DOCUMENT RESUME

ED 474 328   CE 084 652

TITLE   Competencies: Fuzzy Concepts to Context. Symposium.
REPORT NO   No-13
PUB DATE   2002-00-00
NOTE   26p.; In: Academy of Human Resource Development (AHRD)
                  Conference Proceedings (Honolulu, Hawaii, February 27-March
                  3, 2002); see CE 084 635.
PUB TYPE   Reports - Research (143) -- Speeches/Meeting Papers (150)
EDRS PRICE   EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS   Administration; Adult Education; Adult Learning; *Competence;
                  Competency Based Education; Credit (Finance); Critical
                  Incidents Method; Decision Making; Definitions; Developed
                  Nations; Developing Nations; *Employment Qualifications;
                  *Empowerment; Females; Foreign Countries; Human Resources;
                  *Individual Characteristics; *Job Analysis; Job Performance;
                  *Labor Force Development; Needs Assessment; Nongovernmental
                  Organizations; Postsecondary Education; Poverty; Public
                  Policy; Sales Occupations; Salesmanship; Stakeholders
IDENTIFIERS   *Credit Unions; Netherlands; United States

ABSTRACT

                  This document contains three papers from a symposium titled
"Competence: Fuzzy Concepts to Context." "Sales Superstars: Defining
Competencies Needed for Sales Performance" (Darlene Russ-Eft, Edward Del
Gaizo, Jeannie Moulton, Ruth Pangilinan) discusses a study in which an
analysis of 1,688 critical incidents revealed 16 competencies that define the
following roles of sales professionals: long-term ally; business consultant;
strategic orchestrator; consistent cultivator; and focused optimist. In
"Competencies: The Triumph of a Fuzzy Concept" (Jo Boon, Marcel van der
Klink), findings from a review of the literature on the concept of competence
and from interviews with experts on the subject are presented to provide new
insights into the concept of competence as an individual characteristic, a
characteristic of organizations, and a tool to structure communication
between stakeholders within organizations and between education and the labor
market. "Savings and Credit Interventions: Are They Empowering the
Poor?" (Ranjini Swamy, Ramesh C.M.) reports on a study in which interviews
with women members of a nongovernmental organization sponsored savings and
credit intervention established that women who participated in the
administration of such interventions displayed more independence in making
decisions than did women who did not participate in administration of the
interventions. All three papers include substantial bibliographies. (MN)

2002 AHRD Conference

Competencies: Fuzzy Concepts to Context

Symposium 13

Honolulu, Hawaii

February 27 - March 3, 2002

Sales Superstars: Defining Competencies Needed for Sales Performance

Darlene Russ-Eft
Edward Del Gaizo
AchieveGlobal, Inc.

Jeannie Moulton
GroundWork

Ruth Pangilinan
Independent Consultant/ Researcher

The purpose of this study is to determine the competencies needed by sales professionals. A total of 222 salespeople, 107 sales managers, 37 customers, and 6 others who refused to indicate their role completed critical incident questionnaires, resulting in 1688 critical incidents. The analysis revealed 16 competencies that defined five different roles of a salesperson: Long-term ally, business consultant Strategic orchestrator, consistent cultivator, and focused optimist. Implications are drawn for the organization and for HRD researchers and practitioners.

Key Words: Sales Performance, Competencies, Critical Incidents

Effective selling of goods and services is critical to the success of economic organizations. According to the Bureau of Labor Statistics (1997), 13,900,000 individuals were employed in sales and marketing jobs in the United States in 1992. By 2005, sales jobs are projected to increase by 18 percent (Vinchur, Schippmann, Switzer, & Roth, 1998). Today's complex selling environment, with technological changes and global competition, has altered the definition of what it takes to be a truly successful salesperson. What does it take to excel at sales these days? What separates top performers from merely good performers? The purpose of this research is to answer these questions and to examine the factors leading to sales success.

