An Investigation into the Use of Competency Frameworks for Recruitment and Selection in a Financial Services Organisation in Dublin.

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Abstract

"The secret of my success is that we have gone to exceptional lengths to hire the best people in the world.” – Steve Jobs, Co-founder of Apple Inc.

The overall purpose of this dissertation is to establish why a prominent financial services Organisation in Dublin uses a competency framework to support their recruitment and selection agenda. The Organisation has significant recruitment and operational targets for the next number of years. It is of fundamental importance that the framework continues to facilitate the hiring of the most efficient and effective employees to enable the Organisation to reach its goals and objectives. This has prompted the researcher to re-visit the competency debate, a debate that has somewhat been neglected in recent years, to assess recent published works in academia and practice around competencies and competency models.

The Literature Review provides a comprehensive examination of literature on competencies and competency frameworks with focus on most recent works. The research uses a qualitative approach for data collection and examines interview responses from the HR function, as key managers of the model and the Finance area, as a sample of business respondents, within the Organisation.

The findings herein establish that, despite a lack of recent academic research in this area, competencies and competency based frameworks are still very much utilised for recruitment and selection in Organisations. Such frameworks continue to provide a consistent means to assess talent.
Declaration

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Date: 26th August 2016
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- Interview Consent/Confidentiality Form
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List of Abbreviations

- Human resources - HR
- PricewaterhouseCoopers - PWC
- Chartered Institute of Professional Development - CIPD
Chapter 1-Introduction

1.1 Title

An Investigation into the Use of Competency Frameworks for Recruitment and Selection in a Financial Services Organisation in Dublin.

1.2 Background

The vigorous expansion of the Irish economy is predicted to continue throughout 2016 and 2017. Activity in the domestic sector is due to remain solid with employment predicted to grow steadily. Wage growth will be strong as the labour market continues to tighten (OECD, 2016).

CIPD support this growth viewpoint, the labour outlook report for spring 2016 reports that employment confidence will remain strong. Almost ¾’s of employers surveyed plan to hire staff in Quarter two 2016 (CIPD, 2016). This positive economic outlook will see Organisations struggling both to retain and to attract talent as employment grows steadily. This has and will continue to lead to a highly competitive jobs market where the balance of power is shifting from employer to employee. This pace of this shift since the global economic downturn has been unprecedented.

CIPD and Hays (2015) found that over ¾’s of the Organisations surveyed experienced recruitment difficulties in the last year with the same number reporting difficulties with staff retention.

Organisations are now being forced to look at current practices to ensure they have awareness around such shifts and to guarantee organisational capability to respond to ever changing market trends. An understanding on how to recruit and select the best employees is vital for future success. Following its acquisition from the State in July 2013, the Organisation at the centre of this research project has been part of one of the world’s leading
life assurance corporations. For confidentiality purposes the Organisation will be referred to as Organisation X throughout the dissertation. Employing over 2,500 staff, with over one million customers in Ireland alone, the company is committed to delivering pioneering products backed by the highest standards of customer service. It has a built a strong reputation in the market. As part of a global group who have approximately $1.2 trillion in consolidated assets under administration, experience and expertise for the Irish business can now be accessed on a global scale.

1.3 Research Topics and Objectives

The purpose of this research project is to establish the fundamental reasons why Organisation X uses a competency framework, with particular focus on use for recruitment and selection. Many line managers believe that the first and foremost priority of HR is staffing. HR are expected to be able to hire and fire in line with business expectations. Organisation X has ambitious plans to grow the business and recruit new staff in the coming years. Such an agenda has prompted the researcher to examine the Organisation's use of the competency based framework which underpins recruitment of future staff.

The four sub objectives of this research question are

1. To define the meaning of the term “competency”.
2. To explore the benefits and limitations of using a competency framework in Organisation X.
3. To determine if competency frameworks are relevant for supporting recruitment and selection.
4. To determine the main reasons for Organisation X using a competency framework.
1.4 Research Justification

For the last ten years Organisation X has used a competency based model to support recruitment and selection practices. With increased buoyancy in the employment market, certain business areas have begun to question whether the competency framework is indeed the best model to support a growing business. It is essential that the Organisation is using the most efficient framework to attract top talent. PwC’s 2015 Pulse Survey found that Organisations are struggling more than ever to find the right people with right skills to drive their business forward (PwC, 2015).

There appears to be a gap in the literature around the use of competency frameworks and particularly in relation to usage of such models in an organisational context in recent years. The researcher feels that it is worth to re-examining the competency framework debate in this context, using a specific sample who have not been part of such a research project previously.

The researcher selected a sample of respondents from within the Recruitment division of HR and a sample within the Finance department. The Finance department were carefully chosen to be part of the research as senior managers in this area have expressed dissatisfaction with the Organisation’s competency model.

1.4 Dissertation Structure

The dissertation contains six chapters. Chapter One is the introduction which acts as a starting point for the research project. The aims and the sub objectives of the research are outlined in this chapter, as is the justification for examining the area chosen. The chapter also includes a brief overview of the Organisation at the centre of the research.

The Literature Review is contained in Chapter Two. Both past and present research from academics and industry experts relating to competency and competency frameworks is examined in this chapter.
Chapter Three is the Methodology chapter. This chapter concentrates on collection of data. Qualitative and quantitative research methods will be discussed along with the rationale for the researchers chosen research method. The chapter addresses how the data was treated, subsequent analysis and any ethical considerations.

Chapter Four is the Findings and Analysis chapter. This chapter highlights the findings from the qualitative research undertaken. The interview questions are discussed in light of the overall aim of the research project and the sub objectives.

Chapter Five is a critical evaluation of the study. Discussion of the outcomes and key themes, comparing and contrasting these themes with the Literature Review are the focus of this chapter.

Chapter Six brings the dissertation to a close. Conclusions and Recommendations for future studies are outlined here. The chapter also contains a personal learning statement. The Appendices contains a copy of the Interview Consent/Confidentiality Form which was issued to the interview sample before any interview took place.
Chapter 2-Literature Review

2.1 Introduction

The pace of change in the labour market following the economic downturn has been remarkable. In just a few years many Organisations have been propelled back into a world of growth and high volume recruitment which is in marked contrast to the landscape of the economic recession. HR literature is now focused on expansion and not rationalising. CIPD and Hays have described the market as the “most buoyant employment market experienced for some time” (CIPD and Hays, 2015, P.7). Such buoyancy complemented by the globalisation of many Organisations means companies are looking to recruit and attract talent in innovative ways.

Human capital is now an Organisations most important asset. The time has come for Organisations to face the word of employee engagement and feedback to address the ever increasing problem of retention (Deloitte, 2016). With the current landscape in mind, this chapter will review literature on competencies, comparing and contrasting different viewpoints as well as examining the benefits and limitations of competency frameworks. It’s important to understand the origins of the competency construct to achieve the ultimate goal of understanding why Organisation X uses such a framework and what the perceived benefits of using such a framework are to the Organisation.
2.2 What are Competencies?

Agreeing consensus on the term “Competency” has proved challenging for academics and practitioners alike. Stevens (2013) supports this assertion by referring to the apparent lack of agreement among experts in the area, Shipmann (2000) argues that a competency has no meaning apart from the definition one attributes to it. Boyatzis (1982) has a different view. As one of the early contributors to this debate, he believes there is a good consensus that competencies underlie effective or superior performance. This notion of superior performance is reiterated in the work of (Ryan, Spencer and Bernhard, 2012) who find this concept especially well-suited for research and applied practice on competencies.

The researcher believes that the Corporate Leadership Council offers a solid definition for practice. Competencies as described as the knowledge, behaviours and skill that a person must have, or must acquire, to be an effective performer in a specific role (CEB, 2006). Competencies reflect an awareness that job performance requires not only results but also behaviour and attitude and are typically developed in a top-down fashion from a strategic perspective. Creating a common set of competencies supports the Organisation’s vision and values by aligning the competency of its employees to organisational goals, mission and values. Employees and potential employees understand the behaviour the Organisation expects to ensure it delivers results and achieves goals in line with organisational values (CEB, 2006).

