"COMPETENCY MAPPING – A STRATEGIC APPROACH IN TALENT MANAGEMENT"

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ABSTRACT

Human Resource Management is undergoing a major transformation in today's organizations. The new role of Human Resources Management demands an outlook that differs considerably from the compliance mind-set. Human Resource (HR) management practitioners are expected to be experts on leveraging human talent within their organizations for purpose of achieving competitive advantage. They must demonstrate new sensitivity to the full range of human capabilities (including emotional intelligence), align HR efforts with strategic objectives and integrate various HR activities so that people are consistently encouraged to achieve desired results. The present globalization of economy necessitates innovative approaches in managing the talent in an organization through competency based HR practices. Competency mapping is a strategic HR framework for monitoring the performance and development of human assets in organizations. Competency based talent management can improve both productivity and performance by identifying key characteristics of top performers and how those traits differ from average employees. These characteristics in turn can filter in a set of core competency profile that consistently lead to successful workforce. The remaining residual can further be developed into core competencies in some other functional areas, as HR philosophy has firm faith that people have potential and can be further nurtured if given proper environment and opportunities. Competency based Human Resource Management is being increasingly recognized as an effective way of talent management over the previously adopted job-description related approach. It involves a transition from the traditional way of managing human resources based on what people have (e.g. Skills and abilities) to what people can do (performance). Effectively mapped competencies translate the strategic vision and goal of the organization into behavioural actions that employees must display. Competency based talent management concentrates first on the person and then his or her outputs or results. This study examines how competency mapping leads to talent management which in turn enhances the organizational effectiveness. It further investigates the impact of competency mapping on recruitment, interviewing, selection, placement, performance and reward management, training and development, career and succession planning which plays a major role in talent management and retention.

Key Words: Competency , Competency Mapping, Talent management

INTRODUCTION

Traditionally, organizations have been hiring people for their growth. However, in the present economic environment, the productivity of existing workforce is a matter of paramount concern before a new headcount is considered. There has been a paradigm shift from "quantity of talent to quality of talent". With this, talent management has become an important element in establishing Human Capital Management environment. Talent Management (TM) as a process emerged in 1990s and continues to be adapted as more companies are realizing that their employee's talents and skills drive their business success. Companies that are engaged in talent management are strategic and deliberate in how they attract, select, train, develop, retain, promote and move employees through the organization.

The term 'Talent Management' means different things to different people. To some, it is about the management of high worth individuals or the talented people; whereas to others it is about how talent is managed generally. TM is usually associated with competency based Human Resource Management practices. TM decisions are driven by a set of organizational core competencies. In the present talent hungry environment, one of the greatest challenges that organizations are facing is to successfully attract, assess, train and retain talented employees. The four pillars of TM are recruitment, performance management, learning management and compensation management.

Talent Management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job profile and any other position will cause discomfort. As such there is no such magic formula to manage talent but the trick lies in locating it and encouraging it. TM is beneficial to both the organization and the employees. Organizations benefit from increased productivity and capability; a better linkages between individual's efforts and business goals; commitment of valued employees, reduced turnover; increased bench strength and a better fit between people's jobs and skills. Employees benefit from higher motivation and commitment, career development; increased knowledge about contribution to company goals, sustained motivation and job satisfaction. TM focuses on enhancing the potential of the people by developing capacities where as capacities are the basic DNA of an organization and also of an individual's potential.

