



A STUDY ON IMPORTANCE OF COMPETENCY IN THE ORGANIZATION

VEMULA PRADEEP

Asst Prof

Unity PG College, Bhongir

Abstract:

The word "competency" stalked up on the unwary working in the human resources field. The catalyst for its use was Boyatzis's (1982) book The Competent Manager. He triggered the popularity of the term which became de rigueur for the serious consultant in the late 1980s. Unfortunately, while street credibility demanded use of the word, few were certain in their own minds what it meant. This state of confusion has not really abated with the passage of time.

Introduction:

Competence 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. In 1970, Craig C. Lundberg defined the concept in "Planning the Executive Development Program". The term gained traction when in 1973, David McClelland wrote a seminal paper entitled, "Testing for Competence Rather Than for Intelligence". It has since been popularized by 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, 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.

The efficacy of designing organizations around job structures is challenged. Although this approach has dominated the fields of organizational behavior and human resource management for decades, a number of forces have converged to suggest that a competency-based approach often is more appropriate. In the global competitive environment which large,



complex organizations face, the competency-based approach and the capabilities that individuals need to acquire and develop should be the major focus. Reward systems, career tracks, selection systems, and the structure of organizations need to change to focus on competencies. The challenges and opportunities for research, theory, and practice development that a change to a competency-based approach raises are many and diverse. For example, new pay systems are needed, new selection systems are needed, indeed whole new concepts about what constitutes selection validity and career development are needed.

Recent specification of HR competencies has the potential to influence the professional development of all HR practitioners. It is possible, however, to master the competencies and still underperform. This disconnect may occur because current competency work reflects the perspective of top management clients of human resources to the neglect of the employee perspective. In addition, competencies have become linked so tightly to firm outcomes that normative influences in competency development are lost. To think through these issues, we examine the credibility competency for HR professionals (Ulrich & Brockbank, 2005). Focus groups confirm that credibility dimensions vary across stakeholders, with employees emphasizing trust, management emphasizing expertise and effective relationships, and top management emphasizing the achievement of results. We conclude that more broadly defined competencies for HR professionals are necessary. The importance of employee perspective in the competency development of human resource professionals.

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Benefits of a Competency-Based System for Employers

- Ensures that organization-funded training and professional development activities are cost-effective, goal-oriented and productive
 - Enables employees to achieve a high level of competence in an efficient manner
 - Records the employee's acquisition of the skills, knowledge, safety and other procedures relating to each task
 - Reduces cost overruns caused by poor performance or miscommunication of job expectations
 - Improves communication between employee and management
 - Increases internal employee mobility, providing the organization with greater ability scale and flex as needed
 - Establishes a framework for constructive feedback by management at scheduled training and performance appraisal intervals
 - Clarifies job standards for performance appraisals
 - Outlines employee development and promotional paths within the organization
- #### Benefits of a Competency-Based System for Employees
- Sets clear performance expectations for employees, enabling them to make better decisions and work more effectively
 - Gives employees insight into the overall strategy of their team, department, and organization, leading to greater engagement and motivation

- Enables employees to be more proactive beyond their individual roles, by learning additional competencies that are valued by the organization
- Provides clear direction for learning new job skills
- Offers a reference resource for day-to-day requirements
- Increases the potential for job satisfaction
- Provides a mechanism for the recognition of employees' abilities
- Ensures that individual professional development and training milestones are recorded and acknowledged by the organization

Organizational Competencies

The concept of organizational competencies is one of the most misunderstood and misapplied concepts in organizational management. Organizational competencies are often thought to be simply employee skills rather than the compelling cross company core competencies that drive integrated Business execution and management alignment.

A broader definition of organizational competencies focuses on the first word – “organizational”. Under this definition, the organization becomes the focus. It is the organization as a whole that must perform – not just an individual employee. Under this approach the organization must step outside itself and evaluate, what things it does on an ongoing, systemic basis that enables it to achieve its mission.

The Organizational category encompasses those competencies required to manage the institution's business operations. In general, organizational competencies involve coordinating work both with other institutional divisions and with external entities, optimizing use of available resources, setting short- and long-range goals, and developing the strategies and policies to achieve such goals.