Theoretical Framework

Meta-Analyses of Characteristics

Churchill, Ford, Hartley, and Walker (1985) and Ford, Walker, Churchill, and Hartley (1987) used meta-analytic techniques to examine a range of personal characteristics affecting sales success. Both studies found that many of these variables were moderated by customer type and product type and that nearly all the variables were poor predictors, regardless of the customer or product type. A decade later Vinchur, Schippmann, Switzer, and Roth, (1998) conducted another meta-analysis of predictors of job performance for salespeople. Vinchur et al divided the analysis into subjective (ratings of supervisors and others) and objective (sales volume) indicators of performance and found that predictors differed depending upon the outcome measure. These results are discussed in detail below.

Cognitive Ability

The earliest published research report on sales performance looked at the "mental ability" of sales clerks in department stores (Oschrin, 1918). Throughout the next five decades, tests of cognitive ability (aptitude) were the most commonly used selection instruments of salespeople (Schmidt & Hunter, 1981). Individual research studies, however, showed mixed results in the tests' ability to predict sales performance (Schmidt & Hunter, 1981), leading some to assert that product knowledge (Baier & Dugan, 1956) or personality (Miner, 1962) were better predictors.

During the 1970s, however, a quantitative meta-analysis methodology was developed to look at cognitive ability as a predictor of performance (Hunter & Hunter, 1984; Schmidt, Hunter, & Pearlman, 1981). Churchill et al (1985) found the relationship between aptitude and sales performance to be mixed (correlations ranging from 0 to .85, with a weighted mean correlation of only .138). Vinchur et al (1998) calculated overall cognitive ability to correlate with subjective ratings criteria of job performance at .40 but with objective sales criteria at only .04.

Across all jobs, the validity of cognitive ability as a predictor decreases as job complexity decreases. Hunter and Hunter (1984) ranked the job of "salesperson" very high in complexity and that of "sales clerk" very low. This

difference in the cognitive ability associated with different levels of sales job complexity may account for the inconsistency in the findings of Schmidt & Hunter (1981), Churchill et al (1985), and Vinchur et al (1998).

Personality

The largest numbers of empirical studies of sales performance focus on personality. In 1926, George Gallup used a battery of tests to describe successful salespeople in an Iowa department store. He concluded that it was personality traits, not mental ability or interests, which distinguished good from bad salespeople, but that no instrument had been developed to measure such traits (Gallup, 1926). Researchers failed to link personality traits to job performance because of a lack of a sound model (Dodge, 1938; Hampton, 1941; Miner, 1962, Rodgers, 1959).

Employers' use of personality tests peaked in the 1960s and rapidly declined because of a lack of correlations with job performance (Mount & Barrick, 1998). By the early 1990s, interest in personality-performance correlations increased (Barrick & Mount, 1991; Hogan & Hogan, 1989; Hough, Eaton, Dunnette, Kamp & McCloy, 1990; Tett, Jackson, & Rothstein, 1991). Barrick and Mount (1991) used the Five Factor Model or the "Big Five" from industrial/organizational psychology (Digman, 1990) and reported on meta-analytic work that confirmed five major personality factors: Extroversion, Emotional Stability, Agreeableness, Conscientiousness, and Openness to Experience .Using this Model, Barrick and Mount were able to demonstrate a strong correlation [.22] between the personality trait, Conscientiousness, and successful job performance in five occupational groups, including sales. By the end of the decade, fifteen meta-analyses on personality and job performance had been conducted, including one conducted within the European Community (Saldago, 1997), all supporting the findings that personality traits could predict job performance (Mount & Barrick, 1998) as well, if not better, than cognitive ability (Kierstead, 1998).

More recently, Vinchur et al (1998) used a modified version of the Five Factor Model, separating out Achievement and Dependability (sub-dimensions of Conscientiousness) and Affiliation and Potency (sub-dimensions of Extroversion). The researchers found Potency (.28) and Achievement (.25) to be the strongest predictors. The study also found the broad dimension of Conscientiousness to correlate with job performance at .21.

