

Studying the Competency-Related Models in Succession Planning

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Abstract: Competency Model (CM) is a framework that identifies a combination of the skills, knowledge and behaviors and in order to be considered useful, these models must be in close connection with the occupational activities of individuals. In the latest CM of today's organizations, job-related or behavior-related capabilities are being considered. But there is no unique CM that could be useful for all organizations. Through these models, the main organization competencies can be related to job features; talented people can be identified; it can be clearly specified that what capability an organization required in the present and the future to be successful; a basis for performance management can be offered; a list of competencies will be developed to determine how people may be prepared for the future and individual improvement programs can be developed.

Key words: Competency model, succession planning, competency management, Iran

INTRODUCTION

The best source of competitive advantage of an organization depends on its staff. Strategies, business models, products and services can be imitated by competitors but capable and talented employees in an organization represent a distinct and unique resource. Hence, the competencies of employees in today's organizations are considered.

Competency is a feature that refers to a form of human capital or human resources that can cause productivity (Virtanen, 2000). On the other hand, the competency will be considered as a logical basis for an integrated human resource policy (Hayes *et al.*, 2000) and this framework should have the flexibility and dynamism for economic and technological change and must continuously be monitored and reevaluated (Egodigwe, 2006). In recent years, competency-based approach in human resource management has been completed through the capability that surrounds knowledge, skills, abilities, traits and behaviors to allow a person to perform a task in a particular job. This has increased the importance of Competency Models (CM) and role of competency management in succession planning programs.

Definition of competency: Competency approach to human resource management is not a new approach. Ancient Romans had utilized a form of competency vision that describes the characters of a decent Roman soldiers (Draganidis and Mentzas, 2006). McClelland

defined the competency as personal characteristics that can lead to high performance (Lustri *et al.*, 2007).

Armstrong distinguishes between eligibility and competence. He describes the eligibility as follows: what people need to be able to do a job perfectly while competencies are behavioral aspects which deserve attention before proper operation. These dimensions are known as behavioral or soft competencies (Derus *et al.*, 2009). It should be noted that the total competency of a person reflects his ability.

These competencies show what a person can do (Young and Dulewicz, 2005). However, McClelland believes that there exists no particular feature that may make person's success possible. Even two persons with different capabilities, may act successfully in a similar career (Yildirim, 2007).

Human resource experts and industrial and organizational psychologists do not agree on a general definition for the competency; however, the competency may have all or part of these features:

- A collection of knowledge, skills, abilities, motivation, beliefs, values and interests
- Related to a major part of job
- Related to effective performance
- Observable and measurable against accepted standards
- Related to the future strategic directions
- Can be improved through education and reformation (Chan, 2006)

Butteriss analogizes the competency to an iceberg and believes that most organizations focus on technical capabilities including the competencies which are visible and easily assessable. But experience shows the competencies which are under water (intangible), distinguish between the average and top staff. This means that the technical capabilities (skills, knowledge) can be educated while improving and educating behavioral competencies is very difficult (Siugzdiniene, 2006).

Spencer and Spencer (1993) also define competency as basic features of a person which is associated with a superior performance in a situation. They identified five features of competency including motives, traits, self perception, knowledge and skills. Motives are the forces that a person consistently thinks about them. Motives lead behaviors towards specific activities or goals.

Traits are physical features which give constant responses to a position or information. Self-perception is a personal attitude, value or self-scrutiny. Knowledge includes information that a person has in the range of his own. Finally, skill is the ability to perform a specific mental or physical work. Knowledge and skills competencies can focus on evident and superficial features and self-perception and motivations characteristics can concentrate on characteristics and deep or hidden features of individuals, respectively. Figure 1 shows superficial and central competencies.

Competencies are also examined from vertical and horizontal points of view. Vertically, the framework of competency is a tool that draws individual and organizational capabilities for the mission and strategy of the organization. Horizontally, this framework can be used for a variety of purposes in human resource management including selection, management reformation, career planning, succession planning and performance management.

Therefore, the competencies are the common language that enables the organizations to match their human resources against the needed resources

(Wickramasinghe and De Zoyza, 2009). Management competencies also can be divided into two broad categories:

- Consummate competencies that include; performance orientation, productivity, conceptualization, self-confidence, use of social power and perceptual realism
- Threshold competencies that include; logical thinking, accurate self-assessment, positive thinking, self-control, resistance and associable and have professional knowledge (Nwokah and Ahiauzu, 2008)

In brief, the concept of competency and competency management depends on several factors: work domain (personal or organizational), objective (performance improvement, gaining market power), human resource management tools (selection, pay, training, staff assessment, career development) and organizational structure of human resources (centralized or decentralized) (Hondegheem and van Dermeulen, 2000).

