THE COMPETENCE CLASSIFICATION FRAMEWORK
A CLASSIFICATION MODEL FOR EMPLOYEE DEVELOPMENT

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Abstract
Competence management is a diversified field of research and central theme to both Strategic Management and HRM literature. Despite the popularity of competence management, the assessment of competencies remains a real challenge for researchers and practitioners. Without any classification framework it is even more difficult to conceptualize and operationalize the managerial jobs. Hence difficult to design and develop effective management development strategy catering the need of future workforce. This research paper intends to present the theoretically derived classification model for identification of skills, abilities, and personal characteristics of managers required to fulfill the managerial tasks and responsibilities. The five classes were developed called cognitive, functional, social, generic management, and personal competence class. The competencies in these classes represent traits and skills ranging from personal, social and functional sphere. This study has practical implications for practitioners in a way to design effective management development strategy. This classification framework can be also adopted by educationist to rethink and redesign their business education curriculum towards developing and preparing business students to take future managerial responsibilities.

Key Words: Competence Classes, Management Competencies, Classification Framework, Employees Development.

1 Introduction
The value of competent human resources for organizational performance is well established in organizational behavior literature (Ozcelik & Ferman, 2005). In this perspective competence based approach to manage and develop employees has gained enormous importance (Soderquist et al., 2010). Amid overwhelming support for competence based management, the question arises regarding assessment and applicability of competencies in organizational practice. The assessment of competency remains a great challenge for researchers (Boyatzis, 2006). Indeed 'multidimensional' and 'multicultural' construct of competency create problems in establishing the precise definition of competence (Erondu & Sharland, 2002). Therefore, it is difficult to define what exactly constitutes the competence of a person and what is meant by competency. The absence of a common definition leads to second problem related to training and developing employees through competency-based training programs.
These methodological shortcomings make it difficult to identify knowledge skills, and characteristics necessary to accomplish job related responsibilities and tasks. Resultantly, it limits the practical implications and applicability of competence approach in management development efforts. This debate over conceptual ambiguity and complexity involved in assessment of competencies underlines the need of sound classification framework. Once it is developed, it can provide sound theoretical framework and background for assessment and development of employees. In this context, the current paper presents conceptual classification framework of management competencies aimed at advancing the competence-based philosophy in both academic and practical context. The rest of the paper is organized in three main sections. Firstly, it provides critical review of the literature in reference to classification of individual management competencies. The second section presents the classification model and elaborates its features. Third section discusses the practical implication of classification model of competencies in development of employees. Finally, the paper concludes with some thoughts on the topic.

2 Literature Review

The organization of closely related competencies into group based on some underlying theory or logic is called classification, or categorization of competencies (Boyatzis, Golman, & Rhee, 2000; Draganiotis, Chamopoulou, & Mentzas, 2008). This classification enhances theoretical and practical understanding and significance (Boyatzis et al., 2000; Marelli, Tondora, & Hoge, 2005; Viitala, 2005; Woodruffe, 1993). According to Boyatzis et al. (2000) there are different ways to classify competencies. The two main options are organizing competencies based on prior theory or classifying competencies based on empirical evidences. Boyatzis et al. (2000) further mention several relationships that may exist among competencies namely complimentary, compensatory, antagonist, and alternate manifestation depending on nature of their influence and interaction with each other. Boyatzis et al. (2000) assert that like relationship amongst several competencies there may also exist certain type of relationship between competences classes. In literature both classifications i.e. theoretical classification and empirical classification are in practice. Apart from debate on advantages and disadvantages of each of the methods, theoretical classification is relatively easier and more stable framework to start with. Therefore, it seems to be more prudent strategy to begin the management development program with some basic predefined theoretical classification scheme for subsequent empirical analysis and implications.

2.1 Classification Schemes of Competency

Researchers often classify competencies based on their logic, theory and purpose of the study (Chyung, Stepich, & Cox 2006; Mühlbacher, Nettekoven, & Putnova, 2009). In literature, several ways of classification of competencies are found. The most common classification forms are described briefly in the following section.

