

205 Competency based human resource management



1. Performance management system



- Introduction of PMS-
Definition, Scope, Importance,
- Performance Planning
- Individual Goal Setting, Linking individual goals to Organization goals,
- Performance Coaching- Identification of Training
- Needs- Job Specification, Identify the Performance Gap, Training Specification, Choose appropriate training module,
- Counseling for Better Performance,
- Feedback Mechanism in Organization



➤ **PA:** Performance appraisal is evaluating employees contribution to the job.

■ Performance Appraisal (PA) refers to all those procedures that are used to evaluate the

- personality
- performance
- Potential



Introduction:

- PA helps to know the level of employees performance compared to the the std. or predetermined level.
- PA is essential to understand and improve the employees performance through HRD.
- PA useful to decide upon employee Promotion, Demotion, Salary determination.
- PA indicate level of desired performance level, level of actual performance and gap between these two, these gap bridged through – training, ex. development etc

PM: Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams.

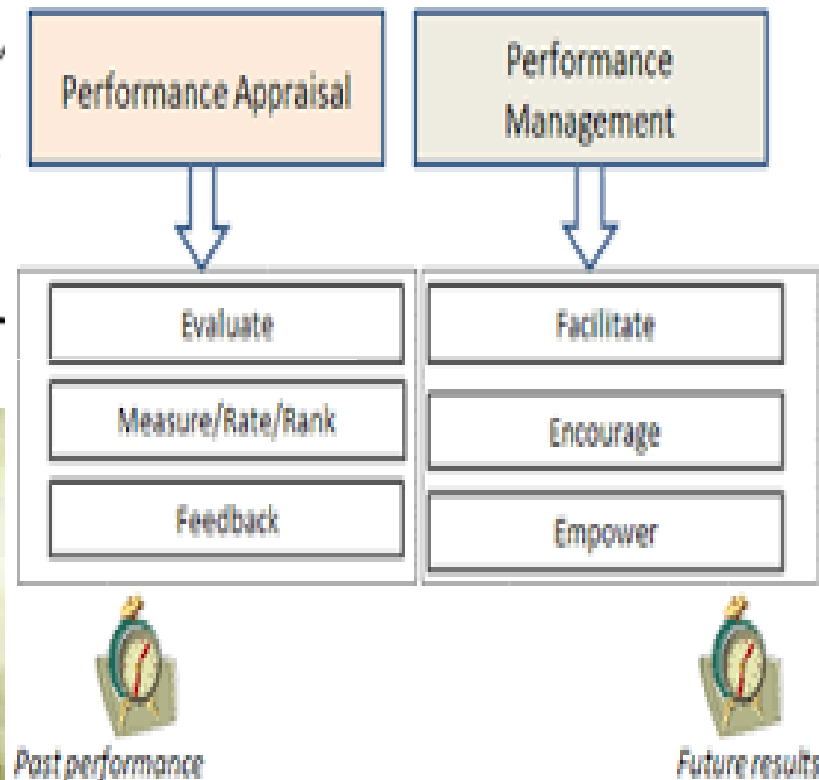
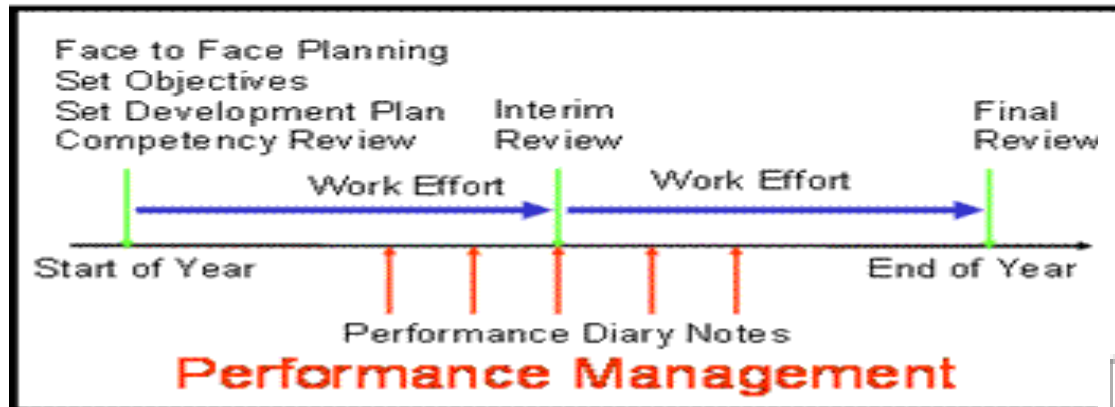
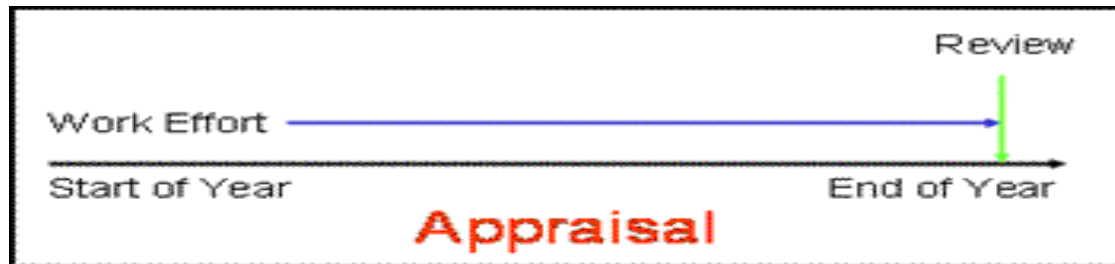


Performance Management —



- A management process for ensuring employees are focusing their work efforts in ways that contribute to achieving the agency's mission. It consists of three phases:
 - (a) setting expectations for employee performance,
 - (b) maintaining a dialogue between supervisor and employee to keep performance on track, and
 - (c) measuring actual performance relative to performance expectations.





Performance Management Vs Performance Appraisal



Performance Appraisal is an integral part of a comprehensive Performance Management approach.

Performance Management is NOT an Annual Appraisal, it is a continuous process whereas Performance Appraisal is an Annual Process.

Objective of PMS



- To confirm the services of probationary employees upon their completing the probationary period satisfactorily
- To check the effective & efficiency of individuals, teams & organization
- To effect promotions based on competence and performance
- To access the training and development needs of the employees
- To decide upon the pay rise
- PM can be used to determine whether HR programs such as selection, training, and transfer have been effective or not.

Importance of PMS



- A Performance Management System enables a business to sustain profitability and performance by linking the employees' pay to competency and contribution .
- ☐ It provides opportunities for concerted personal development and career growth .
- ☐ It brings all the employees under a single strategic umbrella .



Performance Appraisal Vs Performance Management:

Points	Performance Appraisal	Performance Management
Type of objective	Individual objective	Organization, team, and individual objective
Period	Performed annually	Continuous reviews are performed
frequency	Qualitative and quantitative	Continuous review with one or more formal review on a year
Focus	Focus on past performance	Focus on future performance
System	Monolithic system	Flexible system

Points	Performance Appraisal	Performance Management
Identification of dev. need	As per decided timeframe of org.	At the end of year
Monitoring & designing	Designed by PM/HR but monitored by respective dept. by HR dept	By PM/ HR mgmt
Ownership	By HR mgmt.	By line mgmt.
Rating system	Top-down system with rating	Joint/ participative process
Reward linkage	Often linked to pay	Does not have direct links to rewards
Linked to	Performance improvement through HR decision	Promotion, transfer, training & development

Performance Planning

- Individual Goal Setting,
- Linking individual goals to Organization goals,

Performance Planning:

- Planning for performance is the first phase in performance management.
- Performance planning is a supervisory process of **ensuring that the employee delivers quality output consistently over a period of time as per the requirements of the organization.**
- Pp defines expectations- the results to be achieved and skills, knowledge, expertise and capabilities required to attain these results.



Linking individual goal to organizational goal:



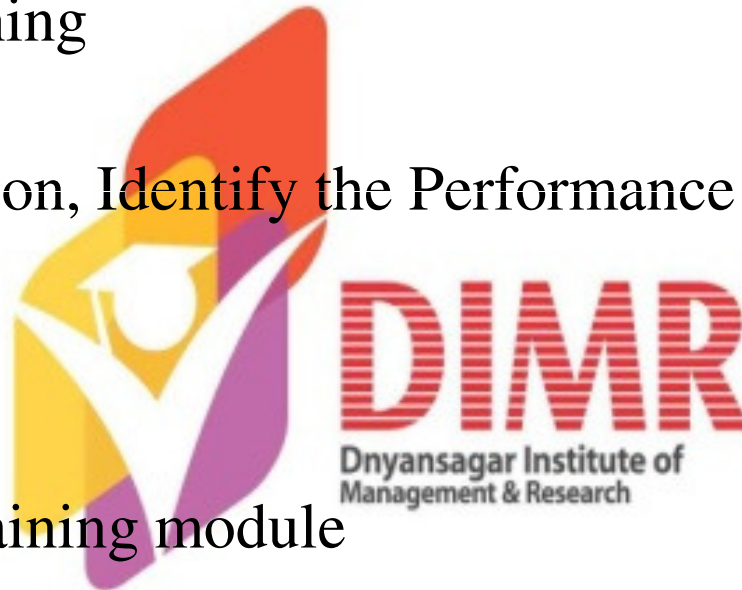
- It aimed at developing people and improving their performance by aligning personal goals with those of wider organization.
- Superior and subordinate together formulated the individual performance plan.
- helps to developing new competencies.



- **Performance Coaching-**

Superior or appraise will coach subordinate:

- Identification of Training
- Needs- Job Specification, Identify the Performance Gap
- Training Specification
- Choose appropriate training module
- Counseling for Better Performance, Feedback Mechanism in Organization.



