

Competency Model at Adeco Industry (P) Ltd.

–Sharon Pande*, Gowri Joshi**

ABSTRACT

Rahul was given the task of designing the competency framework, to suggest improvements and to evaluate the effectiveness of the same. Designing and the validation of the framework would result in either continuing of its implementation or restructuring of the framework. After a series of discussions with few of the stake holders, he drew up the competency framework and also reviewed the same with the concerned at Adeco. Based on the inputs, he then revisited some of the earlier competencies and draws up a new one. He would have to present his model to the Director. This presentation would decide whether the model would be implemented as it is or if there will be any slight changes or will he have to re do the work done so far.

Keywords: *Competency Framework, Competency Model and Competencies*

MAIN CASE

Lying on his bed with the table lamp still on, Rahul was just staring at the ceiling when the book he held fell out of his hand. The noise woke his wife out of deep slumber and she was worried to see Rahul still struggling to find some sleep. She switched off the lamp and took his reading glasses away hoping that he might be able to sleep now. But, Rahul was just there physically, whereas his mind was somewhere else. Mentally he was at his office, waiting for his presentation to start. He had put in a lot of time and effort in preparing for it and there was nothing which could divert

* Area Chairperson and Associate Professor - Human Resources and Behavioural Sciences, School of Business Management, NMIMS University, Mumbai, Maharashtra, India. Email: sharon.pande@nmims.edu

** Associate Professor - Human Resources and Behavioural Sciences, School of Business Management, NMIMS University, Mumbai, Maharashtra, India. Email: gowri.joshi@nmims.edu

his mind away from presenting his analysis of the Competency Model of Adeco Industry (P) Ltd to Amitabh Doshi (VP HR). He was suddenly awakened by the thought of his weekend trip with his batch mates to Goa .His assignment was complete and he desperately needed a break. He hadn't faced such a tiring phase, in his career till date - where he couldn't afford to take even a single day's leave, working long hours each day to finish the competency mapping model.

ABOUT ADECO INDUSTRIES (P) LTD

Adeco Industries (P) Ltd was the parent company founded in 1990 by Mr. J . P Narayanan. The company dealt with all types of H.T. and L.T. overhead line materials, underground cables and jointing kits. They were the authorized distributors of all types of porcelain insulators for overhead lines. Adeco Industries included J.P. Narayanan & Co., Sita Electricals, Ankita Precast Pre-stressed (P) Ltd. and Nite Industries (P) Ltd., all of which focused on ensuring best quality for customer satisfaction. Though it was a family managed business, it was managed professionally.

Adeco Industries was one of the key players in the field of supplying substations and overhead transmission and distribution line materials. In Sita Electricals they were exporting fabrication materials of overhead line materials which they are also fabricating and manufacturing in their manufacturing plant at Adeco Industries (P) Ltd. They also manufactured pre stressed concrete poles for H.T. and L.T. overhead line materials under the banner of Ankita Precast Pre-stressed (P) Ltd. which was satisfying to their valued customers and provided them with the best quality and services too. They were manufacturing PSC Poles for overhead lines and had gained a very strong reputation in the field. They were known for their attributes of power efficiency, superior conductivity, heat resistance, fire retardant and easy assembly. As a mark of the quality commitment, their range was provided with the ISI mark. With their quality assured electrical products, they fulfill the demands of various segments which include: Engineering Industry, Medical industry, Infrastructure and many others.

The company was committed to quality of products they manufacture, dedicated to service as well as growth in business, the very motto on which the group companies had been founded. Their strict commitment towards quality has helped them to become a globally adorned brand, which is now synonymous to reliability and perfection. They followed a rigid and harsh quality control measures at every stage of their operations,

in order to ensure premier and unmatched quality. Every operation was executed under strict supervision of trained personnel. They offered clients the best solution with combination of best hardware / software and proper engineering. Some of their guiding principles for employees were as follows:

Strong team of qualified and technically proficient workforce to deliver incomparable products and services to the clients.

- A sound infrastructure armored with advanced and innovative technology.
- Upgradation of machinery with the latest techniques.
- Regular investment to promote knowledge in the area of technical development, research and production.
- Adherence to the industrial norms and international quality standards.
- Functioning at low operating and maintenance costs in order to come up with cost-effective solutions.

