

## COMPETENCY MODELS IN AN ORGANIZATION: A LITERATURE REVIEW

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### ABSTRACT

This research paper explores how competency models, which define the skills and attributes needed for success, are crucial for aligning employee abilities with a company's goals. It looks at how competency mapping affects employees, analyzing skill gaps, and its importance in HR strategy. The paper considers insights from various studies across different industries like telecommunications and banking. The research aims to understand the parts of competency, how it relates to keeping employees, impacts skill analysis, and its role in HR strategy. It reviews various competency models, like the Iceberg model, Holistic competency model, Research Onion and shows how competency mapping can adapt to solve specific challenges in organizations. In conclusion, the research emphasizes how competency mapping is vital for connecting individual skills to organizational success, providing valuable insights for hiring, training, and overall talent development in different industries.

**Keywords:** Competency model; skill gap analysis; Employee retention; Leadership Abilities; Competency Mapping;

### 1. INTRODUCTION

Competency models stand as an essential framework within organizational structures, carefully composed to define and outline the essential skills, knowledge, and attributes required for success in various roles. As organizations strive for optimal performance and adaptability, competency models play a pivotal role in aligning workforce capabilities with strategic objectives. Competency model is a set of competencies that include key behaviours required for excellent performance in a particular role such as Business skills, intrapersonal skills, interpersonal skills, and job skills, aptitude skills, soft skills, and technical abilities, leadership abilities. Competency mapping has emerged as a crucial tool in various industries, aiming to enhance organizational effectiveness and individual performance. This research article synthesizes insights from diverse studies, extending a wide array of sectors and geographical contexts. The primary objective is to consolidate existing knowledge, identify patterns, and contribute to a comprehensive understanding of competency models and their implications.

### 2. LITERATURE REVIEW

- ❖ Research on iceberg competency model evaluates the advantages and their advancement for the clarification on the fundamental ideas of authentic competency model (Javed et al., 2023). The competency mapping had a positive influence on employee retention in the telecommunication firms in Kenya firms. In order to boost employee happiness and retention, human capital management techniques in the telecommunications sector should concentrate on helping employees improve their abilities and finding jobs that match their skill set (Monari, 2021). Research on association between competency mapping and organisational commitment among bank employees in the Cuddalore district indicates the challenges such as abilities, knowledge, and attitudes that are necessary for the job. (Velmurugan & Kathiravan, 2020)
- ❖ This paper focus on competency models for SMEs in the creative economy by utilising the findings from the review of relevant literature. The competency model was derived by a comparative analysis of the existing competency models (Aisha et al., 2019). The study identifies the traits of humans and discovered technical, techno-managerial, and behavioural talents are necessary to enhance the competency of scientists in a knowledge-based organisation.(Singhal, 2018).
- ❖ Research focused on competency models have logical argument that would demonstrate both the usefulness and shortcomings are necessary competency modes that have the combined experiences of numerous authors over a wide range of contexts and years.(Megahed, 2018).The study looks at the elements that, from the viewpoint of the student, contribute to the effectiveness of competency models. The model goals, the material's relevance to the trainees' jobs, the competency assessments, and the learners' lack of or insufficient coaching were all found to influence the perceived efficacy of the competency-based training model.(Al-Mannaec & Ryan, 2018)

- ❖ All individuals and organisations, particularly those who follow a competency-based leadership style and think that good leadership produces beneficial outcomes.(Mishra & Jha, 2017)The study examines the domain of essential competences for particular job roles in organisations. These include an inclusive attitude, integrity, leadership development, managerial support, and strategic development.(Vnukovo et al., 2016)
- ❖ Research on competences and competency models indicates competency issue has been somewhat neglected in recent years, so the researcher decided to revisit it (Connor, 2016).The four components that define education, training, personal characteristics and environment—must be included while conceptualising individuals' competency. The purpose of this study is to comprehend people's individuals' competency in knowledge-based labour.(Alainati, 2015). The project was to create a conceptual framework for supply competency and evaluate it using two stages of Delphi analysis (Cilliers et al., 2015).
- ❖ In order to determine the necessary human resources for project-oriented organisations. business skills, intrapersonal skills, interpersonal skills, and leadership abilities are all recognised as critical competences for successful performance in the major generic management competency models (Hendi et al., 2014). Competency-driven pedagogies and their potential benefits, explains how competency models differ from previous supervision models, and addresses the issues that these developments will present for supervising theory and practice (Gonsalvez & Calvert, 2014).
- ❖ Employee performance in a specific organisation is correlated with their competencies. The study concludes lack of sources of information regarding the connection between an employee's performance and competency (Kolibáčová, 2014).
- ❖ Research on competency mapping in higher education has twofold: first, to identify the competences required of Heads of Departments and Directors of Schools in South African Universities; and second, to create a competency profile that is suggested for Heads of Departments and Directors of Schools at South African Tertiary Education institutions.(Croucamp, 2013).
- ❖ The study presents a model of the relationship that exists between competences and sustainability in organisational settings. It looks at building an understanding of organisational sustainability model that is connected to the theory of organisational action and bolstered by contributions from organisational competencies.(Munck & Borim-De-Souza, 2012). The workers' skill level within the company to determine what training is required. Competency is the combination of information, abilities, and attitudes needed to carry out a task quickly and successfully (Yuvaraj, 2011).
- ❖ This study seems at how people management, which follows competence mapping, improves organisational effectiveness. The impact of competency mapping on hiring, interviewing, placement, performance and reward management, training and development, career and succession planning all of which are crucial to talent management and retention—is also examined (Srivastava & Bhargava, 2011). The performance of hard skills is impacted by soft competences. The assessment of an organization's competencies provides information about its capacity to carry out a range of linked tasks, activities, or procedures.(Rosas et al., 2011)

