

# Examining the Implementation of Competency-based Approach to Increase the Efficiency in Zahedan University of Medical Sciences

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## Abstract

Today, intense competition and technological change upsurges the increasing pressure on organizations and their different ways of increasing the productivity of their workforces; this is what makes competency the most important part of a competitive environment. This study was designed to see whether implementing a competency-based performance management system resolve the problems that were inherent in the previous job-based system. Therefore, the aim of this study was to collect data from behavioral event interviews and methods of data analysis; and by presenting questionnaires to the experts and managers, our results were acquired about the role of merit in improving the efficiency and effectiveness. The results showed that all individuals confirmed that competency is the key elements of increasing the efficiency and productivity and they should be applied in all organization for designing and developing the competency –based orientations.

**Keywords:** Competency-based approach, human resources, efficiency

## Introduction

Competency-based human resource (HR) management systems have been gaining an increasingly prevalent role with a wide range of organizations, particularly in information technology (IT) organizations (Copithome, 2000). These systems differ from more traditional job-based systems where job descriptions are the central construct in defining performance. In contrast a competency-based system includes key skills, knowledge and

abilities that must be performed in order to be successful in that job. Competencies themselves were described by McGregor as far back as 1973, but have really only become popularized after Prahalad and Hamel's (1990) landmark paper on the topic.

A number of research projects attest to the increasing prevalence of competency-based systems in the business arena. A research project sponsored by the American Compensation Association (ACA) in 1996 revealed 217 firms were identified from the ACA membership that had, or were in the process of implementing, competency-based programming in at least one human resource area (Bennett, 1996). These companies typically had over 1000 employees, they evenly represented manufacturing and service sectors, and they were generally experiencing good economic health. The three main reasons cited for implementing competency-based human resource applications included communicating 'behaviors' desired by the organization to employees; raising the proficiency of employees in key competency areas; and supporting human capabilities that would contribute to competitive advantage.

A more recent survey conducted in the UK on training in industry and commerce, reveals that 52 percent of all organizations in the UK are currently using competency frameworks for development or training purposes, and that this figure is likely to rise (Landale, 1999). In another study (Mottl, 1999), 1,700 HR managers and vice presidents at organizations averaging 3,000 to 10,000 employees were polled. According to the results, one in four companies were using a competency model to assess company-wide employee skills, and more than half used the model to guide training efforts. These findings reflect the significant role competency-

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based systems play in big business, and according to all the signs, this role is increasing at a brisk pace.

Performance management, "...is the process of collecting, analyzing, evaluating, and communicating information relative to individual's job behaviour and results." (Falkenberg, Stone & Meltz, 1999). Such a system provides a good system for the effectiveness of a competency-based organization as competencies are among the key constructs such as 'collected', 'analyzed', 'evaluated' and 'communicated' in performance management. The University of Calgary Library hoped to achieve the following performance objectives:

- to establish a performance management process based on competencies,
- to establish strong staff development capabilities,
- to train staff and supervisors by a similar unit of analysis (i.e., competencies)
- to encourage consistency, and
- to foster collaboration between staff and supervisors in completing job profile forms.

### *Defining Competencies*

Catano (1998) conducted a major literature review on competencies and identified many different, but related, definitions for competencies. He noted the common components and arrived at the following definition: competencies are observable and measurable attributes (knowledge, skills, attitudes, and other characteristics - KSAOs) that distinguish outstanding performers from others in a defined job context. Spencer and Spencer (1993) added that competencies must be criterion-referenced meaning they "... predict who does something well or poorly, as measured on a specific criterion..." such as sales volumes, productivity and customer service ratings. Given these two perspectives, competencies for the purpose of this research are defined as competencies are observable and measurable KSAOs (knowledge, skills, attitudes, and other characteristics) that predict criterion-referenced superior performance in a given job or role.

### *Management problem and importance*

Many competency-based systems are trying to improve performance at both organizational and individual levels, however it is difficult for management to make the decision to introduce such a system based merely on available support. As far as this research paper is concerned, it wants to focus on

the questions that whether the competency-based performance management system working effectively among the employees and staff in Zahedan Medical Science University.

### *Performance Management Literature*

Companies that create wealth based on human capital depends on performance management systems to plan, evaluate and reward performance. According to Spencer & Spencer (1993), performance management systems include several sub-processes :

- organizational strategic planning,
- organizational and work unit goal setting,
- individual performance planning,
- individual performance management and coaching, and
- individual performance evaluation/appraisal

### *Developing a successful performance management system*

According to Falkenberg et. al. (1999), performance management has been defined as, "...the process of collecting, analyzing, evaluating, and communicating information relative to individual's job behaviour and results." (p. 282). Performance information can be, "...used to determine HRD needs, validate predictors used in selection, assign pay, and evaluate program success." (p. 283). To develop a successful performance management system, Falkenberg et al. (1999) suggested the following five major responsibilities:

1. Identification of the necessary performance information
2. Identification of performance evaluation method(s)
3. Applying measurement standards of validity, reliability, practicality and fairness
4. Implementing the performance management system
5. Responding to developmental problems

### *Identification of the necessary performance information*

The first consideration is to determine what performance information is required for both decision makers and employees. The systems' assessment provides information as to the quality and effectiveness of the organizational system; the administrative assessment provides information on individual performance in order to make resour-

ing, pay and promotion decisions; and the developmental needs assessment supplies information about areas in which employees need to develop (Falkenberg, et. al., 1999).

