



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Impact of Competency Based Recruitment and Selection on Retention of Employees

Dr. Sapna Dadwal^a, Dr. Prabha Arya^b

^aProfessor, Department of Management Studies, DPG Institute of Technology and Management, Gurugram. Email Id: s.dadwalgitm@gmail.com, Phone No: 7982303232

^bAssistant Professor, Department of Management Studies, DPG Institute of Technology and Management, Gurugram. Email Id: prabhaarya@gmail.com, Phone no: 8003746604.

ABSTRACT

In this competitive age, an organization's workforce is its greatest asset. Therefore, keeping qualified staff members on board is critical to the company's continued existence. The goal of competency-based hiring is to provide employers an advantage over their rivals by emphasizing the abilities of their workforce. Recruiters are prevented from "making impulsive decisions or from evaluating the individuals which is based on the traits which are not pertinent to the job" by competency-based selection procedures. The morale of the company might suffer greatly from hiring the wrong person, and these mistakes also come with a financial cost. Job descriptions that are competency-based only relate the duties to the skills needed to perform the job. In addition to improving recruitment efforts, competency-based selection helps organizations retain knowledgeable and productive human resources.

Keywords: Recruitment and Selection, Retention, Competency, Competency based Management System

1. Introduction

The Latin word "competentia," which meaning "is authorized to judge" and "has the right to speak," is where the word competency originates (Caupin et al., 2006). In human resource management procedures, competency-based management is not a new idea. In an effort to define the qualities of a "good Roman soldier," the early Romans employed a type of competency profiling (Draganidis and Mentzas, 2006). "Competency" was defined by McClelland (1976) as the qualities that underlie exceptional performance so the credit for bringing the concept of "competency" to the attention of human resource goes to him. McClelland also laid down the foundation of the widely used framework for defining competency is the KSA (Knowledge, Skills & Ability). A competency is described as a group of abilities, associated knowledge, and characteristics. The fundamental meanings of competence and competency are similar in that 'multiple attributes and 'performance' are frequently used inconsistently (Laibhen-Parkes, .2014). The competence reflects the cognitive approach towards tasks, with knowledge, skills and attitudes whereas competency is the ability to perform those tasks within the defined context of professional practices (Saunders and Vehviläinen-Julkunen, 2018).

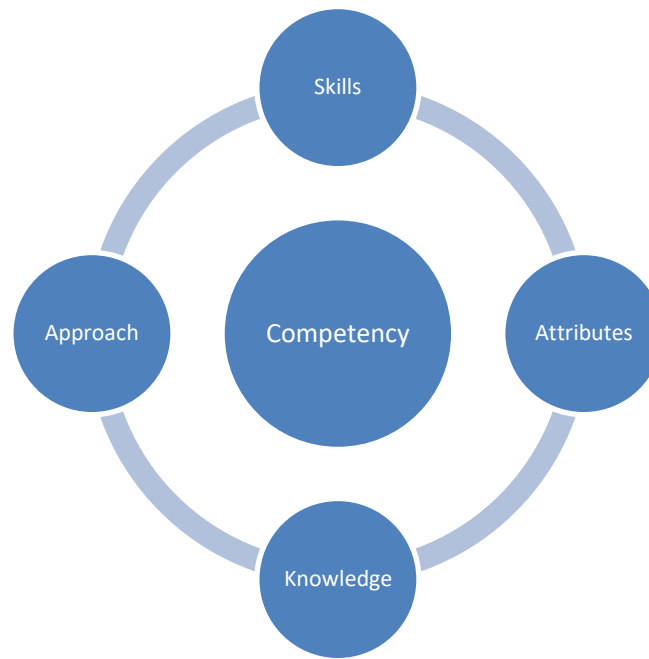


Fig 1: Concept of KSA framework of competency

2. Competency Based Management

The competency based management (CBM) approach is based on the primary goal of defining the critical behaviours needed for effective performance of individuals as well as of the organization. It is an approach that recognizes the way of working in the industry. It aims at attaining an optimal performance in the long term with the help of developing the skills and competencies of the employees on a continuous basis. To some extent, if employers treat or consider their employees as valued contributors, they tend to remain in the organization. To this end, organizations train, offer competitive compensation plans and increase benefits to secure their employee loyalty. The Competency based management (CBM) is an approach of enhancing the whole organizations performance as well as of employee's capabilities (Kochanski, 1997).

