

# **Securing a Competent Workforce**

A Comparison of How Tech Companies and Municipalities Work With Competency Management

Authors: Lisa Berg and Heidi Paradis

Supervisor: Rikard Larsson Examiner: Bo Göransson

Date: 2020-06-05

Master's Programme in Management

Lund University School of Economics and Management

### **Abstract**

The society has gone from production equipment being the most valued asset in the organizations, to today, having the human asset and their competencies as a valuable and critical contributor to business profit. Competency Management has, therefore, received much attention and been a common Human Resource practice in the past decades. However, it is still an unexplored process in many private and public organizations. Partly because it is complex, and it can be challenging for organizations to establish a framework for how to work with Competency Management. We were, therefore, intrigued to explore how private and public organizations work with Competency Management. Thus, the purpose of this study is to compare how tech companies and municipalities work with Competency Management.

An abductive and qualitative approach was chosen by conducting 12 virtual and semi-structured interviews with six municipalities and six tech companies. The result of this research shows that Competency Management is a strategic initiative for the majority of the organizations, and it is, therefore, a clear connection between the Competency Management strategy and the organizational strategy. The municipalities and tech companies had a similar purpose with working with Competency Management, but different focuses were identified. The findings show that very few have structured Competency Management processes. However, one of the main findings of this research is that both sectors, regardless of employee size, can establish a Competency Management process and execute it. Further, mainly similarities and a few differences in how the sectors worked with Competency Management was identified. The research also revealed several positive effects of working with Competency Management and that it can create a competitive advantage.

**Key words:** Strategic Human Resource Management, Competency Management, Competency Management Processes, Effects with Competency Management and Competitive Advantage.

# Acknowledgments:

Firstly, we would like to acknowledge and express our gratitude towards the participating organizations and the interviewees for a great collaboration, which has led to insightful knowledge exchange.

Secondly, we would like to acknowledge and thank our supervisor, Rikard Larsson from Lund University School of Economics and Management, for the guidance with our thesis work and all the great laughs!

Thirdly, we would like to thank our peers for supporting our thesis work with continuous feedback.

# Table of Content

1. Introduction	1
1.1 Background	1
1.2 Problem Formulation	1
1.3 Research Question and Purpose	2
1.4 Demarcations	3
1.5 Disposition	3
2. Theoretical Framework	4
2.1 Strategic Human Resource Management	4
2.1.1 Resource-based Theory	5
2.2 Competencies	5
2.3 Competency Management	6
2.4 Competency Management Processes	6
2.4.1 Competency Mapping	7
2.4.2 Gap Analysis	8
2.4.3 Closing the Skill Gaps and Developing the Employees	9
2.4.4 Monitoring and Measuring the Development	9
2.4.5 Succession Planning	11
3. Methodology	13
3.1 Research Philosophy	13
3.2 Research Approach	13
3.3 Research choice	14
3.4 Time Horizon	14
3.5 Data Collection Method	14
3.5.1 Sampling	15
3.5.2 Semi-structured interviews	17
3.5.3 Conducted Interviews	18
3.6 Data Analysis	19
3.7 Data quality	20
3.7.1 Ethical Considerations	21
3.8 Methodology Reflections	22
4. Empirical Result	24
4.1 Connection With the Overall Strategy	24
4.2 Purpose With Competency Management	24

4.3 Competency Management Processes	25
4.3.1 Competency Mapping	26
4.3.2 Gap Analysis	28
4.3.3 Closing the Skill Gaps and Developing the Employees	28
4.3.4 Monitoring and Measuring the Development	29
4.3.5 Succession Planning	29
4.4 A Comparisons Between the Public Sector and the Private Sector	30
4.5 A Comparison Between the Organizations and Their Employee Size	31
4.6 Effects and Competitive Advantage	33
5. Analysis and Discussion	34
5.1 Connection with the Overall Strategy	34
5.2 Purpose With Competency Management	35
5.3. Competency Management Processes	36
5.3.1 Competency Mapping	38
5.3.2 Gap Analysis	40
5.3.3 Closing the Skill Gaps and Developing the Employees	40
5.3.4 Monitoring and Measuring the Development	41
5.3.5 Succession Planning	43
5.4 Effects and Competitive Advantage	44
6. Conclusion	47
6.1 Practical Implications	48
7. Limitations of the Study and Recommendations for Future Research	49
References	50
Appendix	55
Appendix 1: Interview guide	55

# List of Figures

Figure 1. Definitions of Human Resource Management4
Figure 2. Competency Management life-cycle
Figure 3. Five steps of competency mapping8
Figure 4. Kirkpatrick's hierarchical model
Figure 5. Framework of Succession Planning
Figure 6. Competency mapping process
Figure 7. Competency Management as a strategic initiative
Figure 8. Identified which effects an organization can get
List of Tables
Table 1. Participating organization
Table 2. Summary of organizations in relation to sector and employee size17
Table 3. Connection to overall strategy
Table 4. Competency management processes
Table 5. Competency mapping27
Table 6. Succession planning30
Table 7. Advantages and disadvantage with employee size

### 1. Introduction

The first chapter of this research paper will begin with providing a background and problem formulation, followed by presenting the research question and the purpose. Further, addressing the demarcations of this study and lastly, ending with a disposition to guide the readers through the paper.

### 1.1 Background

The workplace and workforce have dramatically changed during the past 20 years (Cotten, 2007). It has gone from production equipment being the most valued asset in the organization to today, having the human assets and their knowledge as a valuable and critical contributor to business profit (Cotten, 2007). Palan (2008) agrees and states that in a world that is dominated by the service sector, the human capital is more important than ever. The author further implies that organizations depend on the competency of the human assets to get a return on investment. It is also the human assets that differentiate an organization from its competitors in this dynamic and continuously changing business world (Naqvi, 2009). The author further states that organizational performance and the value provided is a direct result of the human capital input. Becker and Huselid (2006) agree and add that organizational strengths such as innovation are a direct result of the human capital's skills and knowledge. Vakola, Soderquist, and Prastacos (2007) conclude that a shift has happened, from people as a workforce to people as a competitive force.

How to utilize and manage the human capital has, therefore, become an essential activity for organizations aiming to keep up with the changes in society and the competitive market. As a result, the concept of Strategic Human Resource Management has received much attention in today's organizations since it connects human practices to the organization's business objectives and utilizes it (Chang & Hang, 2003; Carameli & Schaubroeck, 2005). A vital part of Strategic Human Resource Management is Competency Management, which ensures their employees possess the right skills needed for executing the organizational strategy (Wright & McMahan, 1992; Palan, 2008). This practice can further enhance organizational performance, organizational outcomes, and competitive advantage (Chang & Huang, 2005). The established connection between Competency Management, a capable human capital, and competitive advantage has, therefore, become a significant argument for why an organization should devote more attention and resources to Competency Management practices that align with the business objectives (Barney & Wright, 1998; Boswell, 2006).

#### 1.2 Problem Formulation

Competency Management has become an essential strategic process for organizations both in the public and private sectors to identify and develop talented employees (Darling &

Cunningham, 2016) and to reach a competitive advantage (Chang & Huang, 2005). Despite that, Competency Management is a known and valued concept in both the private and public sector, it still remains an unexplored process in many organizations (Naqvi, 2009; Sanghi, 2019). This because Competency Management is a more complicated practice than it appears and, therefore, many organizations struggle with finding and establishing the right framework for facilitating the Competency Management work (Naqvi, 2009). Darling and Cunningham (2016) imply that organizations, therefore, face the same challenge, which is creating a Competency Management process that can utilize the employee's competency development. Furthermore, Ganesh (2004) claim there is no best practice when it comes to Competency Management and stresses that organizations and sectors work with it differently.

As Ganesh (2004) stated, the private and public sectors work with Competency Management differently and have different focuses (Darling & Cunningham, 2016). The public sector focuses on developing the employees to ensure they are providing high-quality services and welfare to the citizens (Darling & Cunningham, 2016). On the contrary, the authors state that the private sector tends to use Competency Management to develop competencies to increase the quality and reduce the cost. Furthermore, Boyne, Poole, and Jenkins (2002) argue that the private sector works more with Competency Management and especially tech and IT organizations, since they need to have a competent workforce to string along in the fast-forward changing environment and also to increase the efficiency. Counters, the authors state that public organizations are lagging in their Competency Management work due to their bureaucratic characteristics.

This study will, therefore, compare how the different sectors work with Competency Management. The study will have two types of organizations representing the public and the private sector. The organization representing the private sector is tech companies that, according to Teknikföretagen (2020), are companies that provide technical services and products through hardware and software solutions. The Swedish municipalities will represent the public sector. According to Sveriges kommuner och regioner (2019), a municipality is an organization that supplies the resident's basic needs and operates according to the government administration in Sweden. However, each municipality has an elected assembly, where the municipal council is authorized to make decisions on municipality matters. Furthermore, a municipality is a large organization with several administrations that have commissions that decide over their budgets and priorities.

### 1.3 Research Question and Purpose

Our research question is to explore: *How do tech companies and municipalities work with Competency Management?* 

The purpose of this study is to compare how organizations with different employee size and within different sectors work with Competency Management. The thesis will investigate if there is a connection between the organization's strategy and the Competency Management

strategy and the reason for which they work with Competency Management. Special attention is paid to operational and strategic working methods within Competency Management. Lastly, the thesis will identify which effects that can occur when working with Competency Management and if a competitive advantage can be achieved

#### 1.4 Demarcations

There is limited research regarding how public and private sectors work with Competency Management in Sweden and primarily how municipalities and tech companies work with it. Therefore, only a brief background was provided in the problem formulation section. However, we believe it is enough to understand the context of our research.

The field of Human Resources is vast with many concepts, theories, and terms. Thus, it requires us to do demarcations. Strategic Human Resource Management is the precursor for Talent Management, which the practice of Competency Management belongs to. Our theory section will, therefore, present the concept of Strategic Human Resource Management. Nonetheless, we have chosen to exclude the rest of the Talent Management practices since our research question and purpose only focus on Competency Management. This approach was chosen since we wanted to assign greater weight to how organizations develop competencies among the existing employees in the organization rather than using external talent to fill their competency needs.

The literature chosen has been carefully selected through looking at reviews of academic journals, peer-reviews, and date of publication. We, however, want to shed light on that most literature used has been derived from American, English, and Asian studies, which might have a limited application in our study since we focus on Competency Management in Sweden. However, the sources selected were the ones most frequently used in the Competency Management field, which was the reason why we selected them. Nonetheless, we have chosen to exclude some theories in the field, for example, the concept of job analysis and competency modeling since they were not relevant to the study.

### 1.5 Disposition

The Introduction (Chapter 1) is followed by the Theoretical Framework (Chapter 2), which focuses on providing a context for Competency Management, explaining in detail what it is, why it is beneficial, and what type of processes one can use. The following chapter is the Methodology section (Chapter 3), which explains and discusses our research standpoint, how we collected and analyzed our data, quality, ethical considerations, and a methodology reflection. (Chapter 4) will highlight the Empirical Results from our conducted interviews. In the Analysis and Discussion (Chapter 5), our findings from the data collection will be analyzed and discussed in relation to theory. The Conclusion (Chapter 6) will then answer our research question and purpose, further state which practical implications the study will provide. Lastly, Limitations of the Study and Future Research (Chapter 7) will be identified and suggested.

### 2. Theoretical Framework

This chapter aims to provide the readers with an overview of Competency Management and its different processes. This chapter will begin with addressing the context of Competency Management by explaining its relation to Strategic Human Resource Management and why it is beneficial to engage in Competency Management. The terms, competencies and Competency Management will later be defined. Then, various Competency Management processes will be presented, such as competency mapping, further ending with succession planning.

\_\_\_\_\_

### 2.1 Strategic Human Resource Management

Human resource is a broad field with many subcategories, models, concepts, and terms (Delery, 1998). One way to navigate through this massive field of research is, according to the author, to divide Human Resource into separate fields. Amongst the different fields, Human Resource Management and Strategic Human Resource Management can be challenging to distinguish from another (Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009). However, the authors provide one explanation of how to differentiate the fields, which is shown in the figure below.

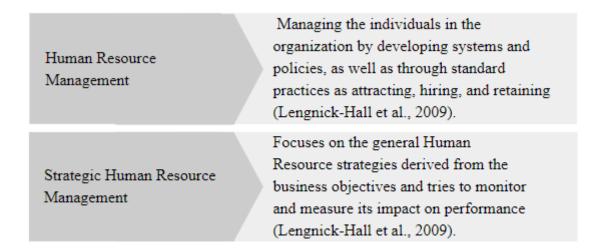


Figure 1. Our visualization of the Human Resource field, according to Lengnick-Hall et al. (2009).

As explained in chapter 1.4, we will, in this study, assign greater weight to Strategic Human Resource Management. Green et al. (2006) state that has research shown that there is a positive relationship between Strategic Human Resource Management and organizational performance. A study about Strategic Human Resource Management shows that for an organization to survive in a highly competitive environment, they need to have a capable human capital (Akhtar, Ding & Ge, 2008). The established connection between a capable human capital and competitive advantage has become a significant argument for why an organization should devote more attention and resources to Human Resource practices that align with the business objectives (Barney & Wright, 1998; Boswell, 2006). However, Harris

and Ogbonna (2001) disagrees with the scholars above and argue that there is no relationship whatsoever between Strategic Human Resource Management and performance. Kaye (1999), stresses that it is vital and good sense to include Human Resource practices with the business strategy.

#### 2.1.1 Resource-based Theory

To explain Strategic Human Resource Management practices, importance, and effectiveness, many scholars use the Resource-based theory (Delery, 1998). The Resource-based theorists explain competitive advantage as the match between internal resources and changing circumstances in the external environment (Hart, 1995). By utilizing the internal and existing resources, including human competencies, one can accomplish a long-lasting competitive advantage (Meifert, Ulrich & Potte, 2016; Hart, 1995). Why it can generate a competitive advantage is that it is hard and costly to imitate superior resources such as competence (Akhtar et al., 2008; Boxall, 1998; Carmeli & Schaubroeck, 2005). Nonetheless, for competencies to be a superior resource, they need to be valuable, scarce, inimitable, and non-transferable according to the Resource-based theory (Carmeli & Schaubroeck, 2005). However, having impressive competencies in the organization does not, according to Carmeli and Schaubroeck (2005), directly entail achieving a competitive advantage since the organization needs to utilize and leverage them.

