



Research Article

The Value of Developing Competency Models

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Article Info.	Abstract
Received: 20-08-23 Revised: 21-09-23 Accepted: 28-09-23 Published: 30-09-23	Individual qualities have played an important part in determining performance among workers. The rapid development of technology and the degree of automation that has taken place have changed the criteria for proficiency in the workplace today. The skills needed to boost performance, sustain prevailing levels of living, and accommodate to market adjustments are highlighted in the Council Recommendation on Core Abilities for Lifetime of Learning which was developed by the European Commission in 2018. The objectives of this investigation are to outline the key concepts that constitute real models of competency and to evaluate the benefits of their growth and development. This study is an analysis of construction-related literature. A foundation in literature to support the investigation's empirical research portion in the future. The main findings of the research are four hypotheses on how the actual implementation of competence models impacts learners' performance and attitude. One of these ideas is using the notion of competency in the creation and implementation of training programs. The successful implementation of complete competency-based training courses in a particular industry cannot be assured by the adoption of broad competency models.
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Introduction

"Everyone has the right to excellence inclusive education, training, and continuous education in order to keep acquiring skills which allow them to engage fully in the community and successfully manage changes in the labor market," states the first tenet of the European Pillar of Social Rights. Furthermore, it announces that every person has a right to prompt, simple, and customized guidance to boost their chances of landing a job or launching a business. This includes having access to funding for training, retraining, and job searches (EC, 2018). Implementing these needs in daily life may be made easier with the aid of the competence method. This is the reason the Recommendation on core Competencies for Lifetime Learning was endorsed by the Parliament of European and Council in 2006. The suggestion has served as the primary source of reference for creating competency-based education, training, and learning ever since it was put into practice. The external world is developing quickly, though, and this causes the expectations for abilities to alter quickly as well. Robotics, computers, and automation will all be used more often for this work.

Technology development has an important impact on the necessary skills and expertise. It influences equally daily living and the working world. The Recommendation of Council on core Competencies for Permanent Learning, which the European Commission developed in May 2018 based on the aforementioned, outlines the fundamental skills essential to better performance, uphold current values of living, react to market developments, and encourage high employment rates. In order to fulfil the changing requirements of labor markets and the necessary standards, workers frequently require a variety of acceptable and most relevant skills. The development of competence models makes it easier to solve this issue.

This study tries to explain the underlying views of authentic competency models and assess the benefits of their progress. A literature evaluation is being carried out in order to set the scene for the empirical study that will follow this phase of the project.

Review of Related Literature

Competency

Testing for Competency Rather Than Knowledge was published by McClelland in 1973. When intelligence was present and when character characteristics or attributes were discovered to be trustworthy indicators of success in the workplace achievement and effectiveness. The researcher's findings generated controversy because he argued that human capabilities mattered more than conventional psychometrics like IQ and aptitude tests in predicting occupational success. According to McClelland (1973), the competence hypothesis in human resource management was first put out. The competitive advantages of a corporation are occasionally determined by looking at its main capabilities to have been in charge of creating the human resources competency theory. Sometimes a company's key competencies are used to define its competitive. According to Boyatzis (1982), competence is the essential trait of an individual that contributes to successful and/or above-average levels of work performance. Prahalad and Hamel first outlined the characteristics of an organization's essential talents in 1990 (Prahalad and Hamel, 1990).

The English term "competency" is derived from the Latin word "competent," which meaning "is a person who is "empowered to judge" or "has the authority to speak"." The following is a summary of Skorková's (2016) work on the various ways the competence idea has been interpreted:

- Responsibility as well as authority in competency. A worker has several rights that they can exercise. Consequently, it refers to presents that a person has gotten from other people.
- Competence is termed as a person's attributes, skills, and capacity to carry out a certain activity competently.