2.1.1 Soft and Hard Competencies

This classification was introduced by Jacobs (1989). According to the author the analytical and organization competencies are considered as hard competencies whereas creativity, interpersonal, and behavioral skills are soft competencies. The soft and hard competencies both are indeed essential for effective work performance. Soft competencies, in fact, control and determine dispositions of observable behavior and performance (Hodges & Burchell, 2003; Rainsbury, Hodges, & Burchell, 2002). However, this concept of classification is often criticized on the grounds that differentiation between hard and soft competencies is always difficult to understand and establish conceptual and practical significance (Woodruffe, 1993). Despite aforementioned criticisms, the scheme of classification of competencies into soft and hard skills is still popular and in practice (see Rainsbury et al., 2002).

2.1.2 Threshold and Performance Competencies

It was Boyatzis (1982) who made differentiation between threshold and performance. According to the author, ‘threshold competencies’ are basic minimum requirement while ‘performance competencies’ are skills and competencies that actually differentiate between average and excellent performers. This distinction of competency as a threshold and performance was criticized by Woodruffe (2003, 1993) stating that it is matter of degree rather than category it may tilt from one extreme to other.

2.1.3 Hierarchical Wise Classification

The most popular pattern of classification is based on categorization of competencies needed by managers across three hierarchical levels of management. In addition to hierarchical distribution there is also interest of researchers and practitioners to establish generic list of management competencies (Stuart & Lindsay, 1997; Thompson, Stuart, & Lindsay, 1997; Viitala, 2005). In this regard, Dulewicz (1989) earlier listed generic middle management competencies which he called as ‘supra competences’. The concept of classification competencies according to specific need of managers along the line of management hierarchy is supported by assertion that at each level manager has to perform different functions and to fulfill varied responsibilities. Hence they need different set of management competencies to perform their duties in more effective and efficient way.
2.1.4 **Prior and Empirical Classification**

In general, there are two ways of classification whether to start with some predefined theoretical derived competencies or arrange competencies based on empirical analysis. However, the later is more popular and is widely used. Boyatzis et al. (2000) note that empirical classification presents somehow varied competencies need from theoretical derived competence classification. Apart from debate on advantages and disadvantages of theoretical and empirical classification schemes, it is, perhaps, more practical approach to start with some predefined classification for subsequent empirical analysis to elicit competencies resulting into excellent work performance.

3. **Theoretically Derived Competence Classes**

The existing literature portrays that competencies are categorized into two classes (Cizel, Anafarta, & Sarvan, 2007; May, 1999; Rainsbury et al., 2002), three skill levels (Bernthal et al., 2004; Mumford et al., 2000), four domains (Hogan & Warrenfeltz, 2003; Kaufeld, 2006) five competencies classes (Mühlbacher, 2007; Rifkin, Fineman, & Ruhnke, 1999), and six skills level (Rothwell & Lindholm, 1999; Viitala, 2005; Mahmood, 2002). Nevertheless, strong criticism on classification of competencies is raised on the assertion that the competencies in different domains are overlapping and interdependent on each other. It is difficult to conceptualize and understand relevant importance of each competency if read in isolation. Without agreement or classification framework it is even more problematic to understand what constitutes managers capabilities and having minimum applicability for practitioners (Viitala, 2005). Therefore, it is wiser approach to categorize the competencies into classes to support the research theory in subsequent empirical analysis.