Levels of competencies: Many experts believe that the level of competencies to implement a meaningful evaluation can be separated into four levels:

- Practical competence is the ability to perform a series of tasks
- Foundational competence is the understanding how and why tasks are done
- Reflexive competence is the ability to integrate activities along with understanding them so that learning occurs and changes happen in required moments
- Applied competence is the ability to perform a series of tasks along with understanding and necessary response (Shellabear, 2002)

For many business organizations, these terms are very formal. Some organizations use informal ranking for levels of competencies:

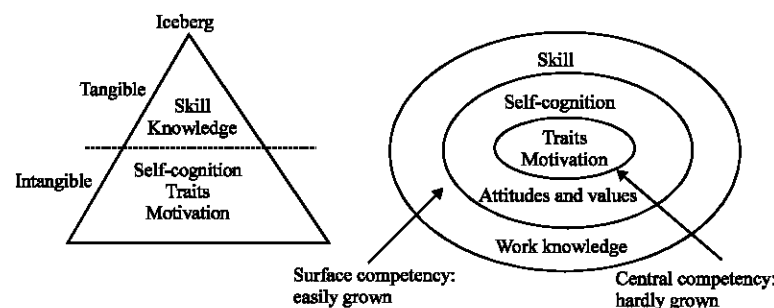


Fig. 1: Iceberg model, central and surface competencies (Spencer and Spencer, 1993)

- **Novice:** Basic level of understanding the task but the employee has not done it before
- **Apprentice:** Employee is doing the task with the help and guidance of someone else or understands it and has a limited practical experience in that field
- **Competent:** Employee has a deep understanding and constantly does the task with the required standards
- **Expert:** Constantly does a task for the required standards, considers methods of improving the task has a deeper understanding and can educate others (Shellabear, 2002)

Competency Models (CM): Competency-based approach in human resource management is completed during the past thirty years through the competency which surrounds knowledge, skills, abilities, traits and behaviors to allow a person to perform a task in a particular job (Vathanophas and Thaingam, 2007).

Competency Models (CM) is a framework that identifies a combination of the skills, knowledge and behaviors and for these models to be considered useful, the competencies must comply with the job activities of individuals (Lindner, 2001).

CM is also used as a basis for strategic workforce planning and all talent management activities but does not provide the instruction for effective leadership and is an attempt to capture the experiences, taughts and experienced leaders' knowledge to provide a framework for the interests of organization and the others (Hollenbeck *et al.*, 2006). Getting a picture of the skills and competencies in the organization, informs us about strengths and gaps. Competency chart is an important component in individual and organizational reformation that supports learning and improvement program; performance management; job description and succession planning (Ernis, 2008). According to Mc Lagan, CMs can be used as criteria for following items:

- Designing training programs
- Recruitment, selection and assessment
- Coaching, counseling and monitoring
- Development of career and succession planning (Birdir and Pearson, 2000)

In particular, the reasons for development of competency framework are:

- Transparency of expected behavioral skills in managerial and leadership roles
- Providing a framework for adjusting management and leadership improvements with strategic decisions

- To help succession planning and career development
- Emphasis on people skills that are as important as technical skills
- Providing a tool for performance management
- To create a valid framework that is commensurate with job and is easy to use (Measures and Bagshaw, 2009)

As specified, CMs were developed as a basis for Succession Planning (SP) programs. Without these models, organizations rarely will be able to proceed beyond the simple approach of replacement. These models offer a plan to create the required competencies in the present and future and provide a norm or standard for measuring individual reformation requirements. These models are very important when the organization is committed to improve talent pools because these models offer the standard for all individuals who may be evaluated (Rothwell, 2005).

Wooten and Elden categorized the general CM for human resources experts into three groups. One of the earliest models has been inspired from the School of Business Administration in University of Michigan. This model includes business qualifications, change management and human resources activities. Another model which was developed by the McBer Company for human resources managers includes three fields: objective management and practical management; interpersonal management and people management and analytical reasoning. Perhaps the most comprehensive CM for human resource workers was developed by Larson. This model prescriptively defines and describes competencies and expected behaviors for senior-level leaders of human resources.

This model prescribes five groups of competencies; objective management and practical management; functional and organizational management; influence management; business knowledge and technical skills of human resources (Sauber *et al.*, 2008).

