COMPETENCY ASSESSMENT: METHODS USED IN PRIVATE SECTOR COMPANIES

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ABSTRACT

Purpose â€“The purpose of this paper is to identify the methods used by private companies to measure their professional employeesâ€™ performances. Design/methodolog y/approach â€“A systematic review of the literature regarding the competency assessment was conducted. The data was collected from forty participants. A thematic analysis was used to analyze the data. Findings â€“Four main themes were identified, namely, 360-degree feedback, graphic rating scales, trait focused appraisals and management by objectives. Practical implications â€“The competencies of professional employees can be used in a variety of ways. For instance, they can be incorporated into performance appraisals, hiring practices, and succession planning. Originality/value â€“This is an original research article based on primary data.

Keywords: Competency, Performance Measurement, Thematic Analysis, Feedback, Management by Objective.

INTRODUCTION

There is lot of accountability in the delivery of psychological services in professional psychology. The most oblivious thing is to demonstrate competency, but to do so requires having an assessment process for competency in place. Considering the fact that competency is a complex construct, the question of how assessment is to be carried out is one that mystifies many. The era of responsibility is more dominant in the delivery of services relating to psychology. Most companies are moving toward the demonstration of competency, and to have competency there must be a proper process. The construct of competency is not simple, and stakeholders (stakeholders consist of the media, government and public) are curious to know how the assessment is conducted in companies. There is great demand from stakeholders to prepare professional employees for the next level. They want professional employees to have the right skills so that they can measure their performance. These skills include analytic reasoning, communication, and critical thinking. It is increasingly important that professional employees know how to apply their skills to perform better. In other words, there is great demand for not only knowing the skills but also being able to implement these skills in education, social engagement, and at work.

In this research paper, the author presents a performance model, which is widely used in Indian private sector companies. The assessment triangle, which was proposed by Koeppen et al. (2008), has been used. The components of the triangle are: construct, observation, and interpretation. Construct in this paper refers to competency, and competency is defined as the complex capability that is associated with performance in real-life situations (Koeppen et al., 2008).In other words, competency refers to an individual's demonstrated abilities, knowledge or skills (Tsui, 1984; Cascio, 1987). According to Chomsky (1959), competence and performance are two different things. Chomsky (1959) defined competence as an idealized ability that is positioned as a mental or psychological

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function or property and performance refers to the production of actual utterances. In other words, competence involves knowing the skill and performance involves using the skill in an effective manner. Since it is difficult to assess competency, performance is used to judge competency (Chomsky, 1986).

Furthermore, competency is an idea that was created by Western societies. It is theoretical and can be inferred only from the behavior of the individual (Koeppenet al., 2008). Competence and performance are primarily a set of abilities that are complex in nature. Basically, competence and performance are created together when a professional employee attempts to complete their task. The duration of the task performance is one important consideration with the complex ability to change since the individual would have already met their sub-goals and they are working toward new goals. These complexities are inevitably entangled. The role of the psychologists is to untangle them, evaluate them separately, and combine them to propose a common measure of the whole. In the case of the competency assessment, the focus is more on the day-to-day tasks and solutions (Shavelson et al., 2002).That is, the task is identified from the competence. The professional employee's behavior can be identified when they are performing the task.

In the present study focus is on performance measurement at private sector companies. According to Parker, Waller, and, Xu (2013) one of the key differences between the public sector and the private sector is that public sector function within officialdom and the private sectors are driven by market imperatives. It is argued that officialdom and the market are two different things. Officialdom relies on firm hierarchies, whereas the market relies on consumer choice (Radnor & McGuire, 2004). Prior empirical data from previous studies revealed that public sector organisations are more bureaucratic than their private counterparts and this percolates all the way down to end user (Hester & Meyers, 2012). Public sectors are more standardised and they lack the innovative and risk taking mind-set that exists in the private sector organisation. From the perspective of service operations, bureaucracies decipher into a system with red tape and inattentive with processes rather than results (Callender, 2011). Private sector organisations cannot afford to be slow moving, they need to react to the threats from competitors. For achieving this they require skilled workers. Employee skill sets have to be measured on a periodic basis to ensure that they are able to perform better.