Interests

There is relatively little recent research on the relationship between vocational interests and success in sales. Early tests attempting to measure interests and preferences were found to be unreliable (Craig, 1925; Freyd, 1926). The most well known instrument for measuring interests is the Strong Interest Test, which has been in used since it was devised in the 1920s. Strong (1934) conducted validation studies of his test among life insurance agents and concluded that successful agents score higher in life insurance interest than unsuccessful agents and than men in general. Based on a small number of studies, Vinchur et al (1998) reported a high correlation (.50) between "interest in sales" and successful performance. Despite this result, further research on this variable has not been forthcoming.

Personal History and Biodata

As early as 1925 researchers looked at the predictive validity of an application form detailing work experience (Manson, 1925). Subsequent attempts to use personal history accounts, including family and school experience as well as work experience, had mixed results (Baehr & Williams, 1968; Worbois & Kanous, 1954). Nevertheless, by the 1980s many companies were using "biographical inventories" or biodata tests, for selection.

Early meta-analyses of performance across a range of jobs found a correlation with biodata tests to be .38 (Reilly & Chao, 1982) and .34 (Dunnette, 1972). The validity of biodata tests used in the selection of life insurance salespeople appears to vary according to how the company using it managed the recruiting and selection process (Brown, 1981), and biodata tests may be more useful for identifying candidates who are potential failures but less useful for predicting who will be successful (Brown, Stout, Dalessio, & Crosby, 1988).

Based on eight studies of "personal experience," some of which include age and other personal factors as well as work experience, Vinchur et al (1998) found a correlation coefficient of .52 in studies using subjective criteria and a coefficient of .28 in studies using objective criteria. Although showing a stronger relationship than that of Conscientiousness as a personality trait, the factor of "personal experience" has received relatively little attention.

Sales ability has been measured by tests of skills and knowledge pertinent to the job of selling. These tests range from broad instruments with general use to tests designed specifically for a particular type of sales job in a single organization. In their meta-analysis, Churchill et al (1985) found a correlation of .268 between sales skills and job performance. Based on small sets of studies, Vinchur et al (1998) report correlations between "sales ability" and successful performance of .45 for studies using ratings and .37 for those using objective measures.

Competencies

More recent work has focused on competencies needed for sales performance. Competencies focus on the behaviors exhibited by the person on the job (McClelland, 1973; McClelland, 1998; Cherniss, 2000). As an example, sales agents at a large cosmetics company selected based on competencies sold more in volume and had less turnover during the first year than those selected using the company's conventional procedures (Spencer & Spencer, 1993; Spencer, McClelland, & Kelner, 1997). Del Gaizo, Erdman, and Corcoran (1996) reported on sales performance competencies gathered in studies undertaken in the early 1990s. Their work identified three roles of a salesperson: Long-term ally, business consultant, and strategic orchestrator.

Research Questions

Much of the research on sales performance, even the meta-analytic work, comes from research undertaken decades ago. Thus, the primary purpose of this series of studies is to determine the ways in which the competencies needed by today's salespeople may be changing. What changes, if any, are taking place in the sales function? What are the competencies needed by salespeople in today's organizations? To what extent do salespeople, managers of these salespeople, and customers identify the same competencies?

Methods

Study 1

The main purpose of this study was to identify changes in trends in approaches to selling.

Sampling. The study focused on organizations with as 100 to more than 10,000 employees. Organizations were selected based on their reputation for superior sales and marketing, as identified in the United States by *Sales and Marketing Management* magazine. They included all business sectors (heavy manufacturing, high-tech manufacturing, financial services, health and social services, business services, retail and distribution, transportation and utilities, government and education). The contact person was the vice president of sales or human resources

Data Collection. A total of 24 telephone interviews were conducted from mid-February to mid-April 2000 in the U.S. This represented a 48% response rate (or 24 of the 50 people contacted). Interviews lasted about 45 minutes, although in a few cases interviewees chose to write their responses and return them by e-mail.

