

# Competency based hrm definition of competencies commerce essay



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This chapter provides key conceptual definitions of role of strategic HRM in response to challenges in global market, definition of competency, link between competency and human performance, practical experience of using competency model in organization and implication of using competency model in organization.

## **ROLE OF STRATEGIC HRM IN RESPONSE TO CHALLENGES IN GLOBAL MARKETS**

The coming of the 21 century poses distinctive HRM challenges to business especially those operating across national boundaries as multinational or global enterprise. Competing in global markets entail many factors and centralization of its human resource practices is certainly vital to improve global competitiveness and empower employees for global assignments. To achieve success in global marketplace, the challenge of all businesses regardless of their size is to invest in human resources. There are certain human resource management issues that are particular for the global enterprise. The key issues involve staffing policies selecting and retaining talented employee, training and development whilst encouraging employees to be innovative and creative, culture barriers, and legal frame work.

Strategic human resources management is largely about integration and adaptation. Its concern is to ensure that:

human resources (HR) management is fully integrated with the strategy and the strategic needs of the firm

HR policies cohere both across policy areas and across hierarchies

HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work.

In response to changes in the economic, technological, social and political context are occurring in accelerated rate, there are emerging trend in using competency based framework in SHRM, an effective proven management tool involving in identifying the competencies that people need to perform a job well in all areas of organizational activities, constructing a framework and using it as foundation for recruitment, selection, training and development, rewards and other aspects of people management. This performance based approach of competency based HRM acknowledge the key role of people in management process. It becomes an affective tool in strategic HRM and to ensure internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the achievement of its business objectives (Muhammad, Ali, 1999).

## **COMPETENCY BASED HRM**

### **Definition of Competencies**

The term competency has been defined in the literature from several different points of view. It was originally used in the field of education to describe trainee teacher behaviours (Bowden and Masters, 1993). It became widely known in the management field through the work of Boyatzis (1982).

Below there are 3 typical definitions of Competences:

According to Marrelli, Tondora and Hoge (2005), a competency is a measurable human capability that is required for effective performance. A competency may be comprised of knowledge, a single skill or ability, a

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personal characteristic, or a cluster of two or more of these attributes.

Competencies are the building blocks of work performance. The performance of most tasks requires the simultaneous or sequenced demonstration of multiple competencies (Marrelli, Tondora and Hoge 2005)

Knowledge is awareness, information, or understanding about facts, rules, principles, guidelines, concepts, theories, or processes needed to successfully perform a task (Marrelli, 2001 and Mirabile, 1997). The knowledge may be concrete, specific, and easily measurable, or more complex, abstract, and difficult to assess. Knowledge is acquired through learning and experience (Lucia and Lepsinger, 1999).

A skill is a capacity to perform mental or physical tasks with a specified outcome (Marrelli, 1998). Similar to knowledge, skills can range from highly concrete and easily identifiable tasks, such as filing documents alphabetically, to those that are less tangible and more abstract, such as managing a quality improvement project (Marrelli, Tondora and Hoge, 2005, Lucia and Lepsinger, 1999).

An ability is a demonstrated cognitive or physical capability to successfully perform a task with a wide range of possible outcomes (Marrelli, 1998). An ability is often a cluster of several underlying capacities that enable us to learn and perform. These are often time-consuming and difficult to develop, and usually have a strong component of innate capacity. For example, the ability of analytical thinking comes more naturally to some than to others, and can be quite challenging for many individuals to develop.

Personal characteristics may be required for or may influence effective performance. These characteristics, such as attitudes, values, and traits, often have an emotional or personality component. These personal characteristics can be defined as "enabling behaviors" (Marrelli, 1998, 2001). These include work habits, ways of interacting with others, or manners of conducting oneself that contribute to effective work performance. Examples of enabling behaviors are managing work priorities and assignments to meet schedule commitments, developing rapport with others, and treating others with respect. Enabling behaviors can emerge through learning, experience, innate predisposition, or a combination of these determinants. For example, developing rapport with others appears to be an almost instinctive behavior for some, while others have to consciously learn how to develop rapport and then practice assiduously before they can achieve it routinely.

A competency model is an organizing framework that lists the competencies required for effective performance in a specific job, job family, organization, function, or process. A common approach is to identify several "core" or "key" competencies that are essential for all employees, and then identify several additional categories of competencies that apply to specific subgroups. Some competency models are organized according to the type of competency, such as leadership, team development, or technical capacity. Other models may employ a framework based on job level, with a basic set of competencies for a given job family and additional competencies added cumulatively for each higher job level within the job family.

According Hoffmann (2005), a review of the literature showed three main positions taken toward a definition of the term. Competencies were defined as either:

observable performance (Boam and Sparrow, 1992; Bowden and Masters, 1993); This focus on a person's performance or outputs comparing to the written standard competencies.

the standard or quality of the outcome of the person's performance (Rutherford, 1995; Hager et al., 1994); This definition may be used to pursue gains in productivity or efficiency in the workplace. A standard could refer to a minimum acceptable level of performance or to higher levels of acceptable performance than had previously existed, or to standardised performances across parts of a company. Competency standards could be used to provide feedback on the progress of individuals and teams through the assessment process; or

the underlying attributes of a person, such as their knowledge, skills or abilities (Boyatzis, 1982; Sternberg and Kolligian, 1990) whether they were competent as described in the written standards (Strebler et al., 1997). The use of this definition created a focus on the required inputs of individuals in order for them to produce competent performances.

According to Parry (1996), the definition of competency synthesized from the suggestions of several hundreds specialists in HRD is " a Cluster of related knowledge, skills, and attitudes (K, S, A) that affects major party of one's job (a role or responsibilities), that correlates with performance on the job, that

can be measured against well accepted standards, and that can be improved via training and development.

Therefore, from different perspectives of experts on competency definitions, this survey will take into consideration and apply the definition of competency is “ a Cluster of related knowledge, skills, and attitudes (K, S, A) that affects major party of one’s job (a role or responsibilities), that correlates with performance on the job, that can be measured against well accepted standards, and that can be improved via training and development”.