While most prior studies have measured performance in public sector companies and private sector companies in developed countries (Ferdousi et al., 2019; Rad, 2005; Flynn et al., 1995; Saraph et al., 1989), the research in developing countries is scarce (Ferdousi et al., 2019; Abdullah et al, 2008, Saleheldin, 2003; Joseph et al., 1999). Therefore, it is considered important to examine how performances are measured in developing countries owing to their distinctive environments, in particular their differences in terms of the quality of infrastructure and market size (Gosen et al., 2005). Accordingly, given the scarce research, this study focuses on examining the performance measurement in a developing country, India. India was chosen as the research setting because of its competitive environment. In particular, employees working for private sector companies are under higher pressure and have to keep updating their skills on a regular basis in order to perform better.

The objective of this study is to identify how performances are measured in private sector companies. It is anticipated that the results of the study will enable companies to recruit the right candidate for the job and also help in finding which performance assessment is beneficial to measure performance. There is no substantial research that has investigated the methods that are adopted in private sector companies to measure their professional employees' competencies (Hinojosa's et al., 2017; Fouad et al., 2009; Kaslow et al., 2009; Muse & McManus, 2013). Accordingly, this article attempts to fill this gap by identifying

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the most widely used methods to measure the competency of professional employees in private sector companies.

This research article is organised into different sections. Section 2 discusses the literature review. Section 3 discusses the research method. Sections 4 and 5 outline the results and discussion respectively. Section 6 presents the theoretical and managerial implications. Section 7 discusses the limitations and future directions for research.

LITERATURE REVIEW

According to Epstein & Hundert (2002), competence indicates the professional's overall appropriateness for the profession regarding aspects of knowledge, emotions, communication, technical skills, values, and reflection in psychological practice. Professional competence is a lifelong process that starts when the individual joins the company and is trained by the company. In addition, professional competence is context dependent such that the salience of each competency and its components and how it is executed varies according to the setting. Competencies are demonstrable components of competence that reflect effective performance and can be evaluated against well-accepted standards (Marrelliet al., 2005). Capability refers to the enhancement of overall competence via individual competencies whether through performance improvement, adapting to different situations, or generating new paradigms of knowledge (Stephenson & Yorke, 2013). The constructs imply much more than simply an aggregate of knowledge, skills, and attitudes. In addition, their multidimensionality requires a multifaceted approach to the assessment of their development and maintenance. Assessment must be viewed as a gamut from the earliest stages of professional training through continued learning in practice (Bashook, 2005). Even though the aim and methods of the performance assessment are likely to differ across stages of professional development, expected competence can be subsumed in the concept that each psychologist is expected to know his/her own expertise level, limits of expertise, and what to do when these limits are reached. This notion captures the complex integration of judgment and performance that is the essence of professional competence. Competencies present companies with a technique to identify, in behavioral terms, what individuals need to demonstrate to generate the results that the companyrequires and in such a way that is aligned with the existing culture of the company (Sanghi, 2016). According to Takey & de Carvalho (2015), competencies refer to the "ability to mobilize, integrate, and transfer knowledge, skills, and resources to reach or surpass the configured performance in work assignments and add economic and social value to the company and the individual" (p. 785). Companies are realizing the need to base human resource practices upon factors that are more manageable than astuteness and talent (Viitala, 2005). Competency-based approaches have the added attraction that they can be linked with the strategies and goals of superior businesses (Ngo et al., 2014).

