

Realization of Competency-Based Human Resource by Human Capital approach

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ABSTRACT

Competency system grows in a dynamic, complex and unpredictable medium and thus the work place should also be flexible and adaptable to complex and changing conditions. Analysis of the current situation indicates the existence of administrative obstacles and challenges on the way to the establishment of competency-based management (human capital management), the non-transparent performance evaluation criteria, a mismatch between the education system and labor market needs and the mismatch between the structure and organization of the competency-based human capital management objectives among many others. This paper introduces some related concepts, infrastructure management system to realize competency-based management using the human capital approach.

KEY WORDS: culture of meritocracy, human capital management, system management, competency

1-INTRODUCTION

In today's world, knowledge and skills are of utmost importance. With the development of automation, the advent of new technologies, knowledge and skills have created added value. In this world, knowledge workers have replaced manual labor and technology, strengthen the mental powers rather than physical force. Schultz showed that investment in human resources is a decisive factor in ensuring the well-being of humans. Human capital, which includes knowledge, skills, innovation and motivation lies in humans have been considered by scholars of economics and management. Adam Smith, in his book titled as *The Wealth of Nations*, defines Human Resources as only source of wealth. Alfred Marshall knows manpower training as national investment and the most valuable part of the national capital. Frederick Harbison, explains the importance of human capital as follows:

process of formation and increase the number of people with technical skills and experiential learning, and their presence is essential for the development of every country (Emad Zadeh et al ,2003). Given the above, professional managers have concluded that thinking and innovation entails for human capital. The ideal staffs are who have innovative ideas, and share knowledge and tend to thinking, reflection and experience. So now an important component in the job descriptions of staff knowledge is concepts, creation, use, transfer and commercialization of knowledge. (Shahrokhi, 2006). The only sustainable value are maintained by organizations through the use of intangible assets such as human capital, information capital and organizational capital database (the high quality and functionality to meet the needs of the customer relationships and brand finally, creative abilities and organizational culture). It is believed that human resources meet all the strategic needs of an organization (Arabi, 2007). Since you we cannot manage what you cannot control and you cannot manage what you cannot assess, the evaluation is of great importance. Bazbura et al found that "the creation of results using knowledge", "staffs skills list" "report and share knowledge," "the success rate of training programs" are four important indicator to assess the importance of human capital (Bazbura et al2007).

2. The concept of competence

A cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act effectively in a job or situation. Competence indicates sufficiency of knowledge and skills that enable someone to act in a wide variety of situations. Because each level of responsibility has its own requirements, competence can occur in any period of a person's life or at any stage of his or her career.

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Competence areas represent activities in which the individual's competence is manifested. Competency-based management is an integrated process that makes the appropriate organization in accordance with the abilities, skills, developing professional competencies. Analysis of the theoretical concepts of competency, based on a systematic approach is very important. In a systematic approach, organizations are social systems that are connected by hundreds of external factors and variability and complexity of the environment and public media play an important role in organizational performance and environmental factors are origin of many layers of activities, decisions and results.

3. The democratic system processes

Competency-based management is an integrated process; this process may help to understand the nature of matter and its relationship with meritocracy, which is expressed in the following five processes (Salehi, 2011).

3.1 competency expectation

It means providing cultural contexts, facilities and attention to the material and spiritual values by those qualified and competent.

3.2 Competency selection

To select the right people serves as the basic foundation and the original loop to promote meritocracy and organization process. This means that the selection mechanisms results from selection to achieve the recruitment. Employing staff with the appropriate capabilities and expertise in the field of enterprise business applications is the basic platform for the realization of meritocracy.

3.3 competency monitoring

Competency monitoring is systematic evaluation of businesses, recognizing the potential and characteristics of staff through written tests and interviews. The purpose of the assessment is to support and encourage the empowerment, talent, and encourages employees to work and deal with people with low diligent work and ignore the hardware and software facilities (ICT).

3.4 pleasant rearing

It means to provide fostering and promoting talented staff competencies by developing appropriate norms and standards. The compactly is variable and non-fixed, so if no attention devoted to rearing and upgrade their knowledge and competencies such potentials may expired.

3.5 Competency keeping

It means maintaining competent managers and staff in the organization important to achieve goals. Main loop process is merit in such a way that support the process of merit in some countries, even after leaving the service and it goes right off.