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- Talent Management
- Project Management

Benefits of Competency-Based Assessment for Organizations

Competency-based assessment is a hot topic in today's corporate world. A rising number of companies are beginning to invest resources to ensure that their employees' competency profiles align with their strategic plans. By putting assessment processes in place, organizations can measure critical competencies and take steps to address areas that need development. As a follow-up to our previous post 5 Benefits of Competency Based Education for Students, we now look at several ways competency-based assessment can benefit an organization.

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EMAILID: anveshanaindia@gmail.com, WEBSITE: www.anveshanaindia.com



1-Assist in the Recruitment Process: Competency-based assessment can offer tremendous value during recruitment. It can help define important job-specific and company-related competencies that HR can leverage to strengthen selection processes. Using an employee assessment tool such as a 360 degree feedback you can identify the knowledge, skills, and behaviors required to successful perform within the organization. HR can then use this data to make hiring decisions based on the closeness of fit between an applicant and your organization.

2-Identify Job-related Development Needs: Employee development is a prerequisite to stay competitive in the global marketplace. Competency-based assessment can help evaluate your employees' competency profile against those required for their jobs and identify gaps for improvement. This data can be used to create personalized development plans that map your employees' paths within the organization. From there you will have a clearer understanding of where to focus development resources such as incentives, coaching, and training courses.

3-Support Continuous Improvement: An integral part of the continuous feedback process, competency-based assessment allows you to measure and document performance as it relates to organizational and job-specific competencies. Using a list of competencies and definitions, you can set performance standards for employees, update competency profiles as development results are received, and use this information to support evaluations and professional growth. To learn more, read How to Develop Effective 360 Degree Feedback Competencies.

4-Increase Job Satisfaction: Assessing competencies can help motivate and engage your employees. It's a great way to recognize the skills and knowledge they possess, and empower them to take control of their career development. The more competencies they acquire, the more valuable they will be to your organization. This will lead to increased job satisfaction and a higher retention rate for your organization.

The Importance of Employee Competency Development

Employee Core Competencies as an HR Tool

Competency-based assessments are not a new innovation or trend but an overall good practice to adopt. Employee competency assessments have been around long enough to have withstood the test of time and have proven to be a very useful tool for the HR professional's toolbox. Employee competencies are a list of skills and behaviors that are specific and well defined and are used to lay out an organization's performance expectations for a job or the organization's culture as a whole. There are many resources out there for the HR professional to help them develop and customize a list of competencies their organization can call their own.

Employee competencies can be used in a variety of ways. They can be integrated into performance appraisals, hiring practices, succession planning, as well as on-boarding orientations and other forms of employee communication. Competencies are a way to address both the technical skills of a job and the more difficult-to-define behavioral expectations of a



job – sometimes referred to as the “soft skills.” But, there is nothing soft about these skills and a well-defined set of competencies can help an organization better evaluate and measure employee performance.

Competency Development: Building the Skills Needed for Success

1. Tailor training resources to the needs of your staff. Before you adopt a training program to bolster existing skills sets and build new ones, you'll need to have a strong understanding of current employee benchmarks. Managers should know exactly how well-equipped their teams are for certain tasks. They should also know where employees are headed, and what they need in order to get there. Goal setting starts with the annual review process, and meaningful reviews start with solid metrics, excellent record maintenance, and sophisticated review software. Can your software track employee progress across multiple metrics from year to year? If not, it's time to switch to emPerform.

2. When it comes to training programs, discriminate carefully. Not all training modules are created equal. Once you know what your employees need, do some research and find the training resources that work for your business model, your culture, and your environment. Some modules may seem like they fit the mark, but look closer. Don't waste budget resources on a program your employees can't use or won't retain.

3. Allow your employees to guide the process. Keep communication channels open and encourage managers to do the same. That way you'll be prepared when employees request specific training and educational resources that can help them meet their personal career goals.

4. Set clear expectations and document progress. Automated solutions, such as emPerform, allow employees and managers to create competency development plans, set expectations, track progress and monitor results. Having a platform for properly documenting competency development not only keeps employees on track, but it sets clear performance goals for employees to follow and gives managers the tools needed to monitor and assess results.

Conclusion:

Competency is essential to the profession of nursing, and providing a clear theoretical definition of competency is only the first step. The competency of all nurses and healthcare providers must be assessed to provide safe care, protect the public, and maintain the credibility of nurses. Standards must be established and adhered to both in practice and evaluation of competency.

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EMAILID: anveshanaindia@gmail.com, WEBSITE: www.anveshanaindia.com



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