Competencies are the first building blocks of talent management. By identifying the critical competencies existing with high performing employees, the other employees can also be motivated with the same by conducting training and development programmes. Competencies are characteristics that individuals have and use in appropriate, consistent ways in order to achieve desired performance. These characteristics include knowledge, skills, aspects of self-image, social motive, traits, thought patterns, mind-sets and ways of thinking, feeling and

acting. The purpose of talent management is to ensure that an organization has the right talent with right skills at the right time. However, what may have been the right skills in the past may not be the same as required in future because the environment as well as the strategies of the organization keeps changing. Competencies are enduring while work activities and specific work tasks are transitory. Competency based talent management is an important strategic approach of any organization as it has an impact on employer's ability to attract talent, retain employees and ensure optimal level of performance from talented employees in meeting organization's strategic objectives. Competency based talent management can also help in designing a fair and equitable system through an objective evaluation of competencies which a major contributing factor in an individual's performance. Competency mapping helps an organization to identify the critical competencies that are essential for employees to excel in an organization. Competency based talent management views the needed outputs and the organization's work roles or requirements from a person oriented perspective rather than a job oriented perspective. Having identified the future strategy and challenges, the next step is to identify the competencies and other success criteria in building the talent reservoir. Competencies defined in terms of different levels required by different roles need to be taken into consideration in defining a talent. Significant competency weaknesses do need to be 'managed around' through the use of such methods as delegating, partnering and some personal modification of

behaviours. Human capital is the most important resource for any organization in the skill based economies around the world. However, unless the competency framework is well planned and defined, organizations will not have the proper foundation for developing and implementing a system of human resource programmes and initiatives for renewal and sustained success. When implemented effectively, it is fully equipped to inculcate the desired employee behaviours and profoundly improve the human resource activities to leverage people power for sustained organizational success. Management can view the competency profile of the workforce to identify the gap between available and required competency levels to either meet current strategic objectives. The competency based framework helps in identifying the intervention needed to achieve these strategic objectives. Many organizations are using competencies as the means for identifying and developing talent. Competencies form the foundation of competency based HR management practices. This approach makes competencies the foundation for the entire HR management function. Competency driven talent management will act as an effective tool in enhancing organizational effectiveness. This research paper will ignite the HR practitioners to achieve quantum leaps in talent retention and in increasing competitive advantage by unleashing the power of exemplary performers, discovering their characteristics and building those characteristics in all aspects of HR.

LITERATURE REVIEW

The competency approach to Human Resource Management is not new. The early Romans practiced a form of competency profiling in attempts to detail the attributes of a "good Roman Soldier". The introduction of competency based approaches within the corporate environment initiated around 1970 and their development and use since then has been rapid. The distinguished Harvard Psychologist, David McClelland (1973) is credited with introducing the idea of competency into the Human resource literature in his efforts to assist the United States Information Agency improve its selection process. In his research (Ibid.) found that competencies such as interpersonal sensitivity, cross cultural positive regards and management skills differentiated superiors from average information officers.

Later McBer (2003), a consulting firm had specialized in mapping the competencies of entrepreneurs and managers across the world. They even developed a new and yet simple methodology called the Behaviour Event Interviewing (BEI) to map the competencies. With increased recognition of the limitations of performance appraisal in predicting future performance potential appraisal got focused. Assessment centres became popular in seventies.

Throughout the years competency based approaches have proved to be a critical tool in many organizational functions, such as workforce succession planning and performance appraisal.

Development Dimensions International Inc. (DDI,2006) defines talent management as "the system in which people are recruited, developed, promoted and retained to optimize the organization's ability to realize positive business outcomes in the face of shifting competitive landscapes and labour requirements" More specifically TM is a business process that systematically closes the gap between the talent an organization possess and the talent it needs to successfully respond to current and emerging business challenges.(Wellins Richard.S, et.al.,2006)

After reviewing the literature the some basic and important considerations that emerge emphasizes that in the present business scenario we need to be proactive as business organizations in managing our workforce optimally through talent management .Competency mapping forms the basis for talent management as it helps in identifying the core competencies of an individual which in turn can be matched with the organization's requirement through the process of TM .

TALENT

Talent management is critical for organizations to attain their long term strategy so that individuals can have the highest impact within the enterprise. Some multinationals define talent by highlighting their immediate talent needs. Claus E.