Performing gap analysis

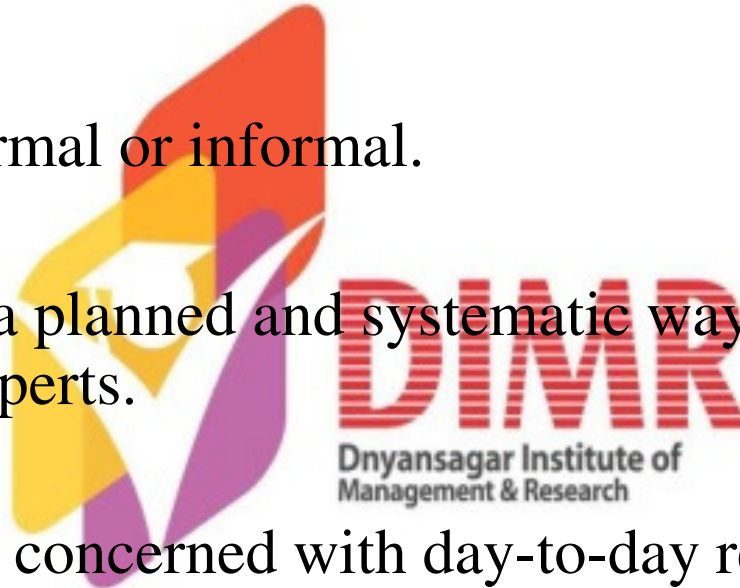
- The first step in the needs assessment process is to identify the needs.
- It is used to check the actual performance of organizations and people against existing standards or to set new standards.
- The gap between the current and the required skill will identify needs, purpose and objectives of the training.



Counselling for Better Performance



- Counseling is a relationship between two persons i.e., a counselor and a counselee.
- A counselor offers help to the counselee in related issues like problem solving, target achievement etc.
- Counseling may be formal or informal.
- Formal Counseling is a planned and systematic way of helping the subordinates by experts.
- Informal counseling is concerned with day-to-day relationships with the manager and the subordinate where the help is offered but is not as per a formal plan.



Performance Counseling:

- The process of counseling involves 3 main sub processes:
 - i) Communication,
 - ii) Influencing, and
 - iii) Helping.

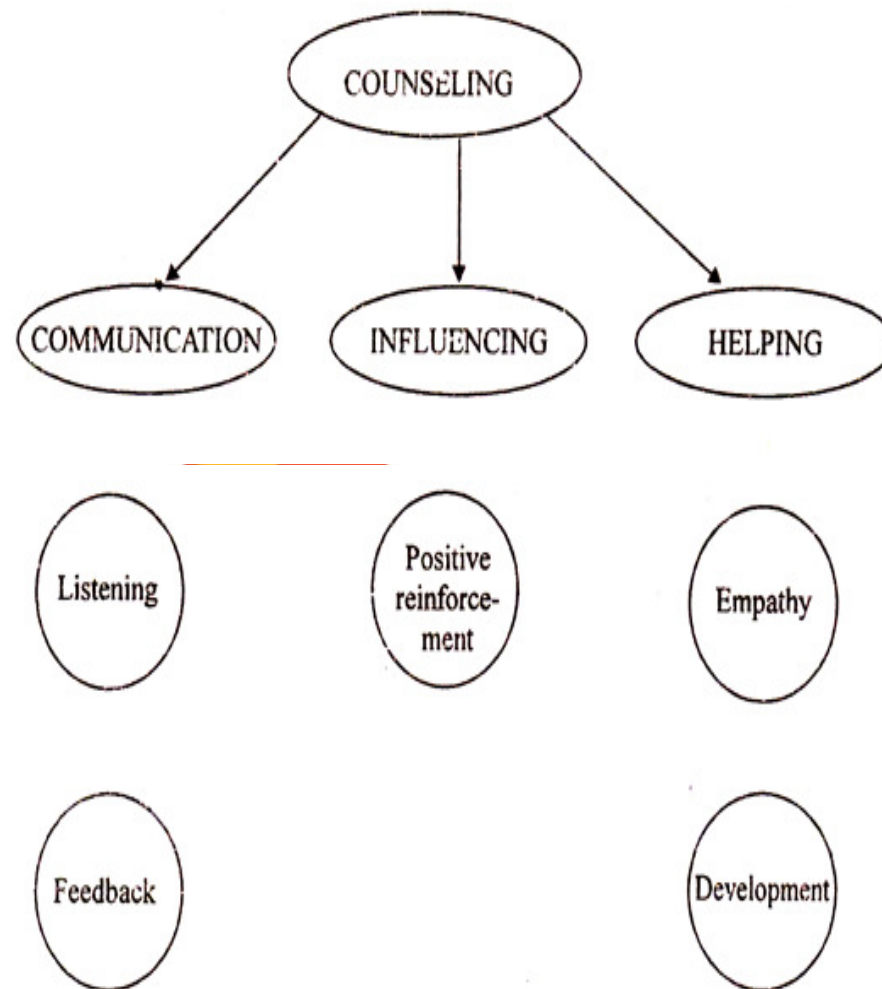
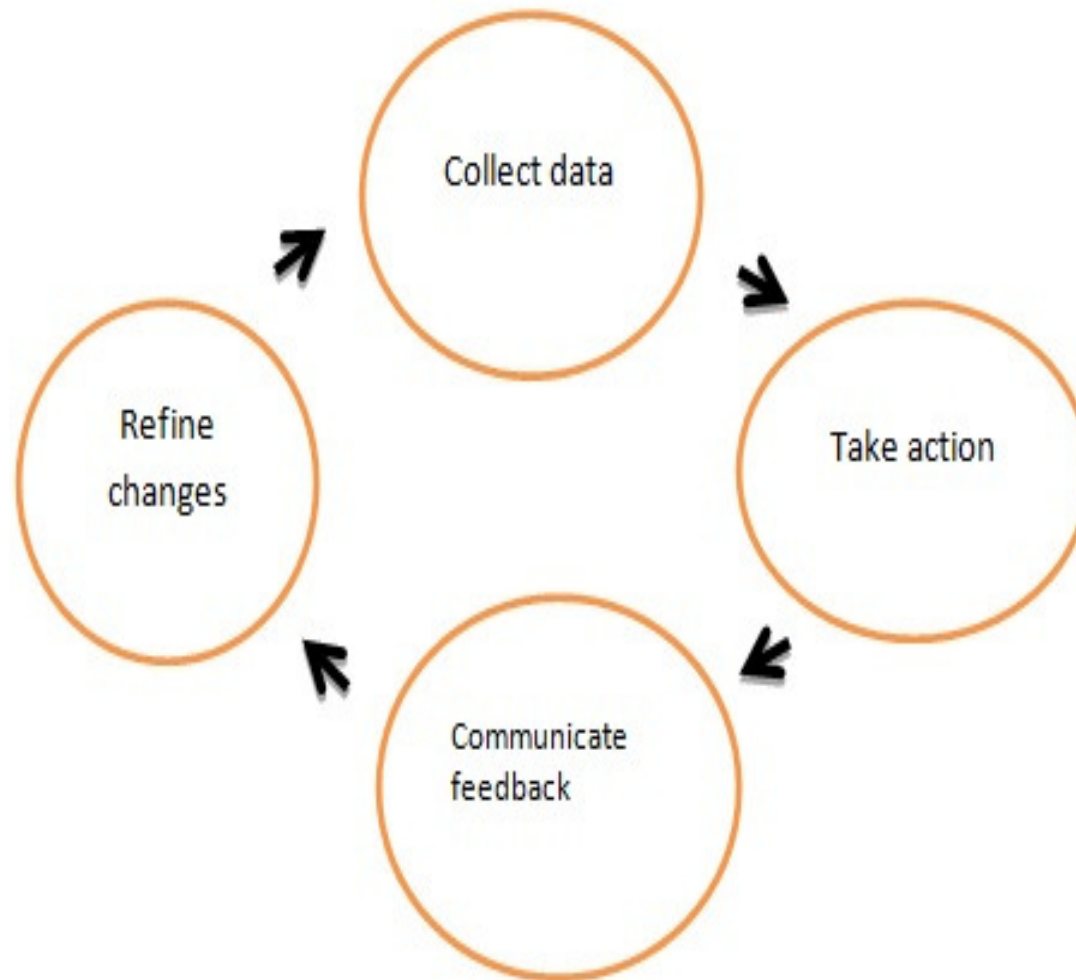


FIG 4.1: A DIAGRAM SHOWING THE COMPONENTS OF COUNSELING

- Process of Performance Counseling:
- Step I – Rapport building (climate, open up)
- Step-II – Listen with intelligence and understanding
- Step-III – Avoid being judgmental (don't criticise)
- Step IV – Define the problem (sympathy)
- Step-V – Plan the action (deficiency, training, JD)
- Step-VI – Stay alert (tackle case, new idea)
- Step-VII – Conclude the meeting (solution)

- Process of organization feedback:



- **Benefits of feedback :**

- Improves Performance. Feedback provides a clear expectation of performance.
- Improves Retention.
- Promotes Employee Loyalty.
- Decreases Costs.
- Increases Sales.



2.Introduction to Competency



- Definition and History of Competency,
- Basic Components of Competency(Knowledge(K),Skill(S), Attitude(A)),
- Performance Vs Competency,
- Difference between Competence and Competency,
- Type of Competency- Generic Vs Key Competency, Functional and Technical Competency, Leadership and managerial Competency, Need for Competency Framework,
- Limitation and Learning from Competency Framework,
- Myth about Competency



- **Competence:**

- A *work related* concept that refers to areas of work at which the person is competent **competence** is more often used to describe a person's general ability, or will describe how person will do relatively others.

- **Competency:**

- A *person related* concept that refers to the dimensions of behavior lying behind competent performer. **competency** is more often used to describe a person's ability to perform a certain task. Or ability to perform particular task & duties to the std. of performance expected at workplace.

- **Competencies:**

Often referred as the combination of the above two.

