

Competencies based-Approaches: A Review of the State-of-the Art

Rawat Garchotechai

Aviation Personnel Development Institute

Kasem Bundit University

Abstract

To increase competitive advantage in crucial competitive era, 'people' are considered as one of important factors that lead to high performance organizations. Human assets or the so-called 'human capital' which refers to knowledgeable and skillful people who create economic value from their work performance is regarded as major mechanisms for high organization performance (Nahapiet, 2012). Based on competency-based model proposed by McClelland (1973) this article aims to integrate a wide range of competency model that various determinant factors such as personal competencies, job competencies and functional competencies can generate core competencies. US approach and UK approach are two distinguished competency approaches that employed to explain the distinctive phenomenon between input-based and output-based approaches of performance assessment. Managerial implications are also discussed how to develop consistent practices.

Keywords Competency-based approaches, organizational performance, core competencies, human capital

การสร้างรายได้เปรียบทางการแข่งขันในยุคที่มีการแข่งขันกันอย่างรุนแรง มนุษย์เป็นปัจจัยสำคัญหนึ่งที่จะนำไปสู่องค์กรสมรรถนะสูง ทักษะที่จำเป็นหรือทุนมนุษย์ หมายถึง ความรู้ ทักษะของคนที่สามารถเพิ่มมูลค่าทางเศรษฐกิจจากผลงานของคนถือเป็นกลไกที่สำคัญสำหรับองค์กรสมรรถนะสูง วัตถุประสงค์ของบทความนี้มุ่งหมายที่จะรวบรวมความหลากหลายของรูปแบบของสมรรถนะที่กำหนดด้วยหลายปัจจัย เช่นสมรรถนะของบุคคล สมรรถนะการทำงาน สมรรถนะของหน้าที่การทำงานที่ทำให้สามารถกำหนดสมรรถนะหลักได้ ตามรูปแบบพื้นฐานของสมรรถนะที่เสนอโดยแมคคีย์แลนด โดยแนวทางสมรรถนะของประเทศอังกฤษ และแนวทางสมรรถนะของประเทศสหรัฐอเมริกา คือสองแนวทางสมรรถนะที่มีลักษณะที่อธิบายถึงปรากฏการณ์ระหว่างปัจจัยนำเข้า กับแนวทางของผลลัพธ์ ของการประเมินผลการดำเนินการ เพื่อเป็นการแลกเปลี่ยนความคิดเห็นที่จะพัฒนาอย่างไรให้สอดคล้องกันตามนัยของการบริหารจัดการ

Background and definition

Competency had employed in several fields, but it originally used in the field of education which described trainee teacher behavior (Bowden, 1993). Competency-based concept has long been proposed and practiced since 1973 by psychologist; it has been defined and applied by many scholars namely Boyatzia (1982), Spencer (1993) but David C. McClelland – a distinguished psychologist from Havard University who was an original explored of the core concept of competence. He wrote an article called “Testing for Competence Rather Than for ‘Intelligence’” in American Psychologist which he constructed new evaluation pattern – Behavioral Event Interview (BEI). It was an evaluation tool to quest an effective performance. He pointed out in this article that testing intelligence and knowledge were not enough indicators to illustrate people achievement, but competencies were included (McClelland, 1973:1-13). Then, Boyatzia (1982:228) developed competency concept which his paradigm concerned between human characteristics, human behavior and work performance to reveal the way people act and to their job. He described a competency as a person characteristic which influenced job performance. Competency included a motive, traits, aspects of self-image, social role or body of knowledge that people employ to do the job effectively. This perspective on competence is generally referred to the behavior of particular individual and to the skills of a particular individual. Skills, for instance, a flight attendant have ability to operate fire extinguisher in case of emergency with high concrete proficiencies. Lucia (1999) had given a relevant definition of ‘competency’ as the particular combination of knowledge, skills and characteristics needed to perform a task in an organization which was used as a human resources tool for selection, training and development, appraisal, and succession planning. In addition, Woodruffe (1993:29) concluded a definition of competency as:

“A competency is the set of behavior patterns that the incumbent needs to bring to a position in order to perform its task and functions with competence” (Woodruffe, 1993)

Boyatzia (1982:227) further described that characteristics are related with several forms of behavior, thus when people perform work they will demonstrate one or more characteristics of motive, traits, aspects of self-image, skill or body of knowledge. An example generic competencies of a list of generic competencies is shown in Table1 which illustrates of a cluster of behaviors as follows:

Breath of awareness to be well-informed

Develop and maintain networks and formal channels of communication, within the organization and with the outside world; use information technology to gain information; maintain an awareness to what should be happening and what progress is being made; keep abreast of relevant local, national and international political and

economic developments, monitor competitor activity.

