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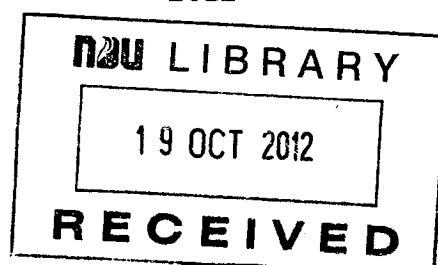
**Bordeaux Management School
Institute of International Business**

**MANAGING EMPLOYEE INCOMPETENCE IN LEBANESE
ORGANIZATIONS**

**A Thesis Submitted in Partial Fulfillment of the
Requirements for the Joint Degree of the Master of Business
Administration (M.B.A.) and the Master of Science in
International Business (M.I.B.)**

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Approval Certificate

MANAGING EMPLOYEE INCOMPETENCE IN LEBANESE ORGANIZATIONS

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DECLARATION

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In 2011, The Central Administration of Statistics (CAS) Lebanon and the Northern Ireland Statistics and Research Agency (NISRA) within the context of the EU Twinning project have published "Statistics In Focus (SIF)", a series of Social Statistics, entitled 'The Labor Market in Lebanon'. One main finding triggered the development of the research question: In Lebanon, when someone is given a job opportunity, he/she will accept it even if it does not match his/her own qualifications level. Competence is the combination of knowledge, experience, skills, attitude and abilities that enable the employee to perform his/her job effectively and efficiently.

Thus it is integral to study the effect of employee incompetence on the performance of Lebanese organizations. The analysis is done on five different levels:

Ho: incompetent employees negatively affect the performance of competent employees

H1: Having more than one responsible for recruiting minimizes the effect of incompetent employees on competent employees

H2: use of competency based framework minimizes the effect of incompetent employees on competent employees

H3: Competency based framework allows an organization to reach its objectives

H4: Competency based framework improves employee customer service

In order to answer those questions, a qualitative study was developed. 150 questionnaires were administered to 50 managers and 100 employees along with two interviews with a consultant and a human resource manager. The Pearson Chi square test was used to study the relation between the variables. The results were entered into SPSS.

After an intensive analysis of the results, the five hypotheses were all accepted. The reasons behind employee incompetence which are listed below were derived:

- 1- Incompetent Managers: there is no reference for employees in the work place.
- 2- Not enough training for the employees
- 3- Bad recruiting process: the recruiter is not aware of the huge responsibility in hand
- 4- Job procedures are constraints: employees are not motivated
- 5- Lack of communication: the company goals and mission are not clear for the employees so are the job objectives and processes

Therefore a competency based framework is essential to help Lebanese organizations overcome employee and managerial incompetence. A competency based framework is the basis for all human resource functions and serves as the linkage between the individual performance and business results. The framework compiled from the literature stressed on the necessity of training and on ameliorating the recruiting process.

Key words: Incompetence, competence, competency based framework, recruitment and training

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Chapter 1

Introduction

1.1 General background

Globalisation has become in recent decades an international buzz word. Whether people consider it as a good or bad phenomenon, no nation big or small, developed or not is immune to its impact. In general, globalization is the increase mobility of products, services and factors of production across national boundaries (Shin, 2002). So countries can no longer isolate themselves from the outside world. Their economies are interrelated in so many ways that one wrong decision in any country can spread its damages not only to its neighbours but to other continents as well.

This contagious phenomenon is also affecting firms worldwide. As a firm, profit maximization might seem to be the most obvious economic objective. However, profit maximization theory is nowadays being criticized by economists. Accurate and detailed information required to undertake optimal maximization lack. Hence businesses possess neither the necessary information nor the market power to set a price and output that will maximize their profit (Riley, 2006). Therefore, diverse objectives have been developed by behavioural economics. This relatively new field integrates economics with psychology. Although firms will still have profit maximization as a medium to long term goal, short term goals according to Geoff Riley (2006) in his article entitled Economic Objectives of the Firm might include the following:

1. Satisfying: satisfying behaviour is all about setting acceptable reachable goals in terms of achieving a certain revenue or profit.
2. Sales Revenue Maximization instead of profit maximization. William Baumol developed this theory in 1959.
3. Managerial satisfaction: Williamson (1981) who developed this concept argues that managers can increase their utility (satisfaction) by successfully

raising their revenue or their market share or by simply meeting a specific target.

4. Constrained Sales Revenue Maximization occurs when shareholders introduce a minimum constraint on the decision of managers. For example they require a minimum profit.

We have seen how firms can diversify their goals. Why should they? One word: Globalization. Globalization has created a fast dynamic market that embraces new competition and that requires the firm to be more efficient. Firms have to definitely worry about their local competitors but what they should really be aware of are their international competitors.

Before proceeding, it is important to differentiate between competition and competitiveness. Competition according to the Merriam-Webster dictionary 2012 edition is “the act or process of competing”. However competitiveness involves the ability of an enterprise to face competition on a sustainable basis (Peter, 2009). Augustine Peter continues the discussion on competitiveness stating that global competitiveness is when an enterprise is “able to stand up to competition outside the home market”. Moreover she states in her article *Competition and Competitiveness Issues and Challenges and Role of Competition law* (2009) that the total factor productivity is the result of a “technical change and improvement in skills and in the ways of organizing production. Development of skills and the resultant competencies are paramount in this regard”.

On top of the rising competition, firms are facing a huge challenge: retaining their customers. Customer loyalty refers to loyalty attitudes and behaviour towards the organization in general or the organization’s brands (Uncles & Laurent, 1997). Today’s rapidly changing arena has caused a decline in customer loyalty in many industries (Gokey & Yin, 2000). Biju (2006) the author of *Development Management under Globalization* states that customer loyalty is based on a relationship between the company and the customer. The utility derived from that relationship is either reflected as loyalty or disloyalty. Firms have to nurture this relation and think of various ways to retain their customers. Biju also states a quote that Peter Drucker mentioned in 1994: “loyal customers are the profit centres of business”. Ultimately every firm wants to be profitable. Many researchers have found a link between

customer loyalty and profitability (E.g. Reichheld & Sasser, 1990; Hallowel, 1996; Loveman, 1998). One famous quote is that it costs less to retain a current customer than in attracting a new one (Reichheld & Sasser, 1990). Moreover a loyal customer provides free advertising for the firm's products or services (Jones & Sasser, 1995).

This trend of decreasing customer loyalty has also affected brand loyalty. Globalization has contributed to the weakening of brands (Aurifeille, Svizzero & Tisdell, 2007). The three authors of the book entitled *Globalization and Partnerships* explain that in turn this has led to a decrease in brand identity in consumers who associated brand image to a country of origin. Consumers have no longer one choice. They are informed consumers who have access to different brands using different techniques. The availability of information has reduced the imbalance between the buyer and the seller (Palmer, 2002). As a result, consumers have become more ready to experiment with products as the amount of available information available makes changing brands considerably less risky (Surowiecky, 2006). The web has facilitated the shopping task. It has reduced the amount of time needed for shopping. Ordering online requires less effort. Since using the web is easier, consumers prefer to shop online. The web is a potential source of detailed information to consumers on competitor prices (Aurifeille, Svizzero & Tisdell, 2007). Beside all the benefits provided by the web to the consumer, the web is one big market where by one click you can reach all types of stores and thus be able to determine the best choice available out there. However the internet is ruining every chance of building actual relationships between the sales people and the consumers. In high technology industries the product life cycles are shortening. As a result such industries operate in an environment of continuous innovation and rapid product obsolescence (Hills & Sarin, 2003). This situation applies to practically all types of industries.

That is complicating the task of managers on one hand, because they constantly have to come up with new strategies to implement and sell the new product. On the other hand, owners have to juggle between their companies in the home country and their outsourced factors of production. Why outsource? Well because it is less costly abroad. Maintaining a low cost strategy to face this fierce competition is crucial.

Another determining factor that comes hand in hand with globalization is communication. There has been a surge worldwide in the available communication

media. Whether it is television advertising, social media or banners, consumer's minds are shaped and directly influenced by those channels of communication (Biju, 2006).

Having stated the numerous problems faced by modern firms, one fundamental question remains to be answered: how should the firm respond to all those dynamic changes? Nowadays firms have to think creatively. Creativity often leads to the development of original ideas that are useful or influential, and maintaining creativity is crucial for the continued development of organizations in particular and society in general (Nirjstad & Paulus, 2003). In an Oxford university press that appeared in 2003, a new concept has been examined. Group creativity is gaining a lot of acknowledgment. Despite the fact that most research discusses individual creativity, creativity is a concept that requires a group interaction at various stages. We can no longer isolate the social and contextual factors which affect creativity. Thus firms are relying on the work of creative teams where each individual is specialized in a particular area.

Creativity and innovation are two things that machines cannot achieve on their own, for the moment. Let's note that with the thinking computer things might change in the future. The human brain is capable of being creative and innovative if the work environment encourages such behaviour. It is well known that every firm has a social capital (human resources) and economic capital also known as economic partners. The partners range from distributors, suppliers to consumers (Peter, 2009). Finding employees is relatively easy for any reputable firm. However the challenge is to find the right ones. Due to globalization introducing new challenges, managers were more or less obliged to shift from recruiting based on economic factors, to recruiting competencies. According to an article entitled *competency based recruitment and selection a handbook for managers* written by the Nottingham University in 2010, jobs have three components:

1. Knowledge which is necessary to do the job.
2. Skills needed to perform the job (E.g.: technical skills)
3. Competencies which are the attitude and behaviour patterns that underpin how people do their jobs. Competencies influence how well people apply their knowledge, technical and management skills.

When using a competency-based approach, the firm will be able to recruit and select an employee that matches the competency requirements of the job. This study also explains that when combined with an assessment of knowledge and experience, using competencies improves accuracy in assessing people's suitability or potential for different jobs.

With the rapid pace of change facing most organizations, there is an increasing demand to select people who match the wider context of the organization. By wider context we mean the company's values, the relationships among colleagues, even the technology used. Recruiting is no longer a simple task, a task that only requires matching people to a specific job. As a result interviewers will be able to make more accurate decisions and save time and money for the firm. The selection and recruitment process takes time and costs money. The firm has to advertise for the job opportunity. It will have to train the new employee. So selecting the wrong employee is considered to be a waste of time and money. This competency based approach gives a structure to the process and prevents the interviewer from making hasty decisions.

As mentioned in "*L'Entreprise intelligente dans le concept de compétence*" (*The intelligent Organization in the concept of competence*) written by Dr. Clark Khadige (2010), competence is the ability to develop, create and apply innovative concepts. This new approach to recruiting is based on the knowhow, the ability and the will to perform a certain task.

The recruitment of competencies is directly linked to globalization and remains nowadays a major challenge for firms. A big percentage of individuals are working in jobs which they haven't been properly trained for. Incompetence is a "phenomena" which is encountered daily at work. It is frustrating to see the number of incompetent employees and even the number of incompetent managers increasing. In an online poll done by Business News Daily in 2010, a third of all employees think their managers are completely or somewhat incompetent. Lebanon is no exception to that.

The purpose of this thesis is assessing how Lebanese organizations manage incompetence as well as investigating employees' incompetence and its effect on the performance of Lebanese organizations.

1.2 Need for the study

In 2011, The Central Administration of Statistics (CAS) Lebanon and the Northern Ireland Statistics and Research Agency (NISRA) within the context of the EU Twinning project have published “Statistics In Focus (SIF)”, a series of Social Statistics, entitled ‘The Labor Market in Lebanon’. One main finding triggered the development of the research question. It is widely acknowledged that in Lebanon employment is the best way to escape from poverty. Hence, when someone is given a job opportunity, he/she will accept it even if it does not match his/her own qualifications level. The study also showed that “at the level of education of working people a quarter had low qualification levels and another quarter were high skilled. Yet some people are highly qualified but have taken basic jobs, for instance some people are holding university degree but they are taking ‘unskilled jobs’ or jobs that require no qualification at all. Meaning that one has to take any given job opportunity, even if it does not match an individual’s qualification level”. Moreover, the study showed that half of the Lebanese emigrants did not have a job before migrating. They were seeking job opportunities. All of that, on top of nepotism should drive managers to ask themselves: are we only left with incompetent employees? Are the employees considered to be incompetent because they are not challenged? Are we recruiting the right employees? Is there an adequate fit between the employee to be hired and the job requirements? Briefly, how is incompetence affecting the performance of organizations?

Moreover, throughout history people did not need to manage and work on themselves. Their job was limited to routine, simple tasks. Most of them were born into a situation which they cannot change and had no control over. However, nowadays, globalization has transformed the world into one big market where companies have to fight hard in order to survive. Firms are pressured, and apply pressures, to keep up with the fast pace of technology and to recruit the right employees. Placing the right people in the right job with the adequate competencies is a key factor for the company’s success. Therefore it is essential to understand what incompetence (the opposite of competence) is, in order to be able to identify it and find the right approach to deal with it; because having a big number of incompetent

employees will cost the company a lot financially and socially. If we were to find solutions to that dilemma, it is essential to perform a profound analysis of the different consequences of incompetence. In order to facilitate the task, the consequences will be divided into two categories:

- 1- Consequences on the incompetent individual: employee as well as managers
- 2- Consequences on the organization suffering from incompetence

First as we have mentioned previously, stress is one consequence of employee incompetence. What is stress? Various definitions of stress have been developed. Hans Hugo Bruno Selye defined the term “stress”, as “the non-specific response of the body to any demand for change”. Selye later expanded his definition in 1979 by stating that “Stress is ‘perception’. It is the demands that are imposed upon us because there are too many alternatives. Stress is caused by being conscientious and hardworking”. Knowing that your boss does not appreciate you, causes stress. Not having the adequate knowledge and training is stressful. In fact employees believe that incompetent bosses are sources of stress. Michael Useem author of *Leading up: How to Lead Your Boss So You Both Win* said that whether your boss lacks technical or managerial ability, the results are the same: bad bosses sap motivation, kill productivity, and can make you want to run from the job screaming. While leaving is an option, it's not the only one for coping with a bad boss. When you are aware of your incompetence and you know that no one will help you get over it, it is stressful.

Another consequence of incompetence is aggressiveness. Aggression according to the 2012 edition of Merriam-Webster, is a forceful action or procedure (as an unprovoked attack) especially when intended to dominate or master. Aggressiveness can be simply due to the attitude of the worker. That being said, competence revolves around two main concepts: the will and the can. In the book of R. W. Mondy entitled *Human Resource Management*, the *will and can* concept shows four possible scenarios:

1. Some employees *can and have the will*. This is the type of employee a company would like to have and the type that should be retained and rewarded. They have the knowledge and they want to perform.
2. Others *can but don't have the will* because there is no proper fit between their competencies and their job task, or simply because either it is not specified in their job description or because they will not be rewarded for any extra work done.
3. Some have *the will but can't* perform correctly because they lack the necessary information. They are ready to learn and apply since they have strong personal motivations.
4. Finally the last type of workers is those who neither have *the will nor the can* to perform their job tasks appropriately. This is the hardest type to train because they become aggressive. Their aggressiveness is due to the lack of motivation or humiliation. It may lead them to become the organizations' enemy. When an employee cannot and doesn't have the will, he/she becomes aggressive. It is their defense mechanism. Their way to respond to the changes they are faced with.