3.6 competency control

The final step involves assessing and controlling the competence to assess competency development and continuous process improvement or strengthening measures.

4. Definitions and concepts of human capital

Mayo defines human capital as knowledge, skill, experience and networking with the ability to achieve results and potential for growth.

Papa George knows human capital as a capacity builder and facilitator of innovation the overall institutional capacities of human existence (both physical and mental) called human capital (Entezari, 2004).

from Becker perspective, human capital is on the basis of the assumption that more revenue is for those who invest through training and experience, on knowledge, skills and abilities to contribute, and thus, production capacity and raise their productivity. Simon Kontz who won the Nobel Prize in Economics in 1971, believed that capital concept involves only physical capital and goods is flawed hence should account for human capital and physical capital. He says: "human capital in an advanced industrial country is not the country's industrial tools and equipment, but is knowledge reserve the experiments and its work to apply such knowledge (Sadeghi and Emadzadeh, 2003).

5. Types of capitals

5.1 intellectual capital

Intellectual capital stems from science and knowledge. The term is still in its formative period and this total capital of the key aspects in the development of human capital within organization. Activation of intellectual capital requires patience, endurance and pain tolerance. To date, only the big companies have been able to benefit from the strength of its intellectual capital. (Edvinson, 1998).

Although intellectual capital and its relationship to other assets can be summarized in one sense, but from the perspective of knowledge management is useful as components separately, shown in chart 1

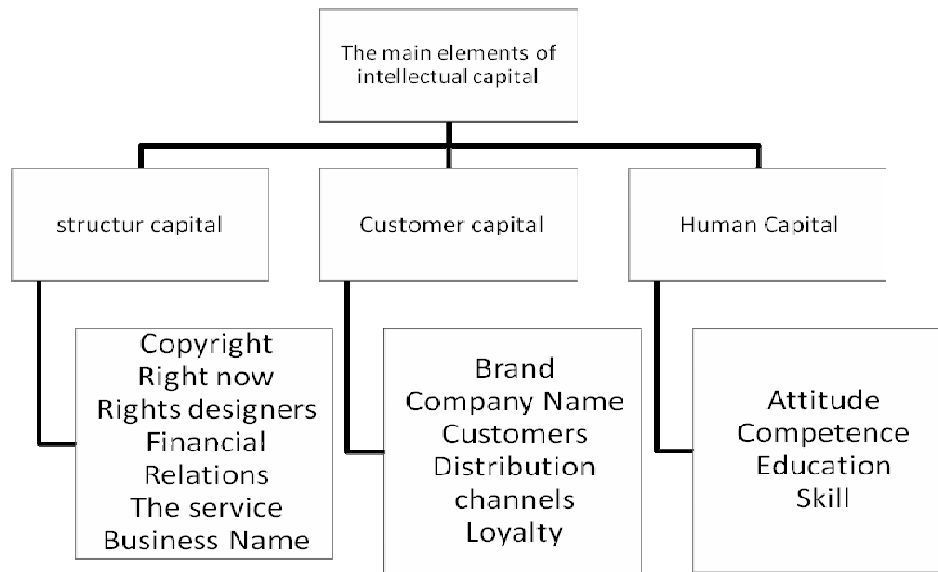


Chart 1 intellectual capital and its components..

5.2 Intellectual capital

Intellectual capital accounts for enormous differences between market value and management value in organizations. Combination of the Intellectual property held by a business and the people in that business can exploit and increase it. The term became more widely known in the context of assessing the wealth of organizations. A metric for its value is the amount by which the market value of a firm exceeds its tangible (physical and financial) assets minus liabilities. This contrasts with physical and financial forms of capital; all three make up the value of an enterprise. Measuring the real value and the total performance of intellectual capital's components is a critical part of running a company in the knowledge economy and Information Age. Understanding the intellectual capital in an enterprise allows leveraging of its intellectual assets. For a corporation, the result will optimize its stock price (Bazbura et al, 2007).

6. METHODOLOGY

This study applicable for its objective and analytic and descriptive for implementation, also it use library and field study for data gathering procedure

6.1 Benefits of Competency-Based Human Resource management

Paying attention to functional behaviors that lead to success rather than the characteristics of the job, results in greater flexibility in the management of human resources. This approach relies on the performance of a desired professional identity and more specific jobs are created in developed societies. In addition to professional and managerial one might specialized in different professions and at various times in certain responsibilities to be used, this approach is characterized with flexibility and greater reliance and ultimately create the relationship between the competencies and strategic approach to competency based human resource management and organizational strategies.

