No competency model no success in a GLASS WORLD

Abstract

This case study is focused on the analysis of strengths and weaknesses of a company that is working in the glass industry. The company's HR challenges were analysed, and a suitable solution was proposed based on the research findings. Specifically, three different challenges were identified in this company's human resource management. The first challenge is the structure of their competency model. For this issue, it is possible to find support in literature specialising in human resource management. The other challenges are: the lack of technical specialists, which many Czech companies have to deal with today, and improvement of their training & education system. So, what can the company do about it?

Introduction to the organisation and industry

The chosen company was established in 2007 by a Czech businessman from the Liberec region. It started as a family business and has grown into a medium-sized company with 248 employees. It specialises in the production of glass, which has a long tradition in the Liberec region. Its production is not focused on traditional glass products such as dishes, lamps, etc., but each product is manufactured as a unique customised piece ordered from many different countries around the world.

Figure 1: Glass installation in the Dubai opera house

Source: company websites

HR processes in the company

The human resource management department consists of one director and three officers. The responsibilities of these four people are divided in a way that the director directly manages the officers and approves their every single step. Each one of the three officers are responsible for all human resource management processes in one or more departments. Simply said, they manage everything from identifying the needs of the department, to implementing changes, to employee training, etc. The first thing that is necessary to do after the department manager identifies a need for a new employee, is to determine the requirements for the working position and to create a job advertisement that reflects these requirements. The competency model is used as a support tool in which the skills required for each position are defined. The job advertisement is shared on career websites, job portals, and in printed form on the company's notice board. When there is a position that requires special abilities, a recruitment agency is used, whereas head hunters are engaged to fill management positions. Candidate interviews generally comprise three rounds. The purpose of the first round is to get a general overview of the candidate. It is conducted only by the recruitment officer or the respective HR manager. The following interviews involve more people from different departments.

A SWOT analysis of HR activities

A SWOT analysis of human resource management in this company showed several strengths, but also some weaknesses that they have to consider. One thing that speaks for a good working environment is the really low employee turnover rate. The turnover that does occur is mostly not caused by dissatisfaction, but there are other reasons why employees leave their jobs. Another strength of the company's human resource management is the competency model. It is used as support for the recruitment and evaluation processes. In addition, to help create a pleasant start for new employees, an informative adaptation package is prepared with the aim to make the start for employees easier. Attracting young ambitious people is very important to the company. For this reason, internships or placements for students and new graduates are offered. If they or the permanent employees live far away, they are provided with the opportunity to live in a company flat.

Table 1: A SWOT analysis of the HR activities in the chosen company

STRENGTHS	WEAKNESSES
Low turnover rate	Structure of the competency model (difficult and confused)
Competency model	Difficult to find employees with a technical education
Adaptation package	No unified training & educational system
Internships for students	
OPPORTUNITIES	**THREATS**
Influx of staff from the border countries	A shortage of glass specialists
Decline in the automotive industry	

Source: own elaboration

Objectives of case study

The objective of the case study is to help with using the competency-based model identified by analysing HR processes in the company. The main objective is to define the structure of the competency model, prepare systematic training and help use it for a specific position of technical specialist.

Literature review

The competency model, which is a part of HR management, is used as support for many HR management activities, for example the recruitment and selection process, the training, education and development of employees, and for rewarding management. One of the reasons why this company started to use the competency model is its impact on employee performance (Armstrong & Taylor, 2014).

The definition of the term "competency" has changed several times. Today, this term is defined as a personal characteristic that leads to effective or superior performance. It is also used synonymously with the abilities, capabilities, skills, and strengths of employees. Competencies can be generally divided into two groups: behavioural and technical (Gupta, 2011).

Behavioural competencies

Behavioural competencies, known also as "soft skills", are the competencies necessary to achieve good results in abilities such as communication, teamwork, leadership and decision-making. For the first time, this approach was used by an American psychologist David McClelland in 1973. He recommended using the competency model for evaluation of the validation process. During this process, an analysis is made of the main behaviour aspects, which create differences between effective and ineffective performance. However, Richard Boyateze, another main figure of the field, specified and popularised the concept of behaviour. In a survey, he found out that there is not only one behavioural factor that differentiates a prosperous performance from a less prosperous performance. There are many factors that have an impact on performance. He defined the ability of behaviour as the ability of a person to act according to parameters. These parameters are defined by an organisation for a concrete working position and show how to achieve the required working results (Ferreira, Erasmus & Groenwald, 2009; Gupta, 2011).

Technical competencies

On the other side of the spectrum are technical competencies, which are also known as "hard skills". They define what people should know and should be able to do to effectively function within a company. For many companies, it is really important that their employees are able to work with the latest developments in information technology, especially with different computer software that is used in today's working environment (Gupta, 2011).