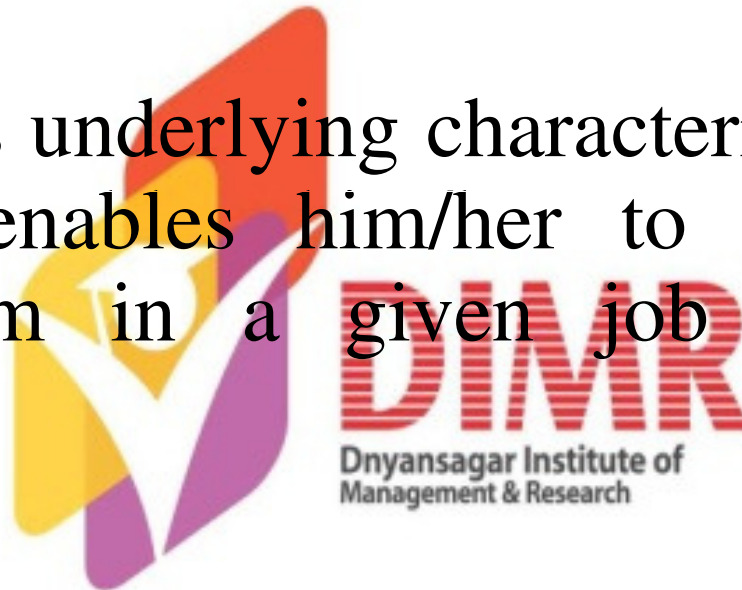
- What is competence?
- ‘the ability to do a particular activity to a prescribed standard

Or

- ‘competence is concerned with what people can do rather than what they know



- ***Concept of competency***
- A competency as defined *as a behavior or set of behaviors that describes excellent performance in a particular work context.*
- A competency is underlying characteristic of a person which enables him/her to deliver superior perform in a given job role or situation.
- The key concepts to highlight in this definition are that *competencies are observable and measurable, that they are related to excellent performance, and that they highlight behaviour.*



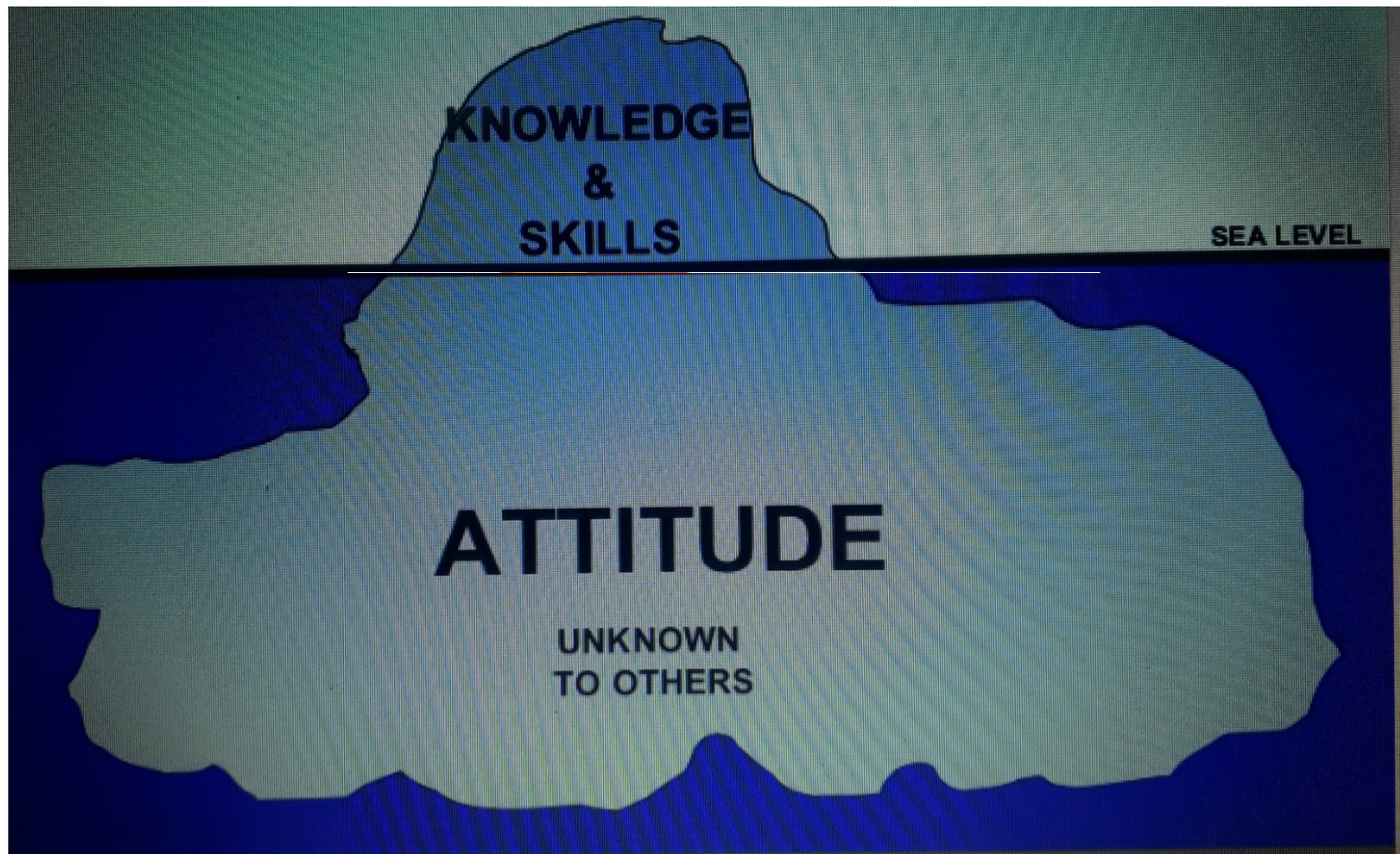
Definition:

- According to (Straka, 2005), competency comprises the entire body of knowledge and abilities or personal traits developed through learning that cannot be immediately observed.
- According to (Zydz, 2005) competency means an ability to take decisions related with the context of particular professional performance.

Only 10 % iceberg is visible and remaining 90% invisible

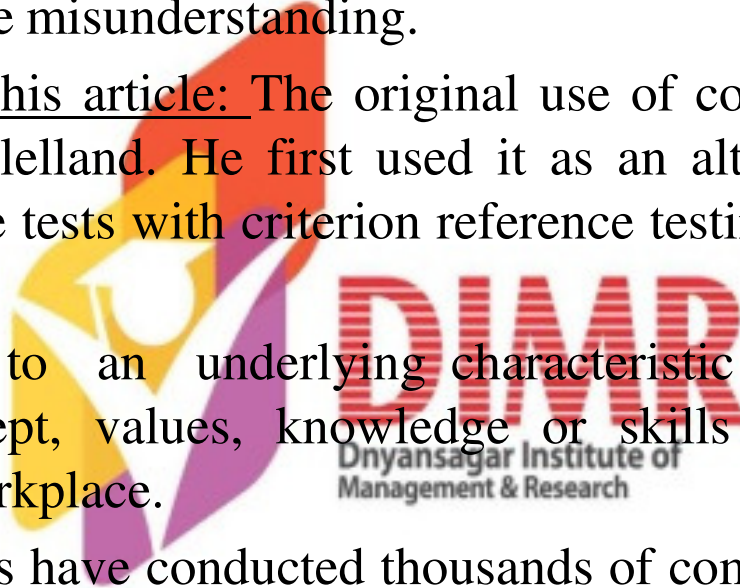


Iceberg phenomena also applicable to human being



HISTORY AND EVOLUTION OF COMPETENCIES

- The term "competence" first appeared in an article authored by [R.W. White](#) in 1959 as a concept for performance motivation.
- [David McClelland](#) wrote a seminal paper entitled, "Testing for Competence Rather Than for Intelligence".
- [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.
- David McClelland wrote his article: The original use of competencies was conceived by David McClelland. He first used it as an alternative for the replacement of intelligence tests with criterion reference testing (McClelland, 1973).
- R. Palan, 2003 refer to an underlying characteristic that describe motives, traits, self-concept, values, knowledge or skills that a superior performer brings to the workplace.
- Since that time, researchers have conducted thousands of competency studies of hundreds of jobs , worldwide



Basic Components of Competency



- *Skill :*

- *Knowledge*

- *Atitude*



Difference between Competence and Competency:



<u><i>Competence</i></u>	<u><i>Competency</i></u>
Based on the results	Based on individual behavior
Describes the feature of the job	Describes the feature of the person
Consists of the various skills and knowledge required to perform a job	Consists mainly of fundamental characteristics of a person which result in effective and/or superior performance on a job
Measured by Performance on the job/efficiency	Measured in terms of behavior/attitude
Are specifically process oriented	Are typically result oriented
Are not transferable since each skill is more specific to perform the job	Are transferable from one person to another

Type of competencies:



- *Core competencies* are those that apply across various roles with an organisation or profession – Communication and Teamwork are examples.
- *Functional Competencies* are those that apply within a particular organizational function such as HR – example – Job Analysis
- *Professional Competencies* apply to particular professions such as Accounting – Internal Audit is an example.
- *Technical Competencies* apply to technical and engineering type roles – an example is Root Cause Fault Analysis
- *Clinical Competencies* apply to healthcare roles – an example is Patient Confidentiality
- *Leadership Competencies* are those behaviours and skills that are required to successfully lead a group or organization.

The Top 10 Key Competencies



Teamwork



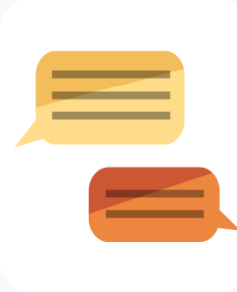
Responsibility



Commercial
Awareness



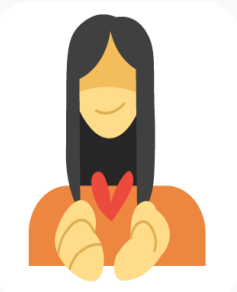
Decision Making



Communication



Leadership



Trustworthiness
& Ethics



Results Orientation



Problem Solving



Organisational skills

- Competency framework:
- A CF is a model that broadly defines the blueprint for 'excellent' performance within an organisation .
- Generally the framework will consist of a number of competencies, which can be basically applied to a broad number of roles within the organisation.
- Each of these competencies is then defined in a way that makes them relevant to the organisation.
- This common understanding then becomes the benchmark.

