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**COMPETENCY DEVELOPMENT IN ORGANIZATIONS:
BUILDING AN INTEGRATIVE MODEL THROUGH A QUALITATIVE STUDY**

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ABSTRACT

The prominent role of competency development in enhancing the success of employees and organizations has drawn the attention of practitioners leading them to introduce competency development as a central part of their human resource practices. Unfortunately, the strong managerial interest in competency development was not fully translated into the academic world, creating a gap between theory and practice. The main purpose of this study was to fill this gap by unraveling the process of competency development in organizations. To this end, we adopted a longitudinal multiple case study design, gathering information from 22 Belgian organizations through organizational records, semi-structured interviews with HR managers and focus groups. By using a grounded theory approach, a framework emerged mapping out the different steps of competency development in organizations. Hence, this study can be an important first step towards closing the existing gap between practice and theory concerning competency development in organizations.

Key words: competencies; competency development; training; on-the-job learning; career management; self-management

Organizations and their environment have changed dramatically over the past years. These changes have altered the concept of career and have contributed to the development of new models for career management (Arthur, Inkson & Pringle, 1999). New career concepts, such as the boundaryless career (Arthur & Rousseau, 1996) and the protean career (Hall, 1996), have emerged. Central to the notion of the so-called “new career” is that organizations can no longer guarantee employees’ career success by providing lifetime employment (De Cuyper, Bernhard-Oettel, Berntson, De Witte, & Alarco, 2008). Instead, employees need to create their own career success by pursuing lifetime employability, i.e. the continuous fulfilling, acquiring or creating of work through the optimal use of one’s competencies (Forrier & Sels, 2003; Van der Heijde & Van der Heijden, 2006). As such, these “new career” patterns make it increasingly important for employees to continuously invest in the development of their competencies (Scholarios, et al., 2008). For organizations, focusing on the continuous development of their employees’ competencies is also necessary, since it gives them the opportunity to stand out to their competitors (Tampoe, 1994). The management literature increasingly acknowledges the importance of competency development in enhancing the competitiveness and performance of an organization. As such, competency development becomes a crucial strategic management tool in today’s work environment (Bergenhengouwen, ten Horn, & Mooijman, 1997; Nyhan, 1998).

The prominent role of competency development in enhancing the success of employees and organizations has drawn the attention of practitioners leading them to introduce competency development as a central part of their human resource practices (Delamare Le Deist & Winterton, 2005; Lawler, 1994). As a result, the use of competencies within human resource management has become widespread in today’s Western organizations (Athey & Orth, 1999; Heinsman, de Hoogh, Koopman, & van Muijen, 2006; Nybo, 2004).

Unfortunately, scholars have often been skeptical towards the concept of competencies and thus the strong managerial interest in competency development was not fully translated into the academic world, leading to a gap between theory and practice (Athey & Orth, 1999; Barrett & Depinet, 1991). In particular, a lack of insight into the organizational process of competency development can be detected at the theoretical level. In addition, previous research only focused on one aspect of competency development, indicating the absence of an integrated approach that discusses the interrelations between different HR-practices involved in competency development (Lai & Kapstad, 2009; Nybo, 2004). So, although a lot is known about the individual practices that are involved in competency development, little is known about the connections between these practices and how they

should be geared to one another (Garavan, Morley, Gunnigle, & Collins, 2001; Sandberg, 2000; Van der Heijde & Van der Heijden, 2006). To fill these gaps in the literature, the underlying paper aims to unravel the process of competency development in organizations by conducting a qualitative case study in 22 Belgian organizations. Thereby, we do not only look at the different aspects of competency development within an organization, but also assess the interconnections between these aspects, putting competency development in a broader perspective. As a result, an integrative model is developed describing the main HR-practices influencing competency development and their possible interrelations, as well as how competency development fits within the broader organizational and socio-economic context.

Competencies at work

According to van der Klink and Boon (2003), competencies are a fuzzy concept. These authors underpin their statement by the lack of a universal definition and the confusion about the concept in the literature. To ensure a full coverage of the term, scholars recently opt for a broad definition of competencies (Delamare Le Deist & Winterton, 2005). Following Spencer and Spencer (1993), we define competency as: *“an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or a situation”* (p.9).

The question that rises is which competencies employees need to develop to ensure an effective or superior performance in their current and future jobs. Kuijpers (2003) discerns three important types of competencies at work. First, functional competencies are defined as the knowledge and skills necessary for employees to successfully perform their jobs. These functional competencies are based upon the employees' tasks and roles and, hence, differ according to the industry and function (Kuijpers, 2003). Second, learning competencies are defined as the individual characteristics of an employee that enable him/her to develop new functional competencies (Kuijpers, 2003). According to Lindley (2002), learning competencies increasingly gain importance in the work environment since the rise of the knowledge economy and the growing need for flexibility make it important for employees to continuously invest in their development. Finally, career competencies are described as the individual characteristics of an employee that enable him/her to guide his/her functional and learning competencies in the right direction

(Kuijpers, 2003). Thereby, career competencies refer to the employee's creation of a career identity by gaining insight into his/her own possibilities and motives and the employee's ability to proactively translate these insights into concrete actions that can direct his/her career (De Vos & Soens, 2008; DeFillippi & Arthur, 1994). As the new career era holds individuals primary responsible for their own career, career competencies become increasingly important today (Hall, 1996).

Competency development

We look at competency development from an organizational perspective. In this perspective, scholars describe competency development as an important feature of the wider defined concept of competency management (Heinsman, et al., 2006). Heinsman, et al. (2006) describe competency management as *“an important human resource tool that is often used within organizations to guide human resource practices such as selection, assessment, career management, employee development, and performance appraisal”* (p.293). Building further on the work of Forrier, Sels and Stynen (2009), we define competency development as: *“an important feature of competency management which encompasses all activities carried out by the organization and the employee to maintain or enhance the employee's functional, learning and career competencies”*.

Most studies have limited their investigation of competency development to training and formal education, thereby ignoring other HR practices that might stimulate competency development (Nybo, 2004). However, on-the-job learning and career management are essential HR practices in the development of employees and are, hence, equally important in the process of competency development as training and formal education (Lai & Kaapstad, 2009; Nybo, 2004; Van der Heijden, Boon, van der Klink, & Meijs, 2009). Therefore, in our integrated approach, we take initiatives concerning training, on-the-job learning and career management into account. Furthermore, we also investigate the interrelationships between these three practices, since previous authors have noticed that little is known about the connections between these practices and how they should be geared to one another (Garavan et al., 2001; Sandberg, 2000).