According to Javidan (1998) exploiting, an organization's competencies will create a more indepth understanding of the organization's competitive advantage. Consequently, Javidan (1998) stresses that such detailed analysis can entail a better view of a match of the opportunities in the external environment and the organization's internal strengths. Further, the author means that by continuously exploiting internal competencies, the organization can add additional value to the organization by exploring new markets, products, or services. In reverse, by exploiting new opportunities in the surrounding environment, an organization can acquire or develop new resources to match these opportunities (Carley & Lee, 1998). Further, it can lead to the organization reaching above-average financial performance (Becker & Huselid, 2006).

### 2.2 Competencies

The cultural contexts have an impact on how one defines competency (Deist & Winterton, 2005), for which it has received many definitions over the years (Catano, Hackett & Wiesner, 2019). Marelli (1998), which was one of the earlier scholars to define competence, states that competencies are human capabilities necessary for accomplishing performance demands. Similarly, Catano et al. (2019) suggest that competencies are a group of behaviors that are needed to successfully perform in a job. According to Draganidis and Mentaz (2006), competencies are the result of using knowledge, skills, and thoughts separately or together to achieve high performance. Boyatzis (1982) considers competencies to be a mix of traits, skills, knowledge, motives, and the individual's self-image that requires adequate performance. However, the author stresses that competencies explain what an individual can

do, not necessarily what the individual is currently performing. Despite there being various views on how to define competency, there is a shared view that competencies have a profound effect on job performance (Boyatzis, 1982).

### 2.3 Competency Management

Competency Management is the task of defining competencies, making them clear and visible, further securing the use and development of these competencies to reach the goals of the organization (Meifert et al., 2016; Vakola et al., 2007). Other researchers define it as the processes of how the organization ensures that its employees possess the right skills needed for executing the organizational strategy (Wright & McMahan, 1992; Palan, 2008). Competency Management is a significant concept since the performance of companies depends on the quality of the employees' competencies (Naqvi, 2009). Gangani, Mclean, and Braden (2008) imply that using Competency Management has resulted in improvements in the operational business efficiency, enhanced the alignment between strategy and culture as well as strengthening Human Resource practices and its effects.

Further, Competency Management can be the engine for implementing the desired business strategy and an essential source for change (Meifert et al., 2016). Reinhard and North (2003) state that Competency Management can result in better control over the organization's internal and external conditions. Vakola et al. (2007) agrees and adds that actively working with Competency Management results in a better overview of the employee's skills and knowledge, further which skills will be needed in the future. Beiro and Harzallah (2005) imply that organizations that do not use Competency Management risk not getting a complete overview of their competencies. Working actively with Competency Management can also, according to Lawler (1994), result in an organization becoming an attractive employer and increase retention among existing employees. Better retention can further result in a financial advantage since replacement costs can be costly. However, Vakola et al. (2007) state that the competitive advantage depends on the ability to work with Competency Management and use Human Resources actively.

### 2.4 Competency Management Processes

Ganesh (2004) states that there is no best practice for how to work with Competency Management. Instead, the author state that organizations can use different processes to ensure a competent workforce. Hence, it remains an unexplored process in many organizations since Competency Management is more complicated than it appears (Naqvi, 2009; Sanghi, 2019). The author further states that it, therefore, is challenging to find the right framework for the organizations.

Marelli (1998) states Competency Management is a continuous process that integrates with all the other Human Resource processes. Further, Draganidis and Mentzas (2006) state that the Competency Management process is a life cycle that aims to develop individual and

organizational competencies continually. The life-cycle includes four phases, which are the following:

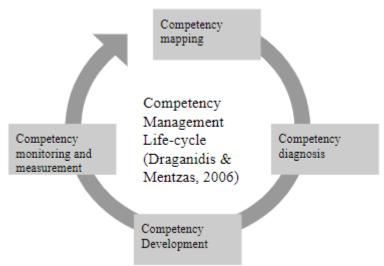


Figure 2. Our visualization of Dragandis and Mentzas (2006) Competency Management life-cycle

Competency mapping provides organizations with the competencies the employees possess, and competency diagnosis is when the organizations analyze the collected data and compare it with the competencies required to find a gap (Draganidis & Mentzas, 2006). Competence development is the third phase, which refers to solving the skill gaps with training or other activities. Lastly, monitoring and measuring the competencies entails continuous monitoring and measuring of the development (Draganidis & Mentzas, 2006). However, the authors stress that these process does not necessarily need to be in this specific sequence and that the various processes can be conducted separately from each other.

### 2.4.1 Competency Mapping

Competency mapping is, according to Draganidis and Mentzas (2006), the first step in the Competency Management life-cycle. It is a valuable process where an organization map all their competencies to see what competencies they possess (Sanghi, 2019; Uddin, Tanchi & Alam, 2012; Ganesh, 2004). Competency mapping further shreds light on an individual's strengths and weaknesses for the individual to understand where training is needed and for the organization to know where to direct efforts to develop the individuals (Uddin et al., 2012; Naqvi, 2009). Competency mapping is, therefore, beneficial for the individual but mostly for the organization as a whole since competency mapping is the base for recruitment, performance management, promotions, placements, and training needs identification (Naqvi, 2009).

Scholars state that organizations have different competency mapping processes (Uddin et al. 2012; Ganesh, 2004; Sanghi, 2019; Naqvi, 2009). Uddin et al. (2012), for example, convey that competency mapping includes five steps, which we visualize in the figure below. The last step in Uddin et al. (2012) model is the most important since it takes the competency mapping

process a step further by analyzing the results and assesses if there is a deviation between the required level and the actual level of competency.

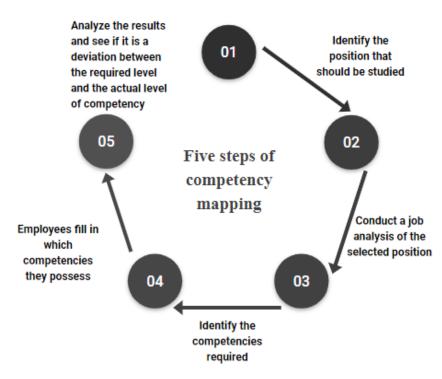


Figure 3: Our visualization of Uddin et al. (2012) five steps of Competency mapping.

Mapping the results of the collected data is relatively easy since systems can produce a competency map over who has what competence (Ganesh, 2004). However, Ganesh (2004) agrees with Uddin et al. (2012) and states that the most crucial part is to ensure that the input and analysis are conducted adequately since competency mapping without them is just a paper with competencies (Ganesh, 2004).

#### 2.4.2 Gap Analysis

As mentioned above, competency gap analysis can, according to Ganesh (2004) and Uddin et al. (2012), be the last step in the competency mapping process. However, it can also be viewed as a new process that analyzes the collected data from the mapping (Draganadis & Mentzas, 2006). Nonetheless, Martone (2003) states that an organization does not necessarily need to conduct a competency mapping to execute a gap analysis.

Several researchers (Uddin et al., 2012; Martone, 2003; Draganadis & Mentzas, 2006) implies that the most critical step in Competency Management is the gap analysis since the gap analysis sheds light on what competencies the organization and the employees possess. It further indicates which competencies that are not currently available in the organization but need to be developed to meet the organization's goals (Marelli, 1998; Naqvi, 2009; Gangani et al., 2008).

It is, according to researchers, no best practice on how to analyze and identify competency gaps (Draganidis & Mentzas, 2006). However, Martone (2003) states that it is more manageable to do a gap analysis with a system in place that analyzes which competency gaps an organization has (Martone, 2003).

#### 2.4.3 Closing the Skill Gaps and Developing the Employees

When organizations have identified the skill gaps, the next step is to close the gaps (Metzenthin, 2005). The organization needs to develop or acquire the competence that is required but is currently not available in the organization (Gangani et al., 2008).

Developing the employees' competencies through training and education is a standard solution to solve the skill gaps when the employees lack a specific competence (Cotten, 2007; Draganidis & Mentzas, 2006; Metzenthin, 2005). An organization can use various sets of training and education programs, both in-house programs with internal training or outsourced programs with courses and external trainers (Gangani et al., 2008). Nonetheless, when designing training and education, the information from the competency mapping and gap analysis must be utilized to ensure appropriate activities are chosen (Gangani et al., 2008). Further, organizations must have a clear goal with the gap-closing activities to be able to motivate the employees (Metzenthin, 2005). It is also essential that the employees get an individual training program designed to improve their specific competency (Gangani et al., 2008).

Transferring accumulated knowledge and wisdom from key employees to others, for example, through on-the-job training such as job rotation, temporary assignments, mentoring, and job shadowing, is another solution to solve the gaps (Cotton, 2007). If the organization cannot develop the required competence, and the employee skills do not match the organization's needs, the employee can be terminated (Metzenthin, 2005). Nonetheless, to use termination as a strategy is not viable in the public sector (Cotton, 2007). The public sector has to consider other options as a buyout, offer early retirement, or replace the person in the organization (Cotton, 2007). Another common solution, according to the author, is to recruit new employees that have the required competence. Nonetheless, it can be hard to find the right candidates, according to the author. As a result of this, an organization can hire consultants with the competency required (Cotton, 2007).

#### 2.4.4 Monitoring and Measuring the Development

According to Draganidis and Mentzas (2006), the last phase in the competency life-cycle is monitoring and measuring the development, which entails a continuous examination of the competency development. Gangani et al. (2008) stress that it is a common method after solving the skill gaps and developing the employees. For an organization to get a complete evaluation of the competency development, Kirkpatrick's hierarchical model of the five levels of evaluation is recommended to use (Saks, Haccoun & Belcourt, 2019), that one can see in

the figure below. The first level assesses reactions and attitudes, while the second level assesses the learning outcomes, further level three evaluates if there has been a change in behavior or performance due to a specific initiative. Moreover, level four evaluates the impact of the initiative on the organization's performance and results, while level five assess the initiative's financial benefit by either looking at return on investment or cost-benefit. However, the author states that all levels should preferably be included for a complete evaluation. Further, does Saks et al. (2019) highlight that most organizations only use level one or two, while only 15% use level five. The authors imply this is because many organizations perceive it is challenging to relate Human Resource practices to monetary terms.



Figure 4. Our visualization of Kirkpatrick's hierarchical model of the five levels of evaluation.

The view is shared by Becker, Huselid, and Ulrich (2001), who state that it is hard to measure and evaluate Human Resources' impact on performance since it is an intangible asset. Thus, it is difficult to see a cause and effect relationship. Therefore, it is most common that organizations use descriptive evaluation methods instead of cause evaluations that assess whether an initiative has caused a change in behavior or performance (Saks et al., 2019). However, Becker et al. (2001) suggest using a Human Resource Balanced Scorecard since it considers both financial and nonfinancial measures as well as tangible and intangible assets. Cunningham and Kempling (2011) agree that the Human Resource Balanced Scorecard is a way to measure and illustrate the progress and importance of Human Resource practices. The authors' further state that it is a way to link Human Resource practices to the business objectives.

The evaluation should not only be continuous; it should also include several methods (Saks et al., 2019). Shet, Patil, and Chandawarkar (2019) state that an organization can use key performance indicators, goal setting, skill profiling, and behaviorally anchored rating scales to measure and to monitor competency development. However, several scholars mention performance appraisals as the most common approach to evaluate and monitor the process (Marelli, 1998; Shet et al., 2019; Jones, 1995; Martone, 2003). A way to examine the developed competencies is to use assessment instruments such as managers' ratings,

assessment centers, and self-assessment inventories (Marelli, 1998). Shet et al. (2019) also imply that performance feedback, such as 360-degree feedback, is a way to measure competency since it includes input from several people, which makes the feedback more likely to become reliable and valid (Marelli, 1998). It is vital that managers continuously gather feedback, monitor the development, and communicate with the employee to give support but also to be able to design appropriate development plans to narrow the gaps further (Jones, 1995; Martone, 2003). Further, Martone (2003) states that monitoring should be regular, daily, weekly, monthly, or at least quarterly. The worst-case scenario is only to give feedback and to monitor the development once-a-year (Martone, 2003).

#### 2.4.5 Succession Planning

A succession plan addresses the needed number of employees and which competencies are essential to ensure efficient performance and reaching the organization's business objectives (Rothwell, 2005). Barnett (2008) views it as a systematic and continuous workforce plan that ensures efficient performance over a more extended period. The authors further claim that succession planning can lead to benefits of better leadership continuity, decrease the personnel turnover, increase the retention of high performing employees, and improve the organization's business as well as financial results. Other researchers have found that succession planning can result in a better return on investment (Haung, 2001).

An organization needs to consider several steps when constructing the organization's succession plan (Payne, 1999). Payne (1999) provides a framework of five steps for conducting a succession plan, as one can see in the figure below.

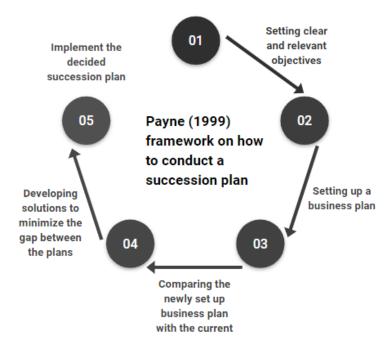


Figure 5. Our visualization of Payne's (1999) framework on how to conduct a succession plan.

What is not mentioned by Payne (1999) but is frequently stressed by other researchers is that succession planning can be conducted in different ways. However, the most important thing is that it should be executed systematically and continuously (Barnett, 2008). Therefore, it makes sense to make succession planning a part of the business's daily processes.

Terms as workforce planning, replacement planning, talent management, and human capital management are used interchangeably with succession planning (Rothwell, 2005). However, they should not be confused for being the same according to Rothwell (2005). The author state that there is an existing overlap between the terms, but they do indicate different meanings, according to the author. For example, replacement planning refers to risk management, ensuring that the organization has the current needed number of employees. In contrast, succession planning stretches further by planning how many people and what kind of people is required over a more extended period.

## 3. Methodology

The following section gives an overview of the methodology of this research. The chapter begins with the research philosophy and approach, continuing with the research strategy. Furthermore, clarifying how the data was collected and analyzed. The chapter will continue to reflect about the data quality and the ethics of the study. Lastly, end with a methodology reflection.