Different criteria can be used to determine competencies. According to Mooney (2007), several competencies are talents, intelligence, and capabilities that are distinguished by being apparent to consumers, being superior to those of their rivals, and being difficult to copy. Strategic utilization of these varied skills can result in long-lasting competitive advantages. Bendassolli et al. (2016) claim that the mobilization of information, actions, and emotions used to create value is what they refer to as competences. Competence is characterized by the UN's Industrial Development Organization (UNIDO, 2002) as a collection of abilities, information, and activities used for one's own personal progress. Similar to this, Salleh et al. (2015) discovered that competence is a group of abilities, information, moreover behaviors that characterize a individual exceptional performing in each niche.

A person's ethical principles, manner of thinking, and inner motivation to carry out duties successfully and produce extraordinary work all contribute to their level of competence. Competencies refer to the capacity to do challenging responsibilities under specific environments (in a specific environment), in addition to knowledge and skills. Competencies are the demonstrated ability to use one's knowledge, skills, and abilities (individual, social, and/or organizational) in a range of conditions, such as job, study, and professional and personal growth, according to Chiru et al. (2012). It additionally means that a competent individual must have the ability to understand the situation and, when essential, adjust to it.

In the technical terms of the Council of EU, competence is a set of skills, knowledge, and behaviors where:

- Knowledge is the previously acquired evidence, figures, theories, and ideas that make it easier to grasp a certain topic or problem.
- The capacity and ability to perform specific activities and utilize existing knowledge to achieve results are the definitions of skills.
- According to CEU (2018), a person's attitude is how they believe and intend to act or respond to a concept, a person, or a circumstance.

Similar in that it includes the following elements is the established Iceberg Competency Model (see Figure 1).

- Skills
- Knowledge
- Attitude
- Interpersonal skills

- Motivation
- Achievement (Salleh et al., 2015)

Table 1

Iceberg Competency model

Clear Competency	Unclear Competency
<ul style="list-style-type: none">• Skill• Knowledge	<ul style="list-style-type: none">• Attitude• Interpersonal Skill• Motivation• Achievement

Competency Model

Early Competency-Based theory development, which spanned the 1960s through the 1990s, concentrated on tracking and rating certain capabilities. Competency was described as a skill acquired via self-organization and needed to do one's job. The 1990s' second phase was marked by the development of competence models and their implementation in organizations were the main topics of people management. The traditional identification of the key competences necessary to establish a competitive edge is the third phase of human management, which is still ongoing today (Skorková, 2016).

The Council of EU proposals for each person's fundamental competencies include the following:

- Literacy
- Multilingualism
- math, science, technology, and engineering competency
- digital competency
- personal, social, and learning to learn competency.
- citizenship; entrepreneurship; and cultural awareness of cultural awareness and expression competency (CEU, 2018)

The core skills listed in the Council Recommendation are necessary for everyone. to raise performance, fulfil contemporary living requirements, and adapt to market fluctuations, and retain employment market competitiveness. Having an understanding of sociocultural skills led to the apparently relevant competence model for a particular job. The basic competences are the building blocks of a competency model. As a result, the model of competency illustrates a collection of distinct skills, abilities, and other individual qualities essential to successfully carry out responsibilities in an organization. The ideal framework should enable the preferred human resource tasks to apply competencies. The template of competence should clearly define each talent and include standards or measurements of measurable or obvious accomplishment. The people who do the evaluations will make use of this. (Skorková) 2016.

The two core areas of model of competency research are as follows. First, models designed for specific jobs focus on the growth of certain skills inside specific companies. Product knowledge, management, administrative, and technical skills, as well as building qualifications skills and

training skills for specialist training, are some examples of unique talents. Some essential competencies, including self-expression, interpersonal, and leadership abilities, as well as entrepreneurial skills (such strategic management, innovation, and change), are universally applicable to all occupations, independent of the specific qualities of those talents. Sisson and Adams (2013) estimate that 86% of all competencies are generic capabilities. The second competence research path's primary objective is the enhancement of comprehensive competency models. Universal models give extra emphasis on management, interpersonal, and business characteristics and fewer considerations on technical abilities.

