

Generic competencies and practices of managing by competencies:

An exploratory study in different organizational contexts

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Abstract

Given the increasingly demanding labor market, today's professional should act according to certain generic competencies, which allows him to perform as required by the contemporary world. In parallel, human resource management (HRM) current trends, highlight the importance that managing by competencies has in the organizational context, in the sense that it impels a more strategic and integrated HRM. The evidence of the theoretical and practical pertinence of this theme resulted in an exploratory study of a qualitative nature, which findings lead us to conclude that the most valued generic competencies by firms are flexibility, interpersonal relationship, adjustment to change and teamwork. Another finding is that HRM managing by competencies practices is characterized by informality. Managing by competencies is more frequent presence in processes as: recruitment, retention and in the employees' development plans.

Key words: Competencies; Generic Competencies; Human Resource Management through Competencies.

Introduction

A deeper knowledge of the most valued generic competencies by firms may be a powerful instrument for the development of both professionals and firms and also of the institutions of higher education. The growing presence of competencies in the organizational context has been driven by social, political and economic factors and by the necessity of adapting organizational and management models increasingly flexible and efficient (Brandão & Guimarães, 2001; Espinheira, 2009; Colares & Ribeiro, 2011). The importance of competencies is also visible in the theoretical plan, as this theme occupies the current academic debates, as a theoretical answer to the transformations which are taking place in the global working world, in the firms and in employees themselves. Competencies and specifically generic competencies are increasingly valued in an evolving market that places new demands on its professionals.

In our perspective, the generic competencies cannot be separated from the practices of HRM, nor from the people responsible for that management, which lead us to analyze and characterize these practices in different firms.

The aim of this research was to answer two starting questions: *Which are the generic competencies valued by firms? And, how are the practices of management by competencies characterized in firms of different sizes?*

This exploratory study foresees the use of a qualitative methodology, by means of a semi-structured interview to collect data, among managers and board members of firms of different sizes.

Generic Competencies: a brief theoretical scanning of the concept

The concept of generic competencies was introduced by Robert Mertens (2004), in a social and economic context characterized by instability and unpredictability. Thus, the concept was supposed to allow the adaptability to a progressively more competitive market guided by constant change (Cardoso, Estevão & Silva, 2006).

The concept of generic competencies is relevant in this study, because of the growing importance and relevance of the concept of generic competencies in organizations, as well as its repercussions at the HRM practice level and more specifically in relation to management by competencies.

The International Work Organization (2002) refers that the generic competencies are “those which are common to various professional activities. They allow portability of one professional profile to another or of a set of curriculum modules to others” (p.23). So, they don’t have any professional or situational specificity.

There are many empirical studies that research the generic competencies required by the labor market, in the perspective of those with a higher education diploma (most of the studies) and less frequent, those which study the employer’s perspective. Eight empirical studies¹ about this theme were analyzed, and the content analysis findings², reveal that in 50% of the studies, the most important skills for graduates and employers are: Information and Communication Technology (ICT); Oral and Written Communication; Interpersonal Relationship and Teamwork.

The deepening of the globalization phenomenon, the continuous and unexpected changes of an increasingly competitive market and that demand for a quick and flexible answer on the part of the firms are the main factors that lead us to recognize the growing importance of these competencies.

Management by Competencies: insight on the theoretical and practical perspectives

A competence model as a management model arises essentially from the need to assess the employee from the point of view of new procedures which will enable an evaluation of performances contemplating more complex dimensions that exceed the mere *knowledge* and *know-how* and embrace the *knowing how to be* and *how to act*. Durand (2006) underlines that despite the difficulty in the appropriation of the concept and of the methodology used in itself, management by competencies presents itself as an imperative tool for firms in an increasingly competitive market.

Management by competencies allows to implement an integrated and coherent management of the processes of HRM of an organization, to an extent that it would be generic to all its subsystems: training and development; rewards and incentives; career management; performance assessment and recruitment and selection (Gomes, *et al.*, 2008; Ceitil, 2010). Management that is based on competencies creates a common language and direct performances to specific results which are to be achieved (McLagan, 1997; Ceitil, 2010; OCDE, 2010). It becomes possible to foresee performances, based on past evidences and facilitates the comparison between the competencies’

¹ Our analysis was based on national (Silva, 2008) and European studies (Assiter, 1995; Faloows e Steven, 2000; McLarty 2000; OCDE, 2001; González & Wagenaar, 2005; Allen & Van der Velden, 2007; Michel & Tiana, 2011).

profile demanded for a certain position and it's demonstration on the part of the employee. It is presented as a more strategic management because of the proximity which is demanded between HRM and the global strategy of the firm. (McLagan, 1997).

Alongside the advantages that a system of this nature are countless challenges with which the firms have to deal with and that many times transform themselves into inhibitors of adopting these systems. Gomes *et al.* (2008) underline that management by competencies demands, in many cases the (re)structuring of the organization. Firms that are very much centered on the function and task and not so much on the individual and his/ her performance will have more difficulties in adopting this kind of approach. Moreover, management which is based on competencies demands an effort for constant updating. Although some competencies do not suffer changes throughout time, others demand a change that accompanies and promotes the organizational strategy and its success. Bitencourt (2009) also highlights the paperwork and the costs associated to the system; the difficulty of integrating competencies in all HRM processes, as well as, the lack of understanding of the relationship between skills and carrying out a job. On the other hand Brandão and Guimarães (2001) highlight the difficulty in articulating the management system by competencies with concrete practices, namely in a culture of learning and development.

HRM based on competencies is more frequently adopted by large firms, which have a department and /or technicians who are specialized in this field.

