



A Case Study on the Competency-Based Management System in the Business School

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Abstract

The ABC Business School in India is implementing competency-based management system (CBMS) to remain competitive, and to attract the best students, teachers, and recruiters. The purpose of implementing competency model is to achieve school's strategic objectives. The study informs about data collection and analysis procedure, development and validation of the competency model, and action plans to how to implement and evaluate competency model for the ABC Business School.

The ABC Business School in India is implementing competency-based management system (CBMS) to remain competitive, and to attract the best students, teachers, and recruiters. The purpose of implementing competency model is to achieve school's strategic objectives. The school applies *one-size fits all* approach to competency modeling. This project has complete support from the senior management of the school.

McClelland (1973) was among the first who defined competencies. The competency models are currently being used by many organizations to drive their business performance. A competency is a combination of an individual's knowledge, skills, abilities, and other characteristics needed for superior performance at work (Stevens, 2012). Each competency includes a definition, observable behaviors, and proficiency levels, which indicates an individual's ability to exhibit superior performance at work (Stevens, 2012).

Stakeholder Analysis

The key stakeholders of the ABC Business School include students, employees, alumni, recruiters, the business community, parents, accreditation agencies, and the society. School uses a 360-degree stakeholder feedback questionnaire for stakeholder survey that has been used

before for developing the mission and objectives of the school. The director of the school is responsible for communicating the competency-modeling plan with the stakeholders. The director should conduct review meetings with employees every two months in the first year of its implementation. Table 1 presents project time schedule.

Table 1

Project Time Schedule

S. No.	Project Phase	Time Schedule
1	Data collection and analysis	March-April, 2017
2	The preliminary competency model	May-June, 2017
3	Validation of the preliminary competency model	July-September, 2017
4	Action plan to implement the preliminary competency model	January, 2018
5	Action plan to evaluate the effectiveness of the preliminary competency model	Proposed in October and March for the first two years, and then annually in March

Data Collection and Analysis

The development of competency model for the school needed three types of data. First, the researchers collect information about the best competency management practices from the top business schools in India. Second, the researchers develop competencies and their levels and clusters. Third, the researchers use competency dictionaries to define competencies for the school. Since nobody in the school, except the director and the board of governors were familiar with the competency models, the researchers form a nominal group comprising of directors of the business schools in India, who have experience of using competency models in their schools.

The researchers prepare a list of ten business schools currently using competency models, and then send them invitations along with the details of the study, to become a member of the nominal group for discussion. Out of ten, five directors of the business schools accept to become a part of the nominal group for discussion. The researchers organize group discussions in March-April, 2017. The director of the ABC Business School was the moderator of the group discussion.

Group discussions included three phases. In the first phase, the group members were asked to prepare a list of competencies, which they feel the employees should have to measure, improve, and to align individual and department efforts with school' strategy. The first phase of the discussion produces a list of 25 competencies. Using text analysis and competency dictionaries, the researchers, and director of the ABC Business School define competencies, their behavioral descriptions, and proficiency levels. According to Pfarrer (2012), the text analysis is a "systematic evaluation of texts (e.g., documents, oral communication, and graphics) to convert qualitative data into quantitative data".

The researchers send the modified list of the competencies to the group members for their reviews. Researchers organize the second phase of the group discussion in April 2017. The purpose of the second phase of the discussion was to refine and finalize the list of the competencies. The second phase of discussion finalizes nineteen competencies in four clusters and three levels. The researchers and director of the ABC Business School refine the list and send to all group members for their final reviews. The group members suggest no further modification and finally approve the list of nineteen competencies for ABC Business School.

Preliminary Competency Model

Figure 1 presents the proposed competency model for the ABC Business School. The competency model for the ABC Business School describes competencies in three levels and four clusters. Table 2 and Table 3 present competency levels and clusters. The researchers use *one-size fits all* approach to competency development. The *one-size fits all* approach develops similar competencies for all the employees in the organization. The focus of all the competencies was to align individual and department performance with the school’s objectives. The competencies further need to be validated.