Benefits of Competency Development and Competency Modelling

Economies that are established on knowledge, procedural competence, and fact memory are prerequisites but not enough criteria for business success and growth. In today's fast-paced culture, aptitude for problem-solving, critical analysis, teamwork, creativity, and self-control are more crucial ever before. Here these are resources that make it possible to function in real-time while generating novel theories, concepts, products, and information (CEU, 2018). Human abilities influence behavior; as stated by Loots, Cnossen, and Witteloostuijn (2018), "we do what we can." Additionally, it has been proven that people who enjoy what they do and feel they are good at it are more likely to remain with it and develop their talents. Being confident in one's abilities encourages action and advances knowledge in the field of interest (Deci and Ryan, 2000). The constant development and adaptation of workforce competencies depend heavily on employee skill development.

Competency models are practical resources for educators to find and build the information, skills, and abilities essential to Emerging leaders, according to Sisson and Adams (2013) and Shum, Gatling, and Shoemaker (2018). Everyone has the opportunity to develop necessary skills owing to excellent education, training, and lifelong learning. Consequently, any educational, training, and learning programs may employ a competency-based approach, independent of age or educational level (The Council of the European Union, 2018). According to Chih et al. (2003), competence investigation of educational and training materials is an essential part of increasing training efficacy. It also entails the development of standards for determining the required capabilities. Similar to this, building competency models within firms enables the discovery of the essential skills that would promote organizational development. Competency-based management, which is now in vogue, employs model of competency as the core implement in human resource practices and systems. Competency-based selection performs well in the constantly changing corporate world where employers prioritize collaboration, interpersonal connections, effective communication, and a readiness to embrace these changes (Skorková, 2016). Multiple research studies have shown the association between various competencies and an organization's performance as well as the link between various competences and competitive advantages (Fernandez et al., 2018). The vast bulk of the information from these studies, however (Fernandez et al., 2018; Miller, Dröge, and Vickery, 1997), relates to industrial facilities and medium- to large-sized firms. Small firms should always try to get an benefit over their rivals. Competency models may be used in a broad range of human resource development contexts, including formal hiring, compensation, training, job performance management, and the creation of establishing plans. It

serves as the primary instrument for personnel management, career advancement, and employee evaluation. It should be declared that occasionally, the competency model's absolute list of talents completely astounds the organization that requested it. It can highlight the discrepancy between what the firm says it expects of its employees and what is actually expected of them (Skorková, 2016).

An attribute of a person called individual competence can be utilized to forecast performance level. It has been shown that a worker's abilities and production are related (Buchel, 2002). According to Muizu and Yudomartono (2016), Each worker should have the capability to support the organization's plan and any management-made modifications. A thorough examination of the candidate is used in the competency-based selection process. The main goal is to determine the candidate's potential and how they can help the organisation survive, provide services of a high standard, be productive, meet financial metrics, and promote sustainable growth (Bharwani and Jauhari, 2013; Blayney, 2009). Competency-based human resource management has been recognised as a successful method to managing employees in both the public and private sectors (Skorková, 2016). Another benefit is that competency development has a beneficial relationship with company performance as well as with individual objectives for their careers and work satisfaction (Blayney, 2009; Ko, 2012). Numerous research have looked at management and entrepreneurial skills (Shum, Gatling, and Shoemaker, 2018; Muizu and Yudomartono, 2016; Bendassolli et al., 2016; Boyatzis, 1982; Blayney, 2009). Management abilities are taken into greater attention since they have a substantial impact on the functioning of the firm. According to Muiz & Hilmiana (2016), these abilities include technical skills, conceptual skills, and interpersonal skills which promote company development and management. Man (2001) highlighted six aspects of entrepreneurial competency: commitment, chance, connections, and understanding of concept. Empirical evidence demonstrates the importance of entrepreneurial skill. Entrepreneurship encounters significant internal obstacles because of emotional elements (fear of failure, anxiety over stress and hazards, lack of confidence), connection issues (insufficient social networks), and worries about leadership abilities. Perseverance, problem-solving skills, a willingness to take small risks, as well as the capacity for innovation and the creation of social networks, are characteristics of entrepreneurs (Bendassolli et al., 2016).