Example of Competency framework



Example of a Framework

care

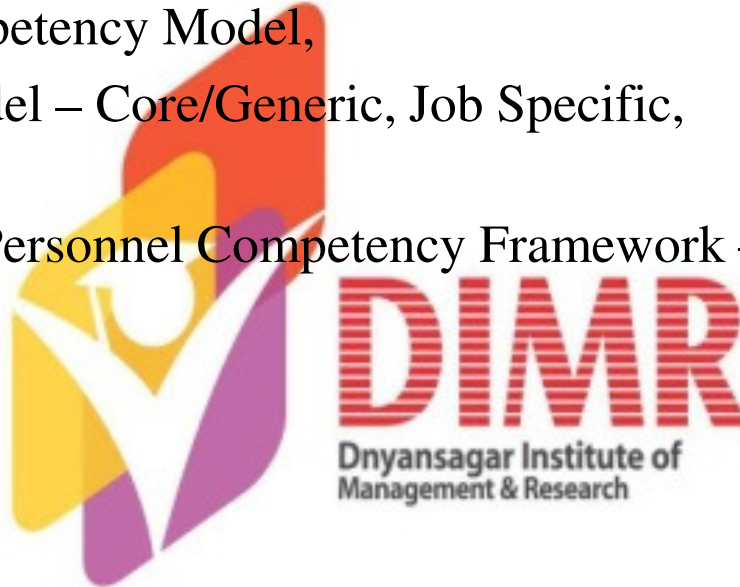


3.Competency Development & its Models

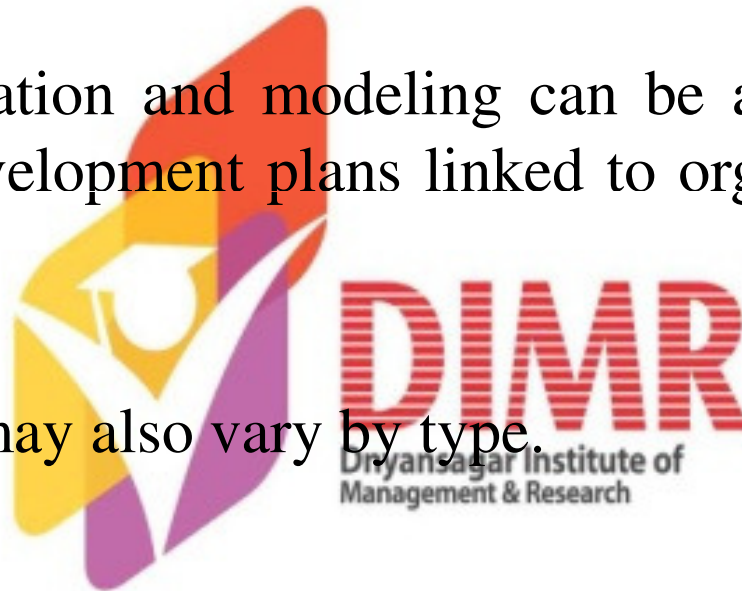


Points to be covered:

- Need and Importance of Competency Development,
- Stages in developing Competency Model,
- Types of Competency Model – Core/Generic, Job Specific, Managerial/Leadership,
- Custom, Development of Personnel Competency Framework – Lancaster Model of Competency



- A competency model is a written description of the competencies required for fully successful or exemplary performance in a job category, work team, department, division, or organization.
- Competency identification and modeling can be a beginning point for strategic development plans linked to organizational and individual needs.
- Competency models may also vary by type.



- **Need and Importance of Competency Development:**
- Identify the business need or needs that are to be addressed.
- Second, it will help the efforts of all participants to remain focused on the objective.
- Also, it will help to mould selection, training and development, performance appraisal, succession planning, compensation, etc as per need.
- Attracting top talent, retaining key employees, ensuring that skills are available to meet the future challenges, aligning cross-organizational teams to get products to the market faster and also aligning people's behaviour with organizational values and strategy.

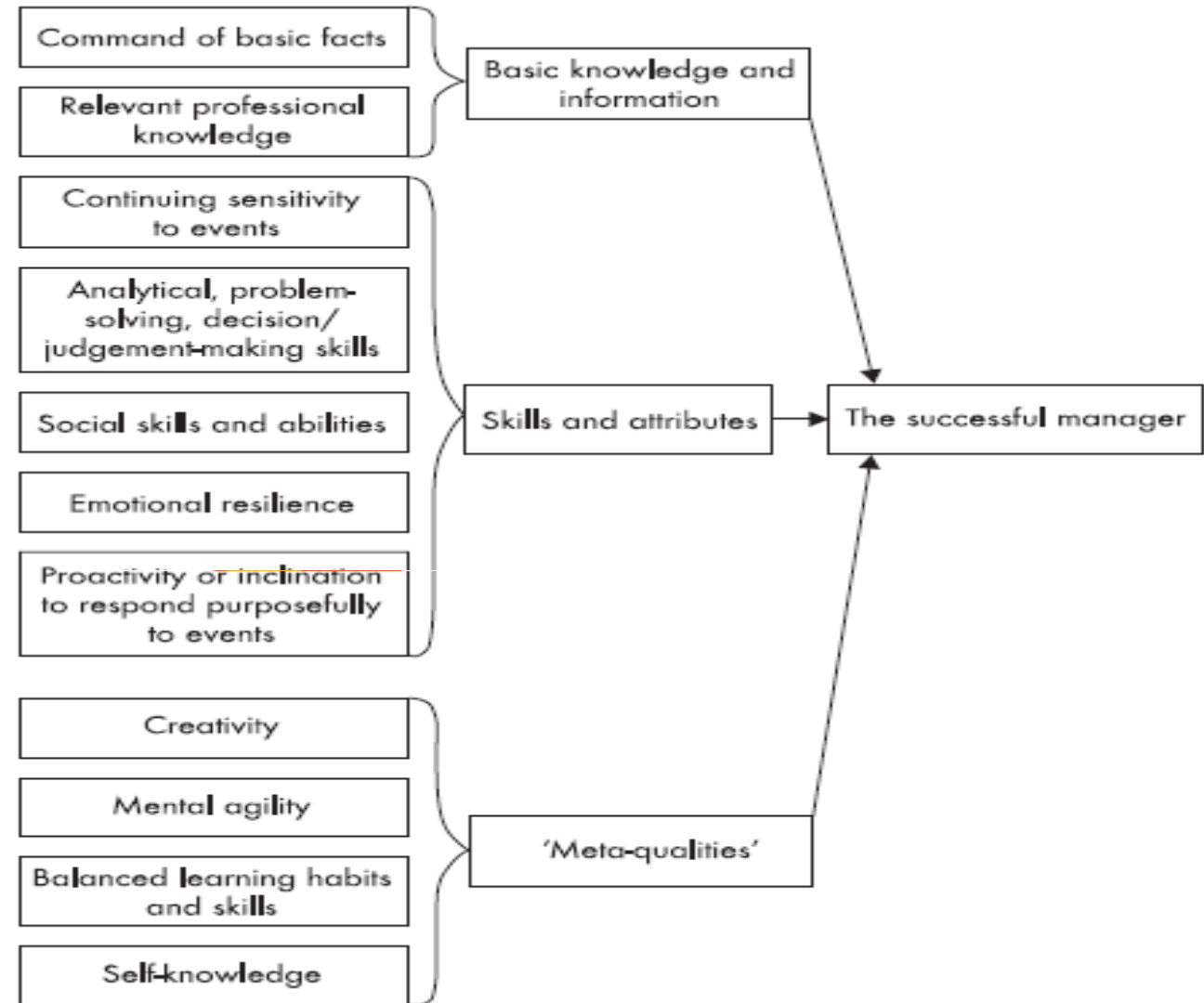


Fig: Lancaster Model of Managerial Competencies

smallbusiness.chron.com



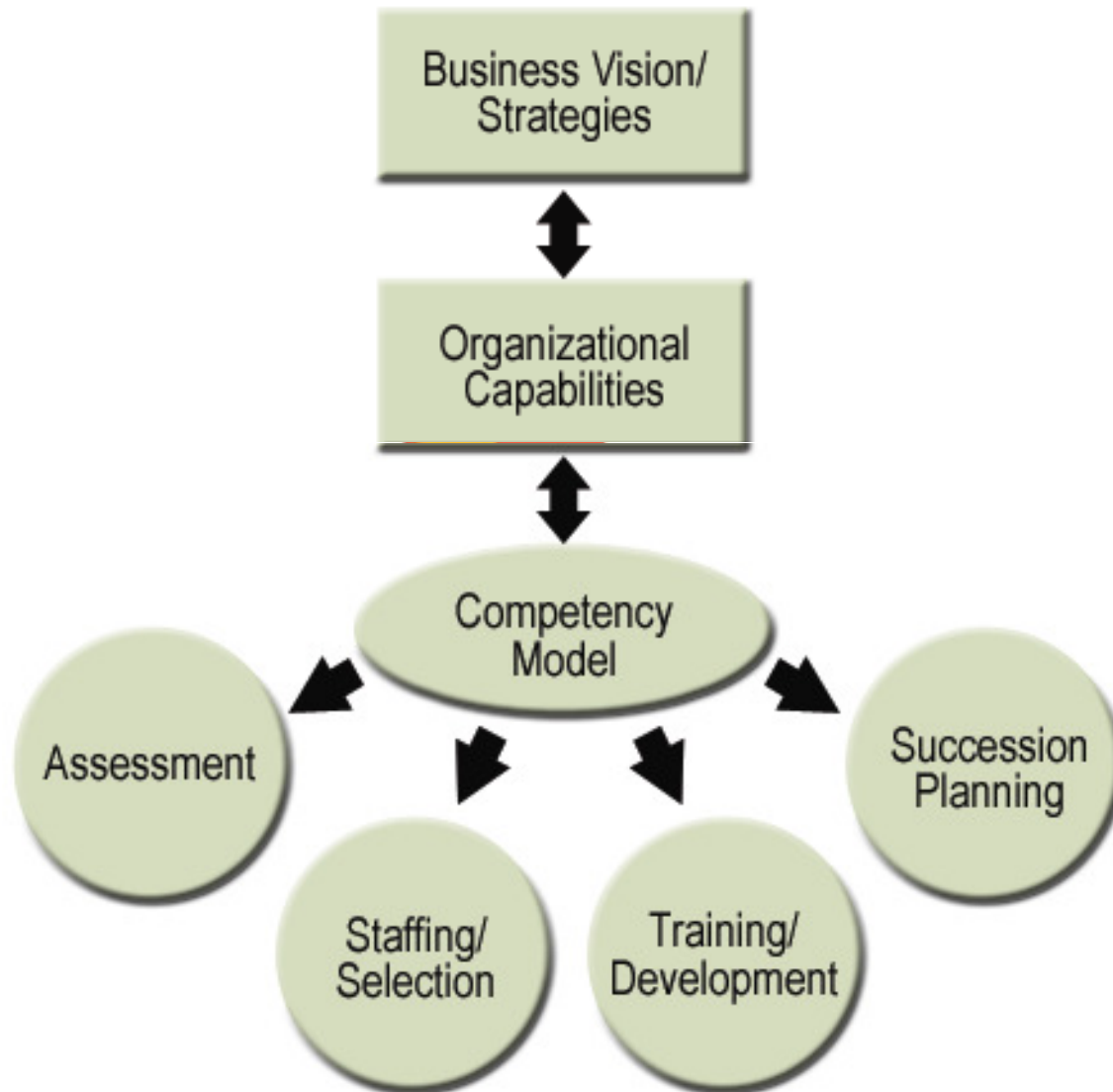
A competency model is used to define the ideal set of skills and traits required for a specific job or role...