Study 2

The main purpose of Study 2 was to identify the competencies needed by successful salespeople. The study updates previous research on sales (Coker, Del Gaizo, Murray, & Edwards, 2000; Del Gaizo, Erdman, & Corcoran, 1996).

Sampling. The study focused on organizations ranging from 100 employees to more than 10,000 employees. They represented all business sectors and were located in Atlanta, Boston, Chicago, Los Angeles, New York, San Francisco, and San Jose. Participants in the study were salespeople, managers of salespeople, or customers of salespeople. They were identified by a contact person within each organization. The final sample included 222 salespeople, 107 sales managers, 37 customers, and 6 others who refused to indicate their role.

Data Collection. Written questionnaires asked respondents to describe both positive and negative critical incident questions: Think of a recent time when you or someone else made an important sale; and Think of a recent time when you or someone else failed to meet expectations in sales performance. These were followed by probes to clarify who was involved and what happened. The questionnaires were administered in group sessions.

The power of the critical incident methodology is that it asks people for top-of-mind recollections— sales interactions that made enough of an impression to be memorable, either positively or negatively. The result is a series of often small but telling moments which, taken together, define the realities of good and bad sales performance. (See Russ-Eft, 1995 for more discussion on the use of the critical incident method.) The critical-incident methodology does not involve a statistical analysis of a representative sample; rather its purpose is to uncover the full range of critical attributes that comprise sales performance.

Analysis. The responses to each question were entered into a database along with information identifying the characteristics of the participants. Each incident identified as "critical" by the respondent, or judged by the analyst as so intended, was considered as a separate event. If a response included more than one incident, duplicates of the entire response were entered as separate incidents. This procedure permitted the analyst to review the different

13-1

incidents for classification purposes, while still being able to identify the entire response. Analysis of the incidents followed the guidelines set forth by Flanagan (1954, 1974) and detailed by Russ-Eft (1995). Three experts with over five years of experience in sales and sales functions undertook an independent check on the categorization.

Results

Study 1 revealed that decision-makers saw the Internet and technology as a major change in the sales process. In addition, these respondents indicated that changes are resulting from team selling and team buying.

In Study 2, 1688 critical incidents were obtained. The analysis revealed 16 competencies that defined five different roles of a salesperson. The five roles, along with the number of incidents and their definitions appear in Table 1.

Table 1. *Sales Performance Roles and Competencies*

Role	Number of Incidents	Description
Long-term ally	395	Develop client relationships; keep communications open; become customer advocates.
Business consultant	717	Build credible reputations; build a solid knowledge base; stay current with customers' markets and business objectives; develop the right solution; present and propose effectively; close the sale.
Strategic orchestrator	106	Orchestrate resources to win accounts; manage the sales process.
Consistent cultivator	155	Manage their time and territory; maintain and expand their existing accounts.
Focused optimist	315	Are motivated to succeed; meet their commitments; get and keep the customer's attention

Table 2 presents the results as reported separately by salespeople, managers of these salespeople, and customers of these salespeople.

Table 2. *Sales Competencies by Reporting Perspective*

Roles	Salespeople		Sales Managers		Customers		Other		Total	
	N	%	N	%	N	%	N	%	N	%
Long-term ally	246	21%	27	19%	90	37%	32	25%	395	23%
Business consultant	534	46%	48	33%	85	35%	50	39%	717	42%
Strategic orchestrator	73	6%	12	8%	8	3%	13	10%	106	6%
Consistent cultivator	120	10%	18	12%	7	3%	10	8%	155	9%
Focused optimist	199	17%	40	28%	54	22%	22	17%	315	19%
Total	1172		145		244		127		1688	99

1. Long-Term Ally

This role is all about the interpersonal aspect of selling and conveying a sense of shared purpose. Whether in a single 30-second phone call or a long-term relationship, successful salespeople know how to establish a human connection with customers and find opportunities to demonstrate the importance of that connection.