Heinrich, Head Global Human Resources & Labor Relations, SAP defines talent as "talent, in a company's context is an attribute that is a combination of performance and potential"(cited in Pandey,2008). This research paper defines talent as "an integration of capabilities, roles and people" as shown in Figure-1. These three components together constitute a template for talent and make an impact on talent supply, demand and management.

Figure – 1 : Constituents of 'Talent'
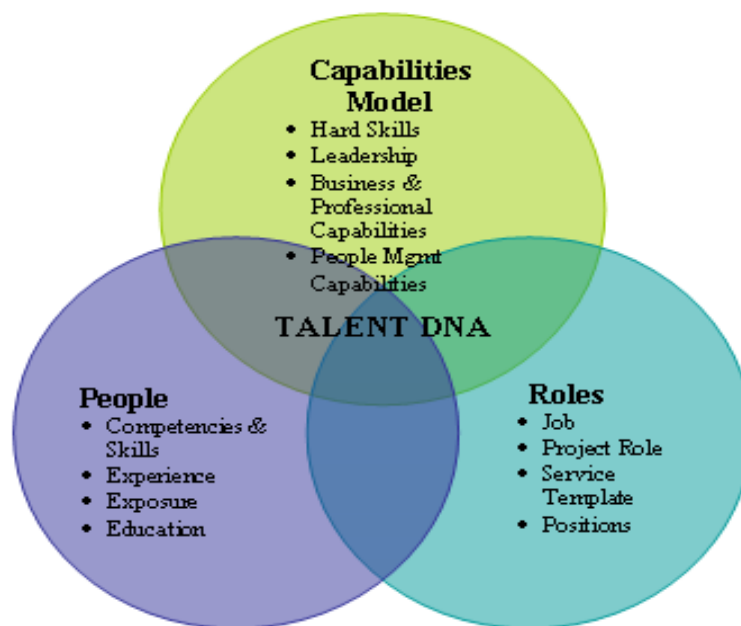
TALENT MANAGENT

Talent management has been described in many ways. Few of them have been discussed below.

Talent Management refers to "the process of developing and integrating new workers, developing and retaining current workers and attracting highly skilled employees to work for the company."(David Watkins,1998)

Talent management can be defined as " a continuous integrated process that helps employers to effectively plan talent needs, attract the very best talent, motivate the right behaviour, developing targeted capabilities and knowledge, retaining the highest performers and enable talent mobility across the organization"(Knowledge Infusion,2006).

"Talent management is simply a matter of anticipating the need for human capital and then setting out a plan to meet it" (Cappelli &Peter, 2008)

"Talent Management is a process used by management to align talent with business objectives to reduce process costs, improving quality of hire, reduce risks and achieve levels of performance". (TM Glossary,2008)

COMPETENCY

The understated definitions would give us an insight into a conceptual clarity and will provide a complete understanding of the different aspects that this term incorporates.

- David McClelland (1973), a famous psychologist has defined competency as an underlying characteristic of an individual that is casually related to criterion referenced effective / or superior performance in a job or a situation.

- Boyatzis(1982) describe competencies as underlying characteristics of an individual, which are casually (change in one variable cause change in another) related to effective job performance

- Competencies can also be defined as the clusters of skills, knowledge, abilities and behaviours required for job success. .(Bernthal,et.al)

- Any underlying characteristic required in performing a given task, activity or role successfully can be considered as competency.(RaoT.V., 2006)

- A competency is an underlying characteristic of a person / organization which enables to deliver performance in a given job, role or situation.(Boulter, et.al. ,1999)

- Competency are defined as the skills, knowledge, abilities and other characteristics that someone needs to perform a job effectively.

Workplace learning and performance professionals often use job competency models to guide their employee development efforts. Similarly competencies have many applications for organizations and individuals. Organizations can use competencies to define selection criteria for new hires or placements and to guide their performance and development. Practitioners can use competencies as a roadmap to their own success on the job.