According to dynamic capability theory, some companies are more capable than others at changing their resource base by adding, deleting, and reconfiguring competencies or resources (Danneels, 2002). Environmental changes make previously acquired competency obsolete or create new opportunities and may call for new competencies to be built. From the resource-based perspective, competencies are inimitable because of the distinctive development of resources that have little value outside the context of a specific company. This inimitability can form the basis of a competitive advantage (Lei et al., 1996). Thus, companies that achieve higher levels of competency are thought to be in a superior position for administering invisible assets that create market leadership (Danneels, 2002). Prior research has suggested that knowledge and skills, which are locally embedded, may be a competence for a company and a source of an enduring competitive advantage. According

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to Leonard-Barton (1992), tacit knowledge, which is developed by skilled technicians with a particular production process over a long period of time, may become an advantage for the company.

Competency has evolved through an iteration of doing, learning, and then doing more new things. Each chain enhances knowledge and enriches core competence (Thomas & Bogner, 1994). Apart from this, competencies can have manifold and concurrent uses without being diminished (Danneels, 2002). According to Hamel & Prahalad (1990), the value of knowledge and skills often increases with repeated use. Competencies can also be rooted in the social system of a team of individuals, in their relationships, and in their networks and therefore may be context-specific (Leonard-Barton, 1992). Because rooted competencies are socially multifaceted, any change to the company's perspective may change the social relationships and networks that give rise to their value. The immobility characteristic of competency helps organizations have a competitive edge over their competitors (Barney, 1991).

Most prior studies measured competency in the context of nursing or education, and currently, there are very few studies in India that have tried to determine the most widely used and successful method of measuring performance (Fouad et al., 2009; Kaslow et al., 2009; Muse & McManus, 2013).

METHODOLOGY

Study Design and Sample

A qualitative research design was used for this study which would yield a deeper understanding of the way in which performance is measured in the organization. The qualitative research design better serves to answer the purpose of this study than quantitative research design (Charters & Pettigrew, 2006). According to Brown et al., (2018) qualitative methods suit the examination of the behavioral responses of individuals in real-life contexts.

Focus group discussions were held to collect the data. Focus group discussions enable participants to interact with each other, respond and address issues within the group, thereby allowing researchers to better understand the coverage and diversity of thoughts, perceptions and opinions of the participants (Malhotra & Dash, 2010). An inductive approach was used to analyze the focus group discussions on how performance was measured in their respective companies. The analysis of these focus group discussions revealed new insights into how an employee's competency is measured. Before starting the focus group, an interview guide was developed through reading literature on the competency assessment. A list, which contained the key issues to be explored during the interviews, was formed. This list was examined by four industry experts, and broad issues were identified and incorporated into the interview guide. Broad questions were used, and the participants were informed of the questions prior to coming to the group. The purpose of the interview guide was to direct group discussion and to stimulate conversation about the research topic and to ensure that all of the desired information was sought (Dilorioet et al. 1994). The researcher moderated the group. Four focus group discussions were conducted with five participants in each group. A smaller group size was chosen since it is easy to manage, especially when the topic is highly charged and there is much discussion. Their participation was voluntary. According to Fontana & Frey (1994), if fewer participants are in the group discussion, then there is greater chance that all of the participants will interact. A total of four focus groups were conducted. Consistent with the guidelines of Malhotra & Dash (2010), each focus group had around five participants to induce momentum in the discussion. A total of 20 participants gave their insights in the focus group discussions, all

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of whom were full-time employees. The demographic profiles of the respondents are summarized in Table 1.

Table 1
DEMOGRAPHIC PROFILE Of The RESPONDENT (n = 40)

CHARACTERISTIC	SUBGROUP	FREQUENCY
Age	25 – 30	8
	31 – 35	14
	Above 35	18
Gender	Male	26
	Female	14
Industry	Banking	6
	Information Technology	8
	Pharmaceuticals	6
	Food and beverage industry	4
	Cement industry	6
	Steel industry	5
	Media and entertainment	5

The researcher took the help of the moderator for conducting the focus group. The moderator intervened only when the discussion was deviating from answering focus group questions and also to encourage those participants who were not participating in the discussion. The moderator also provided the opportunity for participants to ask questions at the end, which enabled for a more comprehensive discussion. A procedure was used to collect the data during the focus groups, for example the following sample questions were asked during the focus group discussion

Q1. How does your company measure performance?
Q2. How often do they measure performance?
Q3. How many years of work experience do you have?
Q4. Does your company give you regular feedback on your performance?