They develop client relationships. One salesperson reported, "I was able to form a partnership with (the customer), where both of us were working together to make the product work." Another salesperson took over for someone else saying, "I re-established the account based on trust and increased it from $65,000 to $160,000."

They Keep Communication Open. Effective salespeople find ways to communicate regularly with their customers. Said one customer about a salesperson, "She checked in on a regular basis. I liked knowing that our account was on her mind." About another salesperson, a respondent said: "He would research their questions and then call them back. He made regular calls on his clients even if he did not yet have an answer. He was available for them day or night. When they needed something, they called him directly."

They Become Customer Aadvocates. Salespeople need to do whatever they can to make the customer look good—in the eyes of peers, the boss or other customers. "I'm always thinking, 'How can I help you be successful? How can I help you be a star in your organization?'" says one successful accounting software saleswoman.

On the Other Hand... Salespeople should not think that customers are suckers for backslapping flattery and free tickets. "He was almost a caricature of a salesman—loud, jovial, over-friendly." *(Buyer, transportation services)* "My broker failed to meet with me in person to review the proposal." *(Buyer, health insurance)*

2. Business Consultant

This role calls for salespeople who are focused, accurate and knowledgeable about their products—as well as their customers' needs, markets and business objectives.

They Build Credible Reputations. To be successful business consultants, salespeople need to establish their own reputations. "It's important that my customers perceive me as someone who is fully aware of their issues," said one salesperson. "Basically, if I am going to advise people, they need to believe I know what I'm talking about."

They Build a Solid Knowledge Base. Said a sales manager about one of his salesmen, "He knew his product, and he knew what he was talking about; (his knowledge) convinced the customer to give our organization the opportunity to submit a proposal." One manufacturing sales rep said, "I became knowledgeable about the customer's organization. I got immersed in knowledge about them and what they wanted and needed. I had a good understanding of the company." She went beyond the annual reports to become familiar with the company culture.

They Stay Current with Customers' Markets and Business Objectives. Putting themselves in their customers' shoes by identifying market objectives is another key behavior of successful salespeople. "I'd been trying to sell Internet advertising to a customer for eight years," said an advertising account executive. "Even though he had a web site, he wasn't interested. Last year whenever I saw articles about ad successes in his line of business, I sent them to him. Two months ago, I made another presentation. This time he was ready to listen, and I made a very large sale."

They Develop the Right Solution. A key competency is demonstrating to customers an understanding of their needs. As a buyer of industrial commercial hardware said, "I was thrilled that someone understood our needs and customized an approach that was tailored to my budget and my timetable." Some solutions may exceed what the customer was expecting: "The salesman offered options that even the client didn't see ... and closed the sale."

They Present and Propose Effectively. Busy customers expect salespeople to be able to present well. One salesperson of group health insurance learned the importance of this skill only after an unsuccessful presentation. "This time I gathered more reliable, well-spoken and polished team members." Indeed many salespeople rehearse their presentations. "I role-played with my managers and thought of every conceivable question they could ask me,"

They Close the Sale. A successful salesperson knows when it's time to close the sale. "One reason he made such good use of his time," said a manager about a member of her sales team, "was that he knew when it was time to stop probing and asking for clarification, and wrap things up in terms of closing the sale."

On the Other Hand... Most of the negative examples in our research could have had a happy ending if the salesperson had asked—and listened—more. "I didn't peel back the skin of the onion enough. I didn't probe deeply enough. I accepted what they said they wanted at face value." *(Salesperson, training software)*

3. Strategic Orchestrator

Selling and buying have increasingly become team efforts. This role is all about creating connections between and within the selling and buying organizations to expedite a sale, encourage the exchange of information, and make it easy for the customer to deal with the selling organization.