Competency frameworks

Competency frameworks provide the basis for the use of competencies in different areas of HR management, such as the recruitment process, employee development, and reward management. The frameworks list individual competencies and their definitions that are used either throughout the organisation or just in a single part of it. Some organisations also describe positive and negative behaviour indicators in their competency framework (Gupta, 2011).

Development of a competency framework

When developing a competency framework, it should be kept in mind that competency frameworks should be simple to understand because they may be used in many different ways. It is necessary that the competencies are not vague and that they do not overlap each other. To

provide clear understanding, it is helpful to give a clear and brief example each competency. A company's competency framework should correspond to the culture and purpose of the organisation. To create a quality competency framework, it is necessary to involve the staff (e.g. managers from different departments) and to communicate all requirements with them. This process, if done correctly, requires a lot of time and effort (Gupta, 2011).

Methodology

The case study is based on a literature review and analysis of HR processes focusing on a competency-based model in the company. The process, as well as secondary data of competitors in the region – companies with similar challenges and interests in the area of recruitment, were investigated and evaluated. Primary data (both qualitative and quantitative) were collected by a qualitative and quantitative survey, shadowing and CAWI questionnaire. The author interviewed the HR manager and the CEO to find out details about the company's current competency model. Their experience as well as the author's own experience and observations during an internship lasting several months were used to propose practical tools – a step by step guide on how to work with the competency-based model effectively, as well as examples of this model for selected positions.

Findings and analysis

After spending time with the company and analysing certain HR processes, several challenges were found in the company's HR system that could be improved.

HR challenges

The company's defined competency model has a structure that is somewhat unlike the competency models in other companies. The required skills that are obtained within the competency framework are divided into two groups. The first group includes "cross-sectional skills" and they are required from all employees irrespective of their position. Within this group is communication, teamwork, and responsibility. These three types of skills can also be supported by the company's culture, but defining these competency headings, which are defined differently for every role, is a bit confusing. The overview of the requirements is unclear when a department manager evaluates their employees according to the competency framework. The other types of skills are "group skills", which are uniquely defined for each position.

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The need for technical specialists

Another issue they have to resolve is the lack of technical specialists, which is a problem plaguing the majority of companies in the Czech Republic today. One reason for this is the low unemployment rate in the Czech Republic, which is currently 5.5% and results from the country's strong economy. In recent decades, many foreign companies that produce parts mostly for the automotive sector have come to the Czech Republic. These companies, in which hundreds and sometimes thousands of people work, are able to pay higher wages than the SMEs. The lack of technical specialists is further deepened by the fact that in recent years, the number of students who are studying at technical schools has been rapidly decreasing.

Unification of the training & education system

The education and training of employees is an important and necessary part of every company. People need to develop themselves in many different spheres throughout their lives. Among other things, this leads to better working performance, so employers support them with the opportunity to develop themselves at the workplace. Even though this is highly supported by the company in question, a unified system of educational and training activities is lacking. The managers and the employees are missing out by not having an overview of the educational and training activities they have participated in. This makes managerial evaluations of employees ineffective because they have no empirical evidence to use when assessing whether or not an employee has improved.

Proposed HR tool

To improve human resource management based on the company's competency model and deal with its shortcomings, a guide with instructions and procedures was proposed (see Appendix No 1.) to define and work with the competency model in a more effective way.

This guide provides a step-by-step process for how to create a new competency model or improve a current one. Another part of it is focused on the individual human resource management processes in which it can be applied.

Conclusion

One thing that can be improved in the company is to bring a structure into its training & education system. The aim here is to unify each individual type of education. To that end, it

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would be helpful to incorporate a personal information system. The company can acquire a system that not only keeps a record of the attendance, personal data, and salaries of the employees, but also includes all the various types of education such as e-learning, internal employee training, and employee training, education and development activities provided by external agencies.

Another finding that needs to be addressed by almost every company situated in the Czech Republic is the difficulty of finding employees, especially for technical positions. This company must engage in a long-lasting recruitment process to find glass designers. When they are unable to find a candidate using the common recruitment methods, they must eventually refer to a recruitment agency. They are currently testing other ways to find new employees. They are using a special website that lists different positions and completely independent people can suggest a suitable candidate for the positions. If the proposed candidate is chosen, the proposer receives a financial reward.

The main focus of the case study was on the competency-based model used in the company. By analysing the competency model that is already established in the company, it was determined that the competency model is really detailed, in fact, too detailed for it to work effectively. One issue is that the entire competency model is divided into different groups of competency headings. The first is the group of "cross-sectional skills" comprising three different types of skills (communication, teamwork, and responsibility) given for each position in the company. However, the problem with this group is that the definitions are different for every position, which is confusing, especially to the managers. The other group of skills is called "group skills". The skills in this group are also different for every position, but the definitions are also extremely confusing. In summary, the competency model is really detailed, but it is too confusing for it to work effectively. The appendix below contains a proposed HR tool for this matter.