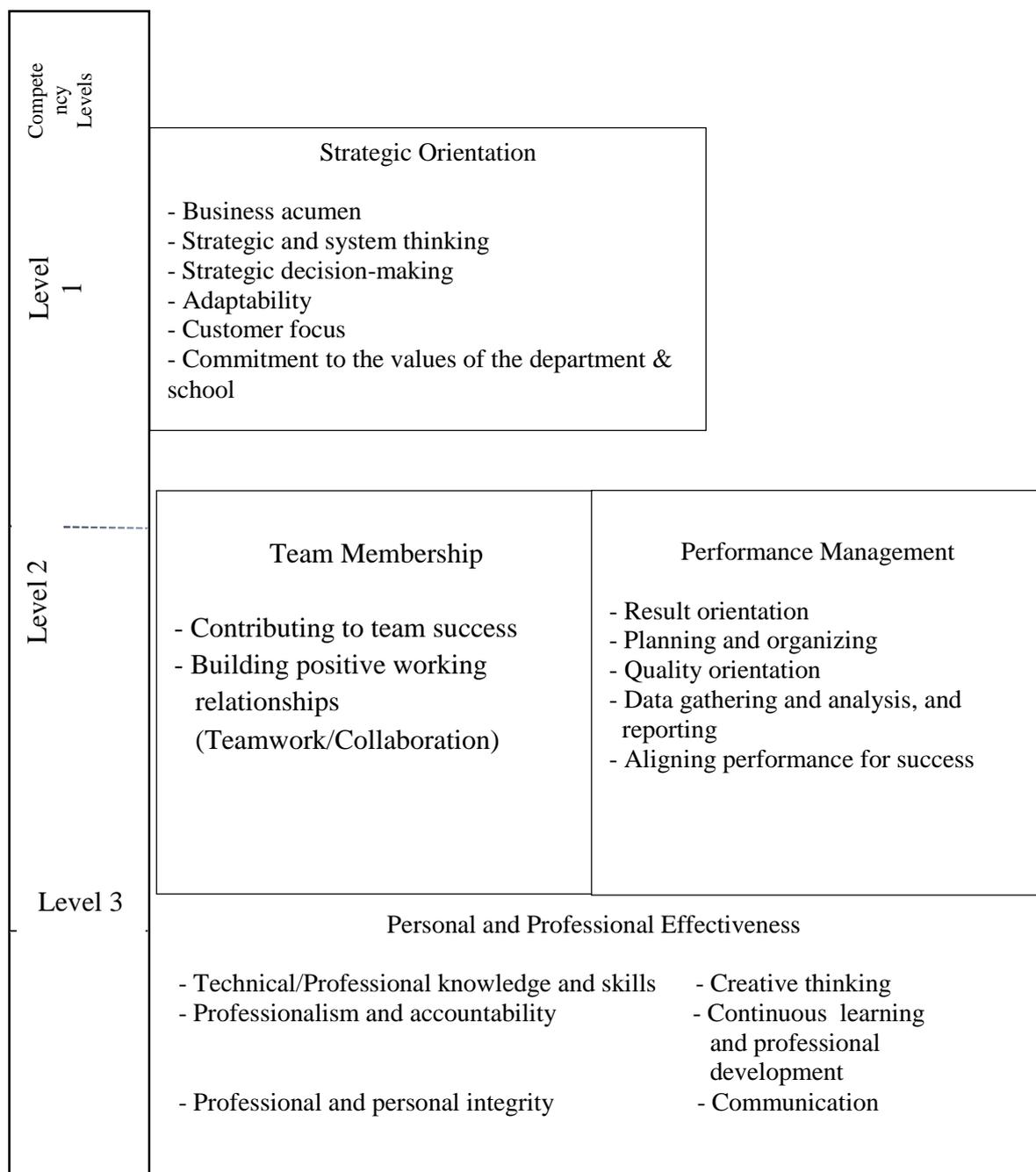


Figure 1. Preliminary competency model

Table 2
Competency Clusters

Strategic Orientation	Team Membership	Performance Management	Personal and Professional Effectiveness
Business acumen	Contributing to team success	Result orientation	Technical/Professional knowledge and skills
Strategic and system thinking		Planning and organizing	Continuous learning and professional development
Strategic decision-making	Building positive working relationships	Quality orientation	Professionalism & accountability
Adaptability		Data gathering and analysis, reporting	Professional and personal integrity
Customer focus		Aligning performance for success	Communication
Commitment to the values of the department & school			Creative thinking