COMPETENCY MAPPING

Competency mapping is a process through which one assesses and determines one's strengths as an individual worker and in some cases as part of an organization. It generally examines two areas: Strengths of an individual in areas like team structure, leadership and decision making. It consists of breaking a given job or given role into its constituents tasks or activities and identifying the competencies (technical, managerial, behavioural, conceptual knowledge, attitudes, skills etc.) needed to perform the same successfully.

EVOLUTION OF TALENT MANAGEMENT

Talent management is the core HR function which works as a DNA of this entire system. In the 1970s and 1980s, the function which was responsible for people was popularly known as the personnel function which emphasized only on the payroll, welfare and benefits of employees. It has a status of business function. In 1980s and 1990s, there was a shift in the approach of this business function and the concept of strategic HR emerged. This emphasized on recruitment and selection, training & development, people management, organizational design, total compensation, communications and enjoyed the status of a business partner .

In the present era there is a paradigm shift from strategic HR to Talent management where focus is on competency management, systems integration, performance management, succession planning leadership and development and interpersonal processes which targets as business integration.

TRANSITION FROM STRATEGY TO ACTION

It is imperative on the part of strategic partners to transform the strategic ideas into action. Once an organization commits to a Talent Management strategy it must quickly mobilize to plan the deployment activities that will bring in positive results to the organizations. The success of any Talent Management strategy depends on a well defined roadmap that supports a long term vision. The long term vision of the organization will facilitate in assessing its current talent inventory. It will also provide the essential foundation for building and deploying people resulting in effective Talent Management through out the organizations. This requires high level of commitment and setting appropriate expectations. Initial steps of the roadmap may include designing and building comprehensive job profiles, developing a competency model, integrating processes and executing change management.

TALENT RESERVOIR MODEL

Talent can be understood in more clearly through talent reservoir model which categorically defines the major components of talent management process as shown in Figure-2.

Figure – 2   A Model of Talent Reservoir
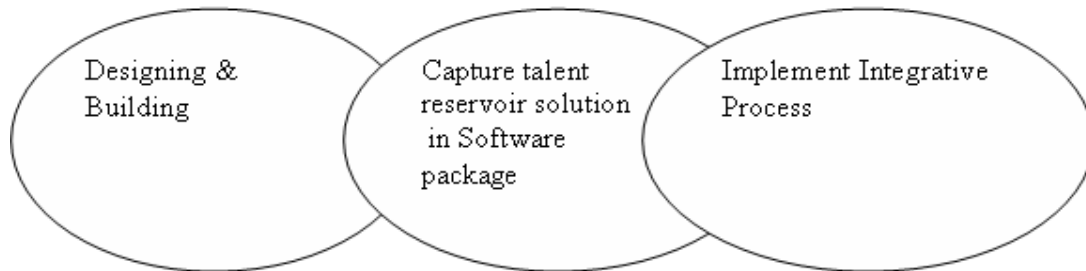
Talent reservoir has three major components, these are:

1. Designing and building a talent reservoir solution

2. Capturing the talent reservoir solution in a software package

3. Implementing and integrative talent reservoir process

CORE / INSTITUTIONAL COMPETENCIES

Behavioural / skill expectations that are crucial to the success of each employee and to the success of the entire organization. Most organizations use between 9 and 11 competencies in their talent reservoir, such as – Action orientation, communication, creativity / innovation, critical judgement, customer orientation, interpersonal skill, leadership, teamwork, technical / functional expertise.

INPUT – OUTPUT MODEL OF COMPENTENCY DRIVEN TALENT MANAGEMENT

This research paper has evolved a competency driven input – output model of talent management. The input for the talent management begins with the visionary ideas of the organization which further flows down to the mission and get reflected in the formulation of the strategies which lays the foundation for the actions. Strategically designed structural roles require effective selection and development of the competencies in managing the talent. This competency driven talent management will lead to a reservoir of knowledge which will create learning organizations by harnessing the potential of the people. This would ultimately lead to breakthrough performances and hence organizational effectiveness as depicted in the input – output model shown in Figure – 3.