While hardly every company may claim to have a broad variety of in-depth skills, capabilities must differ based on the sector in which the company operates. In the situation of the innovative industries and given the distinctive features of the circumstances, studies on entrepreneurship skills and entrepreneurial personality, for example, are still few (Bendassolli et al., 2016). The development of innovative and entrepreneurial talents is also necessary to promote competition and/or collaboration (Loots, Cnossen, and Witteloostuijn, 2018). Increased productivity and the capacity to create creative, competitive products are two advantages of higher expertise and quality. This is important since returns typically cannot be seen until a relatively near future, even when human capital expenditures are not modest. However, there are many different combinations of competency model research in the literature that make it simpler to try and identify the combination of cognitive, emotional, moral, and social skills should be able to support the organization's goal and any management-made modifications. that would be more appropriate for the creative industries and aid in understanding the factors most closely connected to the effective

entrepreneurs' proficiency in this work (Bendassolli et al., 2016). Employee performance may be enhanced through competency models in both the public and commercial sectors. Competency models play a significant role during the hiring and training processes in addition to aiding in decision-making.

Results

The study clearly showed that using a competency-based approach enhances outcomes in both the corporate and academic sectors. The researcher then suggests the following theory, which will be empirically tested:

H1: The development and implementation of training programs using a competency-based approach improves student performance and attitude.

The literature examines that there are typical and specialist competency models. Their progress allows the differentiation between performers who might perform on par with expectations and those whose performance will be above average, enabling in the selection of competent job prospects. However, while generic competence models are essential tools for developing training programs and hiring new staff, they cannot be fully applied in all subject areas. They must be modified according to the nature of the job and the size of the organization. This causes the following theory to be brought out:

H2: Implementing universal competency models cannot ensure that competency-based programs will be used to achieve their full potential in the relevant field.

The findings show that college students' knowledge, abilities, and behaviors are all being studied more and more these days. This occurs not just throughout the hiring process but also during the training and employment various stages. Among the core goals of model of competency is to make the evaluation process easier for the employer. There are two views put out in such a manner:

H3: Employee attitudes and talents are being given greater importance in the appraisal process than employee knowledge.

H4: Students' attitudes and talents are recognized more highly than their knowledge in the educational environment of today.

The results of the research in the development of four key hypotheses regarding the significance of using competency models in practice.

Conclusion

The research enabled the following conclusions to be drawn:

- 1- In both the public and private sectors, model of competency are a powerful tool for refining employee performance. When it comes to personnel planning, appraisal, and training, their utilization is particularly crucial.
- 2- The development of competence models has been extensively studied, but there are still certain industries where the requisite competencies are not entirely recognized and where model of competency have not been thoroughly defined.

- 3- Despite the fact that they include a greater portion of the competences needed in a particular sector, general competency models fall short for the full usage of the competency tool.
- 4- Depending on the size of the organization, various skills are needed. The majority of competence research findings are applicable to industrial facilities, medium-sized businesses, and big businesses. Different ways are required to evaluate model of competency and establish standards, In accordance with size of the organization.
- 5- Competency-based theories now focus on establishing key competencies in the market generally or in specific sectors, as well as on applying competencies.
- 6- Researchers are currently paying more attention to the study of entrepreneurial and direct management skills than the study of low-level performers' or self-employed people's competencies.
- 7- The key benefits associated with creating and employing competency models include improved performance, better creation of training programs, optimized evaluation systems, less expensive hiring of personnel, and more accurate performance prediction.

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