One theme that isn’t common in the discussion around defining competencies, yet has been noted by the researcher, is the idea that competencies are difficult to define as they have broadly developed in two different ways. In the US much of the work has concentrated on identifying competencies for superior performers- the purpose being to recognise competencies and select, train and develop others to emulate behaviour. This point of view, addressed by Boyatzis (1982) is echoed by Sengupta, Venkatesh and Sinha (2013). They describe as notable from their observations, the fact that all definitions of competencies are
linked with superior performance and competitive advantage. In other parts of the world, take the UK for example, competencies were applied in the development of standards for main occupational groups- the principal outcome of which has been the development of the National Vocational Qualifications (NVQ’s). Engwall and Zamagni (1998) have described the UK as a late adopter in the area of competencies where the movement followed the work of McClelland and Boyatzis in the US. The US competency based approach was dominated by behavioural aspects whereas the EU conceptualised competence as an integrated approach. This cohesive approach combined knowledge, skills and attitudes together (Mulder and Collins, 2007).

Prahalad & Hamel (1990) discuss competencies from the point of view of competitiveness which is in marked contrast to the concept of superior performance introduced by Boyatzis (1982). Reporting that competitiveness is derived from an ability to build core competencies within an Organisation, competencies provide a source of competitive advantage by allowing individual businesses to adapt quickly to changing opportunities. Competitive advantage is gained by developing competencies specific to an Organisation which should be difficult for competitors to imitate. The idea of competencies supporting competitive advantage is common in literature and one of the main reasons Organisations have adopted competency frameworks. Edgar and Lockwood (2011) believe that competencies lead to the creation of product and services which contribute positively towards competitive advantage in the market place.

To deal with the constantly changing world and to sustain itself in competition Organisations need to establish uniqueness. Managing talent and competencies is a major focus of Organisations in a volatile market. Current business environments forces Organisations to think in highly innovative ways to remain competitive, allowing competency mapping to become an important tool in the “knowledge centric” economy (Sengupta et al., 2013). Matching employee competencies and job requirements can improve organisational performance and employee performance leading to enhanced job satisfaction (Spencer, McClelland and Spencer, 1992). The resource based view (RBV) of an Organisation
emphasises the importance of identifying an Organisation’s core competencies, how to use them and the value creation that can be achieved throughout the process (Brem, Maier and Wimschneider, 2016).

2.3 The Origin of Competencies and Competency Frameworks

The idea of measuring competence was deemed to have originated in 1973 with McClelland who studied approaches to testing individuals. Still recognised as a key contributor in this area, he proved that success is not based on intelligence alone but on competencies which are expressed in terms of behaviour (Jevscek, 2016). Prior to this intellectual ability was the focus of testing for potential candidates with little emphasis on any personal or behavioural attributes. McClelland is widely credited with being one of the first academics to promote the fact that intellect was not an adequate predictor of high performance. The greatest challenge for Organisations and academics once the concept of competency was identified was to accurately define what the term really meant.

As academic discussion gathered pace in the 1980’s debates on categorising and labelling approaches as well as defining competency and competency frameworks also emerged. Described by Stokes and Oiry as “unhelpful” and “self-indulgent” (Stokes and Oiry, 2012), debate still remains around actually operationalising the term (Sengupta et al., 2013). Boyatzis (2008), argues that academic work on the notion of competencies has trailed practitioners due to the fact that much competency validation has been undertaken by employed consultants who have little or no time for documenting and validating results. This viewpoint is interesting albeit it a less common one in the literature. Practitioners such as Flynn argue that it’s the strong lack of consensus among researchers about definitions such as skill, competence and behaviour which has resulted in an absence of published work (Flynn, 2014). Flynn’s perspective is echoed in the earlier work of Clardy, who reports that the core competency construct suffers both conceptual and operational confusion. However both practitioners offer different positions as to why this is the case. Clardy quantifies the reason as being largely due to poor consideration given to the role of the HR function in the
implementation of such a construct in HR literature (Clardy, 2007). This disparity in debate supports what the researcher has observed from reviewing the literature, while numerous academics have attempted to define the meaning of competency and to create a common understanding of competency frameworks, this still hasn’t been achieved.

The use of competency based frameworks, developed in the 80’s became more popular in the 1990’s for recruitment and selection purposes and indeed in day to day HR activities. From the term competency came the idea of competency modelling or competency framework building. A competency model is a framework for organising a collection of observable skills, behaviours, and attitudes. A competency framework is designed to reflect the core competencies of an Organisation. A competency framework within an Organisation may be used to structure selection processes, training and development programmes and performance appraisal templates, providing an integrated and coherent approach to the management of an Organisations human capital” (Sutton and Watson, 2013, P. 1025). One of the key factors in building a framework is establishing a set of core competencies that would apply to all employees (Bonder, Bouchard and Bellemare, 2011). The format or appearance of a competency will depend on many factors such as, what type it is, how many competencies there are in the framework, specific organisational preference etc. Once key competencies have been defined they can be used as base on which to build and strengthen other human resource systems such as recruitment and selection, talent development and performance appraisals. This idea is supported Brans and Hondeghem (2005) through their analysis of competency frameworks in the Belgian government. The government were seen to have “picked up” competency management ideas and moulded them to fit their agenda. There are no hard and fast rules for designing either the framework or the definitions. Common methods of developing competency models include surveys with executives, comparisons to the literature available and interviews with professionals who are in a position to establish what superior performance looks like (Goldman, Scott and Follman, 2015). The ultimate aim of such a framework is to ensure fairness and consistency in comparison and assessment.
Different schools of strategic HR management emerged in the 1990’s. One school of thought - the resource based view (RBV) of an Organisation was beginning to receive attention in strategic management literature (De Pablos and Lytras, 2008). With this came the concept of firms developing their internal resources to harness sustained competitive advantage. Strategic HR management ultimately meant HR stepping out of the administrative shadows to partner with the business in the delivery of business goals. HR Managers were now expected to “play a fuller and more strategic role than their forbears in analysing and supplying the needs of the business. To do this, they are being increasingly educated in the business context parts of an Organisation, and, thus the HR manager becomes a performer in the success of the Organisation” (Greener, 2010, P.7).

The ability to leverage the skills and talent of HR professionals for competitive advantage is an important theme in strategic HR literature (Ellinger and Ellinger, 2013). Prahalad and Hamel (1990), emphasised the importance of competencies at this time by stating that competencies were an Organisations most important intangible asset. With interest in competencies rising rapidly a survey by Cook and Bernthal (1998) revealed that 75% of Organisations surveyed used competency based methods. Boyatzis (2008) reports that by 2008 almost every Organisation with over 300 people use some form of competency based HR management.

2.4 Benefits & Limitations of Competency Based Frameworks

A considerable amount of the research on competency based frameworks is theoretical. Despite the prevalence of competency models evaluation in literature has been scarce (Stone, Webster and Schoonover, 2011). From comprehensively reviewing the literature, the researcher concurs with this analogy, while the benefits and limitations of such a framework are evidenced by high usage levels in Organisations, there is a gap in the literature on the measured benefits of competencies to an Organisation.
Some researchers, for example, Almatrooshi, Singh and Farouk (2016), discuss theoretical competency frameworks in the context of organisational performance. Their research found that leadership is an important competency in any Organisations future success and they go further than most by proposing a framework to measure the role of competencies in influencing performance. The research recommends testing to proposed models in an empirical setting as the model has not been tested, purely proposed. Further testing would provide valuable information to the Organisation in terms of framework relevance and validity. Little however appears to be suggested around how to test for such validity. For many Organisations it isn’t sufficient to report that competency frameworks enhance competitive advantage without fully supporting this hypothesis. Rangriz and Soltanieh’s, (2015) research paper used quantitative methods to evaluate the effect of managerial competencies and organisational capabilities on organisational effectiveness. Cluster sampling techniques of knowledge based workers in different geographical locations were used to achieve an accurate representation and surveys were issued to all respondents. The findings reported that using managerial competencies had a positive effect on organisational performance. There is some ambiguity in the research around the definition of the term effectiveness but the authors do mention other studies (e.g. Boyatzis (2008), Zaim, Ysar and Unal (2013) who also reported similar positive relationships between competencies and organisational performance (Rangriz and Soltanieh, 2015).