METHOD

The data for this research were gathered through a longitudinal multiple case study design. The case study design is a qualitative approach that is well suited to our goal of generating an integrative overall theory (Eisenhardt & Graebner, 2007; Yin, 1994). Moreover, by using multiple cases, we could take a diverse perspective into account. As indicated by Eisenhardt & Graebner (2007), multiple cases create more robust theory by providing varied empirical evidence. The longitudinal character of our study created the opportunity to observe trends and evolutions within competency development, making it possible to refine our theory even further.

Within our case study, we gathered information from 22 Belgian organizations through organizational records, semi-structured interviews with HR managers and focus groups. By using a grounded theory approach, in which data and theory are constantly compared and contrasted throughout the data collection and analysis process (Locke, 2001; Isabella, 1990), a framework emerged about the way in which organizations design their competency development initiatives and the effect this has on both organizational and individual outcomes.

Participants

The case study included 22 organizations that were all located in Flanders, a Belgian region in which the government has taken several initiatives to stimulate competency development. As our study started in 2007 and encompassed 4 years, it should be noted that the global economic crisis occurred during this period and that this crisis had a profound impact on most organizations of the Flemish region (Social-Economic Council of Flanders [SERV], 2009).

The organizations that participated in our research were all defined as 'good practice'-organizations in competency development. As such, we selected cases that exhibit the phenomenon of interest to a high degree since this allowed us to fulfill the requirement of the inductive, case-based theory development method for theoretical sampling (Yin, 1994). The selection of the 22 organizations was performed by a screening over the telephone among organizations known to place competency development high on the agenda. Only those organizations that played a leading role within the domain of competency development by offering a number of highly qualitative initiatives enhancing competency development for a large group of employees, were included in our sample. Furthermore, we wanted to maximize the differences in business environment by taking the following criteria into account: a wide range of different industries, a wide range of different sizes, a wide range of different

positions including white-collar as well as blue-collar workers, at least one organization from the socio-cultural industry and at least two SME's. Table 1 summarizes the descriptive characteristics of the sample shedding a light on the diversity of the sample in size, industry and position. Thereby, special attention was paid to an equal representation of blue- and white-collar workers to cut across the idea that competency development is mainly an instrument for highly educated employees.

Insert Table 1 About Here

Procedure

After the selection of the sample, the HR professionals responsible for competency development of the 22 organizations were contacted to ask for their participation and to inform them about the longitudinal character of our study. On average, two to three HR professionals per organization participated in our research. The sample of 22 organizations was divided into two subsamples of respectively 10 and 12 organizations. The HR professionals of the first sample were interviewed in 2007 and 2009, whereas the HR professionals of the second sample were interviewed in 2008 and 2010. As such, the HR professionals of each sample were interviewed twice, with a time span of two years between the first and the second interview. We opted for semi-structured interviews since this allowed us to adopt a uniform approach while at the same time maintaining the ability to explore all topics in depth and to diverge into unplanned areas. All interviews were tape-recorded and verbatim transcribed, allowing a systematic analysis of the raw data. Each interviewee received a copy of the transcription to make sure that the interview contained no mistakes. Moreover, they could also make additional comments if they felt this was necessary.

In addition to the interview, we had access to organizational records about the initiatives that organizations undertook regarding competency development. These documents allowed us to verify whether the interviewees provided a truthful view on the competency development initiatives in their organization.

Finally, we conducted focus groups after the completion of each wave of interviews. Each time, a separate focus group was organized for the participating organizations and for HR professionals of non-participating organizations. The aim of the focus groups with the participating organizations was to verify whether the results fully reflected the opinion of the participating organizations and to further

examine a number of interesting findings. In the focus groups with non-participating organizations, we asked the HR professionals to reveal their insights into the results obtained about competency development. The aim of these focus groups was to broaden our perspective in order to generalize our findings to a larger target group.

The interview

The interview assessed the broader structure and strategy of the organization, the motives of the organization to invest in competency development, the different HR practices enhancing competency development in the organization, the different actors in the organization playing a role in competency development and the main challenges for the future. To address the broader structure and strategy of the organization, interviewees were asked questions such as: “What is the structure and strategy of your organization?” and “Is there a strategic plan for HR in your organization?”. Some questions to attend to the motives of organizations to invest in competency development were: “What are the main reasons for your organization to invest in competency development?” and “Which challenges in your business environment have inspired your organization to implement competency development as a strategic management tool?”. To assess the different HR practices in the organization playing a role in competency development, the following questions were included in the interview protocol: “How does your organization develop the competencies of its employees?” and “How are all the initiatives in the context of competency development related to each other?”. As such, we started off with questions about competency development initiatives in general. However, since previous research (Lai & Kaapstad, 2009; Nybo, 2004) has shown that training, on-the-job learning and career development were important means for organizations to engage in competency development, we also included specific questions on each of these three topics. Some exemplar questions are: “Which training methods are used in your organization?”, “Which conditions are created in your organization to stimulate on-the-job learning?” and “How is career management currently organized in your organization?”. The next part of the interview looked at the different actors in the organization that played a role in competency development and asked questions such as: “Which actors have an important role to play in the process of competency development?” and “What actions do you expect from these actors to support competency development in your organization?”. Finally, we included some questions to address the main challenges for the future in the field of competency development, for example “What are your organization’s most important challenges in the field of competency

development?” and “Which projects does your organization plan to undertake in the future?”. At the end of each interview, participants were asked for any other details or pieces of information that they felt was relevant. As such, we could ensure that all relevant topics regarding competency development were covered. The full interview protocol is included in the appendix.

All interviews were conducted in Dutch and lasted one hour to one hour and a half. The location of the interview was determined by the interviewee. Depending on the answers of the interviewee, not all interview questions were necessarily asked and the order of the questions could differ across participants (Shinnar, 2007). This approach is typical for qualitative interviews, since it allows an in-depth exploration of all topics while allowing the interviewee to lead the conversation (King, 2004). The interview protocol was thus more of a guide to the interviewer and did not need to be followed strictly (Shinnar, 2007). Nevertheless, we ensured that all topics were addressed in each interview by taking brief notes to keep track of all topics discussed.