In order to avoid the criticism and disadvantages of the above discussed scheme of categorization, in literature there is also strong support for categorization of competencies into knowledge, skills, abilities, traits, and functions (Bartlett & Ghoshal, 1997; Le Deist & Winterton, 2005; Hoge, Tondora, & Marrelli, 2005; Ley & Albert, 2003; Mühlbacher et al., 2009; Mühlbacher, 2007; Winterton, Le-Deist, & Stringfellow, 2005). Le Deist and Winterton (2005) argued that this widely adopted categorization of competencies into knowledge, skills, and abilities is more holistic and comprehensive in nature answering to the need of developing professional competence in more structured and rational way. Building on the concept of theoretical classification of competencies into knowledge, skills, abilities, and attributes advanced by Mühlbacher et al. (2009), the current paper presents five competence classes in sequence and hierarchical form. These five competence classes represent wide range of skills, knowledge, and attributes from personal to social aspects appeared in HR literature. The features of each of competence class are described in Table 1.

**Table 1: Features of Five Competence Classes**

3.1 **Functional Competencies**

These are the set of professional skills, abilities, and technical knowledge which specifically deals with the technical aspects of the job essential to carry out specific functional or task related activities. These competencies can also be referred as technical or functional related competencies. In this class first aspect focuses on acquiring proficiency in handling tools and machine. In this sense it includes vocational & technical skills which are essential for the accomplishment and task related objectives of the job. These technical skills are often basis for the formal education, vocational, and apprenticeship (on the job training) programs. The second aspect relates to the functional & subject specific knowledge of the job which are essential for the accomplishment of the functional related objectives of the job. This can be understood as theoretical knowledge and skills that is mainly target for training programs in educational institute (Hogan & Warrenfeltz, 2003). In short these technical skills comprise of “methodological knowledge, know-how of processes, and techniques designed to conduct specialized activity in addition to ability to use tools, machines to accomplish these tasks” (Nordhaug, 1998, p. 10).

In essence, performance in this cluster or executing of functional competencies involve repertoire of skills from functional, tasks or context knowledge sphere. In this category different subject specialized knowledge relating to the professional skills and experiences are also included for example, TQM/supply chain management, change management, accounting and management control, strategic management, etc. However, application and scope of the competencies varies as per nature of task specificity which Nordhaug (1998) defined as “a degree to which competencies are related to execution of narrow or broader range of tasks having variation from high to low task specificity”. For example: for individual working on managerial position in finance department need primarily proficiency in accounting and management controlling thus making it core competence, whereas other competencies like planning and project management are secondary or supplementary for his job.
3.2Generic Management Competencies
The second class is “generic management competencies” includes competencies which are more common to management related jobs and require in all managerial jobs irrespective of the nature of business, industry, hierarchy, and function of the job (Hogan & Warrenfeltz, 2003; May, 1999; Viitala, 2005). This can be understood as ‘non firm specific’ and ‘non industry specific’ competencies that include knowledge and skills essentials for the all managers irrespective of their nature of job, industry or firm in which they are working (Nordhaug, 1998). This competence domain forms the core requirement of management related jobs covering repertoire of skills, knowledge, behavior, and intervention strategies that makes managers more effective in dealing with routine managerial activities. The competencies in generic management class are different from functional class in respect that it is least concerned with the ability of the managers in handing tools & machine, process, and technical aspects of the job. Whereas different from personal competence class in respect that it does not represent the core personality attributes rather demonstrated behavior and skills required in management related tasks. These competencies and business management knowledge is often main target for learning and development in business degree programs like MBA and Executive Education Programs. The competencies in this class can be learned through training and development programs or ability to perform better in this domain increases with the experience and progress in the career.

3.3Social Skills
The social or interpersonal competence category covers the wide range of skills and behaviors making the managers competent to work effectively with the people in team. Indeed social competencies make managers more productive in establishing and maintaining healthy business relationships within organization and internal and external stakeholders (Hogan & Warrenfeltz, 2003; Mühlbacher, 2007). This cluster mainly focus more on people to people contact at individual and group level based on cooperation and reciprocal business relationship. The competencies in this class include understanding people expectations and reactions (Viitala, 2005) and social judgment skills (Mumford et al., 2000). Individual more oriented towards social competencies are good communicator, effective team player, able to get work done through networking, capable of lobbying to get advantage for organization, and maintaining fruitful relationship with different business stakeholders.