The idea of competency frameworks proving to be cost effective is evidenced in the literature but this needs more practical investigation. It is the view of the researcher that further investigation of the cost effectiveness of such a model would render the literature more useful in practice. Nath and Raheja, (2001), purport that by matching a potential employees to a job using a competency framework at the recruitment stage, this lowers turnover and creates higher productivity. It creates a better job-person match. An interesting article on IKEA’s core competencies reiterates this point in practice. The Organisation has developed a sustainable business model in the United States. IKEA has focused its strategy on the core competency of sustaining profitability through a low-cost business model. This allows the
Organisation to examine the true cost involved in a specific product or process, including the design, sourcing, and operational expenses involved. While growing its operations, IKEA has also taken advantage of preserving low costs. (LinkedIn, 2016)

A study conducted by Sutton and Watson (2013) is extremely valuable to the competency debate as it attempts to actually measure the benefit of competencies throughout the employee life cycle. The Organisation used in the research model linked competencies ratings at recruitment and selection through to job performance and development needs. The researcher’s analysed scores from interviews on a sample of employees (over 200) and compared these with their scores against the same competencies at appraisal stage. The outcome of the analysis highlighted two significant findings. One of the most interesting findings from a core competence and indeed cost saving point of view was the high correlation with ratings on three particular competencies at section stage to employment outcomes. Leavers scored lower on three specific areas compared to those in the sample who remained in employment. The Organisation may wish to focus on these competencies in the selection process to avoid turnover costs (Sutton and Watson, 2013). The competency framework adopted was also purported to help identify future training and development needs which is essential for an Organisations talent planning (Sutton and Watson, 2013). Both findings are important as they go further than most to advocate the quantifiable benefits of competency frameworks to an Organisation.

A different, yet valuable perspective on the benefit of competency models, is evidenced by Alban-Metcalfe and Alimo-Metcalfe (2013) as part of their paper on the reliability and validity of a diagnostic tool for leadership. They report that a competency framework can achieve “fitness for purpose” if empirical sector specific research is embarked on to ensure that what is evaluated is relevant to managers and is not generic.

For the researcher this further supports the assertion that specific competency models need specific organisational evaluation. Evaluation is essential to maintain one perspective on competency modelling was one which stated that executives’ pay more attention to
competency modelling, making competency modelling the preferred option for Organisations (Campion, Fink, Ruggerberg, Carr, Phillips and Odman, 2011). The academics also report what the researcher has found while examining the literature, that there is little evidence of best practice literature on competency modelling (Campion et al., 2011).

One repeated criticism of competency models is that they are behaviour based, there is a lack of emphasis on skill. The focus is on people and not process with models reflecting behaviourally specific descriptions of the required competency (Mansfield, 1996). When academia thinks it has developed sounds knowledge to guide practice there is often little connection between academia and practice (Cascio, 2015).

Criticisms have been levelled with justification at poorly-developed frameworks that reflect a lack of understanding around competencies. Johnson and Dimitratos (2014) refer to points raised by Leonard-Barton (1992) that if not monitored correctly core competencies can be transformed into core rigidities, they can be hindered by their dysfunctionalities- referring to the belief that models don’t blend skill, capability and knowledge correctly.

While competencies and competency models have not escaped censure, such criticisms do not necessarily detract from the usefulness of competency frameworks. They merely highlight the need for care and understanding when developing and implementing such frameworks (CIPD, 2015). Core competency models need to link the competency at individual and organisational level to ensure success. A clear map of strategic content and context should enable a company to attain its strategic goals (Yang, Wu, Shu and Yang, 2006). The link between competencies and competitive advantage is a common theme throughout past and present literature on competencies yet competence models will suffer if not implemented correctly. Redmond’s research aligns with this assertion by stating that competency models have been a source of tension for employees especially when they are unable to see their individual fit into such a model or when there is a distrust around management strategy (Redmond, 2013).
2.5 Competencies in Recruitment and Selection

The research question aims to address the use of competencies and competency based frameworks with particular focus on recruitment & selection.

Recruitment is about creating a world class company on the back of a strong workforce (Aravamudhan and Krishnaveni, 2015). To build a world class company it is imperative that an Organisation can attract and select the right talent in the most efficient manner. The recruitment of a workforce who are able to adapt to the ever changing business environment has been characterised as being among an Organisations most difficult task (Potnuru and Sahoo, 2016).

Described as the most visible function within HR, the recruitment function is at the forefront of such a task, widely regarded as the gateway for new employees into an Organisation (Jepsen and Grob, 2015).

There has been a certain scarcity in new perspectives and publications around the use and indeed continued relevance of competencies in recruitment and selection in recent years. This should be borne in mind throughout the following discussion. During the course of the 1980’s, 90’s and early 2000’s a considerable amount of research around competency and competency frameworks in recruitment was conducted. This appears to have lessened with the economic recession of the mid 2000’s. CIPD and Hays (2011) reported that there was a substantial fall in the number of vacancies large Organisations (5,000+ UK employees) were trying to fill. The number had fallen from a median of 550 in 2009 to 200 in 2010. Gunnigle, Lavelle and Monaghan (2013), report similar findings in Ireland. From 2001 to 2008 job growth remained consistent, with a dramatic decline in 2009. Between 2008 and 2009 full time employment fell by 9.8% in foreign owned companies. The focus of the era had shifted from maintaining competitive advantage to survival in a global decline. This resulted in a change of focus in the emergent literature. Levashina, Hartwell, Morgeson & Campion (2014) note the fact that there has been little in the way of comprehensive literature on competency models in the form of structured interviews in the last twenty years. With
increased globalisation, there has been a marked increase in literature around the role of social media in recruitment. Traditional recruitment models are now coming under the microscope with the bourgeoning of online recruitment channels, resulting in less focus on frameworks which underpin the recruitment strategy.

The introduction and subsequent management of competency frameworks are viewed by some practitioners as a complimentary methodology to other HR practices (Rejas-Muslera, Urquiza and Cepeda, 2011). While the process of attracting and ultimately identifying the most suitable candidates is constantly changing, competency based frameworks are still the most utilised option in supporting an Organisations recruitment strategy. Many Organisations continue to utilise competency profiling as a means of setting the criteria against which to select (Torrington, Hall, Taylor and Atkinson, 2011).

The fact that so many Organisations still use competency based frameworks is testament to the fact that the concept has been more than just a passing fad. If we look at competency based selection interviewing under the competency model, this structured method is well recognised as a reliable technique for establishing suitability. The process of competency interviewing is widespread (Martin and Pope, 2008). One of the most consistent findings on employment interviews is that structured interviews are more reliable and valid than unstructured interviews. Reliability and consistency are achieved by establishing rules for questioning, observing and evaluation (Levashina, Hartwell, Morgeson and Campion, 2014). Competency based interviews are based on a defined framework around the core competencies of the Organisation, relevant to the job specification. Each competency question is structured and designed around the skills necessary to perform the role. Candidates are asked questions relating to their behaviour in specific situations, which they need to back up with examples. This allows for a more structured process for both the interview panel and the candidate during the interview process. Bagga and Kanna (2014), describe how Dell use such competency based interviewing methods to elicit details about an individual’s past performance to determine suitability to the Organisation. Such a method has proved successful and is proven by continued use.
Organisations achieve consistency and equity of treatment by making sure that the same structured procedure is carried out for each selection process and that any given competency is defined in the same way across the whole Organisation. Finkleman (2010), makes the point that Organisations need to provide an equitable opportunity for candidates to be selected. This cannot happen if candidates are not exposed to identical information. Data emerging from Zhang and Zhang’s (2015) study into justice perceptions of Chinese civil servant candidates’ recruitment exam further supports this argument. Analysis of data found that predictive validity and consistency in treatment had significant effects on the candidates over all justice perceptions of the recruitment process.