6.2 Goals of Competency-Based Human Resource management

While competencies are not new to most organizations, what is new is their increased application across varied human resource functions (i.e., recruitment/selection; learning and development, performance management, career development and succession planning, human resource planning). Organizations are looking for new ways to acquire, manage and retain the precious talent needed to achieve their business goals. Properly designed, competencies translate the strategic vision and goals for the organization into behaviors or actions employees must display for the organization to be successful. Competency-based Management standardizes and integrates all HR activities based on competencies that support organizational goals.

Management horizons and a description of each layer is provided in the table below.

Table 1 : management system layers

layers	description
Key competencies	a common set of core competencies for all job levels in the organization. These competencies arose from mission, and values of the organization, of course, the key indicators of behavioral competencies are different for different levels of job
Functional competencies	Set of competencies required for all employees who do the same job and are in a class or group of common job, in other words, functional competencies that are common features of different jobs within the job family.
duty competence	Specifications and technical requirements considered in the specific job

7. Solutions to Achieve Competency-Based Human Resource by Human Capital approach

Analysis of the current situation indicates the existence of administrative obstacles and a challenge on the way to the establishment of merit-based management (Human Capital Management). The challenge has cultural and historical roots and interrelated in terms of structure and organizational culture. Accordingly, the establishment of merit-based management (human capital management) required to achieve a set of infrastructure. following are some of the most important points:

7.1 Cultural infrastructure

The most important strategy is to develop and promote a management system based on competency-based management of human cultural contexts to create and institutionalize a culture of competence in organizations. So the first step in the localization of competence should be considered in the determination of the fundamental values. This value is derived from the fact that the ideological foundations of the society, basic beliefs and stability makes clear affecting definition of organization's mission, vision and superior performance, effectiveness and impact.

7.2 Training infrastructure

Education serves as the main foundation of human capital development in recent decades and known as new paradigm of human resource development, integrated learning system to improve the qualifications of human capital. Integrated learning can be classified into three broad categories according to their purpose: 1-Classification and institutionalization of the model and key competencies across the organization. 2. The introduction of change management and knowledge required for its activities and 3-lead and shape the organization's strategic orientation and explore future opportunities.

7.3 Legal infrastructure

What is known as the country's administrative bureaucracy tends to organize all staff within the established regulations and administrative organization. In such, the fixed and inflexible regulations circumstances, staff training is conducted in machine manner and while negation of creativity and innovation, determines lower standards for performance evaluation. However, if we have the right people in the organization and functioning but the laws, regulations and organizational structure and activities of the growth opportunities are not available, the possibility of the establishment of competence in practice cannot be provided.

7.4 standardization of criteria to fulfill competency

Standardization as an important aspect of organizational structure plays an important role in achieving the goals of the competency-based management system. Accordingly, the establishment of standards of human resources has been emphasized as one of the main infrastructure. Development standard requires the organizations to eight basic systems that facilitate the establishment of human capital management. These systems are illustrated in Figure 1:

