

Role Competency Matrix

Mahesh Kuruba

Role Competency Matrix

A Step-By-Step Guide to an Objective
Competency Management System



Springer

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ISBN 978-981-13-7971-0 ISBN 978-981-13-7972-7 (eBook)
<https://doi.org/10.1007/978-981-13-7972-7>

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The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

To

my parents

*Honnurappa Kuruba and
Nagarathnamma Kuruba*

my wife

Jyotsna Kuruba

my daughter

Aarushi Kuruba

Foreword



People cost is the major cost component for an Information Technology (IT) organization, constituting as much as 50% of its revenues. While employees are regarded as valued assets, their competency management has challenged IT companies for decades. IT businesses are under a constant pressure to respond quickly to the constantly changing technology trends, often feeling compelled to hire trained workforce at a higher cost. The cyclic behavior of employees joining and separating from an organization has become a phenomenon in IT industry. The result is that many organizations experience double-digit attrition, and the

people working in them may not necessarily be optimally leveraged for the roles in which they operate, thereby impacting product quality and productivity.

IT companies need a framework with which to manage their workforce competencies holistically and effectively, leveraging their workforce capabilities by considering employee capabilities and aspirations, and business needs. Any workforce competency management system demands an objective and transparent approach for management and employees alike, as well as being aligned to business goals.

The Role Competency Matrix (RCM), which is presented in this book, is a framework that helps in objective assessment of competency. RCM provides the metrics to quantify competency index and competency gap at both employee and organizational level. The RCM framework enables organizations to develop an objective data-driven competency measurement system and help them to

proactively address competency gaps. RCM guides management in making business decisions at strategic, tactical and operational level based on the workforce competency. At the employees' level, it helps them in competency development and career progression. At management and decision-making levels, the framework will be helpful in people management strategies and succession planning.

I am sure that the book will benefit heads of business units who value their workforce and want to have the “*right people in right roles*”. The author deserves to be congratulated for proposing such a framework. I am sure this book will be found to be of great value in IT industry.

May 2019

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Preface

People are central to, and at the front of, the IT business. IT organizations have a well-earned reputation for innovative and transformative practices in the marketplace. But the nature of their work also places a huge demand on the capabilities of their workforce. Businesses need to sense the shifts in business scenario and technology trends, and quickly respond to their markets' demand for better products and services. Companies that do not realize this are doomed to oblivion. Although technology is the driving force of the changes in the industry, it is the ability of its workforce to adapt and respond to the changes that will decide whether a business will grow or fade into nothingness. Most competency management practices, even the ones that are claimed to be 'state-of-art' are largely qualitative in approach. They have a significant subjective component and are poorly aligned to business strategy. The result is that, often, doubts persist about a competency management system's objectivity and fairness, as well as its ability to deliver on its intent and purpose. With an increasing demand for IT professionals with the right skills, and the high cost of making a wrong staffing decision, it is vital for organizations to identify people who are optimally suited for their roles.

Therefore, there is a need for a competency management system (CMS) that is transparent to all stakeholders, objective and scalable across the organization, and uses measurable indicators for evaluating competency. Such a system has a better chance of being effective and accepted in the organization.

This book is about the Role Competency Matrix (RCM), a framework for effective workforce competency management. RCM enables a company's workforce to be responsive and agile so that the competencies are always current and aligned to the business goals of the company. The RCM framework minimizes subjectivity and provides a measurement-based approach that will help people managers in IT organizations to objectively assess employee competency, identify and measure the competency gaps that must be bridged through competency

development for achieving organizational goals. In addition, RCM also aids employees in choosing appropriate career paths based on their competencies and organizational role requirements. Importantly, the framework also assists business leaders in succession planning.

A Note for the Reader

This book presents the Role Competency Matrix, a framework for managing workforce competency in the IT industry. The framework is a valuable guide for organizations in developing their workforce competencies—and using them—in a systematic manner to enhance organizational performance, as well as realize employee potential and aspirations.

Having worked in several countries, the author found that workforce management practices vary from country to country. These practices are influenced by the local culture and have a significant effect on the quality of software. In countries like Japan, a person remains with one organization till he or she retires from service. On the other hand, in the developed countries of the Western hemisphere, it is normal for people to be laid off at short notice (or fired), or change jobs frequently. However, it was also seen that frequent changes to team composition result in erosion of knowledge and know-how, which impacts software quality.

It also came as a surprise to the author to find that despite high employee costs, which can be as much as 50% in many IT organizations, workforce quality remains suboptimal. This affects organizations in multiple ways, such as low productivity and poor operating efficiencies both of which adversely impact an organization's competitive position. Moreover, such companies are also poorly prepared to adapt to the rapid changes in technology and the marketplace. Unwillingness to recognize the seriousness of these challenges can have a severely detrimental effect on the company.

Thus, as IT companies grow and expand globally, there is a need for a framework which supports a holistic quantitative-based approach to managing workforce competencies by aligning them to business objectives. Such a framework should help managements in making workforce-related decisions on performance-critical matters. An optimally managed workforce benefits both employees and the organization which will result in improved performance at individual as well as company level. Companies have the responsibility to promote a work environment in which employees are respected, encouraged to improve existing capabilities and develop new ones.

The competency management framework presented in this book will be useful for IT organizations in managing their workforce competencies effectively, which can also help in reducing attrition. Organizations that outsource a significant part of their work can employ the framework to assess the competencies of the vendor's workforce.

The competency management framework presented in this book should help business unit heads, HR and people managers to make the best use of their personnel by putting the “*right persons in the right roles*” and nurturing them. The author invites readers and users of Role Competency Matrix framework to share their experiences and views. These will be of immense value in improving the framework for making better people decisions. Feedback and comments will be welcomed wholeheartedly. The author will regard them as valuable lessons for incorporation in a future edition of this book.

Pune, India
June 2019

Mahesh Kuruba

Acknowledgements

I would like to thank my gurus and mentors Dr. Gargi Keeni and Prof. Ajit Verma for their guidance and support in developing the Role Competency Matrix framework for my doctoral research. They also helped me to pilot the framework. The results provided interesting and meaningful insights into use of the framework. I'm grateful to Dr. Gargi Keeni, who is the inspiration for bringing my work, through this book, to the community of practitioners and scholars. I am also grateful to Prof. Verma for providing the opportunity to disseminate this work in the IT industry.

A special mention must be made of my editor, Venkatanarayanan Ganapathi, who helped transform a doctoral thesis into a book which, I hope, will be of value to a large audience of practitioners. I would also like to thank all the participants who were part of the study and helped with their inputs and data for the role competency matrix.

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