TASK AT HAND - THE ASSIGNMENT

Rahul, being an MBA from a reputed institute and a risk taker, joined Adeco Industries (P) Limited as he always believed that there are more learning opportunities at small companies as compared to big corporate houses. Being a Nagpur resident, it was always more comfortable for him to be back home and hence he made this risky move. It was risky due to the fact that the salary he was getting to move from Mumbai to Nagpur was almost half of what his batch mates were getting. But, the rewards started coming sooner than expected. Working in a relatively small firm had its own set of advantages, as it gave him a great level of exposure. The kind of work and respect he got at Adeco was phenomenal in comparison to his batch mates. While his friends were still busy hiring employees at large multinationals to fill in the required gaps, he was developing a model on which the potential candidates can be assessed and the current employees can be appraised, a model which was called the 'Competency Mapping Model'.

Rahul re-visited the discussion that he had with Mr. J. P. Narayanan during his induction period. Since past 20 years, he has run and managed this company, and it has been doing well financially. The philosophy of empowering employees and letting employees manage their own roles, has been the reason for Adeco Group's growth from a single business,

to now producing multiple different product lines. The biggest reason that the company grew, according to Rahul, was the empowerment of employees.

Since Adeco was a small company, at first Rahul thought that this exercise would be a cakewalk; all that he would have to do is talk to a handful of employees, interview a few and then simply design the 'competency model'. But, when he started this assignment, on the very first day he realized that the next six months are going to be painful. He then went to meet with the first person under his radar i.e. one of the key stakeholders for a discussion.

An excerpt of the discussion, is appended below :

THE APPROACH TO COMPETENCY FRAME- WORK

With the help of Abhijit, Rahul then officially began his assignment. He interviewed employees at different levels to figure out the necessary skills needed to perform the kind of job that they were doing. But, he still had a lot of difficulty in identifying the behavioural skills needed as this was never stressed upon in the organization. So he chose to observe the employees while they continued with their routine work. He also sat in some of the discussions of employees with the managers so that he could understand how the manager deals with an issue and what type of behaviour by the manager leads to what kind of result in terms of satisfaction of the subordinate and his productivity. He also read some research papers and books to improve his understanding of the concept and develop his observation skills. This entire process carried on for months and after a huge effort, he came up with the competencies required by the employees to excel on the work front job. He identified a total of 13 competencies which he divided into two categories.

The ideology of the company was to empower its employees and this gets reflected in the way the competencies framework was designed. The fact that the division of labour among majority of the employees is at a junior level. This was kept in mind while framing the competency model.

Behavioural Competencies

- (a) Interpersonal Skills
- (b) Communication skills

- (c) Initiative
- (d) Dependability & Reliability
- (e) Leadership
- (f) Decision making
- (g) Analytical skills

Technical / Functional Competencies

- (a) Manufacturing Process Design/Development
- (b) Maintenance, Installation, and Repair
- (c) Supply Chain
- (d) Quality Assurance
- (e) Continuous Improvement
- (f) Health, Safety, Security, and Environment

When he showed his draft to Amitabh (Head HR), he reviewed the same and then recommended some modifications. He advised that Rahul could put three of the behavioural competencies i.e. decision making, analytical skills and planning and organizing into a new category called Workplace Competencies as it would lead to a more clearer segregation. Another reason behind this suggestion was that although Amitabh knew the importance of behavioural competencies, he was a little hesitant to put in so many competencies under that category as it was a new concept to be introduced in the company. He felt that people might resist to a process based on behavioural competencies and might have a perception that it will not be able to assure the review of technically brilliant people as they might lack some of the behavioural aspects. He also wanted Rahul to add a separate list of relevant competencies for Managerial levels and above. Amitabh felt this was highly important for their kind of a set up and Rahul also agreed to add some inputs onto the same. They also discussed that they should go in for a 'weighted average system', whereby the technical skills would obtain have more weightage in comparison to the behavioural skills.

REVISED COMPETENCY MODEL

Rahul did the necessary changes and went with this model to Abhijit. He thanked him for his continuous support and asked him for his suggestions. Abhijit seemed happy with the model, but, there was something which he

felt was just not right. Rahul noticed a slight apprehension on Abhijit's face and asked him that what was wrong.....

Abhijit- "I appreciate the work you have done, but, I still feel that giving equal importance to both technical and behavioural competencies in such a small company which relies so much on producing defect free quality products and on-time delivery would not be justified. It might just lead to letting go off some of the whiz kids who are technically brilliant and can take our business to new heights.

Rahul - "So do you have any suggestions?"