Figure – 3 INPUT–OUTPUT MODEL OF COMPENTENCY DRIVEN TALENT MANAGEMENT (TM)
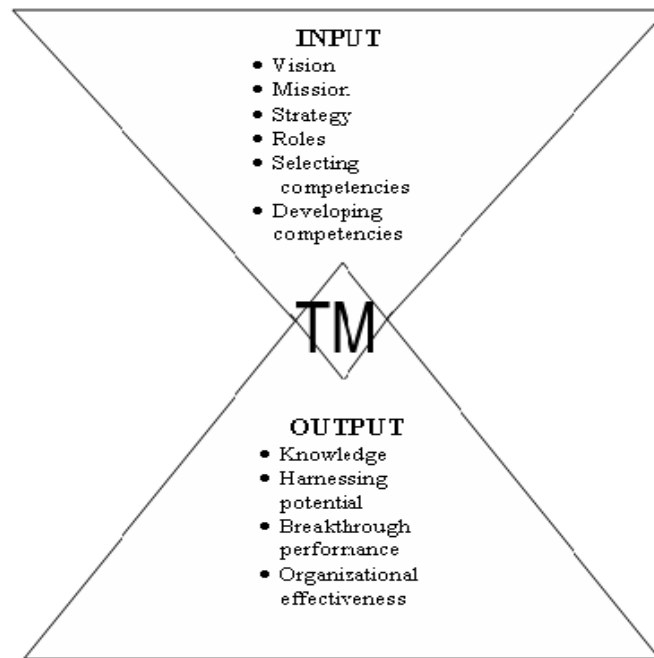
COMPETENCY MAPPING DRIVEN TALENT MANAGEMENT

Competency mapping is at the core of the talent management as it targets at developing intrinsic human capacities such as –

1. **Capacity to learn :** This can be measured as learning quotient. This capacity is developed by holistic education, enabling environment and good mentoring .

2. **Capacity to think :** It can be measured as conceptual quotient that enhances the creativity in an individual.

3. **Capacity to relate :** It can be measured in terms of relationship quotient that enhances an individual's interpersonal effectiveness.

4. **Capacity to act :** This is measured as action quotient which defines the ability to comprehend his thoughts into action.

