Chapter 2

Background of the Research

2.0.0.0 Introduction

It is not long ago that care management was showered on machines, office equipments, buildings, cash, and accounts receivables etc, which were considered as assets. And these were categorized as the “hard” factors. The “soft” factors, such as people, were not seen as important for business success as compared to the hard factors. Almost all Organizations considered it waste of money to focus on the development of its employees since their importance was less as compared to the physical inputs and outputs. There was hierarchical system in Organizations and so they focused on controlling the employees from top-down and thus were able to succeed by taking a systematic approach in managing physical and financial assets.

With the onset of automation and technology, there was drastic improvement in productivity. In the rat race of competition, the companies were constantly looking to develop more efficient and cost effective methods to develop their products. With the advancement in the sphere of productivity, the physical products and services offered by companies became more difficult. Internal and external interaction of their value chain was the aim of major investments in technology. A company’s position in the market was an impacting struggle that required innovation and fast implementation.

Over a period of time, the age-old model of top down control and hierarchical Organization began to lose its credibility and ability to provide solutions in today’s world that is mostly consisting of unstable business conditions and intensifying global competition. Additionally, the managers were of the opinion that this prototype move strangulated the growth of the company.

In the present day scenario, the companies are finding it difficult to establish and sustain themselves because of the competition. The numbers of companies offering similar services are
many and thus the companies are always in the spree to devise strategies that will allow them to be a cut above the rest in the competitive marketplace. The need to invest time as well as money on human capital is felt in the present scenario. Focus is presently on methods of achieving results rather than quantity of achieving it. Competitiveness today solely depends on the company’s ability to manage and develop the knowledge and skills of their people. For this motto to be achieved, it is imperative to design and build systems that will support it.

According Jim Caprara, Vice President of human resource development at Nextel Communications Inc, “A training and education department has the potential to touch every pint in both the employee and the customer life cycle.” The training department should foresee the needs of the company. This can be done only if they communicate and identify the required competencies for the present and future. Competency is nothing but a set of behaviors that encompasses skills, knowledge, abilities, and personal attributes that, taken together are critical to a successful work accomplishment. A key component of a competency is that it should be observable and measurable. To ensure that the Organizations will attain its goals, competencies become the enabling vehicle for outlining and communicating the Organizations strategy to the employees.

David McCleland is considered the pioneer in the competency movement. He wrote “Testing for Competencies Rather than Intelligence” which suggested that academic aptitude and knowledge-content tests alone cannot predict a high level of performance. McClelland also indicated that personal qualities, motives, experience and behavioral characteristics could “distinguish the most successful from those who were merely good enough to keep their jobs”.

Selecting, organizing and maintaining the technical and other competencies of the Organization are of great strategic importance. Realizing this importance, companies have begun to see competency management as the foundation for managing and developing employees to achieve their goals.

In 1996, William Schliemann and Associates conducted a national survey of a cross section of executives. According to the findings, measurement management companies tend to be higher
performers than those companies that do no emphasize measurement. A large number of measurement-managed companies were categorized as Industry Leaders, financially in the top third of the industry, and successful managers of their change efforts.

The findings reflected that it is only the employee measurement that is the key measurement area and which separates successful from less successful Organizations. The results also indicated that 38% of the Organizations, frequently used competencies in their performance management systems. It was felt that training was required in order to put the system into use, accountability was clearly established for the people using it and competencies were the central focus on the system.

Human resource management is a process of an organic growth of both employees and Organizations. Lately, it is impossible to reap benefits of good financial or operating report unless your personnel relations are in order. In the recent future it is found that highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This paves way for future skill mapping through proper HRM initiatives. Indian Organizations are also aligned globally and hence are also witnessing a change in systems, management cultures and philosophy. Need for multi skill development is felt across the country.

Competency Mapping is nothing but an in-depth study of identifying key competencies for an Organization, the jobs and functions within it. Clarity on the roles and competencies required to perform them is imperative.

Competency mapping helps the individuals in identifying their strengths and weaknesses and to guide them towards career development efforts. Competency mapping can be done for both permanent as well as contractual workers, to emphasize the specific skills which would make them valuable to a potential employer. These kinds of skills aid in determining when one is ready to take up the assignment. It is one of the most flawless means in identifying the competencies both job and behavioral of an individual in an Organization.
Since competency mapping is a process of identifying key competencies for a company or an Organization and the jobs and functions within it, the role of HRM becomes more crucial. Competency mapping is of the crucial activities. It analyses individual’s SWOT for better understanding and this in turn, helps to improve his career growth.