Abhijit- "Can't we work with something like a weighted average? Give some more weightage to technical competencies and ofcourse make the whole exercise more robust and also add a couple of managerial competencies as discussed with Amitabh, so that, the negative impact of the lack of behavioural competencies can be reduced to some extent."

Rahul - "I am sure something can be worked out."

Keeping this in mind, he left Abhijit's cabin and rushed to his seat where he got down to work immediately. At first he decided to call upon his MBA School professor, who had taught him the course on competency, he then discussed the project with her and request her to give him some inputs on 'competency model guidelines' with emphasis on managerial and behavioral competencies , so, he could back up his work with some theory , to make this sound more robust (Exhibit 1.1) . He decided to give more weight to some of the technical competencies which were extremely essential for succeeding at the job , then came up with a Weighted Average based Competency Model and modified the existing exercise by taking inputs from his professor.

Apart from this, the basic functional skills, which are the base minimum requirements for all the roles, have been broadly defined. The competency required for the individual roles, the stress put on quality control and the technical analysis for the production are requisites for all the roles. Each functional skills, again is sub-defined to have a list of 5-7 skills required in that particular field. For middle management and upward roles, the ability to achieve goals in a cost effective way was one of the most important criteria. The list of competencies, within each of these groups were appropriately defined too.

He was up all night trying to find the best possible combinations and assigning weights to competencies and he came up with his final model. As soon as he reached office on Friday morning, he went to meet Amitabh and showed him his work. He was impressed and liked the idea of giving

different weights to different competencies. He asked Rahul to send the Model to him and prepare a presentation for explaining his model to the Director.

RAHUL'S DILEMMA

On the surface, the model looked in sync with the overall vision and growth of the company. Rahul was satisfied with the competencies taken into account in the framework and thought that it was a good mix of managerial, functional, technical and workplace competencies. But, he had issues with a very fundamental and basic aspect of the framework. The model took an average of the scores of each competency to come up with a final score. Since a pure average was taken, it gave equal importance to both technical and behavioural skills and Rahul was particularly not very comfortable with this.

The reason of giving weights to every competency, as understood by Rahul, was to link the competency model framework with the company's vision of empowering people. This is because when it comes to employees, behavioural aspects play a major role in shaping up one's career.

But, Rahul had a completely different mindset. He thought that in a purely technical company, technical aspects should be given much more importance. He was of the opinion of removing the average criteria and instead choose a cut-off kind of model where a candidate will be assessed further only if he gets a minimum score in a competency. He knew that creating such a model will take a lot of time as proper analysis of competencies would have to be done again and then ratifying the same with the key stakeholders, he would definitely not be in a position to complete his assignment on time. But according to him, he felt that this was the right way to go. But, since the time limit for completing the assignment was drawing to a close, he decided to drop this idea.

THE FINAL COMPETENCY MODEL

Technical / Functional Competencies

- (a) Manufacturing Process Design/Development
- (b) Maintenance, Installation and Repair
- (c) Supply Chain
- (d) Quality Assurance

- (e) Continuous Improvement
- (f) Crisis Management

Behavioural Competencies

- (a) Interpersonal skills
- (b) Communication skills
- (c) Initiative
- (d) Dependability & Reliability
- (e) Leadership
- (f) Attitude

Workplace Competencies

- (a) Decision making
- (b) Analytical skills
- (c) Planning and organizing
- (d) Managerial (Middle management upwards)
- (e) Goal setting
- (f) Cost consciousness
- (g) Coaching and developing

Rahul immediately called on his batch mates to explain the assignment. As coming Monday was a public holiday, that is when he got to know that they were planning to go to Goa for an extended weekend. He saw this as a great opportunity to let off some steam and relax a bit.

On his return on Tuesday, he would have to present his model to the Director. This presentation would decide whether the model would be implemented as it is or if there will be any slight changes or will he have to re do the work done so far.

QUESTIONS

1. What do you think will be the decision of the Director? What will be the impact of Rahul's model on the organization if it is implemented?
2. Reviewing the inputs given by Rahul's professor, can you recommend any other Competency Model?

Exhibit 1.1: Competency Model Guidelines

The Competency Clusters

The Manager Competencies reflect the challenges that today's manager faces. This model contains 11 competencies, organized in four clusters. The four clusters are-

- Managing Yourself
- Managing Your Team
- Managing the Work
- Managing Collaboratively

Competency Levels

Each competency is defined in terms of four behavior levels.

Level 1 is the most basic level of performance, and Level 4 the most sophisticated.