Data analysis

Constant comparative method. Similar to other recent research (August, 2010; Shinnar, 2007), our analysis procedure followed a grounded theory approach. Grounded theory requires interpretations to be embedded in the phenomenon at hand and, hence, is especially useful when a well-established theory is lacking (Glaser & Strauss, 1967; Strauss & Corbin, 1990). As competency development is well embedded in organizations but academic research on this topic is lacking, grounded theory allowed us to close this gap between theory and practice by developing a conceptual model of competency development in organizations that is closely linked to reality. Central to a grounded theory approach is the constant comparing and contrasting of theory and data throughout the data collection and data analysis process (Isabella, 1990). Therefore, the analysis of our interviews was based on the constant comparative method, as recommended by Glaser and Strauss (1967).

By using comparative analysis, i.e. constantly comparing incident against incident and checking for similarities and differences, those incidents that were found to be conceptually similar were grouped together in the same category whereas those incidents that were found to be conceptually different were placed in a different category and provided with a different label (Corbin & Strauss, 2008). The coding of the first interview led to a list of categories, that was further refined and complemented during the coding of the next interviews by categorizing fragments of text according to whether they resembled text segments from the interviews assessed earlier. More specifically, we used a combination

of open coding and axial coding, since Corbin and Strauss (2008) indicated that these two forms of coding go hand in hand. Open coding allows researchers to break down the data and delineate concepts, whereas axial coding permits researchers to put the data back together in new ways by making connections between categories. As such, the codes that resulted from the open coding process were put into more abstract categories using axial coding. For example, 'need analysis', 'actual training' and 'follow-up' were all subcategories of the broader 'training trajectory', which in turn was one of the subcategories of the broader *training* category, together with 'training method', 'training content' and 'training as a formal procedure'. By sorting the properties and dimensions of each category, this iterative process of open coding and axial coding resulted in a coding scheme that included all the core concepts of our theory, each describing an important aspect of the process of competency development in organizations. These core concepts were then integrated into an overall theoretical framework, delineating the interrelations between the different concepts by examining cross-case patterns (Corbin & Strauss, 2008).

The longitudinal character of our study made it possible to examine and close existing gaps in the initial theory that resulted from the first wave of interviews by creating the possibility to examine certain topics in greater depth during the second wave of interviews. By using the same analyzing and coding techniques during the second wave of interviews, the initially developed theory could be put to the test and was further refined. This repetitive process allowed us to adjust our framework during our data gathering and data analysis process, up until the point at which additional data no longer added any new information to our framework (Suddaby, 2006).

Reliability and validity. The data analysis procedure in our research was completed by a single analyst. As mentioned by August (2010), coding in itself is a rather subjective process since it inherently involves constructing knowledge out of a phenomenon at hand. As such, it is impossible to fully extract all subjectivity from the coding process, even when using multiple analysts (August, 2010). However, to ensure the reliability of the researcher's interpretations, the analysis of the interviews was returned to the interviewees in order for them to give feedback on the processing of the data. Additionally, as recommended by Corbin and Strauss (2008), the reliability of our findings was preserved by keeping a detailed log book which contained the researcher's notes that were made during the data analysis process, the recordings and transcriptions of the interviews and the coding inferences made by the researcher.

The internal validity of our research was guaranteed by on the one hand, using multiple information sources to collect the information and, on the other hand, using different data gathering

methods to support our conclusions. In addition, we conducted focus groups with the interview respondents to verify whether the resulting framework was a good representation of the competency development process in their organizations. The external validity of our findings was warranted in three ways. First, when selecting our sample, we took the differences in business environments of the participating organizations into account by creating a diverse sample in terms of size, industry and employee population. Second, the multiple case study design allowed us to adopt a ‘replication logic’, since each case was a test for the emerging insights that we had into the competency development process. As such, each case served as a replication, a contrast or a further refinement of our theory (Eisenhardt & Graebner, 2007; Yin, 1994). Finally, by conducting two focus groups with HR professionals who were not involved in our research, we put the generalizability of our theoretical framework to the test.

The data gathered from the interviews, the focus groups and the organizational records were combined and led via the use of a grounded theory approach to the final results discussed below.

RESULTS

Conceptual model

Based upon the data from the case study, we developed a conceptual model describing the process of competency development in organizations. In this conceptual model, we take an integrated approach on competency development by mapping out how competency development is linked to the broader organizational and socio-economic context and by indicating how the different HR practices related to competency development are connected to one another. Figure 1 illustrates the conceptual process model of competency development. We will discuss the different components of this model below.

Insert Figure 1 About Here

Competency development through training, on-the-job learning and career management.

Organizations develop the competencies of their employees through a combination of training, on-the-job learning and career management practices. Although most Western organizations have training, on-the-job learning and career management practices in place, the organizations of our sample explicitly link these three practices to competency development.

“Training and education have proven their use more than once. However, this is only one element of the puzzle. I strongly believe in informal competency development. Personally I think that a combination of 75% informal competency development and 25% formal competency development is optimal.”

“In the past, when being confronted with a developmental need, we automatically prescribed training for our employees and considered this training to be sufficient to fully develop the necessary competencies. We experienced, however, that training was often inadequate in developing the competencies of our employees and in improving their performance. Today, we believe that the solution lies in the mix of training, on-the-job learning and career development. More specifically, to develop the competencies of our employees, we provide them with long-term developmental trajectories in which a combination of training, on-the-job learning and career management practices is provided.”

Competency development draws its strength from a variety of different learning activities (Poel, Van Dam, & van den Berg, 2004). More specifically, training, on-the-job learning and career management are directed at the development of different types of competencies. The development of functional competencies is mainly achieved through training and on-the-job learning. Although learning competencies and career competencies can also be incorporated in formal training sessions, these competencies are mainly established through career management practices and on-the-job learning activities, which put a stronger emphasis on the employee’s responsibility for and active involvement in competency development. This emphasis on self-reflection and self-management leads to an increase in learning and career competencies.

As the double-headed arrows in our model indicate, there is a mutual influence between the three competency development practices. As such, the present model of competency development stipulates that training, on-the-job learning and career management practices are important aspects of competency development that not only directly, but also indirectly enhance competency development

through their interrelations. For example, an employee's self-directedness in learning can be improved during career management practices, leading the employee to participate more in training courses. As indicated by the HR professionals in our sample, training, on-the-job learning and career management all share the goal of increasing the competencies of the workforce, but each of these practices imply different strategies to reach this goal and aim at developing different types of competencies. This mutual compatibility increases the overall effectiveness of competency development initiatives.