3.4Cognitive Skills
The competencies in this domain comprise of cognitive ability of managers to handles business issues and problems. The competencies in this domain include employees thinking ability to identify and solve the work related problem or find innovative solutions to tackle challenges based on cognitive skills. In this category cognitive thinking skills like analytical thinking, systematic thinking, visionary thinking and creative thinking are included.

According to Nordhaug (1998) the problem solving skills revolve around the ability of an individual to solve work related problems more efficiently includes creativity, analytical capacity, systematic thinking, and ability for which wide range of cognitive thinking skills are essentials. Skarzauskiene (2008) define thinking process as “a systematic manipulation of information, formation of concepts, and way of problem solving, searching for reasons” (p. 105), therefore, these cognitive thinking skills set foreground to solve work related problems. These meta-competencies are more dependent on one’s personality characteristics in the sense that these cognitive skills are mainly determined by inherited family characteristics and brought up.

3.5Personal Characteristics
The last competence class can be understood as an underlying personality traits and attributes of the managers which are subject matter of psychology (Hogan & Warrenfeltz, 2003). It can be differentiated from other classes in the sense that these are the core values, traits, self image, motives, and intents of the managers. These personal attributes define one’s personality. The personality characteristics as underlying motives of the individuals also define how individual react or behave in given situation. Therefore, it is one of the significant variables in determining human behavior (Buss, 1989). These attributes are indeed difficult to measure objectively (Bird, 2003), hence, difficult to develop (Hogan & Warrenfeltz, 2003).

These motivational personal characteristics for example include achievement orientation, willingness to learn, self confidence, ambition, integrity & honesty along with patience and assertiveness. These personal attributes explain how the manager behave or act in a certain way in given situations? how he views and approaches certain problems?. Therefore, these personality variables have important implications on manager’s behavior consequently job performance. In short, these are the stable part of one’s personality and essential competencies needed for effective job performance and derive or influence the behavior or capabilities of manager in other classes as well. The competencies in this domain represent stable part of one’s personality that cannot be easily changed or developed through formal learning and development programs. Therefore, significant attention
should be given in assessment of these traits while making recruitment, promotion and work placement decisions (Hogan & Warrenfeltz, 2003; Rifkin et al., 1999).

4 Discussion and Practical Implication:

There are several ways to classify competencies such as based on importance over different period of time (Robison et al., 2007; Shackleton, 1992; Woodrufe, 1993, 2000), managerial hierarchical level (Erondu & Sharland, 2002; Dulweciz, 1989), level of use and importance (Kochanski & Ruse, 1996), and based on personal characteristics, skills, knowledge, and behavior (Bartlett & Ghoshal, 1997; Mühlbacher, 2007; Rifkin, et al., 1999; Kaufeld, 2006). The theoretical competence classes explained earlier are put into hierarchy in iceberg model in figure 1. The competencies in hierarchy represent in continuum from task oriented to people oriented and from people oriented to personal oriented competencies needed to deal with the work related to people related issues respectively. It covers different personality aspects ranging from work related to interpersonal and intrapersonal activities.

Figure 1: Hierarchical Model of Managerial Competence Classes

The hierarchical model elaborates the cause and effect relationship among competencies in competence model (Rifkin et al., 1999). The workplace learning and performance can be improved by assessing and developing employees based on competence classification framework. The training and development agenda therefore, should focus on re-strengthening and balance of competencies at each level so that performance standards could be achieved. In this manner the management development programs and other HR processes can be redesigned to meet the organization’s strategic requirement by focusing on competence classes which result in effective strategic HR planning. For instance, competencies at lower level are more specific to individual personal values, societal brought up, and beliefs representing personality of individual. These characteristics cannot be easily developed, therefore, should be given due value in recruitment, placement and career development decisions (Garavan & McGuire, 2001; Hogan & Warrenfeltz, 2003). The skills at top level are related to solving the job specific problems mainly dealing with the technical and functional aspects. These functional level skills are in general basis of formal education and training & development programs (Hogan & Warrenfeltz, 2003).