They Orchestrate Resources to Win Accounts. The effective sales professional knows how to orchestrate key players in an account and in the selling organization. In some cases, these may be the technical support people. "I let their techs talk to our techs, and it keeps them happy," claims one salesperson. In another example, a financial services salesperson worked with his initial contact to identify the decision-makers in his company. Another said, "The client realized he was not able to make decisions and could only take the meeting so far. By having the right people there, we were able to go quickly from an introductory meeting to making the sale."

They Manage the Sales Process. Successful salespeople don't waste time trying to fight the customer's buying process. Instead, they look for ways to synchronize it with their own selling process. "I identified all the players in the client's buying process and made sure everyone in my company knew all the issues and concerns."

*On the Other Hand...*There were several examples that illustrated process failure: "We are a weather-driven business and have a small window of sales opportunity. The business manager did not plan ahead to have adequate staff when the season hit. We had lots of product to deliver, but could not deliver it fast enough." *(Salesperson, retail manufacturer)* A food processor asked for a proposal. "They put one junior salesperson on it and it took her three weeks to come up with a proposal. It was good, but too late." *(Distribution manager, food processing company)*

4. Consistent Cultivator

This role is all about the salesperson's ability to plan and manage the totality of his or her accounts. Given today's competitive pressures and the trend toward establishing long-term relationships with a few select vendors, the ability to perform this role effectively can make or break a salesperson.

They Manage their Time and Territories. Just as a lawyer or other professional needs to know how to run his or her business, a salesperson needs to assess how he or she is doing relative to the business objectives and his or her own goals. The ability to be personally organized is crucial, especially if a salesperson has many small accounts. "In this industry, you don't have two or three big customers," said a salesperson for a computer equipment firm, commenting about a colleague. "He is exceptionally organized and able to cover all the bases. At any time and any place you can ask him what is happening with such-and-such a customer, and he has got it at his fingertips."

They Maintain and Expand their Existing Accounts. Successful salespeople know where to focus their efforts. One woman who sells home furnishings had an idea to expand her business with a line of private label lamps. "She had an idea and followed all the way through with it," a respondent said. "She took the initiative to work on pricing and quantity with the stores and the manufacturer, taking on the roles of both liaison and problem-solver. The result was she made the biggest sale in the history of our company."

Good salespeople have measurable evidence of their product's success in an account. "With 15 years of relations with the customer, it was very easy to document our standing with end users in the firm," said a salesperson of commercial printing services. "When a new manager threatened to take their business somewhere else, we were able to present testimonials, samples of work and a short pricing structure to show him in quantifiable terms what he was getting. He ended up staying with us."

*On the Other Hand...*The following examples illustrate the negative behaviors that can undercut this role: "We accepted an invitation to submit a proposal and spent more than $50,000 on it without knowing very much about the client. It was based on the false feeling that we needed the work. Needless to say, we didn't get it." *(Salesperson, construction and engineering firm)* "Nobody in the company was focused on goals. They were performing 'the illusion of work'—and waiting for customers to call them." *(Insurance salesperson)*

5. Focused Optimist

The more competitive, challenging and difficult the selling environment becomes, the more critical it is for salespeople to retain the ability to keep moving forward. This role is all about what top performers do to create a positive atmosphere that makes selling an enjoyable and frequent activity for sellers and buyers alike.

They are Motivated to Succeed. The most successful salespeople seem to love what they're doing. Said one, "Selling gives you pleasure. I couldn't describe it. It not only fills your pocket, but also your spirit and your heart." What's more, this attitude is infectious, as a salesman for security equipment noted about one of his colleagues: "This person exuded confidence. Customers sensed the joy he felt in what he was doing."

They Meet their Commitments. One way of demonstrating a positive attitude is by meeting—and exceeding—commitments. "I have always been able to deliver what I promise," said an enthusiastic salesman, "and (the account) appreciates it. Because of this, I was able to sign them to a $300,000 contract."