“One of the main benefits of competency development lies in the fact that the different developmental practices no longer stand alone but instead are connected to one another. Thereby, the impact of these practices is maximized, which in turn ensures that you get the maximal result out of your investment. For example, by linking training to on-the-job learning practices you can ensure that the main ideas of the training are put into practice in the workplace. Furthermore, if you do not embed this training in the broader career development of your employees, your employees will not see the personal benefit they get out of the training and hence, they will be less motivated to put the training into practice. By providing linkages between the different competency development practices, you can increase the impact of the individual practices. You get the best results when you gear the practices to each other.”

This is in line with research of Subramony (2009) who indicates that the simultaneous operation of multiple HRM practices with a common objective increases the possibility of attaining this objective. As such, competency development is a complex entity of interrelations between training, on-the-job learning and career management, whereby these practices can reinforce each other enlarging the effect of competency development (Forrier, et al., 2009; Lai & Kapstad, 2009; Nybo, 2004).

Training. Training forms an important part of competency development within organizations. This is not surprising given its long-standing history as a developmental practice (Tannenbaum & Yukl, 1992).

“Training forms an important part of our developmental program. It keeps our employees up to date and competent and enables them to successfully perform their job at all times. As a result, both in previous years as well as today, we have invested a lot in training.”

However, research indicates that training in itself often does not lead to the desired level of competency development (Lai & Kapstad, 2009). According to Tannenbaum and Yukl (1992), this can be partially explained by a lack of interest into the processes preceding and following training. In our sample, organizations increasingly develop structured training plans to enhance the effectiveness of their training. These training plans consist of three components, i.e. a need analysis, the training itself and a follow-up. Prior to the actual training, organizations perform a need analysis to uncover which competencies need to be developed. Second, the need analysis is taken into account to develop the training in itself, for which organizations often use a mix of traditional in-class training and new training methods, such as e-learning, simulations and business academies. Finally, organizations recognize the importance of follow-up, encompassing an evaluation of the training, knowledge sharing among colleagues and a regular revision of the training content, to enhance the effectiveness of training.

“In our need analysis, we attend to the full participation of all stakeholders, so we can make sure that we organize the right education with the right direction and the right tools.”

“One of the pillars of our training model is that we work with blended learning environments in which different training techniques are used.”

“We ask the employees who have followed an external training, to give a presentation about their main learning points to their colleagues at the next team meeting. We also ask them to inform their colleagues about the relevance of the training for our own organization. We see this as a win-win. First of all, it forces the employee to think about how he/she can put the learning points into practice at our organization, facilitating the transfer to the workplace. Secondly, by giving a presentation at the team meeting, all team members are informed about the most important learning points of the training. Therefore, they don’t need to follow the training themselves. This is a real cost saver.”

“Since what you learn during an education can soon grow dim, we have introduced teasers into the work context to make sure that what was learned during training is actually put into practice. For example, a few weeks after training all trainees receive an e-mail that brings the most important learning points of the training to their attention again.”

On-the-job learning. The organizations of our sample stress the importance of on-the-job learning as a means for competency development.

“You can only learn something by actually doing it.”

“Developing yourself mainly occurs by coming to work and asking questions. That way, you can learn while actually doing your job. Your work will provide you with the biggest challenges and force you to keep on developing your competencies.”

“On-the-job learning is the most important developmental practice within our industry.”

Likewise, several researchers indicate that most development of employees occurs on the job itself putting on-the-job learning into the forefront (Ellinger & Bostrom, 2002; Mumford, 1997; Wick, 1989). On-the-job learning is usually defined as informal learning, which takes place on the job and is not always planned (Burgoyne & Hodgson, 1983; Marsick & O'Neil, 1999). Given this informal nature of on-the-job learning, it is not surprising that on-the-job learning practices are not formally embedded in organizational processes. Whereas organizations have developed a three-step process for training, this is certainly not the case for on-the-job learning practices. These practices are more implicitly available in the workplace and are not captured in formal procedures and processes. The process of on-the-job learning is also highly dependent on the specific organizational and functional context, making it harder for organizations to develop formal procedures around it. As such, although organizations undertake initiatives to stimulate on-the-job learning, an overall framework is lacking. Organizations mainly describe two forms of on-the-job learning, i.e. learning by observation from a more experienced co-worker and learning by trial and error supported by the feedback of colleagues and line managers.

“To develop an employee’s competencies, we pair him/her up with a more experienced employee who scores highly on the particular competencies that need to be developed. As such, the less experienced employee can learn from the experienced employee by observing what he/she does and how he/she does it, and by having the opportunity to constantly ask questions. This technique is quite powerful and we often use it. However, this practice is always adopted in a very informal manner, making it hard to indicate how many of these mentoring relationships we have in our organization.”

“In our organization, it is allowed for employees to make mistakes, as long as they allow their colleagues and supervisor to give feedback on these mistakes and they are willing to learn from this feedback.”

“We want to become a learning organization in which we communicate more, share knowledge, learn from each other’s mistakes, and give each other feedback on a regular basis to keep improving ourselves.”

Career management. Next to training and on-the-job learning, organizations develop career management practices to support their employees in competency development. Professionals as well as scholars agree that career management practices enhance mobility in the organization, leading to an increase in competency development (Campion, Cheraskin, & Stevens, 1994; Karaevli & Hall, 2006).

“Mobility is important for us, especially given the current organizational context. Therefore, we try to create an open mindset that promotes mobility.”

“We devote more attention to rotation through different functions. Hereby we want to ensure that employees not only know their own job, but also that of their colleagues. Although rotation is not required, we strongly encourage it.”

“Today, we take a more proactive stance in stimulating mobility by regularly challenging our employees and thus preventing them from getting into a rut. We organize a career talk with those employees that are engaged in the same function for quite a while. In this career talk, we discuss their ambitions with them and the different kind of functions they may swap to. By regularly putting employees in a new function, they are confronted with new challenges and automatically triggered to develop new competencies.”

Organizations have taken a number of initiatives to promote mobility. The three most cited initiatives were the creation of an internal labor market, the stimulation of internal apprenticeship and breaking down boundaries between departments.

“We organized an internal job fair with different stands for every department, so our employees could gather more information about the possibilities to move between different departments.”

“We offer our employees the possibility to do an apprenticeship in one or more business units. As such, they develop a more holistic view on the organization, gain a better understanding of what the jobs of their colleagues actually imply, get more respect for their colleagues and, most

importantly, gain more insight into which jobs they would like to progress or rotate to in the organization.”