Achieving high efficiency and effectiveness in order to survive in this cut throat competition is the motto of every industry in the present scenario. Industry is broadly classified into production and service sector. Skill and Competency are the key factors around which all the methods and approaches for improving the performance and efficiency of their operations are centered.

Every industry, more so the production industry pays special emphasis on skill and competency. Mapping the competency level of their employees is mandatory for any production Organization, aiming at improving their performance.

Multi-skilled employees are preferred than with employees having knowledge of only one skill. In order to train and improve their performance, Organizations are interested in knowing the present competency level of their employees. This is precisely where competency mapping plays its role, which apart from mapping the skills also helps in identifying the strategies for developing the employees to achieve the goals of the company.

Competency has become the most important yardstick for all human resource related decisions like selection, performance, learning and development, growth charting and promotion, and so on due to increased importance to operational efficiency, cost-reduction, higher productivity norms and managing with fewer employees than before by corporate.

In the competency mapping approach, the focus is mainly on linking business strategies (goal oriented) to individual performance efforts. Rather than being forced to do a particular job, it encourages employees to develop competencies which can be used in diverse work situations. The focus is on enhancing their competencies rather than preparing them for moving to jobs. As the Organization changes and evolves, they can develop capabilities useful throughout.
The combination of two components is critical: selecting competent and high-potential people to carry out the Organizations vision and creating a culture that supports them among high-performing people, who are assets for high-performing Organizations. It may be either driven by the need to improve efficiency, productivity, or profitability, or by the desire to provide world-class customer service. Two major challenges faced by most Organizations include the identification of the most effective means to appoint, select, and also retain a high-performing competent workforce, especially within a tight labor market, and the creation and maintenance of a dynamic culture for employees that fosters achievement.

By providing managers and employees with information and tools to meet challenges by maximizing human capital, human resource professionals can contribute to the Organizations’ achievement of their vision and goals. Competency Mapping acts as the stepping stone through which employees can be part of the success story of their Organization.

### 2.1.0.0 Competency Mapping Process is the Future

David McClelland (1973) is considered as the pioneer in launching the competency movement with the publication of his paper “Testing for Competence Rather than Intelligence.” The use of competencies to identify high-performing employee, has gradually become widespread in human resource management. Competency Mapping helps identify those competencies that set these employees apart, and provides the basis for appointment, selection, and development strategies that are effective and provide a high return on investment and in turn growth and success of the Organization.

Arya Chanakya penned a famous book known as the Arthashastra, which is considered as first book on competency mapping. The book contains competency mapping models, and intelligence engulfing human aptitude, and in nut shell everything that is related to human behavior regarding
work, logic and emotions. This nearly 3000 years old book is an excellent leader and management book.

According to Boyatzis A capacity that exists in a person that leads to behavior that meets the job demands within parameters of Organizational environment, and that, in turn brings about desired results to achieve the Organizations goals.

2.2.0.0 What is Competency?
A competency is an underlying characteristic of an individual that is related to effective performance in a job or situation.

Competency: A person related concept that refers to the dimension of behavior lying behind competent performer. Therefore, it is necessary to investigate if a difference exists between the required competency levels to the existing level of working as also in job competency expectations held by the respective industries for their employees. A closer look of the employer job competency expectations i.e., a comparative study of the required competency level to the actual job competency level of the employees brings a better chance for productivity improvement, waste elimination, multi skill development of the employees which helps them to achieve the goals set before them and overall job satisfaction, in turn.

Human resource managers, supervisors and production Heads should rate the importance of the specific job competencies for the workforce in order to ascertain accurate and current job competency expectations. The categories of competency includes: knowledge, ability and attitude. The process of competency mapping begins when the managers elucidate a clear list of the required competency to perform a job.

2.3.0.0 Need of the Study
In the changing scenario of the global economy, the need to have competent employees is becoming more and more imperative and the firms are becoming aware of it too. And resultantly the concept of competency mapping is gaining importance. There are many factors that play a key role in the heightened Organizational focus.
Foremost among the factors is that the manpower cost is increasing at an alarming rate and the Organizations are finding it difficult to keep pace with it. Along with this there is a need to increase efficiency and employee productivity alongside the pressure to downsize and manage with fewer people. Organizations are, therefore, realizing the need to ensure that there is always availability of competent people to perform various critical roles. It is said that technology, finances, customers, markets, systems and processes can all be set right or managed effectively with the right kind of human resources. Needless to say that there is also a focus on performing roles, time management, nurturing of competence, with increased emphasis on performance management systems and recognition of the strategic advantage given by employee competencies in building the core competencies of the Organization. These factors have led to increased need for a well-designed competency mapping.