Competency Model

- Competency model lists the competencies required for effective performance in:
 - a specific job
 - job family
 - organization
 - function or
 - process
- Individual competencies are organized into competency models to enable people in an organization or profession to:
 - understand, discuss & apply the competencies to workforce performance



Competency Model Relationships



Steps in Developing a Valid Competency Model

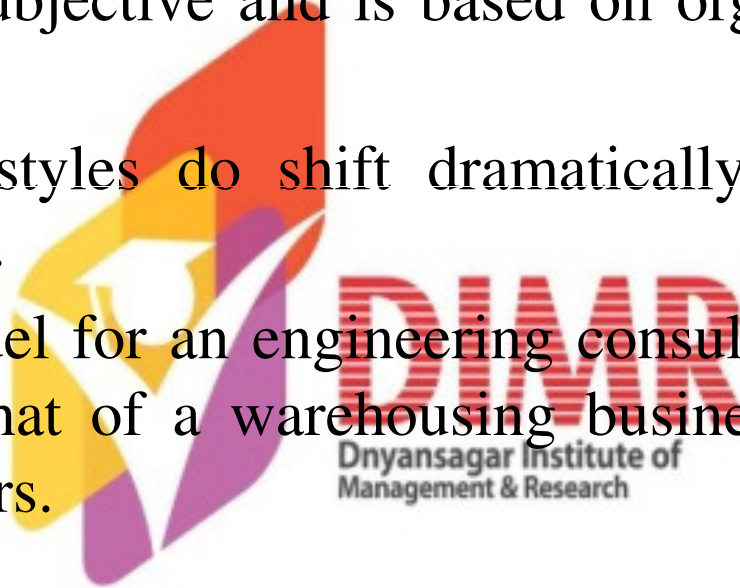


There are seven steps in developing a Competency Model:

- Step One: Defining Objectives
- Step Two: Obtain Support of a Sponsor
- Step Three: Develop and Implement a Communication & Education Plan
- Step Four: Plan Methodology
- Step Five: Identify Competencies & Create Competency Model
- Step Six: Apply Competency Model
- Step Seven: Evaluate and Update Competency Model

- **Types Competency Models**

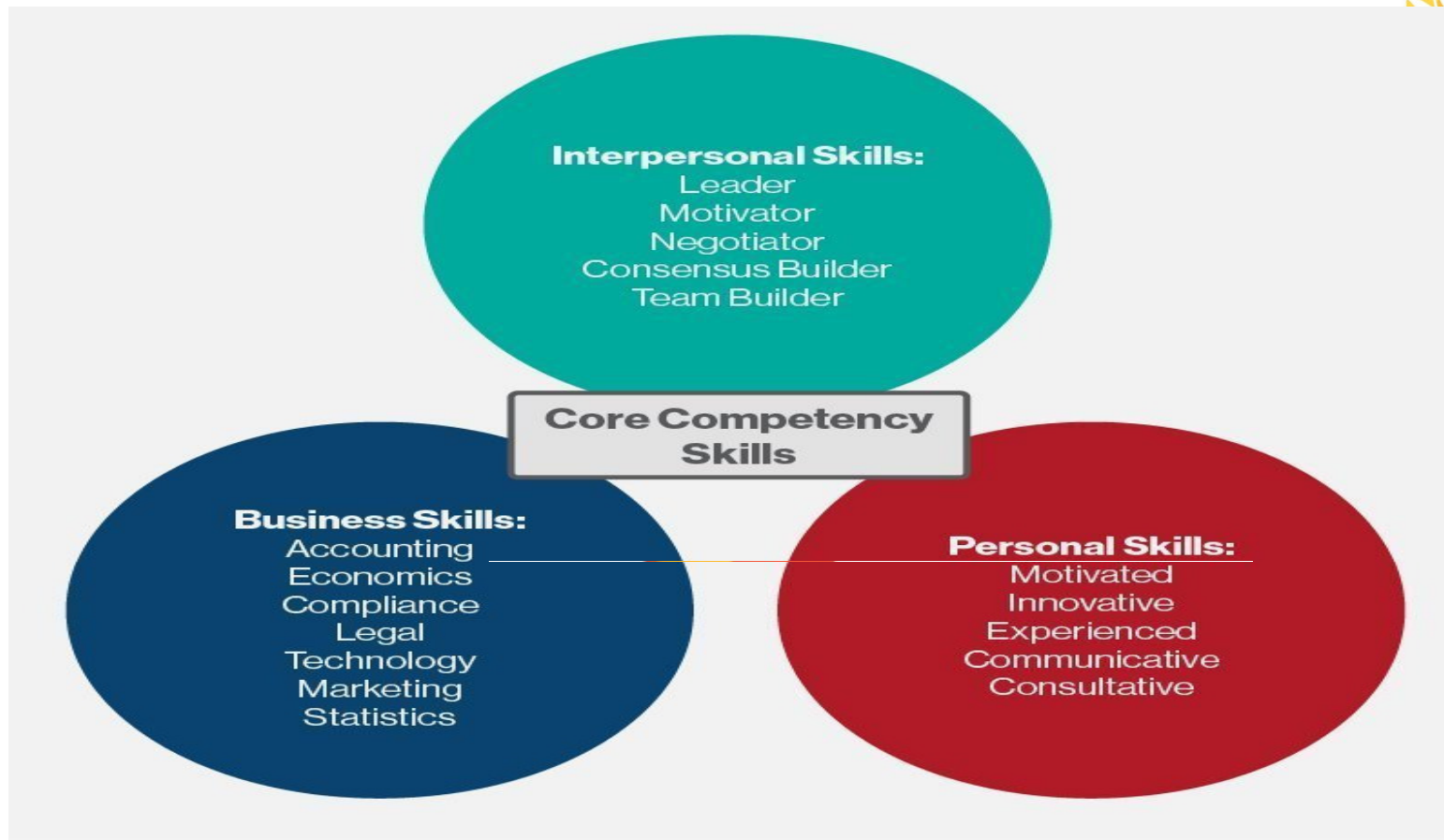
- There is no one single specific set of standards for competency models.
- Although some themes recur and often are recycled, building a model is somewhat subjective and is based on organizational goals.
- Competency model styles do shift dramatically, based on industry and job types.
- For example, the model for an engineering consulting firm is very different from that of a warehousing business that has numerous floor workers.



Comparision of Competency Models



S.No.	Categories of Competency Model	Major Characteristics	Advantages & Disadvantages
1.	Core Competency Model (one-size-fits-all model)	<ul style="list-style-type: none"> -closely aligned to vision, values, and mission -applies to all levels/ jobs -provides broad, quick, and consistent impacts 	<ul style="list-style-type: none"> -helps to catalyze changes -can be used with many groups -modest cost but long last impacts and functions -not specific to particular job -more difficult to implement -best for homogeneous work
2.	Functional Competency Model	<ul style="list-style-type: none"> -built around key business areas -applies to all employees in target functions 	<ul style="list-style-type: none"> -focused and specific efforts -considers on technical aspects -often used for a single job or positions
3.	Job/Role Competency Model	<ul style="list-style-type: none"> -applies to specific roles in organizations - identifies both core and specific competencies 	<ul style="list-style-type: none"> -unifying, useful in a team-based organizations -narrow if applied to a single job less cost effective if outdated - time consuming
4.	Multiple-Job Model	<ul style="list-style-type: none"> -provides a common set of generic competencies -can be used with several jobs for a longer period -applied to a wide range of employee groups 	<ul style="list-style-type: none"> -getting popular but most difficult to implement and explain -needs close management supports and HR champions -a quick, low-cost approach -customized for individual jobs



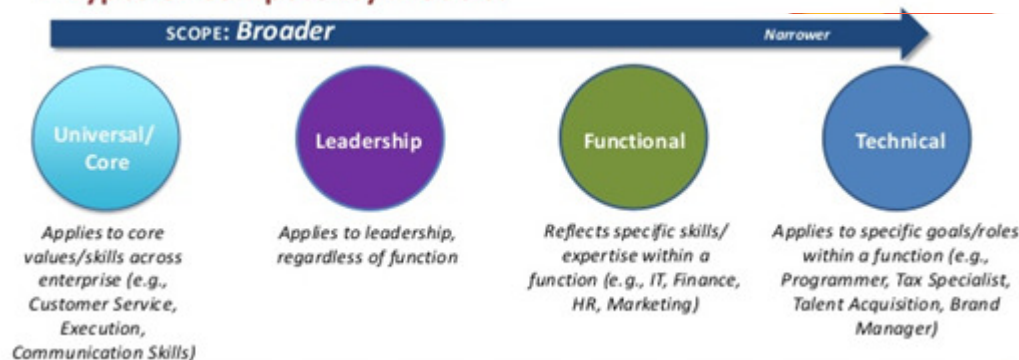
Core competencies e.g:

Entry-level Customer Answering a telephone call by the third ring, using polite service representative language, etc.

Regional Manager Resolving customer problems by coordinating cross-organizational resources, analysing buying patterns to ensure availability of products, etc.

Competency Models: Definition & Types

- **Definition:** Effective management of knowledge, skills, abilities, attitudes and personal attributes of employees to optimize business results.
- **Types of Competency Models:**



4. Competency Mapping



Introduction

Objectives,

Need for competency mapping

Purpose of competency mapping

Competency based performance effectiveness (Key Result Area (KRA) &

Key Performance Indicators(KPI)

Applications of Competency Mapping

Understanding key steps of the Competency mapping process

Steps and Tools used in Competency Mapping

Mapping Competency for Recruitment and Selection,

Mapping Competency Training and Development,

Mapping Competency Performance

Mapping Competency Compensation.