“We are trying to create one organizational identity to remove barriers between departments and to overcome the silo-thinking of employees and managers. In this way, we build bridges between different business units and different international offices.”

However, these initiatives are not the only factor influencing mobility. Organizational career management practices, such as career counseling and the creation of career paths, inspire employees to consciously think about their career and the so-called next step, stimulating them to move (Baruch & Peiperl, 2000; Campion, et al., 1994). According to Sels and De Winne (2005), 55 % of Belgian organizations do not provide any kind of career counseling at all. Our research also indicates that career counseling is still in its infancy. Most organizations that provide career counseling make it part of the evaluation interview. During this interview, the employee and the line manager discuss the employee’s ambitions and determine possible next steps and actions within the employee’s career.

“Although we provide career counseling to our employees, this practice is not yet structurally embedded within our organization. Except for some individual cases, career counseling largely takes place during the evaluation talk at the end of the year. Next to questions regarding their performance of the last year, we also stimulate line managers to discuss with their employees their career ambitions as well as their possibilities and opportunities within the organization.”

Furthermore, organizations can also outline career paths to support mobility. These career paths indicate the different steps within a career and the competencies necessary for each step. As such, employees have an insight into which actions they need to undertake in order to advance in the organization.

“We have outlined two career paths in our organization, a management path and an expert path. For each job position, the required competency level for all competency clusters is determined. These career paths are clearly communicated to all employees and are readily available for them through the intranet. When employees are recruited, they are hired for one of the two career paths, but we foresee sufficient flexibility so employees can easily take the jump from one path to the other.”

“We have implemented career paths in our organization, but we are careful not to describe these paths in great depth. We want to keep enough flexibility within the description of these career paths so we can easily adapt them to changes within our organization or within the external environment. Moreover, we are not sure if our young employees would be happy with getting their career trajectories fully prescribed by the organization. They want some guidance, but on the other hand, they also want to play a primary role in determining their own career.”

Next to mobility, organizations also develop the competencies of their employees through job enrichment. By assigning new responsibilities and tasks, employees develop new competencies without having to switch jobs.

“Employees don’t always need to take up a new function to be confronted with new challenges. When we see that employees are getting into a rut or are looking for something more, we try to fulfill their needs by giving them the opportunity to take up some new responsibility, such as becoming a mentor or participating in working groups.”

“If you want to commit yourself to lifelong employability for your employees, it is important to keep your employees fit and flexible. You can stimulate this fitness and flexibility by carrying through regular changes in their jobs.”

From competency assessment to competency development: a never-ending story. According to Heinsman, et al. (2006), competency development forms part of the broader defined concept of competency management. The present study supports this statement, since the HR professionals in the case study define competency development as a component of their broader competency management strategy.

“To me, competency management sets the overall strategy and is kind of the umbrella under which a range of activities take place. Competency development is one of these activities and contains all actions that we undertake to develop the competencies of our employees.”

Within the boundaries of competency management, organizations follow a clear outline in the development of employees’ competencies. First, the functional, learning and career competencies of an employee are assessed as part of the performance management cycle (Armstrong, 1999; Dewettinck, 2008).

“During the performance interview, employees can reflect on their own strengths, weaknesses and ambitions. Then they integrate this information into their daily work life.”

Second, the competency assessment carried out within the performance management cycle leads to a personal development plan (Armstrong, 1999). This personal development plan forms a guide to competency development by telling employees which competencies they need to develop and how they can best develop them.

“The personal development plan (PDP) forms the key element to formulate developmental actions that need to be undertaken. The PDP is the basis to determine which training is offered to the employee and when interesting career possibilities will be considered. In this way, we make sure that employees get their total picture.”

Finally, the process of competency development leads to a new set of functional, learning and career competencies assessed within the performance management cycle. This new set of competencies will lead to a new personal development plan and, hence, to a new need for competency development.

“During the evaluation interview, people can think about themselves and their own competencies. People are confronted with themselves and can be put in motion.”

As the work environment and the set of needed competencies continuously change, this process of competency development can never reach its final destination (Athey & Orth, 1999). The process of competency development is thus a never-ending story in which the assessment of competencies leads, via the creation of a personal development plan, to the development of competencies. As employees continuously meet new challenges in their working life, the need for a new competency assessment will emerge.

“Today, we live in a world that is continuously changing. We also see this in our customers as their demands continuously change. As a result, we need employees that can easily change as well and adapt new competencies when needed. Therefore, it is important for our employees to keep on developing their competencies, as new competencies are constantly needed in our organization.”

The role of employee self-management: mediating or moderating? Whether the organizational practices enhancing competency development will actually lead to the outcome of improved

competencies largely depends on the investments made by the employee (Van der Heijde & Van der Heijden, 2006). This finding is supported by Deci and Ryan (2002) as well as Sundberg (2001), who claim that the organization itself cannot develop an employee's competencies, but can only create a stimulating environment and provide practical tools to offer the employee the best possible opportunity to develop his/her competencies. It is then the responsibility of the employee to seize this opportunity and to develop his/her competencies accordingly. This notion is fully supported by the organizations in the case study who acknowledge the important role of the employee in competency development.

"It is up to the organization to create opportunities for development, but it remains the responsibility of the employee to seize these opportunities and to make sure that their competencies are actually being developed."

"The responsibility for on-the-job learning obviously lies in the hands of the employee. Employees need to create the time and space for on-the-job learning."

"We offer support and tools, but it is up to employees to take their career into their own hands."

However, our research does not clearly indicate whether employee self-management should be seen a moderator or a mediator. Further research is needed to investigate this issue. On the one hand, employee self-management can be seen as an individual competency that can be influenced by organizations and thus leading to the view of employee self-management as a mediator. Organizations sharing this view place a stronger emphasis on developing career and learning competencies, which are considered as indicators of career self-management. On the other hand, employee self-management can be seen as an individual characteristic, leading to the view of employee self-management as a moderator, in which only those employees who score high on employee self-management will benefit from the organizational practices for competency development.

Increased employability as the outcome of competency development. As indicated by the organizations of our sample, the conceptual model considers employability as the outcome of competency development.

"By broadening the knowledge of your employees, you increase the employability of your people."