Table 3
Competency Levels

Level 1 Competencies	Strategic orientation- Developing strategic understanding and efficiency to align individual, team, and department level performances with organizational strategy and vision.
Level 2 Competencies	Team membership- Developing abilities to collaborate with others, and to contribute to team performance. Performance management- Developing abilities to set goals, and to measure and improve individual and department performance in connection with organizational needs.
Level 3 Competencies	Personal and professional effectiveness- Personal and professional development of employees towards excellence.

Competency Definitions

(A) Strategic orientation

Business acumen includes knowledge about the school’s scenario, and school’s operations and performance (Spencer & Spencer, 1993).

Strategic and system thinking is an ability to see the broader picture of the school’s business, and to design and develop long-term school’s objectives, considering internal and external business environment (Spencer & Spencer, 1993).

Strategic decision-making is a capability to make long-term competitive business decisions and to analyze business resources in respect of school’s business operations (Spencer & Spencer, 1993).

Adaptability is an ability to change own behaviors in response to dynamic business situations (Spencer & Spencer, 1993).

Customer focus is a capability of responding to customer requirements, incorporating customers' viewpoint in school's business decisions, and to providing best services to both the internal and external customers (Spencer & Spencer, 1993).

Commitment to the values of the department & school describes supporting, promoting, and aligning actions with school's vision and values (Spencer & Spencer, 1993).

(B) Team membership

Contributing to team success includes individuals' abilities to work within teams, and cooperating and coordinating with team members to achieve common goals (Spencer & Spencer, 1993).

Building positive working relationships describes individuals' abilities to build positive working relationships with team members and other employees in the school (Spencer & Spencer, 1993).

(C) Performance management

Results orientation is individuals' abilities to continue focusing on the school's objectives, and abilities to solve problems and achieve challenging goals (Spencer & Spencer, 1993).

Planning and organizing includes individuals' abilities to plan and achieve objectives with optimum utilization of resources (Spencer & Spencer, 1993).

Quality orientation describes individuals' abilities to achieve results with zero defects (Spencer & Spencer, 1993). Employees should also be able to alert other employees about their mistakes (Spencer & Spencer, 1993).

Data gathering, analysis, and reporting is individuals' abilities to collect, analyze, and report data to enhance school's performance (Spencer & Spencer, 1993).

Aligning performance for success are individuals' abilities to set objectives and performance aligned with school's needs (Spencer & Spencer, 1993).

(D) Personal and professional effectiveness

Technical/Professional knowledge and skills describe employees' abilities to demonstrate highest levels of performance in their jobs (Spencer & Spencer, 1993).

Continuous learning and self-development describes employees' concern towards learning and improving performance to achieve school's objectives (Spencer & Spencer, 1993).

Professionalism and accountability describes individuals' commitment to professional values and accountability (Spencer & Spencer, 1993).

Professional integrity demonstrates individuals' concern to professional ethics and behaviors that maintain school's values (Spencer & Spencer, 1993).

Communication includes individuals' abilities to become transparent and effective communicator that maintains positive working relationships between people and departments (Spencer & Spencer, 1993).

Creative thinking is individuals' abilities to evaluate existing approaches and to suggest a creative and new idea to improve school's performance (Spencer & Spencer, 1993).

Validation of the Preliminary Competency Model

The researchers employ a multi-phase and multi-method approach to validate competency model. First, the researchers conduct employee surveys and focus group discussion with the department heads. The questions asking employees about the competency model include:

Q 1. How important is this behavior for superior performance in your job?

Not important (1), somewhat important (2), important (3), very important (4), essential (5)

Q 2. How often is this behavior used in your job?

A few times a year or less (1), monthly (2), weekly (3), once a day (4), continually (5)

Q 3. What level of competence is required to achieve the best in your job?

None (1), some (2), full (3)

Second, the focus group compares the results of superior performers with poor performing employees in the school. The comparisons of the performances provide information about the frequency and the extent of the use and the value of the competencies for superior performance.