The initial procedure was prepared based on a review of the literature related to the objectives and focus of the study. The questions were deliberately left broad and open-ended to augment the likelihood of emergent ideas being captured. The focus group discussions were audiotaped and then transcribed verbatim by the trained research assistants with the participants' permission. The initial focus group discussion questions focused on the main areas identified in the literature that can influence performance evaluation. As the focus group discussions progressed and knowledge saturation in specific areas was achieved, the questioning moved to exploring emergent and less understood areas. During focus group discussions, an interactive data collection and analysis approach was adopted (Eisenhardt, 1989). In each focus group discussion, the interviewer mapped the different ideas on a paper as they emerged, seeking clarification from participant on areas of originality that arose. After each interview, the ideas were transferred to a thematic map which reflected emerging understanding. Additional questions were added to consequent focus group discussions to check previous findings and extend the understanding of new emerging areas.

Since the topic is intricate, the researcher also adopted an in-depth interviewing technique for collecting data (Boyce & Neale, 2006). The in-depth interview technique was used to understand the complex issues that may not be immediately implicit in surface responses (Fontana & Frey, 1994). A total of 20 participants gave their insights. The sample was comprised of people who live in Hyderabad, Mumbai and Bangalore. These three cities were chosen because of their rich cultural variability with respect to linguistic, religious, and

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ethnic groups (Acharya & Gupta, 2016). The cities are considered densely populated, cosmopolitan, and are known for urban agglomeration. Interviews were conducted over a 3-month period. All of the interviews were conducted at a time that was most convenient for the participants. The interviews began with a few structured questions regarding employee demographics and then the participants were asked unstructured questions about how their performance was measured at the workplace. The researcher also allowed the participants to speak for themselves (i.e., the emergent themes were participant led rather than researcher led). This allowed participants to take control of the interview process and prevented subjective bias of researchers entering the analytic stage. All of the participants were debriefed before and after the study.

Transcripts from focus groups and interview were subject to thematic analysis performed the researcher. A thematic analysis was used to determine, interpret, and report themes in the data (Braun & Clarke, 2006). The interpretation began with the researchers transcribing the interviews and engaging in active and repeated reading of the set of transcriptions to familiarize themselves with the data sets (transcribed interviews). All of the significant lines corresponding to the research question were identified and summarized in the participant's own words. The summaries were then explored to find descriptions across interviews, which express similar meanings. These descriptions were tagged using a concise code name, which represents the synopsis of the description. The researcher used QDA Miner software for this purpose. Since inductive thematic analysis was used, naming the codes depended on what transpired from the data.

After coding all of the significant lines, all of the data sets were once again reviewed and checked for plausible omissions and misinterpretations. The coded data extracts were then reviewed to consider whether they formed logical patterns. Codes that were homogeneous with respect to the context of information conveyed were grouped into potential themes, and the relevant coded data extracts were gathered within the identified themes to define the themes. Accordingly, the themes were defined and further refined.