In 2015 CIPD & Hays report that 77% of survey respondents still use competency based interviews to select applicants (CIPD and Hays, 2015). The use of such a framework comes as a shock to some researchers. Garcea, Isherwood and Linley, (2011) expressed open surprise that three out of four Organisations in both the US and the UK still have a core competency framework in place. This proves incredible in light of their argument that generic competency frameworks are unable to predict job performance. The researcher believes this argument is flawed, generic frameworks are widely reported as unsuitable for any Organisation. Industries with specific core competencies can create or offer services and products with more unique features than their competitors (Lee and Tsai, 2012). Miles and Sadler Smith (2014) further support this claim by agreeing that a “one size fits all” approach to structured recruitment will not be successful.

CIPD’s People Management November 2015 edition discusses how Organisations can introduce flexibility while still creating conditions that encourage productivity (CIPD, 2015). This idea of flexibility is reiterated in an interview with a leading HR professional. Success is all about flexibility and the ability to react to customer needs (Cunnington, 2013). Hawkes and Weathington (2014) comment that Organisations who use competency based approaches can take advantage of a flexible workforce by recruiting, selecting and developing candidates’ with the skills required for successful performance. Inflexibility
comes from rigid models where there is no room for change to adapt to shifting organisational needs. The idea that Organisations use competency models inflexibly in many Organisations is discussed by Martin and Pope (2008). This will effect an Organisations competitive advantage. By constantly reviewing the relevance of the model in the face of change and indeed ensuring that all users understand what it can and can’t do will lead to enhanced validation of the framework. The model by its very nature is intended to guide and provide a tool for success. It’s not a straightjacket whereby elements can’t be adapted or redefined where necessary.

2.6 Competency Framework adopted by Organisation X

While it is tempting to use competencies that are freely available from ready-made sources, most successful Organisations prefer to develop their own framework and tailor competencies to their Organisation. This has been the case for Organisation X. The problem with generic competencies, which are based on occupational analysis of representative groups of employees, is an underlying assumption around the uniformity of responsibilities and corresponding competence requirements across the Organisation (Soderquist, Papalexandris, Ioannou and Prastacos, 2010).

A complex competency mapping exercise was carried out by Organisation X to establish an appropriate framework. At a simplistic level structured interviews with senior contributors as well as a participatory process in the form of focus groups set up across the Organisation helped determine the final framework. This was driven by HR. The main objective of this exercise was to conduct a complete analysis from the ground up- i.e. -what competencies look like at the initial job profile stage. Competencies identified and selected were incorporated all the way through different processes in the Organisation (e.g. training and career progression) (Sridiya and Basu, 2015). Competency models should be introduced with the ultimate aim of realising an optimum combination of work environment and employee potential that benefits both the employee and the Organisation (Baran and Klos, 2014). Stone, Webster and Schoonover (2011), reported that 69% of respondents used
competency modelling in their Organisation with over half reporting that competency frameworks have been in place for more than five years.

The Organisation has adopted a competency framework which uses a mix of knowledge, skills, abilities and other behavioural characteristics required to be an effective performer in a role. This is similar in nature to the KSA (knowledge, skill and ability) model published by the US office of Personnel Management (Kasser, Hitchins, Frank and Zhao, 2013). The core competencies are not specific to any occupation - for example one could demonstrate the competency of “leadership” or “teamwork” in performing any role. To complement core competencies individual departments are encouraged to define technical competencies relevant to their area.

In regard to recruitment and selection, competency based interviews are structured around the competencies model and the individual competencies are listed on the job specification so candidates know which competencies are central to the role and require assessment at interview stage. Competencies are mapped to behaviour based interview questions suitable for the level of the role for which the Organisation is hiring (McEntire and Green-Shortridge, 2011).

The competency profiles are designed to be linear; for example, those at a higher leadership level are expected to possess at a proficient level, the behaviours that comprise the lower level leader profile. More specifically, managers are expected to have mastered or be proficient in non-managerial behaviours, and senior managers are expected to have mastered manager and non-manager behaviours. The reason for including the same behaviour in different levels is that the same behaviour may be required, yet how it is articulated at that level, or the scope or freedom to act at a particular level, will differ. For example, all leaders may be required to effectively lead change efforts, yet the breadth, scope and complexity of the change initiative may vary by level so that leading the change effort will truly require different skills and abilities at different leader levels.
2.7 CIPD Viewpoint

CIPD echo what academic literature largely reports- that competencies and competency frameworks can be extremely useful in a number of settings from recruitment to development, and performance management.

In practice CIPD believe that competencies will be successful in supporting decision making if they reflect the needs of the Organisation in terms of “skills, experience and behaviours” while reflecting the Organisations ethos and values. To remain useful, competency frameworks should be continuously reviewed against the needs of jobs and guided by future-focussed workforce planning which constantly assesses and re-assesses the nature and requirements of future roles (CIPD, 2015).

2.8 Conclusion

The overall objective of the study is to assess the relevance of competencies and competency frameworks in Organisation X. This chapter has reviewed the literature available, with a view to addressing different perspectives from academics and scholars in the area. It was also important to address CIPD’s viewpoint on the subject area as literature from CIPD has a big impact on what happens in practice.

A major element of the review was defining what competencies and competency frameworks are. There are many widely held views on what constitutes a competency and this has been analysed throughout the research. The objective of analysing these views was to develop an understanding of the theoretical underpinnings of the competency approach and to decipher if adhering to a competency framework is relevant to Organisation X in the current environment.

The researcher believes that there is a gap in the literature around the measurable benefits of using a competency framework to an Organisation. There is a re-occurring theme of competencies resulting in enhanced performance and competitive advantage throughout the
literature. A more measurable analysis would further strengthen the use of competency framework as a tool to enhance competitive advantage.
Chapter 3-Research Methodology

3.1 Introduction

This chapter outlines the methodology adopted in this research project. This includes the research framework, the research philosophy and the appropriate approach used to address the research problem and questions. The objective of the research was to determine why Organisation X uses a competency framework therefore the methodology design must correlate with the research objectives.

The data sample and its analysis will be outlined as well as limitations of the research and any ethical considerations.

The researcher will also examine the use of semi structured interviews as the qualitative research instrument adopted while outlining the advantages and disadvantages of such an instrument.
3.2 Research Framework

For the purpose of this research Saunders, Lewis and Thornhill’s “Research Onion” was used. It should be noted that as a result of this, the work of Saunders, Lewis and Thornhill was drawn on throughout this chapter.

The onion consists of five layers, it is suggested that the researcher must peel away each layer to determine the most appropriate research strategy, design and methodology.

“The Research Onion” (Saunders, Lewis and Thornhill, 2012, P. 128)
3.3 Research Philosophy

The decision to approach a research study from a quantitative or qualitative stance depends on the nature of the research questions driving the study, previous work completed, the design structure and the contributions the researcher is hoping to receive (Johnston, 2014). The development of the research question is driven by one’s own ontological and epistemological view (Johnston, 2014). Epistemology and Ontology represent the two different philosophical positions which are most notable in research. Each contain important differences and influence thinking around the research process and refer to the particular view of knowledge and the process by which it’s developed (Saunders et al., 2012). A discussion of philosophy essentially involves debates around epistemology and ontology (Singh, 2015).

Epistemology considers broader, philosophical issues relating to the actual nature of knowledge and what constitutes acceptable knowledge in a field of study (Cunliffe, 2011). The researcher has chosen Saunders et al’s “Research Onion” to underpin the research framework and to that end their definition of ontology is one relating to the nature of reality (Saunders et al., 2012).