Incisiveness to have a clear understanding

Get a clear overview of an issue; grasp information accurately; relate pieces of information; identify causal relationships, get to the heart of a problem; identify the most productive lines of enquiry; appreciate all the variables affecting an issue; identifies limitations to information; adapt thinking in light of new information; tolerates and handle conflicting/ambiguous information and ideas.

Reasoning to find ways forward

Generate options; evaluate options by examining the positive and negative aspects if the were put into effect; anticipate effects of options on others; foresee others reactions; demonstrate commonsense and initiative.

Drive to achieve results

Prepare to compromise to achieve a result; install solution within time frame; innovate or adapts existing procedures to ensure a result; take on problems; suffer personal inconvenience to ensure problems are solved; come forward with ideas; set challenging targets; set out to win new business; set own objectives; recognize areas for self-development; acquires new skills and capabilities; accept new challenges.

Self-confidence to lead the way

Expresses and conveys a belief in own ability; prepared to take and support decisions; stands up to seniors; willing to take calculated risks; admits to areas of inexpertise.

Sensitivity to identify others' viewpoints

Listen to others viewpoints; adapts to other person; take account to others' needs; show empathy in oral and written communications; be aware of others expectations.

Co-operativeness to work with other people

Involve others in own area and ideas; keep others informed; make use of available support services; utilize skills of team members; open to others ideas and suggestions.

Goal-orientation to win the long term

Stick to plan; do not get sidetracked; sacrifice the present for the future; bid time when conditions are not favorable.

Table 1. A list of Generic Competencies Woodruffe (1993:29)

Meanwhile, in his 21st century article, Boyatzia (2008:5-12) defined competencies as capability or ability. He called it as “intent” in which was derived from a different sets of behavior; he also claimed emotional self-awareness, self-insight and self-understanding are basic intent of a competency detail.

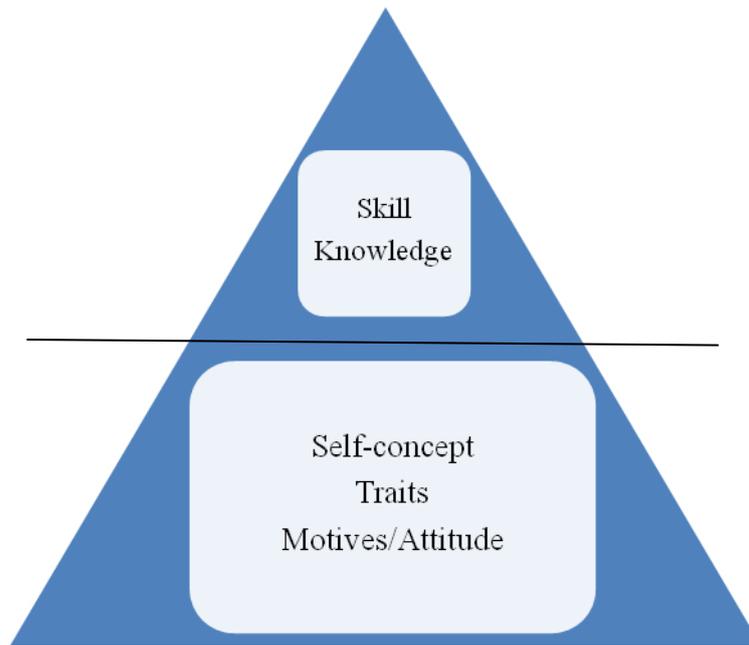
To summarize, a competency deal with an individual behavior that people attempt to perform competencies. For instance, the person competent is keen on marketing he will need to develop competency regarding to product knowledge, customer demand or marketing strategies.

Competency Components

According to Boyatzia’s concept (1982:229) competencies consist of five components as follow:

- Knowledge means essential knowledge which requires people to perform a job, for instance, mechanic knowledge of aircraft engines.
- Skill has been derived from basic knowledge that people have ability to demonstrate a system and sequence of behavior in effective performance for their work, for instance marketing and planning skill.
- Self – concept refers to a person’s self-perception, and an interpretation of concepts in terms of values
- Traits reveal how those people are, for instance a leadership, a self reliance.
- Motive and attitude concern a drive of a individual behavior for a goal state.