### 3.1 Research Philosophy

The stance of the ontological approach of this paper is characterized by seeing reality as subjective, and that multiple truths can exist (Creswell, 2009). The author further claims that it in practice entails identifying themes of words derived from the participants and highlight different perspectives concerning the research question. These themes and the different perspectives will be highlighted in the result section of this research paper.

Within the ontological philosophy, there are different positions (Bryman, 2012) or paradigms (Creswell, 2009) to be chosen within the qualitative research that shapes the research. Our research is based on constructivism positioning, which focuses on studying the participants' views. The participants' experiences and perspectives are continually renewed through social interactions (Bryman, 2012) and derive from historical and cultural norms (Creswell, 2009). Consequently, our research results are based on our participant's social constructions.

### 3.2 Research Approach

After choosing the research philosophy, the researcher should choose a research approach, which can be a deductive, inductive, or abductive approach. The deductive approach is when the researcher formulates a hypothesis based on what is known about the subject in existing theory and then designs a research strategy to test the hypothesis (Bryman, 2012). The deductive approach, therefore, means reasoning from the more general to the specific (Sekran & Bugie, 2016). An inductive approach works in the opposite way, where the researcher starts without a pre-existing hypothesis and searches for particular patterns from observations and then go to general theory (Sekran & Bugie, 2016). The collected data is in focus, and the theory is the outcome of the data (Bell, Bryman & Harley, 2019).

However, deductive and inductive approaches are often both used in research since they are essential parts of the research process (Sekran & Bugie, 2016). Abduction is an approach that combines both inductive, deductive, and overcomes the limitations associated with the methods (Bell et al., 2019). The author states that abduction starts with observation and then seeks to explain it with existing knowledge and theory. Abduction, therefore, involves backand-forth engagement with the world one studies and the literature (Bell et al., 2019).

This study is based on an abduction manner since it enabled us to use both an inductive and deductive approach. Before we collected the data, we used a deductive approach to gather knowledge about Competency Management. The main reason for this approach was that we, as researchers, had a limited understanding of Competency Management and desired to get a better overview of the topic before moving forward in our research. The knowledge we acquired from the academic journals helped us when designing the interview-template to ensure the questions were reasonable and of high quality. Furthermore, it resulted in avoiding that the questions were based on our subjective interests and preconceived notions about Competency Management. Also, doing extensive background research helped us during the interviews since we were able to ask relevant follow-up questions. Nonetheless, the inductive approach enabled us to be open and view the world through the eyes of the interviewees. Furthermore, it helped us when searching for patterns and explanations since we could go back-and-forth between the existing theory and the collected data.

#### 3.3 Research choice

To be able to reach the purpose of our research, we choose a qualitative approach since it includes the voices of participants and enables them to share their stories and thoughts about a particular topic (Bell et al., 2019; Creswell, 2009). A qualitative approach, furthermore, enables the researchers to step beyond the known world and view the world through the eyes of the people in the study (Bell et al., 2019; Alvesson, 2011), which is in line with our abductive approach. When the data is gained from the participant's words and experiences of their social world, it gives the researchers a more detailed understanding of the issue (Creswell, 2009). It also provides an understanding of how events and patterns unfold over time (Bell et al., 2019). Another strength of this approach is that it also minimizes the power relationship between the researchers and the participants (Creswell, 2009). Furthermore, since the researches are involved in the gathering of data, it often engenders more rich data (Bell et al., 2019).

#### 3.4 Time Horizon

A cross-sectional approach allows the researcher to explore a specific phenomenon at a particular point in time, like a one-shot (Sekaran & Bougie, 2016). We chose to have a cross-sectional approach due to the limited time frame we had regarding the collection of data, and since Bryman and Bell (2015) state that a cross-sectional approach is an appropriate method when conducting semi-structured interviews.

#### 3.5 Data Collection Method

In this chapter, we will explain how we conducted the study. We will begin by describing how we chose our sampling, continuing with why we decided to use semi-structured interviews, and lastly, how we conducted them.

#### 3.5.1 Sampling

To be able to compare the sectors more, we aimed to find a factor that reconciled them. We chose to focus on employee size since we believed that it could influence the work with Competency Management. For example, we thought that it could be more challenging to work with Competency Management in a large organization compared to a small organization. Our goal was to find a couple of small, medium, and large municipalities and tech companies. However, due to the outbreak of the Covid-19 virus, it was not as easy as anticipated to get participants. Therefore, employee size became a less essential criteria when conducting our sampling. Nonetheless, we did not get the variation in employee size that we aimed for. However, we got some organizations that varied in employee size, which one can see in table 1 and 2.

Further, we aimed to find organizations and people that had specific experiences and knowledge and worked actively (preferably Human Resource Professionals or CEO's) with Competency Management. Therefore, we used a strategic sampling approach (Alvehus, 2013), which focuses on reaching out to individuals and organizations with specific experiences and knowledge connected to the research question. To secure the strategic sampling approach, we, therefore, before settling on a collaboration with an organization, made sure to confirm that our potential participants had specific knowledge and worked actively with Competency Management.

We approximately reached out to a hundred fifty municipalities and tech companies by email. The email explained who we were, our research, its purpose, methodology, and practical information about the interviews. Based on a list stating all the Swedish municipalities, we reached out to approximately 60 municipalities that varied in employee size and geographical area. Among these, only 21 responded, 11 declined a collaboration, two did not work actively with it, and two of the municipalities answered when we already had secured a sample of 6 municipalities.

When reaching out to the tech companies, we had Teknikföretagen (2020) definition of a tech company in mind, which is a company that provides technical services and products through hardware and software solutions. To find suitable tech companies, we made use of online lists and articles that listed different tech companies in Sweden. Further, we used Google Search by searching on keywords and our network's suggestions on possible tech companies around Sweden. To ensure that the tech companies we found were in line with Teknikföretagen (2020) definition, we crossed-checked the organization's web-pages before emailing. Among the approximately 90 tech companies we reach out to, only 25 responded, 20 of them declined a collaboration, and five were interested in participating. To get an even number of municipalities and tech companies participating, a professor at Lund School of Economics and Management helped us by reaching out to three tech companies in his network based on our definition. Among these, one tech company responded and became our sixth tech company to participate.

Organizations:	Company Description:	Representatives:	Sector:	Employee Size:
Tech X (Fictional name)	Tech company that has developed a software solution.	HR-Manager	Private	5000 (Large)
Axis Communications	A Swedish company that is providing solutions within sound and image to improve security.	Learning and Development Specialist	Private	3 500 (Large)
Comp Y (Fictional name)	A Swedish company that develops software systems to create safer workplaces.	CEO-Assistant	Private	200 (Medium)
Org A (Fictional name)	A Swedish company that develops and sells an aviation document management system.	HR-Manager	Private	38 (Small)
Cellwood	Swedish company leading in the supply of dispersing systems, which are used in the process of recycling paper waste.	CEO	Private	33 (Small)
Proton Technology	A knowledge-based company that focus on surface technology.	CEO	Private	8 (Small)
Örebro Municipality	One of the largest municipalities in Sweden with 150 000 inhabitants. The largest employer in the area.	HR-Strategist	Public	12 000 (Large)
Gotland Municipality	Have approximately 60 000 inhabitants and is the largest employer in the area.	HR-Strategist and HR-Manager	Public	6500 (Medium)
Muni X (Fictional name)	55 000 inhabitants and the largest employer in the area.	HR-Strategist	Public	5000 (Medium)
Varberg Municipality	65 000 inhabitants, and they are the largest employer in the area.	Two HR-Strategists	Public	5000 (Medium)
Hässleholm Municipality	50 000 inhabitants, and the municipality is the largest employer among the public organizations.	HR-Specialist	Public	4000 (Medium)
Enköping Municipality	45 000 inhabitants and is the largest employer in the area.	HR-Manager	Public	3000 (Medium)

Table 1. Shows all the participating organizations, the title of the one representing the organization, which sector the organization belongs to and the organization's employee size.

To be able to compare municipalities with tech companies based on employee size, we needed to categorize the organizations according to their employee size. Thus, we decided to categorize the municipalities in relation to employee size in the public sector. In this thesis, a small organization in the public sector is one with 500-2500 employees, a medium organization is one with 3000-7000 employees, while a large organization is one with 7000+

employees. Similarly, we decided to categorize the tech companies in relation to the private sector. Hence, in this thesis, a small organization in the private sector is an organization with 0-100 employees, a medium organization is one with 100-500, while a large organization is one with 500+ employees. Therefore, Comp Y with 200 employees is a medium tech company in the private sector, while Varberg Municipality with 5000 employees is a medium municipality in the public sector.

Employee Size:	Municipalities:	Tech Companies:
Small:		Org A, Cellwood and Proton Technology
Medium:	Gotland Municipality, Muni X, Varberg Municipality, Hässleholm Municipality, and Enköping Municipality.	Comp Y
Large:	Örebro Municipality	Tech X and Axis Communications

Table 2. Is a summary of the participating organizations in relation to sector and employee size

#### 3.5.2 Semi-structured interviews

Semi-structured interviews were chosen as the appropriate method to collect data to answer our research question, which is a frequently used method within qualitative research (Bryman, 2012). The main benefit of using semi-structured interviews is flexibility (Bell et al., 2019) since the semi-structured approach allows the interviewee to affect the content of the interview (Alvehus, 2013), which we saw was beneficial. Further, for the interviewer to go beyond the interview guide questions and elaborate on responses that might be interesting to explore (Bryman, 2012), which we utilize during our interviews.

A semi-structured interview is based on an interview guide that addresses a specific topic (Bryman, 2012). Our research guide was constructed after going through the research field of Competency Management since we wanted to get an overview of the field of Competency Management and the main concepts that could be relevant to include in our interview guide. The interview guide originally had 15- open-ended questions that covered the most significant concepts in relation to our research question. Only open-ended questions were chosen to limit our influence on the interviewee and allowing us to see the interviewee's social world accordingly to Bryman's (2012) and Creswell's (2009) theory.

Before conducting an interview, the researcher should, according to Bell et al. (2019), do a pilot study testing the interview questions. Thus, we did two pilot studies. We began by testing the interview guide on ourselves, while the second pilot study was conducted on a Human Resource Business Partner that works with Competency Management (but not at a municipality or a tech-company). The aim of the pilot studies was to get an indication if the interview questions were reasonable and an estimation of how long the interview would take. After conducting these pilot studies, we modified some questions and added others. The interview guide was also continuously modified with changes based on the interviews, which

is allowed due to semi-structured interviews flexibility (Bell et al., 2019). Smaller changes were made, for example, deleting one question that the interviewees struggled with, adding one question that we picked up on during an interview that could be interesting to elaborate on, which resulted, in the end, having 15-open ended questions (See Appendix 1). Further, refining some questions to make them more precise. Furthermore, during the interviews, we, on some occasions, changed the order of the questions based on the interviewee's responses.

#### 3.5.3 Conducted Interviews

The 12 interviews were conducted in Swedish and virtually by the digital platforms Zoom, Skype, and Teams during April. Digital platforms were chosen over face-to-face interviews since the interviewees were spread out across Sweden. The outbreak of the Covid-19 virus further strengthened the argument for conducting online interviews. Furthermore, Bell et al. (2019) state that conducting interviews online can become more convenient for interviewees, and it can increase the chance of people wanting to participate in research.

Sekaran and Bougie (2016) state that digital interviews do not secure as relevant data as face-to-face interviews. However, Bell et al. (2019) imply that there is limited evidence claiming this. Nonetheless, conducting interviews online has been questioned since the interaction and conversation are not face-to-face. For example, interviewees can be less present during a Skype interview compared to a face-to-face interview (Bell et al., 2019). However, this was something we did not experience. Furthermore, the possibility of technical problems can interrupt the data collection process (Bell et al., 2019), and we did encounter this problem in five of the interviews. However, since the technical issues were solved within a few minutes, we did not perceive this as a major problem.

A known concern raised with online interviews is that it can harm the flow of the conversation due to the increased likelihood of interruption of speech (Bell at al., 2019). To enhance the chances of more fluent conversation platforms with webcam interaction was chosen. Moreover, we only had one interviewer, which increased the likelihood of a more fluent conversation and decreased the possibility of interruptions as well as confusion. It left the other researcher to observe and take notes of the conversation. Being two when conducting interviews is beneficial to maintain an inter-observer consistency and two-sided view, according to Bryman & Bell (2015). Alvesson (2011) and Bell et al. (2019) also recommend this approach.

Only one interviewee had before the interviews taken part of the interview guide since the participant insisted on getting it if he or she should participate, and the rest took only took part of the purpose of the study and some example questions. The interviews all began the same, introducing ourselves as researchers, repeating the purpose of the study, followed by going through the ethical implications of interviewing, such as recording and anonymity. We then continued with our prepared questions but also asked follow-up questions since the semi-structured interview allowed us to go beyond the guide and elaborate on the responses.

According to Bell et al. (2019), how long interviews take varies a lot, which also was the case of our interviews as well. However, approximately every interview was around one hour.

Almost all qualitative research makes use of audio recording for helping the transcribing process (Bell et al., 2019), which we also did. It is a vital tool for ensuring that the interviewee's response captures in their own words and description (Bell et al., 2019). Further, it allows the interviewer to be more present and observant in the conversation with the interviewee (Alvehus, 2013), which was beneficial. Consequently, it will be easier to ask follow up questions, which we utilized (Bell et al., 2019). The drawback of this approach is, however, that the interviewee might not feel that they could be as open as they would like (Alvehus, 2013). Thus, it was up to the interviewees to decide whether to be recorded or not. However, since all of the interviewees positively agreed with being recorded, we did not see it as a drawback.

### 3.6 Data Analysis

A key success factor in the research process is ensuring data is abundant and of high quality. Therefore, data analysis becomes a crucial part of the research process (Alvesson, 2011). Thus, much effort was directed towards transcribing and analyzing the data. The analysis began with transcribing the data since Alvehus (2013) states that transcribing is the first step after conducting the interviews. Both Alvesson (2011) and Denscombe (2018) highlight the advantage of transcribed interviews since it facilitates the comparisons between the data and also allows the researcher to present accurate quotes. The disadvantage of this approach is, however, it is very time consuming (Denscombe, 2018). As a result of one of us conducting the interview and the other one taking notes during the interview, there was only a need to fill out the blanks, and therefore transcribing was not such a time-consuming process.