In an article titled *Perfect Performance: Do not Change Employees Behavior* written by Santhosh Babu, he states: "If we look at organizations, we can see how each organization is trying to change a Labrador into a Doberman or vice-versa using their current competency framework. So what ensues is an employee who has almost started demonstrating the behavioral traits of a high potential leader in his organization, say a Doberman, leaves and joins another organization where they try to make him another dog, say a Labrador, based on their competency framework." The various changes occurring are stressful and cause aggressiveness.

Moreover, bosses can also be aggressive when they feel threatened or incompetent. Like incompetent employees, it is their defense mechanism. Wide-ranging research suggests that threat often leads to an internal state of ego defensiveness (e.g., Carver, Lawrence & Scheier, 1999; Higgins, 1987; Greenberg, & Goldenberg, 2003; Stone & Cooper, 2001).

Adding to those two consequences is the depersonalization of the employee. This is very frequent in Lebanese and Mediterranean countries where they act upon

emotions. In his book *Emotion at Work: a Special Issue of the European Journal of Work* Rob B. Briner defines depersonalization as a negative, callous or excessively detached response to patients and other people. He also explains that depersonalization and incompetence have a causal effect relationship. Depersonalization can sometimes lead to incompetence due to work stressors.

The company suffers from employee incompetence as well. Evolution according to the Merriam-Webster dictionary 2012 edition is the “process of working out or developing”, “process of change in a certain direction”. So the link between evolution and competence is: a competent person is someone who is flexible and can cope with change (The National Council for Vocational Qualifications, 1997).

Moreover, incompetence is a waste of time and money for the company. Incompetent employees may be working eight hours per day and coming on time. But their required tasks are either never finished on time or done wrong regardless of the source of the incompetence (internal or external).

The consequences of hiring the wrong person are heavy on the company not only in financial terms but in affecting the overall strategy as well. In fact, according to a study conducted by the Harvard Business School, making poor hiring decisions can cost a company as much as three times an employee's annual compensation package (this includes not only base salary, but commission and bonus).

According to Corporate initiatives a consulting company, the firm should consider the different types of cost it is incurring:

Cost of Termination: it takes time to finalize the process of termination: removing the individual from the company payroll, taking their names off the security lists.

Cost of Replacement: If the company wants to replace the departing employee, it has to advertise for the new vacancy, go through the selection process and train the new employee. The cost differs from one company to another.

Cost of Vacancy: the cost of vacancy depends on the value added of the job and the nature of the vacant position. Every day the position is vacant, the company incurs losses in terms of revenue.

Learning Curve Productivity Loss: when the new employee is hired, it will take him/her time to match the productivity of the previous employee. Meanwhile the company is losing. According to the Saratoga Institute, an auditing and consulting company, the minimum loss is usually about three to six months pay and benefits for exempt employees and about twelve months pays and benefits for a non-exempt employee.

When considering those costs plus the taxes, legal expenses, management time and loss of market share, hiring the wrong person can cost the company a significant amount of money.

That is only the top of the iceberg, the visible tangible part. Recruiting the wrong person is also translated into intangible consequences, harder to identify. Spencer and Stevens stated that low employee morale and extra time spent on performance management, lost business relationships and goodwill are some of the intangible consequences. When the recruited person isn't capable of adapting to its new job, that person won't be able to evolve with the company and to adapt to its culture. Hence the company's objectives won't be reached, tensions between colleagues and or superiors will occur. The employee will even consider resigning. The company is obliged to restart the recruitment process. Those consequences will inevitably impact the rest of the employees. They will lose their motivation and be overloaded with job tasks. Furthermore, the environment of the firm will also degrade.

What if a higher level position is given to the wrong person? In a book entitled *Great People Decisions: Why They Matter So Much, why they are so Hard, and How You Can Master them* by Claudio Fernandez, the author recalls a study made by Booz Allen and Hamilton. The study is about CEO turnovers. It documented the high level of comings and goings and the high level of involuntary departures. One third of CEO appointments turn out to be a complete failure. They concluded by saying that there is a gap between the competencies of the CEO hired and the required competencies. That is why CEO turnover is high. What makes it worse is the lack of effective succession plan. Furthermore as already mentioned, having an incompetent manager or supervisor affects directly the behaviour of employees.

The company's stakeholders are not the only ones who suffer from hiring the wrong person. Employees who are being fired are also affected negatively. They are back in the market with failure marked on their CV.

Recruiting is a hard exercise and is not an exact science. The interviewer can never be 100% sure of the decision. Failure is inevitable. However consistently failing is a major setback for the company. To ensure the maximum success in hiring, it is imperative to follow a well constructed methodology, a competency based framework. Hiring the wrong employee is an investment and all that investment would go to waste if employee turnover is high. The framework provided at the end of the study is tailored to match the Lebanese cases. Moreover to have a clearer idea on the Lebanese cases interviews were made with well renowned consultants and Human Resource managers whom usually do not "publish" their analysis of firms and whom are in the best position to identify and explain incompetence.

Finally, a very limited number of studies have been done on the Lebanese market. There is a huge gap in this area especially that the few studies done are specific to a certain organization. They do not include different types of organizations. The information provided by this thesis can be used as a handbook by Lebanese managers to develop competencies in the organization and hence reduce the impact of incompetence.

1.3 Purpose of the study

This thesis will study the relationship between employee incompetence and the company's overall performance. The performance will be evaluated on three levels: customers, objectives and employee performance. The three variables will be formulated into hypotheses which will be accepted or rejected.

Several questions can be derived. Hence it is essential to discuss the following points:

1. Identify the causes of employee incompetence in Lebanese organizations
2. Discuss the role of human resources and direct supervisors in dealing with incompetence
3. Identify the steps taken by Lebanese organizations in order to deal with incompetence
4. Propose a framework in order to deal with incompetent employees

1.4 International aspect

Incompetence at work is the last taboo (Wheeler, 2004). In 2000, Kevin Keegan England football team's manager said: "I told the players that is me, finished. I feel I fall short of what is required for this job".

Estelle Morris Education Secretary quit her job, saying: "second best" was not good enough ".

The Learning and Skills Council conducted a survey on 72,100 employers and found that 10% of workers were not up to their job. Bosses stated that inexperience was the major problem though lack of motivation and their own failure to train staff were reported by almost a third. A fifth of job vacancies were unfilled due to skill shortages, and business was being lost to competitors (Wheeler, 2004).

Moreover, Expatriation is in certain cases increasing or rendering people incompetent.

Hence incompetence at work has become a widely spread concept.

In chapter 5, a table will be developed to compare the results obtained by international studies with the results of this thesis.

1.5 Brief overview on all chapters

The study will be divided into the following parts:

1. Literature review: the first part of the literature review will be dedicated to define the several keywords which will be frequently used throughout the study: competence, incompetence, competency based framework, growth ... The next part will state the several Lebanese and international studies which are similar to the study. Most of them study the effect of competence and incompetence on several factors.
2. Methodology: in this part, the main research question is stated: what is the effect of employee incompetence on Lebanese organizations? Five hypotheses are derived: incompetent employees negatively affect the performance of competent employees, having more than one responsible for recruiting minimizes the effect of incompetent employees on competent employees, use of competency based framework minimizes the effect of incompetent employees on competent employees, competency based framework allows an organization to reach its objectives and a competency based framework improves employee customer service
3. Primary and secondary data were used. Questionnaires were administered to 50 organizations. The Pearson Chi square test was used to study the relations between the variables.
4. Results: the results obtained from the 150 questionnaire (50 managers and 100 employees) are presented. At first the sample is described then comes the part of the descriptive statistics and inferential statistics. A short discussion for each result is available.
5. Conclusion: the results are analyzed; a competency based framework is developed. Recommendations for implementing a successful competency based framework and for managers are stated. Finally the limitations of the study are mentioned.

Chapter 2

Literature review

2.1 State of knowledge in the area of interest

According to a study published by the United Nations in 2012, the world economy is on the verge of another major downturn. The economic slowdown which started in mid 2011 is expected to continue into 2012 and 2013. With the US crisis and the Euro debt crisis, policymakers in developed countries have failed to address unemployment and prevent debt crisis. A new global recession is a possibility for 2012-2013. Meanwhile, developing economies are expected to remain the engine of the world economy. Among the major developing countries, growth in China and India is expected to remain strong. Developing countries should prepare for further downside risks, as Euro Area debt problems and weakening growth in several big emerging economies are dimming global growth prospects, stated the World Bank in the newly-released Global Economic Prospects (GEP) (2012)

Amidst these major economic events, firms have to step up and take the necessary measures to be able to survive. Organizations are about the theory of formal organizations, systems of coordinated action among individuals and groups whose preferences, information, interests, or knowledge differ. Indeed, the main function which is served by an organization is to promote coordination among individual actions (March & Simon, 1993).

Cantner, Hanusch and Klepper the three authors of *Economic Evolution, Learning, and Complexity* have discussed the importance of minimizing two types of errors. The first one is keeping losers for too long. The second one is terminating winners prematurely. In order to be able to take the right decisions, organizations need to have competent decision makers. They recall the competence bloc theory which states: the minimum set of agents with different, but complementary competencies required to generate and commercialize new combinations—are identified as necessary for efficient resource allocation. Nowadays since resources are scarce and some are expensive, making the most out of what is available is a talent that will create a competitive advantage for the company. Furthermore, the three authors argue that with the free market entry, increasing competition and

encouraging entrepreneurial innovation, the economy is kept in motion. To reduce the uncertainty surrounding the businesses, firms should have the adequate human capital.

As mentioned in the introduction, firms always aim to grow. To be able to grow, firms need to maintain a certain level of performance. First, Growth as proposed by Sonia Sabharwal in *Alternative Growth Strategies for Small Business* in 2009 is the expansion of size of its operations. Businesses seek growth to benefit from economies of scale (lower average cost per unit), to increase their market share, to spread risk by diversifying and in the long run make profits. In 1957, the Ansoff matrix described four growth strategies.

PRODUCT /	EXISTING	NEW
MARKET	EXISTING	NEW
EXISTING	MARKET PENETRATION	PRODUCT DEVELOPMENT
NEW	MARKET DEVELOPMENT	DIVERSIFICATION

Table 1: the Ansoff matrix
(Source: www.ansoffmatrix.com)

In market penetration, the company must find strong means to outperform its competitors. When developing new products, innovation and creativity are crucial. As for market development, the company needs to collect a lot of information on the new location. Diversification is the riskiest between the four since the company is moving into markets in which it has little or no experience. Whatever the company chooses, it needs competent employees not only to survive but to excel as well. Companies fail to see that many clues to their future success lie within their own organizations and their evolving states of development. Moreover, the inability of

management to understand its organization development problems can result in a company becoming "frozen" in its present stage of evolution or, ultimately, in failure, regardless of market opportunities (Greiner, 1994).

On the other hand, the performance of a firm is measured using Key Performance Indicators (KPI). It can be quantitative or qualitative, financial or non financial. The financial performance is often measured using traditional accounting KPIs such as ROA, ROS, EBIT, EVA® or Sales growth (Ittner & Larcker, 1997; Fraquelli & Vannoni, 2000; Crabtree & Debusk, 2008). As for the non financial performance, it can be measured using operational KPI. Market share, innovation rate or customer satisfaction are prominent examples (Hyvonen, 2007). Basically every researcher can choose the variables depending on the research questions he/she has designed. A good performance occurs when someone is able to succeed in new or difficult situations.

Having defined performance and growth, the next step is to state the different factors that are obstacles to the growth of the firm. By stating those factors, we will notice that most of them are related to employee's poor performance due to incompetence. In order to do that, we will refer to a research paper funded by NESTA and written by Dr. Neil Lee in 2011. Stated below are the most obstacles reported by firms.

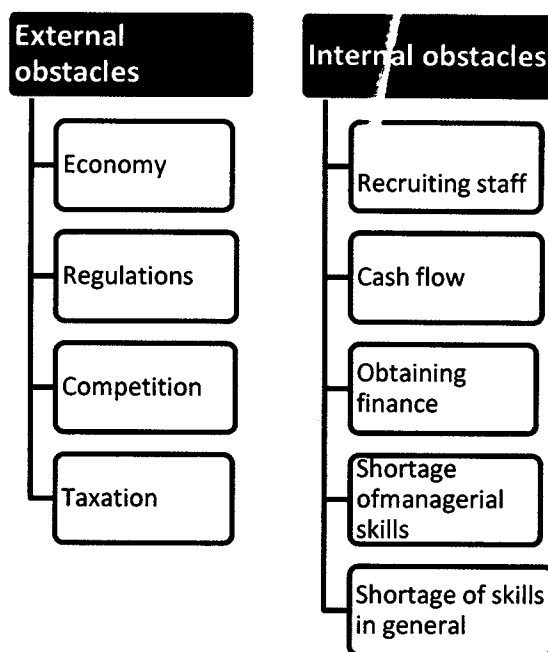


Figure 1: the most important obstacles reported by firms according to NESTA research

(Source: *Competencies & Workplace Learning: Some Reflections on the Rhetoric & the Reality*, Garavan, T. & McGuire, D)

As can be deduced from the above figure, incompetence in its different forms is one major obstacle reported. An employee lacking the right competencies is as devastating as having an incompetent manager. What about having an incompetent recruiting staff? How can incompetent recruiters decide who is a good “candidate” for the company and who isn’t? On what basis can they evaluate and select employees? Wouldn’t their choice be biased? Wouldn’t they probably try to hire incompetent employees to hide their own incompetence?

A competent employee according to the Merriam-Webster dictionary in the 2012 edition is someone who has “the requisite or adequate ability or qualities” to perform a certain task contrary to an incompetent one who is “inadequate to or unsuitable for a particular purpose”. Another definition in Grolier International Dictionary 2012 edition defines competence as “The state or quality of being capable or competent; skill; ability”.

Different authors have offered various definitions of competence and incompetence. Stated below are various definitions of competence mentioned in *Competencies & Workplace Learning: Some Reflections on the Rhetoric & the Reality*, Journal of Workplace Learning, Garavan, T. & McGuire, D. (2001):

- Competence is the behavioral characteristics of an individual that are causally related to effective and/or superior performance in a job. (Boyatzis, 1982)
- An underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation (Spencer & Spencer, 1993)
- A high performance or H-competency is a relatively stable set of behaviors which produces superior workgroup performance in more complex organizational environments. (Schroder, 1989)

Those three definitions are classified in the US approach to competence entitled the behavioral competence. This approach relates competence to superior performance.

