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# Organizational Competency Management - A Competence Performance Approach

Methods, Empirical Findings &  
Practical Implications

Dissertation

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## Summary

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This work is concerned with a new approach in organizational Competency Management. The goal is to develop a method that is practically feasible for organizational settings, is firmly based in psychological conceptions of human competence and performance in the workplace, and employs a degree of mathematical formalization that improves possibilities for establishing the validity of the implementation.

Competency Management is defined to encompass all instruments and methods used in an organization to systematically assess current and future competencies required for the work to be performed, and to assess available competencies of the workforce. Competencies are defined as the cognitive (e.g. knowledge and skills), affective (e.g. attitudes and values), behavioral and motivational (e.g. motives) characteristics or dispositions of a person which enable him or her to perform well in a specific situation. A process model is introduced which encompasses five steps that usually guide implementation of a Competency Management initiative. In the first step, setting and purpose of the initiative are analyzed (*analyzing setting and purpose*). The second step encompasses the definition of a model for the specific organization detailing out which competencies should be measured (*defining competencies*). In the third step, available competencies of the workforce are assessed (*assessing competencies*). The fourth step brings about an evaluation of the models and the assessment (*evaluating models*), and finally the last step puts the models to use (*using models*). The steps are used as a frame of reference for reviewing existing approaches and methods.

A review of current approaches in organizational Competency Management in Human Resource Management (HRM) and Knowledge Management (KM) fields leads me to conclude that instruments that are integrated in existing work processes by supporting work integrated competency modeling and assessment, and at the same time employ rigorous empirical evaluation methods, are rare. Current instruments usually neglect the close interplay of human competencies and situational requirements.

Several research issues are identified, including the challenge to integrate psychological models into the methods employed, establishing criteria that measure the quality of the implementation, introducing flexible models that can be easily maintained and bridging the gap between HRM and KM practices in Competency Management.

With the Competence Performance approach (Korossy, 1997, 1999), a psychological framework is introduced that is based on a formalization of human competencies and performance within a set theoretical and order theoretical context. The fundamental idea of the approach is to establish prerequisite relations on the set of competencies and performances, so as to allow efficient assessment. The structures that can be derived from these relations can also be interpreted as formalizing learning paths on the competence and performance level.

From an empirical point of view, Competency Management is seen as the construction and evaluation of organization specific models of competence and performance. These models can be evaluated by using an evaluation research strategy and employing quality criteria from empirical research settings, including reliability and construct validation.

The results of two case studies in the automotive industry, and two investigations in an industry based research setting are reported. The first case study establishes the context for the application and examines general issues for implementation as it is usually employed in traditional approaches to competency management. Several division heads within the engineering unit of a large automotive company were interviewed about required and available competencies of some of their staff. The results were job and employee profiles showing the level of 8-10 competencies that were found to be crucial for performing in the job. The implementation procedure was informally evaluated in a lessons learned workshop. Results indicated that a large potential for a new approach would lie in a reduction of the efforts that are involved in the modeling and assessment phases.

The second case study was conducted in a very similar setting employing similar techniques. This time, the head of the HR development division was interviewed. The traditional approach of the first case study was altered to encompass the competence performance approach. A central method that is introduced, and which is used throughout the further studies, is the competence performance matrix. This matrix provides a mapping between the tasks involved in a position (performance) and the competencies needed to perform these tasks. The suitability of the competence performance approach is explored. For the further investigations a more dynamic setting is chosen to evaluate the approach. .

The first investigation introduces an implementation method that is applicable for the construction of competence performance structures in dynamic, research based settings. The feasibility of the method was examined in an industry based research institute. Project managers of the company were interviewed about the

competencies they had used for producing certain outcomes of research projects (documents). A repertory grid type interview technique was employed.

Competence performance structures were derived from the interviews, and their psychological and practical reality was examined. Results indicate that the approach is generally feasible, that reliable and valid assignments are produced which reflect general theoretical conceptions in Competency Management (e.g. KSAO model). From a practical point of view it was found that the structures reflect the situational requirements of the work performed and organizational level variables such as strategic priorities. Open issues include the inter-individual variability that was found in constructing the models.

The second investigation contrasted the implementation from the first investigation by employing a top-down approach and interviewing the supervisors of the employees in investigation I. In line with a long tradition of job analysis research, it was found that there was both agreement as well as disagreement between the resulting models of the two approaches. Agreement related especially to the requirements of the job. Some minor disagreement was found that points to different views of the job between the two groups. The disagreement was larger for the resulting prerequisites. Here, only minor agreement was found. Reasons for this are discussed.

The second investigation also employed an assessment procedure which – in contrast to common practice – was based on an assessment of performance in different tasks, and derived competency requirements from the Competence Performance structures. The theoretical and practical benefits of such an approach are discussed. Comparing this approach to standard procedures of direct competency assessment does not result in significant agreement. Furthermore, some inconsistencies in the assessment point to potential issues of improvement. The reasons are discussed, including validity of the structures for performance assessment and possibly inconsistencies in the two rating tasks.