After the transcription, the researcher should continue with analyzing the data; this process involves three different steps, which are data reduction, data display, and the drawing of conclusions (Sekaran & Bougie, 2016). In data reduction, the researcher select, code, and categorize the data (Sekaran & Bougie, 2016). To analyze the transcript data and identify potential insights, we started with open coding, "whereby data are broken down into parts, which are given names" (Bryman & Bell, 2015, p.577). The open coding was based on our interview questions (See Appendix 1) and the purpose of the study to ensure we coded the vital parts.

After the open-coding, we continue with analyzing the data on a broader level, both vertical, horizontal, and we also read it top-to-bottom and bottom-to-top to ensure we have included all the essential data. Furthermore, we did axial coding and categorized the coding units into categories to find patterns and relationships between the data and also to identify critical insights (Sekaran, Bougie, 2016). We found eight broad categories, such as 'Connection between the organization's strategy and Competency Management strategy', 'Purpose with Competency Management ', 'Responsible for Competency Management ', 'Competency Management processes ', 'Size of the Organizations', 'Different Sectors', 'The effects of Working with Competency Management' and 'How Competency Management work can

develop'. However, Competency Management processes are a broad category, and, therefore, it had several subcategories.

Data display is according to Sekaran and Bougie (2016), the following significant activity after the coding. It involves taking the data and display it in a categorized manner to easier understand the data (Sekaran & Bougie, 2016). To organize and bring the data together, we used a matrix for every category and filled it in with the interviewee's answers. Drawing conclusions is the final step in the data analysis, but also the essential part since it is in this part the researcher draws conclusions based on patterns from the reduced data (Sekaran & Bougie, 2016). Since we had gathered and integrated all the collected data into categories, we could easily see the essential correlations and conclude it. After completing this process, we could also plan how to structure the data into a well-designed Empirical Result section.

### 3.7 Data quality

When evaluating research, the concept of validity and reliability often becomes the most common criteria to assess the quality of the study (Bryman, 2012). Validity refers to if the research measured what it intended to measure, while reliability highlights the consistency of the study and its replicability (Alvehus, 2013). However, Lincoln and Guba (1994) in Bryman (2012) claim that qualitative research is best evaluated by looking at the criteria of trustworthiness and authenticity.

Trustworthiness assesses qualitative research based on four criteria; credibility, transferability, dependability, and confirmability (Bryman, 2012). Credibility refers to the research being conducted in good practice and sharing the research results with the participants to confirm that the researcher has understood the participant's social world right. To confirm and ensure that our research acknowledges the truth, both researchers went through the documented data multiple times. Moreover, we also sent our results to several organizations that asked for it to ensure we have not distorted the data and for them to approve it.

Transferability refers to the uniqueness and the contextualized aspects of qualitative research (Bryman, 2012). Further, the author states that qualitative research tends to include smaller groups that are studied in a specific context and during a particular time, which can be viewed as an empirical issue since it limits generalizability. Hence, since our sample is only based on 12 interviewees representing their organizations, our study will have limited transferability and generalizability to other contexts. However, it can, according to Bryman (2012), provide results that are thick and rich in the description since it is in a specific research group and setting, which we believe our study provides.

Dependability entails making sure that the research process is documented so peers can assess the researcher's procedure and justify it (Bryman, 2012). Throughout the research process, we have been sending in our work progress through research formats, so our supervisor and peers can review our research process. All interviews have further been documented by transcribing. Being transparent with our work process will also help us establish confirmability, which assesses whether the researchers have been acting in good faith and the

researcher's approach to objectivity, limiting bias (Bryman, 2012). As researchers, we have aimed to limit our influence in the collection and interpretation of data. Further, we encouraged our participants to describe their view of Competency Management based on their social world. However, reaching complete objectivity is difficult, and we can see that our understanding of Competency Management has influenced our way of collecting the data. For example, when asking to follow up questions during the interviews, some of those questions may have been leading questions instead of open-ended questions. Consequently, limiting our confirmability.

Authenticity is the other essential criteria to consider when evaluating the quality of qualitative research (Bryman, 2012; Alvehus, 2013). Authenticity refers to that the research was conducted in an authentic manner that represents all participant's viewpoints fairly and excluding political narratives (Bryman, 2012). Further, the descriptions and results should be recognizable for the participants (Alvehus, 2013). Our research has aimed to create authenticity and fairly describe our participant's viewpoint by during the interviews asking clarifying questions as "do I understand you correctly that your purpose with Competency Management is ....", and further together discussing our interpretations of our participant's viewpoints. As mentioned before, we also sent our result and the discussion to several organizations that asked for it, to ensure we have not distorted the data and for them to approve it.

#### 3.7.1 Ethical Considerations

When planning and executing our research, we carefully considered ethical principles. Ethical principles are categorized into four areas; harm to participants, invasion of privacy, lack of informed consent, and deception (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2009).

To avoid the harm of participants and invasion of privacy, we, throughout the research, obtained informed consent from participants. The participants also had the option to end their participation at any point during the research. To follow the ethical considerations, we began all interviews by asking questions concerning interview ethics. We asked each participant representing their organization if the organization and they desired to be anonymous or if we could use their professional title and mention their organization by name. For those organizations that wished to be anonymous, we used pseudonym names and only described them briefly to protect their anonymity. Further, the participants that have been concerned with protecting their privacy have had the option to take part in the research results before publishing to make changes based on requests.

When we established informed consent, we did not coerce or deceive any of the participants. Instead, it was voluntary to participate in the study. Furthermore, informed consent was established by emailing our participants our research question, research purpose, and research methodology and letting the participants decide by themself if they were interested and willing to participate. This research has further been conducted purely out of good faith. Deception has been excluded by being transparent with our research question and the purpose

of our study. Lastly, have our research respected the data protection regulations by deleting all recordings and transcribing documents after completing our research to ensure that the research was conducted in good faith. By taking these initiatives with the ethical principles in mind, our research has been conducted according to ethical standards.

### 3.8 Methodology Reflections

Alvehus (2013) states that it is a common risk with a strategic sampling approach that the research is lacking useful insights from people not participating in the study. By only reaching out to individuals and organizations with specific experiences and knowledge within Competency Management, we believe that our research might lack useful insights from other people working with Competency Management. For example, middle managers that work operationally with it. Nonetheless, because of the time limitation of this study, we choose a strategic sampling. To reach out to the ones we knew had specific experience and knowledge was, according to us, the appropriate method to ensure that our participants had the competency needed to participate in the study.

Another drawback with our sampling is that we, due to the low response rate, were not able to choose which organization we wanted to include in the study. Instead, we had to settle with the few organization willing to participate regardless of, for example, employee size. Consequently, it affects the comparison between different employee size. Further, we are aware that comparing the sectors based on employee size is complex. This because municipalities are large organizations with many employees compared to tech companies that can vary in employee size and be quite small. To compare, for example, Comp Y that has 200 employees and is categorized as a medium tech company with Varberg municipality that has 5000 employees and is categorized as a medium municipality may not be a reasonable comparison. However, they are, according to us, both medium sized organizations in their sectors, which was the reason why we categorized them as seen in table 2 and compared them with each other. Nonetheless, we have no research that states how to categorize organizations according to employee size, and therefore our categorization is subjective, which is a drawback for the study.

A risk with the study that we knew before conducting it is that it is challenging to distinguish Competency Management and Talent Management from each other. To mitigate this risk, we began the interviews by explaining how the two subjects relate to one another. Further, we explained that we will focus on Competency Management and how to develop the workforce. However, several of the respondents answered some questions with a focus on Talent Management, such as Employer Branding and Recruitment, that we cannot use to answer our research question. Nonetheless, we do not believe that it will affect the result since we also got a lot of relevant answers concerning Competency Management.

A disadvantage with our study is that we conducted all the interviews in Swedish, and for the data analysis, they had to be translated into English. Translating the collected data entails a risk that the answers lose the original meaning and especially for quotes since some words cannot be directly translated. However, to mitigate this risk, we put a lot of time and effort

into the result section to ensure the original answers were translated in the right way. Regarding the quotes, we have been translating them together to ensure proper translation and also high quality.

Furthermore, since our sample consists of 12 organizations that seem appropriate in relation to the time aspect for completing this study. However, this entails that we will not be able to draw any general conclusions from our findings since the participating organization cannot represent their sectors.

## 4. Empirical Result

The Empirical Results includes a summary of our findings from the conducted interviews. The chapter consists of six sections beginning with "Connection with the Overall Strategy", further ending with "Effects and Competitive Advantage". Subcategories are included in the section; "Competency Management Processess" to make it more pedagogical for the readers. Tables are used to visualize the findings that indicate that the sectors and employee size led to different ways of working with Competency Management.

### 4.1 Connection With the Overall Strategy

All the organizations except one municipality agreed that there is a clear connection between their organizational strategy and Competency Management strategy since Competency Management is a strategic initiative. Hässleholm municipality, which is a medium municipality, does not see a connection. However, the HR-department wishes to see it and believe it will happen in the future. Nonetheless, it will probably take time since the goals for next year is already set. The organizations state that the strategic initiative and connection is beneficial since it has enabled the organizations to work more actively and strategically with Competency Management.

Employee Size:	Municipalities:	Tech Companies:
Small:		Saw a clear connection.
Medium:	All the medium municipalities saw a connection besides Hässleholm Municipality.	Saw a clear connection.
Large:	Saw a clear connection.	Saw a clear connection.

Table 3. Visualize if there is a clear connection between the organization's Competency Management strategy and organizational strategy based on sector and employee size.

However, two of the smaller tech companies and the medium-tech company imply that it could be more structured and linked.

## 4.2 Purpose With Competency Management

Similarities regarding the purpose of Competency Management were detected among the two sectors and the various sizes of the organizations. All organizations shared the view that the employees are an organization's most valuable resource, and therefore it is vital to develop them. Another shared purpose is that they all claim Competency Management can create a

better overview of the organization's competencies and what competencies needed in the future to meet the demands of society. The municipality of Enköping implies that Swedish municipalities predict 1000 new jobs will be created in the next ten years. Therefore, they need to develop employees to meet this demand. Another reason for engaging in Competency Management mentioned by both tech companies and municipalities is to enhance retention.

However, the sectors have different focuses on Competency Management. The municipalities state that their focus on Competency Management is to deliver exceptional services and welfare to the citizens. Counters, the tech companies claim Competency Management is an initiative to develop employees' competencies to manage complex technology that requires specific knowledge.

"The reason why we invest in the employee's competence is that we believe that the key to success is to be fast on the market and then we need to have a skilled workforce"- HR manager at Tech  $X^1$ .

As seen in the quote, the tech companies further stress that it is crucial to work with Competency Management in a fast-changing and competitive environment, not to be lagging and to become market leaders.

### 4.3 Competency Management Processes

The interviewees strongly consent that one can work with Competency Management in different ways. All the tech companies besides Proton Technology imply that they have no structured processes, but they work with Competency Management continuously in the daily business. Furthermore, Tech  $X^2$  implies that it is integrated with all other processes, for example, in succession planning and the development of the company. Axis does not believe in having a process for the sake of it and states that processes often get outdated.

"We live in a fast-changing world, and before we are done with a process, it is not up-to-date. The workload and time it takes are therefore not worth it"- Learning and Development Specialist at Axis.

The other tech companies, Comp Y<sup>3</sup>, Org A<sup>4</sup>, and Cellwood, states that they had not had time to develop processes strategically on paper but aim to do it in the future. Cellwood further explains that they have not felt a need to establish these processes since the business has proceeded well in the last two years without working actively or structured with Competency Management processes.

The municipalities have a lot of different processes to ensure attraction, recruitment, developing, retaining, and exit. However, only two municipalities have an explicit and structured Competency Management process. Of all the participants, it is only Proton Technology, Örebro municipality, and Hässleholm municipality that have a structured

<sup>&</sup>lt;sup>1</sup> Large tech company

<sup>&</sup>lt;sup>2</sup> Large tech company

<sup>&</sup>lt;sup>3</sup> Medium tech company

<sup>&</sup>lt;sup>4</sup> Small tech company

Competency Management process where they use processess as competency mapping, gap analysis, gap-closing activities, and evaluation.

Employee Size:	Municipalities:	Tech companies:
Small:		One of three have a structured Competency Management process.
Medium:	One of five have a structured Competency Management process.	Do not have a structured Competency Management process.
Large:	Have a structured, Competency Management process.	Do not have a structured Competency Management process.

Table 4. Visualize if the organizations used systematic Competency Management processes based on sector and employee size.

### 4.3.1 Competency Mapping

If competency mapping is a tool, one practiced and saw value in using varied among the municipalities and tech companies. Gotland, Hässleholm, and Örebro were the only municipalities that have a definite process regarding competency mapping. Nonetheless, they only map selected professions on a group level and not on an individual level. Hässleholms and Örebro's approach is similar to each other with three steps one can read more about in the figure below.

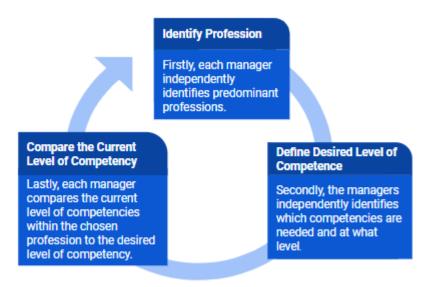


Figure 6. Visualize Örebro and Hässleholm municipalities, competency mapping process.

Axis also map selected professions on a group level; currently, they are mapping middle managers and team managers' competencies to detect skill gaps. Tech X<sup>5</sup> implies that it is challenging to compare competence on a group level since every individual has different

-

<sup>&</sup>lt;sup>5</sup> Large tech company

challenges. Furthermore, Tech X state that it could be as comparing apples to oranges. Örebro agrees with Tech X and aims to develop this method so they in the future can offer more extensive and individual competency analysis to their municipality. However, the organizations mapping only on a group level state that the closest manager still has a good overview of the individual competencies through dialogues with them. Nonetheless, Proton Technology is the only organization that conducts a comprehensive competency mapping on an individual level since it is required for their industry.

The remaining organizations that do not work with competency mapping convey that they have a good overview of their employees' competencies since the managers have close dialogues with their employees about their development.