The most important thing to ensure the credibility of the thematic analysis study was the selection of the sample size (Graneheim & Lundman, 2004). Information pertaining to sample size is essential for evaluating whether the sample chosen for the study is appropriate or not. In qualitative studies, there is no commonly accepted sample size since the most favorable sample depends on the purpose of the study, the opulence of the data and the research questions. It is suggested that saturation of the data may indicate an optimal sample size (Guthrie et al., 2004). By definition, saturated data ensures replication in categories, which verifies and ensures comprehension and completeness (Morse et al., 2002). According to Cavanagh (1997), incomplete data saturation may cause problems in data analysis and prevent items from being linked together. Well-saturated data facilitates categorization and abstraction. If data saturation is not achieved, then it is difficult to group the data and create concepts (Elo & Kyngäs, 2008) and this prevents a complete analysis and generates simplified results (Harwood and Garry, 2003).Only forty participants were contacted since the researcher found that there was theoretical saturation after the thirty seventh interview. Three extra interviews were analyzed to assure that there was no more new information before concluding that the data was saturated (Ando et al., 2014). Theoretical saturation refers to the point at which no additional themes are found from reviewing successive data regarding the category being investigated (Glaser & Strauss, 1967). The theoretical saturation subsequently sets the sample size; and therefore, additional interviews were not conducted by the researcher. Likewise, the notion of saturation is also referred, or implied, as validation for the sample size in the thematic analysis (Ando et al., 2014).

The frame for validity and reliability was as recommended by Whittemore et al.

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(2001), wherein the reliability of this research was strengthened by documenting the stages of analysis and the agreement between the researchers about data interpretation that had been previously and independently analyzed. A member check was conducted to validate the findings. The findings are presented below.

RESULTS

360-Degree Feedback

Most of the companies used 360-degree feedback (DeNisi & Kluger, 2000) to measure performance and this theme was predominant (n=12) overall. The 360-degree feedback tool provides each employee with the chance to receive their respective performance feedback from their supervisor, peers, reporting staff members, co-workers, bankers, government and customers. The 360-degree feedback theme helps individuals to understand how his/her effectiveness as an employee, co-worker or staff member is viewed by others. The most efficient 360-degree feedback process provides feedback that is based on behaviors that other professional employees can see. The feedback provides insight into the skills and behaviors desired in the company to accomplish the goals. The feedback is firmly planted in behaviors needed to exceed customer expectations. Personal feedback is selected through a shared process by both the employee and the company. These are people who generally and routinely interact with the person who is receiving the feedback. The objective of 360-degree feedback is to assist each individual in understandingtheir strengths and weaknesses and to add insights into aspects of their work, which might need development in a professional manner.

"As you know, I work for a Bank.Here, appraisal happens once in a year. One month before the due date of the appraisal, my work/ performance feedback is taken from my team members, clients, and my colleagues across other departments. I have been working with this company from the past 10 years, during this period I have been promoted thrice. I missed out my first promotion since my feedback from one of the clients was not good.The company arranged a work shop so that I could improve my soft skills.After the training, my skills improved and I am able to perform much better and also I have not missed any promotion" (Gender: male; age: 32).

Graphic Rating Scales

The other prominent theme was thegraphic rating scale (n=8). The graphic rating scale (Freyd, 1923; Tesler, 1991) is used in environments that are ideal for production-oriented work and also in companies that have to be fast paced to survive. The graphic rating scale consists of a list of duties, which the professional employees must perform. A typical graphic scale ranges from numbers 1 to 5 and the performance of professional employees is rated in specific areas, for example, "participates in decision making" or "*understood the job*". In this method, the performance appraisal of the professional employees can be completed relatively quickly compared to other methods. This method is beneficial for managers who must manage a large team.

"*You see, I work for the restaurant industry. My job is very challenging.If my customers are not happy, then they might not come back. My professional employees should be in a position to understand the needs of the customer and serve them accordingly. Even a small mistake might land us in trouble. I evaluate my team once in a week and try to find out if they have understood the task properly or not*" (Gender: female; age: 28).

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Management by Objectives

The third theme is management by objectives (n=5) (Thomson, 1998; Rodgers & Hunter, 1991). This method is mostly used to measure the performance of professional employees who are in a managerial position. In this method, the goals of the professional employees are set and the reporting manager and the employee list the resources that are needed to complete the task. Once the resources are set, the next step is to decide on the timeline for completing the task. Throughout the evaluation period, the manager and employee meet at regular intervals to discuss the employee's progress, and if necessary, the goals are reset and additional resources and time is accordingly provided for completing the task. The performance of the employee is measured by how much of the task is complete and within what time frame.