Implementation of the Competency Model

Table 4 provides information about the steps for implementation of the competency model in the ABC Business School.

Table 4

Implementation of the Competency Model

Steps	Notes	Time
Develop collaboration, shared interest, and mutual support among employees. Communicate all essential details about competency modeling to employees and department heads.	Include people	January, 2018
Develop competency development schedule, and information about trainees, trainers, and venue.	Develop complete program for competency development	February, 2018
Arrange resources for training program		March, 2018
Training delivery	Module-based training delivery, include both on-the-job and off-the-job training methods	Begins in April, 2018, and runs throughout the year
Evaluation of competency model	Use competency-based performance management system	In October and March for the first two years, and then annually in March

Evaluation of the Preliminary Competency Model

The researchers propose a bi-annual evaluation of the competency model in the first two years of its implementation. The bi-annual evaluation would provide sufficient time to take corrective actions in case of problems in the system. The researchers propose to link the evaluation of competency model with the competency-based performance management system in the school. Therefore, the researchers recommend transforming the existing performance appraisal system into a competency-based performance management system in the school. Figure 2 provides competency evaluation framework.

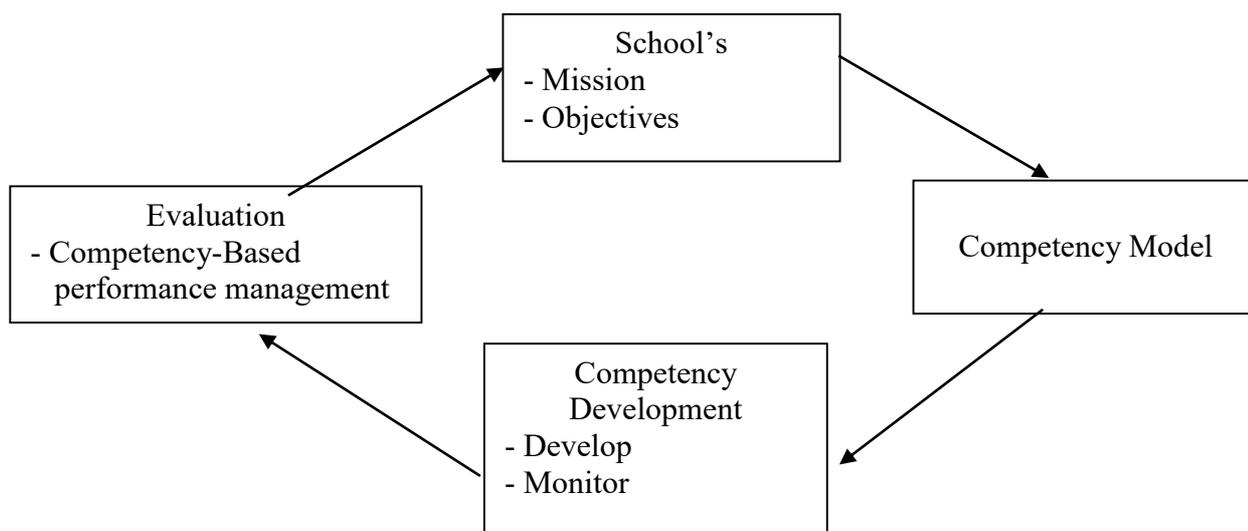


Figure 2. Proposed competency evaluation framework

The Four Components of Evaluation Framework

Objectives. Developing individual, department, and school level objectives.

Competencies. Identifying competencies for superior performance.

Development. Developing and implementing the competency development plan.

Evaluation. Using competency-based performance management system.

Competency-Based Performance Management System

The competency-based performance management system includes:

- School's strategic business plan, mission, vision, and values.
- Goals and objectives for employees, departments, and the school.
- Competencies for superior performance.

Conclusion

The competency-based management system helps organizations in achieving individual and organizational level strategic objectives. Developing competency model is a systematic process. This case study provides information to management students to how to develop competency models of the organizations. Classroom discussions may include discussions on the limitations and possibilities for improvement of the competency model proposed in this case study.

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