

Competence-Based Human Resource Development: Generating the Grand Theory in the Context of Human Resource Management and Organizational Competency

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Abstract. *This study uses secondary data to explore competency-based human resource development through a qualitative literature review. The Window Model theory is also analyzed as the overarching framework for human resource competency. Enhancing employee performance requires the effective application of human resource competency concepts, as employee performance plays a critical role in achieving an organization's objectives, goals, vision, and mission. Minimizing the gap between anticipated and actual employee skills is essential for managing and optimizing human resources effectively. The selection of a grand theory as the primary framework is justified by the growing body of research on human resource competencies, which has subsequently led to the development of middle-range theories. The Window Model theory examines human self-development through four key dimensions: knowledge, skills, expertise, and attitudes. Utilizing an appropriate grand theory for a research variable helps simplify the theoretical foundation and enables a more precise determination of research objectives.*

Keywords: *competence, development, human resource, grand theory*

1. Introduction

Competency-based human resource (HR) management addresses the dynamic demands of the modern workforce, offering an alternative to traditional HR management approaches that often struggle to adapt to rapid changes (Armstrong, 2006). Competencies are broadly defined as individual traits that lead to enhanced performance, encompassing observable knowledge, skills, and underlying components such as motives and traits (Boyatzis, 1982; Carroll & McCrackin, 1998; Dubois & Rothwell, 2004).

In today's technology-driven environment, human competencies, including cognitive abilities, mental disposition, and specialized skills, are critical for employee effectiveness (Coyne et al., 1997). Competencies represent the integration of skills, knowledge, attitudes, and personal characteristics essential for job success (Delamare & Winterton, 2005). Effective HR management is essential to achieving organizational success, particularly regarding the strategic alignment of employee competencies with organizational objectives (DuBrin, 2006).

As the business landscape evolves, the management of human resource competencies faces increasing complexity (Ey, 2006). Recent studies, such as those on the Window Model theory, provide valuable insights into human self-perception and communication, emphasizing self-awareness concerning behavior, emotions, and motivations (Memon et al., 2009). Competency has become a critical organizational capability in strategic management, enabling competitive advantage through the effective use of internal resources (Hamel & Prahalad, 1994). This study explores the development

of competency-based HR management theories, emphasizing their relevance to organizational competency and competitive advantage.

2. Literature Review

Theory of Human Resource Management

HR management has evolved from general management principles, encompassing diverse perspectives such as classical, quantitative, systems, and contingency approaches (Itika, 2011). These perspectives highlight the interplay between organizational needs, structural requirements, and operational practices (DuBrin, 2006; Keenan, 2015). The core functions of HR management, which are: planning, organizing, actuating, and controlling (POAC), are central to aligning workforce capabilities with organizational objectives (Terry, 1968; Martina et al., 2012).

- a. *Planning*: This involves forecasting labor requirements and addressing future workforce needs (Badea et al., 2015).
- b. *Organizing*: Establishing structures that define task relationships and personnel responsibilities is essential for achieving organizational goals (DuBrin, 2006).
- c. *Actuating*: Leadership and motivation play a pivotal role in driving employee engagement and productivity (Martina et al., 2012).
- d. *Controlling*: Monitoring and corrective actions ensure alignment with organizational plans (Terry, 1968).

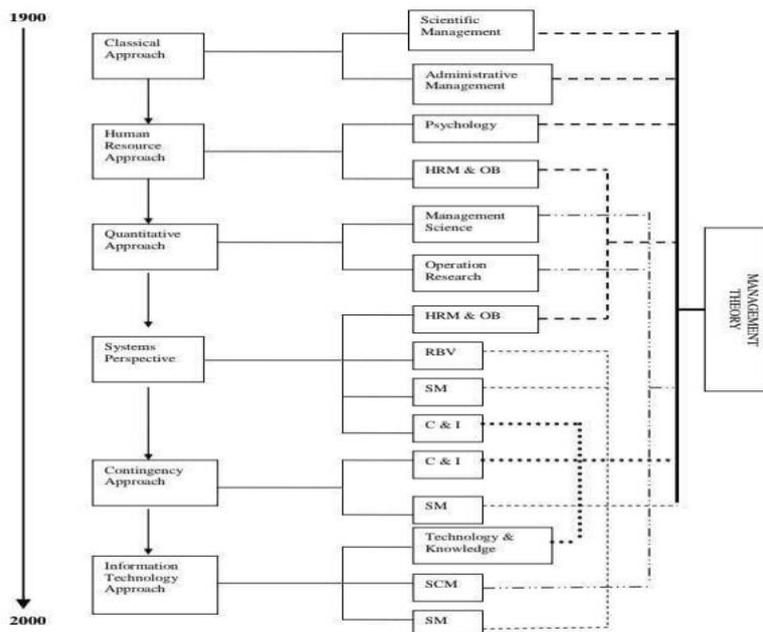


Figure 1. Management theory chart (Adapted from DuBrin, 2006)

The dynamic nature of HR management underscores the importance of adapting practices to changing environmental and organizational demands (Hatip et al., 2019). Figure 1 presents a chart that depicts the evolution of management thought and practices, highlighting the interconnections and interactions among various relevant approaches and management theories. The chart exhibits a dynamic nature, indicating that while the approaches and perspectives are represented as progressive (depicted by straight-line arrows), the interactions and interconnections among management theories (shown by

dashed and dotted-line connections) transcend chronological order. Their relationships are influenced by environmental needs and the relative structural and operational requirements relevant to organizational conduct and practices.

Theory of Human Resource Competence

Competency-based HR management focuses on identifying and leveraging organizational competencies to enhance recruitment, training, and performance evaluation processes (Dubois & Rothwell, 2004). The concept of competency emerged in the late 20th century, with scholars such as McClelland (1973) and Boyatzis (1982) emphasizing the significance of behavioral traits and motivation in predicting performance outcomes.