These five components can be revealed and illustrated in the Iceberg Model of competency as shown in picture 1 by Spencer (1993). Therefore, skill and knowledge which emerged upper part on the iceberg can be said that it is not difficult to develop



Picture 1 The Iceberg Model of Competency by Spencer and Spencer (1993)

Types of competencies

Kirati Yingyos (2006) described that an organization will be comprised of five aspects of competency: organization competencies, personal competencies, job competencies, core competencies and functional competencies.

- Organization Competencies

In the context of rapid change, an open free trade zone in this globalization have influenced not only economy but market competition, thus knowledge and innovation are basic needs of organization survival. Organization competencies reveal a main competence of organization in operating or managing organization activities, for instance setting vision or mission and planning strategy of organization. Nisdarh Vechayanadha (2006:178-243) demonstrated that organization competency influences competitive advantage and importance principal importance of making sustain competitive advantage comprise of unique, difficult to replicate, superior of the competition, sustainable and applicable to multiple situation. However, organization competency has created to manage organization resources for set capabilities in order to increase competitive advantage with others in various success; innovation of goods or product, quality of goods and products, technologies, financial resources, organization renowned and core competencies.

- Personal Competency reveals an individual behavior employ

containing a body of knowledge or skills to complete his/her work in organization for support organization competency and organization effectiveness. Scholars and expertise

have given several meaning of human competency, but there were almost relevant meaning as follows:

Boyatzis (1982) defined 'human competency' as a competence which embedded in each person and influence individual behavior and traits.

Mitrani (1992) defined 'competency' as a specific personal that connect with an effective or outcome of job performance.

Spencer and Spencer (1993) defined 'competency' as specific person attribute that have relationship in causes and effects of effective using.

Lohan (1995) defined competency as attributes of knowledge, skills and attitudes that influences effective job performance in each situation.

Parry (1996) defined as a group of skills knowledge abilities and attitude that have effect on role and person's responsibility. It can be measured and developed by training and development.

O'Hagan (1996) defined 'competency' as knowledge skills and goodwill which are key purposes of training and development especially skills and knowledge. He stated that developed competency easier than building human goodwill and attitude. However, goodwill and attitude are hard to build or motivate, but both are principles of competency development.

Danai Thienpud (1997) defined 'competency' as personal character which are comprised of skill and ability in order to meet criteria of organization.

Decha Dechawattanapaisarn (2000) defined 'competency' as skill, knowledge, and abilities or personal behavior with need in job performance.

Arporn Phuvitayaphan (1994) defined 'competency' as personal behavior that reflect knowledge skill and personal attributes in differences behavior.

In consequence, Narong Sangthong (1996) has concluded the meaning of human competency as a personal characteristic which embedded in individual that influence on job performance. It can be evaluated and developed which he divided 'personal competency' into two groups as follows:

The first group, refers to personal characteristic that reflect knowledge, skill, attitude, believe and traits.

The second group, refers to knowledge, skill, and attributes, in the other words SKAs reflect personal behavioral in working place which can be measured and observed.

- Job competencies means personal competencies which are suitable with job requirements for instance an accountant much have competence in accounting.

- Core competencies are built on individual tangible and intangible aspects, physical and non-physical assets of organization; they are the organization's ability to deliver unique value to there customers. Moreover, it cannot be easily imitated by competitors (Parveen, 2001:217-227)

- Functional competencies are abilities of a person in which responds on specific job description.