The possession of competence from one class strengthens or enhances the disposition of behavioral competence in other classes. For example: possessions of ‘self confidence’ and ‘achievement orientation’ at personal competence class have positive and influential effect on disposition of competencies in leadership cluster. Similarly, competencies in social cluster have positive & developmental relationship with competencies at leadership cluster. The ‘interpersonal’ and ‘communication’ competencies have strong association with leadership cluster and having these competencies significantly affect the performance and disposition of leadership competencies and make one’s more effective at leadership role. Same as, possessing competency ‘conflict management’ and ‘negotiation skill’ that are components of social competence class enhance the ability of manager to be effective in some generic management level competencies. There is vice-versa developmental relationship amongst competence classes as well. As competencies from social class compliment performance at generic management cluster, having requisite competencies at generic management level on the other hand influence the performance at team and group level and help to maintain the effective social interaction with stockholders that is the feature of social competence class. In nutshell, management education and development should focus on developing managerial competencies around competence classification framework illustrated in figure 2. In this way HR professional can take benefit of competence management for increasing managerial performance at workplace. The classification model provides direction in designing effective management training programs. This competence classification form also provides guidelines in recruitment, placement, and promotion decisions. The personal characteristics are relatively difficult to change hence importance should be given to these motivational characteristics while making recruitment decision. Functional skills can be developed easily through effective management training programs. In jobs which require behaviors from employees to build strong business relationship ask for finding individual who is more extroverted and easy going personality. Training program can be developed to impart social competencies. In actual, training need assessment should aim to identify gap between what is expected from individual and what is his/her level of competencies. Evaluating these training need gaps from competence class perspectives assist in developing effective management development programs.

5 Conclusion

To some extent, the literature on competence management is controversial and debatable. As the implication and practicability of competence approach is void and unclear so necessitate the need for identifying competence-based training programs with objectivity. This objective assessment requires strong understanding of competence classification scheme. In given context this paper moves forward to advance the competence classification theory. The different formats of competence classification appeared in HR literature are reviewed and readjusted to present the competence model having implication for management education and development. The five theoretically derived competence classes cover wide range of competencies that are
indeed essential to perform management jobs more effectively. The classification framework represents wideange of skills, behaviors, and personal characteristics that are essential to increase managerial performance but
in more structured and meaningful way. The training programs structured around this competence classification
model may provide clear direction and objectivity in strategic HR planning particularly in designing of
management development programs. However, practicability and utility of the classification model is yet to be
established. To achieve this aim, in future. The research needs to be conducted to analyze the performance of
managers that have undergone training need assessment and development programs structured around proposed
competence classification model.
References


### Annexure

#### Table 1

<table>
<thead>
<tr>
<th>Competence Class</th>
<th>Feature</th>
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<tbody>
<tr>
<td>Functional Competencies</td>
<td>The subject and function specific knowledge and skills necessary to deal with the technical and functional aspects of the job. It also includes vocational skills needed to perform task specific activities in certain professions.</td>
</tr>
<tr>
<td>Generic Management Competencies</td>
<td>Abilities and skills common for all managerial jobs required for performing routine managerial activities regardless of their position in management tier and functional duties.</td>
</tr>
<tr>
<td>Social Skills</td>
<td>Skills and abilities that focus on developing and maintaining active social interaction and relationships.</td>
</tr>
<tr>
<td>Cognitive Skills</td>
<td>Thinking abilities and intuitive skills needed to solve job specific problem.</td>
</tr>
<tr>
<td>Personal Characteristics</td>
<td>Deep personality traits that represent core part of the personality often differentiate one individual from other. It is subject matter of of personal psychology.</td>
</tr>
</tbody>
</table>

#### Figure 1

Note: The figure shows competence classes in hierarchy and relative value of competence classes with respect to Recruitment and T&D significance.