Employability is defined as “the continuous fulfilling, acquiring or creating of work through the optimal use of competences” (Van der Heijde and Van der Heijden, 2006, p. 453). As such, having more or better developed competencies implies a higher level of employability. Likewise, Scholarios, et al. (2008) argue that a continuous development of competencies is a prerequisite for enhancing employability. Increased employability offers advantages for both organizations and their employees. For organizations, the flexible deployment of their employees is an important competitive advantage since it allows them to match labor supply and demand (Forrier & Sels, 2003). Given the ongoing war for talent on the external labor market, highly employable employees are a critical success factor in being able to anticipate and react to changes in the organization’s context (Valverde, Tregaskis, & Brewster, 2000). When the employees of an organization can be employed along different job positions and tasks, the organization can easily adapt itself to changing market conditions (Nauta, Van Vianen, Van der Heijden, Van Dam, & Willemsen, 2009). Furthermore, organizations who invest in the competency development of their employees are often considered to be an attractive employer, making it easier to attract and retain valuable talent (Nauta, et al., 2009). On the side of employees, employability is becoming increasingly important since lifelong employment with the same employer is becoming the exception rather than the norm (Forrier & Sels, 2003). As such, it is up to employees to enhance their employability and thereby advance their own job security and career success (Forrier & Sels, 2003).

Alignment through competency development. According to the HR professionals of our sample, competency development may never be seen as a goal in itself, but should rather be described as the path followed to the key organizational goal, namely a more effective and efficient organizational performance.

“Competency development may never be seen as a goal in itself. It is a technique, a vision on your HR management that will make sure that all HR practices are aligned as they all have competencies as their core instrument.”

“Competency development leads to a bunch of different benefits, such as increasing the quality of your products or people, being more attractive as employer, etc. In the end, however, the basic idea is that all these things will help you perform better as a company and, as such, lead to better profits.”

“If you give your employees the opportunity to grow, you make your organization grow.”

Competency development is a strategy or vision endorsed by the organization because of its unifying nature. The unifying nature of competency development can be explained by its central role in establishing alignment within the organization.

“I would define competency development as a set of activities that creates both horizontal and vertical alignment.”

“In our organization, you clearly see the added value of the competency framework. This added value mostly lies in the alignment, through which the thinking and handling within the organization is no longer disintegrated, but becomes one coherent whole.”

Linking competency development to the organizational strategy and structure: vertical alignment. Competency development enables vertical alignment by aligning organizational, team and individual goals (Cardy & Selvarajan, 2006; Fleury & Fleury, 2005). The competency framework implicates the development of a mutual language throughout the organization, making it possible to translate an organization’s strategy into individual goals and competencies for every employee (Audenaert, Vanderstraeten, & Buyens, 2009; Fleury & Fleury, 2005).

“Competency development ensures that we learn to speak the same language, a language that everyone understands.”

“At the top of the organization, our core strategy was translated into five core competencies. For each competency, a team meeting at the level of the department was devoted to discussing this competency and trying to find out the meaning of the competency for the specific department. How will we express this competency in our contacts with clients? How will we shape this competency internally? How can we put this competency into practice? By asking these questions, competency development became a very practical tool to implement our strategy into the workplace.”

By defining core competencies, the organization can easily translate its broader strategy to the level of teams and individuals and, hence, align the necessary organizational competencies with the individual competencies present among employees (Bergenhengouwen, et al., 1997). The core competencies reflect the generic competencies that every employee of the organization has to possess. As such, these core competencies often reflect an organization’s values. Next to these core

competencies, competency models also include specific competencies that apply only to a limited number of employees of the organization, e.g. job-specific competencies or executive competencies as a requirement for managers. In sum, organizations can embed their strategy and vision in the competency profiles through the use of core competencies while at the same time allowing tailor-made competency profiles by adding (job-)specific competencies.

“The core competencies clearly indicate what the organization stands for and ensures that all employees, anywhere in the world, follow the same vision. The specific competencies guarantee that every employee recognizes himself/herself in his/her own job, which is important for the buy-in of the business.”

“In the competency model we have determined a number of general competencies, that are characteristic for the organization and that every employee needs to possess, and a number of function-specific competencies that are typical for a specific job. Eventually, there is a huge difference between for example a cook and an operational staff member.”

Integrating the different HR practices through competency development: horizontal alignment. Competency development brings forth horizontal alignment by streamlining the different HR practices within the organization (Mansfield, 1996). Recruitment, selection, training, career management, performance management and reward management no longer exist as loose ends, but are integrated in one comprehensive HR system to maximize the effectiveness of all HR-related actions.

“Competencies are the glue, the red thread throughout our HR management that ensures that we can pick up all the wagons onto the same train.”

This fits with a configurational perspective on HRM, stating that an effective combination of HRM practices, often referred to as HRM bundles, has a positive effect on firm performance (Gooderham, Parry, & Ringdal, 2008; MacDuffie, 1995). These HR bundles create combined synergistic effects that exceed the effects of the individual practices constituting the HR bundle (Becker & Gerhart, 1996; Delery, 1998). By adopting a competency framework, organizations put competencies at the core of each HR-process. As such, competency development initiatives ensure that the different HR practices of an organization are geared to one another (Audenaert, et al., 2009), leading to a system of mutually reinforcing practices.

Taking the broader organizational and socio-economic context into account: contextual alignment. Competency development always occurs in a broader organizational context. As such, the initiatives undertaken by an organization in the light of competency development need to fit this context, meaning that those practices that might be effective in one organization might not be effective in another organization. Likewise, researchers suggest that the content of an organization's human resource system is influenced by the organization's structure, culture, politics, direction and business outputs (Dyer & Reeves, 1995) and that not all organizations may be similarly predisposed to implement certain HR strategies (Toh, Morgeson, & Campion, 2008).

“Change is important in our organization. We expect our employees always to be ready to fill up a new job. Hence, competency development is an important tool for us.”

Besides these organizational factors, the competency development initiatives of an organization also need to fit the external context taking variables such as the legislative, governmental and political context, the social and economical factors and the conditions of the labor market into account. The influence of the broader organizational and socio-economic context on the competency development practices was also supported by the HR professionals of our sample.

“Normally, we would let our employees follow a formal education, but because of budgetary restraints we have to become a lot more creative now. Therefore we often opt for on-the-job learning these days.”

“Because of the financial crisis, our budget for competency development is reduced, but this does not mean that our investment in competency development has decreased as well. The development of competencies still occurs, but it takes place in another way. Now, we deal with development in a more creative way and do not only look at training as the single solution for developmental needs. For example, nowadays we do a lot more on-the-job training, coaching, etc.”