Another approach to competence is the UK approach. Supporters of the competence-based approach state that competence is the ability of the employee to carry out his job properly and live up to the required standards

- Occupational competence (is) the ability to perform the activities within an occupation or function to the level of performance expected in employment. (Management Charter Initiative, 1990)
- The ability to perform the activities within an occupation (Nordhaug & Gronhaug, 1994)
- An action, behavior or outcome which the person should be able to demonstrate (Training Standards Agency, 2000).

Finally, Claude Levy-Leboyer, professor of Psychology in Paris highlighted in 1996 that competence is a resultant of several psychological elements of a person and with a basis in “self-image”. Levy-Leboyer’s approach of competence is related to aptitudes, personality traits, and acquired knowledge.

We can so far conclude that the UK approach is broader than the US approach. It doesn't only relate competence to the attributes of the job-holders, but also to a range of guidelines and standards required to get a job done. Both approaches agree that competencies are related to the personal characteristics of the employee.

The definition of the National Council for Vocational Qualifications in 1997 represents a perfect summary for what has been already mentioned: "The ability to apply knowledge, understanding, practical and thinking skills to achieve effective performance to the standards required in employment. This includes solving problems and being sufficiently flexible to meet changing demands".

When it comes to incompetence, Rick Wartzman recalled a famous saying by Drucker in his article *As the Walkman Retires; Sony Rewires the Drucker Difference*, (2010). He stated: "Quality in a product or service is not what the supplier puts in. It is what the customer gets out and is willing to pay for. A product is not quality because it is hard to make and costs a lot of money, as manufacturers typically believe. This is incompetence. Customers pay only for what is of use to them and gives them value. Nothing else constitutes quality." In this example incompetence stems from the lack of knowledge. Incompetence examples are portrayed on a daily basis in businesses. Whether it is inferior service in a restaurant or lack of knowledge in the so called area of "expertise", we are surrounded daily by incompetent workers. Even we are incompetent in a certain area. A famous saying of Socrates is "All I know is that I know nothing". Some of us are able and have the will to improve while others are happily living this quote.

In our quest to formulating our own definition of competence and incompetence, it is important to realize that competence is a multidimensional concept. It is hard to limit it to one comprehensive definition.

According to an article written by Dr. Clark KHADIGE in 2010 entitled *L'Entreprise Intelligente dans le Concept de Competence*, (The Intelligent Organization in the Concept of Competence), competence is not only knowledge. It is also applying this knowledge and the know-how necessary to act. Everyone acquires knowledge in school, university and at work. It is more or less useless if we don't know how to apply it properly in our job. This skill becomes easier to achieve

with experience. Lastly, a competent employee is someone who is not afraid to take the lead, to be proactive, energetic and a good negotiator.

In conclusion competence is the combination of knowledge, experience, skills, attitude and abilities that enable the employee to perform his job effectively and efficiently.

Having defined what competence is, it is important to know that competence is classified into several types. The simplified table below is based on a comparative table found in Dr. Clark KHADIGE'S article entitled L'Entreprise Intelligente dans le Concept de Competence, (The Intelligent Organization in the concept of Competence), article. From this table, the several causes of incompetence will be derived.

Individual competence	Combination of Knowhow, aptitudes...
Required competence	Required to achieve a certain task
Acquired competence	Experience, seminars...
Offered competence	Competence offered by the employee upon which the company will be able to assess and evaluate performance.
Developable competence	Every competence can evolve. In times where change is inevitable, developing its own competencies is a must.
Hidden competence	An employee won't show all his/her competencies since the company will exploit it. He or she might end up not being rewarded.

Table 2: types of competence

(Source: L'Entreprise intelligente dans le concept de la competence, Dr. Khadige)

As table 1 suggests, incompetence is due to two causes: internal and external; internal in the sense that the employee has some individual reasons for his/her incompetence. External sources arise due to the company's own problems in culture, goals, policies, trainings, market adaptation, etc.

One of the main internal and external reasons for incompetence in Lebanese employees is the lack in general culture. It is well known that Mediterranean behavior is based on emotions whereas northern people are more rational (Khadige, 2010). The Lebanese behavior is shaped by the family and the society. As a boss a certain image must be maintained, certain titles to be obtained to nurture the Lebanese ego. Power increases the degrees to which individuals feel that they need to be competent—both in order to hold onto their power (Georgesesen & Harris, 2006) and to fulfill the demands and expectations that come with their high-power roles (Fast, 2009). When an employee has to deal with a behavior based on emotions every day, he/she will be working in a typical stressful environment where there is no room for improvement and communication. Chartered Management Institute (CMI) released a study in 2011 stating that four out of 10 employees blame incompetent bosses for their high stress level.

In an article read on the site *Le Malin* – www.foxoo.com we can read the following: “Do organizations worry about recruiting intelligent people?” Can we say that they worry more about recruiting competent people? In that particular case, what would be competence without intelligence? What would be the results?

In such cases employees are not even encouraged to show their competencies. They would rather hide it. Going back to table 1, hidden competencies are the competencies that are not shown by the employee. That type of behaviour is normal. However if the percentage of hidden competencies is high, the level of production of the employee is low, let along the level of productivity. As a reminder, the difference between production and productivity is: productivity occurs when an employee does not just produce what is required but with a plus, an added value. So if the percentage of offered competence (see table 1 for definition) is low, the company will not be able to assess the performance of the employees. Hence the company will not be able to take the necessary corrective measures and evolve.

On the other hand, the behaviour of Lebanese employees is also shaped by the society and family. After having done an interview with a Human Resource manager (whose name won't be stated upon his request), he said that most of the Lebanese children are brought up on the idea that they are the best, the most

successful, the smartest. Then when those ideas engraved in the employee's head as a child are put to the test, the employee fails. It is not easy to be proved wrong when you have never been prepared to that day, when you realize that you are incompetent in some ways. You are not good at everything. This creates a complex of inferiority and even aggressiveness. When an employee cannot take no for an answer, when an employee is aggressive, his/her boss will be put in a very hard situation. How can the competent boss turn the hostility into cooperativeness?

Another internal cause for employee incompetence is education. What if the employee lacks the knowledge, the know-how and the aptitudes: no individual competence (refer to table 1). Some employees did not have the proper education. Aren't they entitled to have a job? It does not mean that they are incompetent. Their incompetence may be shown when it comes to create, to conceive or to innovate. They miss some important factors, except if they act under intuitive knowledge. Nevertheless, they will cost more to the company, more training, more seminars to attend, more time, less production.

Moving on with the internal causes of incompetence, the lifestyle of the employee can affect his/her performance at work. According to a study done by the World Health Organization in 2006, poor performance is a result of several factors including personal and lifestyle-related factors, living circumstances. Family problems, revenues and personal issues negatively affect the performance of the employees. Not enough concentration means making mistakes. On the long term the accumulation of mistakes is not tolerated. Having mind distracted employees is not very welcome and is due to their lack of enthusiasm and interest in what they do and their inability to focus is an obstacle to the evolution of the firm.

When it comes to the external reasons, it can be summarized in one word: firm. It is the firm's fault if employees are incompetent.

The company did not conduct the proper recruitment and selection, and may not be providing the proper training which is compulsory for the employees. As we have mentioned in table 1, every competence can be developed. Employees need to learn new skills, to stay updated on the latest news, the latest technologies. Their capabilities and abilities will fade away if it not nurtured. Competent employees want to be reassured that they can grow in the organization. They also need proper training

and development to serve that purpose. Unlike incompetent ones who just want the title. On that note, psychologist Laurence J. PETER has advanced a principle, the Peter Principle. It states: Every new member in a hierarchical organization climbs the hierarchy until he/she reaches his/her level of maximum incompetence”. Incompetent employees are eager to reach higher levels in any available mean. Whereas a competent employee would rather stay in his/her position which he/she masters until he/she feels ready to take the next step. Hayajenh, Maghrabi, and Al-Dabbagh note in their article *Assessing the Effects of Nepotism on Human Resource Managers* that nepotism has maintained a particularly strong footing in the Arab world. They indicate that the major factors behind nepotism in Arab countries include:

- socio-cultural structure
- economic structure
- educational structure
- political structure

Nepotism is widely used in Lebanon. Lebanon received for the third time since 2009, a score of 2.5/10 on the corruption perception index (CPI). The index operates in 183 countries on a scale from 0 (highly corrupt) to 10 (not corrupt).

Also, one major source of incompetence is the quality of leadership-employee relationships within the company. According to Barbara J. Fretwell, author of *Organizational Competency: a Solution to Increasing Employee Morale and Customer Satisfaction*, employee morale is created by and directly proportional to the degree of employee competence supported by leaders throughout the organization. So as previously mentioned the behaviour and attitude of managers and supervisors directly affects the employee’s behaviour. Fretwell states that the manager should at least provide the following in order to ensure a healthy relationship with employees:

- Information on the job specificities: what is required and what is expected. This will enable the employee to show that he/she has the required competence.
- Reporting relationships and lines of authority: the employee should feel that communication won’t get him/her in trouble. Installing systems for encouraging communication is essential
- Feedback on the results of work whether good or bad. If the feedback is positive then the employee should be rewarded. But most importantly is

learning to deal appropriately with the negative feedback. After explaining to the employee his/ her mistake, managers should take corrective actions and even try to set a preventive plan.

- Rewards and recognition for good performance
- Job security
- Clearly stating the goals and the policy of the organization
- Adequate tools and equipment

If the mentioned points are lacking, then it is inevitable to have a high number of incompetent workers.

Moreover, in a majority of organizations, fear can lead to incompetence. Managers, have to report the performance appraisal results of his department staff. Sometimes performance appraisal reveals failure and incompetency within the department which leads managers to finding a quick fix to hide this failure; and replace incompetent employees by even more incompetent ones. Instead a competent manager is the one who would have attracted the employee's attention on a problem, and give as much as possible, recommendations to overcome it.

To conclude, every firm wants to satisfy its customers. Satisfied customers will become returning customers and then loyal ones. This is as long as the firm has the adequate tools and the adequate workers. It is the most important capital for an organization.

Furthermore, competencies can be classified into three categories: organizational competencies, job related competencies and personal competencies (Manjunath & Rajesh, 2010).

Organizational competencies are unique factors that make an organization competitive (Manjunath & Rajesh, 2010). According to Prahalad and Hamel who wrote the famous book *Competing in the Future, Organizational Competencies*, organizational competencies provide potential access to a wide variety of markets; make a significant contribution to perceived customer benefits of the end product and are difficult for competitors to imitate. Hence organizations need to strengthen this fundamental type of competency. As for job related competencies, they are those

competencies required to perform a specific job. Those competencies vary from one job to another and from one company to another. Finally, personal competencies are the ability of an individual to perform the job. It includes behavioral competencies, knowledge and skills. Apart from that, it includes the interpersonal competencies which can be defined as the relationship building, team orientation, communication, openness. Examples of Information oriented competencies include strategic thinking, innovation, processing, analyzing. Last but not least, people management competencies like leadership, directing, building teams, facilitating performance, motivating, guiding people...

Finally, a competency based framework according to www.explorehr.org is the basis for all human resource functions and serves as the linkage between the individual performance and business results. It relates job description to the characteristics and behavior of the individual. It also helps in identifying competencies. It organizes the recruiting process as well as the training process and it serves as a system for carrier planning. Those models can be developed for organizations, industries or specific jobs.

According to www.careeronestop.org competency models include:

- ❖ Competency names and definitions
- ❖ Descriptions of behaviour associated with each competency
- ❖ Presentation of the model in an appealing graph

Some include information about the competencies required for each position.

Benefits of using competency models for businesses and industries:

- ❖ Assess the workforce needs
- ❖ Identify the requirements needed for the success of the employee at different levels
- ❖ Increase the probability of hiring qualified candidates
- ❖ Put the right individual in the right job
- ❖ Facilitate measuring in performance appraisals
- ❖ Focus on the competencies that affect productivity the most
- ❖ Ensure that training is focused on developing deficiencies and that it is in line with organizational values
- ❖ Identify gaps in the current training
- ❖ Ensure succession planning

Benefits of using competency models for employees:

- ❖ Identify the criteria that will permit them to be successful in their job
- ❖ Better assessment of their strength
- ❖ Enhancing their skills through since they are provided with the right tools
- ❖ Defining their carrier path

According to www.careeronestop.org, after compiling a large amount of information available in the literature, modelling experts were able to derive a single reference for competency models. They divided their model into fifteen building blocks which are arranged in nine tiers in a hierarchy form. Moving up the hierarchy, the competencies become more industry and occupation specific.

- Tier 1 Personal Effectiveness Competencies
 - Interpersonal Skills
 - Integrity
 - Professionalism
 - Initiative
 - Dependability & Reliability
 - Willingness to Learn
- Tier 2 Academic Competencies:
 - Reading
 - Writing
 - Communication
- Tier 3 Workplace Competencies
 - Teamwork
 - Adaptability/Flexibility
 - Customer Focus
 - Planning & Organizing
 - Creative Thinking
- Tier 4 Industry-Wide Technical Competencies

These competencies are undetermined because industry representatives need to define these competencies which are specific to each industry.
- Tier 5 Industry-Specific Technical Competencies

It includes the abilities, knowledge, skills needed to perform a job. This tier is also specific to each industry

- Tier 6 Occupation-Specific Knowledge Areas
All occupations require a specific knowledge area
 - Biology
 - Building & Construction
 - Communications & Media
 - Computers & Electronics
 - Customer & Personal Services
 - Design
 - Economics & Accounting

- Tier 7 Occupation-Specific Technical Competencies
To be defined by the partners developing the competency model

- Tier 8 Occupation-Specific Requirements
 - Certification
 - Licensure
 - Specialized educational degrees
 - Training requirements

- Tier 9 Management Competencies
 - Staffing
 - Informing
 - Delegating
 - Networking
 - Monitoring Work
 - Entrepreneurship
 - Supporting Others
 - Motivating & Inspiring
 - Developing & Mentoring
 - Strategic Planning/Action
 - Preparing & Evaluating Budgets
 - Clarifying Roles & Objectives
 - Managing Conflict & Team Building
 - Developing an Organizational Vision
 - Monitoring & Controlling Resources

2.2 Previous researches

Competence and incompetence in the work place have gained a lot of attention over the years. Authors have defined the two terms, suggested solutions and argued about their effectiveness. In order to provide data to solve the problem, many resources were evaluated and in depth research was made to be able to suggest a framework at the end.