One study showed that in order to identify leadership CM, these items should be taken into consideration: responsibilities at every level of leadership should be defined and competencies associated with these responsibilities must be identified. Then, the most important competencies should be distinguished and the levels of required competencies for a successful implementation must be identified (Brooks and Henderson, 2005). Viitala (2005) also designed a hierarchical model for management competencies via analyzing them (Fig. 2). Pyramid was selected as the most appropriate form of embodiment with respect to structure of these competencies. Hence, skills classes

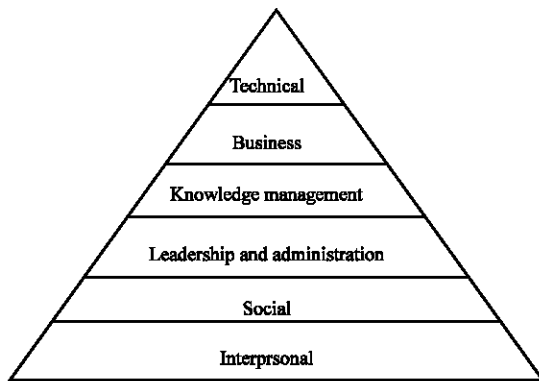


Fig. 2: Hierarchical model of management competencies (Viitala, 2005)

were presented through a hierarchical model that pursues the idea of developed Eligibility model in German industrial sociology.

In fact, this structure is related to Spencer iceberg model. In the latest CMs of modern organizations, job-related competencies or capabilities based on behavior are considered (Delamare and Winterton, 2005). But there is no unique CM that can be useful for all organizations (Athey and Orth, 1999) because the reviews indicate that 7-9% of overall competency is usually required for a particular job and for a presentation in CM for each organization (Shippman *et al.*, 2000). Therefore, each organization must utilize modeling techniques to identify its unique competencies. Modeling the competencies offers an accurate way to identify characteristics related to job performance instead of traditional analysis of job. The advantage of CM is its accuracy. Another advantage of CM is its ability to register characteristics of successful employees and their job performance. This model can provide valuable information for key posts and talented staffs. Unfortunately, CMs also have some disadvantages. One fault is that the concept of CM may not be properly understood. Another more serious flaw is that the important approaches for CM usually requires considerable allocation of time and expense in order to be performed successfully. These can be considered as the basic obstacles when accomplishing an activity is a must and there is need for urgent results (Rothwell, 2005).

In this study, several models of CM models are mentioned. Bhatnagar (2008), in a review on electrical engineering companies in India had designed a model for developing competencies. In this model, these items were considered; technical training, management reform centers, job rotation, long-term management reform programs, workforce duties and inter-functional projects

and the emergence of general management. Saipa company had designed CM for future managers after implementation of succession planning in four main components including:

Personal attitudes: Self-confidence, attitude toward development, professional ethics, creativity and innovation, attitude towards change and learning.

Intellectual foundations: Business thinking, understanding the job role the extent of thinking, judgments and decision makings.

Interpersonal skills: Teamwork, customer orientation, communication, influence and relationships.

People and tasks management: Performance management, conflict management, leadership and training the others (Abolalai and Ghafari, 2008).

Boak and Coolican (2001) in their review, identified six leadership competencies that each one represents a set of behaviors. They include strategic activity influencing the others, actions, decisions, team reformation with high performance, assessment and learning.

Role of competency management: Identifying a specific set of personal competencies is important for accomplishment of strategic objectives. Antonacopoulou and FitzGerald believed the risk which an organization confronting is that it may focus on the capabilities of the past instead of future competencies. Therefore, the framework of competency must reflect the present and future needs of the organization. In this regard, competency management plays an important role in individual and organizational levels and ensures that the individual competencies are in relation with organizational strategy (Wickramasinghe and De Zoyza, 2009). Competency management system is also associated with learning management systems. Competency management can have an important contribution in organizational and individual levels. Also, competency management is the key of the sknowledge that an individual or an organization must gain to meet its objectives (Draganidis and Mentzas, 2006).

Competency management can also considerably improve productivity and quality through better matching and allocation of workforces. Furthermore, competency management enhances and fulfills the fields such as strategic resource tracking, intellectual capital management, knowledge management, project management, financial management and performance management (Novak and Beckman, 2007).