Adopting a process ontology implies seeing the world in a state of perpetual change. The process offers a richer image of what the research is about and a richer image of the experience of completing the research (Sergi and Hallin, 2011).

The researcher relates more to the ontological perspective which encompasses the notions of feelings and attitudes as a social phenomenon. For the purpose of the research an interpretivist approach was used. The scope of the research does not allow for detailed analysis of other approaches. Interpretivism advocates the necessity to understand humans as different social actors. The emphasis here is on social actors, conducting research on people rather than objects. (Saunders et al., 2012). This is particularly relevant to this research project. Ontological interpretivism (or subjectivism) assumes a subjective reality as seen by individuals as it’s socially constructed. This leads to the assumption of
numerous realities when conducting research (Collis and Hussey, 2009).

3.4 Research Approach

As evidenced by the” Research Onion” in section 3.1 there are two approaches to research, namely deductive and inductive. Deductive logic is used to hypothesise theories that can be tested (Yin, 2014). Deduction drives knowledge of individual phenomena from universal laws whereas induction is a process from which observations of a limited number of events, collectively applicable conclusions are drawn (Hladys-Rispal and Jouison-Laffitte, 2014).

A key point on deduction theory is that concepts need to be operationalised to enable facts to be measured quantitatively, samples of sufficient numerical size need to be deployed in order to generalise statistically about consistencies in human social behaviour (Saunders et al., 2012). Induction is about building theory. Researchers using an inductive approach are concerned with context of events, therefore a small sample of subjects may be more appropriate than a large number as evidenced by the deductive approach (Saunders et al., 2012).

The researcher is using an inductive approach. The objective of the research is to determine why Organisation X use a competency based framework. The research objective requires the intuitive approach of qualitative methods, gathering and examining data in a manner that reveals detailed aspects about the topic (Kirchoff, Omar and Fugate, 2016).

3.5 Research Instrument

The main ways of gathering qualitative data are interviews, observation techniques and documents, with interviews being extensively engaged as they provide an effective and well-developed way of understanding perspective and getting expertise (Punch, 2005). Research methods utilised in the interpretivist paradigm tend to be less structured and focus on inquiry over proof (Ragsdell, 2009).
The data collection method chosen was face to face semi-structured interviews on a one to one basis. Interviews were deemed to be the most appropriate form of data collection method as they allow the researcher to act on social cues such as body language. They also allow the interviewer to record the interview through written and tape recorded notes; and, respond directly to answers or comments from the interviewee (Opdenakker, 2014). Focus groups were considered before embarking on interviews. Horn (2009) describes a focus group as a recorded discussion with four or more people, allowing the researcher to gather different opinions from the group. The researcher decided against this method due to the possibility of some interviewees not feeling comfortable to share opinions in front of the group. The preference for engaging individually instead of through group research methods is consistent with fifty years of research (Schirr, 2012).

Interviews were conducted within Organisation X. Six interviews in total were conducted. All interviews averaged at 30-45 minutes per interview. This was in keeping with previous research which emphasised in depth analysis of a relatively small number of participants. (E.g. Foote, 2001). In an attempt to minimise distractions all interviews were held in a conference room away from the respondents respective business areas.

The format adopted was semi-structured in approach in order to allow the respondent to elaborate on the subject area, while at the same time providing scope for question adaptation as the interview unfolded (Rowley, 2012). Respondents were encouraged to speak openly and freely and in doing so, a certain interview ‘flow’ developed.

To allow for effective analysis of each interview the process was conducted over a four week period. Collection and analysis of qualitative data are resource intensive, sample size tends to be smaller than standard closed ended surveys (Starr, 2004). They tend to be constructed “purposively”. Purposive sampling refers to the construction of the sample in a way that enables the fulfilment of the research objectives (Starr, 2004).
All interviews were recorded via mobile phone. Each participants permission was sought prior to the interviews been conducted, the detail of which was included in an Interview Consent/ Confidentiality Form. Similarly, participants were asked to consent to hand written notes been taken during the course of the interview. Shorthand notes were taken, this was to ensure the interview remained relaxed and fluid in nature. The qualitative approach strives to study responses in an uncontrolled, natural environment (Jervis and Drake, 2014). The researcher asked open ended questions to develop thoughts and responses on each question but did not attempt to guide the respondents by using subjective language. The notes were re-written in conjunction with recordings on the interviewer’s mobile phone. This ensured that all relevant information was captured for further content analysis and also to enable the researcher to establish any key themes emerging from the interviews.

3.6 Advantages and Limitations of Interviews

Qualitative interviewing remains one of the most prominent and utilised methods at all levels of research (McLachlan and Garcia, 2015).

Most modern inductive approaches such as grounded theory or thematic analysis are grounded in listening to respondent’s perceptions of the social world, interpreting them and subsequently producing a theory that attempts to generate a context bound understanding (Mojtahed, Nunes, Martins and Peng, 2014). The issue of subjectivity and the fact that validation of interpretation is not assessed is evidenced in preceding literature such as the work of Myers and Newman (2007). Describing the research interview as an “artificial situation” where the interviewer may be viewed as intruding on a social setting which can interfere with the interviewee’s behaviour. Kvale and Brinkmann (2009) take a different view. Their assertion, which is much more prevalent in the literature, is that the research interview is a professional conversation where “inter-views” are exchanged and knowledge is built in the interaction between interviewer and interviewee. Foote (2001) argues that a small sample allows the interviewee to relax in the interviewers company and provides an opportunity for in depth reflection on thoughts and experiences.
The researcher utilised interviews as the most appropriate means of data collection given the nature of the inductive research. The researcher guided the dialog, clearing up and confusion that arose and remained neural so that the respondent’s remarks are not biased by the researcher’s behaviour (Luis and Anderson, 2003).

3.7 Research Sample

For the purpose of this research convenience sampling was used as the researcher needed access to individuals working in Organisation X only. The sample comprised of HR representatives within Organisation X and Finance Managers within the same Organisation. In terms of HR representatives one was at managerial level, the other two were both operating at a specialist level. From the Finance area, one contributor was the Head of Finance, both other managers interviewed operate at middle management level.

3.8 Data Analysis

In-depth interviews, in conjunction with the main themes to emerge from the literature review, formed the basis and platform for the analysis of the research aim and sub objectives. All information retrieved would be analysed in alignment with the aims and sub-objectives. Due to the subjective nature of this research and the potential for researcher bias, the analysis was largely descriptive, allowing the participants’ accounts to speak for themselves.
3.9 Research Limitations

The main concern and potential limitation of this research was identifying the correct number and pool of participants. The researcher originally planned to include eight participants in the research pool, however, the actual number interviewed was six. For a study of this kind, six was believed to be a satisfactory number, mainly because of the research objectives and the need to unearth issues of great importance through purposeful sampling (Patton, 1990). Where purposeful sampling is the goal, representative sampling is less of a concern (Curasi, 2001).

The research also had a split of four women and two men. Ideally there would have been a 50/50 split. As the research approach is subjective nature, and as such, the research findings will be representative of the findings of those working in Organisation X only. However, this does not take away from the significance and importance of conducting such research as it affords an opportunity to understand why Organisation X uses a competency frameworks which is the stated research aim.

One final limitation was that the researcher did not perform a pilot study. This would have been useful in further defining key questions and potentially preparing the researcher to deal with undeveloped or lack of elaboration to questions posed.

3.10 Ethical Considerations

There were various ethical considerations the researcher was conscious of while conducting this research. It was important that the Organisation at the centre of the research remained anonymous and that the individuals who participated in the research were afforded the same anonymity.

A brief meeting was held with all respondents before the interview to explain fully why the research was being conducted and what would happen to the information they provided. Respondents were also made aware that the information was solely for academic use only. This was also outlined on the Interview Consent/Confidentiality Form.
3.11 Conclusion

The “Research Onion” was used to summarise the methodological framework for the research conducted at the start of the chapter. This provided direction for the researcher to discuss the subsequent research philosophy and adopted approach to the research. Semi structured interviews were chosen as the research instrument, advantages and limitations to this approach were discussed.

