

USING COMPETENCY MODELS IN INDUSTRIAL ENTERPRISES

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ABSTRACT

The paper focuses on using competency models in industrial enterprises. This article deals with the theory of competencies, competency models and their utilization. Competency models are a key tool in human resource systems and practice. Managerial competencies enable employees to achieve results, thereby creating value. It follows that managerial competencies aligned with business objectives help foster an organization's success. Organizations must understand their core competency needs - the skills, knowledge, behaviors, and abilities that are necessary for people in key roles to deliver business results. The ability to identify the skills and competencies required for tomorrow's industry leaders is essential for companies that hope to remain competitive. Identifying appropriate competencies helps senior managers in selecting, developing, and coaching future leaders, as well as mapping career paths and planning management succession.

KEY WORDS

managerial competence, competency models and hypotheses

INTRODUCTION

Today managerial competencies play an important role in different types of organizations. The aim of enterprises is to constantly improve the performance of their employees. Competencies can detect the differences between mediocre and outstanding managers. The potential power of an organization is to possess excellent or above-average employees, through the elimination of average employees with continual education and the development of their personality [1]. Although, there are many theoretical concepts, the introduction of a competency approach is not a simple process. To begin with it constitutes a change, aiming to improve performance across the organization.

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DEFINITION OF MANAGERIAL COMPETENCIES

The publication of D. C. McClelland's article instigated a large number of studies, concerned with the definition of a managerial competence. It also created many competency models. Among the different authors, however, there is still no consensus as to what managerial competence is and what constitutes managerial competence [2]. At present there is no agreement in the understanding of this concept among the experts in the field of management competencies. The problem is the discrepancy in the explanation of what the competence entails and what not. Very often the concept of managerial competence is linked to a profession or to a work activity. Moreover, the meaning of the term itself refers to the power to take decisions and this entails responsibility for the consequences stemming from these decisions [3].

CH. Woodruff best defines this problem in his article 'What is meant by a competency' when he claims that the *managerial competence* is used as an umbrella under which everything fits, that may directly or indirectly relate to the job performance. He defines it as "a set of employee's qualities that must be used for the position and within these qualities the tasks arising from the position should be competently mastered". According to him the competent managers should simultaneously fulfil three basic conditions to accomplish their tasks. And these are:

- to possess the knowledge, skills and abilities, which are required for this position,
- to be motivated to perform this position and to be willing to spend the necessary energy,
- to have the ability to use these qualities in business environments [2].

The authors of this article argue that the *managerial competence* presupposes *an ability that effectively enhances the qualities of the manager and that results in an above-average performance on the part of the manager.*

COMPETENCY MODELS

A competency model is a descriptive tool that identifies the knowledge, skills, abilities, and behavior needed to perform effectively in an organization. Designed to help an organization meet its strategic objectives through building human-resources capability, competency modeling has been in existence since the 1970s, starting with the first models created by David McClelland [2].

Competency models focus on behavior rather than on personality traits, because personality traits are usually hard to measure accurately. Expressing desirable traits in behavioral terms is essential for a competency model to be useful as a human-resources tool, because the model must not only define the competencies necessary for effective performance but also indicate how to tell when a particular competency is being demonstrated. Most competency models express traits and characteristics in behavioral terms on the grounds that behavior is the observable manifestation of personality traits and characteristics. Competencies are deemed critical for inclusion in a model when they distinguish superior performers from poor performers.

Competency models are less specific than is the job analysis typically performed for specific positions, and models can encompass a whole family of jobs.

Using Competency Models

Competency models provide a common language for discussing capabilities and performance. The development of a competency model can help provide guidance for a host of different HR practices and ensure that those practices are consistent. Specifically, competency models can be used as a foundation from which to establish criteria for a broad array of HR systems. For instance, listed below are eight HR activities that can be guided or enhanced with the use of a well-developed competency model [4].

Recruitment and selection. Looking beyond skills to performance dimensions such as teamwork, competency models can help to establish what it takes to do well on the job. Armed with this information, companies can focus recruitment on finding the greatest number of prospective employees who have the right mix of competencies for the job in question. The content of appropriate selection instruments (e.g., structured interviews, role plays) can target the key competencies— and, hence, the whole package of needed skills and abilities. Beyond their usefulness in improving selection tools, competency models also provide candidates with a clear and realistic picture of expected behavior.