<b>Employee Size:</b>	Municipalities:	Tech companies:
Small:		One of three use competency mapping.
Medium:	Two of five use competency mapping.	Do not use competency mapping.
Large:	Use competency mapping.	One of two uses competency mapping.

Table 5. Visualize which organizations used competency mapping in relation to sector and employee size.

Tech X further stresses that the competency mapping does not add to the Competency Management work.

"If you cannot reasonably use the data, you just map it for the sake of it. It is also no one besides the manager and employee that would read it." - HR-Manager at  $Tech\ X$ .

Furthermore, Varberg municipality implies that for a competency mapping to create value, the process needs to be well designed. Having a complementing system is beneficial to facilitate the process. However, the system needs to be able to manage that competencies develop and change over time to create value. If competency mapping cannot be designed according to an organization's needs and changing circumstances, it may not provide any additional value for an organization. Another stressed reason for why not engaging in competency mapping among the organizations is that competency mapping is a complicated process since it takes a long time to map and register employee competencies and especially for larger organizations. The quote below further stresses these points.

"I think competency mapping has been up for discussion within HR, for I do not know how long... It is appealing to be able to collect all the competencies in a system to maintain an overview of the competencies. Furthermore, it gives better prerequisites to manage and move the competencies. However, the challenge is to create a well-designed process since it is difficult and takes time and a lot of resources. My first project during the 21 century was a project that never ended. Therefore, the benefits can be obscured by the disadvantages". - HR Strategist at Varberg Municipality

However, one medium and two smaller tech companies, Cellwood, Comp  $Y^6$ , and Org  $A^7$ , are interested in doing competency mapping to get a better understanding of the employee's competencies especially, since they are growing in employee size.

#### 4.3.2 Gap Analysis

Even if several organizations do not conduct a competency mapping, the majority of the organizations state that gap analysis is a crucial Competency Management process since it detects competency gaps. However, they all imply that it is challenging to conduct a gap analysis. Today, the municipalities and tech companies consented that the closest manager often detects competency gaps through performance appraisals and development plans. However, some of the tech companies also state that the management board detects it through business results and revenue. Proton Technology identifies them through new demands and standards from customers. However, Enköping and Axis state that organizations should work more preemptive and encouragement to be able to solve competency gaps before they exist.

A common theme was that the respondents state that it would be easier with a functional system in place to conduct a gap analysis and get accurate results. Today, Hässleholm municipality, Cellwood, and Proton Technology have it in Office-files. Nonetheless, several organizations have enrolled in projects aiming to make the Competency Management process more digital. Axis recently implemented a new Learning and Management System that potentially can support them in doing gap analysis more efficiently.

Compared to the organizations above, Varberg, Enköping, and Muni X<sup>8</sup> imply that they have a system. However, they do not use it to the extent that they would like since Enköping and Muni X have not gathered all the data. The reason why Varberg municipality has not used it to the extent they would like is because of the structure of the data collection. Today, the individual has to register the competence by themselves and are responsible for updating them, which is not always prioritized. However, Muni X and Varberg made use of it during the Covid-19 crisis. The system was beneficial since they knew who had what competencies and whom to transfer where.

### 4.3.3 Closing the Skill Gaps and Developing the Employees

Consensus existed among the sectors and size that internal or external educational initiatives are the most common approach to close a skill gap. Preferably internal since external education can be costly. However, Tech  $X^9$  stresses that an educational session only gives the employees the tools, and then the employee needs to continue to develop and practice the skill over several months. This point is further stressed in the quote below.

<sup>&</sup>lt;sup>6</sup> Medium tech company

<sup>&</sup>lt;sup>7</sup> Small tech company

<sup>&</sup>lt;sup>8</sup> Medium municipality

<sup>&</sup>lt;sup>9</sup> Large tech company

"A two days education does not solve the problem; it is just a part of a long-lasting process that will take at least 18 months"- HR Manager at Tech X.

The tech companies mentioned knowledge sharing to close the skill gaps, which also a few times was mentioned by the municipalities. For example, in Org  $A^{10}$ , when an employee has been on education, they share the acquired knowledge. Axis and Comp  $Y^{11}$  use shadowing as a method to increase knowledge exchange. Further, Axis' new learning and management system is, for example, a platform where the employees can upload videos for knowledge exchange. Another shared gap closing activity among the respondents was recruiting new talents with the right competencies. However, all of the respondents said it is unusual to terminate and redeploy employees. Commonly, the employees leave on their initiative.

#### 4.3.4 Monitoring and Measuring the Development

The interviewees strongly consented that it is difficult to monitor and measure competency development. However, the municipalities and tech companies both agreed that performance appraisals are the simplest methods to use. In performance appraisals, Enköping municipality assesses if their employees have accomplished their designated tasks or not. Org  $A^{12}$  states that they use 360-degrees feedback to monitor the development. Örebro municipality and Tech  $X^{13}$  stresses that every manager needs to evaluate if the right actions have been taken or if the action plan needs to be modified.

Further, several organizations, regardless of sector and size, state that it is challenging to relate Competency Management to key performance indicators, such as Return on Investment. Proton Technology and the municipalities of Enköping, Muni X<sup>14</sup>, and Örebro stresses that Competency Management needs to be measured in KPI:s to connect it to the operations better. Why it is beneficial is since it shed light on the importance of Competency Management and how the development of the employees affects the revenue. Axis, however, stresses that they do not need to measure Competency Management since they trust that their employees will develop, which will result in a Return on Investment.

#### 4.3.5 Succession Planning

The municipalities and tech companies both emphasized that the closest managers should have an overview of the employee's competencies and how to replace them. Nonetheless, the municipalities state that how functioning their succession planning is depends heavily on each manager's dedication and each administration.

<sup>&</sup>lt;sup>10</sup> Small tech company

<sup>&</sup>lt;sup>11</sup> Medium tech company

<sup>&</sup>lt;sup>12</sup> Small tech company

<sup>&</sup>lt;sup>13</sup> Large tech company

<sup>&</sup>lt;sup>14</sup> Medium municipality

"Everything from being incredibly well planned for years too sometimes being worthless and everything in between. I think it depends on which manager it is. We can see that we need to work more with this" - HR-Strategist at Enköping Municipality.

On the contrary, the tech companies worked with it more structured and actively. Tech X<sup>15</sup> implies that they are looking at crucial employees continuously and have a plan, how they can replace them, and develop others to take on the role. Proton Technology also works systematically and continuously with succession planning by dividing the planning into short-and long-term categories. Short-term succession planning focus on covering for someone that will be absent for less than four weeks, while the long term is more than a month. Some of Axis departments did more extensive planning when it came to critical roles, while other departments did not at all engage in succession planning. Nonetheless, the smaller tech companies, Comp Y<sup>16</sup>, Cellwood, and Org A<sup>17</sup>, emphasized that they do not have documented plans. Still, the CEO and the board have an overview, which they discuss continuously.

Employee Size:	Municipalities:	Tech companies:
Small:		One of three have a documented succession plan, both short and long-term. The other two do not have a succession plan but have a clear overview.
Medium:	How functioning their succession plan is depending heavily on each manager's dedication and each administration.	Do not have a succession plan but have a clear overview.
Large:	How functioning their succession plan is depending heavily on each manager's dedication and each administration.	Both work with but to different extents.

Table 6. Visualize how the organizations worked with succession planning based on sector and employee size.

### 4.4 A Comparisons Between the Public Sector and the Private Sector

The majority of the municipalities independently mention that sectors affect an organization's ability to work with Competency Management. Nonetheless, the tech companies did not mention or compared the sectors and how it affects Competency Management. Hässleholm, Örebro, and Varberg state that it is challenging to work united with Competency Management in the public sector compared to the private sector and especially in municipalities since the administrations are responsible for different functions within the welfare and need to follow different legislations. Furthermore, the different administrations often have their own

<sup>&</sup>lt;sup>15</sup> Large tech company

<sup>&</sup>lt;sup>16</sup> Medium tech company

<sup>&</sup>lt;sup>17</sup> Small tech company

commission that decides over their budgets and priorities. Therefore, according to Varberg municipality, the head of the municipality does not have the same mandate to manage a municipality as a CEO has in a private organization.

Further, Enköping municipality states that the public sector, compared to the private sector, is much focused on operational work and not as much on strategic, which hinders the strategically work with Competency Management. Muni X<sup>18</sup> adds that it is a tremendous challenge within the public sector to be innovative and adaptable.

"I am good at seeing changes, to streamline and drive the work... However, here, 80 % do not believe that it is as fun as I to drive change... In previous jobs, I have worked with colleagues that have been more like-minded, and we have carried out the change together, but it is not like this here, and then it gets difficult... I, therefore, do not want to know how long time this will take." - HR-Strategist at Muni X.

Hässleholm, Örebro, Varberg, and Muni X imply that the most prominent difference between the private and public sectors is that the public sector is based on democracy. Hence, it takes time to enforce change in the public sector and especially in a municipality, since it is, to a greater extent, necessary to involve different parts of the organization. The political level also needs to be involved in a different way than a board needs to be in a private company. Therefore, the fact that the decision-making process takes time is something that one needs to accept when working in the public sector. Nonetheless, Hässleholm state that it can be beneficial since it is when they all collaborate and consociate the great ideas often comes up.

## 4.5 A Comparison Between the Organizations and Their Employee Size

Consensus existed among the municipalities and tech companies that it is easier for a smaller organization to work with Competency Management since a less systematic and structured process needs to be in place. Furthermore, it is easier for a smaller organization compared to large organizations to have a more precise overview, stated in the quote below.

"In a small organization with 20 employees, the manager has everything stored in their memory. However, when a company gets larger, it is a need to create visibility and documentation so people can follow" - HR-Strategist at Varberg municipality.

Furthermore, the majority of the respondents imply that large organizations often have more resources to work with Competency Management. Örebro municipality and Tech  $X^{19}$ , which are two large organizations, state that they, due to their large Human Resource department, can be more specialized, engaged, and work continuously with Competency Management processes. On the contrary, two medium municipalities and one large company, Enköping,

\_

<sup>&</sup>lt;sup>18</sup> Medium municipality

<sup>&</sup>lt;sup>19</sup> Large tech company

Muni  $X^{20}$ , and Axis, imply that they do not have enough resources regarding Competency Management.

The larger tech companies, Tech X, and Axis also mentioned some drawbacks with being a large organization when working with Competency Management. Tech X implies that it is a risk that the structure creates a distance between the employer and the employees. Consequently, the employer is lacking the employee's perspective, which is essential for succeeding with Competency Management. Axis further implies it takes a longer time for a larger organization to carry out a Competency Management process. When it is done, it is a risk that the data is not up-to-date. This point is stressed in the quote below.

"I, therefore, believe that less is more. It is many things to choose between to improve Competency Management. However, in a large organization as Axis, we cannot do everything, we, therefore, need to peel off, so we know what we need to succeed with Competency Management"- Learning and Development Specialist at Axis.

Two small tech companies and one medium-tech company do not have a Human Resource department, and they believe it affects how they work with Competency Management. Cellwood and Comp Y<sup>21</sup>, have noticed that the lack of a Human Resource department has resulted in a less structured Competency Management approach. Org A<sup>22</sup> also admits that they do not have a clear structure and this because the HR-manager newly started in the company. However, since the organization is quite small, they have an overview of employees' competencies. However, to improve the work within Competency Management, they see the need to have a more definite structure and someone responsible for setting the structure for Competency Management and for following it up.

Employee Size:	Advantage:	Disadvantage:
Small:	Do not need to have systematic processes in place.  Easier to get a more precise overview.	Do not always have an HR-department.
Large:	More resources, according to the majority but not according to all.	To large distance between employer and employees.  It takes time to carry out Competency Management processes.

Table 7. Visualize identified advantages and disadvantages of being either a small or large organization and how it influences the Competency Management work. How being a medium-sized organization affect the Competency Management work was not mentioned by any of the participants and are therefore not mentioned in the text or visualized in the table.

<sup>&</sup>lt;sup>20</sup> Medium municipality

<sup>&</sup>lt;sup>21</sup> Medium tech company

<sup>&</sup>lt;sup>22</sup> Small tech company

## 4.6 Effects and Competitive Advantage

All organizations strongly consent that working with Competency Management entails positive effects and competitive advantage. The participants in both sectors highly emphasized that an organization needs to work with Competency Management. Otherwise, it will get detrimental consequences, and the employees will leave even faster (stated in the quote below).

"I have a hard time to see that an organization would be so dumb and not work with Competency Management. That would be pure suicide"- HR-manager Tech X.<sup>23</sup>"

The municipalities and tech companies both agreed that a positive effect of working with Competency Management is that the organization perceives as a more attractive employer that attracts new talent. The employees also feel invested in, which creates loyalty and retention. Another similarity is that several organizations state that it results in reduced sick leave, employee turnover, and downsized costs, for example, recruitment costs. Furthermore, Varberg and Gotland municipalities imply that Competency Management can enhance the possibility of getting the right person in the right role. The tech companies further imply that Competency Management can result in having a more innovative and efficient workforce, which also can improve the quality of products and services (stated in the quote below), which was not mentioned by the municipalities.

"We have high quality and a good service thanks to our work with Competency Management... However, it is difficult to prove, but I know that it is connected"- CEO at Proton Technology.

The majority further adds that Competency Management leads to that one identifies what the organization has in terms of competencies and what needs to develop, which results in a better overview of what efforts are required and needed to prioritize. This point is stressed in the quote below.

"To actively work with Competency Management give us a better understanding of what and where the problems are and what efforts that need to direct to solve it. Further, it gives us an understanding of which problem that is only a myth... For example, people talk about that it is a lack of teachers, but in our municipality, we have a lack of teachers in specific subjects and not generally a lack of teachers... To actively work with Competency Management give us a deeper view of how it is in the organization, which enables us to be more accurate and direct, more accurate efforts. However, we need to develop this further"- HR-Strategist at Örebro Municipality.

<sup>&</sup>lt;sup>23</sup> Large tech company

## 5. Analysis and Discussion

In this chapter, the interview findings are discussed in relation our purpose; Which is comparing how organizations with different employee size and within different sectors work with Competency Management. Investigate if there is a connection between the organization's strategy and the Competency Management strategy and the reason for which they work with Competency Management. Special attention is paid to operational and strategic working methods within Competency Management. Lastly, identify which effects that can occur when working with Competency Management and if a competitive advantage can be achieved.