For each competency, Level 3 is defined as the target level. Level 3 behaviors typically define excellence in managers' jobs.

Workplace Factors That Impact the Need for Competencies

These key factors distinguish managerial environments:

- **The organizational structure.** Traditional organizations through the mid-twentieth century were modeled on the Roman military, in a hierarchical, functional manner. This type of organizational model allowed for consistency and control. Many modern organizations have responded to the need for seamless customer service and cross-functional cooperation by creating organizational structures that have fewer levels of management and that place greater responsibility on managers to solve problems that are cross-functional in nature. The manager's position may now place as much emphasis on coordination as control, thereby fostering collaboration as much as exerting influence over subordinates.

- **The nature of the workforce.** Managing knowledge workers is different from managing people in an industrial setting. In many organizations today, knowledge workers require—and many demand—autonomy, and resist strong control of any kind. Creativity has become more critical than conformity to a fixed standard of work.
- **The experience of your workforce.** The less experienced workforce may require you to act as a coach, an overseer, and a resource to ensure organizational results as well as individual growth and development.

The resulting implications: Different combinations of competencies will take on added importance in some manager roles, and higher levels of competency behaviors may be required to ensure outstanding performance of the manager's workforce. (Level 3 may not always be the right level for each manager.)

Competency Model & The Competencies

Managing Yourself

Empathy. Recognizes and responds to others' feelings and concerns

- Recognizes others' emotions
- Understands people's feelings
- Understands what people mean
- Understands underlying reasons for behavior

Self-Control. Recognizes and manages one's emotions and strong feelings under stress or when provoked

- Holds back
- Responds calmly
- Responds constructively
- Calms others

Self-Confidence. Possesses confidence in one's ability to meet challenges and make the right decisions

- Acts independently
- Has confidence in own ability
- Takes on challenges
- Stands firm

Managing Your Team

Developing Others. Helps others increase capabilities, maximize their potential, or recognize options

- Expresses positive expectations
- Gives directions or makes helpful suggestions
- Develops people by providing specific feedback
- Coaches

Holding People Accountable. Provides task focus and direction; ensures that others understand performance standards

- Provides task clarity
- Sets limits and boundaries
- Sets clear standards for high performance
- Takes corrective measures to ensure compliance

Team Leadership. Creates an environment in which people can work together to meet organizational goals

- Keeps people informed
- Promotes team's effectiveness
- Motivates and energizes the team
- Aligns team with the organization

Managing the Work

Results Orientation. Focuses on improving performance, meeting goals, and producing results

- Tracks performance
- Improves work processes
- Sets measurable, challenging goals
- Makes cost/benefit analysis

Initiative. Sees opportunities and acts on them

- Takes action
- Acts decisively
- Is proactive

Takes a long-term view

Problem Solving. Identifies problems and tests alternative solutions to achieve the best outcome

- Objectively identifies problems
- Recognizes patterns
- Analyzes and tests alternatives
- Creates solutions

Managing Collaboratively

Influencing Others. Persuades, convinces, or influences others to change their viewpoint or accept a desired course of action

- Uses direct persuasion
- Uses several methods of direct persuasion
- Calculates impact of actions or words
- Uses complex influence strategies

Fostering Teamwork. Promotes cooperation and collaboration between individuals and groups

- Has positive expectations
- Encourages others
- Values others' input and expertise
- Promotes the team within the organization

Manufacturing Process Design/Development: The ability to research, design and implement the manufacturing process to ensure product meets customer needs.

1. *Maintenance, Installation, and Repair:* Mechanical knowledge to help in the overall maintenance and functioning of the machinery.
2. *Supply Chain:* The ability to ensure a timely supply of raw materials for the production and distribution of the final product to the customers
3. *Quality Assurance:* The ability to provide quality assurance to the clients by maintaining the quality of the production

**Exhibit 1.2 Adeco Industries (P) Ltd. Competency Mapping Sheet Please
Rate the Employee on the Following Competencies**

1	2	3	4	5
Does not demonstrate	Demonstrates poorly	Demonstrates adequately	Demonstrates well	Demonstrates strongly