#### Research Objectives

- ❖ To examine the competency components.
- ❖ To ascertain how staff retention is impacted by competency mapping.
- ❖ To evaluate the effect on skill gap analysis of competence mapping.
- ❖ To evaluate competency mapping's strategic importance in HR.

#### Research Questions

- ❖ What are the elements make up competency mapping?
- ❖ How does staff retention relate to competence mapping?
- ❖ How does skill gap analysis relate to competence mapping?
- ❖ Why does HR view competency mapping as strategically significant?
- ❖ How does businesses use competency mapping into their HR plans?

### 3. RESEARCH METHODOLOGY

The secondary data is collected from various journals, conference, websites and books to do the study. The Table 1 indicates shows the source of secondary data.

**Table 1.** Secondary data

S.No.	Particulars	Count
1.	International Journal	21

2.	National / International Conference	1
3.	Websites	2
4.	Books / Edited Books	1
<b>Total</b>		<b>25</b>

#### 4. RESULT & DISCUSSION

The Iceberg competency model was applied to evaluate individual competencies within the context of both the corporate and academic sectors (Javed et al., 2023). Human capital theory practices within the telecommunication industry, emphasizing their direct influence on employee retention (Monari, 2021). In Banking sector, the competency mapping of employees was mapped to employee's commitment (Velmurgan & Kathiravan, 2020). Competency model for creative economy in Small and Medium-sized Enterprises (SMEs) operating in the creative economy aims to address the unique challenges faced by these businesses, emphasizing on skills crucial for success in a dynamic and innovation industry (Aisha et al., 2019). The hierarchical ladder was applied to ensure that the teams have the right expertise, promoting innovation for Knowledge-based R&D organisations, it is crucial to identify and develop specific skills that align with their goals (Singhal, 2018).

The behavioural approach was used to focus on job-specific pertinence. This method is used to choose just employees that match the model and does not rely on resources for development to help fill in competency gap (Megahed, 2018). The Path model emphasized on skills, knowledge, and abilities to job requirements, fostering more targeted and efficient workforce at work place. (Al-Mannaee & Ryan, 2018) Leadership model focus on behaviours, teamwork, articulating a vision, encouraging employee participation, fostering trust, treating people with respect, establishing stretch goals, as an action framework for fostering positive leadership with organizations and has impact on organizational performance (Mishra & Jha, 2017).

Job roles, job descriptions, focused areas of identification and development of key employees, or talents, represents an important segment of competency modelling in agricultural companies (Vnoucková et al., 2016). The Research Onion model particular focus on use for Recruitment and Selection in a Financial Services Organisation in Dublin. (Connor, 2016).

The Holistic Individuals' Competency Conceptual Model, The Research Onion, these are the models that assumes research on the relationships between education, training, personal characteristic, and environment, individuals' competency, human resource management (HRM) and knowledge management (KM) at work (Alainati, 2015). A modern management approach in the Human capital management elements of the dynamic alignment business model. These are the models and frameworks was also used to develop the competency model for the world's biggest human capital industry, association and supply chain management (Cilliers et al., 2015).

#### 5. CONCLUSION

This research explores into competency mapping's multifaceted dimensions, examining its elements, impact on staff retention, skill gap analysis, and strategic significance in HR. Diverse models, such as the Iceberg model, human capital theory practices and industry-specific applications, were explored to address research questions. The findings underscore competency mapping's strategic role in aligning individual skills with organizational goals, evident in sectors like telecommunications and banking. The study highlights approach for recruitment, training, and talent development, offering valuable insights for optimizing human capital management across industries. Overall, this research contributes a sophisticated understanding, emphasizing the vital role of competency mapping in fostering organizational success.

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