CHAPTER-1

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The term ‘Competency’ has been defined in the literature from several different points of view. It was originally used in the field of education to describe trainee teacher behaviours (Bowden and Masters, 1993). It became widely known in the management field through the work of Boyatzis (1982). However, the term competency was not ‘owned’ by any particular group. In fact a variety of stake holders were involved in using the term, each with their own agendas (Burgoyne, 1993).

Competencies may be “expressed as behaviours that an individual needs to demonstrate”, or they may be “expressed as minimum standards of performance” (Strebler et al., 1997) the term “competency” has been used to refer to the meaning expressed as behaviours, while the term “competences” has been used to refer to the meaning expressed as standards. Organizations in the private sector tend to use a competency model, while those in public sector a competence model (Strebler et al., 1997)

Management is many things. It is leadership, corporate culture, business strategy, organization design, motivation, and ethics- all rolled in to one. But above all, it is supremely challenging. Effective management is the result of hard work and careful planning. The truth is that successfully managing others is an enormously demanding task. No one can appreciate the role of managers today or in the years ahead without a solid understanding of the competencies needed to manage.

In the world of works, a “competency” is a definition of an important aspect of a person’s performance. Most jobs are performed effectively if the person doing them deploys skills, knowledge and behavior (or attitude) in combination. A competency is an underlying characteristic of an individual, which is casually related to effective or superior performance in a job. Competencies can be motives, traits, skills, aspects of one’s self image or social role, or a body of knowledge that one uses. Competencies are those characteristics that differentiate superior performance from average and poor
A competency is an underlying characteristics of a person which enables him to deliver superior performance in a given job, role or situation. These competencies can be grouped in two ways:-

1. Technical Competencies. (Hard Competency)
2. Behavioral Competencies. (Soft Competency)

TECHNICAL COMPETENCES OR HARD COMPETENCES

The skills and knowledge types of competency are often called technical, functional, and hard and job related competences. These are the important tasks, skills and knowledge connected with a job that someone requires performing effectively. It can be further divided as

a. Managerial Competency
b. Professional Competency
c. Technical Competency
d. Working Competency

The first three competencies are expected from upper level and skilled employees whereas the fourth one is expected from the lower level and unskilled employees of the organization. Again, Professional and Managerial Competencies can be divided into

a. Planning Competency
b. Decision Making Competency
c. Controlling Competency
d. Self Strategic Competency
e. Leadership Competency
f. Communication Competency

Because they relate to the detailed “what” of a job or role the lists tend to be long and complex. These technical competences are the proven ability of an employee to perform a given job competency.
BEHAVIOURAL COMPETENCES OR SOFT COMPETENCES

Competency is that aspect of an individual that imply a level of skill, achievement or output. According to Ronkin N “Competencies are, in enounce, definition of expected performance that, taken as a whole, should provide users with the complete picture of the most valuable behaviors, values and tasks required for their organization’s success.” (1) Competencies that define behaviors or attitudes are known as soft competency, because many jobs often require the same or similar approaches. These are personal behaviors or capabilities. It covers such skills as being able to have the empathy to understand other people and, therefore, work more productively with them; and some one being able to control their own reactions when put under pressure.

Boyatzis set down as explicit definition of the notion of “competency”. A Competency, he said, was “an underlying characteristic (2) Competencies can be motives, traits, skills, aspects of ones’ self image or social role, or a body of knowledge that one uses. Boyatzis further placed the concept of competency firmly in the context of effective performance:” Effective performance in the attainment of specific results (outcomes) through specific actions while maintaining policies, procedures and conditions of the organizational environment.” And a person’s competencies allow him or her to perform these actions. A competence is ability “A person’s set of competencies reflect his/her capability. They are describing what he or she can do, not necessarily what he or she does, nor does all the time, regardless of the situation and setting.” Competencies are those characteristics that differentiate superior performance from average and poor performance. Under this soft competency, the following human traits such as human values, emotions, self awareness, self regulation and human empathy can be grouped.

On the above back drop corporate houses are giving more and more stress on soft competencies. They are imparting training and educating their people for the development of these competencies in them. These competencies do not play an important role in the school and academic curriculum hence
training and development in these areas is regarded as a matter of necessity. The most important areas of soft competencies can be enumerated as follows:

1. Competency for effective communication.
2. Competency for co-operation.
3. Competency for entrepreneurship.
4. Competency for flexibility.
5. Competency for customer orientation.
6. Competency for efficiency.
7. Competency for independence and decisiveness.
8. Competency for solving problems.
9. Competency for organizing and planning.
11. Competency for proactive approach.
13. Competency for exploring and orientation in information.
14. Competency for communication in foreign language.

The Soft Competences comprise of skills such as human values, emotions, self awareness, self regulations, interpersonal skill and human empathy. This study will cover the areas of Soft Competences as prevalent in the Software Industries and as viewed by the Top and Middle Level Management. The field of Study is not very wide as it covers only four software industries of India. This delineation need not be deemed as a limitation; rather, it is significant for the purpose of the present study. The area chosen is not so wide that coverage becomes unmanageable for maintaining the tempo of empiricism. They are the big units working in the private sector with a great national and international reputation. So it helped the researcher for inter unit comparison.