To start with, no studies have been previously done on the Lebanese market to suggest a competency based framework for organizations. The purpose of the few projects made was to serve the organization itself.

For example, in 2008 the Lebanese American University conducted an HR study which objectives were to:

- “Deliver a market-driven competency based job classification and compensation system”
- “Create a new employment culture focused on career development and enrichment”

That study contributed to boosting the employee’s satisfaction, increasing LAU’s competitiveness and retention rates. After an intensive market survey the HR department was able to make the necessary adjustments. A new Job Classification and Compensation Policy were established.

Another study was made by a professor in the Saint Joseph University in order to assess the performance appraisal systems in Lebanese firms. Ms Nathalie Abi Saleh Dargham conducted an in depth interview with 12 Human Resource managers. The performance appraisal systems provide information to help managers manage in such a way that employee performance improves (Denisi & Pritchard, 2006). The efforts of employees can determine the success and survival of an organization (Barney, 1995; Drucker, 1994), and appraisal is potentially one way in which those efforts can be aligned with the aims of an organization, employees can be motivated and their performance managed (Orpen, 1997; Martin & Bartol, 1998; Cook and Crossman, 2004). All the

companies interviewed turned out to have formal performance appraisal systems. The most common types of the performance appraisal employed are the Graphic Rating Scale and the Management by Objectives (Dargham, 2008).

The final study conducted on the Lebanese market was made by Dr. Elham El Hashem when she was still a PHD student. Her project is entitled: Satisfaction is a Prerequisite for Employee Motivation to Enhance Performance in Lebanese Institutions of Higher Education. She chose Notre Dame University as a sample. The overall research results were that the suitable leadership styles that improve motivation at NDU are the democratic, participative and the educative. People want to be involved in decision making and want to evolve professionally. When motivated, people perform better. In her own words: “people want inspirational models with the awareness of different needs. Respect, trust, and equality will lead to more teamwork and collaboration”.

Several studies have been done internationally to tackle the issue of incompetence at work. Incompetence can be related to different variables and can be identified in several sectors.

A study entitled *The Relationship of Knowledge Management Practices, Competencies and the Organizational Performance of Government Departments in Malaysia* by Raja Suzana emphasizes on the importance of knowledge management practices (KMP) and competencies in boosting the performance and efficiency of the public sector organizations. This paper aims to identify the role of KMP and competencies in achieving higher performance among public sector organizations in Malaysia. The results show that the levels of KMP, competencies and organization performance are considered to be important factors in improving the performance of public managers and therefore improving the government’s system.

Another study entitled *Exploring the Relationship between Network Competence, Network Capability, and Firm Performance: A Resource Based Perspective in an Emerging Economy*” by Gert Human and Peter Naudé states that a key component for managing a complex business is having the adequate

competencies. The analysis is based on data extracted via emails sent to business managers in South Africa.

Moreover, a study entitled *Organizational Performance: a Competence Based model of China's Construction State- Owned Enterprises* by Richard Fellows, Anita Liu and Yubin Li examines the organizational performance of construction enterprises taking into consideration the interaction between the internal (resources and competencies) and external factors of the firm. The results collected through questionnaires indicate that although external factors are important, the firms' internal resources and competencies are more critical in determining organizational performance (Fellows, Li & Liu, 2010). The external environment has no direct impact on the organization's performance. It influences the firm's resources and competencies. It is the management of a portfolio of resources and competencies that delivers high organizational performance (Fellows, Li & Liu, 2010).

Another study entitled *Developing Employee Competence to improve Quality within a Small Lean Manufacturing Environment* investigates the effect of strengthening competence on the performance of employees. It shows that developing competence will improve quality and reduce costs. The author demonstrated that incompetent employees cost the same in salary and benefits as a great employee but with a much lower return on investment. A great employee will make revenue that exceeds his/her salary by at least three times. An incompetent employee can cost between 20 to 50% in waste and inefficiency.

Tim Porter and Kathy Malloch the authors of the book *Quantum Leadership* state that managers usually ignore incompetence to avoid arguments. However incompetence damages the moral of the organization and lowers the performance. Managing incompetence is strongly associated with improved organizational performance and increased employee morale as well as decreased errors (Kathy & Porter, 2010).

Glowinkowski International Limited published a report in 2008 of which the objective was to identify the behavioral competencies that will deliver a high performance for customers. The company suggests a framework which serves as a benchmark against the customer service. A main result is: "If leaders behave in such a way that customer service quality is clearly regarded as important, this will be reflected in an organization's Climate and in the manner in which everyone behaves towards their customers. If leaders behave otherwise, service will be regarded as low down the priority list".

An article written by Reddy in 2010 entitled the Effect of Incompetence on Customer Service lists the effect that incompetent employees have on customer service. That article also tackles the effect of employee incompetence on other employees. Toni Bowers has also written an article entitled Manage Poor Performers so they don't upset the entire Staff' (2003).

Furthermore, Linda J. Burrs the author of *the Relationship between the Mid-level Leader's Emotional Competence and Follower Commitment* affirms that there exists a strong correlation between the mid level emotional competence and the follower's commitment. Followers tend to be more committed to emotionally competent leaders. Emotionally competent leaders may well have learned: to inspire without coercion, to lead from a position of strength without overpowering, and to establish emotional connections with followers where they are free to release and use the motivational energies available within them (Burrs, 2005).

Kevin C. Wolfe wanted to test the validity of the competency based assessment systems which are used to compare employee's performances at different levels. Such comparisons are important in order to be able to provide feedback to employees and make decisions accordingly. The author asserted the validity of such methods.

The paper entitled *The Effect of Employees Competencies on Perceived Service Quality at a Municipal Council in Malaysia* aims to study the relationship between employee competencies and perceived service quality. After distributing a questionnaire to 115 employees, the results were analyzed and significant relationship was found between the two variables stated.

The final study is entitled *Identifying Employee Competencies in Dynamic Work Domains: Methodological Considerations and a Case*. It has been suggested that in Knowledge Management (KM) approaches defining competencies can support knowledge management processes like goal setting and evaluation (Probst, 2000). The authors have developed a methodology for identifying, describing and assessing competencies in dynamic work domains.

2.3 Conclusion

Competence and incompetence are two topics widely debated. Those two variables can be related to several issues: motivation, employee performance, customer service and other important variables that are related to the organization's performance. This study will examine the effect of employee incompetence on three different levels: organization's objectives, employee performance and customer service.

Many competency models have been developed over the years. Organizations have also tried to come up with their own model that better suits their requirements. Based on the several frameworks available, this study will aim to develop a framework that suits the Lebanese organizations.

This thesis will study the relationship between employee incompetence and the company's overall performance. The performance will be evaluated on four levels: recruitment, customers, objectives and employee performance. The variables will be formulated into hypotheses which will be accepted or rejected.

The next chapter will state the hypotheses to be accepted or rejected, and then the methodology will be described.

Chapter 3

Procedures and methodology

3.1 Introduction

This chapter will describe the procedure followed in order to gather the data required to solve the above mentioned question.

A research methodology is a science that helps in understanding the research process. It represents a systematic way to solve the research problem by going through several steps (SRIDHAR, 2008).

3.2. Hypotheses

As mentioned in chapter 1, the aim is to study the effect of employee incompetence on the performance of Lebanese organizations. Hence, the analysis will be done on five different levels:

Ho: incompetent employees negatively affect the performance of competent employees

H1: Having more than one responsible for recruiting minimizes the effect of incompetent employees on competent employees

H2: use of competency based framework minimizes the effect of incompetent employees on competent employees

H3: Competency based framework allows an organization to reach its objectives

H4: Competency based framework improves employee customer service

3.3 Methodology used

The methodology and research procedure are discussed in this chapter. In this study, primary and secondary data have been used. It also required interviews with two Human Resource managers and with a consultant in the business field. Moreover a questionnaire has been given to several managers and employees. The results of the

questionnaires were entered into SPSS and CHI square test was used to identify relations between the variables. It is a statistical method to test whether two qualitative variables are independent or not.

Primary data:

Primary data according to Malhotra's book *Basic Marketing Research* is data originated by the researcher for the specific purpose of addressing the research problem. Those are directly obtained from the market place. As previously mentioned, questionnaires and interviews were tools used to collect primary data for this study.

Secondary data:

Malhotra defines secondary data as the data collected for some purpose other than the problem at hand. This inexpensive and fast way of collecting data can be overwhelming since the volume of information available is high. The researcher should be selective and choose only accurate information relevant to the study. In this study, many articles from peer reviewed journals, books and reviews have been read. Some were directly linked to the topic in hand; others were just extra knowledge to get more acquainted with specific terms and theories.

The Questionnaire and the Survey:

A questionnaire is a structured technique for data collection that consists of a series of questions, written or verbal that a respondent answers (Malhotra, 2010). In this study two questionnaires were designed. One was answered by managers and the other one was presented to employees. Both are found in the appendix. The questionnaires were divided among five sectors: services, educational, health, commerce, industry. Those set of questions were distributed to fifty different companies located in Mount Lebanon and Beirut and its suburbs. According to Multiple Indicators Cluster Survey ,round 3 (MICS3), Central Administration of

Statistics Lebanon, Beirut's activity rate is 53%, its suburbs activity rate is 50% and Mount Lebanon's activity rate is 49%. Those three hold the highest percentage of economic activity rate. In each company a high level manager when possible the CEO and two employees were asked to fill the questionnaires. The sample size is 150: 50 managers and 100 employees. That helped in reducing the bias and the error in the sample. The organizations were chosen randomly in the areas specified. A stratified sample is costly and would have taken more time. Some questionnaires were sent by email and others were done face to face. Following the pilot test, the questionnaires had to be translated to Arabic or French in order to facilitate the task for French educated people. The list of companies interviewed is also found in the appendix. Some of the questions were taken from www.stress.org. The questionnaires contained personal questions, open ended questions which required more effort and closed questions.

Open ended questions:

The open ended questions are questions with no predefined responses or any suggestions. The respondents are given the freedom to answer without having any constraints (Malhotra, 2010). In the questionnaire, completely unstructured questions were asked to the respondents.

Close ended questions:

In those questions, the respondent has to choose from a fixed set of answers. Several types were used: yes or no questions, multiple choice questions and scaled questions. Responses are graded according to a Likert-type scale. When a respondent answers a Likert questionnaire item, he/she specifies the level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements (Malhotra, 2010)

Interview:

An interview according to the 2011 edition of the Merriam-Webster dictionary is a meeting at which information is obtained. The first relatively short interview was

done with a human resource manager whose name will remain confidential upon his request. It was done in the beginning of the study to get more acquainted with the topic. The second interview was a one hour interview with a consultant named Mr. Naji Bejjani (Training System and Managing Director for the Middle East of On Track International, one of the top European Training & Consulting Companies). He provided several useful materials to enrich the study. He also explained more on Lebanese organizations and their practices. Another interview was done with the Human Resource Manager of Indevco whose name won't be revealed upon his request. He gave practical examples and discussed the importance of reducing the number of incompetent employees in order to maintain a good performance in companies.

Statistical package:

The statistical package used is SPSS. SPSS (originally called Statistical Package for the Social Sciences) is a software package used for statistical analysis. The data collected from the questionnaires was entered into SPSS. Then the Chi square test was applied on the qualitative variables to see whether a relationship exists or not. The p-value also reflects the significance of the relationship between the variables.

The following chapter will present and discuss the results obtained from SPSS.

Chapter 4

Findings for the managers

4.1 Introduction

Having explained how the research was carried out, this chapter will present and discuss the results of the questionnaires. The first part is the descriptive statistics. Important demographics are presented. The sample will be described. As previously mentioned, fifty managers were asked to fill a questionnaire. One hundred employees filled a different questionnaire. Then essential results will be discussed. The second part is inferential statistics. It will shed the light on key relationships between variables which will permit us to reject or accept the three hypotheses mentioned in chapter 3. The tables are extracted from SPSS and some results were transformed into figures.

4.2 Descriptive statistics

Demographics

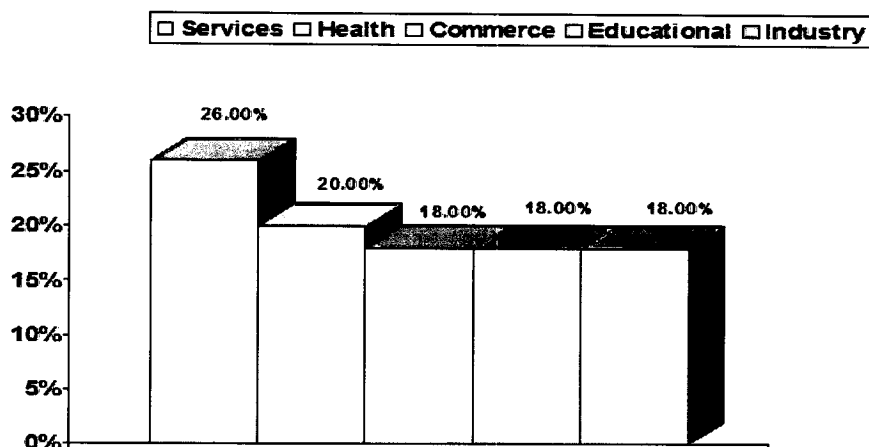


Figure 2: distribution by sector

The managers were distributed among 5 sectors: services, health, commerce, education, industry. The highest percentage (26%) belonged to the service sector since it is the most prominent one in Lebanon.



Figure 3: Gender distribution

48% of the managers were females and 52% were males. The managers chosen are all educated. 42% have university degrees, 34 % have a master's degree and 24 % have a PHD.

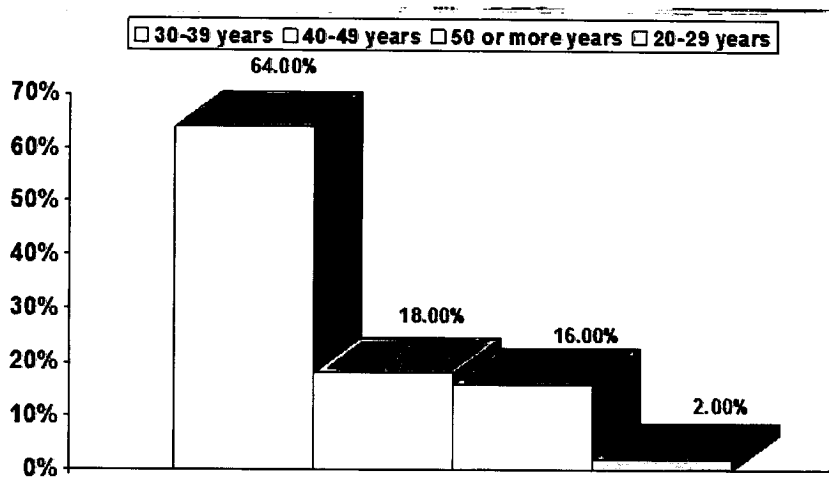


Figure 4: age distribution

64% of the managers are between 30 and 39 years old. The average age for managers is 39.38 years old. The managers interviewed have been occupying their position for 6.96 years on average. That makes the sample more credible since the managers are experienced.