The development of intrinsic human capacities will further enhance the abilities and key result areas of the job. These abilities will form the core competencies of the talent reservoir. Talent management is required at all the levels in the organization. It is not limited for the top management only rather it is mandatory for the entire workforce. A decade ago, McKinsey(2006) had conducted a survey known as " The War for Talent" . This made a strong case for emphasizing the recruitment and retention of a company's A players- the top-performing 20 percent or so of managers. The impact of top talent on corporate performance hasn't diminished but what's much clearer today – not least, as a result of the expansion of knowledge work- is that organizations can't afford to neglect the contributions of other employees.(Guthridge ,et al.,2008)
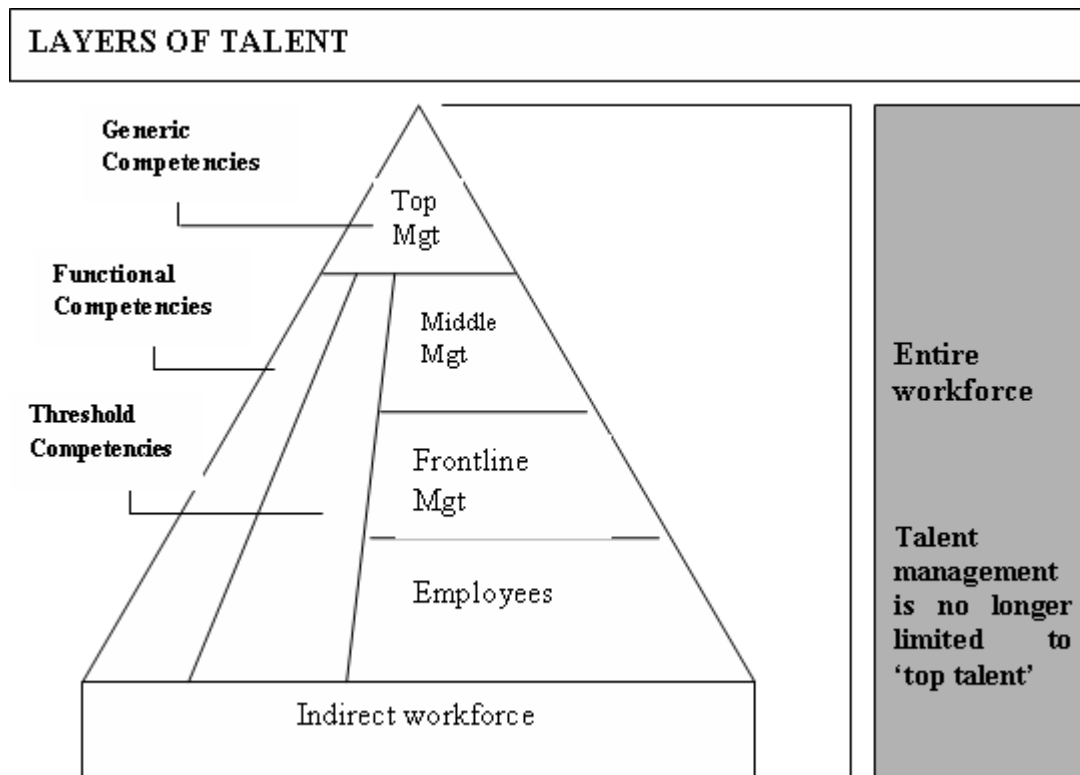
In the various layers of talent, the three major layers include the top management, middle management, frontline management.

The top management comprises of Generalists with core area of generic competencies.

Middle management has people of high potential with emphasis on functional competencies.

Frontline management consists of Specialists with the thrust on Threshold competencies as shown in figure – 4.

Figure - 4

LAYERS OF TALENT

Generic Competencies

Functional Competencies

Threshold Competencies

Top Mgt

Middle Mgt

Frontline Mgt

Employees

Indirect workforce

Entire workforce

Talent management is no longer limited to 'top talent'

Talent management is an ongoing process and a pervasive function. It commences right from the HR planning stage and goes on all through the life of the organization. The following Figure – 5 shows the complete process of talent management through competency mapping.

Figure – 5 Process of Talent Management Through Competency Mapping (CM)
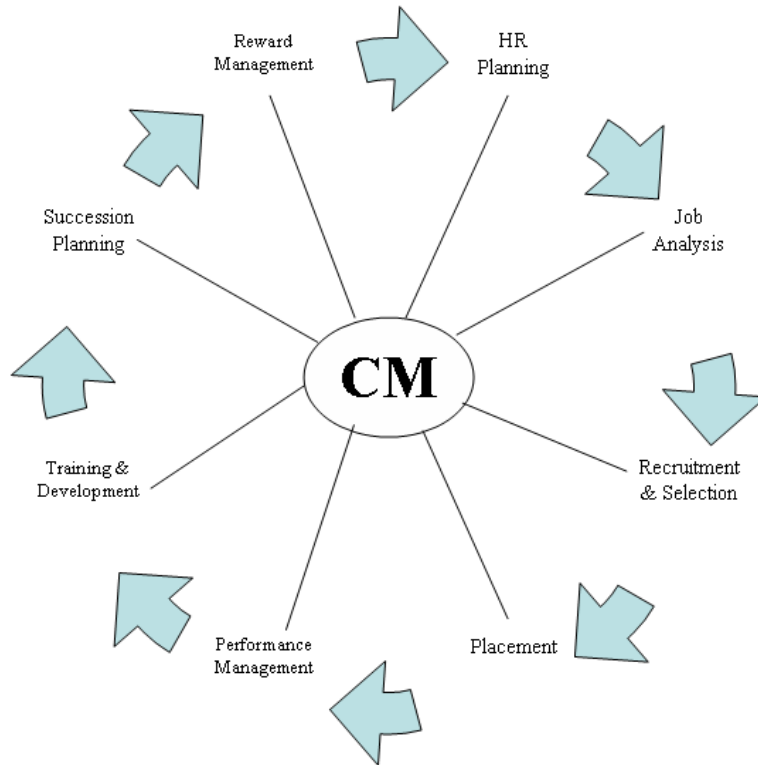
Competency Mapping has to be integrated with the business plans through various HR functions so as to ensure that the crucial competency remains the main driving force at each stage of talent management. We need to follow a course of action for effective talent management. The truce to the effective talent management is HR Planning, job analysis recruitment & selection, placement, performance management, training & development, succession planning, reward management.