3. Recruitment and Selection

In today's competitive environment, organizations are placing a greater emphasis on human resources as they are considered the most valuable and crucial assets. While recruiting individuals, organizations must carefully assess their current human resources as they contribute significantly to the organization's competitive advantage. Due to competition from multinational companies, organizations have begun utilizing more advanced recruitment and selection methods.

Human Resource Management (HRM) is a critical function within organizations, with recruitment being a fundamental aspect through which employees enter the organization. Recruitment involves seeking out potential candidates to apply for job openings, while selection involves choosing the most suitable candidate from the pool of applicants. The selection process typically follows the completion of the recruitment process. Many organizations now utilize online recruitment processes to attract potential employees. Various factors such as organizational culture, working conditions, benefits, salary, reputation, location, and more influence the recruitment process.

Following recruitment, the next step is selection, which involves planning the workforce within the organization. Selection entails categorizing job applicants into two groups: those selected and those not selected. Several factors, including group discussions, employment history, referrals, interviews, etc., must be considered when evaluating candidates.

4. Traditional vs. Competency Based Job descriptions

Human Resource Management (HRM) is a critical function within organizations, with recruitment being a fundamental aspect through which employees enter the organization. From a hiring perspective, it is essential to consider whether job descriptions are adding value to the organization. Traditional job descriptions primarily serve as a tool to outline the roles and responsibilities of a job or position, typically listing the tasks to be performed by the employee. On the other hand, competency-based job descriptions place emphasis on the experience, skills, knowledge, and behavior required for successful performance in the position.

By incorporating competencies in a job posting, individuals can determine if they meet the basic requirements for the job. If someone lacks organizational skills and a job posting heavily emphasizes detail orientation and organization, they may not qualify for or enjoy the job. Traditional job descriptions focus on summarizing the tasks involved in a job, while competencies highlight the type of candidate who is the best fit for the position. Core competencies are assessed based on two factors: skills, knowledge, etc., and behavioral characteristics, personality attributes, and aptitudes.

Traditional hiring systems prioritize evaluating a candidate's skills and technical qualifications, while a competency-based approach also considers the candidate's behavioral characteristics. Competency-based job descriptions identify the core competencies necessary for success and evaluate each candidate's demonstration of those competencies in their past experiences. From a hiring standpoint, core competencies can be categorized as position-specific and organization-specific. Therefore, traditional job descriptions focus on the duties and responsibilities of an employee, while competency modelling or competency-based job descriptions take the process a step further by identifying the qualities and competencies essential for job success and ultimately offering benefits for the employees. When competencies are incorporated into a job posting, it provides valuable information for both the organization and the individuals seeking employment.

5. Competency Based Recruitment and Selection

Hiring wrong personnel's can have devastating effect on the organizational performance and morale whereas competency based hiring saves the organizational time and cost(Peregrin, 2014) The costs incurred on hiring wrong employees can include various factors such as low productivity, potential loss of clients, training costs, advertising costs, recruitment fees, and redundancy packages (Smith and Granes 2002).

Introducing competency-based recruitment practices can enhance the organization's performance by enabling managers to assess candidates in a more objective manner (Farnham, 2000). Taylor believed that candidates should be hired based on their specific skills and abilities, which should be supervised and controlled before making the selection decision.

Competency-based practices consist of several elements:

1. Defining the competencies required for the role.
2. Providing guidance for interviews and reference checks to ensure fairness and consistency.
3. Analysing the track record of individuals to align their experiences and achievements with the competency requirements.
4. Using standardized scoring criteria, trained evaluators calculate the extent to which the competencies are demonstrated.
5. References are also utilized for validation. Assessment methodologies such as role-plays or simulations of work situations that the employee may encounter can be employed. Managers must be capable of applying these selection process methodologies and making informed decisions.
6. Training or orientation programs can be implemented to ensure that all stakeholders acquire the necessary skills.