"*I evaluate the performance of the employees on a fortnightly basis.Depending on the project which they are working, if I feel that the employee is not completing the task within the stipulated time, then I shift them to a different team because any delay in the completion of the task is going to be very costly for us and we cannot afford that*" (Gender: male; age: 40).

Trait Focused Appraisals

The forth theme istrait focused appraisals (n=5) (Thomson, 1998; Rodgers & Hunter, 1991). A trait focused appraisal technique is very helpful for reinforcing positive work culture and ethics in the organization (Mount et al., 1998; Allen & Rush, 1998). It considers attributes like dependability, helpfulness, and punctuality for employees being appraised by the organization. The advantage of this technique is that it not only motivates employees to be competitive in a reasonable manner but also to be available to help colleagues if there is any requirement.

"*I work for the cement industry. My job is very challenging. I have to ensure that I supply the product to the distributors promptly. If the distributors don't have sufficient stock of my products they might end up selling competitors product. I have to ensure that they push my products. I have to visit my distributors once in a day. I take stock and supply them on time. If I am not able to do it I request one of my colleagues to do that*" (Gender: male; age: 37).

DISCUSSION

The objective of this paper is to contribute to the existing body of knowledge by identifying the methods that are used by Indian companies to measure employee performance. It is unique in that it is the first qualitative research of its kind conducted in India. An unstructured interview was employed to determine how performance was measured by various companies. The results of this study identified that 360-degree feedback was the most widely used method to measure professional employees' performance apart from graphic rating scales, trait focused appraisals and management by objectives. Although the study was exploratory, it is anticipated that the identified factors can be applicable in the context of other developing countries. Prior research has shown that 360-degree feedback helps in enhancing performance and communications (Bernardin & Beatty, 1987). It is often used to instigate leadership training programs by supplying direction for developmental purposes. In some organizations feedback is used exclusively for development; in other organizations, it serves as input for compensation adjustment and merit evaluation (McEvoy & Buller, 1987; London et al. 1990). Even in organizations using 360-degree programs for

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managerial appraisal or development, these programs are often carried out in the absence of a strategic context and are not focused upon contribution towards organization's competitive advantage (Schneier et al. 1992). It is better if the organizations measure performance on the basis of financial measure (for example profitability, return on investment) and operational measures (for example quality, speed, productivity, quality) in addition to their performance in terms of behaviors. 360-degree feedback recognizes the complexity of management and the value of input from different sources (Becker & Klimoski, 1989). For example, subordinates are exceptionally positioned to view and evaluate leadership behaviors. In fact, they may have more complete and accurate information about many leadership behaviors than supervisors have. It is manifest that managers should not be rating behaviors they do not observe.

Companies depending on feedback that they have received can train professional employees if they are lacking a skill. In addition, they can create management development programs that are aimed at developing the skills thatprofessional employees' lack (Schippmannet al., 2000). The company can also evaluate the performance of professional employees by structuring the appraisal mechanism around competencies (Posthuma & Campion, 2008). Competencies can also be used by the company to promote professional employees (Campion et al., 2011). Models that represent salary levels for each competency are beneficial for promoting professional employees. Organizations can also develop the career of the employee by using competency models to direct the choice of assigning the job and to also make other career choices (Campion et al. 2011).