Also, in many organizations training and development opportunities are part of an organization's retention strategy - simply because employees that value their employability will seek to work for organizations that support it. The supervisor's role is to act as 'coach' or 'helper' to assist the staff member create a developmental plan (Falkenberg, et. al., 1999).

### *Identification of the performance evaluation methods*

The performance evaluation process is perhaps the most effective strategy the organization has at its disposal to develop the performance of its people. Expectancy theories suggests that, to maximize individual performance, the individual must perceive that the effort they exert on the job will result in a favourable performance evaluation which, in turn, will result in rewards that are meaningful to them (Franken, 1988).

Therefore, the methods used to evaluate and reward individual performance are important considerations for managers as they have a significant motivating (or demotivating) effect on staff.

When conducting performance evaluations it is recommended that organizations develop separate methods for collecting developmental (supervisor as 'helper') and administrative information (supervisor as 'judge') (Falkenberg, et. al., 1999). If these methods are not separated, supervisors will find themselves in two conflicting roles ('helper' and 'judge') which can undermine the effectiveness of their performance management efforts. For example, by assessing both administrative and developmental information in the same interview, the employee will tend to focus on the administrative as this information has the greatest bearing on their pay cheque (Falkenberg, et. al., 1999).

### *Staffing*

The hiring process was now driven by the competency-based job profiles. What was immediately apparent was that the preparation of job postings occurred more easily and efficiently. Library staff were familiar with the format of the profiles particularly since they were involved in their development. Virtually all of the recruitment processes - short-listing of candidates, interview assessments,

reference checks and the decision to hire - were now based on the competencies identified in the original posting. In addition, recruitment decisions were increasingly driven by the skill gaps of the library. By basing the processes on competencies, the library was hopeful that this would ensure fair and consistent recruitment practices.

### *Learning and Development*

Each competency had five development phases ranging from entry to expert skill levels. With the implementation of the competency-based human resource management system, the library increased the training budget to four times that of previous years. According to the comments of one of the PEP committee members, the allocation of training dollars was to be decided by both the employee and supervisor, whereas in the past, the supervisor had made all training decisions. The new system had a greater emphasis on soft skill training. Staff training was to be based on two sources of information: survey results on training issues, as conducted by other University libraries; and skill gaps (the difference between current and required skill levels or proficiencies) as identified in staff performance appraisals.

### *Performance Evaluation*

As part of the new performance management process, staff performance and training goals were set at the beginning of the performance period and were to be reviewed at the end of the year. To document these goals, personal development profiles were created for each employee. The PEP committee members suggested that, in general, these performance goals were being met. However there was a range of identified goals. Some goals were too ambitious, some were too lax, and some staff members were asked to take on different projects during the performance year which altered their respective goals altogether.

Performance evaluations were to be based on accountabilities and the eight core competencies rather than on the traditional job descriptions. Part of the evaluation process involved personal development plans that were competency-driven for each employee. For the most part, performance evaluations were handled by the employee and their immediate supervisor, and they included an employee self-assessment component. This was a conscious move away from the traditional supervisor-driven approach to encourage greater participation and ownership of the process by staff members.

### *Strengths and weakness of Competency-Based Systems*

Human resource development (HRD) literature has stressed the importance of moving away from research which focuses on the human resource functions as though they were independent (Wright & McMahan, 1992). Instead, there should be a movement towards more integrated models which address the functions together as a whole, and that they be linked by a strong theoretical foundation. Competency-based approaches purport to do just that. Competencies transcend the human resource functions by acting as a universal construct between them (Copithome, 2000).

A number of researchers have been critical of competency-based systems. Kerka (1999) cites Chappell 1996, and Hyland 1994 who argue that CBET is “conceptually confused, empirically flawed, and inadequate for the needs of a learning society...is excessively reductionist, narrow, rigid, atomized, and theoretically, empirically, and pedagogically unsound” (pp. 1).

Additional problems with implementing competency-based systems were identified in a recent study group annual report by the Global Human Resource Institute (Hannum, 1998). They claimed competency-based systems were:

1. too complex to manage;
2. too difficult to implement with too much paperwork;
3. difficult to gain employee buy-in for the system;
4. easily undermined by other priorities having more obvious business gains;
5. under supported by upper management when the new system required them to make difficult calls on people;

### **Methodology**

Given that the subject substantially requires to be judged about the performance and productivity, so finding a particular form of statistical population to obtain information on the efficiency of the final judgment is difficult. Therefore, the aim of this study was to collect information through interviews and methods of behavioral event interviews, to analyze data, and to define competency's through different groups of experts and managers. Finally, the conclusions about the role of competency in improving the efficiency and effectiveness have achieved.