Competency-based recruitment focuses on competency-based behaviours and interview techniques. This includes creating job descriptions and specifications, choosing the most appropriate selection method, reviewing and evaluating applicant sources, screening and evaluating applicants, checking references, rejecting unsuccessful applicants, and making offers of employment. It is included. This is based on whether the candidate can demonstrate professional experience as evidence of their skills. This approach allows recruiters to effectively screen and select candidates. Competency-based recruitment is supported by competency-based interviews. This is a structured set of questions, the purpose of which is to find out whether a person's behaviour corresponds to work-related abilities. This includes asking appropriate questions and rating scales, conducting competency-based interviews, recording responses and assessing competency, making inquiries, and conducting credit and criminal background checks. Some of the advantages that competency-based hiring offers to employees, which in turn aid in retention, include setting clear performance expectations and making better decisions. It ensures better understanding of the overall strategy of their team, department, and organization which ultimately leading to increased engagement and motivation. It also helps in encouraging employees to go beyond their individual roles by acquiring additional competencies valued by the organization.

6. Conclusion

When an organization implements competency-based recruitment and selection, it can yield numerous advantages. The organization gains credibility through the use of competency-based hiring. Employers not only communicate clearly with candidates, but also reduce corporate risk by avoiding decisions that could be perceived as unfair or discriminatory. This impartial approach ensures that organizations are hiring the most qualified talent, which is the ultimate goal for recruiters, and aids in employee retention. Competency-based systems allow employers to identify individuals with the necessary skills and traits to perform their jobs efficiently and effectively. By eliminating bias, these systems bring consistency to the hiring process. One of the most desirable outcomes of competency-based hiring is the decrease in employee turnover rates. Competency-based recruitment benefits all parties involved in the hiring process. Employers hire skilled employees who are a perfect match for their roles and responsibilities, while employees are not placed in positions they are not suited for. Ultimately, competency-based hiring helps organizations retain employees and reduce costs.

REFERENCES

- Antal, A., Friedman, V. (2008). "Learning to Negotiate Reality: a Strategy for Teaching Intercultural Competencies", *Journal of Management Education*, 32
- Ashkezari M J D, Aeen M N.(2012) Using Competency Models to Improve HRM. *Ideal Type of Management* 2012 ; 1(1): 59-68
- Bhattacharyya DK.(2010) *Human Resource Management*. New Delhi: Excel Books.
- Byham (2006) *Developing Dimension/Competency-Based Human Resource Systems: A Monograph*, 2006.
- Cook, Kevin, Bernthal, Paul(1998). *Job/Role Competencies Survey report*.HR benchmark Group .Pittsburgh,PA: development Dimensions International. 4(1).
- Kochanski, Jim(1997). "Competency-based management." *Training & Development*, vol. 51, no. 10, Oct. pp. 40+. Gale Academic
- Kumari A, Sita V (2010). Role of Human competencies in Human Resource Management: A study in Indian organizations. *OIDA International Journal of Sustainable Development*; 2(3):29-34 Available at SSRN:<http://ssrn.com/abstract=171037>
- Leung, K.; Trevena, L.; Waters, D. (2016) Development of a competency framework for evidence-based practice in nursing. *Nurse Educ. Today* , 39, 189–196.
- Laibhen-Parkes, N. (2014) Evidence-based practice competence: A concept analysis. *Int. J. Nurs. Knowl*, 25, 173–182.
- Ozcelik, Ferman. (2006) Competency Approach to Human Resource Management Outcomes and Contributions in a Turkish Cultural Context. *Human Resource Development Review* 2006; 5(1) :72-91
- Peregrin, Tony. (2014) Competency Based Hiring-A Key to Recruiting and Retaining Successful Employees. *Journal of Nutrition and Dietetics* Volume-114, Issue 9, Pp-1332-1335
- Singh Anjana, Pathak V.(2016) Competency Based Management in an organization: the drive towards success. *IITM Journal of Business Studies*,3-8
- Spencer, L. and Spencer, S. (1993), *Competence at Work: A Model for Superior Performance* (New York: Wiley). Amref Competency report, 2009
- Terpstra D.(1996) Recruitment and Selection: The Search for Effective Methods. *HR focus* 1996; 16-18.
- Saunders, H.; Vehviläinen-Julkunen, K.(2018) Key considerations for selecting instruments when evaluating healthcare professionals' evidence-based practice competencies: A discussion paper. *J. Adv. Nurs.* 74, 2301–2311.