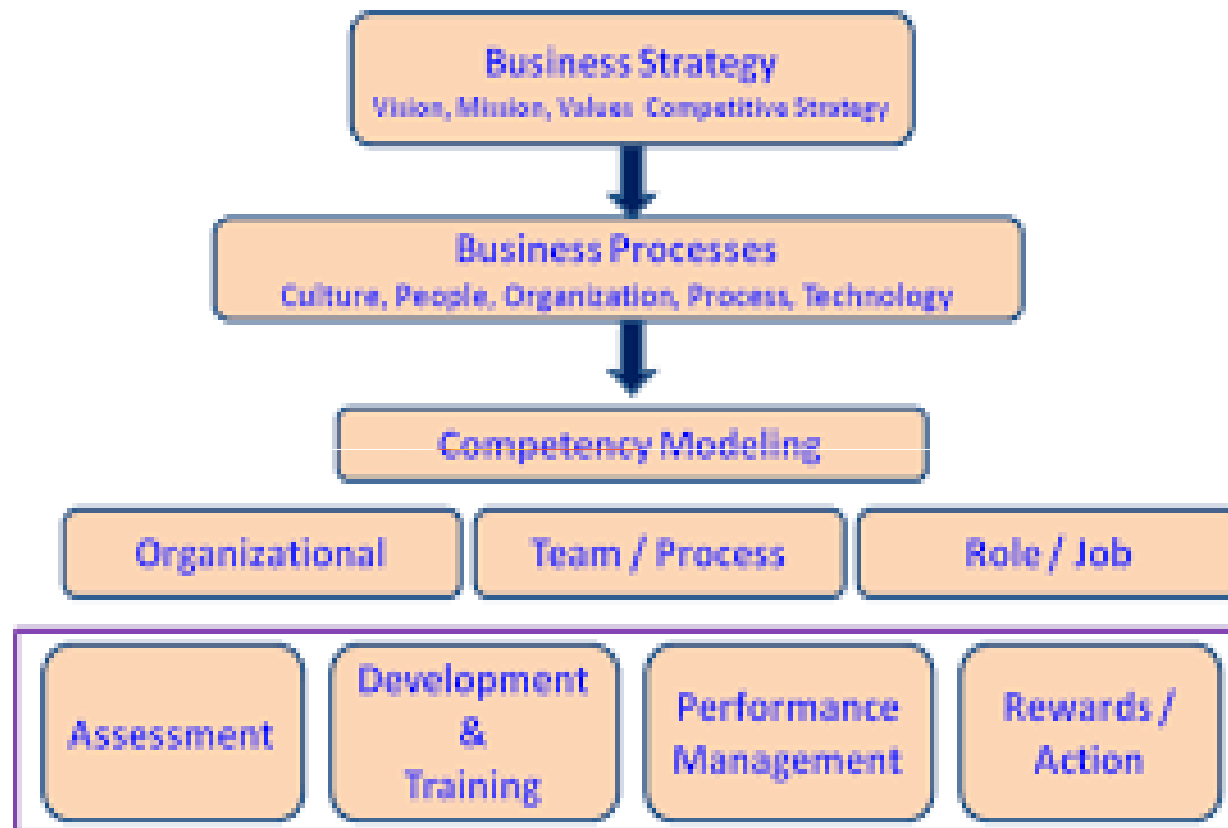


Competency mapping



Competency Mapping

- It is a process of identification of the competencies required to perform successfully a given job or role or a set of tasks at a given point of time .
- It consists of breaking a given role or job into its constituent tasks or activities and identifying the competencies (technical, managerial, behavioral, conceptual knowledge and attitude and skills, etc) needed to perform the same successfully



- **Competency Map:** A list of an individual's competencies that represent the factors most critical to success in given jobs, Departments, or organizations that are part of the individual's current career plan.
- **Competency profiling:** It is the process of identifying the knowledge, skills, abilities, attitudes, and judgment required for effective performance in a particular occupation or profession . Competency profiling is business/company specific

Need for competency mapping:



Need for Competency Mapping



Purpose of competency mapping



Purpose of Competency Mapping

- Effectiveness of an organization is the summation of the required competencies in the organization".
 - Gap Analysis
 - Role Clarity
 - Selection, Potential Identification, Growth Plans
 - Succession Planning.
 - Restructuring
 - Inventory of competencies for future planning.

Iceberg model

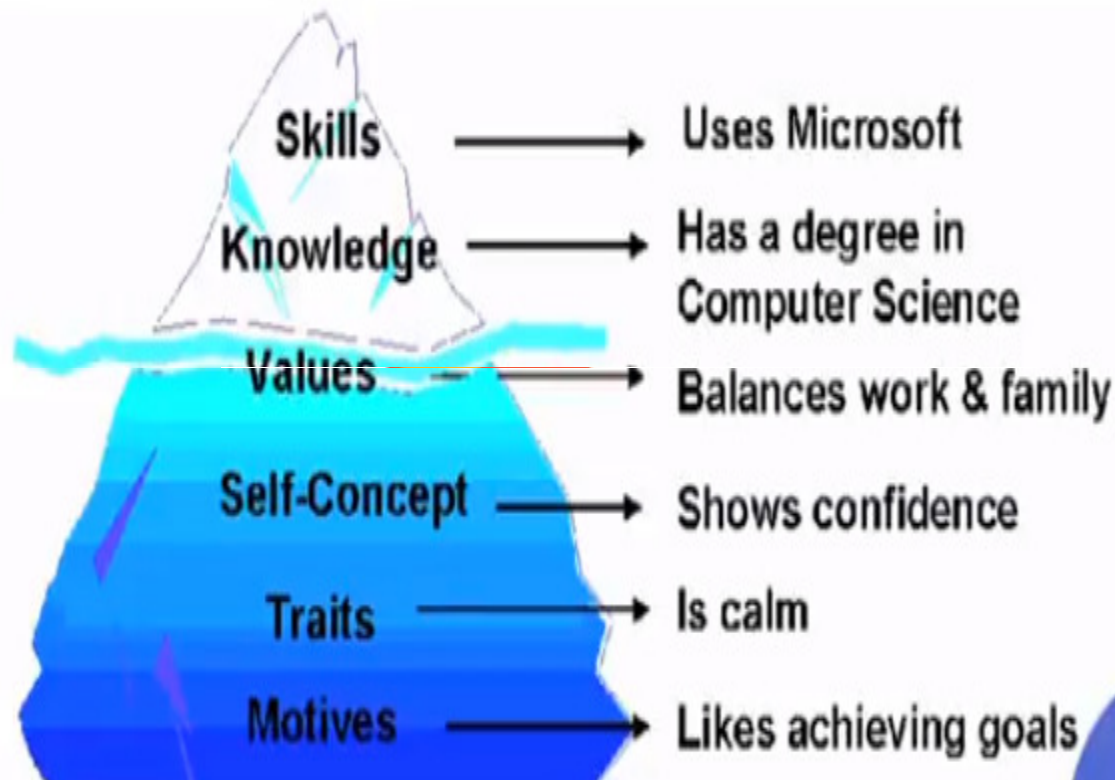


Iceberg Model

Human Competencies can be classified into two broad categories: hidden and visible competencies.

- Skills - a learned ability
- Knowledge - acquiring information in a particular field
- Self-Image - Self Concept and values
- Traits - why and how we behave a certain way
- Motives - what drives us, i.e., the need to seek achievement, power/influence, affiliation

Example of Competency



Applications of Co

1. JOB EVALUATION



2. PROJECT PLANNING



3. PERFORMANCE MANAGEMENT



4. JOB ANALYSIS



5. SUCCESSION PLANNING



6. RECRUITMENT



7. INDIVIDUAL DEVELOPMENT PLAN



1. Job Evaluation

By analyzing the key skills to required to do a job a simple job evaluation can be prepared.

It can help in allocating existing or new resources to the specific job based on the evaluation process.

2. Project Planning

What key tasks can be performed by what resources in the project can easily be identified through the competency mapping process and helps in project planning.

3. Performance Management

By analyzing any gaps the performance management can be seamlessly conducted

4. Job Analysis

competency mapping is really useful in preparing job analysis.

5. Succession Planning

The analysis of competencies required for a leadership role and mapping them with proficiency shown by potential leaders a clear roadmap for succession planning can be created.

6. Recruitment

By identifying key skills required to do the job developing a competency-based interviewing process the organizations can benefit by hiring the most suitable resources while it helps in all stages of the recruitment process.

7. Individual Development Plan

Any gaps in desired and current proficiency levels help in developing individual development plans and learning roadmap for individuals.

Understanding key steps of the Competency Mapping process

KEY STEPS IN THE COMPETENCY MAPPING PROCESS



TOOLS USED FOR COMPETENCY MAPPING

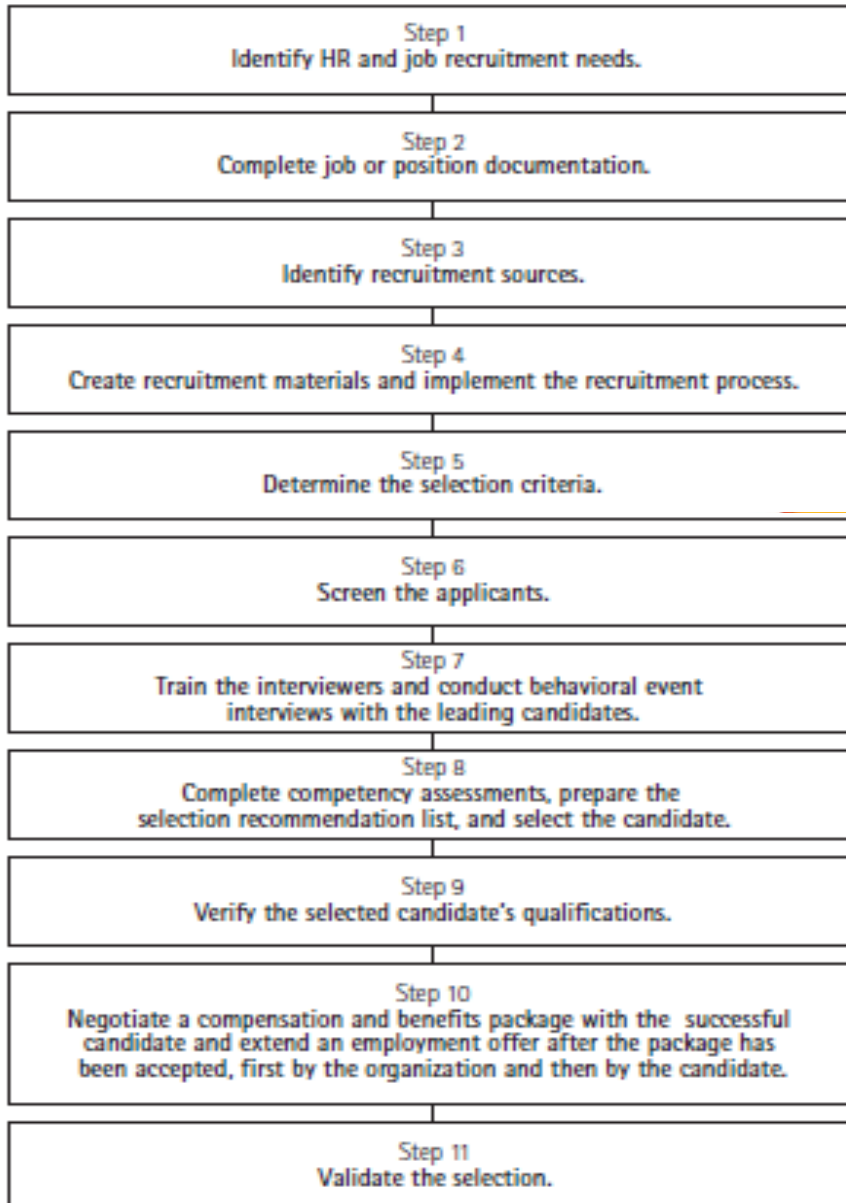


1. INTERVIEWS
2. COMPETENCY-BASED QUESTIONNAIRES
3. ASSESSMENT AND DEVELOPMENT CENTERS
4. CRITICAL INCIDENTS TECHNIQUE
5. PSYCHOMETRIC TESTS