The sample used in the research, along with analysis of data, limitations of the research and any ethical considerations were also explored in this Chapter.
Chapter 4 - Research and Findings

4.1 Introduction

The aim of this chapter is to present the findings of the research undertaken within Organisation X. The interview questions were designed to ensure they corresponded with aim and the four main sub objectives of the research. These were:

1. To define the meaning of the term “competency”.
2. To explore the benefits and limitations of using a competency framework in Organisation X.
3. To determine if competency frameworks are relevant for supporting recruitment and selection.
4. To determine the main reasons for Organisation X using a competency framework.
4.2 List of Participants

Table 1 provides a profile of the interview participants. These participants were mixed in terms of position and gender with four out of six participants being female.

**Table 1: Profile of Interview Participants**

<table>
<thead>
<tr>
<th>Number of Respondents</th>
<th>Position</th>
<th>Male/Female</th>
<th>Years in Organisation X</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Recruitment Manager</td>
<td>Female</td>
<td>10</td>
<td>HR</td>
</tr>
<tr>
<td>R2</td>
<td>Senior Specialist</td>
<td>Female</td>
<td>3</td>
<td>HR</td>
</tr>
<tr>
<td>R3</td>
<td>Specialist</td>
<td>Female</td>
<td>6 months</td>
<td>HR</td>
</tr>
<tr>
<td>R4</td>
<td>Head of Finance</td>
<td>Male</td>
<td>32</td>
<td>Finance</td>
</tr>
<tr>
<td>R5</td>
<td>Manager</td>
<td>Male</td>
<td>8</td>
<td>Finance</td>
</tr>
<tr>
<td>R6</td>
<td>Manager</td>
<td>Female</td>
<td>5</td>
<td>Finance</td>
</tr>
</tbody>
</table>
4.3 **Analysis of Results**

The researcher intends to analyse all results by the sub objectives, as mentioned in the introduction to the chapter. The findings will be discussed in conjunction with the literature review in the next chapter.

1. To define the meaning of the term “competency”

The researcher’s first objective was to determine the understanding around the term “competency” from all respondents. Two introductory questions were asked to build rapport with the interviewees and to help create a comfortable atmosphere for the duration of the interview. Question 1 asked the employee how long they worked for the Organisation. The six respondents varied in length from 6 months to over 30 years. Question 2 asked how long each person has been involved in the recruitment and selection process. Answers varied from 3 months to over 25 years. In Organisation X only when appointed to manager level will an employee be part of the recruitment and selection process. This process is carried out in conjunction with HR. Before proceeding to question 3 all interviewees were advised that the next series of questions related to the competency framework utilised by the Organisation. Question 3 asked the respondents to tell the interviewer what they regard the meaning of the term competency to be? This question provoked a notable response. Respondent one mentioned the terms “technical expertise, “behaviours” and “ability” which align closely with the Corporate Leadership Council’s (CEB, 2006) practical definition of the term. Respondent two mentioned “the overall fit of the person, skill and attitude”. For Respondent three the term means a combination of “skill and behaviour”. Respondent four mentions “technical ability” and referred to “the correct knowledge to do the allocated work” where the final two respondents from the Finance area referred to competency as “the ability to do the job”.

For the researcher these responses align with Stevens (2013) and Shippman (2000) views that gaining a consensus around the definition is difficult. The researcher did note that the
HR respondents gave more weight to behaviours whereas the Finance function respondents weighted heavily on skill in their responses.

2. To explore the benefits and limitations of using a competency framework in Organisation X.

Benefits

Question 4 was in relation to the competency framework adopted by the Organisation. The interviewees were asked if they were aware that this was the model used for recruitment and selection. All respondents advised that they were aware of this. Two out of three respondents mentioned the fact that they signed an interview consent form before conducting interviews which outlines the fact that recruitment and selection is competency based.

From here the researcher asked Question 5. The respondents were asked to explain what the benefits of using competency frameworks in recruitment and selection are?

All HR respondents mentioned consistency for prospective candidates. To quote respondent one.

“Consistency is the number one reason we use a competency framework. Sticking to an agreed framework of questions for each candidate within the same recruitment process allows for more objective assessment”

The business perspective was quite different. Respondent five mentions “fairness” whereas Respondent four talked about benefits to HR rather than benefits to the candidates.

“Competency frameworks ensure HR remain guardians of the recruitment process and safeguard against any liability that may arise from such a process”

The issue of HR as gatekeepers of the recruitment process one which is evidenced in the literature, predominantly through the work of Jepsen and Grob (2015). The idea of competencies safeguarding against liability is not a common theme in writings on
competency frameworks. Respondent four was asked to describe potential benefits to the candidates and at this point mentioned the ability to prepare adequately given the amount of information available online surrounding competency based interviewing.

**Limitations**

Question 6 asked the interviewees to talk about the perceived limitations of the competency framework. There was slightly more consensus on this area than on the perceived benefits. The majority of participants (five out of six) believed that competency frameworks are so highly structured that this in itself is limiting. The framework encourages individuals to focus on past behaviours as indicators of future performance. This doesn’t allow for any scenario type questioning or “off script” questioning in general. Respondent five mentions builds on this fact by stating that there “is little if any time to talk freely to the candidate about their CV, experience etc. as all competencies linked to the role must be assessed.”

Two out of the six respondents from the Finance area discuss how despite being told by HR that competencies are the most effective framework to underpin recruitment and selection no such evidence has been presented to back this up. Respondent four states: “Effective how, in terms of cost or turnover? I want to see some numbers. This is something that has never been provided.”

3. To determine if competency frameworks are relevant for supporting recruitment and selection.

After addressing the issue of limitations the researcher asked Question 7. The candidates were asked to firstly rate how helpful they believe competency frameworks for recruitment and selection to be? The answers are listed below.
Table 2: Participant Ratings

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Position</th>
<th>Male/Female</th>
<th>Rating out of 10</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Manager</td>
<td>Female</td>
<td>9</td>
<td>HR</td>
</tr>
<tr>
<td>R2</td>
<td>Senior Specialist</td>
<td>Female</td>
<td>9</td>
<td>HR</td>
</tr>
<tr>
<td>R3</td>
<td>Specialist</td>
<td>Female</td>
<td>8</td>
<td>HR</td>
</tr>
<tr>
<td>R4</td>
<td>Head of Finance</td>
<td>Male</td>
<td>5</td>
<td>Finance</td>
</tr>
<tr>
<td>R5</td>
<td>Manager</td>
<td>Male</td>
<td>7</td>
<td>Finance</td>
</tr>
<tr>
<td>R6</td>
<td>Manager</td>
<td>Female</td>
<td>8</td>
<td>Finance</td>
</tr>
</tbody>
</table>

Question 8 asked candidates to elaborate on their score and to tell the researcher more about why they gave the above rating. HR’s views were similar in nature. The central theme here was consistency and fairness. All representatives felt that this approach was the only way to ensure all applicants are treated in a fair manner. Behavioural indicators underpinning each competency per level also give the interviewer guidelines on fair assessment of each competency area. While competency frameworks have their limitations they provide an effective framework for assessment.

Two out of three finance respondents believed the framework to be fair to candidates but laborious as HR insist on all competencies associated with the role being assessed. This puts the interview panel under pressure to ask all areas without the ability to focus on questions around skill which is considered more important for the business.

Respondent four from the Finance area related the average score he gave the relevance of the model to the time constraints of a busy work environment and to the perceived lack of applicability of some of the competencies. He mentions feeling “forced” to assess competencies and not having the freedom to ask questions he feels are relevant. The researcher asked for more elaboration on what relevant means for him. The respondent
explains by discussing “scenario type questions which require the candidate to think on their feet. For me it’s not just about past performance. I need to see how someone can react to what’s been thrown at them during the process as this helps me determine how they act on the job.”