HR PLANNING

Competency based HR demand forecasting needs to be strategically aligned with the existing and the required talents. The HR talent gap analysis needs to be linked with competency gap analysis in order to avoid talent crunch. Talent crunch refers to a general situation wherein the industry and employers feel pinched by the short supply of employable talent to work for them in producing goods and services demanded by the customers. Such talent crunch can occur due to various reasons most primary being the gap between the demand for labour and supply.(Murali,2007)

JOB ANALYSIS

Competency driven job analysis contributes to organizational effectiveness by –

- Ensuring that the work carried out is aligned with the organisation's mission
- Helping management to clearly identify the most appropriate talent for new duties and realigning workloads.

RECRUITMENT AND SELECTION

Competency mapping can be used to construct a template for recruitment and selection. Information on the level of competency required for effective

performance can be used to determine the competency levels that new talents should possess.

PLACEMENT

The right talent at the right place at the right time and in the right number is the steering wheel of the competency driven talent cart. This will prevent the organization from facing the employee job-fit problems.

PERFORMANCE MANAGEMENT

Competencies are critical behaviour demonstrated on the job and forms an integral part of performance management. Performance management is about achieving results in a manner that is consistent with the organizational expectations and desired behaviours. Assessing competencies as a part of performance management is an important means of assisting talents in understanding performance expectations and enhancing competencies on the job.

TRAINING and DEVELOPMENT

Identifying talent gaps and keeping in mind the competency profile for a position that allows individuals to compare their own competencies to those required by the position. Training & development programmes should focus on those competencies which will help in nurturing and retaining talents in the organizations.

SUCCESSION PLANNING

Developing and maintaining a succession plan comprises of four phases-

- Defining core competencies

- Evaluating gaps

- Developing high potentials

- Integrating the process with other HR programmes

Succession planning is a learning process which enables the talent to grow and enhance their capabilities by uncovering their hidden potentials.

REWARD MANAGEMENT

Competency driven talent can best be managed by competency based reward systems. Individual characteristics that merit high pay may come in the form of core competencies such as experience, initiative, loyalty and memory portability. Rewarding employees for their ability to make the best use of competencies and talent in accordance with the organization's needs.

CONCLUSION

Decisions about talent management shape the competencies that organizations have and result in their ultimate success. We need an innovative way of thinking about the talent management challenge. A new framework for talent management has to begin by being clear about the goals. As organizations continue to persue high performance and improve results through human capital management

practices, they are taking a holistic approach to talent management – from attracting and selecting wisely, to retaining & developing leaders, to placing employees in positions of greatest impact. This research paper emphasizes on using competency mapping for recruiting and retaining talented people and sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations. Meeting this talent supply and demand requires the right talent DNA and supporting technology solutions. The attraction, growth and retention of talent is a key success factor for modern service based knowledge organizations. The organizations concerned about the professional growth of talented employees will create a feeling of trustworthiness in their mind which will eventually lead to the development of the organization.

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