Overall, the adoption of competency-based assessments is a good practice for any organization (Spencer, 1997). Employee competency assessments have been around long enough and are a very useful tool for human resource departments. Employee competencies are a list of skills and behaviors that are specific and well defined and are used to structure acompany's performance expectations for a job or the company's culture as a whole. There are many available resources for the human resource professional to help them develop and customize a list of competencies that their company can use to measure professional employees' performances (Becker & Klimoski, 1989). Employee competencies can be used in a variety of ways. They can be incorporated into performance appraisals, hiring practices, and succession planning. The data was collected from professional employees who were working in private companies; future research could look at government employees. The other limitation is that this wasa cross-sectional study, and future researchers should look at longitudinal studies.There are a variety of issues relating to competency assessment tools in an organization. The future instructive approaches in which competency assessment tools are developed and assessed requires the attention of professional employee trainers. Competency assessment tools must reflect the real-life job environment, and more innovative instructive approaches to competency assessment are required (London & Beatty, 1993). One of the underlying principles is that competency assessment tools need to be pedagogically sound and must be developed to reflect the skills, level of knowledge, and experience of professional employees (DeNisi & Pritchard, 2006). Competency assessment tools need to be developed to suit the needs of the employees who have just joined the organization (for example, fresher's) and who are more task oriented and who adapt to the organizational culture very easily compared to professional employees who have been working in the organization for a longer period of time. In essence, as professional employees move forward from the beginner to expert continuum, they become more skilled in applying the art of correctly doing the job, and therefore, competency assessment tools need to reveal these expert skills. One way of meeting such principles in a valid and reliable way is to determine competency by assessing professional employees over a continuum-of-time rather than one time. This increases the reliability and validity of the competency assessment tools by

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allowing both the art and the science of correctly doing the job to be assessed (Locke et al., 1991). This helps organizations to review the performance of their professional employees in their day-to-day real-life environment and determine how they respond to the everyday situations that arise in doing the job that is assigned to them.

The goal in undertaking this study was to investigate the scope to which researchers have heeded Hinojosa's et al. (2017) call for a better understanding of the context of competency assessment. For instance, research in the last few years on the feedback culture has recommended completely new approaches to coaching and performance management that were not previously considered. In fact, it seems that some early empirical results suggest that the dynamic nature of feedback culture is very important for all organizations (Meyer 1991). Another area that has emerged as extremely important in recent competency assessment literature is the newer ways in which the performances of professional employees are evaluated. Based on the literature review, more empirical work should be undertaken to better isolate and understand the various relationships discussed in this paper.

Theoretical and Managerial implications

The current study provides several implications for researchers, academicians, and practitioners. The various competency assessment used in Indian private sector companies have been identified. The choice regarding which assessment tool to use depends on the objective of the organization and the competency which is being measured. It is suggested that organizations consider number of factors before adopting any tool. The strength and challenge of the methodology should be taken into account before deciding the assessment tool. Organization should also pay attention to the scoring, coding and interpretation of the data which they have collected.

Limitations and Directions for Future Research

Since this is a qualitative study, with data collected from a fairly small sample of respondents, it suffers from a lack of generalizability of findings. Moreover, this study was conducted in India, indicating that some of our results might be specific to the Indian context. Therefore, replication of the study is required in other countries, particularly in countries that have a similar socio-economic status like India. Such a study will enable comparison between each country's competencies measures used in organizations. Future research can be carried out in the area of how appraisals and performance management impact other outcomes other than individual performance. Practitioners have recommended that assessing organizational learning outcomes will pose a real challenge to researchers. Future research should ascertain whether improvements in individual performance can somehow translate into improvements in firm performance and profitability. While interviewing the participants, it was observed that the perceptions of only the employees were considered. In other words, the research focused only on the ratee's opinion and not on the rater's opinion. Future research should consider both the rater and ratee effects on the competency assessment.

CONCLUSION

The above-mentioned approaches adopted by private sector Indian companies increase the validity and reliability of competency assessments, and they allow organizations to recognize the knowledge, skills and experience of individual professional employees, offer a more rewarding and satisfying approach to demonstrate competency for professional employees, and finally, demonstrate real-life competency. Most companies are looking for

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good employee productivity. The focus is on developing the skills of professional employees, and the benefit for companies is increased revenue. Companies need to focus on competency development to achieve their goals. Skilled professional employees are always involved in learning new things and expanding their existing skill sets, and companies need to maximize this opportunity and provide the required resources that professional employees need to increase their value to the company.

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