4. To determine the main reasons for the Organisation using a competency framework.

Question 9 asked the candidates to outline the main reasons why the Organisation would adopt a competency framework.

Respondent two mentioned “it’s the most appropriate framework to put manners on what alternatively would be a completely subjective process. It strengthens the company’s commitment to providing a fair and robust process from recruitment through to on the job performance”.

Respondent three echoes the sentiment of fairness and goes further to suggest competencies are employed to support the business to select the most suitable candidates by allowing the individuals to show case their skills in a controlled environment. This puts the candidate at ease and allows them to perform to the best of their ability.

The Finance interviewees took a slightly different perspective. Here the underlying theme appeared to be the Organisation wanting a sense of control over the process. Respondent four mentions HR as process “owners“ and despite the fundamental basis being fairness and transparency, the model hasn’t been reviewed in line with business growth and change in a long time. This means an “old” model is being utilised in a new world making the process less efficient than it ought to be.

Respondent six believes that the competency model allows for more equal treatment of candidates and helps to minimise a “horns” and “halo” scenario that could occur if a less robust form of selection was deployed. Competencies provide an interview panel with a format for scoring rather than relying on gut instinct. One concern reported however was the fact that the model doesn’t seem be reviewed frequently.
“The Organisation has grown and expanded in recent years, roles have changed yet the model does not appear to have been reviewed in line with such change”

4.4 Conclusion

This chapter began by providing information on the list of participants in the research study. This gives the reader a full understanding of how long each person has been involved in the recruitment process and their exposure to the competency based framework in Organisation X. From here an analysis of all interview questions was conducted, which was the aim of the chapter. The next chapter will discuss the findings in line with aims and the objectives. This correlates with how the analysis of the questions in this chapter was presented.
Chapter 5 - Findings and Discussion

5.1 Introduction

The previous chapter presented a summary of interview questions in line with the aims and objectives of the research. This chapter will now fully discuss findings, comparing and contrasting these findings to the literature reviewed. In the interest of consistency, as conducted in Chapter Four, the findings will be discussed in line with the aims and objectives of the research.

5.2 Discussion

Question 1 and two were asked to put candidates at ease and to build rapport for the rest of the interview. Question 2 established how long each candidate was involved in the recruitment and selection process in the Organisation. This helped the researcher to establish how familiar each respondent was with the competency framework in the Organisation. The first sub objective of the research is:

1. To define the meaning of the term “competency”

Question 3 was posed to gain an understanding around what the term competency means to the interviewees. As stated in Chapter Four, there is a lack of consensus in both the literature and within the Organisation around what this term means in practice. While Stokes and Oiry (2012) describe this debate as “unhelpful and “self-indulgent” the researcher finds it interesting that there isn’t a common consensus among respondents in the same Organisation. For the researcher this re-iterates Clardy (2007) viewpoint that poor consideration has been given to the role of HR in implementing the competency construct. The researcher believes there is a gap in the literature around the role HR has to play in developing the understanding around competencies and competency frameworks in an Organisation specific context. The overall strategic role HR can play in developing an
understanding around operationalising the term for common understanding remains largely unexamined.

Consensus in the literature exists that competitive advantage is derived from building Organisation specific competencies (Edgar and Lockwood, 2011; Prahalad and Hammel, 1990). This theme didn’t emerge throughout the course of the interviews conducted.

The researcher noted that business respondents concentrated on skill when asked about their understanding of competencies while HR captured the notion of skill combined with behaviours and attitude. Competency models have been accused of being too behaviour focused with not enough emphasis on skill (Mansfield, 1996). It was interesting to note the difference between both divisions in Organisation X.

The next sub objective was:

2. To explore the benefits and limitations of using a competency framework in Organisation X.

All interviewees were aware that the Organisation uses a competency framework and were to some extent united in the view that this is to achieve “consistency” and “fairness” in the recruitment and selection process.

The literature has provided evidence around the importance of treating candidates in a consistent manner during the recruitment and selection process. Zhang and Zhang (2015) made a compelling argument for consistency by revealing that data, collected through quantitative methods, showed that candidates feel a greater sense of justice from the recruitment process when treated in a consistent fashion. Levashina et al (2014) show that consistency is achieved by predetermining the rules to govern questioning and evaluating at the job interview stage.

An alleged benefit of competency based interviewing, raised by one respondent, is that the consistency aspect protects the company against any legal liability that may arise from the
process. The researcher believes this be an interesting response, albeit it, not one that is common across the literature reviewed.

The benefits of the framework did not prompt as much feedback as the limitations. A very thought-provoking point centred on the fact that while the structure provides great benefits to the process in terms of consistency, it’s the highly structured nature of competency frameworks for recruitment and selection that in fact can limit the process. The researcher notes from reviewing the literature that this is purported to be true in the case of inflexible, rigid competency models. Hawkes and Weathington (2014) describe how such competency models allow for little change and cannot adapt to organisational needs. At an organisational level, these findings must act as a catalyst for HR to revisit the competency model to ensure it is flexible enough to service the Organisations recruitment needs. To remain constantly beneficial, frameworks should be reviewed against the needs of jobs and guided by future-focussed workforce planning (CIPD, 2015).

3. To determine if competency frameworks are relevant for supporting recruitment and selection.

The importance of recruiting staff in the current economic climate has been emphasised in practice by both CIPD (2015) and PWC (2015) and in academia by Potnuru and Sahoo (2016). For the researcher it was vital to establish if Competency frameworks are still the most relevant means for supporting the Organisations recruitment agenda in the coming years. As previously noted, there has been an absence of new literature emerging on competency frameworks in recent years.

Question 7 asked respondents to rate how supportive they believe the competency framework to be to the recruitment and selection process. Nine out of ten respondents gave the framework a positive score with one respondent giving an average 5/10 rating. The importance of consistency and having a model to rate performance was reiterated by HR respondents. This theme also emerged from Finance respondents. The views that competency based frameworks are highly relevant is reflected in the most recent academic
literature on the area. Garcea et al (2011) expressed surprise while commenting on the fact that three out of four Organisations in the UK and the US still use a competency based framework. From McClelland’s assertions in 1973 to present day, the fact that competency based frameworks have received much attention in academia and in practice echoes the significant impact and success of such a construct. This is further supported from literature on day to day practice with CIPD and Hays (2015) revealing that 77% of respondents, in a survey conducted, used competency based frameworks for recruitment and selection.

A key point to emerge from the section was the idea of the model being rigid. One respondent mentioned feeling “forced” to utilise a model that didn’t allow for off script questioning and believes some areas in assessment are not applicable. This assertion correlates with the view of Alban-Metcalfe and Alimo-Metcalfe (2013), who believe that the competency model can only be fit for purpose if specific research is conducted to ensure that what is assessed, is not generic but relevant to managers. Such views are also aligned with those of Johnson and Dimitratos (2014) who believe that core competencies can turn into core rigidities if not developed and monitored correctly.

The final sub objective of the research was:

4. To determine the main reasons for Organisation X using a competency framework.

Establishing the above objective was the final task of the researcher. This sub objective allows the researcher to determine if there is a common understanding of the significance of competency based frameworks to recruitment and selection among the sample interviewed. It also enables a review of the literature on the purported reasons Organisations use, and continue to use, such frameworks in academia. The idea of an Organisation leveraging the skills and talent of HR professionals for competitive advantage is noted as an important theme in strategic HR literature (Ellinger and Ellinger, 2013). The concept of HR owning and shaping the recruitment and selection agenda for the Organisation, ties in with this view. The intention is to act as instigators of a fair and robust process. This idea is re-iterated
among the HR respondents interviewed. The literature supports this assertion. Here the HR function are measuring up to Greener’s (2010) view that modern HR representatives are playing a more strategic role in the overall success of the Organisation. It’s interesting to note that this control is taken as a negative by the business respondents. As owners of the process, there is a view that HR have restricted flexibility in hiring processes rather than establishing rules for questioning, observing and evaluation to allow for an effective model (Levashina, Hartwell, Morgeson and Campion, 2014).