Mayson and Barrett (2006) emphasize the importance of adopting specific management strategies of human capital in small and medium-sized firms, however what is noted is the presence of a mostly informal HRM, namely in what concerns management by competencies. This type of management may meet the organizational strategy, but certainly does not contemplate all the necessary dimensions for a integrated and coherent management thinking of the present and the future of the organization. Informality does not favor the recognition of the employees' potential, nor benefits a sustainable and global development of the firm.

Methodology

This study aims: *To identify the generic competencies valued by firms of different sizes, and To characterize the practices of management by competencies of firms of different sizes.*

A qualitative methodology was chosen, which according to Jean-Pierre Deslauriers (1997) incorporates a set of interpretative techniques which have the objective of describing, decoding and translating realities/ problems which we intend to study (cit. by Guerra, 2006, p.11). This type of methodology potentiates the diversity of the data collected and widens the possibilities of analyzes of a certain phenomenon, enriching and giving depth to the conclusions reached (Ragin, 1994). This investigation is part of a descriptive and exploratory research (Daniel Bertaux, 1997). The technical-methodological option was the semi-structured interview. Thus interviews were conducted in 10 firms (4 micro; 1 small; 2 medium e 3 large firms), which are part of a convenient sample. The data collected was analyzed using a content analysis that Bardin (2004) considers as "a set of techniques for analysis of communication that uses systematic procedures and objective description of the content of the messages" (p.33).

Findings and Discussion

Generic competencies were considered necessary and important in all the different organizational contexts (in terms of sector of activity, size and intrinsic characteristics) studied, which have nothing in common with each other, beyond the macro-structural context of which they are part.

Although most firms do not have a formal management by competencies processes, all, the 10 firms value generic competencies, as a key element to consider in hiring or terminating an employment contract.

Findings point to a list of most valued generic competencies, emphasizing four competencies, being the highest number of firms that valued them, and more evidence found during the interviews. The generic competencies are: flexibility (valued by 80% of interviewees), interpersonal relationships (70%), adapting to change (70%) and teamwork (40%). The competence most valued by the firms in this study should be highlighted - *flexibility* - was not identified in any of the studies reported and analyzed theoretically. This leads us to speculate if a new skill is potentially on the rise, valued in the current organizational context.

Flexibility was understood by our respondents as the capacity of employees to change their behavior and act differently, given a requirement that is imposed on them by their surroundings, with the objective of responding to a demand, thus achieving a desirable goal for the firm. The adaptation to change and flexibility end up being "two sides of the same coin", which reinforces the weight that this competence of flexibility-adaptability had in the results of this research.

Following the types of generic competencies presented in the Tuning Project, in 2005, we found that the most valued competencies by the firms studied are interpersonal skills (individual skills, such as social, namely: interpersonal and teamwork) and systemic (skills and abilities that combine the understanding, sensitivity and knowledge and that require a previous acquisition of instrumental and interpersonal skills including: flexibility and adaptation to change). We emphasize that the instrumental skills (e.g. foreign languages, Information and Communication Technologies) were less valued by the firms in the study.

The residual value of the Information and Communication Technologies competences in our study may be related to the fact that individuals today (when comparing to 2005) already show this competence, causing firms to no longer consider it a core competence, because they don't miss it in the performance of their employees.

Regarding management by competencies, this study's findings reveals that the practices adapted and customized to each organizational reality, according to their own needs and available resources (Brandão and Guimarães, 2001; Durand, 2006).

The relationship that the theory itself reveals between the size of the firm and the adoption of such systems is not verified entirely by the analysis of our findings. The fact that we are dealing with a big firm does not mean that we will find structured and consolidated HRM practices based on competencies. Among the three big firms interviewed was found some formalized practices (e.g. list of competencies), however these practices are not always extended to the whole organization nor to all HRM processes in a structured and formalized manner. The needs of everyday life lead, in many cases, to a "day to day management", which therefore does not correspond to a strategic and integrated HRM. This daily management is, in many cases, dependent on the management style of the firm's founder or family manager, which on the one hand can be an advantage as an active diffuser of the firm's culture, but on the other hand, could be an obstacle to change organizational dynamics.

Despite its apparent informality, training and development and recruitment and selection are the HRM processes in which competencies are more frequently present, even if in informal manners.

The main barrier to implement HRM based on competencies appointed by the firms were: resistance of the employees; complexity of the process; lack of time; costs; lack of specialized employees; position taken by the administration; lack of an integrated and strategic HRM; delays in the implementation of the process; articulation with legislation. Also worth highlighting is what our analysis concludes to be one of the major obstacle: lack of adequate training of the HRM staff.

Benefits of HRM by competencies underlined by the firms were: the development of human resources, the higher efficiency in HRM, the firm's development, the achievement of the overall objectives of the business, the closer relationship between HRM and the overall management of the firm and general well-being.

Conclusions

This study showed that generic competencies are valued by most firms, in particular flexibility, adaptability to change and teamwork. These type of competencies usage in processes of HRM, even if in informal manners, is highlighted mainly at the R & S and Training and Development level. We consider that with this scenario stands clear the importance of developing the skills of managers in regarding HRM skills, both through higher education, and in terms of training, to complement the skills already held. This approach would undoubtedly promote a more strategic, efficient HRM and oriented to the needs of the present and future of human resources.

We believe that the identification of the skills valued by firms can be valuable information for students, graduates, employers and educational institutions, in the sense that it identifies, raises awareness and encourages the development of those skills.

On the other hand, the characterization of HRM through skills in the firms studied may be an element of critical (self)reflection on the practices that are being used and a starting point for improvement.

It would be pertinent in the future to carry out a study in extension, which would potentiate a quantitative and generalizable analysis of the population of Portuguese firms.

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