It is also relevant to state those aspects which have been excluded from the purview of the study.

1. Technical aspect such as Managerial, Technical, Professional and Working Knowledge which can be inculcated with vigorous training and practices.
2. Personal Problems which are very much crucial and unforeseen
such as accidents, natural calamities or hazards etc. which can be settled through a grievance redress system.

The above two aspects are beyond the coverage of the present study. In fact, the above two areas distinctly can be the subject matter for independent research work. More over the study covers the Executive Class of people working in Top and Middle Management Level. Because the top and middle level managers need more soft competencies than the lower level management people. In the upper level, the need for the hard competency for a particular job is very low as they have the overall ideas of all the activities in the organization.

Competency is about performance-how one defines it, assesses it, develops it, acquires it and so on. Some desired performances or competencies are easy to define measure and develop. However, many desired performances or competencies are much more complex and are difficult to observe or measure. But even in those difficult to judge areas, it is usually agreed that some individuals’ performance is more effective than that of others.

In this present study, an attempt is made to analyze the competency movement in the sample units and also to analyze what it is that makes some people’s performance better than others, and to list the component factors which go to make up these competent performances.

STUDY PERIOD

The present study covers the data available up to December 2007.* This is because the data collection including the pilot study has spread over for a period of six* years commencing from January, 2001 to December, 2007. *

REVIEW OF LITERATURE

The past study reveals that interests and the attention of the scholars and researchers in this specific area have been quite diverse. An empirical study of the practices relating to the application of the tools and techniques and
then a comparison with the accepted norms will be of great importance. Such studies in Indian Context are very few. A cursory look at the research done in the field of competency management reveals that, pure empirical research on academic venture has been attempted by the researchers all over India, but their findings are mostly unpublished and as such do not reach the professionals and even academic institutes. So their utility is not realized either in enriching the profession or in reviewing the discipline of competency management. Very few research works like that of Kenny J.B.(1982)(3), Pace, R.W., Peterson, B.D. and Porter, W.M.,1986(4), Mc Lagan, P.A. (1989) (5), Prahallad, C.R. and Homel, G. (1990) (6), Marquard +, M.J. and Engel, D.W.(1993) (7), Parry, S.B. (1996) (8) Datton, M.(1997) (9), Mirable R.J. (1997) (10), Sanders, E.S. (1998) (12), Dore, D.E. and Leach. J.A.(1999) (13), Richey, R. Fields D. and Foxom M. (2001) (14) etc. are published. Hence the field of Competency Management is not exposed to the extent it is amenable. Therefore, an imperative need arises for undertaking a study of this magnitude and coverage because; absolutely no proper study has been made to analyze the soft competencies in the Corporate Sector.

SIGNIFICANCE OF THE STUDY

The significance of the present study can be appreciated in the context of research conducted on soft competency management in India. It also arises out of the importance of personnel functions in the context of the accelerated tempo of software industries in India. Further, the subject of Soft Competency management in software industries is unwritten and unexplored field for the researchers. As such, the present study apart from being the exclusive, enjoys the advantage covering new grounds and avoiding duplication of efforts and resources

OBJECTIVES OF THE STUDY

Some Specific objectives have been set forth in order to make the study more meaningful and purposeful. The objectives are:-

1. To study the format formulation and implementation of competence management policies in the sample units with special emphasis on soft competency.
2. To study and evaluate the functioning of the personnel departments in the sample units in the light of opinions provided by the top management on competency management in general and soft competency in particular.

3. To study the practices relating to administration and competency level in the sample units.

4. To analyze the effectiveness of the competency management policy and practices of the sample units in the light of the opinions received from the upper management level.

5. To assess the prevalent position of personnel profession in the field of competency management in the light of unit level experiences.

RESEARCH METHODOLOGY

The methodology adopted is descriptive cum analytical in nature. The present study being exploratory in nature has not started with any hypothesis. The exploratory studies are not terminal and just a starting point of a larger study. They are very useful in formulation of hypothesis for any subsequent study. This study has used the elastic method of research combining historical case and survey methods. The historical method traced the genesis of personnel “competency” and practices, while the case method has been adopted to make an in depth analysis of soft competency management policies and practices. The opinion survey has supplemented the data collected from the organizations under study.

This study has covered four software industries of India i.e. TCS, Infosys, Satyam and Wipro. It facilitated the inter unit comparison.

The data has been collected by undertaking visit to the organizations and after administering questionnaire to the top and middle level management people. One hundred respondents were selected at random from each of the sample units and a structured but exhaustive questionnaire has been served to them for their response. It is also assured to them that strict confidentiality and anonymity will be maintained on their response. The questionnaire will be used only for the academic purposes. Again since they expressed sometimes their inner feelings regarding their immediate
boss and superior executives it is further assured that the same will be destroyed after the analysis will be over. After the collection of the data the same was subjected to quantitative presentation and qualitative analysis as per the requirements set out in the objectives.