Inflexibility comes from rigid models where there is no room for change to adapt to shifting organisational needs. Martin and Pope (2008) acknowledge that competency models are intended to provide guidelines, they are not process straightjackets. There is a gap in the literature around HR versus the actual business about competency modelling. More studies are necessary to identify if this is a perception in Organisation X or is this a theme in other Organisations.

5.3 Conclusion

To conclude the chapter took the findings from the semi structured interviews outlined in Chapter Four and reviewed these responses in line with the Literature reviewed in Chapter Two. An analysis by sub objective was undertaken, in keeping with Chapter Four. This Chapter provided some interesting comparisons with the literature. Competitive advantage as a result of developing Organisation specific competencies was a central theme in the Literature yet this is something that didn’t emerge strongly at interview stage. No respondent linked core competencies with the Organisations strong standing in the market. For recruitment and selection, the ability of the competency model to provide a consistent, fair approach to a subjective process was re-iterated in the Literature review and throughout the interview process by all respondents. HR respondents advocate the use of such a model for recruitment and selection but the business respondents find this model inflexible and overly rigid.
Chapter 6-Conclusion & Recommendations

6.1 Introduction

To conclude, the dissertation aimed to examine why Organisation X uses a competency based framework for recruitment and selection. For research purposes, a sample of six people across the HR and Finance department in Organisation X were interviewed. A review of the literature was conducted to fulfil the first aim which was to gather an understanding, from literature on competencies, around what the term means. From this a central theme emerged, the link, albeit it largely theoretical, between core competencies and organisational performance. The difficulty of operationalising the term was also evident with many different practitioners offering a different definition. The second aim was to address both the benefits and limitations of such a model to Organisation X. In terms of recruitment and selection the fact that competencies are viewed as a reliable technique for establishing suitability is echoed in practice. CIPD and Hays revealed a 77% usage rate in a survey conducted as recently as 2015 (CIPD, 2015). When implemented correctly, organisational specific core competencies provide a source of advantage for Organisations. Competencies and consistency of treatment for candidates are themes echoed in both the literature review and interviews within Organisation X. The researcher believes that further empirical research around the cost benefit of such a model to an Organisation would prove extremely valuable. Cost benefits are evident in the literature but lack of analysis around tangible benefits has proved to be one of the most obvious limitations.

For Organisation X, it’s essential to establish if competencies are still the most relevant means for supporting recruitment and selection. An interesting point around competencies was the fact that executives’ pay more attention to competency modelling (Campion et al., 2011). This is supported in practice, usage remains high and from the literature reviewed the researcher concludes that the structured nature of such models ensure relevance for
recruitment and selection purposes. While research in this area has diminished in recent years widespread usage combined with a focus on consistency and equity of treatment has resulted in many Organisations adopting competency models for long term use. Organisation X is one of those Organisations. The majority of interview respondents rated the framework highly in terms of usefulness in recruitment and selection. For the researcher this reinforces the idea that what is happening in practice correlates with findings in academia on competencies.

The final aim of the research project was to gain an understanding around why Organisation X use a competency framework. The researcher conducted a comprehensive review of all past and present literature from practitioners in the area of competencies to gain a full awareness of this. Remarkably the literature was far more positive in terms of the continued use of models for recruitment and selection than the sample respondents from the business area. Well implemented models, specific to an Organisations goals are deemed to still provide value, for recruitment and throughout the employee life cycle.

6.2 Recommendations

The following are recommendations (and where appropriate, timeframes for implementation), which the researcher would make to Organisation X following examination of the literature throughout this project.

1. As the research has highlighted, the term competency has proven difficult to define. Despite a competency framework been deployed in Organisation X, there isn’t a common understanding of what the terms means from the sample interviewed nor is there a common conviction around the benefits of the model to the Organisation. The researcher recommends that instead of HR running bi-annual interview training courses, which are not compulsory to attend, that the recruitment function issue a yearly on line course to all hiring managers in the Organisation. This course will contain a definition of the term competency, why the Organisation use the model,
benefits to the Organisation and any compliance information relating to conducting interviews. All appropriate recipients will have to complete a quiz at the end of the course to ensure all areas are fully understood. If Human Resources need to be developed, the Organisation need to incorporate effective training to create conditions where people would acquire new knowledge (Priyadarshini and Deepa, 2012).

The Recruitment function will need to seek approval for an online course and work closely with the Learning and Development area (As they currently look after design and issue of all internal courses to Organisation X) to design an appropriate online course for issue to all hiring managers by January 2017. While this may be time consuming initially the online course will replace two full training days yearly and ensure that the wide-ranging target audience is reached. Training days are costly to run as well as time consuming for attendees. This will result in both cost and time savings to the Organisation.

2. The researcher believes that a comprehensive review of the existing competency model should be conducted. The researcher recommends that the Recruitment area within Organisation X assemble a focus group, similar in nature to the group set up before the model was introduced, to begin working on this as soon as possible. The original competency framework was introduced over 10 years ago and from conducting interviews in the Finance area it’s evident that there are some observed rigidities with the model from a business perspective. Addressing these limitations will ensure the business is best place to attract top talent in the future. Reviewing models corresponds with CIPD’s viewpoint which as examined as part of the literature review.

While it is evident from the literature that competency frameworks are still highly regarded, reviewing the existing competencies against role profiles to reflect changes
will determine if the Organisation’s competencies are in line with business requirements.

6.3 Further Study Recommendations

If further study was to be undertaken in this area, the researcher would recommend conducting interviews with a wider sample within the Organisation. This would establish whether the same themes were common across different areas of Organisation X. Semi structured interviews could be used again or further reaching research may support the use of focus groups. There are many recognised forms of interview methods used to gather insights into a variety of phenomena, such as interviewing and focus groups (Qu and Dumay, 2011).

Outside of Organisation X, the researcher would also indorse further examination of a HR versus business perspective on Competency frameworks. Do different areas experience the issues that were prominent from the interviews in this research project? This would be valuable to provide insight into how effective Organisations are at implementing notional conceptual frameworks.

The researcher would also recommend further studies into the benefit, in terms of cost, to Organisation X of using a Competency based framework. While some academics have mentioned cost benefits it would be helpful to undertake empirical research in this area. Such research would enhance the value of a competency framework to Organisation X and indeed for many other Organisations.
6.4 Personal Learning Statement

The researcher found this study both challenging yet very interesting particularly when it came to analysing responses from the interviews conducted. These responses forced the researcher to challenge internal biases around why the Finance function express dissatisfaction with the competency model. The researcher now has a more comprehensive understanding of the model, why the Organisation use it and why the model will continue to be used it in the future. This knowledge can now be used to address any future concerns the area or other areas may have in respect to competency based recruitment and selection. For future studies in the area, a pilot study would be beneficial before conducting actual interviews. This would allow the researcher to consider dealing with potentially difficult situations that may arise during the course of the interview process.

The researcher, guided by previous research completed in this area, found qualitative research methods were an extremely useful tool for collection information relevant to the subject area.

Overall the dissertation process was found to be extremely valuable. A great deal was learned about effective researching, analysis and writing which will continue to be of benefit to the researcher.
References


List of Appendices

Interview Consent/Confidentiality Form

I, ________________________________, am fully aware that this interview is for research purposes only. I authorise the interview to be recorded via mobile phone and am aware that the results of this interview will be kept anonymous. There are no identifying questions included nor will any information be passed to my employer.

Signature: ________________________________

Date: ________________________________
Submission of Thesis to Norma Smurfit Library, National College of Ireland

Student name: Anne Marie Connor
Student number: 14105241

School: Business
Course: MA in HRM

Degree to be awarded: MA in HRM

Title of Thesis: An investigation into the use of competency frameworks for recruitment and selection in a Financial Services Organisation in Dublin.

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