Training and development. Assessing gaps between existing employee skills and those identified by a competency model can be extremely useful in devising a long-term strategic plan for leadership training and development. Identification of the skills needed to perform effectively makes it easier to ensure that the design and delivery of training are aligned with the organization's objectives. When a competency model is used as the foundation for training objectives, individual leadership gaps can be assessed and a training plan devised to address deficiencies.

Performance appraisals. Performancemanagement systems can be enhanced by a competency model that provides a shared set of expectations regarding what is important and what will be monitored and measured. Competency models help managers to focus performance-appraisal discussions on critical aspects of behavior, thus providing a strategic tool for consistent and meaningful evaluation.

Coaching, counseling, and mentoring. Competency models are often used as the basis for 360-degree feedback, in which a manager receives performance information from all relevant sources (including supervisor, subordinates, self, peers, and customers, if applicable). Coaches and advisers can use the information so gathered to guide the employee in designing a development plan and making critical skill improvements. The clarity and specificity of competency models enable coaches and mentors to reinforce desired behavior and performance-management systems to necessary competencies.

Reward systems. A tremendous percentage of an organization's operating expenses is devoted to employee compensation. To attract, retain, and motivate employees, reward systems must be equitable and linked to desired behavior. Competency models can be extremely useful for defining the behavior that will be rewarded.

Career development. For employees who aspire to reach the next level on a career path, a competency model serves as a map. Competency models make employees aware of the behavior and skills needed to advance and achieve success, allowing them to prepare accordingly.

Succession planning. Competency models can be used to identify possible successors for critical jobs by clarifying the requirements for the job and providing a method for assessing a particular candidate's readiness. Without a clear understanding of the competencies needed by future leaders, it is difficult for a company to measure its "bench strength"—that is, to determine whether the organization has people with those capabilities and, if it does, who they are.

Change management. Organizations can work toward an uncertain future by creating models that are based on competencies that may be necessary for future leaders, as well as competencies needed for current operations.

Competency models confer several advantages on a company. First, a competency model is useful for building an integrated framework for developing a company's human-resources system. Used consistently, such a model should lead to improved and consistent performance standards. More important, the model can be a critical guide during periods of instability and change. Moreover, making HR decisions on the basis of carefully developed competency models reduces legal challenges to those decisions. Finally, well-developed competency models enhance a company's ability to communicate with its employees regarding the behavior connected with success, thereby increasing the firm's ability to achieve its business objectives [4].

OBJECTIVE OF MY DISSERTATION THESIS

Based on the analysis conducted by questionnaire survey in the medium industrial enterprises in Slovakia and theoretical knowledge gained from literature in the area of managerial competencies and competency models, we set the main goal of the dissertation thesis. The main objective of the thesis is to propose a methodology applications competency models in terms of medium-sized industrial enterprises.

In order to achieve main goal the dissertation thesis is necessary to fulfill the partial goals, which are necessary starting to fulfill the main objective

Partial objective

- Make general overview of theoretical knowledge for the issue of managerial competencies and competency models in industrial enterprises, the thesis will contain definitions of several authors dealing with issues of managerial competencies, which different perceptions of this term can not unify its meaning and essence.
- Analyze the current state of creation and application of competency models in terms of medium-sized industrial enterprises in Slovakia using research methods and tools (questionnaire survey, interview, observation and comparison).
- Verify the proposed methodology in the practice of industrial enterprises. Verification will be realized on a sample of medium-sized industrial enterprises. For verification will be used the following methods: a questionnaire survey, observation, interview.

HYPOTHESES

Based on the theoretical knowledge I set in the dissertation thesis the following hypotheses:

1. More than 50% of medium-sized industrial enterprises has not created competency model.

2. More than 50% of medium-sized industrial enterprises which have not created competency models, they plan to prepare for the future.
3. Subsidiaries assume competency models from its parent companies.
4. If a medium-sized industrial enterprise has created competency model, the performance of the managers of the company is higher than the performance of managers working in a business where such have not created competency model.

CONCLUSION

As organizations increasingly focus on human assets as a competitive advantage, they expect higher levels of performance from their employees. We anticipate the use of managerial competencies and competency models in the future as a tool of strategic human resource.

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