Much has been discussed and researched in the last few decades about the exact requirements of competencies to keep pace with the competition in any given environment. The onus is generally on the top management to identify core competencies and move forward in establishing them throughout the Organizations.

Few Organizations have paid utmost care and worked the concept into several of their processes. Others have a fully implemented competency modeling and reporting system in place. But alarmingly quite a few Organizations are still striving to build a competency model, map it and implement it. Many of the Organizations, immaterial of the size, are still struggling with defining, designing and implementing competency modules.

There is no pre-determined skeleton for the process. The Organizational factors, such as management philosophy, customer requirements, business needs, decide the competency mapping. These factors vary from one Organization to another, requiring a customized approach to competencies in their workplace. Customization helps in the overall success of competency efforts, as competency mapping does not fit in ‘one-size-fits-all’ formula and hence the need for every Organization to integrate competency concepts into its own job design, recruitment, hiring, orientation, development and succession processes.
2.4.0.0 Need for Competency Mapping

There are some useful benefits of using competency mapping for the company, managers, and employees as well which are detailed below:

2.4.1.0 For the Organization

1. Supports Organizations vision, mission, goals and culture
2. Establishes performance appraisal by way of systematic approach for career growth which results in improved job satisfaction and better employee retention
3. Increases the effectiveness of training and learning by linking them to the success criteria
4. Provides clear two way communication process
5. Better understanding of roles and responsibilities
6. Provides common standards and same kind of work at equal levels that enable employees to move and work at different parts of the Organization

2.4.2.0 For the Managers:

1. Identifies performance level to improve the accuracy of selection process
2. Provides more objective performance standards
3. Provides good communication
4. Develops employer employee relationship
5. Reduces career related issues

2.4.3.0 For the Employees:

1. Identifies the critical competencies to perform in the Organization
2. Targets, Roles & Responsibilities are very clear
3. Identifies the gap for improvement
4. Provides a systematic approach to improve the competency level
5. Improves job satisfaction

In a nutshell, Competency Mapping is nothing but an elaborate process of identifying key competencies for an Organization, the jobs and functions within it. Competency mapping helps
in identifying an individual’s strengths and weaknesses so as to better understand them and to guide them towards career development efforts.

A research study conducted by Post Graduate Management students under Prof Savita Tilak at Jamnalal Bajaj Institute of Management Studies reflected the following:

This study compared the workforce job competency expectations for experienced / trained employees in employment for more than 10 years from the date of joining.

Workforces are technically separated into 2 distinct categories:
1. Work that is directly supporting the production.
2. Work that is indirectly supporting the production.

Direct workforces were the permanent employees of the Organization at the time of the survey participated. In the beginning of 2011, employees at different units working in various departments were communicated through their immediate supervisors requesting their participation. At the time of survey the numbers of direct confirmed employees present at various units were Unit1: 540, Unit 2: 680, Unit 3: 180. Totally: 1400 employees. Usable responses were received from 1359 employees for a response rate of 97.07%.

The survey instrument was developed from a literature review of job competencies and was refined to three content areas namely knowledge, ability and attitude.

Research questions were designed to identify differences if any, in the permanent workforce based upon several criteria viz
1. Type of work done by the operator
2. Number of years the employee had worked in the Organization
3. Knowledge of cutting Tools
4. Knowledge of selection of cutting parameters
5. Ability to do work
6. Ability to understand drawings
7. Ability to do self inspection
8. Ability to do CNC programming
9. Knowledge to latest techniques and systems like 5S, TQM, LEAN, ISO

These comparisons were made between the existing competencies arrived from the survey to the required competencies for an employee to perform a particular job. The gaps between these two were the need identified for the competency training.

Consistently, permanent employees were rated by their immediate line supervisor about their performance. The gaps for the need were identified and were focused by giving appropriate training. The training may vary accordingly viz, On-Job training & Off-Job training. Training is given on need based. Need based fulfillment are done consistently for all direct permanent employees in the Organization.

2.5.0.0 Conclusion:
In order to identify the job and behavioral competencies of an individual in an Organization, Competency development by Competency mapping is one of the most accurate means. Thus it can be seen that Competency Mapping technique helps to identify gaps and thereby fill the same by appropriate training and development. Moreover, competency mapping should not be mixed with rewards. Competency mapping exercise should be considered as an opportunity for long-term growth. To emphasize the specific skills which would make them valuable to a potential employer by their performance to achieving goals and leading to Organization growth and success, Competency mapping should be ideally done for all employees of an Organization.