communicate honest and heartfelt annoyance. The third -time I bite her head off.

The Supervisor: Supervising is the act of giving instructions to people, and making sure, on behalf of an organization's management, that people are doing their jobs properly. For example: in some organizations it might be a good idea to check occasionally whether people are handling their calls and emails properly and timely.

The Manager: Leading and governing are part of the manager's job. It is about setting good examples, and about ruling and judging in case someone has acted against the interest of the organization. Like damaging the corporate reputation by completely ignoring a potential customer.

Apparently, developing competence in an organization is a concern spanning seven levels, where each level can be seen as a fall-back scenario in case the one before it fails. Competence is, in the first place, a personal responsibility. When people aren't capable of developing competent behavior themselves, they may need to be coached into it. If that coach is unavailable, or incompetent himself, development of competence can possibly be achieved through some combination of certification, properly used *tools*, and the person's *peers*. Finally, when none of this works, and a supervisor is unavailable (or incompetent as well), then the manager is the one who (rightfully) gets the blame for any business lost.

CONCLUSION:
Knowledge intensive management theories have over time spread in several directions. With regard to competitive success factors, the central turning point was the introduction of the concept of **core competence.** In an effort to adapt to a changing environment organizations are moving toward more flexible and responsive management models. The competence movement is complex and multifaceted. In this context the development of internal HR and management, development of competencies seems to be fundamental in order to effectively use CBM. Companies must therefore also compete in the development of core competencies. In other words, they must compete not only with product quality and market share, but also with the quality of their core competencies and their speed of development.

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