\_\_\_\_\_

## 5.1 Connection with the Overall Strategy

All the organizations besides one municipality have a clear connection between their Competency Management strategy and the overall strategy.

Employee Size:	Municipalities:	Tech Companies:
Small:		Saw a clear connection.
Medium:	All the medium municipalities saw a connection besides Hässleholm Municipality.	Saw a clear connection.
Large:	Saw a clear connection.	Saw a clear connection.

Table 3. Visualize if there is a clear connection between the organization's Competency Management strategy and organizational strategy based on sector and employee size.

A majority of the municipalities and tech companies imply that since Competency Management is a strategic initiative or goal, there is a clear connection between their overall strategy and the Competency Management strategy. Further, the organizations state that after setting Competency Management as an overall goal or strategic initiative, it has been a clearer connection, which has resulted in that they have worked more actively and strategically with Competency Management.

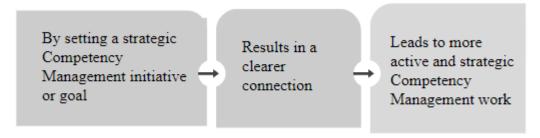


Figure 7. Our visualization of why it is vital to have Competency Management as a strategic initiative.

Parallels can be drawn to the literature since scholars state when working with a Strategic Human Resource Management approach and establishing a clear connection, it results in that organizations working more actively with it (Green et al., 2006; Lengnick-Hall et al., 2009; Barney and Wright, 1998; Boswell, 2006). This enhances the possibility of achieving superior performance and competitive advantage (Green et al., 2006; Lengnick-Hall et al., 2009; Barney and Wright, 1998; Boswell, 2006). This result indicates that having Competency Management as a goal and with a clear connection with the overall strategy leads to organizations working more actively and strategically with it, which in turn can result in other effects. Nonetheless, it is interesting that Hässleholms municipality does not have a connection with the overall strategy but is one of three organizations that have a clear Competency Management process. This finding contradicts what other organizations and literature state. Further, does it indicate that the connection may not be as important as stated above. However, Hässleholm municipality sees it as beneficial to have it as a strategic initiative with a clear connection with the overall goal and aim to establish the connection in the future. Therefore, we conclude that it is vital to have a clear connection.

Two of the smaller tech companies and one medium-tech company claim they need to establish a clearer and linked connection between the organizational strategy and the Competency Management strategy. A hypothesis we made based on the results is that the tech companies might not have established as clearer connection due to the absence of Human Resource professionals in their organizations.

## 5.2 Purpose With Competency Management

The tech companies and municipalities shared a few purposes for why they work with Competency Management, which is in line with previous research that indicate that the sectors are moving closer together (Boyne et al., 2002). The organizations explicitly stress that their employees are their most valuable resource, which is one of the reasons why to engage in Competency Management. Research within Strategic Human Resource Management and especially within the Resource-based theory, argues for the same point (Meifert et al., 2016; Carmeli & Schaubroeck, 2005) since employee's performance capability is hard and costly to imitate, and can, therefore, create a significant organizational advantage (Akhtar et al., 2008; Boxall, 1998; Carmeli & Schaubroeck, 2005; Lawler, 1994).

Another shared purpose is that both sectors claim Competency Management can create a better overview of the organization's competencies, which will help them to meet the demands of society. These findings concur with Vakola et al. (2007) and Palan (2008), that state that actively working with Competency Management results in a better overview of the employee's competencies and which skills will be required in the future. Further, the municipalities and tech companies claim that retaining employees in the organization is another purpose for why engaging in Competency Management that concurs with Lawler's (1994) statement.

The interviews also revealed that tech companies and municipalities have different focuses on Competency Management, which is consistent with existing research. All the municipalities

stated that they engage in Competency Management to achieve the organizational goals, deliver exceptional services and welfare to the citizens, which concur with Darling and Cunningham's (2016) statement. The tech companies, on the contrary, stressed that it is vital for them to work actively with Competency Management to develop the employee's competencies to manage complex and fast-developing technology. This point of view aligns with Boyne et al. (2002), that emphasized that Competency Management is especially important for tech companies. Furthermore, tech companies state that it is vital to work with Competence Management to not be lagging, which is consistent with Akhtar et al. (2008). The author stresses that in highly competitive contexts, organizations depend more heavily on the quality of the human capital, therefore, maintaining and developing competencies is important.

These findings suggest that tech companies, compared to municipalities, have a more dynamic and fast-changing industry to adapt to, and to not be lagging, it is vital to develop employees' competencies continuously. The fact that research states that it is especially important for tech companies and in highly competitive context to develop employees' competencies can be discussed since the society is dependent on the municipalities' employees competencies for functioning welfare. We, therefore, do not agree with the literature, and we see it as equally vital for both sectors regardless of employee size to work with Competency Management and develop the employee's competencies.

#### 5.3. Competency Management Processes

The interviewees strongly consent that one can work with Competency Management in different ways, which concur with Ganesh (2004) that states there is no best practice on how to work with Competency Management. Further, Naqvi (2009) implies that it remains an unexplored process since Competency Management is more complicated than it appears, and it is, therefore, difficult to find the right framework. The literature is consistent with the interview findings since only Proton Technology, Örebro, and Hässleholm municipality have an explicit Competency Management process that concurs with Draganadis and Mentzaz (2006) life- cycle (visualized in the figure below).

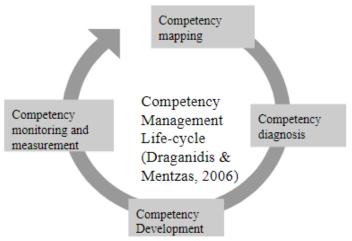


Figure 2. Our visualization of Dragandis and Mentzas (2006) Competency Management life-cycle

A reason, according to the majority of the organizations to not have an explicit Competency Management process, is that it is a broad and continuous task that integrates with other Human Resource processes, which is consistent with Marelli (1998) view. However, the majority of the organizations practice most of the processes in the Competency Management life-cycle. Nonetheless, they did not have an explicit Competency Management process for it.

Employee Size:	Municipalities:	Tech companies:
Small:		One of three has a structured Competency Management process.
Medium:	One of five has a structured Competency Management process.	Do not have a structured Competency Management process.
Large:	Have a structured, Competency Management process.	Do not have a structured Competency Management process.

Table 4. Visualize if the organizations used systematic Competency Management processes based on sector and employee size.

The organizations with a clear process state that it is beneficial since they, due to the Competency Management processes, have a better overview of their competencies, which concur with Sanghi (2019) and Beiro and Harzallah (2005) statement. Furthermore, the authors state that organizations that do not have a Competency Management process risk not getting a complete overview of their competencies. Two small and the medium-tech companies state that they today have a good overview, but when they expand in employee size, they see a benefit with having a more structured process. We think this indicates that it is possible for a smaller or medium organization in the private sector to have an overview of the organization's competencies without a structured Competency Management process. However, to not risk losing the overview when growing in employee size, it can be helpful to have a process.

Nevertheless, some of the medium and larger organizations in both sectors claim it is difficult for an organization with many employees to establish an overview. We believe this could potentially be because they lack a structured Competency Management process. It also usually takes a longer time for a medium and large organization to carry out a Competency Management process, which is a risk since the process can be outdated when it is completed. However, Örebro municipality, with over 12 000 employees, has a Competency Management process, which shows that it is manageable. We agree that employee size affects the organization's prerequisites for establishing a Competency Management process. Further, it takes a longer time for an organization with many employees, and it is more complicated for them. Our finding does, however, show that irrespective of size and sector, it is possible for

organizations to have a clear Competency Management process. Employee size is, therefore, not a hinder.

Furthermore, our findings do not support Boyne et al. (2002) theory that tech companies work more with Competency Management. Instead, our findings show that both sectors continuously work with Competency Management.

#### 5.3.1 Competency Mapping

The literature implies that competency mapping is a valuable tool for organizations (Ganesh, 2004). However, the findings do not fully correspond with the literature since it varied if the organization saw a value in it and if they use it.

Employee Size:	Municipalities:	Tech companies:
Small:		One of three use competency mapping.
Medium:	Two of five use competency mapping.	Do not use competency mapping.
Large:	Use competency mapping.	One of two uses competency mapping.

Table 5. Visualize which organizations used competency mapping in relation to sector and employee size.

There were several reasons mentioned for not using competency mapping. One reason for not using it is that it takes a long time and requires a lot of resources to map competencies, especially for a large organization. The organizations also state that they already have a good overview of the competencies since the managers have close dialogues with the employees about it. Furthermore, they do not see the purpose of using this process and how to utilize it. Varberg municipality stresses that if the competency mapping process is not well designed, it will not create value. These findings indicate that competency mapping may not be as of a valuable process as research claim. However, Varberg municipality state that it can be a beneficial process, but the benefits often get obscured by the disadvantages. Moreover, the findings imply that competency mapping not necessarily needs to be the tool an organization uses to get an overview. Instead, one can have close dialogues with the employees.

However, the literature states that competency mapping is beneficial since it identifies an individual's strengths and weaknesses for the individual to understand where training is needed and for the organization to know where to direct efforts to develop the individuals (Uddin et al., 2012; Naqvi, 2009). Further, is competency mapping the base for almost all Human Resources practices (Naqvi, 2009). Several of the organizations see value in competency mapping and agree with the researchers above. Five of the organizations carry it out today, and three organizations aim to do it in the future. The five organizations that carry out competency mapping do it similar to Uddin et al. (2012) process.

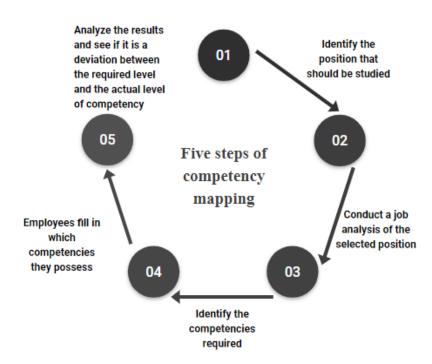


Figure 4: Our visualization of Uddin et al. (2012) five steps of Competency mapping.

However, Uddin et al. (2012) state that to get more extensive results, one should do it on an individual level, which only Proton Technology did. Furthermore, Tech X<sup>24</sup> stresses that it is difficult to compare competence on a group level since every individual has different challenges and prerequisites. Uddin et al. (2012) also state that organizations conducting the competency mapping on a group level might ignore identifying individual development needs. However, one of the municipalities claims that they are not ignoring individuals competency development needs since they identify individual competency gaps through performance appraisals. The reason why four of five only maps on a group level is because we believe it is more manageable in terms of resources and time. However, we believe that organizations will utilize their competency mapping more if they do it on an individual level to direct more accurate gap-closing activities. Nonetheless, it is more manageable for a small organization as Proton Technology to conduct competency mapping on an individual level. Especially in comparison to larger organizations that risk that the process takes too long and that the results get out-dated before they can use it.

To summarize, the results in table 5. illustrates that it is possible across sectors and employee size to conduct competency mapping. However, the reason for organizations not engaging in it is because they do not see the value in the process and how to utilize the result. The effort of the process, therefore, outweighs the benefits.

<sup>&</sup>lt;sup>24</sup> Large tech company

#### 5.3.2 Gap Analysis

Competency Management work. Researchers (Uddin et al., 2012; Martone, 2003; Draganadis & Mentzas, 2006) imply that the most crucial step in Competency Management is the gap analysis. All the organizations agreed and imply that it is vital to detect competency gaps in the organization. The organizations revealed that they discovered competency gaps through performance appraisals conducted by the closest manager. The tech companies also said that gaps could be identified through the board of management when looking at business results, new demands, or standards from customers.

However, all the respondents state that it is challenging to detect competence gaps and that it would be easier to do a gap analysis with a functional system in place, which corresponds with what Martone (2003) claims. Therefore, several organizations have enrolled in projects aiming to make the Competency Management processes more digital. However, the organizations that today have a competency-based-management system states that they do not use the system to the extent they would like since they have not gathered all the data or is not up-dated. We believe this indicates that for a system to be beneficial the data must be collected and registered. Nonetheless, several of the organizations are not interested in collecting and register the data since they do not see the purpose, it is time-consuming and often gets outdated. The employees can also register the data, but it is not prioritized in their daily-work according to Varberg municipality. A functional system may, therefore, not be the right solution.

Furthermore, we see it as interesting that neither the literature or the participating organization suggests any type of framework or tool more than a functional system that can be applied to detect competency gaps. The reason for that could be that it is a complex process. We, therefore, believe this suggests that other methods need to be developed to utilize the process and make it less complex.

#### 5.3.3 Closing the Skill Gaps and Developing the Employees

Gangani et al. (2008) emphasize that the information from a gap analysis must be utilized to ensure appropriate activities are chosen. This suggests that gap analysis is vital to do before deciding what initiative is the most accurate to minimize the competency gaps. Regardless of size and sector, all the organizations consent that internal or external educational initiatives are the most common approach to close a skill gap. These findings concur with existing literature that states that a common solution to develop employee's competencies is through educational initiatives (Cotten, 2007; Draganidis & Mentzas, 2006; Metzenthin, 2005).

Both in-house programs and outsourced programs are commonly used, according to Gangani et al. (2008). However, the respondents state that they prefer internal since external education can be costly. One organization also stresses that an educational session only gives the employees the tools. Then the employees need to develop and practice the skills, which goes hand in hand with Draganidis and Mentzas (2006) that implies that development is a

continuous process. We think it is interesting that it was only one organization mentioned that an educational session is not enough to solve the skill gap. Nonetheless, we believe it is common that organizations believe it to be enough.

Moreover, there must be a clear goal with the gap-closing activity and also individual training-programs that motivates the individual (Metzenthin, 2005; Gangani et al., 2008). Nonetheless, this was not something that the respondents mention that they do. We believe it is important to have a clear goal so that the employee is aware of their current competencies, why they need to develop these or new ones further, and what the desired outcome is of the gap closing activity. It is, therefore, something we believe that the organizations should establish. Otherwise, we think it can be difficult for the employee to reach the expected outcome. However, we see it as time-consuming to conduct individual training-programs. We also believe that the individual is responsible for their development and motivation.