References

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Ferreira, E. J., A. W. Erasmus & D. Groenwald. (2009). *Administrative Management*. Juta Legal and Academic Publishers.

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Appendix

A practical guide to working effectively with a competency model

Instructions and procedures

| **Identification** of competencies | **Creation** of the competency model | **Application** of the competency model |
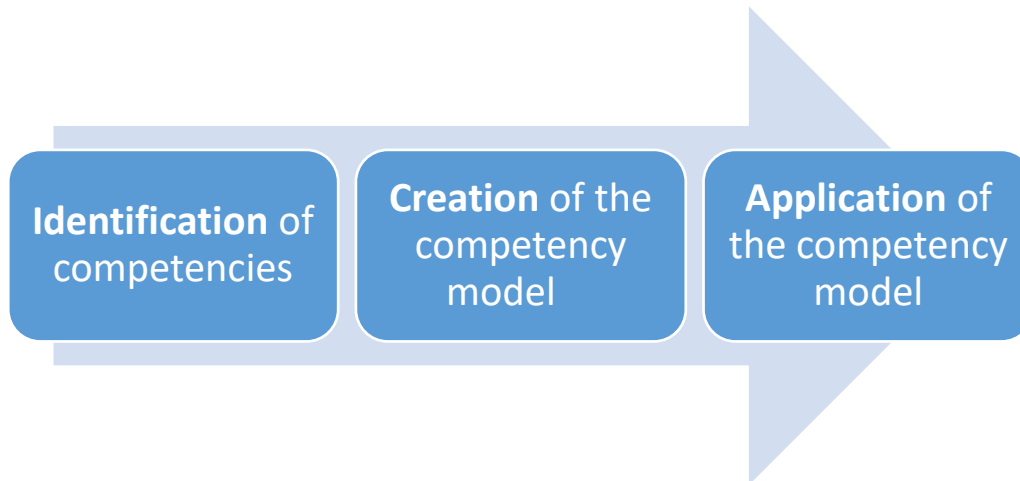
Identification of competencies

1. Beginning

This phase precedes the identification of individual competencies. During this phase, it is necessary to have an overview of the company's organisational structure, identify and examine the responsibilities for the processes and authorities, and identify the individual working positions on both the horizontal and vertical management levels.

To do:

1. Gain an overview of the company's organisational structure,
2. Identify the company's aims, strategies, and critical factors for success,
3. Identify individual working positions within the organisational structure and the responsibilities that belong to them.

2. Gathering data

This phase is focused on the use of different techniques and methods to gather data to be able to identify competencies

1. Identify the competencies using different techniques:

- Analysis: Gather data by making a detailed analysis of individual working positions
- Interview: Identify different competencies by conducting an interview with a person who has excellent knowledge about the concrete working positions
  - This method is suitable if you are defining or improving only a small number of working positions
- Dictionaries of generic competencies: Categorise your thoughts and the information about each working position

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- Observing: Observe people when they carry out a critical task and code their behaviour into competencies

3. Analysis and classification of the gathered information

For this phase, it is typical to process the data gathered in the preceding phase. The procedure depends on whether you are creating a completely new competency model, or improving and completing an existing competency model. The output of this phase is a list of competencies.

To do:

1. Describe the individual types of behaviour on paper cards,
2. Identify which of the drawn-up information describes behavioural acts or activities that contribute or do not contribute to achieving success,
3. Categorise the individual statements into competency topics and continue in their analysis to create a homogenous unit of competencies,
4. Verify the gathered information.

Creation and validation of the competency model

The output of the previous phase is an outline of competencies. In this phase, these competencies are combined into groups of characteristics. The aim is to create the most specific and understandable description of the behaviour that is characteristic for the given competencies.

Creation of the competency model

To do:

1. Clarify the aim of the competency model,
2. Determine the target group for which the competency model is created,
3. Choose the best approach for the aim of the competency model,
4. Form a project team that has a heterogeneous composition,
5. Identify various levels of performance for individual positions and define the criteria that equate to high performance,
6. Create the competency model according to the gathered data.

Validation of the competency model

To do:

1. Verify that the kind of behaviour described in the competency model leads to a high level of working performance,

2. If the previous step is fulfilled, incorporate the created competency model into the company's human resource management activities and start to apply it.