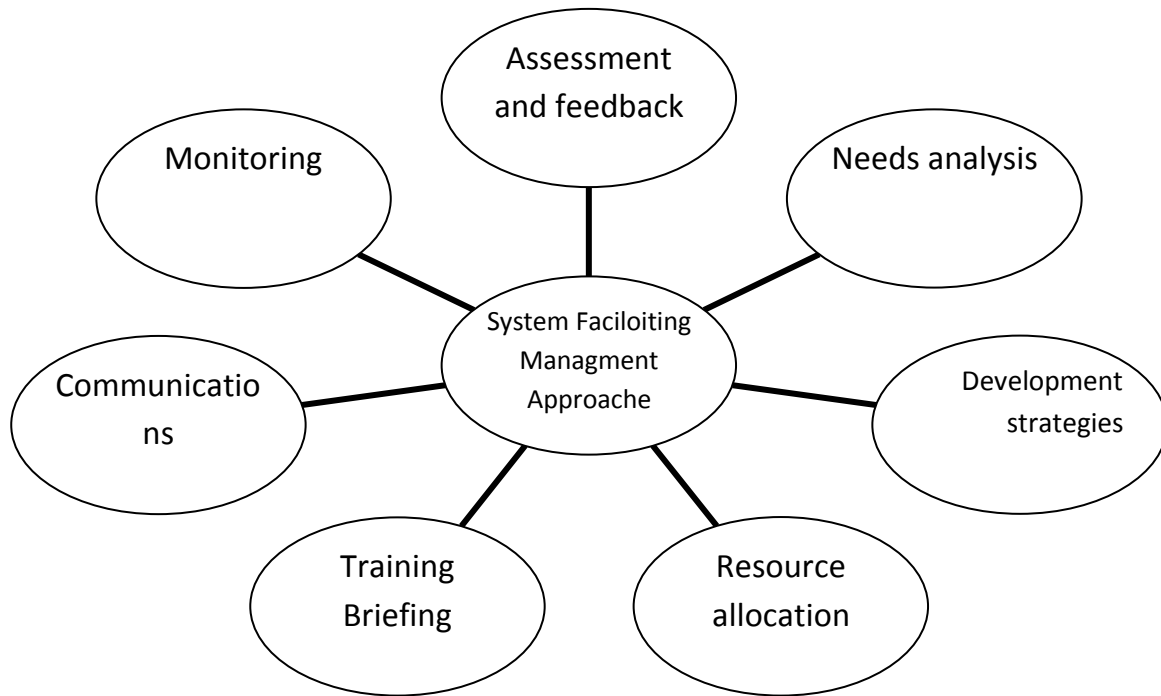


Figure 1 :systems fascinating human capital management system

The actions and measures in staff's development standard are considered in three aspects: set of measures by outstanding leaders to promote staffs competencies, standards measures in developing and strengthen human capitals and finally set of actions on potentials capabilities for develop competencies.

7.5 management infrastructure

One feature of the administrative system affected by cultural and political conditions is centralization. Centralized management system is in conflict with the mission and goals of competency based management as in such an organization, decision making and planning are imposed from the top down and denying creativity and innovation in practice, individual differences and personality cannot be ignored. The management practices should be based on merit system employee participation in setting goals, making decisions, planning and performing the work. Participation is characterized with economic, social and psychological objectives.

7.6 Recruitment infrastructure

Nowadays organizations to attract qualified managers and employees must act in a competitive environment and to measures of effective, transparent and fair to recruit, hire and promote employees. In such circumstances, if the promotion is based on competency and a person serving on the organization's effectiveness and competence in the development and strengthening of the system. Such steps to apply this approach to competency management system absorption, is predicted:

The first step is: to implement a system of selection and validation of the analysis of jobs,

Second stage: Selection of competencies (axial or specific) for each of the jobs.

7.7 Selection and appointment infrastructure

At present, more organizations believe that require efficient systems for planning and advocate from individuals movements and transportations within organizations. Therefore, organizations must support all levels of the career planning, succession planning, the appointment or replacement of the people and the people who have the requisite qualifications to best satisfy individual and organizational objectives and finally provide adequate protection (Dianati, 2009).

7.8 performance evaluation system and payment infrastructure

Competency-based management system is a performance evaluation tool to promote learning and knowledge individual development, rather than a repetitive task management and administrative work. One of the simplest and most common application of the competency approach, placing the criteria for the

promotion of higher level qualifications and lack of competence as part of performance management and evaluation system may be used in the course of the difficulties.

1. The manager's potentials to correct evaluation of the achievement of competencies to the individual validation;
2. The organization's ability to provide the same condition as judged by executives with sufficient stability and justice, to be a fair system to be implemented throughout the organization

7.9 ICT infrastructure

Nowadays, organizations using ICT while fortifying human resources helps people competency via interacting achievements and new information through storing knowledge, information, experiences and databases. In such circumstances, each organization must develop processes the data and information into knowledge and the knowledge based on the needs of the acquired knowledge and technology to create competitive and constructive advantage.

7.10 cross-organizational infrastructure

Organization as an open system compelled to respond appropriately to changes in the external environment, dynamic display, Also today, living conditions, social systems, and legal professionals who engage in it are like a spider web network, under pressure from the international environment which is affected by sufficient information (Dehghanan, 2006).