On a random sampling method, the employees of different categories from the sample units were selected for collecting their views and opinions through questionnaire for drawing out some definite conclusions. The response was tabulated and presented in shape of statistical tables for drawing out conclusions.

THE SETTINGS

Competency Management is a process that is gaining popularity in all areas of Human Resource Management. The competency that defines the behaviors or the attitudes, that is the soft competency is an important aspect of an increasing number of jobs. It is particularly important in upper management sphere. The capabilities to assess soft competencies and determine skill gaps enable organizations to implement more list effective and meaningful training and development practices. Among different industries, the ratio of top managerial people and the lower level employees are very high in software sector. As such, it will give correct analysis need for such study and will highlight the importance of soft competency management in different areas. Therefore, four top level IT organizations are selected for such study. This study will enable these organizations to determine changes in individual and team performance and select better candidates on the basis of their proficiency on soft competencies.

THE SAMPLE UNIT

This study covers four of the big software industries in India. They are TCS, Infosys, SATYAM and WIPRO. They are the giant companies famous for providing IT (Information Technology) Services to the world.

Fakir Chand Kohli, the grandfather of Indian IT Services, founded Tata Consultancy Services (TCS) in the year 1968. He realized the potential in
providing IT solutions to the clients. TCS claims to have pioneered the offshore delivery made for IT services. TCS has solid worldwide presence, with offices in 34 countries across 5 continents. The company claims seven of the fortune top 10 companies on its client roster and expects to break into the top 10 consulting firms in the World by 2010. Born and bred in India, the TCS was sub-continent’s first global billion dollar software company, accounting for 2 percent of India’s exports and 15 percent of its IT services segment.

Infosys was started in 1981, by seven professional entrepreneurs with an equity capital of Rs.10, 000/- . By 2000, Infosys’s market capitalization reached Rs.11 billion and by 2001, Infosys was one of the biggest exporters of software from India. It is highly respected software company across the country, with very strong systems, high ethical values and a nurturing atmosphere. Infosys was the first company to push for off-shore software development.

The third one is WIPRO started in 1983. It is the only Indian Company to be ranked among the top ten global outsourcing providers in IAOP’s 2006 Global Outsourcing 100 listing. It is a strategic partner to five of the top ten most innovative companies in the world. It is among the top 3 offshore BPO services provider in the world. WIPRO technologies is a global services provider delivering technology driven business solutions that meet the strategic objectives of the clients. WIPRO has 40+ ‘Centers of Excellence” that create solutions around specific needs of industries. WIPRO delivers unmatched business value to customers through a combination of process excellence, quality frameworks and service delivery innovation. It has presently 53000+ employees serving in India and abroad in 46 development centers across the globe.

SATYAM Computer Services Ltd established on 24th June, 1987 is a leading global consulting and IT services company, offering a wide array of solutions customized for a range of key verticals and horizontals. From strategy consulting right through to implementing IT solutions for customers, Satyam straddles the entire IT Space. As a diverse end-to-end IT solutions provider,
Satyam offers a range of expertise aimed at helping customers re-engineer and re-invent their business to compete successfully in an ever changing market place. The Satyam’s Network spreads over 55 countries, across to continents. Nearly, 38000 dedicated and highly skilled IT professionals work in development centers in India, USA, UK, UAE, Canada, Hungery, Singapore, Malaysia, China, Japan and Australia and serve over 541 global companies including over 158 fortune 500 corporations.

These four software industries are telling the success story of Indian IT service providing industries in the world prospective. It is only the skill, performance and competency level among the employees which proved the successful management of the units. A recent news item informed that the UK has to recruit IT experts from India because they don’t have the necessary skills of their own. If their companies had adopted well thought out competency management systems with special emphasis on soft competency management system, they would not have had to resort to this drastic solution. People skills and soft competencies are probably the most important foundation for a company because they impact on every aspect of the corporate process and ultimately profit.

With appropriate human resources policies and competency development practices, an organization can hire, develop and utilize best brain in the market place, realize its predefined goals and deliver results better than others. Thus outflows of human resources can be checked and inflow of employees will be encouraged.

THE LIMITATIONS

The study has been made with the following limitations :-

1. The primary data which has been collected through administering questionnaire which has its own limitations. The same has been incorporated after proper scrutiny.
2. The sample units are located in India, having branches in Orissa, hence the socio economic conditions; level of industrializations etc. has a
great bearing on the quality of competency management prevailing in these units.

3. Personal interview and group discussions have been made in order to cross check the individual responses. This may not tally at the end and will be scrutinized to get the result.

CHAPTERISATION:-

The study has been divided in nine chapters as follows;

Chapter-1. Introduction
Chapter-2. Competency Management a General Profile.
Chapter-4. Software Industries in India.
Chapter-5. Soft Competency Developments in Sample Units.
Chapter-6. Soft Competency Evaluation in Sample Units.
Chapter-7. Management System of Soft Competency in Sample Units.
Chapter-8. Issues and Experience in Soft Competencies in Sample Units.
Chapter-9. Conclusion & suggestions.