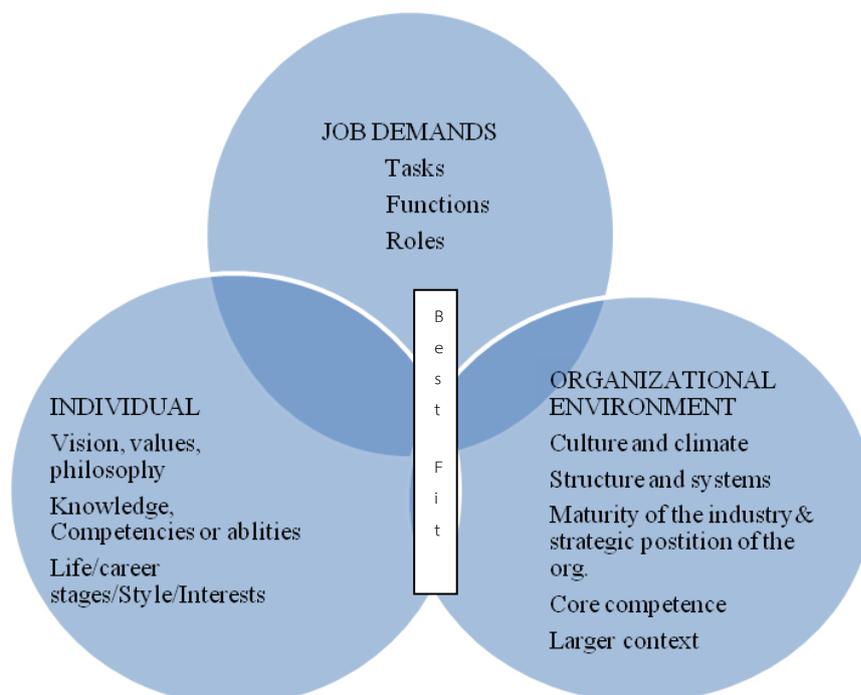
Competencies Approaches

There are two distinctive approaches of competencies, first the US approach and the UK approach.(Heffernan, 2000)

First, the US approach is largely an in-put based approach which means the inputs needed to illustrate competent performance. This approach designed by Boyatzia (1982) which has given competency as the underlying personal attributes.

Whereas the UK approach reveals competency as a set of performance and standards, the English authors who proposed this approach was used a measure of output learning (Boam, 1982)

Similarly, a theory of performance is the grounded concept of competency, or the theory of action and job performance- best fit, as shown in figure 2. The person's capabilities consistent which reach the organizational environment and the job requirement, it is believed the most subtle performance. Value, vision and personal philosophy are described as the person's talent, while role responsibilities, tasks needed are described as job demands. Organization environment has influenced essential impacts on competencies or job roles (Boyatzia, 2008)



Figure' 2. Theory of action and job performance: best fit (maximum performance, stimulation, and commitment) = area of maximum overlap of integration (Boyatzia, 2008).

Competencies hard skills and soft skills

Several authors for instance Clark (1993:51-60), Wellington (2005:628-634), or Rainsbury et al., (2002:8-18) defined hard skills as technical aspects of work performance a work which required the acquisition of knowledge. Whereas, the Us Department of Labor (Rowena, 2005) defined soft skills as the interpersonal skill of people which need to apply technical skills and knowledge in the workplace, the components of soft skills consist as following:

1. Personal quality concerns with high level of achievement and best effort in an area of self-esteem, sociability, self-management and integrity or honesty.
 - 1.1. Self-esteem means believe in oneself and has a positive attitude of oneself.
 - 1.2. Sociability reveals an understanding, friendliness, adaptability, empathy and politeness in social context.
 - 1.3. Self-management demonstrates self accurately, sets personal achievement, control progress and reveals self-control.
Integrity or honesty practices an ethical courses of action.
2. Thinking skill consists of:
 - 2.1. Creative thinking produces nouveau ideas, information.
 - 2.2. Decision making considers of risks and evaluates the best alternative.
 - 2.3. Problem solving identifies problems and implements and action plan.
 - 2.4. Knowing how to implement efficient learning ways to apply new knowledge and skills.
 - 2.5. Reasoning explores a regulation to understand relationship between two or more things which will apply to solve a problem.
3. Interpersonal skills relate with participation as a member of a team, teach others, serve customers, exercise leadership, negotiates and work with diversity
 - 3.1 Participate as a member of a team means putting an effort, ideas or suggestions to a team.
 - 3.2 Teach with others by assist others to learn.
 - 3.3 Serve customer means communicate and facilitate customers to meet their satisfaction and expectation exercises leadership by convincing or persuading others. There are eight essential inter-personal skills needed by leader that are collaboration or teamwork, communication skills, initiative, leadership ability, people development or coaching, personal effectiveness, as well as planning and organizing and presentation skills (Rowena, 2005).
 - 3.4 Negotiate agreement of divergent interests, works with diversity means able to work or cooperate with people from diverse backgrounds. (Jungsun, 2011)

Conceptual Model Evolution

Regarding this literature review, it can be evolved conceptual framework of competency-based approaches by comparing two distinctive approaches between US and UK approaches.