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Application of the competency model

The competency model has a wide range of opportunities for its application. In each case, it is necessary to adhere to certain rules and procedures.
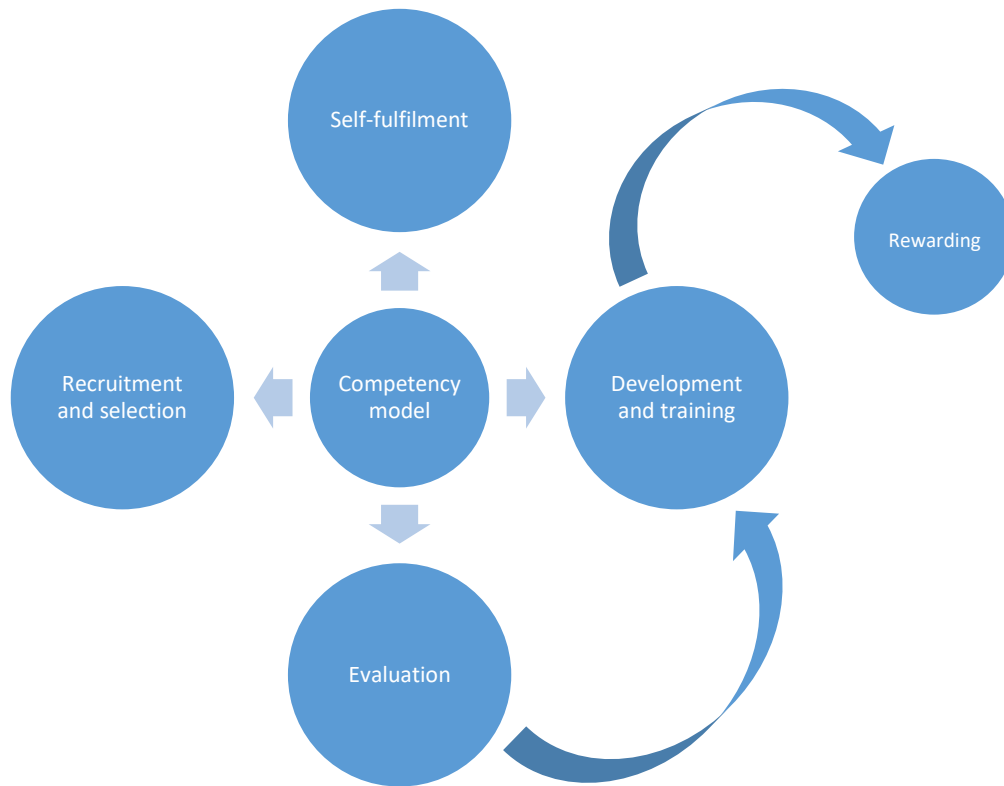
1. Self-fulfilment

This can help the employees to develop their personality

To do:

1. Give the employees the opportunity to look at the competency model and the defined requirements, e.g. publish it on the company's intranet or send the individual parts to the employees,

2. Be open to questions about particular parts of it and help the employees to find a way that allows them to develop themselves.

2. The recruitment and selection process

During the recruitment and selection process, the competency model is used as a tool to assess abilities, knowledge, and skills necessary to perform a given role.

To do:

1. Define the job advertisement according to the requirements that are given in the competency model,

2. If you have a pre-selection round, prepare a questionnaire focused on identifying the competencies,

3. Based on the requirements contained in the competency model, use the most suitable selection method, and focus on the competencies during the interview.

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3. **Evaluating employees**

In these cases, the competency model is used by superiors to evaluate their subordinates.

To do:

1. Evaluate the subordinates' basic use of their abilities and evaluate whether or not they have shown improvement in the defined abilities.

4. **The development and training of employees**

This phase is connected to the preceding evaluation. The task is to choose the most suitable way to improve the identified weaknesses.

To do:

1. Thoroughly analyse the identified weaknesses,
2. Plan training activities according to them,
3. Implement the chosen training activities,
4. Evaluate the target of the training.

5. **Rewarding employees**

To sustain motivated employees, it is necessary to reward them for their improvement.

To do:

1. Take a look at the two last phases and determine a suitable reward for achieved goals (rewards do not always have to be monetary in nature - sometimes just praise by a superior is sufficient)

An example of a defined competency model

This competency model serves only as an example of how a competency model can be composed. Each company should design it so that the structure best suits their needs.

Competency model of company XYZ				
Position	**Required competencies**			
Accountant	**Communication** Is able to communicate on a polite and clear level Can communicate about expert activities	**Responsibility** Accepts responsibility for work performed	**Professionalism** Is and works as an expert with the company's finances	**Accuracy** Approaches perfection in outcomes due to attention to detail
Office Manager	**Communication** Is able to communicate on a polite and clear level Is always available	**Self-contained** Is able to search for needed information Knows individual connections between the performed tasks	**Professionalism** Constantly monitors the development and movement of the workflow	**Accuracy** Always maintains documents in a logical order
IT Specialist	**Communication** Is able to communicate on a polite and clear level	**Teamwork** Supports all departments in the company without making any distinction between them	**Flexibility** Can adapt their time to fit the company's needs	**Stress management** Is able to manage problems under time pressure Is able to prioritise tasks