“We try to make maximal use of the investments of the sector funding.”

In our model, there is a double-headed arrow between competency development and the broader organizational and socio-economic context, indicating that competency development initiatives

are not only influenced by the context but can also exert an influence on the context within which they reside. So, there is a bidirectional relationship between context and competency development practices.

“We hope that our investment in competency development will stimulate our employees to invest in their own development. As such, we wish to create a learning culture in which lifelong learning is highly valued. We also hope that a lot of companies will follow our example so that we cannot only create a learning culture in our organization, but a broader learning climate in Flanders. As our knowledge is our primary force, I believe we will all benefit from it.”

In sum, competency development as a strategic HR tool. One of the values of our study lies in the demonstration of the strategic nature of competency development initiatives in organizations. In strategic HR management, HRM needs to encompass a vertical link with the strategy of an organization, a horizontal link among the different HR practices and an external link with the broader organizational and socio-economic context (Martín-Alcázar, Romero-Fernández, & Sánchez-Gardey, 2005). As the respondents of our sample indicate, competency development covers all these aspects of strategic HRM. As such, competency development can be seen as a strategic HR tool that aligns the different HR practices of an organization and brings them in line with the organization’s strategy and culture while at the same time taking the broader organizational and socio-economic context into account.

DISCUSSION

The main purpose of this study was to unravel the process of competency development in organizations. To this end, by using a longitudinal multiple case study design, we developed a conceptual framework mapping out the different steps of competency development in organizations. As previous researchers indicated, a lot is already known about the individual practices that are involved in competency development, but to date an integrated approach was lacking (Garavan, Morley, Gunnigle, & Collins, 2001; Van der Heijde & Van der Heijden, 2006). Our research can be an important first step toward closing the existing gap between practice and theory concerning competency development in organizations.

We found that organizations develop the competencies of their employees through a combination of training, on-the-job learning and career management. Although we broke up the process

of competency development into these three practices, they are strongly interwoven, especially from the viewpoint of the employee. For example, it is to expect that when an employee makes a career move, he/she will acquire the competencies for this new job through a combination of on-the-job learning and participation in formal training. As such, in reality, the process of competency development is one integrated whole, making it difficult to separate the different practices from each other.

The strength of our study lies in its well-considered methodological design. First of all, by using a grounded theory approach, we developed a framework that is firmly grounded in organizational reality and can account for all nuances in the data. Although the grounded theory approach is very time-consuming and takes a lot of research effort, it added greatly to the richness of our data and the resulting overall theoretical framework. Second, the case study design of our research allowed us to collect our data through several information sources and different data gathering methods, advancing the reliability of our findings. Third, in the selection of our sample, we aspired to take a wide variety of organizations into account. By doing so, we did not only promote the generalizability of our findings but also created the opportunity to assess the influence of the organizational context on competency development in organizations. Furthermore, *“theory building from multiple cases typically yields more robust, generalizable, and testable theory than single-case research”* (Eisenhardt & Graebner, 2007, p. 27). As such, the multiple case study design of our study favours the strength of our theoretical framework. Finally, by opting for a longitudinal study, we created the opportunity for an in-depth exploration of the competency development process in organizations as it evolves over time. Furthermore, as the economic crisis occurred during the course of our research, we could clearly see how the broader socio-economic context impacts the competency development process in the organizations involved. Thus, the longitudinal character of our study gave us the chance to detect trends and evolutions in the competency development initiatives that organizations undertake and, additionally, brought the influence of the broader organizational and socio-economic context to our attention.

Notwithstanding the significant role of the present study in clarifying the process of competency development, two main limitations are detected. First, the present study lacks a deeper insight into the role of the individual in the process of competency development. We studied the process of competency development from the viewpoint of the organization and did not take the individual perspective into account. Further research is needed to shed light on the employee’s perspective. Second, although organizations agree on the importance of employee self-management as a crucial

mediator between the organizational practices stimulating competency development and the actual development of competencies, an in-depth analysis of the specific role of self-management in competency development is missing. Further research is needed to explain the different dimensions in employee self-management that contribute to competency development and to further our understanding of interrelations between employee self-management, organizational practices enhancing competency development and possible outcomes.

CONCLUSION

Competency development is making its entry into a lot of organizations nowadays and is becoming a crucial strategic management tool in today's work environment (Bergenhengouwen et al., 1997; Nyhan, 1998). The present study provides a significant contribution to the insights of scholars as well as practitioners into the process of competency development. Thereby, the conceptual model of competency development can be an important steppingstone for scholars investigating the concept of competency development as well as for practitioners constructing or reviewing competency development within their organization.