Competencies are defined as the combination of knowledge, skills, and attitudes that influence employee performance and commitment (Mirabile, 1997). They can be categorized into: (a) Personal Competence: Refers to behaviors that enable workplace achievement (Woodruff, 1991), (b) Organizational Competence: Focuses on aligning individual skills with corporate strategies to achieve competitive advantage (Rankin, 2002).

The Grand Theory: The Window-Model Theory

Grand theories provide comprehensive frameworks for explaining phenomena, integrating abstract concepts with practical applications (Mills, 1959). The Window Model theory, developed by Luft and Ingham, conceptualizes human self-development through four dimensions: knowledge, skills, expertise, and attitudes (Memon et al., 2009). This model offers a robust framework for examining human resource competencies and their impact on organizational performance (Hoge et al., 2005).

The Theory of Organizational Competence

Organizational competency emerged as a key focus in strategic management literature, rooted in the Resource-Based View (RBV) theory, which posits that unique and valuable resources drive sustainable competitive advantage (Lado & Wilson, 1994). Organizational learning, facilitated by individual talent development, is critical for responding to competitive pressures and achieving strategic goals (Hamel & Prahalad, 1994).

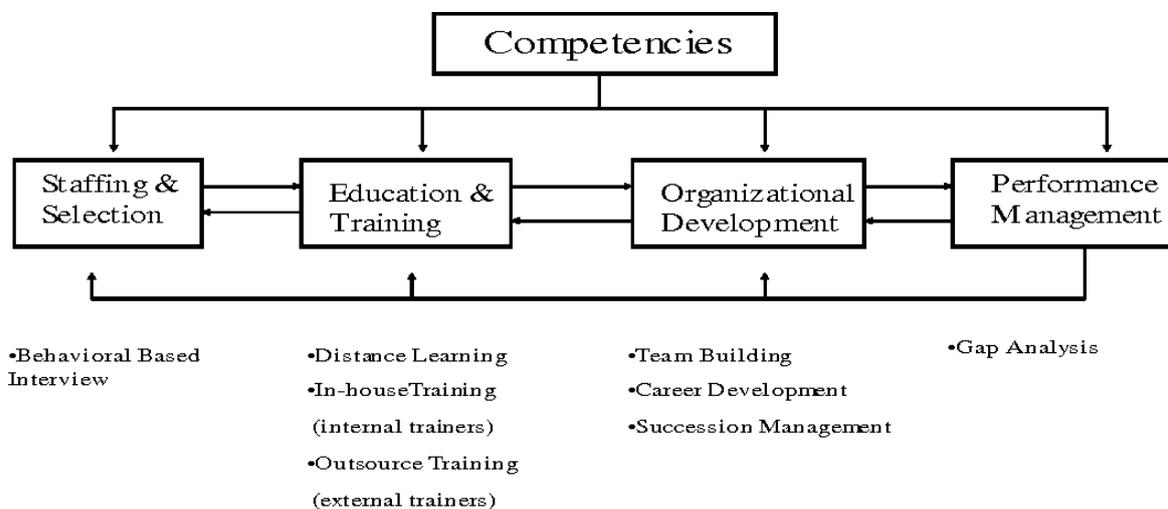


Figure 2. Theory of human resource management to competency development phase

Figure 2 summarizes the application of competency-based approaches across various sectors, including staffing and selection, as well as education and training. In staffing and selection, competencies are categorized into those that are easily coachable and those that are more challenging to develop. AMS implemented a behavior-based interview guide for candidate selection using DDI software, focusing on competencies essential for success and those that are difficult to coach. In the education and training domain, competency-based strategies were employed. The implementation process began with identifying competency gaps and determining the essential competencies required for improvement. Competencies were classified into three categories: fundamental, core, and visionary. Competency-based programs offered both online and in-house, were developed with an emphasis on evaluating training effectiveness through systems that assess training transfer and performance impact.

3. Methods

This qualitative descriptive study draws on multiple secondary sources to analyze competency-based HR management theories. The research employs a positivist approach to investigate phenomena within their natural context, emphasizing the theoretical foundations and practical implications of HR competencies.

4. Results and Discussion

The Window-Model Theory is a Grand Theory of Human Resource Competence

Competency-based HR management integrates strategic and operational dimensions to align individual and organizational capabilities. The Window Model theory emphasizes the importance of aligning competencies with organizational goals to enhance performance (Memon et al., 2009). By addressing knowledge, skills, expertise, and attitudes, this framework provides a comprehensive approach to HR development.

Competencies also serve as predictors of individual behavior and performance, enabling organizations to develop targeted strategies for talent acquisition and retention (Boyatzis, 1982; Mirabile, 1997). The Window Model theory highlights the interplay between individual competencies and organizational objectives, offering valuable insights for HR practitioners. Figure 3 illustrates the Window Theory, also known as the KSEA Theory (Knowledge, Skill, Expertise, and Attitude). The discussion surrounding Window Theory focuses on human resource competencies. Reliable human resources are characterized by knowledge supported by relevant skills. Competent human resources demonstrate skills that are reinforced by expertise in their specific field of work. Professionally skilled human resources are crucial for developing reliable and independent competencies.



Figure 3. The window model theory

5. Conclusion

Human resource competence is a critical determinant of organizational success, providing a foundation for competitive advantage in a dynamic business environment. The Window Model theory offers a robust framework for understanding and developing HR competencies, emphasizing the integration of knowledge, skills, expertise, and attitudes. Future research should focus on empirical evaluations of competency-based HR practices to further refine theoretical frameworks and enhance their practical applications.

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