Competency founded from a distinguished psychologist - McClelland who constructed an evaluation tool to search an effective performance; he illustrated that not only intelligence and knowledge were not enough indicators to point out individual achievement, but competencies were also. Competency refers to person characteristics – skills, behaviors, abilities, knowledge, traits and self-image. It embedded in a particular individual which can be measured and developed. There are five aspects of competency that are 1) personal competencies illustrate each person behavior; 2) job competencies refer to personal competencies which are meet the job requirement; 3) functional competencies refer a person ability that suitable with specific job description; 4) organization competencies refers a main competence of organization in operating organization which lead to competitive advantage 5) core competencies are built on individual and organization aspects that lead effective performance competency.

US and UK approaches are two influence approaches on this review; these two approaches have difference aspects. US approach focuses on the in-put based competence performance; whereas, UK approach focuses on the output-based competence which shown in figure 3. However, these approaches have the valuable of competencies in several aspects such as selection system, training and development system, performance appraisal system and successful planning system.

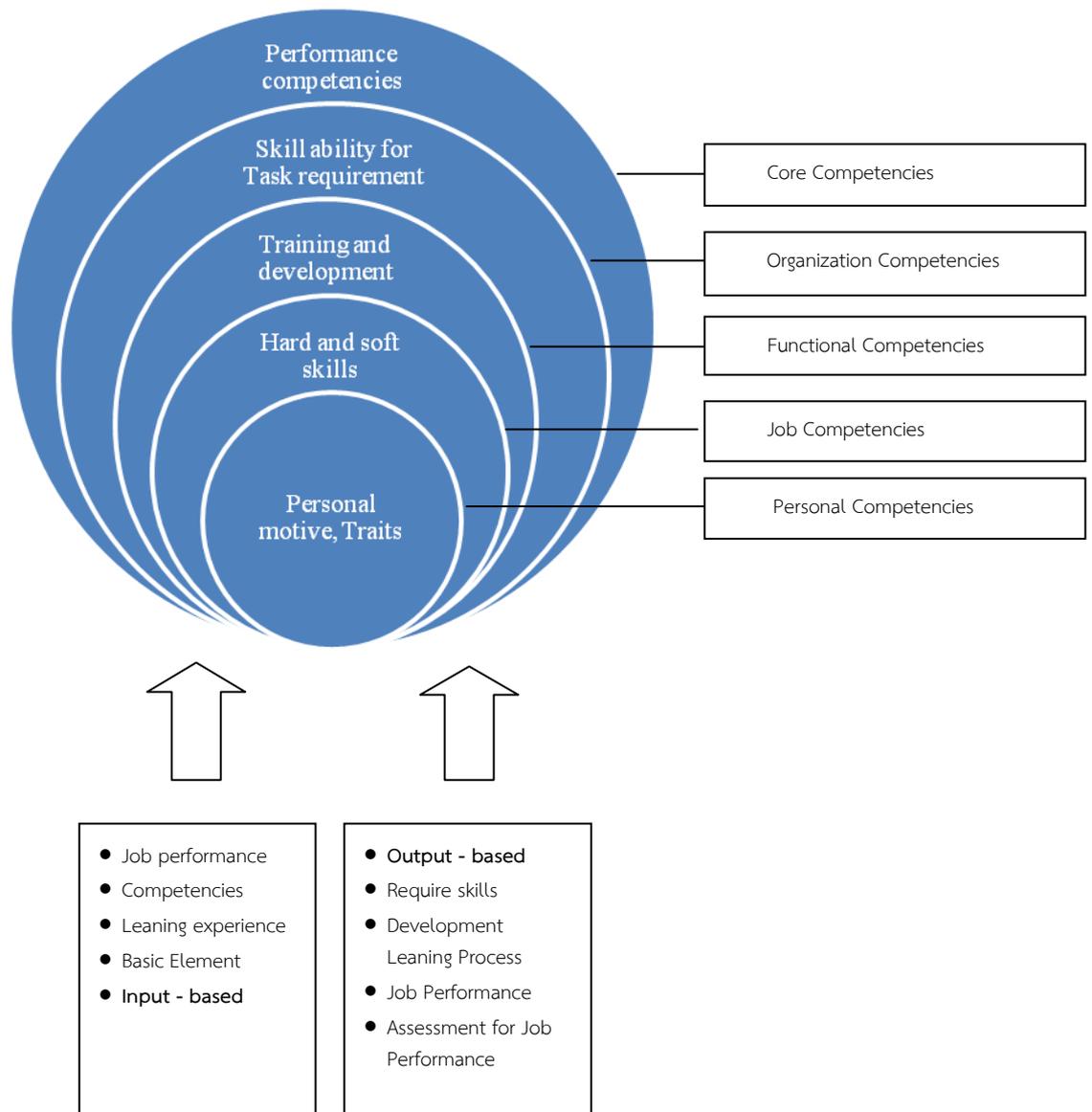


Figure 3 : Process of competency-based approaches evolution

Source: Adapted from Best practices in developing and implementing competency models (Orr et al., 2010:1)

The Valuable of Competencies

Competencies' benefit in several perspectives which can be summarized in four areas; personal, organizations, industries and country economic. (Lohan, 1995)

Many organizations employ competency model to enhance human resource management and human resource development systems. Lucia (1999:21-48) stated that competency model is a major key of business need for their achievement; it can enhance human resource management and development system by applying with the following aspects;

- Selection system
- Training and Development system
- Performance appraisal system
- Successful planning system

Selection system

In selection systems, competency model will provide an overall picture of work requirements so that an interviewer will focus on skill and knowledge of candidate in which organizations expected. In the other hand, it helps to determine a candidate who has strong potential, lack of skills and knowledge or did not suitable with the organization's culture. In addition, it ensures interviewers to concentrate on a right candidate for organizations required.

Training and development system

Competency model can focus on strengths and weaknesses of organization members, and plays a vital role in focus on employee's skills, knowledge and characteristics that will affect work performance. Thus, HRD can determine an effective training activities and development program to support the strategy of organization.

Performance appraisal system