A Model for Competency-Based Employee Recruitment and Selection

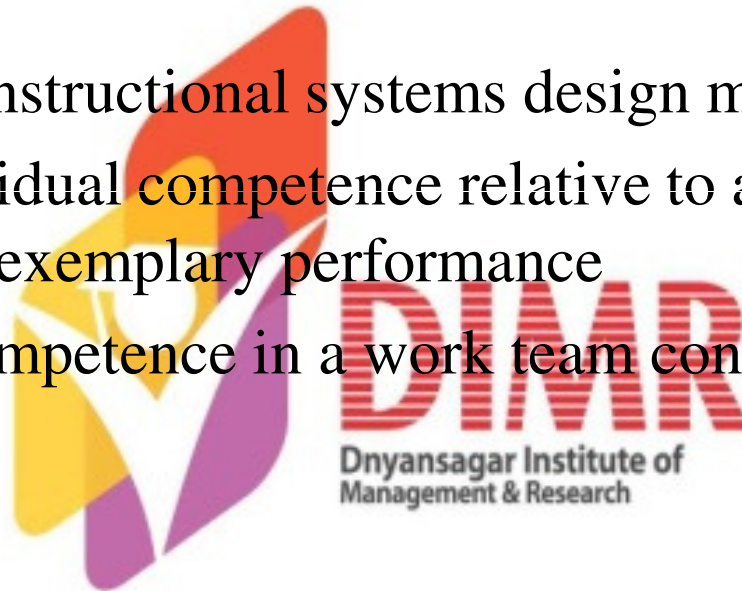
Figure 8: Competency-Based Employee Recruitment and Selection



Models for Competency-Based Training



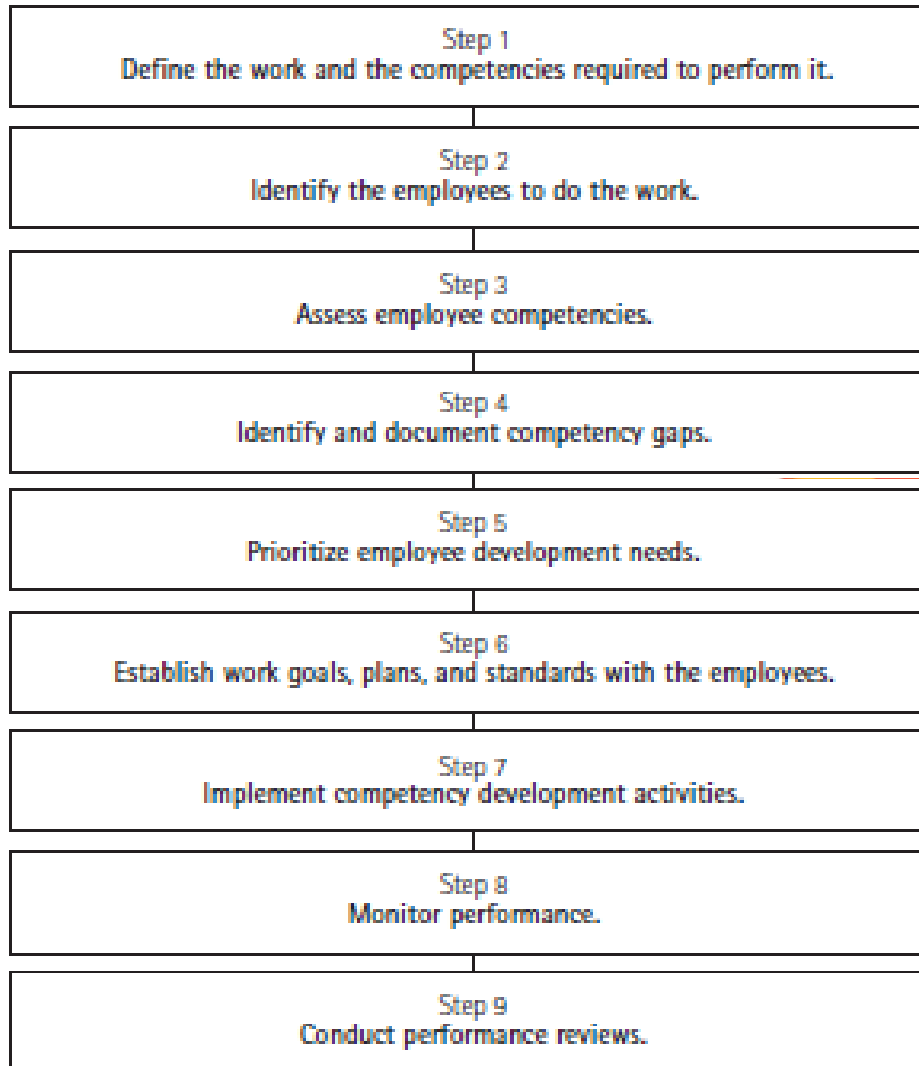
- There are three models for reinventing training around a competency foundation.
1. Reinventing the ISD (instructional systems design model)
 2. Training to build individual competence relative to a competency model of exemplary performance
 3. Building individual competence in a work team context



Competency based Performance management



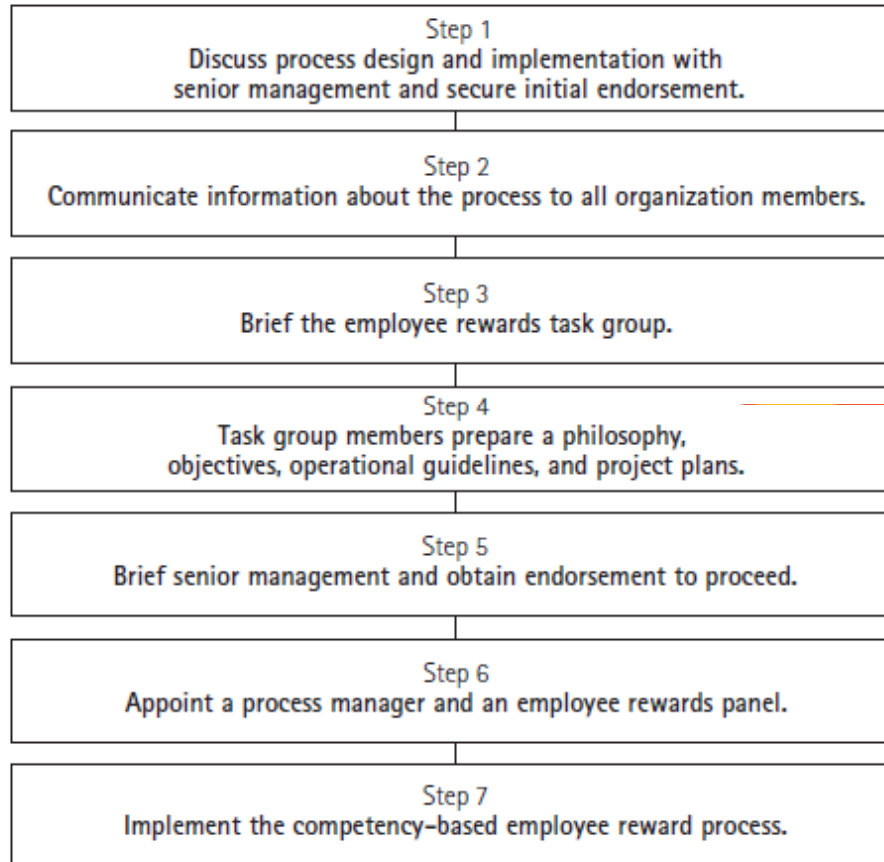
Figure 9: Competency-Based Performance Management



Competency based Compensation



Figure 11: Competency-Based Employee Reward Process



5. Competency Driven Career and Culture

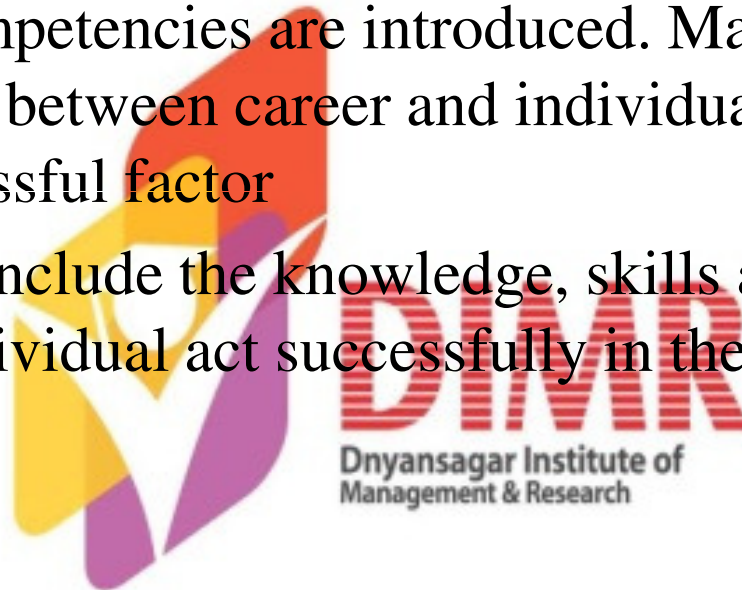


- Role of Competency in Career Progression – Transactional Competency,
- Transactional Competency and Transformational Competency,
- Evaluation of Career through KSA (Knowledge, Skill and Attitude)
- Competency based Succession and Career planning,
- Corporate Competency driven Culture.