8. RESULTS

Finally, the results obtained from the implementation of these guidelines are summarized in the following techniques:

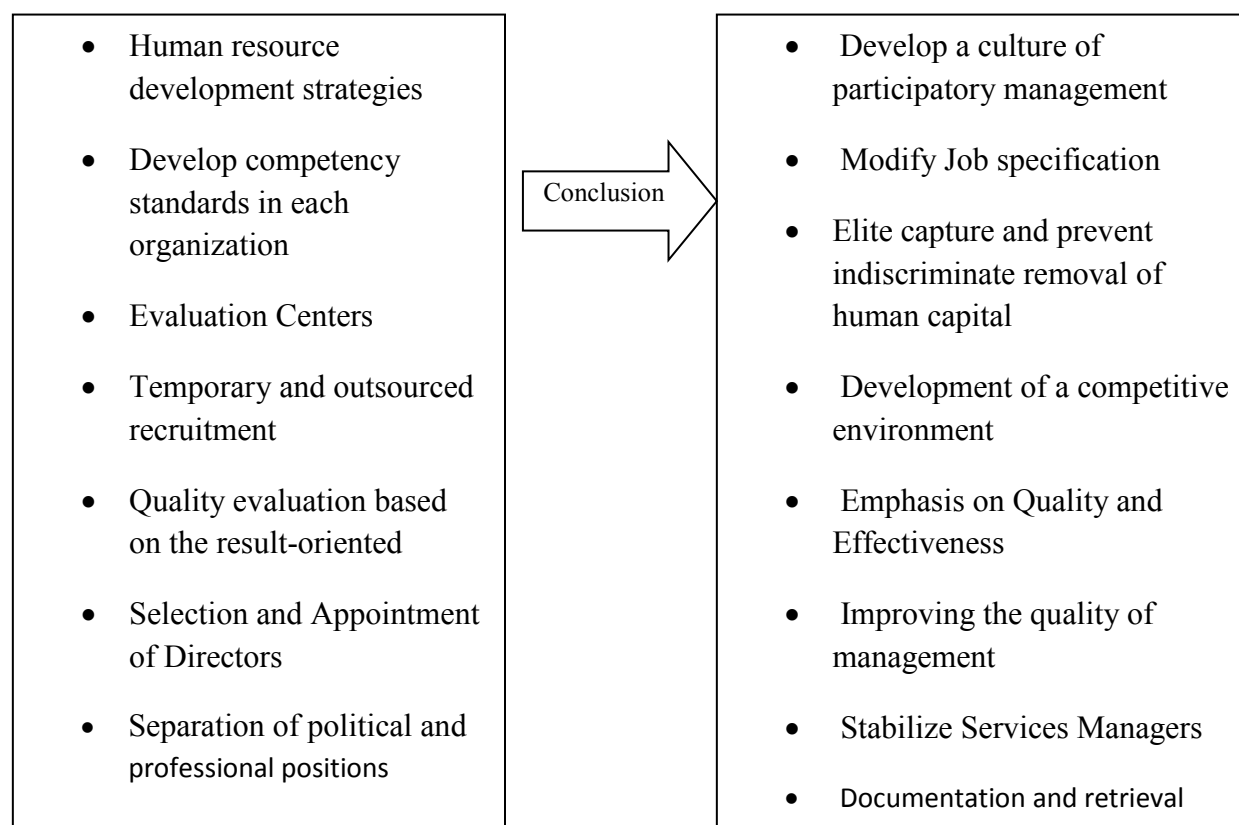


Figure 2: strategies for achieving competence-based management system

9. Conclusion

Proper and efficient use of manpower in the implementation of organizational goals is a key factor in the success of organizations in the current era. To provide staff with duties in accordance with the organization's goals and policies of the organization's goals and nice to play a major role is the concerns of managers. Adoption and rapid development of competency-based approach and its application in staff

development programs more than anything may be promising. The development of human resource management systems approach based on competency, competency models is on the basis of competency models. In addition, there needs to be specialized competency models and development approaches at the macro level as well as need to invest in different fields. At the same time specialized and high-tech companies with environments that are more adapted to rapid changes take benefit more from this approach.

Competency-based human resource management can be successfully applied to facilitate decisions about policies and strategies, and make appropriate allocation of roles and responsibilities of individuals and organizations linked direct relationship between the individual competencies and strategies of organizations. It is suggest that to adopt patterns of competence with regard to human capital for organizations as well as the political and professional potentials for future research.

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