In the general conclusions, issues regarding application of the methods in organizational settings are reflected upon. A great potential for the approach is identified in dynamic work integrated settings. A practical scenario which integrates the approach within a work integrated learning environment illustrates these ideas. Furthermore, an alternative assessment procedure that is based on the structures is presented.

Open research issues are identified especially in dealing with the large variability and differing views of the respondents, and with regard to improving the validity of the structures. Further research directions for the Competence Performance Approach are suggested to encompass integration into interviewing and modeling tools for competency modeling as well as assessment.





# Table of Contents

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<b>SUMMARY</b>	<b>III</b>
<b>TABLE OF CONTENTS</b>	<b>VII</b>
<b>LIST OF FIGURES</b>	<b>XIII</b>
<b>LIST OF TABLES</b>	<b>XVII</b>
<b>LIST OF ABBREVIATIONS</b>	<b>XXI</b>
<b>PREFACE</b>	<b>XXIII</b>
<b>ACKNOWLEDGMENTS</b>	<b>XXV</b>
<b>I. SURVEYING THE FIELD</b>	<b>1</b>
<b>1 Organizational Competency Management: An Overview .....</b>	<b>1</b>
1.1 A New Approach to Competency Management .....	1
1.2 Why are Competencies Important? .....	2
1.3 A Frame of Reference for Current Approaches .....	4
<b>2 A Case Study (Study I): Competency Management in the Automotive Industry .....</b>	<b>7</b>
2.1 Intervention Method.....	8
2.1.1 Step 1: Analyzing Setting and Purpose for Competency Management.....	9
2.1.2 Step 2: Defining Competencies.....	10
2.1.3 Step 3: Assessing Competencies.....	14

2.1.4	Step 4: Evaluating Competency Management .....	15
2.2	Results and Discussion.....	16
<b>3</b>	<b>Current Approaches: Purposes and Models .....</b>	<b>19</b>
3.1	Competency Management & Human Resource Management .....	20
3.1.1	History of the Terms and Methods .....	20
3.1.2	Current Developments and Reviews .....	20
3.1.3	General Competency Modeling Frameworks .....	22
3.1.4	Expertise Development .....	28
3.1.5	Work Integrated Competency Development.....	29
3.1.6	eLearning .....	31
3.1.7	Concluding Remarks.....	31
3.2	Competency Management & Knowledge Management .....	32
3.2.1	Strategic Management Perspective .....	32
3.2.2	Knowledge Mapping.....	33
3.2.3	Expertise Location .....	34
3.2.4	Project Team Staffing .....	35
3.2.5	Concluding Remarks.....	36
<b>4</b>	<b>Current Approaches: Conclusions and Future Challenges .....</b>	<b>36</b>
4.1	Conclusions from the Review .....	36
4.1.1	Competency Management Purposes and Rationale .....	36
4.1.2	Competency Management Concepts and Models .....	37
4.2	Future Challenges for Competency Management .....	39
4.2.1	Theoretical Basis of the Models Used .....	39
4.2.2	Lack of Empirical Quality Criteria .....	42
4.2.3	Flexibility of the Approaches.....	43
4.2.4	Convergence of HRM and KM Approaches.....	43
4.3	Addressing the Challenges: Aim of the Research .....	44

<b>II. A COMPETENCE PERFORMANCE APPROACH</b>	<b>47</b>
<b>5 Human Competence and Performance.....</b>	<b>47</b>
5.1 Competence and Performance in Organizational Psychology .....	48
5.2 Competencies as Knowledge, Skills, Abilities and Other Characteristics (KSAOs).....	49
5.3 Competence and Performance Defined.....	50
<b>6 A Competence Performance Framework for Competency Management.....</b>	<b>51</b>
6.1 Knowledge Space Theory .....	52
6.2 Related Applications of Knowledge Space Theory .....	54
6.3 The Competence Performance Framework.....	55
6.4 Related Applications of the Competence Performance Approach.....	56
6.5 Applying the Competence Performance Framework to Competency Management .....	56
<b>7 A Case Study (Study II): HR Developers in the Automotive Industry .....</b>	<b>58</b>
7.1 Intervention Method and Results .....	58
7.2 Creating a Competence Performance Structure: An Illustrative Example	61
7.3 Discussion .....	63
7.3.1 Applying Competence Performance Structures in Organizational Settings .....	63
7.3.2 Open Research Issues with regard to the Application of Competence Performance Structures .....	64
<b>8 Conclusions: Research Agenda .....</b>	<b>65</b>
8.1 Research Questions: Introducing and Evaluating Competence Performance Structures .....	65
8.2 Research Methodology: Intervention and Evaluation Research .....	66

