Chapter 15
The Competency–Based Human Resource Management Model

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ABSTRACT

It seems appropriate and coherent to start this study with a detailed description of the basic analysis unit in the human resource management model that constitutes the study object of this chapter: competency. With this aim in mind, the first section in this chapter is dedicated to three tasks the authors consider basic and introductory: (a) defining the concept of competency through the different approaches made by some of the most outstanding authors in this field; (b) dissecting that concept in its various elements or components so that it can be better interpreted; and finally (c) presenting a number of classifications thanks to which the treatment of certain competencies can be prioritised.

1. DEFINITION OF COMPETENCY, ELEMENTS, AND TYPOLOGY

Defining the concept of competency is a crucial aspect when it comes to implement a competency-based human resource management model; not only because it represents the analysis unit for the set of integrated policies within that functional area but also because a wrong interpretation or definition of the term might lead to fundamental errors with important consequences for the whole organisation. For example, an incorrect definition of the competencies that can describe a job hinders the promotion possibilities of the individual who holds that job (Kydd & Oppenheim, 1990). The definition of competency traditionally given by the literature presents it as an action tool but, in fact, the integration and development of the model into the firm can only be achieved if competency is understood as a decision tool, and not merely as an action tool (Rausch, Sherman & Washbush, 2001).

Since this is a model that encourages strategic cohesion with the rest of the organisation, the negative consequences derived from a bad definition of the model would not only extend to the area of human resources –where all staff-related policies would be affected because the model is comprehensive– but also to the company as a whole.

Nevertheless, no unanimous agreement exists in this respect despite the importance given by all the literature to the definition of the competency concept.

Searching for the origins of this model and, therefore, for those on which the definition of the term 'competency' is based, allows us to state that, although McClelland pointed out already in 1961 that it was necessary to identify the attitudes of individuals that lead to business success, the first definition of competencies as achievement components associated with "groups of human behaviours" appeared in 1973, when the same author published his pioneering work "Testing competencies rather than intelligence" (McClelland, 1973). Of course, the aforementioned achievement components are not present in all individuals but only in those who are able to reach a successful performance in their professional activity. But, what are those components? It is important to highlight an idea in this respect: competency is not the sum of a series of factors but their synergic combination. In other words, these components are related to each person's reasons, features, values, skills and knowledge, but only their adequate combination can lead to the development of a competency at a certain level. A competency is relatively stable over time; that is, competencies do not usually evolve in a natural way –specific development programmes for those competencies are often needed instead. From this moment, these ideas represent the starting point for the preparation of 'ideal' competency-based professional profiles for the management of recruitment and training policies.

The methodology for the preparation of these 'ideal' professional profiles consisted in drawing a comparison between two types of individuals: those who reached a normal performance in their professional activity and those who had an excellent performance. As a result, competencies start to be defined as a set of knowledge, abilities, skills and other characteristics which distinguish medium performance from high performance.

The reflection made by Le Boterf (2000) on the conceptualisation of the term 'competency' deserves a special mention. In his opinion, those definitions which refer to competency as a sum of knowledge items –'knowing how to do' or 'knowing how to be'– and their application are weak. Such definitions cannot be the basis for the establishment of a good competency-based management system, as the fragmentation of competency in its definition inevitably destroys it. There is more into a competency than a mere addition of individual attributes. In short, competency is a multidimensional concept; it is not an isolated attitude, knowledge item or skill, but the integration of them all in the context of a specific profession and its sphere of action. Each observable behaviour taking place in the performance of a specific competency results from the combination of knowledge, skills and attitudes associated with it.

Along these same lines, Córdoba (2004) claims that the concept of 'competency' has suffered an evolution which makes it become an effective performance catalyst, as it permits to adapt the knowledge, professional experience and attitudes of individuals towards the company's goals, and not as a mere aggregation of elements, but as an integrated, intertwined and synergic management of those elements at the implementation of the different human resource practices.

Le Boterf additionally draws a clear distinction between the concepts of 'resource' and 'competency.' Whereas 'resources' would be the attributes or elements of competencies (knowledge, talents, skills, behaviours, etc.) and even the sum of them all, the 'competency' would be something more complex, since the different individuals build

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