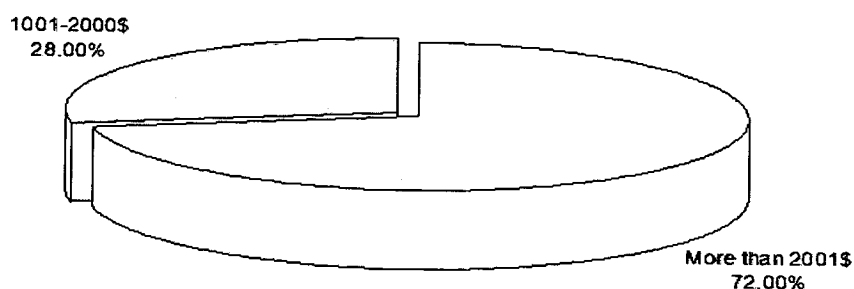


Figure 5: **income distribution**

72 % of the managers earn more than \$2001 per month.

Having described the sample, below are the main results of the questionnaire presented in frequency tables.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	37	74.00%	74.0	74.0
	Yes	13	26.00%	26.0	100.0
	Total	50	100.00%	100.0	

Table 3: % of organizations following a competency based framework

From the 50 companies interviewed, 74% don't have a competency based framework. The remainder follows a competency based framework to a certain extent. It is important to note that as suggested by the literature, a competency approach is considered to be a competitive advantage for the firm. Managing competencies wisely delivers high organizational performance.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid often	18	36.00%	36.0	36.0
sometimes	13	26.00%	26.0	62.0
never	9	18.00%	18.0	80.0
seldom	8	16.00%	16.0	96.0
nearly all the time	2	4.00%	4.0	100.0
Total	50	100.00%	100.0	

Table 4: % of organizations which believe that employee incompetence affects the performance of other competent employees

Moreover more than the majority (62%) of the managers believes that employee incompetence does affect the performance of other competent employees. Only 9 out of 50 managers said that it does not affect at all.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid sometimes	16	32.00%	32.0	32.0
often	14	28.00%	28.0	60.0
seldom	12	24.00%	24.0	84.0
never	6	12.00%	12.0	96.0
nearly all the time	2	4.00%	4.0	100.0
Total	50	100.00%	100.0	

Table 5: % of organizations which believe that employee incompetence is a barrier to meeting their objectives.

Every firm wants to reach certain objectives. In order to do so, it needs the adequate resources. The process will demand more time, money and energy if the human capital is incompetent. 60% of the Lebanese managers agree.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid seldom	24	48.0	48.0	48.0
sometimes	11	22.0	22.0	70.0
often	8	16.0	16.0	86.0
nearly all the time	4	8.0	8.0	94.0
never	3	6.0	6.0	100.0
Total	50	100.0	100.0	

Table 6: % of organizations which receive customer complaints

48% of the organizations rarely receive complaints from customers.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 8-10 high	25	50.00%	50.0	50.0
4-7 medium	13	26.00%	26.0	76.0
1-3 doesn't affect	12	24.00%	24.0	100.0
Total	50	100.00%	100.0	

Table 7: the effect of employee incompetence on the organization's performance

This question proves that employee incompetence is a serious problem facing Lebanese organizations. Employee incompetence is highly affecting 50% of the firms and moderately affecting 26%. 76% of the managers agree on the seriousness of the problem and the necessity to solve it. Then why do 74% of the organizations do not have a competency based framework and have never even heard of it? What are the actions taken to limit incompetence?

The following frequency tables are presented in order to be analyzed in the next part.

		Responses	Percent of Cases
		N	
q3 ^a	Not properly determining the needed job requirements for the target employee	8	16.00%
	Not properly assessing the job acceptance criteria of the target employee that are necessary in order to convince him/he	11	22.00%
	The screening of applications and resumes was not done properly	19	38.00%
	No feedback has been provided to the new employee to assess his/her effectiveness and eventually the effectiveness of th	8	16.00%
	Not enough information on the candidate's qualifications and "fit"	32	64.00%
Total		78	156.00%

Table 8: evaluation of the recruiting process

In order to evaluate the recruiting process of the organization, managers were asked to identify the possible causes behind hiring an incompetent employee. Since it is a multiple response question the total is not 100%. The answer which scored the highest is: not enough information on the candidate's qualifications and fit.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	30	60.00%	60.0	60.0
	Yes	20	40.00%	40.0	100.0
	Total	50	100.00%	100.0	

Table 9: % of organizations in which the human resource department is the sole responsible for recruiting

Furthermore, in 40% of the organizations the human resource department is the sole responsible for recruiting.

		Respon es	Percent of Cases
		N	
q8 ^a	Lower salaries paid	27	54.00%
	Less questioning of decisions	3	6.00%
	Less involvement in decisions	2	4.00%
	No promotions	6	12.00%
	No bright side	12	24.00%
	Evaluate our recruiting process	6	12.00%
Total		56	112.00%

Table 10: advantages for having an incompetent employee

Finally, 54% of the managers identified one bright side to having incompetent employees: paying them a lower salary if possible. 24% of managers could not find any positive side and would rather fire incompetent ones. Note here that it is also a multiple answer question hence the total is not 100%.

4.3 Inferential statistics

In this part, the chi square test was used in order to test the relation between specific questions.

There are two cases: companies who already have incompetent employees and preventing companies from recruiting incompetent ones. A competency based framework tackles both. It starts from organizing and ameliorating the recruiting process to establishing a clear carrier path for the competent employees. When an organization follows a competency based framework, it improves on so many levels. This is why this study attempts to see if the organization had adopted a competency based framework would it have avoided a certain problem?

As mentioned above the Pearson chi square is used to see whether the two quantitative variables are dependent or not. If the p-value calculated is less than 0.05 than the relation between the 2 variables is significant. 95% (1-0.05) is the universally used confidence interval.

First relation: Do you use a competency based framework in your organization? How often do you feel that one employee's incompetence is affecting the performance of his/her coworkers?

			12.2- How often do you feel that one employee's incompetence is affecting the performance of his/her coworkers?					Total
			never	seldom	sometimes	often	nearly all the time	
9- Do you use a competency based framework in your organization?	Yes	% within q9		23.1%	38.5%	23.1%	15.4%	100.0%
		% within q12.2		37.5%	38.5%	16.7%	100.0%	26.0%
	No	% within q9	24.3%	13.5%	21.6%	40.5%		100.0%
		% within q12.2	100.0%	62.5%	61.5%	83.3%		74.0%
Total	% within q9	18.0%	16.0%	26.0%	36.0%	4.0%	100.0%	
	% within q12.2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 11: cross tab 1

The p-value calculated is 0.024 which is less than 0.05. This means that there is a significant relation between the two.

Second relation: Do you use a competency based framework in your organization?
How often do you feel that employee incompetence is a barrier to meeting your organization's objectives?

		How often do you feel that employee incompetence is a barrier to meeting your organization's objectives?					Total
		never	seldom	sometimes	often	nearly all the time	
9- Do you use a competency based framework in your organization?	Yes	% within q9	23.1%	38.5%	38.5%		100.0%
		% within q12.3	25.0%	31.3%	35.7%		26.0%
	No	% within q9	16.2%	24.3%	29.7%	5.4%	100.0%
		% within q12.3	100.0%	75.0%	68.8%	64.3%	74.0%
Total		% within q9	12.0%	24.0%	32.0%	28.0%	4.0%
		% within q12.3	100.0%	100.0%	100.0%	100.0%	100.0%

Table 12: cross tab 2

The p- value calculated is 0.443 which is greater than 0.05. So the two variables are independent. This proves that the competency based framework does not get in the way of reaching the objectives of the firm. On the contrary it helps the firm reach its objectives.

Third relation: do you use a competency based framework? How often do you receive complaints from customers regarding bad customer service?

		How often do you receive complaints from customers regarding bad customer service?					Total	
		never	seldom	sometimes	often	nearly all the time		
9- Do you use a competency based framework in your organization?	Yes	% within 9	.0%	7.7%	69.2%	23.1%	.0%	100.0%
		% within 12.4	.0%	4.2%	81.8%	37.5%	.0%	26.0%
	No	% within 9	8.1%	62.2%	5.4%	13.5%	10.8%	100.0%
		% within 12.4	100.0%	95.8%	18.2%	62.5%	100.0%	74.0%
Total		% within 9	6.0%	48.0%	22.0%	16.0%	8.0%	100.0%
		% within 12.4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 13: cross tab 3

The P-value calculated is 0.00 which means that the relation is significant.

Fourth relation: Do you use a competency based framework in your organization?
On a scale from 1 to 10, to what extent do you feel that employee incompetence is affecting the firm's overall performance?

			8. On a scale from 1 to 10, to what extent do you feel that employee incompetence is affecting the firm's overall performance?			Total
			1-3 doesn't affect	4-7 medium	8-10 high	
9- Do you use a competency based framework in your organization?	Yes	% within q9	23.1%		76.9%	100.0%
		% within q13	25.0%		40.0%	26.0%
	No	% within q9	24.3%	35.1%	40.5%	100.0%
		% within q13	75.0%	100.0%	60.0%	74.0%
Total		% within q9	24.0%	26.0%	50.0%	100.0%
		% within q13	100.0%	100.0%	100.0%	100.0%

Table 14: cross tab 4

The p-value calculated is 0.028 which means that the relation is significant.

Fifth relation: Is the Human Resource department the sole responsible for recruiting?
How often do you feel that one employee's incompetence is affecting the performance of his/her coworkers?

			12.2- How often do you feel that one employee's incompetence is affecting the performance of his/her coworkers?					Total
			never	seldom	sometimes	often	nearly all the time	
4- Is the Human Resource department the sole responsible for recruiting ?	Yes	% within q4		40.0%	45.0%	15.0%		100.0%
		% within q12.2		100.0%	69.2%	16.7%		40.0%
	No	% within q4	30.0%		13.3%	50.0%	6.7%	100.0%
		% within q12.2	100.0%		30.8%	83.3%	100.0%	60.0%
Total		% within q4	18.0%	16.0%	26.0%	36.0%	4.0%	100.0%
		% within q12.2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 15: cross tab 5

The p value calculated is 0.00 which means that there is a significant relation between the two.

Findings for the employees

4.4 Descriptive statistics

Demographics

At first, the sample is described. Personal information related to the employees is presented. Then, important results are stated.

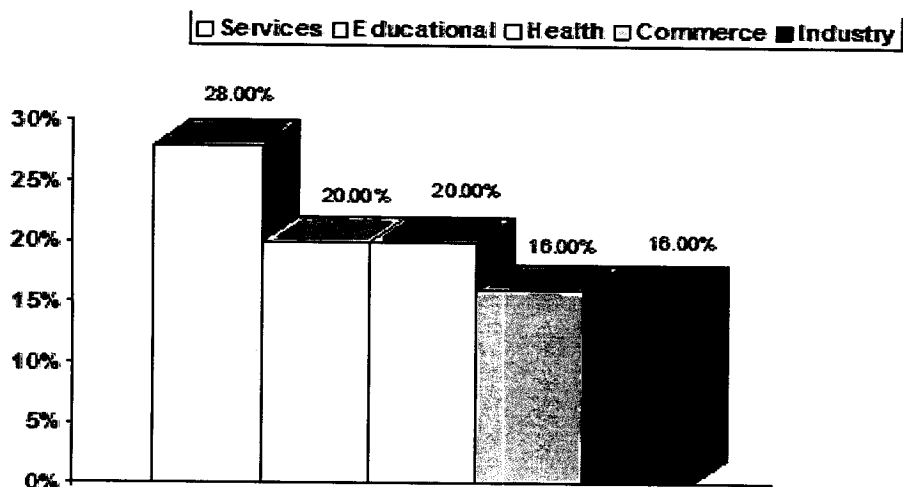


Figure 6: distribution by sector

The 100 employees were divided into 5 sectors: services, education, health, commerce and industry. The highest percentage of employees belonged to the service sector: 28%.

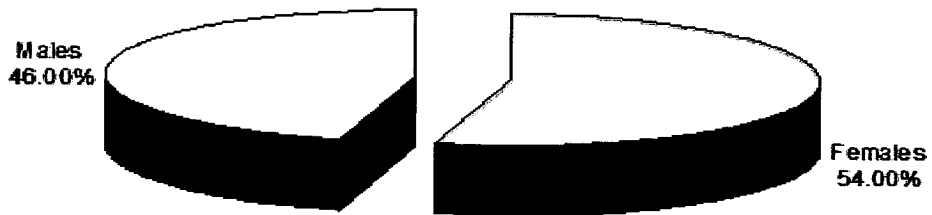


Figure 7: Gender distribution

Gender: 46% of the employees are males and 54% are females.

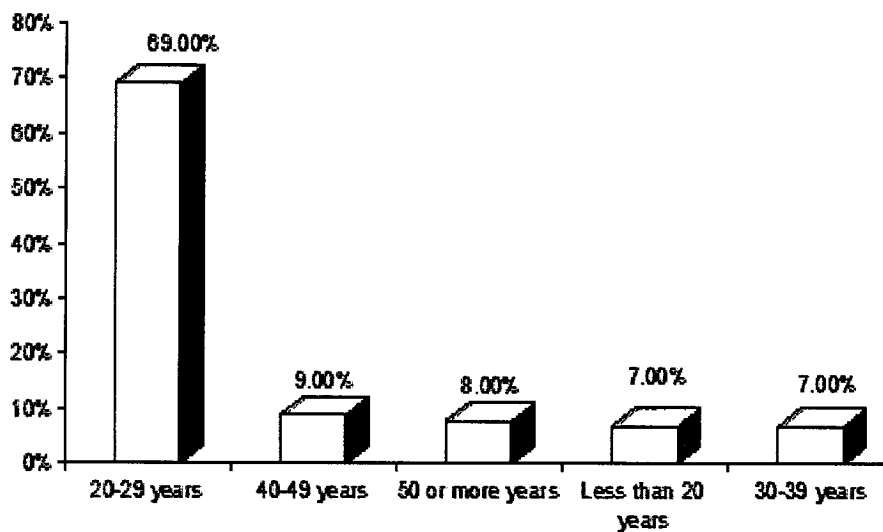


Figure 8: age distribution

The average age is 29.06 years old which means that the employees interviewed are experienced and hence it makes the sample more relevant. On that note, 98% of the employees have a university degree and 50 % of them have a master's degree.

