COMPETENCY MANAGEMENT

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ABSTRACT

Developing human competence is essential to every organization. In an extremely competitive environment, human or employee competence is the most important asset and it can also give a big impact in striving for a better position in the industry. It has also been a major factor in creating trust and building extensively partnerships with most of the world's leading player in different kind of industries. This is why human competence needs to be systematically developed throughout the entire organization, using defined terminology and a competence management process. Managing competence implies staying updated on the present competence situations; defining the needs for tomorrow – link to the strategic plans and scenarios; and continuously taking action to fill competence gaps. It also encompasses the active areas that need to be addressed; competence requirement, present competence, and gaps, plan and actions. Everyone must state his or her goals and objectives that need to be fulfilled. They are responsible for ensuring the right competence to reach these goals, considering the organization's changing needs. This means that they must specify the competence requirements within their operations.

Key words: Competence, Employee, Training.

INTRODUCTION

Managing competence implies staying update on the present competence situation; defining the needs for tomorrow-linked to their strategic plans and scenarios; and continuously taking action to fill competence gaps. It also encompasses the active areas that need to be addressed: competence requirements, present competence, and gaps, plan and actions. All line managers; project managers and process owners have goals and objective to fulfill. They are responsible for ensuring the right competence to reach these goals, considering

the company's changing needs. This means that they must specify the competence requirements within their operations.

In the book entitled "Designing Competence-Based Training" by Shirley Fletcher, she defined Competence as an underlying characteristic of a person, which result in effective and/or superior performance in a job. Meanwhile in other book entitled "Quality and Competence" (1993), she defined Competence as a competent individual able to perform a work role in a wide range of settings over an extended period of time.

For Gary Hamel and Aime Heene, in the book "Competence-Based Competition", they defined Competence as a bundle of constituent skills or technologies, rather than a single discrete skill or technologies. For example, the competence Federal Express possesses in package transport and delivery includes bar-coding technologies, linear programming skills and many more. A core competence represents the integration of a variety of individual skills.

Important keys to success for organization is their ability to be sensitive to their customers' expectations and their capacity for quickly adapting to new business developments. The most important factor to this effect is competence. A key aspect is to identify the organization's strategic competence competence required for business in the long-term perspective and critical competence. Critical competence is the competence required for business success in the short-term perspective. To maintain a competitive edge, the requirements have to be progressive and based on the future as well as present needs.

The present level of competence should be assessed both from an organizational, as well as from an individual perspective. On the organizational level, the managers are responsible for having a clear picture of the present competence situation and for breaking it down to an individual level. On the individual level, each employee is responsible for requiring the competence that is appropriate. Planning and development discussion can be used for individuals' assessment, where the managers and employees come to an agreement about the present situation. Based on the organizations and the individual present level of competence and on the competence requirements, the competence gap is defined in order to develop a competence requirements plan. This plan must be regularly viewed and updated.

The purpose of having competence management is to ensure the competitiveness of organization by securing the required competence. All managers are responsible for reviewing organizational as well as individual competence needs and for the establishment and fulfillment of development plan concerning critical competence issues within their field of action. The employees will be involved in assessing their own competence and discussion about desired or required competence development.

LITERATURE REVIEW

Dickinson in his book "Effective Company Training" (1973) states that management development and management training are inevitably close; however, the two activities are not identical and should identify requirements for management personnel, review the performance and potential of employees in the light of these requirements. He also added that the key to an efficient organization lies in the strength of its directors and managers. It is for them to see that they have the knowledge to take the decisions and the resources to see that these decisions are carried through effectively and economically. This means they must be prepared to change not only their methods of production but also their methods of management. It also implies that they must also be up to date with the latest techniques.

Beardwell and Holden in their book "Human Resource Management: A Contemporary Perspective" (1994) define performance management as a planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization. The loss of employees in whom considerable sums have invested in training and development influence some employers to concentrate on training in areas which are specific to their organization, while the 'poacher' organizations use money as an attractor and invest little or nothing in training their employees.

In his book "Personnel Management", Bottomley (1988) states that training course can play a useful part in manager training, t is important that the precise contribution which they can make to skill and knowledge development is appreciated and their limitations understood. A company gains from a manager's attendance on a course only if he requires the particular training offered by the course, accepts the need for training, and is encouraged to apply it to work.

Fletcher in her book "Quality and Competence" (1993) states that the development of an effective in-company competence-based assessment system should be based on employee involvement and, therefore, the establishment of ownership. The operation of a competence-based system utilizes assessor networks to monitor quality. Individuals and teams each have details of the standards to be achieved and opportunities to discuss effects on quality though continuous assessment, feedback and coaching.

In their book" Human Resource Management for Southeast Asia", Torrington and Tan Chwee Huat (1994) stressed that one's ability to do the job may be enhanced by an emphasis on strengths and an understanding of what changers are needed. We are all anxious to do our job well, as our self-esteem is largely based on the

position we hold and the effective use of skills is a fundamental source of human satisfaction.