<b>III. IMPLEMENTING COMPETENCY MANAGEMENT</b>	<b>69</b>
<b>9 Current Approaches: Implementation Methods</b>	<b>70</b>
9.1 Step 1: Analyzing Setting and Purpose	70
9.2 Step 2: Defining Competencies	72
9.2.1 Strategy Driven Modeling	73
9.2.2 Ontologies	74
9.2.3 Job Analysis	75
9.2.4 Automated Approaches	79
9.3 Step 3: Assessing Competencies	80
9.3.1 Manual Methods: Self- and Supervisor Ratings	80
9.3.2 Manual Methods: Formal Assessment Methods	82
9.3.3 Automated Methods	82
<b>10 Empirical Investigation (Study III): Developing a Competency Model for R&amp;D Project Managers in the IT Industry</b>	<b>83</b>
10.1 Intervention Method	84
10.1.1 Step 1: Analyzing Setting and Purpose of Competency Management	85
10.1.2 Step 2a: Defining Competencies (Idiographic Level)	88
10.1.3 Step 2b: Defining Competencies (Organizational Level)	94
10.2 Discussion	107
10.2.1 Suitability of the Approach	107
10.2.2 Applicability of the Approach	109
<b>11 Empirical Investigation (Study IV): Deriving a Top-Down Competence-Performance Structure</b>	<b>110</b>
11.1 Intervention Method	111
11.1.1 Step 2: Defining Competencies – A Top-Down Approach	111
11.1.2 Step 3: Assessing Competencies – Performance and Competency Ratings	123
11.2 Discussion	125

<b>IV. EVALUATING COMPETENCY MANAGEMENT</b>	<b>127</b>
<b>12 Current Approaches: Evaluating Competency Management .....</b>	<b>128</b>
<b>13 Evaluation Rationale .....</b>	<b>129</b>
13.1 Quality Criteria in Empirical Research: Validating a Model.....	130
13.2 Quality Criteria in Empirical Research: Validating the Assessment ..	131
13.3 Levels of Analysis for Evaluation.....	131
13.4 Practical Demands for Evaluation.....	133
<b>14 Evaluating Competency Definition: Quality Criteria for Competency Assignments .....</b>	<b>133</b>
14.1 Statistical Conclusion Validity: Reliability of the Document Competency Assignments .....	133
14.1.1 Test-Retest Reliability: Repeated Assignments .....	134
14.1.2 Test-Retest Reliability: Repertory Grid vs. Assignment .....	136
14.1.3 Inter-rater Reliability .....	137
14.1.4 Discussion .....	137
14.2 Validity of the Assignments: Individual Level Analyses .....	138
14.3 Validity of the Assignments: Organizational Level Analyses .....	141
14.3.1 Validity of the Assignments Obtained in Study III.....	142
14.3.2 Validity of the Assignments Obtained in Study IV .....	145
<b>15 Evaluating Competency Definition: Quality Criteria for Competency Relationships.....</b>	<b>146</b>
15.1 Validity of the Relationships: Nomothetic Level Analyses .....	146
15.1.1 Theoretical Models Employed for Validation .....	146
15.1.2 Nomothetic Validity in Study II (Case Study).....	149
15.1.3 Nomothetic Validity in Study III .....	153
15.1.4 Nomothetic Validity in Study IV .....	157
15.2 Validity of the Relationships: Comparing Supervisors and Job Incumbents .....	159
15.2.1 Distance of the Competence Spaces .....	160
15.2.2 Suitability of the Surmise Relations.....	161
15.2.3 Conclusions .....	162
<b>16 Quality Criteria for Competency Assessment.....</b>	<b>164</b>
16.1 Internal Assessment Consistency .....	165

16.2 Distance of Competency Assessment to Competence Space.....	166
16.3 Difference in Performance and Competency Assessment .....	168
16.4 Conclusions .....	169
16.4.1 Consistency between Competency Assessment and Competence Space .....	170
16.4.2 Consistency between Performance Assessment and Performance Structure.....	171
16.4.3 Consistency between Direct and Inferred Competency Assessment.....	171
<b>V. IMPLICATIONS AND FUTURE OUTLOOK</b>	<b>173</b>
<b>17 Key Results and Findings.....</b>	<b>173</b>
17.1 Applicability of Competence Performance Structures in Organizational Settings.....	173
17.2 An Implementation Method for Dynamic Research-based Domains .	174
17.3 Evaluation Procedures for Competency Management.....	174
17.4 Competencies of Knowledge Workers.....	175
<b>18 Practical Implications.....</b>	<b>175</b>
18.1 Assessing Competencies: An Alternative Approach .....	176
18.2 Competence Performance Structures in Work Integrated Informal Learning .....	179
18.2.1 The Importance of Work-Integrated Learning.....	179
18.2.2 AD-HOC Methodology.....	181
18.2.3 Competencies – a Conceptual Layer.....	187
18.2.4 Conclusion and Outlook.....	190
<b>19 Open Issues.....</b>	<b>190</b>
<b>20 Research Implications .....</b>	<b>194</b>
20.1 Interactive Questioning Tools for Modeling Competencies .....	194
20.2 Questioning Tools for Assessing Competencies.....	195
20.3 Incorporating Text Mining Tools.....	195
<b>REFERENCES</b>	<b>197</b>
<b>APPENDIX</b>	<b>213</b>
<b>ABOUT THE AUTHOR</b>	<b>249</b>