Competency Mapping Model
Worksheet

	Score (1-5)	Weightage	Final Score
Technical Competencies			
Manufacturing Process Design/Development	5	1.5	7.5
Maintenance, Installation, and Repair	5	2	10
Supply Chain	5	1.5	7.5
Quality Assurance	5	2	10
Continuous Improvement	5	1.5	7.5
Crisis Management (Health , Safety , Security and Environment) Security and Environment	5	1.5	7.5
Behavioral Competencies			
Interpersonal Skills	5	.5	2.5
Communication Skills	5	.5	2.5
Initiative	5	.5	2.5
Dependability & Reliability	5	1	5
Leadership	5	1	5
Attitude	5	.5	2.5
Workplace Competencies			
Decision making	5	1	5
Analytical skills	5	1	5
Planning and Organizing	5	1	5
Managerial Competencies (Middle Management Upwards)			
Goal setting	5	1	5

Cost consciousness	5	1	5
Coaching and developing	5	1	5
Final Score			100

4. *Continuous Improvement*: Understanding the manufacturing process in detail and provide suggestions to help improve the production efficiency
5. *Crisis Management*: (Health, Safety, Security, and Environment). Knows who to contact in the event of an emergency and departmental fire/disaster plan, and responds to safety issues with an appropriate level of urgency
6. *Interpersonal Skills*: The skills used by a person to interact with others. Ability to get along with others while getting the job done, maintain stable performance and emotional control when faced with opposition, pressure, hostility from others and/or stressful conditions.
7. *Communication Skills*: The ability to convey information so that it is received and understood. Creates an atmosphere in which timely and high quality information flows smoothly both up the organization and down, inside and outside the organization; encourages open expression of ideas and opinions.
8. *Initiative*: The ability to plan ahead for upcoming problems or opportunities. Does more than is required or expected in the job; does things that no one has requested that will improve or enhance products and services, avoid problems.
9. *Dependability & Reliability*: The ability to demonstrate a high level of Dependability Company's confidentiality intact.
10. *Leadership*: The ability to assert own ideas and persuade others, gain support and commitment from others; mobilize people to take action, use creative approaches to motivate others to meet goals.
11. *Attitude* : Has a positive attitude towards work and employees
12. *Decision Making*: The ability to analyze problems by evaluating available information and resources; develop effective, viable solutions to problems which can help drive the effectiveness. Puts goals of the group ahead of one's own agenda, and supports and acts in accordance with final group decisions even when such decisions may not entirely reflect one's own position.
13. *Analytical Skills*: The ability to build a logical approach to address problems or opportunities or manage the situation at hand by draw-

ing on own knowledge and experience base and calling on other references and resources as necessary.

14. *Planning and Organizing*: The ability to establish a systematic course of action for self or others to ensure accomplishment of a specific objective. Sets priorities, goals and timetables to achieve maximum productivity .
15. *Goal Setting*: Shares information and own expertise with others to enable them to accomplish group goals. Tries new things to reach challenging goals and persists until personal and team goals are achieved and commitments met.
16. *Cost Consciousness*: Looks for creative approaches to providing or improving services that may increase efficiency and decrease cost. Considers cost and efficiency when making decisions establishing or changing work procedures.
17. *Coaching and Developing*: Works to improve and reinforce performance of others. Facilitates their skill development by providing clear, behaviorally specific performance feedback, and making or eliciting specific suggestions for improvement in a manner that builds confidence and maintains self-esteem.

REFERENCES

- Allredge, M. E. & Nilan, K. J. (2000). 3M's leadership competency model: An internally developed solution. *Human Resource Management*, 39(2-3), 133-145.
- Babcock, P. (2006). Companies set the process for developing global leaders. *Society of Human Resource and Management*.
- Cacioppe, R. (1998). An integrated model and approach for the design of effective leadership development programs. *Leadership & Organization Development Journal*, 19(1), 44-53.
- Chin, C. O. & Gaynier, L. P. (2006). Global leadership competence: A cultural intelligence perspective. In 2006 Midwest Business Administration Association conference.
- Inc, T. (2007). Using a competency-based approach: Linking core competencies to your business strategy. Retrieved from Think Wise: Muratbekova-Touron, M., & Des Horts, C. H. B. A Competency-Based Model for Managers In Practice.

- Sanghi, S. (2004). *The Handbook of Competency Mapping*. India: Sage Publications.
- SHRM. (2008). Leadership Competencies. Retrieved from <http://www.shrm.org/research/articles/articles/pages/leadershipcompetencies.aspx> (accessed on August 2012)
- Spicer, C. (2009). Building a competency model. *HR Magazine*, 54(4), 34-37.
- Taleo Research. (2010). Seven steps for effective leadership development. Retrieved from <http://www.professional-learning.com/MCPBriefGuide.pdf>