Fletcher (ibid) also recommended that the key aspects of identifying competence should always relate to their assessment. There is little point in the role holder defining competence if they cannot be assessed or if their definition leaves interpretation open and, thus, affects the reliability of assessment. Related to this is the need to express competence in language, which will be understood by all users. Guidance on writing competence statements can be found in a variety of publication, some of which are listed in the reference section.

The concept of competency need are also expressed in the book "Competency based Human Resource Management" written by Mitrany, Daniel and Fitt (1992) which states that organizations in the future will be flatter than those of today. Networks of 'empowered' workgroups will replace traditional hierarchical relations. Information will be at everyone's fingertips rather than being available only to those at the strategic apex of the organization. Careers will increasingly become a sequence of different assignments rather than a sequence of different job titles representing a climb to the top. The organization of the future will be built around people. There will be much less emphasis on jobs as the building blocks of organizations if we are using people as the building blocks of the organization then what they bring to the job in other words their competence becomes crucial.

Beardwell and Holden (ibid) in their book, "Human Resource Management: A Contemporary Perspective" explain that for training to be effective it is, therefore, necessary to discern the training needs only of the individual and the group but how their needs fit the overall organizational objectives. As we have suggested already, achieving this may be more difficult than it appears.

Mabey and Graeme Salaman (1995) also stated that if agencies are to succeed, they will need a supporting management development strategy that includes techniques for managing careers within agencies for all civil servants. Agencies will also require clearer management objectives. However, given the doubtful utility of the value for money concept, as well as the inseparable link between policy formulation and the delivery of a service, it seems unlikely that the objectives will ever become clearer. An ideology of managerialism based on efficiency is not enough in motivational terms. There must also be a commitment to the public good, because unless there is a moral purpose to public policy, it has no intrinsic worth.

All the writers on the topic have explained how importance it is for an organization to continuously provide training to their employees. It also expresses the importance of competence in the workforce in order to ensure a success in the

organizations. Employees training and development is a vital factor for the business growth and development.

MANAGING COMPETENCIES

Almost all organization wanted to offer their customers solutions that are better adapter to customers need than those offered by our competitors. In order to achieve this they must always be prepared to change quickly. A way to achieve this is by actively recruiting, developing and retaining high quality personnel. The ability to quickly adapt to new business situations is an important key to success for both organizations and individuals. The most important factor to this effect is competence. Therefore, organization in now actively encouraging continuous development, and provides employees with opportunities to improve their ability to adapt to and benefit from change. It is also essential to define the need for tomorrow as they are linked to organization strategic plans and scenarios, and to work constantly on filling competence gaps.

Every organization strives to create a dynamic world wide human resource that will enable them to benefit from change, thus, generating a competitive advantage. This will help them to fulfill an important part of their quality policy, "to always exceed our customers expectation". In the ever-increasing pace of development, it is competence not position that forms the basis for job security. Organization wants to offer their employees the chance to develop their competence in relevant areas; so that they can stay in demand. This is called "employability".

Competence can be defined as to acquire, use, develop and share knowledge, skills and experience. From the definition, it can be explained that for all employees: -

    a.   They all need knowledge, skills and experiences to perform their jobs

    b.   They have to acquire them and to be of any value and they must use them

    c.   In a rapidly changing world, they must also constantly develop their knowledge

    d.   As they are all part of an organization, they should also share their knowledge, skills and experiences to optimize the benefits that they can provide.

At every organization, the level of competence needed are classified as the core competence, strategic competence, critical competence and key competence. *Core Competence* can be defined as a special skill or technology that creates differentiable customer values. It is difficult for competitors to imitate or procure.

It enables a company to access a wide variety of seemingly unrelated markets by combining skill and technologies across traditional business units. *Strategic Competence* is known as the competence related to business success in a long-term perspective. *Critical Competence* is the competence related to business success in a short-term perspective. *Key Competence* is the vital few competencies required for business success in short and long term perspective.

The concept of competence management states that every organization needs to know the type of competence that they will need in the future and what competence they have today, so that they can define, and fill the gap. It is very important if they could express competence in an understandable way and for the purpose of the Competence Model. As far as responsibility is concerned, it is the responsibility of each employee to actively seek out development opportunities on individual basis. However, management has the overall responsibility for making this possible. All employees must know what future competence needs will be and this competence is needed, to be able and motivated to take on the responsibility for their own development.

THE COMPETENCE MANAGEMENT PROCESS

In order to support Competence Management, there is a process defined at a comprehensive level. The purpose of this process is to show the flow from market requirements to customer satisfaction also needs to be supported in the competence management and to give a structure to the activities and show the links and the context in which the activities are to be performed. The process is linked to the Organization Strategic Planning (OSP) process and there by used on yearly basis. Furthermore, its basic structure can be used within other time frames, for instance, by teams or projects. This Competence Management process is reviewed regularly and is subject to continuous improvement.