Competency model can provide benefit on performance appraisal systems. The model has specific and provides organization criteria and objectives skills, knowledge and characteristics, then it will be used to measure effective in each individual performance.

Successful planning system

Lucia (1999:33) reveals that there are four key components of effective successful planning system that are: 1) a list of the position under consideration; 2) an agreement among the decision makers about what is required for success in each position; 3) a list of candidates or employees who are ready now and why; 4) a list of those who will ready soon, accompanied by the person's development needs and recommended actions to close the gaps. Consequently, these components help organizations develop their people who have potential and ability to fill in the specific roles.

Conclusion

Competencies based approach had been derived from David McClland who observed people working in same position but had difference working performance He was the founder of this concept by describing human attributes as The Ice Berg Model. Knowledge and skill are upper part that emerged of The Iceberg will influence human behavioral for instance social role, self-image, traits and motives. Competency has embedded in each personal which can be evaluated and developed; competency has been divided into five categories that are human competency, organization competency, job competencies, core competencies and functional competencies. There are two distinctive competencies approaches: US approach and UK approach. The US approach is largely an input-based approach. In contrast, the UK approach reveals the competencies was the best used as a measure of output learning. Either hard skill or soft skill for functional competencies, it values in competitive advantage not only staff, organizations but industries and country economic.

References

- Arphorn Phuvitiyaphan (1994). *Career Development in Practice*. Bangkok:HR Center.
- Arphorn Phuvitiyaphan. (2010). *Strategic Human Resource Development* (2 ed.). Bangkok, Thailand:Karnphim Limited.
- Boam, R. (1982). *Designing and Achieving competency: A Competency-based approach to Developing People and Organisations*. New York:The McGraw-Hill Training.
- Bowden, J. (1993). *Implications for Higher Education of a Competency-Based approach to Education and Traiing*. Canberra:AGPS.
- Boyatzia, E. R. (1982). *Competence at Work*. (J. S. Abigail, Ed.) San Francisco, California, US: Jossey-Bass Publishers.
- Boyatzia, E. R. (2008).Competencies in the 21st century.*Journal of Management Development*, 5-12
- Clark, M. (1993). Communications and social skills:Perceptions of hospitality managers. *Employee Relations*.
- Danai Thienpud (1997). *กลยุทธ์การพัฒนาคน สำหรับนักฝึกอบรมมืออาชีพ* . Bangkok:Book Bank .
- Decha Cechawattanapaisarn (2000). Competency-BAsed Human Resouce Management. *Human Journal* , 4.
- Fitz-enz, J. a. (1998). *A New Vision For Human Resources*. Crisp Publications Inc.
- Gibb, S. (2008). *Human Resource Development : Process, practices and perspective*. Hampshire, US: Palgrave Macmillan.
- Hamel, G. a. (1990). The core competence of the corporation. *Harvard Business Review*, 71- 91.