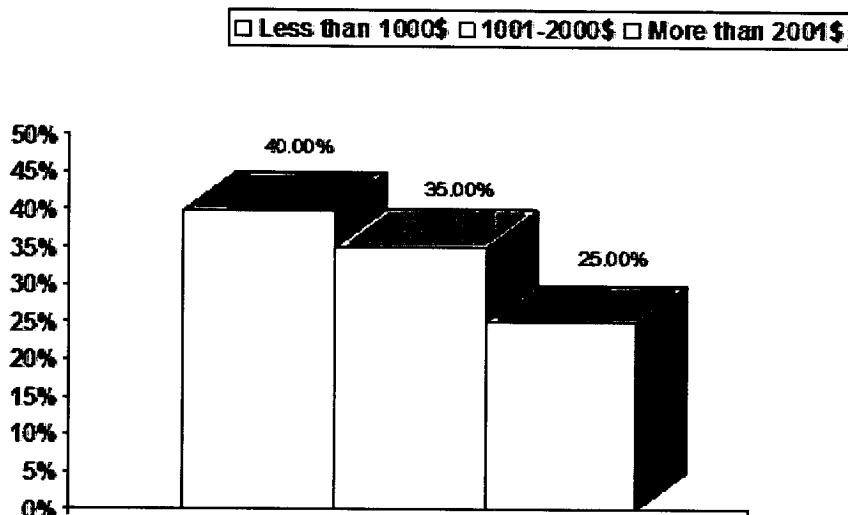


Figure 9: income distribution

40% of the employees earn less than \$1000 per month. 30% earn between \$1001 and \$2000. 25 % earn more than \$2000. That corresponds to the level of salaries usually paid in Lebanon. It is important to note that 88% of the employees work full time.

As mentioned in the introduction, the causes of employee incompetence are either internal or external. The objective of the questions addressed to the employees was to see whether the incompetence stems from the employee, from the organization or from both in order to come up with solutions at the end.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Seldom	38	38.00%	38.0	38.0
	Sometimes	32	32.00%	32.0	70.0
	Never	28	28.00%	28.0	98.0
	Nearly all the time	2	2.00%	2.0	100.0
	Total	100	100.00%	100.0	

Table 16: % of employees who feel that their responsibilities are unclear

First, if the job responsibilities of the employee are unclear, the employee cannot perform well. If he/she does not perform well, he/ she are classified as incompetent. 32 % feel that sometimes their responsibilities are unclear.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Often	29	29.00%	29.0	29.0
Sometimes	28	28.00%	28.0	57.0
Seldom	21	21.00%	21.0	78.0
Never	15	15.00%	15.0	93.0
Nearly all the time	7	7.00%	7.0	100.0
Total	100	100.00%	100.0	

Table 17: % of employees who believe that their workload is too heavy that they could not finish on time

When managers were asked to state how an employee is classified as incompetent, 24% mentioned that never meeting deadlines is a characteristic of incompetence. 57% of the employees believe that because their workload is too heavy, they cannot finish on time.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Sometimes	39	39.00%	39.0	39.0
Never	33	33.00%	33.0	72.0
Seldom	25	25.00%	25.0	97.0
Often	3	3.00%	3.0	100.0
Total	100	100.00%	100.0	

Table 18: % of employees who feel that they cannot satisfy the various demands of their superior or coworker

39% of the employees feel that they sometimes cannot satisfy the various demands of their coworkers or superiors.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	28	28.00%	28.0	28.0
	Seldom	27	27.00%	27.0	55.0
	Never	20	20.00%	20.0	75.0
	Often	18	18.00%	18.0	93.0
	Nearly all the time	7	7.00%	7.0	100.0
	Total	100	100.00%	100.0	

Table 19: % of employees who do not know how their superior assesses their performance

Employees need feedback from their superiors in order to know how they are performing. Managers should give feedback to the employees either to congratulate them for a job well done or to help them correct their mistakes. 47% of the employees, almost half of them don't get the proper feedback. 20% never know how their superior assesses their performance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	51	51.00%	51.0	51.0
	Seldom	16	16.00%	16.0	67.0
	Often	15	15.00%	15.0	82.0
	Sometimes	10	10.00%	10.0	92.0
	Nearly all the time	8	8.00%	8.0	100.0
	Total	100	100.00%	100.0	

Table 20: % of employees who believe that their work environment is not pleasant or safe

An employee's incompetence might stem from the work environment. If the working conditions are unpleasant the employee will get uncomfortable and hence his/her performance will suffer. 51% find that their work environment is always safe and/or pleasant.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Nearly all the time	34	34.00%	34.0	34.0
Sometimes	33	33.00%	33.0	67.0
Often	26	26.00%	26.0	93.0
Seldom	7	7.00%	7.0	100.0
Total	100	100.00%	100.0	

Table 21: % of employees who believe that their boss respects their opinion

As mentioned in chapter one, manager employee relationship is an important factor that affects the employee's performance. One of the bases for a good relationship is communication: having an open door policy, involving employees in decisions... almost all of the employees believe that their boss does respect their opinions.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Sometimes	30	30.00%	30.0	30.0
Seldom	27	27.00%	27.0	57.0
Never	25	25.00%	25.0	82.0
Nearly all the time	11	11.00%	11.0	93.0
Often	7	7.00%	7.0	100.0
Total	100	100.00%	100.0	

Table 22: frequency of employee training

Another major cause for employee incompetence is the lack of training. Every competence is developable. 52% of the employees do not get enough training.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Nearly all the time	30	40.00%	40.0	40.0
Often	21	28.00%	28.0	68.0
Sometimes	13	17.33%	17.3	85.3
Never	11	14.67%	14.7	100.0
Total	75	100.00%	100.0	

Table 23: % of employees who benefit from training

From the employees who get training, 40% believe that the training is improving their job performance nearly all the time and 45% consider that the training is usually beneficial.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Sometimes	48	48.00%	48.0	48.0
No	29	29.00%	29.0	77.0
Yes	23	23.00%	23.0	100.0
Total	100	100.00%	100.0	

Table 24: % of employees who believe that their job performance has suffered because of other employee incompetence

Nowadays, organizations are trying to reinforce team work. However, an incompetent employee is an obstacle to good team performance. 71% agree that their job performance usually suffers because of employee incompetence.

4.5 Inferential statistics

The chi square test of independence was used to see whether there is a relationship between the variables. If "P-value" is less than 0.05, the relation between the two

variables is significant. If “P-value” is greater than 0.05, the two variables are independent.

First relation: Are the objectives of your job clear? How often do you feel that your workload is too heavy that you could not finish during the working hours?

			How often do you feel that your workload is too heavy you could not finish during the working hours?					Total
			Never	Seldom	Sometimes	Often	Nearly all the time	
11- Are the objectives of your job clear?	Yes	% within q11	20.3%	28.4%	32.4%	9.5%	9.5%	100.0%
		% within q10.2.	100.0%	100.0%	85.7%	24.1%	100.0%	74.0%
	Partly	% within q11			17.4%	82.6%		100.0%
		% within q10.2.			14.3%	65.5%		23.0%
	NO	% within q11				100.0%		100.0%
		% within q10.2.				10.3%		3.0%
Total	% within q11		15.0%	21.0%	28.0%	29.0%	7.0%	100.0%
	% within q10.2.		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 25: cross tab 6

The relationship between the two is significant since the p-value is less than 0.05. This means that if the objectives are not clear, the employee cannot finish on time.

Second relation: Moreover, if the objectives of the job are not clear, employees cannot satisfy the demands of their superiors or coworkers. The p-value is also less 0.05 hence a significant relationship exists between having clear objectives and not being able to satisfy the various demands of superiors or coworkers.

			3. Do you feel that you will not be able to satisfy the various demands of your co workers or superior?				Total
			Never	Seldom	Sometimes	Often	
11- Are the objectives of your job clear?	Yes	% within q11	40.5%	25.7%	29.7%	4.1%	100.0%
		% within q10.3	90.9%	76.0%	56.4%	100.0%	74.0%
	Partly	% within q11	13.0%	13.0%	73.9%		100.0%
		% within q10.3	9.1%	12.0%	43.6%		23.0%
	NO	% within q11		100.0%			100.0%
		% within q10.3		12.0%			3.0%
Total	% within q11		33.0%	25.0%	39.0%	3.0%	100.0%
	% within q10.3		100.0%	100.0%	100.0%	100.0%	100.0%

Table 26: cross tab 7

Third relation: A significant relationship was found between: job performance suffering because of other employee incompetence and how often do you feel that your workload is too heavy that you could not finish during the working hours? This is another reason for not finishing on time.

		How often do you feel that your workload is too heavy that you could not finish during the working hours?					Total	
		Never	Seldom	Sometimes	Often	Nearly all the time		
12. In your opinion, has your job performance suffered because of other employee incompetence?	Yes	% within q12		13.0%	43.5%	13.0%	30.4%	100.0%
		% within q10.2		14.3%	35.7%	10.3%	100.0%	23.0%
	No	% within q12	20.7%	34.5%		44.8%		100.0%
		% within q10.2	40.0%	47.6%		44.8%		29.0%
	Sometime	% within q12	18.8%	16.7%	37.5%	27.1%		100.0%
		% within q10.2	60.0%	38.1%	64.3%	44.8%		48.0%
Total	% within q12	15.0%	21.0%	28.0%	29.0%	7.0%	100.0%	
	% within q10.2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 27: cross tab 8

4th relation: Also, because of employee incompetence, competent employees feel that they are not able to satisfy the various demands of their co workers or superior. That is logical since as mentioned in the above question, they are not able to finish on time which will definitely dissatisfy their manager.

		Do you feel that you will not be able to satisfy the various demands of your co workers or superior?				Total	
		Never	Seldom	Sometimes	Often		
12. In your opinion, has your job performance suffered because of other employee incompetence?	Yes	% within q12	13.0%	39.1%	34.8%	13.0%	100.0%
		% within q10.3	9.1%	36.0%	20.5%	100.0%	23.0%
	No	% within q12	13.8%	41.4%	44.8%		100.0%
		% within q10.3	12.1%	48.0%	33.3%		29.0%
	Sometime	% within q12	54.2%	8.3%	37.5%		100.0%
		% within q10.3	78.8%	16.0%	46.2%		48.0%
Total	% within q12	33.0%	25.0%	39.0%	3.0%	100.0%	
	% within q10.3	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 28: cross tab 9

relation: Another significant relationship was found between modifying job descriptions and not finishing on time.

			How often do you feel that your workload is too heavy so you could not finish during the working hours?					Total
			Never	Seldom	Sometime	Often	Nearly all the time	
13. Has your job description changed during your employment?	Yes	% within q13		39.3%	21.4%	25.0%	14.3%	100.0%
		% within q10.2		52.4%	21.4%	24.1%	57.1%	28.0%
	No	% within q13	19.5%	7.3%	36.6%	29.3%	7.3%	100.0%
		% within q10.2	53.3%	14.3%	53.6%	41.4%	42.9%	41.0%
	Sometime	% within q13	22.6%	22.6%	22.6%	32.3%		100.0%
		% within q10.2	46.7%	33.3%	25.0%	34.5%		31.0%
Total	% within q13	15.0%	21.0%	28.0%	29.0%	7.0%	100.0%	
	% within q10.2	00.0%	00.0%	100.0%	00.0%	00.0%	00.0%	

Table 29: cross tab 9

6th relation: Finally, changing job descriptions during employment are also a cause for not being able to satisfy the various demands of coworkers or superiors.

			How often do you feel that you will not be able to satisfy the various demands of your coworkers or superiors?				Total
			Never	Seldom	Sometimes	Often	
13. Has your job description changed during your employment?	Yes	% within q13	64.3%	10.7%	25.0%		100.0%
		% within q10.3	54.5%	12.0%	17.9%		28.0%
	No	% within q13	22.0%	31.7%	39.0%	7.3%	100.0%
		% within q10.3	27.3%	52.0%	41.0%	100.0%	41.0%
	Sometime	% within q13	19.4%	29.0%	51.6%		100.0%
		% within q10.3	18.2%	36.0%	41.0%		31.0%
Total	% within q13	33.0%	25.0%	39.0%	3.0%	100.0%	
	% within q10.3	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 30: cross tab 10

4.6 Conclusion

As shown in the inferential statistics, the five hypotheses were accepted.

H₀: incompetent employees negatively affect the performance of competent employees

H₁: Having more than one responsible for recruiting minimizes the effect of incompetent employees on competent employees

H₂: use of competency based framework minimizes the effect of incompetent employees on competent employees

H₃: Competency based framework allows an organization to reach its objectives

H₄: Competency based framework improves employee customer service

The next chapter will analyse the results and suggest a competency based framework.

Chapter 5

Conclusion and Recommendations

5.1 Introduction

Chapter 4 presented the main results and relations which were extracted from the 150 questionnaires.

This chapter will be divided into four parts. The first part is the analysis of the results previously mentioned in chapter 4. The second part will describe the competency based framework constructed to fit the requirements of the Lebanese organizations. Then recommendations are presented. Finally the limitations of the research are mentioned.

5.2 Analysis of the main results

The purpose of this study was to determine whether employee incompetence is affecting the performance of Lebanese organizations. After completing the CHI square test, many relations were found.

As a recapitulation, the relations derived from the managers questionnaires confirm that establishing an appropriate competency based framework solves the problems below:

- Having more than one responsible for recruiting minimizes the effect of incompetent employees on competent one
- Employee incompetence negatively affects the performance of competent employees
- Employee Incompetence is a barrier to meeting the organization's objectives
- Employee Incompetence has a negative impact on the organization's customers

The questionnaires administered to employees and managers showed that incompetence negatively affects the performance of competent employees. More than 60 % of managers and employees were suffering from that situation.

Hence, it is essential to minimize the effect of incompetent employees on competent ones. As shown in H1 and H2, a competency based framework and a good recruiting process will solve the problem.

When the human resource department is the sole recruiter, it increases the chances of hiring incompetent employees. What if the interviewer was incompetent? What if the recruiter chose an incompetent employee on purpose to hide his/her own incompetence? Many errors can occur. This is why managers should get involved and having a well structured recruiting process is a must. This leads to the next hypothesis. A competency based framework is designed to make the recruiting process more objective. This part will be more elaborated in the following section.

Moreover, a significant relation was found between establishing a competency based framework and reducing the impact of incompetence on the performance of Lebanese organizations. For those reasons, a competency based framework will be developed in the second part.

From the manager's questionnaires, the main reason for employee incompetence is culture.

The Lebanese culture plays a great role in shaping the attitude of managers and employees at work. Lebanese people like to establish and maintain a certain social image. When managers supervise incompetent employees, it helps them hide their own incompetence. An incompetent employee is not considered to be a threat for the manager. On the contrary the manager can exert more power. Moreover half of the managers interviewed stated that one bright side for having an incompetent employee is that he/she is paid less when it is possible. Others stated that an incompetent employee has no place in their organization. On that note, if an employee was fired because of his/her incompetence, who should the company recruit instead. Are there any available competent candidates? Managers should understand that everyone is incompetent in some ways. Firing the employee should

not be the first solution. The organization should consider training, job rotation and relocation.