Cotten (2007) also suggests on-the-job training and knowledge-sharing such as job rotation, mentoring, temporary assignments, and job shadowing as a solution to develop the employee's skills, which all the tech companies use to minimize the skills gaps and a few municipalities. Despite that the tech companies mentioned knowledge-sharing more, we still believe it is a common method amongst the municipalities as well. Metzenthin (2005) implies that another approach to close the skill gaps is to terminate and redeploy employees. Nonetheless, the respondents state it is unusual to terminate and redeploy employees. A potential reason for why it is uncommon is that the Swedish employment law requires the employer to report and prove why termination and redeployment is a valid act.

Moreover, a shared gap closing activity among the respondents, especially tech companies, was recruiting new talents. These findings are consistent with Cotton (2007), which implies that recruitment is a proper activity to close the skills gap. Further, this suggests that developing employees is not always the appropriate solution to acquire a particular competence. It could, for example, in certain circumstances, be faster and cheaper to externally recruit the desired competency rather than developing it internally. However, it is not a long-term solution to always solve the skill gaps by hiring new employees since it is costly.

#### 5.3.4 Monitoring and Measuring the Development

The last phase in the Competency Management process is monitoring the development (Draganidis & Mentzas, 2006). When monitoring the development, one should include five levels of evaluation for a complete overview, according to Kirkpatrick's hierarchical model (Saks et al., 2019). The participating organizations mainly evaluate their Competency Management work in relation to level one and somewhat to level two, which is seen in the figure below. We see this as a development area for the organizations since it is vital to evaluate the effects of the development to understand, for example, how effective their gapclosing strategies are or if other methods need to be used.

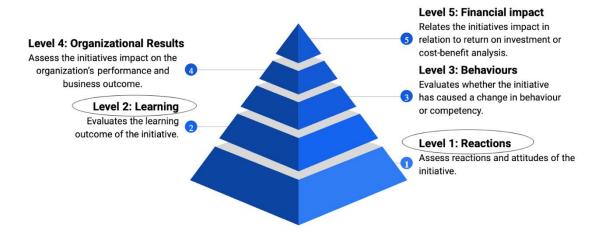


Figure 5. Our visualization of Kirkpatrick's hierarchical model of the five levels of evaluation

Level one and two were evaluated by the organizations by using performance appraisals. Parallels can be drawn to theory since scholars mention performance appraisals as the most common approach to assess the process (Marelli, 1998; Shet et al., 2019; Jones, 1995; Martone, 2003). Two larger organizations stress that they, through performance appraisals evaluate if the right actions have been taken or if the action plan needs to be modified to make more accurate efforts that concur with Gangani et al. (2008) and Draganidis and Mentzas (2006) theory. An organization can use managers' ratings, assessment centers, and selfassessment inventories to monitor the development (Marelli, 1998). However, none used these methods. Shet et al. (2019) and Marelli (1998) states that 360-degree feedback is the most reliable and valid approach to use since it includes input from several different sources, however, Org A <sup>25</sup>was the only one using this approach. We find it fascinating that the rest of the organizations do not use any other methods then performance appraisals. A risk with this method is that the result of the development is not clearly stated as if they would have been if they used rating-scales. Further, by not using feedback methods similar to 360-degree feedback, the organizations only get the managers and the employee view of the competency development process, excluding, for example, colleagues in-put. We, therefore, see this as a development area.

How often the organizations conducted performance appraisals varied. Nonetheless, research suggests more continuous monitoring to be able to monitor the employee's competency development and modify the development plan (Draganidis & Mentzas, 2006; Jones, 1995; Martone, 2003). A suggestion for those organizations that only conducts performance appraisals yearly is to do it more continuously to follow the employee's competency development.

According to Saks et al. (2019), the evaluation process should not only be continuous, it should also include several methods that measure the development. The literature further emphasizes key performance indicators, skill profiling, behaviorally anchored rating scales, or a balanced scorecard to monitor and measure the competency development (Shet et al., 2019).

\_

<sup>&</sup>lt;sup>25</sup> Small tech company

Nonetheless, none of the participants used several methods since feedback was the only technique used. Several organizations in both sectors with different sizes explained it is challenging to measure the Competency Management work, especially in relation to monetary terms or its effect on the organization's performance. Research stresses the same point; Human Resource practices as Competency Management is hard to measure since it is an intangible asset, and the cause and effect relationship is hard to visually see in relation to business objectives (Becker et al., 2001; Cunningham & Kempling, 2011; Saks et al., 2019). However, Lengnick-Hall et al. (2009) imply that it is a vital part of Strategic Human Resource Management to connect Human Resource practices to the organization's goals and measure its impact on the organization's performance. We, therefore, see that the participating organizations ignore an important part of the Strategic Human Resource Management work. We, therefore, suggest there is an opportunity for all organizations to monitor and measure more strategically, which several organizations also states would be beneficial for the Competency Management work.

Research, for example, suggests using a Human Resource Balanced Scorecard to strategically link Human Resources practices to the business objectives (Cunningham & Kempling, 2011). This since it takes both financial and nonfinancial measures as well as tangible and intangible assets into account (Becker et al., 2001). We, therefore, believe that Balances Scorecard can be an appropriate method for monitor and measuring the development.

#### 5.3.5 Succession Planning

Succession planning is, according to research, a systematic and continuous workforce plan that ensures efficient performance over a longer period (Barnett, 2008). The municipalities and tech companies both emphasized that the closest managers should have an overview of the competencies and how to replace them. However, the tech companies worked more actively with planning and had a clearer overview compared to the municipalities that state that the plans heavily depend on the administrations and each manager's dedication.

Employee size:	Municipalities:	Tech companies:	
Small:		One of three have a documented succession plan, both short and long term. The others do not have a succession plan but have a clear overview.	
Medium:	How functioning their succession planning depends heavily on each manager's dedication and each administration.	Do not have a succession plan, but have a clear overview.	
Large:	How functioning their succession planning depends heavily on each manager's dedication and each administration.	Both work with but in different extents.	

Table 7. Visualize how the organizations worked with succession planning based on sector and employee size.

A reason for that is that the administrations make their priorities and decide themself to conduct a succession plan or not. Furthermore, Enköping municipality, state that the public sector compared to the private sector is much more focused on operational work and not as much on strategically, which hinders the strategically work with succession planning. Research, however, implies that is important since a systematic and continuous succession planning can result in decreased employee turnover, increase retention of key employees (Barnett, 2008), and better financial results (Haung, 2001). This indicates that all the organizations and especially the municipalities, should work with it more structured, continuously, and actively to potentially generate better organizational results. Nonetheless, we believe it is more difficult for a larger organization and for the public sector. However, the large organizations in the private sector and several administrations have functioning succession planning, which implies that it is possible.

Nevertheless, when we compared the organization's succession planning to research, the organization's processes were more similar to replacement planning than succession planning. Rothwell (2005) claims replacement planning and succession planning should not be confused for being the same since replacement planning is seen as risk management, while succession planning focuses on ensuring efficient performance over a longer period. This finding suggests that most participating organizations work more retroactive than proactive, which Enköping and Axis mention as something that the organizations should improve. To be able to ensure long term efficient performance and work more proactive, we believe organizations should work more according to succession planning than replacement planning.

## 5.4 Effects and Competitive Advantage

All participating organizations claimed that Competency Management could result in becoming a more attractive employer that attracts new talent and retains employees. It can also enhance the possibility of getting the right person in the right role. These effects correspond with research that has identified the same effects (Lawler, 1994). Several organizations also state that it reduces sick leaves and decreases employee turnover, further reducing the related costs. Darling and Cunningham (2016) support the organization's conclusion by claiming Competency Management can lead to cost reductions. Lawler (1994) implies that an organization that creates better retention creates an advantage since replacement costs add up to nine months of an employee's salary.

Similarly to what was mentioned as a purpose to engage in Competency Management, a majority of the organizations claim that working actively with Competency Management results in getting an overview of the organizational competencies, further identifying which competencies the organization lacks and what competencies that need to be acquired or developed. This finding corresponds with research that states that Competency Management can lead to identifying competencies the employees possess, what types of gaps exist in the organization, and which competencies need to be acquired (Draganidis & Mentzas, 2006; Sanghi, 2019).

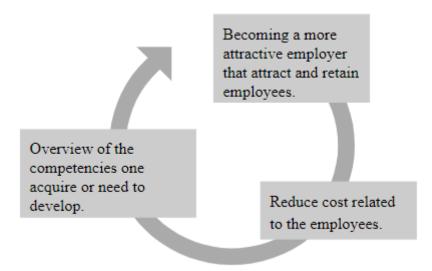


Figure 8. Visualize which effects an organization can get when working actively with Competency Management according to the research and the respondents.

Tech companies but not the municipalities further imply that Competency Management can improve efficiency and productivity, further, in the end, improve the quality of products and services. Literature has also identified this connection since Competency Management can enhance business efficiency (Gangani et al., 2008), and the quality of products and services are directly affected by the employee's competencies (Naqvi, 2009). We believe that municipalities can get these effects as well. However, it is more complex to relate efficiency and productivity to the professions in the municipality, for example, teachers and firefighters. Therefore, we believe that they do not focus on looking at these effects.

Further, research states that organizations engaging in Competency Management increases the possibility of the organization having the right competence (Marelli, 1998), establish better control over internal and external conditions (Reinhard & North, 2003) and increase their understanding of the organization's competitive advantage (Javidan, 1998). Becker and Huselid (2006) further state that Competency Management can lead to reaching an above-average financial performance or be a way to implement change initiatives (Meifert et al., 2016). However, no one of the respondents mentions these effects. Nonetheless, we believe that these effects exist, but it is difficult for organizations to see the correlation between Competency Management and these effects since Competency Management is problematic to measure.

All the interviewees strongly consented that working with Competency Management entails only positive effects that go hand in hand with the literature that does not mention negative effects. All the organizations further shared the view that by working actively with Competency Management, an organization, regardless of size and sector, can gain a competitive advantage and reach superior performance. The findings do both confirm and disconfirm the research within the Competency Management field. On the one hand, the literature implies that a capable human capital can create a competitive advantage for the organization (Barney & Wright, 1998; Boswell, 2006; Meifert et al., 2016; Boxall,

1996; Javidan, 1998; Vakola et al. 2007). On the other hand, Harris, and Ogbonna (2001) argue there is no relationship. However, the participating organizations did not share this view.

#### 6. Conclusion

This section will summarize our conclusions and answer our research question and purpose; Which is comparing how organizations with different employee sizes and within different sectors work with Competency Management. Investigate if there is a connection between the organization's strategy and the Competency Management strategy and the reason for which they work with Competency Management. Special attention is paid to operational and strategic working methods within Competency Management. Lastly, identify which effects that can occur when working with Competency Management and if a competitive advantage can be achieved.

We will end this chapter by discussing how our results will contribute to research.

In this study, we chose to compare how municipalities and tech companies with different employee size work with Competency Management since we believed they would work differently, and that employee size would affect how they work with it. Our research, however, shows that they work similarly regardless of sector and employee size with Competency Management. Some difference was detected among the sectors, and we were able to draw a few conclusions based on how the sectors work with Competency Management. Similar to sectors, some differences were identified due to different employee size. However, there was rarely a majority within the same subcategories that worked similarly with Competency Management, which made it difficult for us to draw conclusions based on employee size.

Our research reveals that since Competency Management is a strategic initiative or goal, there is a clear connection between their overall strategy and Competency Management strategy. The connection has resulted in a more Strategic Human Resource approach, where organizations work more actively and strategically with Competency Management, which indicates that the connection is vital. Further, this study found that all the organizations, regardless of size or sector, have a similar purpose with their Competency Management work; the employees are seen as their most valuable resource. Competency Management further creates an overview of organizational competencies and increases retention. However, the two sectors have different Competency Management focuses. The municipalities develop the employees to be able to deliver service to the citizens. Compared to the tech companies that develop the employees to manage complex technology, so that they can compete in a fast-changing market and become market leaders.

The result of the study reveals that regardless of size and sector, it is uncommon to have structured Competency Management processes since it is difficult to find the right framework, and also since it is often integrated into other Human Resource processes. However, our findings show that both sectors, irrespective of size, can establish and utilize structured Competency Management processes. Nonetheless, it is more complicated for larger organizations, but it is not a hinder. A process within Competency Management is competency mapping, which several organizations, regardless of sectors and employee size,

used and valued. However, it was a few organizations that did not see the value in the process and how to utilize the result. Furthermore, they stated that the effort of the process outweighs the benefits.

Compared to competency mapping, detecting skill gaps is an important and valued process in Competency Management work. The findings show that all the organizations, irrespective of size or sector, identify competency gaps through performance appraisals. However, our results indicate that it is a complex process, and we, therefore, believe new methods need to be developed to find the skill gaps. Furthermore, our findings reveal that the organizations, regardless of sector and size, use similar gap-closing activities, and the most common activity among the participating organizations is educational initiatives.

Our study shows that the majority of the organizations used very few monitoring and measuring techniques. Further, did they not evaluate the employee's development as continuously as research suggests. The result further shows that all organizations, regardless of size and sectors do not assess their Competency Management work in relation to how it affects their organization's performance and financial results, which is a crucial dimension of the Strategic Human Resource Management work. This study also reveals that organizations, irrespective of size and sector, work more with replacement planning instead of succession planning. To ensure efficient performance and reach the organization's objectives, we suggest working more according to succession planning.

The effects that we identify among the organizations is that Competency Management work can result in becoming an attractive employer, increase retention of personnel, reduce cost related to the employees. It can also generate an overview of the organization's competencies. The tech companies also find that it can improve efficiency and organizational performance. Lastly, our findings show that Competency Management leads to a competitive advantage.

## 6.1 Practical Implications

This study suggests that organizations should have Competency Management as a strategic initiative and connect their Competency Management strategy to the organizational strategy to encourage the organization to work more actively with it. Furthermore, our research shows that organizations, regardless of sector and employee size, can establish a Competency Management process and execute it. The study also sheds light on the positive effects it can lead to. We, therefore, suggest organizations to have Competency Management as a strategic initiative, connect it to the overall strategy, establish and implement a Competency Management process to acquire the positive effects and competitive advantage.

# 7. Limitations of the Study and Recommendations for Future Research

The last section of this thesis will address limitations of this study and recommendations for future research.