The competence management process focused on four major aspects. These are called sub process for the purpose of competency measurement because it indicates what is the trainings, skills or knowledge needed in order to equip the employees for future challenges. The sub processes are:

i.   *Analysis of future requirement*
     All sourcing of competence is based on customer and market needs, on feasible technology, on products and services in demand and on the activities of our competitors. Data collected from these forms the input to the sub process analysis of future requirement. An analysis should be linked to the OSP process, in which the management is responsible for defining the objective regarding future business and deciding on strategies. Within this context, competence must also be addressed. There are two main areas to be considered, first, is critical

competence and the second, is strategic competence. The output from this sub process is a description of the competence that will be required, both critical and strategic.

ii.   *Analysis of the present situation*
      This analysis should focus both on organization and on individuals. The input must reflect this and may cover from an organization perspective, resulted from Total Quality Management (TQM) assessments. Management Planning (MP) and other surveys such as compass. From an individual perspective, there could be input from Planning and Development Discussion and from competence profiles. The output from this sub process is a description of the present competence situation.

iii. Gap analysis
      Gap analysis should emphasis the most important gap between the present and the requirements for the future. A gap can represent competence that we lack but it could also include competence that we need less of. The output from this a description of the competence gap

iv.   Sourcing the competence
      This sub process consists of ordinary competence development and sourcing activities such as activities that already perform on a regular basis throughout all of organization. The difference in approach, though, when it put into a process flow, is that we appreciate the necessity for analysis. The gap should be defined first, based on through analysis before deciding on the activities to fill it. Once the gap has been identified, we have a number of options to choose from concerning how to fill it.

The output from all the sub processes is an organization and individuals with new competence. As time goes by, this output will become new input to the sub process "analysis of the present situation". The competency are divided into the three main areas which is professional or technical competence, human competence and business competence. The competency is measure by a scale which ranges from A to D. The scale can be define as:

A -   Basic knowledge and skills which require supervision and works within a given time frame or schedule.
B -   Good knowledge and skills, able to work independently
C -   Highly develops knowledge and skills, provides guidance and solves complex problems.
D -   Exceptional knowledge and skills, is perceived as an authority
T -   Has not (yet) demonstrated competence at level A

The scale is, then, developed into suitable chart that can be used to determine or measure the employee's competence level according to the defined scale. Employees are evaluated from time to time in order to ensure that they have the competency for their jobs. Competence Model applies to all the employees, either they are managers, executives or non-executives.

RECOMMENDATIONS FOR COMPETENCE DEVELOPMENT

A group of competence workers or employees could also increase the productivity of the business. The main focus of competency model is to ensure that appropriate knowledge could be passed to the appropriate person according to the nature of jobs, departments or products. For example, in manufacturing industry the technical competence is very important to those engaged directly with the manufacturing of the company products. Other than that, it also creates a business consistency because most of the employees are well trained. These are some of the recommendations that may be useful for the organization in developing the human, business, professional or technical competence among the employees:

a. *Leadership Training*
    The training is compulsory for all managers, line managers, executives and supervisory level in the organization. It takes place twice a year.

b. *Communication Training*
    All managers, administration staffs must go for basic communication training. The objective is to improve their communication skill especially English. This could be a lot of help when it comes to business negotiation.

c. *Planning and Development Discussion (PD Discussion)*
    This is a basic tool for the manager in his or her role as a competence developer. It is a means of encouraging competence development, promoting job rotation, giving and receiving feedback and recognition.

Other than these, an organization could also provide training on human resource management, project management and IT certification. Basically, the objectives of the training are to develop the employee's competence. Employees are responsible for their development, while the managers are responsible to facilitate them with adequate or proper training. The main objective of the Competence Model is for performance management.

CONCLUSION

Competence management is a vital factor in ensuring a further development of an organization. Every organization or company needs to continuously monitor their

employees' performance. By developing a suitable competency model for the organization, the management can identify what are the trainings needed by their employees so that they will be competence enough to accept new job tasks and responsibilities. The competency model also provides a benchmark for the management of the company when it comes to performance pay basis. In order for the competence model to operate, a set of procedures or process must also be listed. This will ensure that all the departments or individual are given fair chances to express their needs for trainings and knowledge. The capability of the workforce can also be reflected by the knowledge that they had and how competent they are. Employees with good competence will assume any responsibility given to them because they are already equipped with all the necessary expertise to carry out the task whether in groups or individually. A group of competent workers or employees could also increase the productivity of the business.

Conclusively, Competence Management outlines the different perspectives of competence knowledge available according to the individual capacities. Nevertheless, competence management could help in reducing the gap among employees in terms of knowledge and skills. The main focus of competency model is to ensure that appropriate knowledge could be passed to the appropriate person according to the nature of jobs, departments or products. For example, in manufacturing industry the technical competence is very important to those engaged directly with the manufacturing of the company products. Other than that it also creates a business consistency because most of the employees are well trained.

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