Culture also affects motivation and affects accountability. Lebanese employees do not feel accountable towards the company. A manager gave a simple example: an employee is asked to write a letter in an hour. After an hour the manager asks for the letter and finds out that it's not done. The employee will say my keyboard is ruined. It is his/her way to show that he/she is not to blame. It is definitely the organization's job to provide employees with the right tools to perform the task. But employees should also feel responsible and accountable for finishing their duties during a specific time frame. In that case the employee should immediately inform the manager that he/she needs another keyboard. A study once showed that oriental employees will not provide their managers with an improvement proposal. European employees will present two proposals per month. In the US, employees will present a proposal twice a week. In Japan, employees will present ten to twelve proposals per month.

Moreover Lebanese mentality is shaped by ego. The manager of Mari France gave the example of Lendinara, a village in Italy. He said that the three shifts of employees who work in that plant are all residents of the village. It is a blessing for them to work close to their home. In his plant in Lebanon, he has a hard time finding employees from the village because people do not want to ruin their social image. However when Lebanese travel abroad they are willing to work in almost anything.

Another aspect of the Lebanese culture is that they believe they always know better. They do not need to follow procedures; especially incompetent ones who do not believe in writing things down. The problem is that incompetence does not only affect a specific level. All levels are interconnected. Organizations have two ways to control. They can calculate numbers at the end of each day and they can visually check the task being done so as not to wait for the end of the day. However If the set up changes the control process cannot be applied anymore.

The analysis of the employee's questionnaires is presented below:

In most organizations, the human resource department is not the sole recruiter. Managers get involved in order to reduce the bias in the recruiting process. However when managers were asked to state the mistake that might have occurred in the recruiting process and resulted in having an incompetent employee, 64% mentioned the lack of information on the candidate's qualifications and fit. Candidates have a tendency to add false information on their CVs in order to be more convincing. But it is the recruiter's responsibility to test the accuracy of the information by asking the right questions during interviews. The problem in Lebanese organizations is that most of the interviews are based on a personal feeling. The recruiting process is not an exact science. To minimize the chances of recruiting an incompetent employee, organizations should have a competency based framework.

Furthermore, employees are not finishing on time because they lack the adequate information to do the task. So they do it using their own perception. They waste their time trying to figure out the process. There is no communication between managers and employees. As mentioned previously, a bad manager employee relationship is a cause for employee incompetence. Moreover, when employees cannot finish on time and managers get unwanted results, managers are not satisfied.

The job performance of employees is also suffering because of other employee incompetence. They definitely cannot finish on time if they are doing their job and the job of others. Worse than that, they are doing the job without having the right information. Two reasons are behind the lack of communication: the manager is not disseminating the information on purpose so he/she can remain in power and criticize employees afterwards for their bad performance. Hence the manager is considered to be incompetent in that case. The second reason is that the manager has not time to communicate, so he/she is passing the information to other people who themselves are not circulating the information. It gives them power over the others. Managers are considered to be involuntarily incompetent in that case. The two reasons are signs of the lack of formation in professional relations.

Moreover, managers should know how to deal with information. Too much information is as worse as no or too little information. If the manager overloads the

employee with information, it will complicate the task. There shouldn't be constraints in the information given. If the employees are frustrated, they cannot perform adequately, they lose their motivation. Hence they are qualified as incompetent.

Also, when job objectives are not clear which is the case in most job descriptions; the objective of the activity is thus not clear. So the task is not given the correct amount of time that corresponds to the workload.

Another main problem is that Lebanese people accept a job just to work. Therefore, they are not interested in what they do. When employees are not motivated and challenged by the job, they won't perform effectively. Consequently they are considered to be incompetent. Most likely, if they change jobs they will definitely be competent. This is why job rotation is very important. A good leader should be able to create in others the will to succeed. Another main solution is to send employees to seminars in order for them to understand the objectives and the process of each job.

Finally, incompetent employees cannot build healthy relationships with customers. If customers are frequently finding that the organization is not delivering its promises and is constantly making mistakes, the brand name is damaged.

Marketing research has discovered that customers tell stories of bad customer service to at least eleven people. Those eleven people then tell the story to even more people (Reddy, 2010). This is why training is very important. Employees should be trained to deal with difficult customers. They should know how to communicate. The organization has to develop an after service policy and it should be open to suggestions and comments. Most importantly it should take them into consideration to improve. Even though most mistakes can be fixed, it leaves a feeling of dissatisfaction in the customer. Especially in Lebanon, not all employees are trained to understand that the customer is always right. They tend to argue and to explain themselves instead of apologizing and fixing the mistake. Managers end up interfering to minimize the impact of the error. However the damage is done and the customer is unhappy. With the fierce competition retaining a customer is a challenge.

Five reasons are behind employee incompetence in Lebanon:

- 1- Incompetent Managers: there is no reference for employees in the work place.
- 2- Not enough training for the employees
- 3- Bad recruiting process: the recruiter is not aware of the huge responsibility in hand
- 4- Job procedures are constraints: employees are not motivated
- 5-Lack of communication: the company goals and mission are not clear for the employees so are the job objectives and processes

Those problems are negatively affecting the organization's performance.

Reaching objectives is hard when managers and employees are incompetent: lack of strategic planning skills and operational planning skills, incompetent in data analysis, etc.

The performance of other competent employees suffers: bad influence on competent employees due to lack of education, lack of experience, different culture, negative energy and pessimist character, inability to work in a team, inability to accept remarks and commentaries.

The organization's customers: bad communication skills, bad temperament, lack in patience, lack in customer oriented culture, inability to work in a team, inability to handle hard customers

The causes for employee incompetence are conforming to the ones stated in the introduction. As for the results obtained from the questionnaires, many similarities exist with international studies made.

First, the results proved that Lebanese organizations should establish a competency based framework. In the US for example, the Georgia Department of Education has set up a competency-based approach to guide people in their carriers. The American Chemical Society developed a web based application that can be used when developing curriculum courses. It will enable users to compare between the emphasis placed on the competency in the course and the competency of the industry.

Moreover, in the retail industry, toys R us, home depot and others are working to establish a competency based cross industry training program. The Nursing Leadership Institute has also created a competency model to select and train nurse managers. As noticed, a competency based framework can be adapted to any type of organizations and is widely used abroad.

The table below summarizes the various results which are in common with international studies made in the US and in Asia:

Result derived from questionnaires	International study that is conform with the result
Having the right competencies will lead to better organizational performance	1-The Relationship of Knowledge Management Practices, Competencies and the Organizational Performance of Government Departments in Malaysia 2-Exploring the relationship between network competence, network capability, and firm performance: A resource based perspective in an emerging economy 3- organizational performance: a competence based model of china's construction state- owned enterprises 4- Quantum leadership
Incompetent employees cost more and negatively affect the performance of competent employees	1-developing employee competence to improve quality within a small lean manufacturing environment 2-Quantum leadership 3-Manage poor performers so they don't upset the entire staff
Incompetent employees negatively affect	1-Glowinkowski International Limited

the customer base	report 2- the effect of incompetence on customer service
Incompetent managers negatively impact the performance and the commitment of employees	1-the relationship between the mid-level leader's emotional competence and follower commitment" 2-The Effect of Employees Competencies on Perceived Service Quality at a municipal council in Malaysia

Table 31: summary of the similar results

5.3 Competency based model

After having stated and analysed the results, a competency based model is developed to tackle the several problems and improve the organization's performance. It is important to note here that the model is based on several models already developed.

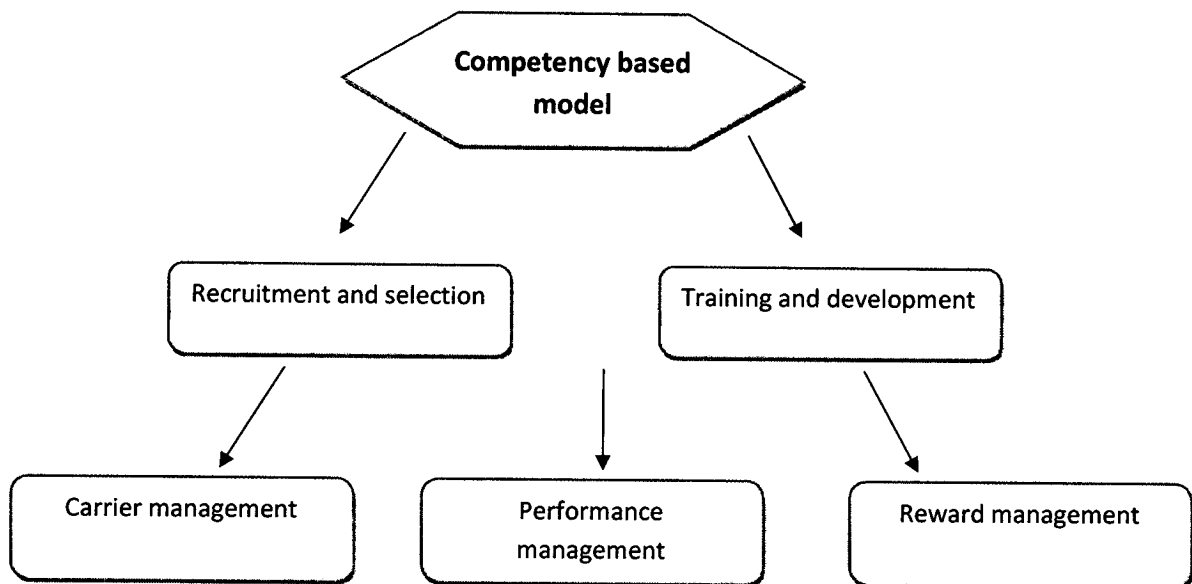


Figure 10: competency based model

First, it is imperative to note that the competency based framework should be developed conformal with the organization's strategy and will greatly improve the organization's results.

Recruitment is identifying competencies. Selection is comparing the existing competencies with the required competencies. Three scenarios can take place:

- If the existing competencies are less than the required competencies, the organization should provide training.
- If the existing competencies are equal to the required competencies, there is a need for development.
- If the existing competencies are greater than the required competencies, the employee is overqualified.

Furthermore, the recruiter is the primary cause for having incompetent employees. Every organization should understand that a successful recruitment process is considered to be an organizational competency. This process should tackle two values: human values and professional values.

The human values are the personality, education, culture, behaviour whereas the professional values are the competencies, experience, the knowhow, knowledge, professional relations.

A well-developed recruitment and selection process will help the human resource department identify incompetence. In a competency based model the job description focuses on *how* instead of *what*. It is defined in terms of characteristics and behaviour.

Moreover a Competency based interview is a structured type of interview. This prevents the interview from going into any direction. The interviewer will not base his/her evaluation on personal feelings. It is based on past behaviour. It has a standard scoring system. The questions asked evolve around the four circumstances mentioned below:

- S what was the situation in which you were involved
- T what was the task you needed to accomplish?

- A what action(s) did you take?
- R what results did you achieve?

The sample questions in the below table are taken from www.explorehr.org:

Competency	Sample question
Interpersonal understanding	Can you tell me about a situation where a client was disappointed with the product? What steps did you take? What were the results?
Planning and organizing	We often have to tackle different priorities at the same time. Can you tell me about a case in which you faced this situation? What were the consequences?
Influencing others	Can you describe one or two cases in your effort to obtain new customers? What did you do? What was the result?

Table 32: sample questions in competency based interviews

(Source: www.explorehr.org)

As shown in the table, the organization sets a list of required competencies for each position. Hence it can easily compare the candidate's competencies against what is required. Most importantly it can have enough information on the candidate's qualifications.

The second important factor is training and development. As previously stated if there is a gap between the required competency and the current competency of the employee, the organization should consider training. More importantly evaluating the effectiveness of the training afterwards. A competency profile can be developed for each position. An example also taken from www.explorehr.org is presented below:

Position	Required Competency	Required Level				
		1	2	3	4	5
Training & Development Manager	Communication Skills					
	Public Speaking					
	Leadership					
	Training Need Analysis					
	Material Development					
	Training Evaluation					
Recruitment Supervisor	Communication Skills					
	Interview Skills					
	Analytical Thinking					
	Understand Selection Tools					
	Teamwork					
	Customer Orientation					

Table 33: competency profile

(Source: www.explorehr.org)

Hence a relevant training module can be developed.

A training matrix can also be used. It shows the different competencies for each position and the training title.

		Productive Communication Series	On Becoming Effective Leader 1	On Becoming Effective Leader 2	Service Excellence for Customer	Achievement Motivation Training	Creative Problem Solving	Strategic Management	Building Productive Teamwork	Professional Seminar Series
Supervisor	Communication Skills	V								
	Leadership		V							
	Teamwork								V	
	Achievement Orientation					V				
	Customer Focus				V					
	Job Functional Skills									V
Manager	Communication Skills	V								
	Leadership			V						
	Teamwork								V	
	Achievement Orientation					V				
	Customer Focus				V					
	Strategic Thinking							V		
	Problem Solving & Decision Making						V			
Job Functional Skills									V	

Table 34: training matrix

(Source: www.explorehr.org)

The human resource department in collaboration with managers should create an efficient training program and rotation plan. The HR department and supervisors are responsible for dealing with incompetent employees. However, before classifying the employee as incompetent, they should know the root cause for his/ her incompetence. Job rotation and training are very beneficial for employees. It helps them clearly understand their tasks and objectives. This creates a better job identity and hence a better performance. Furthermore, tasks will be assigned properly. This will ensure that the organization has put the right people in the right jobs.

After having established a good training and recruitment program, the organization can start tackling the next three components of the model.

Concerning carrier management, it is divided into three steps. According to www.explorehr.org, the steps are career path design, analysis of employee's future plan and implementation of development program.

A carrier path is a sequence of positions that an employee must go through in order to have a specific position in the organization. In order to be able to hold a certain job, the employee must fit the job competency profile. After having defined the competency profile, the positions which have similar competencies are grouped into one job family. The career path is hence identified based on the job family.

The organization can then assess the employee career plan by comparing the employee career needs with the organization career needs.

The last step is to develop the program according to the result of the analysis.

On the other hand performance management starts with assessing individual performance. Individual performance is divided into two major categories: performance results and competencies. The performance results are the quantitative aspect of performance. As for the competencies, it is considered to be the qualitative aspect of performance. A score is assigned to each and accordingly the employee will be assessed.