### **Results**

Competency is the ability to implement knowledge in practice. The level of competency is normally what the doctrine of competency explains, but note that these levels do not show the degree of it. Normally there is a basic level for any competency. This level indicates that the individual has the level of basic knowledge for competency. The basic knowledge is achieved through a short training, low proficiency and limited experience. The individuals in this issue are always looks for help. Today, there are a number of frameworks and models for competency but we can say that they are partly based on these parts:

- a. Clusters of knowledge, skills, abilities, motivations, beliefs, values and interests,
- b. Associated with the main job
- c. Associated with superior performance or effectiveness,
- d. Associated with accepted, visible, and measurable standards,
- e. Associated with strategic orientation,
- f. The quality of improvement through education

Competency requirements and application in the field of human resources management: if we analyze the organization of human resources systems, it is clear that most of the time there are connections between its various subsystems such as training, performance, assessment, absorption and etc. This actually leads to inefficiency of human resource systems.

The following results were obtained from the questionnaires of experts and managers:

#### *Experts*

- 83 % of them considered the competency factor as an effective way of developing the efficiency
- 43 % of them believed that there is the potential of efficacy and efficiency in their workplaces
- 65 % of them considered the training program as an effective way of increasing the efficiency
- 32 % of them considered that increasing the relevant awareness and 25 % of them believed that people's activity is the effective way of promoting the level of efficiency
- 93 % of them believed that the defined competency approach is based on knowledge, ability and motivation
- 62 % of them considered that the compe-

tency approach should be based on measurable standards and approximately 37 % of them believed that the competency approach is only based on skills and knowledge

Managers

- 80 % of them considered the competency factor as an effective way of developing the efficiency
- 33 % of them believed that there is the potential of efficacy and efficiency in their workplaces
- 42 % of them considered the training program as an effective way of increasing the efficiency
- 25 % of them increasing the relevant awareness and 41 % of them believed that people's activity is the effective way of promoting the level of efficiency
- 90.4 % of them believed that the defined competency approach is based on knowledge, ability and motivation
- 33 % of them considered that the competency approach should be based on measurable standards and approximately 60 % of them believed that the competency approach is only based on skills and knowledge

## Discussions

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Competency life cycle, set of four major stages that aims to promote the continuous development of individual and organizational competency. The four major steps are:

- Competency Mapping
- Competency Recognition
- Competency Development
- Competency Supervisory

The purpose of competency mapping is to prepare an organization to review its required competency and to carry out its objectives by which the organization's business plan, project requirements, needs and requirements of occupational groups are defined.

Features: Competency is a manner of which become a skill; alongside with indefatigability, attention and indiscretion and etc. This is what we call it competency. The core of all organizational activities is capable human resources which has an important role in the success and development of organizations. Competency is a continuous improvement process with a very high flexibility in human resources; it is also possible that the organization can continue to operate in a competitive environment. Acquiring the necessary competencies from the senior managers and middle class orga-

nizations is truly an important requirement for the leading organizations. Managers who have mastered the competency orientations can afford organization's objectives. According to the published results that have been obtained from the questionnaire responses, differences in opinion of experts and managers can be partly realized. So that it can be said, experts believe in a greater commitment and the institutionalization of competency in their performances. For instance, more experts confirmed the necessity of adapting the skills with quantifiable standards and laws. In this case, most managers agree on the selection of individuals with a diagnosis of responsibility. In some cases, managers have focused on skills while experts believed in greater awareness. Therefore, there is little difference in the results compared with the general approval of the factors we can conclude. All individuals confirmed that competency is the key elements of increasing the efficiency and productivity and they must be applied in all organization. For designing and developing the competency orientations, first we should analyze the performance of the organizations, and then the appropriate qualifications which are designed to achieve future goals must be designated. Fulfilling this issue helps the organizations adapt with pending competency s.

Some indicators of effectiveness in this regard include:

- Productivity increase
- Waste reduction
- Reducing duplication
- Increased profits
- Production improvement
- Quality improvement
- Reducing the problems of employee performance
- Increased sales
- Increased market share
- Reducing the processing time
- Reducing compulsory works
- Reducing customer dissatisfaction
- More effective organizational communication
- Accelerating the realization of organizational goals
- Reducing the error rate

## Suggestions

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According to the results of this survey, the following is raised as a series of recommendations in

order to increase productivity:

1. Increasing the training programs of experts and managers at various levels about the need to develop the skills and acquire the necessary competence and expertise.

2. Strengthening the knowledge and skills of managers in line with management programs and through continuous and periodic education.

3. The necessity of determining the levels and developing the levels of goal in order to classify the activities and skills and providing the programs aimed at achieving the goal.

4. The necessity to strengthening the incentive and recognition programs for people who have endorsed the skill levels.

5. Defining the competency approach for each specialty in order to determine and reinforce the factors.

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