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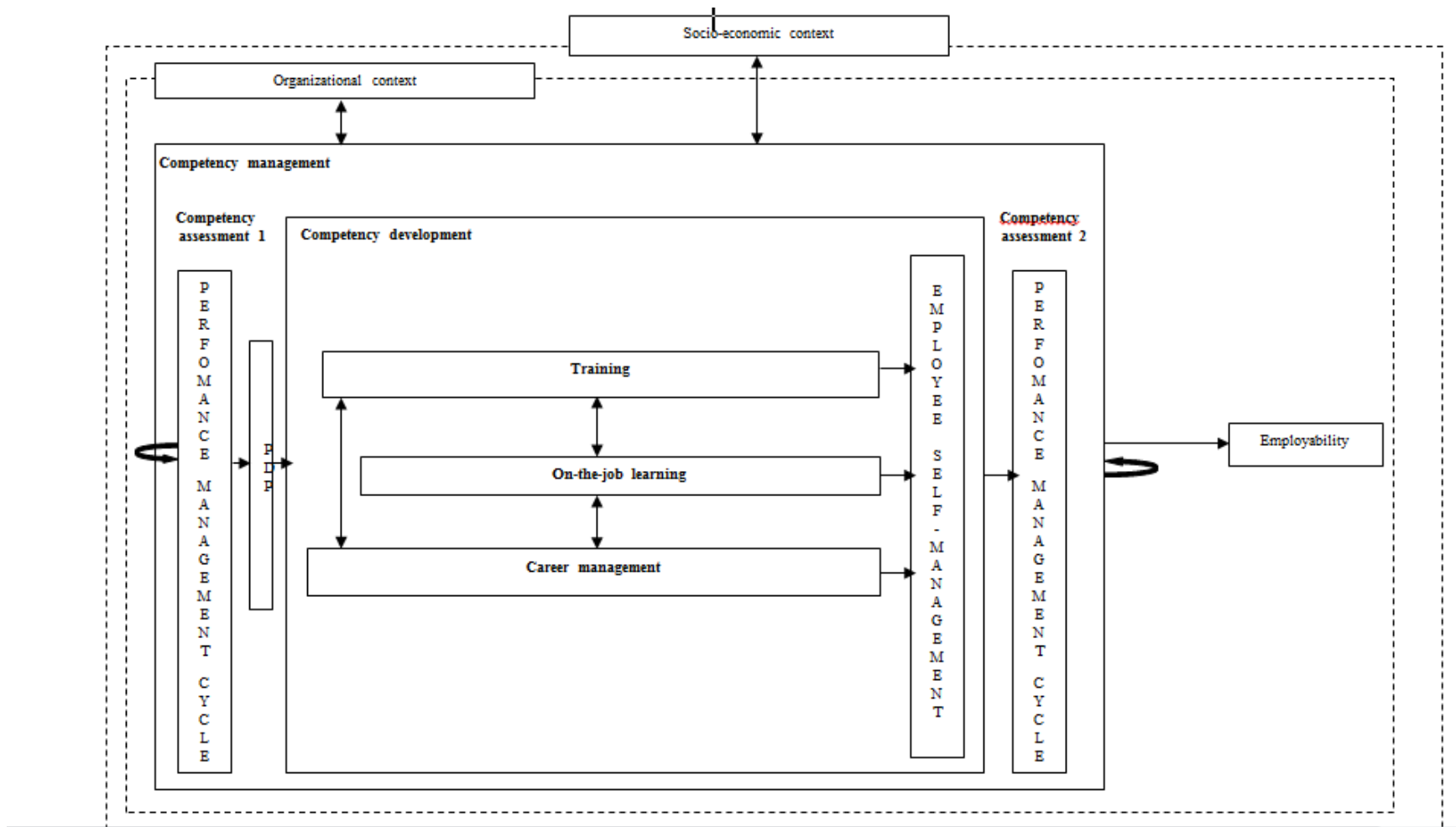
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TABLE 1. DESCRIPTIVE CHARACTERISTICS OF THE SAMPLE (N= 22).

Number of employees	Industry	Position	International parent company
> 1000	Production industry	Predominantly blue-collar	Yes
< 250	Communication industry	Predominantly white-collar	No
> 1000	Financial and professional services	Predominantly white-collar	No
500-1000	Cleaning and chemical industry	Predominantly white-collar	Yes
< 250	Transport and construction industry	Predominantly blue-collar	No
> 1000	Production industry	Predominantly blue-collar	Yes
> 1000	Financial and professional services	Predominantly white-collar	No
> 1000	Financial and professional services	Predominantly white-collar	Yes
> 1000	Communication industry	Combination of both	No
< 250	Health care industry and social services	Combination of both	No
500-1000	Transport and construction industry	Predominantly bleu-collar	Yes
500-1000	Cleaning and chemical industry	Predominantly bleu-collar	No
< 250	Financial and professional services	Predominantly white-collar	No
> 1000	Financial and professional services	Predominantly white-collar	No
> 1000	Financial and professional services	Predominantly white-collar	Yes
< 250	Health care industry and social services	Predominantly bleu-collar	No
< 250	Health care industry and social services	Combination of both	No
250-500	Financial and professional services	Predominantly white-collar	Yes
250-500	Health care industry and social services	Combination of both	No
250-500	Health care industry and social services	Combination of both	No
250-500	Transport and construction industry	Predominantly bleu-collar	No
< 250	Health care industry and social services	Combination of both	No

FIGURE 1. INTEGRATIVE MODEL OF COMPETENCY DEVELOPMENT



APPENDIX

Interview Questions

First interview

Structure and strategy. What is the structure and strategy of your organization?
Is there a strategic plan for HR in your organization?

How would you describe the current climate in the organization?

Triggers for competency development. What does competency development mean for you? What are the main reasons for your organization to invest in competency development?

Which challenges in your business environment have inspired your organization to implement competency development as a strategic management tool?

Competency management. Which challenges in the business environment have inspired your organization to implement competency development as a strategic management tool?

How does your organization develop the competencies of its employees?

How are all the initiatives in the context of competency development related to each other?

Training and education. Which training methods are used in your organization?

What kinds of competencies are mainly developed through the use of training?

On-the-job learning. What is your organization's vision on on-the-job learning?

Which conditions are created in your organization to stimulate on-the-job learning?

What kinds of competencies are mainly developed through the use of on-the-job learning?

Do you have formal or informal procedures in place to stimulate on-the-job learning?

Career management. How is career management currently organized in your organization? Does your organization have specified career trajectories?

How do you perceive the future evolution of career management in your organization?

Different actors. Which actors have an important role to play in the process of competency development?

What actions do you expect from these actors to support competency development in your organization?

What is your vision on the role of the employee/the line manager/the HR-department/the government in competency development?

Trends and challenges. What are your organization's most important challenges in the field of competency development?

Which projects does your organization plan to undertake in the future?

Additional questions second interview

Structure and strategy. Compared to our last interview, did your organization experience growth, stagnation or decline?

Did your organization experience an impact of the global economic crisis?

Where there any substantial changes in the structure and strategy of your organization? Which ones? Why? What was their impact?

Triggers for competency development. Were there any changes in your organization's investments in competency development?

What are the main reasons for your organization to invest in competency development? Where there any changes as compared to the previous interview?

Competency management. Did your organization's vision on competency development change in comparison to the vision you expressed during the first interview? Which changes? What were the reasons for these changes? How did the change process go?

Did your organization's competency model change since the last interview? Which change? Why? What was the impact of these changes?

Training and education. Did the general vision of your organization on training change?

Are there any changes in the investments of your organization in training initiatives? What are the reasons for these changes?

Do you perceive new trends that have developed in the training domain since the last interview?

On-the-job learning. Do you perceive any changes in your organization's vision on on-the-job learning? Which changes? What were the reasons for these changes?

Career management. Were there any changes in your organization's vision on career management? Did your organization put further efforts into the development of career management practices?

Different actors. Did your vision concerning the role of the employee/the line manager/the HR-department/the government in the competency development process change?

Trends and challenges. What emerging trends do you perceive in the field of competency development?

What recent trends regarding competency development do you perceive in your organization?

What new challenges do you see for your organization in the context of competency development?