As mentioned in chapter 1, Competency Management in Sweden and in the public and private sector is a relatively unexplored field. We, therefore, see an excellent opportunity for researchers to explore the field further. A limitation of our study is that we reached out to the individuals and organizations that have specific experiences and knowledge in the field. However, after a critical evaluation of all the interviews, we realized that our interviewees work more strategically and generally with it. Instead, it is the managers in the organization that work operationally with Competence Management. Our study, therefore, is lacking responses from the people that work operationally with it. For future research, we suggest including managers' perspectives to get a complete view of the working methods. Another limitation of our sample is that we only analyze how the organizations work with it from the employer's perspective and not how the employees experience it. We, therefore, suggest including employees' perspective to explore the employee's opinion about the methods being used.

Another drawback of our research sample was that we compared municipalities and tech companies based on employee size since municipalities are larger organizations compared to tech companies that can vary in employee size and are often quite small. Due to our sample, we were not able to compare the employee size as much as we initially aimed. Instead, we were able to conclude irrespective of size and sector. We, therefore, suggest conducting a study with organizations with equal employee size to be able to compare more.

A limitation with our study is that it only sheds light on how the municipality as united organizations work with Competency Management and not how the different administrations work with it. It would, therefore, be interesting to conduct a study looking at the administrations. For example, comparing how different administrations within the same municipality works with Competency Management. Another limitation of this study is that we noticed after conducting the interviews that the interviewees had difficulties in grasping the difference between Competency Management and Talent Management. Furthermore, several of them implied that Competency Management only is a small part of the Talent Management process. Lastly, we suggest including the entire Talent Management process in a study and investigate how the whole process contributes to securing a competitive workforce.

### References

Akhtar, S., Ding, D. Z., & Ge, G. L. (2008). Strategic HRM practices and their impact on company performance in Chinese enterprises. *Human Resource Management*, 47(1), 15–32. doi: 10.1002/hrm.20195

Alvehus, J. (2013). Skriva uppsats med kvalitativ metod: en handbok. Stockholm: Liber.

Alvesson, M. (2011). *Intervjuer: genomförande, tolkning och reflexivitet.* 1. uppl. Malmö: Liber

Barnett, R., & Davis, S. (2008). Creating Greater Success in Succession Planning. *Advances in Developing Human Resources*, 10(5), 721–739. doi: 10.1177/1523422308322277

Barney, J. B., & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. *Human Resource Management*, *37*(1), 31–46. doi: 10.1002/(sici)1099-050x(199821)37:1<31::aid-hrm4>3.0.co;2-w

Becker, B. E., & Huselid, M. A. (2006). Strategic Human Resources Management: Where Do We Go From Here? *The SAGE Handbook of Human Resource Management*, 351–376. doi: 10.4135/9780857021496.n21

Becker, B. E., Huselid, M. A., & Ulrich, D. (2001). *The Hr Scorecard: Linking People, Strategy, and Performance*. Boston: Harvard Business School Press.

Beiro, G., Harzallah, M, (2005). Knowledge Management for Competence Management. *Journal of Universal Knowledge Management*, 0(1), 21-28. <a href="https://www.researchgate.net/publication/228617939">https://www.researchgate.net/publication/228617939</a> Knowledge Management for Competence Management

Bell, E., Bryman, A., & Harley, B. (2019). *Business research methods*. Oxford: Oxford University Press.

Boyne, G., Poole, M., & Jenkins, G.(2002). Human Resource Management in the Public and Private Sectors: An Empirical Comparison, *Public Administration*, 77(2). Doi: doi.org/10.1111/1467-9299.00160

Boswell, W. (2006). Aligning employees with the organizations strategic objectives: out of 'line of sight', out of mind. *The International Journal of Human Resource Management*, 17(9), 1489–1511. doi: 10.1080/09585190600878071

Boyatzis, R. E. (1982). *The competent manager: a model for effective performance*. New York: Wiley.

Boxall, P. (1996). The Strategic Hrm Debate and the Resource-Based View of the Firm. *Human Resource Management Journal*, *6*(3), 59–75. doi: 10.1111/j.1748-8583.1996.tb00412.x

Boxall, P. (1998). Achieving competitive advantage through human resource strategy: Towards a theory of industry dynamics. *Human Resource Management Review*, 8(3), 265–288. doi: 10.1016/s1053-4822(98)90005-5

Bryman, A. (2012). Social Research Methods. Oxford: Oxford University Press.

Bryman, A., & Bell, E. (2015). Business Research Methods. Oxford: Oxford University Press.

Carley, K. M., & Lee, J. S. (1998). Dynamic organizations: Organizational adaptation in a changing environment. *Advances in strategic management*, 15, 269-298.

Carmeli, A., & Schaubroeck, J. (2005). How leveraging human resource capital with its competitive distinctiveness enhances the performance of commercial and public organizations. *Human Resource Management*, 44(4), 391–412. doi: 10.1002/hrm.20081

Catano, V. M., Hackett, R. D., & Wiesner, W. H. (2019). *Recruitment and selection in Canada*. Toronto, Ontario: Nelson Education.

Chang, W. J. A., & Huang, T. C. (2005). Relationship between strategic human resource management and firm performance. *International Journal of Manpower*, 26(5), 434–449. doi: 10.1108/01437720510615125

Cotton, A. (2007). Seven Steps of Effective Workforce Planning. *IBM Center for The business of Government*.

https://www.researchgate.net/profile/Ann\_Cotten/publication/272747065\_The\_Seven\_Steps\_of\_Effective\_Workforce\_Planning/links/5cb9d57c92851c8d22f6bbe8/The-Seven-Steps-of-Effective-Workforce-Planning.pdf

Creswell, J. W. (2009). *Qualitative inquiry et research design: choosing among five approaches*. Los Angeles; London; New Delhi; Singapore; Washington DC: SAGE.

Cunningham, B., & Kempling, J. (2011). Promoting Organizational Fit in Strategic HRM: Applying the HR Scorecard in Public Service Organizations. *Public Personnel Management*, 40(3), 193–213. doi: 10.1177/009102601104000302.

Darling, S. D., & Cunningham, J. B. (2016). Underlying values and competencies of public and private sector managers. *Asian Education and Development Studies*, *5*(4), 371–387. doi: 10.1108/aeds-09-2015-0050

Deist, F. D. L., & Winterton, J. (2005). What Is Competence? *Human Resource Development International*, 8(1), 27–46. doi: 10.1080/1367886042000338227

Delery, J. E. (1998). Issues of fit in strategic human resource management: Implications for research. *Human Resource Management Review*, 8(3), 289–309. doi: 10.1016/s1053-4822(98)90006-7

Draganidis, F., & Mentzas, G. (2006). Competency based management: a review of systems and approaches. *Information Management & Computer Security*, 14(1), 51–64. doi: 10.1108/09685220610648373

Gangani, N., Mclean, G. N., & Braden, R. A. (2008). A Competency-Based Human Resource Development Strategy. *Performance Improvement Quarterly*, *19*(1), 127–139. doi: 10.1111/j.1937-8327.2006.tb00361.x

Ganesh, S. (2004). *Competency Based Human Resource Management*. New Delhi: Tata McGraw-Hill Publishing.

Green, K. W., Wu, C., Whitten, D., & Medlin, B. (2006). The impact of strategic human resource management on firm performance and HR professionals work attitude and work performance. *The International Journal of Human Resource Management*, *17*(4), 559–579. doi: 10.1080/09585190600581279

Harris, L. C., & Ogbonna, E. (2001). Strategic human resource management, market orientation, and organizational performance. *Journal of Business Research*, *51*(2), 157–166. doi: 10.1016/s0148-2963(99)00057-0

Hart, S. L. (1995). A Natural-Resource-Based View of the Firm. *The Academy of Management Review*, 20(4), 986. doi: 10.2307/258963

Javidan, M. (1998). Core competence: What does it mean in practice? *Long Range Planning*, *31*(1), 60–71. doi: 10.1016/s0024-6301(97)00091-5

Jones, T. W. (1995). Performance management in a changing context: Monsanto pioneers a competency-based, developmental approach. *Human Resource Management*, *34*(3), 425–442. doi: 10.1002/hrm.3930340306

Kaye, L. (1999). Strategic human resources management in Australia: the human cost. *International Journal of Manpower*, 20(8), 577–587. doi: 10.1108/01437729910302750

Lawler, E. E. (1994). From job-based to competency-based organizations. *Journal of Organizational Behavior*, 15(1), 3–15. doi: 10.1002/job.4030150103

Lengnick-Hall, M. L., Lengnick-Hall, C. A., Andrade, L. S., & Drake, B. (2009). Strategic human resource management: The evolution of the field. *Human Resource Management Review*, *19*(2), 64–85. doi: 10.1016/j.hrmr.2009.01.002

Marrelli, A. F. (1998). An introduction to competency analysis and modeling. *Performance Improvement*, *37*(5), 8–17. doi: 10.1002/pfi.4140370505

Martone, D. (2003). A guide to developing a competency-based performance-management system. *Employment Relations Today*, *30*(3), 23–32. doi: 10.1002/ert.10095

Meifert, M. T., Ulrich, D., & Potter, K. L. (2016). *Strategic Human Resource Development A Journey in Eight Stages*. Berlin: Springer Berlin.

Metzenthin, R. (2005). Mergers And Acquisitions As Gap-Closing Activities In Competence Building And Leveraging. *Competence Perspective on Managing Internal Process Advances in Applied Business Strategy*, 129–150. doi: 10.1016/s0749-6826(04)07007-6

Naqvi, F. (2009). Competency Mapping and Managing Talent. *ICFAI Journal of Management Research*, 8(1), 85-94. doi: 10.1108/00197850910050907

Payne, F. (1999), Five steps to a solid succession plan. *Rural Telecommunications*, November/ December, pp. 20-4.

Reinhardt, K, & North, K. (2003). Transparency and Transfer of Individual Competencies – A Concept of Integrative Competence Management. *Journal of Universal Computer Science*. 131–194. doi: 10.1007/978-3-322-84634-1\_5

Rothwell, W. J. (2005). Effective succession planning: ensuring leadership continuity and building talent from within. AMACOM.

Saks, A. M., Haccoun, R. R., & Belcourt, M. (2019). *Managing performance through training and development*. Toronto: Nelson.

Sanghi, S. (2019). The handbook of competency mapping: understanding, designing and implementing competency models in organizations. New Delhi: Sage Publications.

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students*. Paris: Pearson Education.

Sekran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach*. STAD: John Wiley Sons Inc

Shet, S. V., Patil, S., & Chandawarkar, M. R. (2019). Competency based superior performance and organizational effectiveness. *International Journal of Productivity and Performance Management*, 68(4), 753–773. doi: 10.1108/ijppm-03-2018-0128

Sveriges Kommuner och Regioner. (2019). *Vad gör kommunerna*. Accessed 2020-04-03 from <a href="https://skr.se/tjanster/lattlast/vadgorkommunerna.596.html">https://skr.se/tjanster/lattlast/vadgorkommunerna.596.html</a>

Teknikföretagen. (2020). *About us*. Accessed 2020-04-06 from: <a href="https://www.teknikforetagen.se/en/">https://www.teknikforetagen.se/en/</a>,

Uddin, I., Tanchi, R., Alam, N. 2012. Competency mapping; A Tool for HR Excellence. *European Journal of Business and Management*, *4*(5), 51-60. <a href="https://www.iiste.org/Journals/index.php/EJBM/article/view/1508/1440">https://www.iiste.org/Journals/index.php/EJBM/article/view/1508/1440</a>

Vakola, M., Soderquist, K. E., & Prastacos, G. P. (2007). Competency management in support of organisational change. *International Journal of Manpower*, 28(3/4), 260–275. doi: 10.1108/01437720710755245

Wright, P. M., & Mcmahan, G. C. (1992). Theoretical Perspectives for Strategic Human Resource Management. *Journal of Management*, *18*(2), 295–320. doi: 10.1177/014920639201800205

## Appendix

## Appendix 1: Interview guide

- Begin with thanking the interviewee for participating in the research.
- Present who we are and the different roles we will have during the interview.
- Repeat the purpose of the research.

#### **Ethics:**

Confidentiality: As an interviewee, you are anonymous, but we wonder if we are allowed to use your professional title? Further, are we wondering if we are allowed to use the organization's real name, or would your organization like to be confidential? This means that we will exclude all information that can be traced back to identify your organization.

Quotes: Are we allowed to quote you to make the result section more vivid?

*Audio recording:* Are we allowed to record the interview? The reason for this is not to miss important information and to be able to analyze the material. The recording will later be deleted when the research has been published.

#### **Introduction:**

- 1. Can you tell us more about you, your background, and your role?
- 2. Tell us a bit about your organization/municipality?
  - What do you do?
  - How many employees do you have?

#### **Competency Management:**

- 3. What is your organization's purpose with working with Competency Management?
- 4. Could you describe your Competency Management process? Please tell us step by step. However, only a brief description is necessary since we will go into the different processes in detail later on in the interview.
- 5. Competency Management consists of several different steps that can be viewed as a life-cycle. The first step in the life-cycle is competency mapping. First, we wonder if you work with competency mapping?
  - If yes, we wonder what your purpose is with competency mapping?
  - Could you tell us how you map the competencies in your organization?
- 6. The next step in the competency life-cycle is to analyze the skill gaps in the organization. We, therefore, wonder if and how you work with identifying these gaps?

- 7. When a skill gap has been detected, how do you work with minimizing the gap?
- 8. The last step in the life-cycle is to evaluate the actions taken to minimize the skill gaps. We, therefore, wonder how you measure and evaluates the effects of your actions?
- 9. Commonly, the organization's works with succession planning to avoid that competency gaps occur and also to prepare for the future. Do you work with it?
  - If yes, how do you work with succession planning?
- 10. How does your organization collect and preserve information regarding competence?
- 11. Do you use other methods that we have not already mention to ensure your employees have the right and required competencies?
- 12. Who in your organization is responsible for the Competency Management work?
- 13. Do you believe an organization's employee size effect the Competency Management work?
  - If yes, please elaborate on why and how?
- 14. Which effects can occur by working actively with Competency Management?
  - Have you seen if it can lead to a competitive advantage? If yes, please elaborate on how.
- 15. Is there a clear connection between your organization's strategy and the Competency Management strategy?
  - Do you have any suggestions on how to work more strategically with Competency Management?