- Hamlin, B. a. (2011). What is HRD? A definitional review and synthesis of the HRD Domain
Journal of European Industrial Training , 35 (3), 199-210.
- Harbison, F. a. (1964). *Education, Manpower and Economic Development: Strategies of Human resource development* . New York, US:Mcgraw-Hill.
- Heffernan, F. a. (2000). An exploration of the relationships between the adoption of managerial competencies, organisational characteristics, human resources sophistication and performance in Irish organisations. *Journal of European Industrial Training* , 128-136.
- Javis, P. (2005). *Human Learning - An holistic approach*. New York, US:Routledge.
- Jungsun, K. M. (2011). Training soft skills via e-learning: international chain hotels.
International Journal of Contemporary Hospitality Management , 739-763.
- Kirati Yingyos (2006). *ขีดความสามารถ:Competency Based Approach*. Bangkok:Mister Kopy.
- Lefrancois, R. G. (2000). *Theories of Human Learning - What The Old Man Said*. US: Wadsworth.
- Lohan, R. a. (1995). *Creating training miracles*. Sydney: Prentice Hall.
- Lucia, D. A. (1999). *The Art and Science of Competency Models: Pinpointing Critical Success Factors in Organizations*. San Francisco, California, US:Jossey-Bass/Pfeiffer.
- McClelland, C. (1973, 01). Testing for Competence Rather Than for "Intelligence". *American Psychologist* , 1-13.
- Mitrani, A. a. (1992). *Competency Based Human Resource Management Value Driven Strategies for Recruitment, Development, and Reward*. London:Kogan Page.
- Mounier, A. &. (2010). *Education and Knowledge in Thailand The Quality Controversy*. Bangkok, Thailand:O.S. Printing House .
- Nadler, L. (1970). *Developing Human Resource*. Houston, US: Gulf.
- Nahapiet, J. (2012). *The Oxford Handbook of Human Capital*. (A. a. Burton-Jones, Ed.) U United kingdom:Oxford University Press.
- Narong Sangthong (1996). *มาตรฐานชี้วัด Competency ก็น้้นเฉพาะ*. Bangkok:HR Center.
- O' Hagan. (1996). *Competence in Social Work Practice: A practice Guide for Professionals*. London:Jessica Kingley.
- Orr, E. C. (n.d.). *The Kornferryinstitute*. Retrieved 07 10, 2015, from Kornferryinstitute: www.kornferryinstitute.com/sites/all/files/documents/briefings-magazine-download/Competency_Modeling1.pdf
- Parry, B. (1996). The Quest For Competencies. *Training*, 48-56.
- Parveen, V. G. (2001). "Core competency requirements for manufacturing effectiveness".
Intergrated Manufacturing Systems , 217-227.
- Peter, &. W. (1982). *In Search of Excellence*.

- Rainsbury, E. H. (2002). Ranking workplace competencies: Student and graduate perceptions. *Asia-Pacific Journal of Cooperative Education*, , 8-18.
- Rowena, C. (2005). Learning the soft skills of leadership. *Industrial and Commercial Training*, 45-51.
- Spencer, a. S. (1993). *Competency a Work : Model for Superior Perfomance* . New York: Wiley & Sons.
- Swanson, R. a. (2009). *Foundation of Human Resource Development* (2nd ed.). San Francisco, US:Berrett Koehler.
- Nisdarh Vechayanadha (2006). *Competency-based approach HR*. Bangkok:Grafico system company limited.
- Wellington, J. (2005). The “Soft Skills” of success. *Vital Speeches of the Day* , 628-634.
- Wilson, P. J. (2012). *International Human Resource Development : Learning, Education and Training for Individuals and Organizations* (3rd ed.). UK:International Human Resource Developement .
- Woodruffe, C. (1993). What Is Meant By a Competency? *Leadership & Organization Development Journal* , 14, 29.