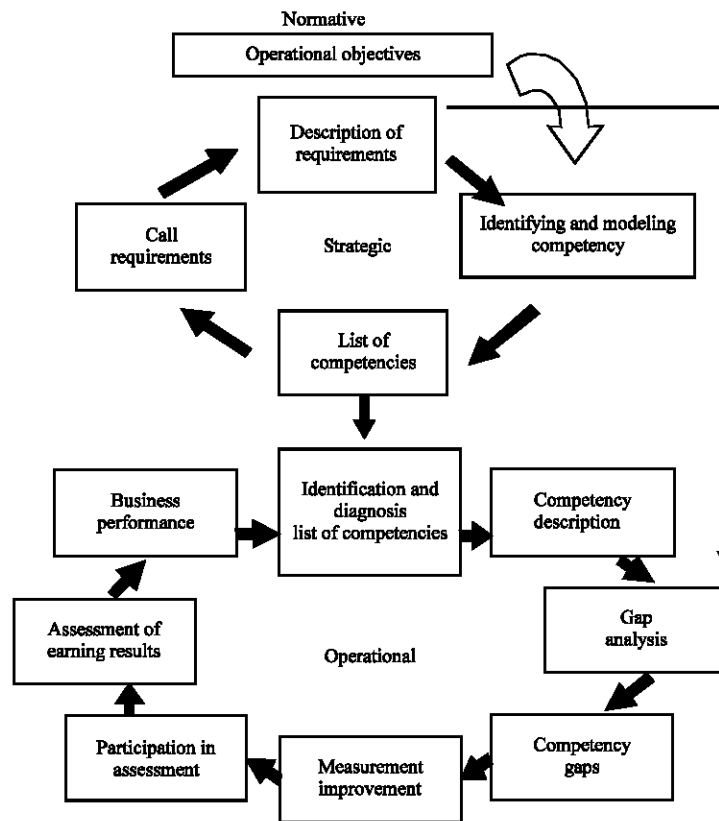


Fig. 3: Layers of competency management (Schmidt and Kunzmann, 2007)

One competency management model is trying to separate responsibilities and duties of competency-oriented human resource development (Fig. 3). This model is composed of three layers: normative, strategic and operational. The strategic layer in the center of this model focuses on the competency list tool and highlights the dialogues about the requirements and competency of staffs.

In addition, job requirements are identified in this layer which is based on experience derived from job performance. Normative layer essentially defines the objectives that influenced by the relevant competencies. In the operational layer, competencies of employees are diagnosed based on job performance (Schmidt and Kunzmann, 2007).

How competencies are used in Succession Planning?: SP is a vital piece of data for day by day decision making in the organizations and is considered as an important tool for improving individuals (Huang, 2001). Also, this system is one of the most important mechanisms available for ensuring that the organizations can train their domestic workers to provide their future workforce. In the other

words, SP can be defined as an attempt for proper planning regarding the number and quality of the managers and staff with key skills in order to compensate retirement, death, serious illness or promotion and any new circumstance that may be created in the future programs of the organization (Sambrook, 2005).

The characteristic of a successful organization is the conditions in which the organization creates knowledge, improves skills and capabilities, maintains the staff and ultimately creates support for them. Employees of an organization are the key holders and users of this knowledge and specialization. These individuals ensure the survival, development, competitiveness and success of the organization (McQuade *et al.*, 2007).

Implementation of SP in the organizations will lead to codification of capability model, identification of training needs, promotion of competence culture, development of staff skills and improvement of their capabilities. Competency models based on succession planning are necessary because without them, it is difficult to:

- Relate main competencies of the organization (strategy strengths) to job competencies

- Transparently define talented people or other workers
- Clearly determine what competencies are required for an organization in the present and future to be successful
- Provide a basis for the performance management through creation of a work environment that encourages high performance among staffs
- Create clear job expectations for present and future
- Apply 360 degree assessment
- Develop the list of competencies to determine how individuals may be trained for the future
- Develop personal reformation programs to help individuals to reduce gap between competencies required for success (as specified in CM) and existing capabilities (as identified in 360 degree assessment or other existing approaches for present and potential future performance) (Rothwell, 2005)

CONCLUSION

Now-a-days, competencies are understood as measurable patterns for skills, abilities, behaviors and other characteristics that can distinguish between high to low performances (Rodriguez *et al.*, 2002). In this regard, competency management plays an important role in individual and organizational levels. Since the competency management is a systematic approach for matching individual performance with strategy and organizational objectives, this process allows the organization to develop main and functional competencies in order for competition.

Competencies are in the center of talent management programs. They enable managers to focus on the workforce planning in major projects such as development and education, career, skills' availability, succession planning, performance management, recruitment, risk analysis, resource allocation and rewards.

Studies revealed that in most organizations inflexible CMs are utilized and many of them are not sufficiently transparent and dynamic to be used effectively in today's varying organizations (Martin and Pope, 2008).

CM as a basis for strategic planning of workforce must be dynamic and flexible to be able match with the changes in technology and economy and this framework must be continually re-evaluated (Egodigwe, 2006). CMs also were developed as the basis for the succession planning program. Without them, organizations rarely will be able to go beyond the simple approach of succession. These models present a plan to build needed competency in the present and future and provide a criterion for measuring personal improvement requirements. These models also offer a standard for all who may be evaluated.

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