Below is an example taken from www.slideshare.net

Performance results:

No.	Main Performance Target	Target to be Achieved
1	Conduct an assessment of the employee's performance	All employees submit their performance assessment form on time
2	Improve the system for performance assessment	Target : completed 100 % in November 2008
3	Conduct training activities	Target : to conduct 6 training modules in one year
4	Carry out on the job training activities	Target : 90 % of the total employees who attend the training experience an increase in skill and knowledge

Target should be measurable and specific

Table 35: performance results

(Source: www.slideshare.net)

Competency results: the competency which is being assessed is collaboration. The requirements are stated for each position. In the table only two requirements are mentioned.

Basic	Intermediate	Advanced	Expert
Actively listens	Actively listens	Actively listens	Actively listens
Responds promptly to other team members	Balances strengths in teams and seeks diverse contributions	Actively builds internal and external networks	Actively builds internal and external networks and uses them efficiently to create value

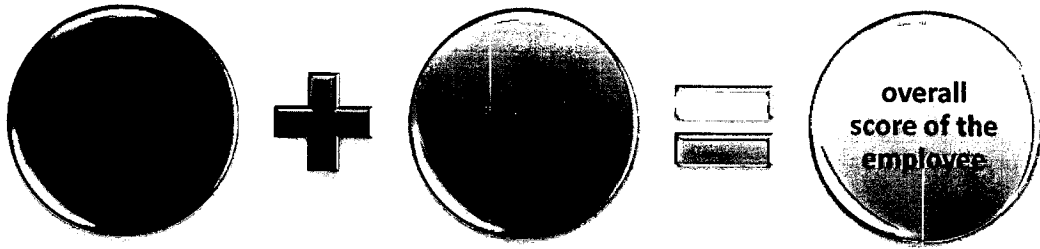
The main question remains: how are competencies assessed? An assessment centre is formed. The assessment centre according to www.explorehr.org is characterized by:

- A standardized evaluation of behaviour based on multiple inputs
- Multiple trained observers and techniques are used
- Judgements about behaviours are made, in major part, from specifically developed assessment situations
- These judgments are pooled in a meeting among the assessors or by a statistical integration process.

There are five types of assessment centres:

1. In basket exercise: the employee is asked to deal with paperwork, make decisions. He/she should balance between the workload and the tight schedule.
2. Role simulation: the employee should play a certain role (task) and an assessor will be watching.
3. Presentation: the employee is asked to make a presentation on a certain topic in front of a group of assessors.
4. Fact finding exercise: the employee should know how to make a decision from partial information by identifying the missing data needed to make the correct decision.
5. Group discussion: timed discussion where participants are required to tackle a certain problem. Assessors are present to see how participants are interacting together.

The results of competencies observed through the assessment centre are given a score. Then the score is added to the performance's score.



On the other hand if performance appraisal systems are not implemented efficiently, incompetence cannot be identified. Performance appraisal is the formal process of observing and evaluating an employee's performance (Erdogan, 2002). It has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

According to a study entitled *Effective Management of the Performance Appraisal Process in Lebanon* by Nathalie Abi Saleh Dargham the two most frequently types of performance appraisal used in Lebanon are Graphic Rating Scale and Management by objectives. Graphic rating scale is the oldest method of performance appraisal on which the manager checks the employee's level of performance. Management by objective demands that the organization monitors performance measures, to help it stay heading towards its objectives.

However the problem is that in all the interviews made none of them mentioned the functions of the development approach such as providing training needs, providing performance feedback, determining transfers and assignments, and identifying the individual strengths and weaknesses (Dargham, 2008). Moreover Human Resource manager's subjectivity, anxiety and the use of incoherent criteria are some of the problems faced in performance appraisals. For that reason, establishing a competency based framework will help Lebanese organizations shift from emotions and subjectivity to objective and rational behavior.

The last part of the model is reward management. A reward strategy has to clarify the purpose of the reward elements, integrate them and explain to employees what they can receive and why. Patricia Zingheim and Jay Schuster, the authors of the book *Pay People Right* (2000) state that reward management systems should be aligned with the organizations' strategic goals .Moreover, they also argue that “pay is a powerful communicator of values and directions”. Employee reward represents one of the central pillars supporting the employment relationship (Kessler, 2005). Furthermore, rewarding employees is important to motivate and retain them.

5.4 Conclusion:

To conclude, Lebanese organizations are suffering from employee incompetence. This incompetence stems in some cases from the Lebanese mentality. However the real problem is that managers are not analyzing the reasons behind employee incompetence. If they do, they would realize that the causes are external (firm). This behavior is characteristic of incompetent managers. Lebanese managers should also overcome their own incompetence. They should realize that some managing techniques they use can breed incompetence. For example using numbers as the only way to measure performance is frustrating for employees. Also, cost cutting is an essential component of survival, but it's also a quick and dirty way to overburden competent employees, thus breeding incompetence. If staff must be cut, companies need to make a bigger effort to help remaining employees stay competent (Drea, 2009). Moreover, managers tend to expect too much from new employees too soon. Finally, weak rewards also breed incompetence.

On the other hand, although organizations know the important roles and responsibilities of the human resource department, it is crucial for them to enhance their HR department. They should dedicate time to improve and train the HR staff. Let's not forget that this department is in one way or another determining the future of the organization by recruiting the right employees and training them. The human resource department and supervisors are also responsible for dealing with incompetent employees if a recruiting mistake occurs. Hence they should have the authority and the right tools to perform their job appropriately. Direct supervisors need to build a strong relation with employees.

Everyone is incompetent in some ways. Instead of classifying people as incompetent, it is better to talk about levels of competence. Some individuals are highly skilled and others still have to develop some competencies. This is why Lebanese organizations have to establish a model that is line with their objectives and strategies. Instead of firing incompetent employees, they should consider transforming incompetence into competence. Managers can transfer or relocate the employee before considering the termination of his/ her employment. They need to

realize that they are coordinators and not oppressors. When they engage in communication, they create a knowhow and knowledge.

If Lebanese organizations follow a competency based framework, it will be their guide through every process. It will reduce subjectivity and emotions at work (culture impact) and focus on objectivity and rationality. The framework will also improve their recruiting and training process, the two problems that organizations are struggling from. It will decrease tremendously the number of incompetent employees.

Since most of the Lebanese organizations do not follow a framework to deal with incompetence, the proposed framework can be introduced to all sorts of organizations. Each company can adjust the model to fit its own capacities and make sure it is in line with its objectives and strategies.

In those dynamic markets, Lebanese organizations should step up and find the adequate competencies that will become their competitive advantage. Competence is the summation of “innate” capabilities plus the work capabilities plus the will plus the learning. When adding competence to initiative and a good analysis the wanted performance is obtained. Performance combined with intelligence leads to excellence. When a company becomes excellent it outperforms competition and it becomes a reference in the market. That is the ultimate long term goal of any organization. What better way to achieve that than having a framework, a competency based model to guide the organization through that complex process.

The competency quotient is the work capacity. The performance quotient is the percentage of increasing results. To calculate performance, a series of variables should be taken into consideration. Since not all organizations publish this type of data, the quantitative measurement of performance was not done.

Quotient of performance= the increase in net income + the increase in the number of activities+ the increase in consumption + increase in market share + increase in international relations.

5.5 Recommendations for a successful competency based model:

www.explorer.org suggests the following to implement a successful competency based model:

1. **Alignment:** the model should support the organization's strategy, goals and capabilities
2. **Distribution:** the model should be consistently communicated with the users.
3. **Self-directed application:** competency models usually fail because they are too complex or because they require constant sponsorship programs. The best solution is to develop a simple model that produces results without continuous support.
4. **Acculturation:** the model should become part of the organization's culture

5.6 Recommendations for Lebanese managers:

- 1- Everyone is incompetent in some ways. Managers should search for the root cause of incompetence before firing an employee.
- 2- Relocation and job rotation are two solutions to seek before terminating an employee's position.
- 3- Frequent training is required for all the members of the organization.
- 4- It is essential to evaluate the effectiveness of the training
- 5- Ignoring incompetence to avoid conflicts will only make things worse
- 6- Active communication is essential with employees
- 7- Providing constant feedback to employees is crucial to help employees improve their performance
- 8- Retain competent employees and reward them. Competent employees should know that they are appreciated for their good performance
- 9- Motivate employees
- 10- Identify the true potential of employees
- 11- Clarify the tasks and the process
- 12- Do not over complicate the information provided
- 13- Celebrate differences
- 14- Practice self-management

5.7 Limitations:

1. One of the limitations of the quantitative research methodology is that it employs the use of closed ended questions through the use of pre-determined surveys and instruments to produce numeric data based on variables that are designed to support the researcher's hypotheses (Creswell, 2003).
2. Responses from managers when rating employees could be biased because of the organization's rules or discrimination.
3. Responses could be inaccurate because of dishonesty, negligence, or misinterpretation
4. The sample did not cover all the Lebanese regions because of time and money constraints
5. Performance was only evaluated on three levels. Not all the variables which affect performance were taken into consideration.

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APPENDIX A

50 organizations

Services:

- Arcada hotel
- Royal hotel
- Habtoor hotel
- Metropolitan hotel
- Phoenicia hotel
- Aoude Bank
- Blom Bank
- Byblos Bank
- Credit Libanais
- Fransabank
- Arope Insurance
- Allianz SNA
- Roadster
- Chopsticks
- Al balad

Health:

- American University Hospital
- Hotel Dieu de France
- St. Georges
- Al Roum St Georges
- Clinic of caritas
- Al Makased Al islamiya
- Hopital Sacre Coeur
- Hopital Mont Liban
- Hopital St. Joseph

Commerce:

- Galerie Melki
- Metro Superstore
- Caliprix supermarket
- Pharmacie Bassil
- Pharmacie Aoude
- City Mall
- BHV
- Pharmacie Al Rahbani

Education:

- Notre Dame University
- Universite Libanaise
- American University of Beirut
- Lebanese American University
- Universite St. Joseph
- Saint Coeurs Kfarehbab
- Zahrit El Ihsan
- Lycee de ville
- Lycee Nahr Ibrahim

Industry:

- Indevco
- Marie France
- Najwal
- Matelec
- Cable du Liban
- Holcim
- Café Najjar
- Hawa Chicken
- Al Wadi Al Akhdar

APPENDIX B

Questionnaire for employees

This questionnaire is designed for the sole purpose of completing the requirements of a Master's degree in international business. It is expected to take 10 minutes. The results will remain confidential.

General questions:

Gender:

- Male
- Female

Age:

- Less than 20 years
- 20-29 years
- 30-39 years
- 40-49 years
- 50 or more years

Duration in current job:

- Less than one year
- 1-2 years
- 2-5 years
- 5-10 years
- 10-15 years
- More than 15 years

Monthly income:

- Less than 1000\$
- 1001-2000\$
- More than 2001\$

Education level:

- High School Degree
- B.A. University Degree
- Masters University Degree

Other _____

What type of work do you do?

- Managerial
- Administrative
- Hospital worker
- Nursing home worker
- Educational worker
- Secretarial
- other (please specify) _____

Do you work?

- Full time
- Part time
- Temporary/Casual/Auxiliary

Open ended questions:

1- Please identify the meaning of incompetence in few words

2- According to your experience, please state the various causes of employee incompetence

Close ended questions:

Write in the score which best matches you:

1 = never, 2 = seldom, 3 = sometimes, 4 = often, 5 = nearly all the time

How often do you feel that your job responsibilities are unclear?

How often do you feel that your workload is too heavy that you could not finish during the working hours?

How often do you feel that you are able to satisfy the various demands of your co workers or superior?

How often do you not know what your superior thinks of you or how he/she assesses your performance?

How often do you feel that you may not be liked and/or accepted by people around you at work?

How often do you feel that you do not have a lot of responsibility?

My workplace environment is not very pleasant or particularly safe

Does your boss respect your opinions?

How often do you get training?

Is the training provided improving your job performance?

1- Are the objectives of your job clear?

- Yes
- Partly
- No

2- In your opinion, has your job performance suffered because of other employee incompetence?

- Yes
- No
- Sometimes

3- Has your job description changed during your employment?

- Yes
- No
- Sometimes

4- If your job description has changed, please state how: Please check as many as apply

- More duties have been added
- New duties not previously part of my job have been added
- Faster rate of work
- Higher demands/expectations from employer/public/other departments, etc.
- Less training has been provided
- Inadequate training for new duties/new technologies
- Less supervision
- More supervision
- I've been given supervisory type duties
- More paperwork
- More meetings
- other (please specify) _____

5-On what basis do you think your company hires? Please check as many as apply

- Nepotism
- Experience
- Knowledge
- Skills
- Abilities
- Salary demands
- Others please state

APPENDIX C

Questionnaire for managers

This questionnaire is designed for the sole purpose of completing the requirements of a Master's degree in international business. It is expected to take between 15 to 20 minutes. The results will remain confidential.

General questions:

Gender:

- Male
- Female

Age:

- Less than 20 years
- 20-29 years
- 30-39 years
- 40-49 years
- 50 or more years

Duration in current job:

- Less than one year
- 1-2 years
- 2-5 years
- 5-10 years
- 10-15 years
- More than 15 years

Monthly income:

- Less than 1000\$
- 1001-2000\$
- More than 2001\$

Education level:

- High School Degree
- B.A. University Degree
- Masters University Degree

Other _____

Open ended questions:

1- Please identify the meaning of incompetence in few words

2- According to your experience, please state the various causes of employee incompetence

Close ended questions:

1- If an incompetent employee was recruited, what went wrong in the recruiting process? Please check as many as apply:

- Not properly determining the needed job requirements for the target employee
- Not properly assessing the job acceptance criteria of the target employee that are necessary in order to convince him/her to apply for and eventually accept a job at your firm
- The screening of applications and resumes was not done properly
- No feedback has been provided to the new employee to assess his/her effectiveness and eventually the effectiveness of the recruiting process
- Not enough information on the candidate's qualifications and "fit"
- The best candidates have been previously screened out by mistake or voluntarily dropped out of the process, so remaining choices are mediocre.

2- Is the Human Resource department the sole responsible for recruiting?

Yes

No

3- If you answered No to question 4, please state who else is involved in the recruiting process:

4- Who is responsible for dealing with incompetent employees after they have been recruited? Please check as many as apply:

- Human resource department
- His/ her direct supervisor
- High level Manager

5-How do you classify an employee as incompetent? Please check as many as apply:

- Lack of knowledge
- Lack of skills
- Lack of abilities
- Lack of experience
- Never meets his/her deadline
- Not creative
- Doesn't do well in team work
- Doesn't get the communicated message properly
- Complains a lot
- Never on time
- Argues a lot
- Can't adapt to change

6- There is a bright side to every problem. Can you identify any bright side to having incompetent employees? Please check as many as apply:

- Lower salaries paid
- Less questioning of decisions
- Less involvement in decisions
- No promotions