Introduction

- Organizations should be aware of their employees' skills, talents, and abilities to move toward a satisfactory job.
- To attain it, career competencies are introduced. Many studies conform to adaptation between career and individual skills and capabilities as a successful factor
- Career competencies include the knowledge, skills and attitudes by which individual act successfully in the organization



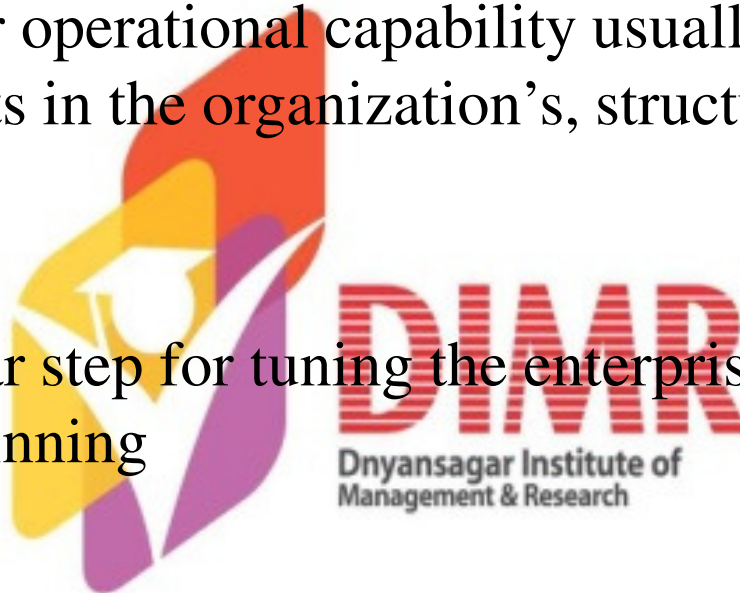
- In general, a Career Competencies Indicator is developed measuring seven areas of career competence:
 - Goal setting and career planning,
 - Self-knowledge,
 - Job-related performance effectiveness,
 - Career-related skills,
 - Knowledge of (office) politics,
 - Networking and mentoring, and
 - Feedback seeking and self-presentation



Transactional competency



- The transactional business capabilities are usually operation driven, to keep the lights on and improve business efficiency.
- Where transactional or operational capability usually makes only minor adjustments in the organization's, structure, and management, etc.,
- it often takes the linear step for tuning the enterprise machine and ensure it keeps spinning



Transformational competency

- Transformational capability creates something new out of something old, reach the new horizon out of an old vision.
- Transaction-driven operational management may be viewing things from a single side (internally) and transformation-driven strategic management takes a holistic view of things (both internally and externally) as the way of coming up with actions that will improve organizational performance and conformance in order to achieve the set goals.

Evaluation of Career through KSA (Knowledge, Skill and Attitude)



- Career assessments are tools that are designed to help individuals understand how a variety of personal attributes (i.e., data values, preferences, motivations, aptitudes and skills), impact their potential success and satisfaction with different career options and work environments.



- KSAOs are attributes needed to perform a specific job function that is demonstrated through qualifying training, education and experience.



Knowledge — An organized body of information, usually of a factual or procedural nature, which if applied, makes adequate performance on the job possible.

Examples include knowledge of:

- Federal regulations and directives
- Operational systems and procedures
- Budget and accounting principals
- Engineering practices
- Environmental compliance law
- Administrative practices



Skill — The manipulation of data, things, or people through manual, mental or verbal means. Skills are measurable through testing, can be observed, and are quantifiable. Often refers to expertise that comes from training, practice, etc.

Examples include skill in:

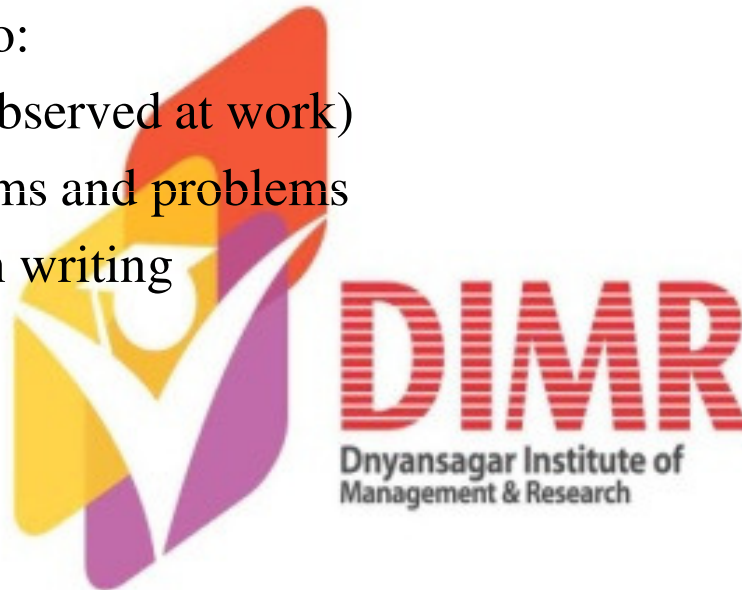
- Keyboard data entry
- Motor vehicle operation
- Computer software proficiency
- Electronic or computer repair
- Carpentry, plumbing and/or HVAC repair
- Second language proficiency



Ability — The capacity to perform a physical or mental activity at the present time. Typically, abilities are apparent through functions completed on the job. Abilities and skills are often interchangeable in KSAOs.

Examples include the ability to:

- Organize and plan work (observed at work)
- Analyze situations, programs and problems
- Communicate orally and in writing
- Coach and mentor others



Competency based Career planning



Steps to Implement the Competency-based Career Path

1. Put together a resource panel of experts on the target and feeder jobs who will set direction and specify the expected job performance criteria.
2. Define tasks and characteristics
3. Identify top performers in the target
4. Conduct in-depth interviews



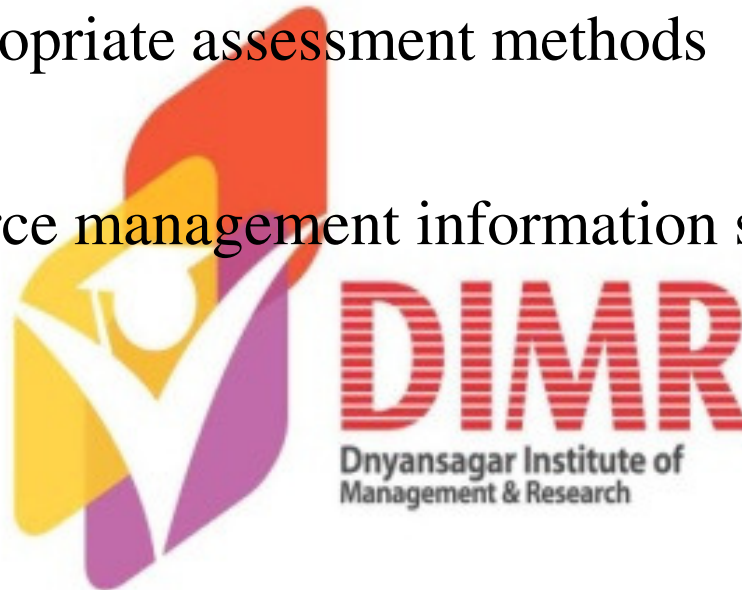
5. develop a competency model of people in the target
6. Analyze career paths by combining the survey
7. Implement the career pathing system through a number of options
 - computer-based tasks and competency inventories
 - performance and potential assessment linked to new job opportunities;
 - systematic counseling
 - career development and related training programs.



Competency based Succession planning



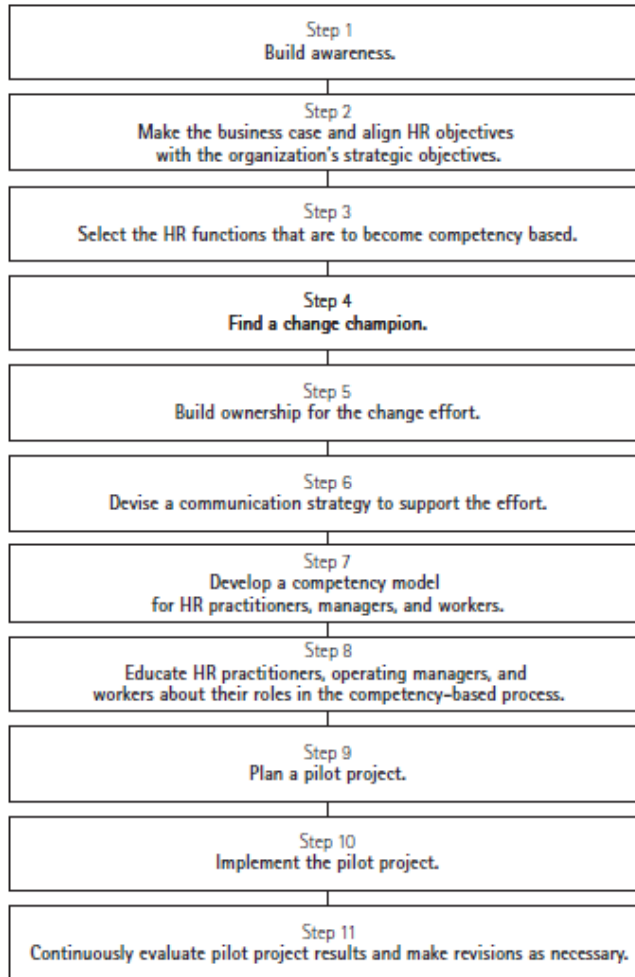
- These key steps are as follows
 1. Identify critical jobs that the organization needs to fill
 2. Develop a competency model from critical jobs
 3. Develop the most appropriate assessment methods
 4. Make the decision
 5. Feed the human resource management information system to track



Corporate Competency driven Culture- Transforming the HR Department



Figure 14: A Model for Transforming the HR Function





Thank you.