They Get and Keep the Customer's Attention. Persistence was one of the most frequently mentioned qualities of top performers. They work creatively to get their foot in the door, as in this example: "The salesperson had a great

idea of sending a coconut with a note painted on the outside. The customer laughed and called to find out who had sent such a crazy thing."

*On the other Hand...*The following examples illustrate the negative behaviors that can undercut this role: Persistence combined with a lack of preparedness is a recipe for failure, as in this incident: "If the salesperson had spent more time learning about our company and less time badgering people for a meeting, he would have done better." *(Buyer of office products)* "He got 'busy' and buzzed off a client too many times." *(Store manager)*

Conclusions and Implications

In light of today's increased competitive pressures in sales, it is interesting to note that, while Del Gaizo et al research conducted in 1987 and reported in 1996 identified the first three roles, the last two roles—consistent cultivator and focused optimist— emerged only in the research studies reported here. The three roles of long-term ally, business consultant, and strategic orchestrator focusing primarily on adding value and partnering with customers. The two newer roles emphasize individual persistence and managerial skill.

The study also revealed the importance of organizational support for the roles of individual salespeople:
• Focus. "I have so much going on, I can easily get distracted. I use the compensation plan to focus on what I do. So if our comp plan rewards new business, that's what I'll go out and get."
• Information. "One way the organization distracts me is by not giving me the information I need. Last week, nobody could give me some pricing I desperately needed on a product configuration, so I made it up. This is time-consuming and very stressful."
• Useful tools. "I use a time-management software program that lets me track customers, keep to-do lists, everything. I battled the company for years to let me use it. Now it's the company standard."

The present study represents a first step in defining sales performance competencies needed today. One limitation of the study is its focus on the U.S. Whether these competencies appear or are as critical in other parts of the world needs to be examined. Future research would extend this data collection effort to other countries and other continents. The results of the present work can be used to design and validate instruments to measure the competencies. Such research would, in addition, provide some further validation of the roles and the competencies identified in the present study, as recommended by Schippman, et al (2000). Evaluation of an HRD intervention to improve sales performance provides another line for future research. Using validated instruments or some other data collection approaches, the evaluation can examine the process for the intervention as well as the impact of the intervention.

References

Baehr, M.E., & Williams, G. B. (1968). Prediction of sales success from factorially determined dimensions of personal background data. *Journal of Applied Psychology, 52*, 98-103.

Baier, D.E., & Dugan, R.D. (1956). Tests and performance in a sales organization. *Personnel Psychology, 9*, 17-26.

Barrick, M.R., & Mount, M.K. (1991). The Big Five personality dimensions and job performance: A meta-analysis. *Personnel Psychology, 44*, 1-26.

Barrick, M.R., Mount, M.K., & Strauss, J.P. (1993). Conscientiousness and performance of sales representatives: Test of the mediating effects of goal setting. *Journal of Applied Psychology, 78*, 715-722.

Brown, S. H. (1981). Validity generalization and situational moderation in the life insurance industry. *Journal of Applied Psychology, 66*, 664-670.

Brown, S.H., Stout, J.D., Dalessio, A.T., & Crosby, M.M. (1988). Stability of validity indices through test score ranges. *Journal of Applied Psychology, 73*, 736-742.

Bureau of Labor Statistics (1997). *Employment by major occupational group, 1983, 1994, and projected 2005.* (November 1994). Retrieved from World Wide Web: http://stats.bus.gov/emptab6.htm.

Cherniss, C. (2000) Emotional Intelligence: What it is and why it matters. Paper presented at the Annual Meeting of the Society for Industrial and Organizational Psychology, New Orleans, LA, April 15.

Churchill, G.A., Ford, N.M., Hartley, S.W., & Walker, O.C. (1985). The determinants of salesperson performance: A meta-analysis. *Journal of Marketing Research, 22*, 103-118.

Coker, D., Del Gaizo, E. R., Murray, K., & Edwards, S. (2000) *High performance sales organizations.* New York: McGraw-Hill.

Craig, D.R. (1925). The preference-interest questionnaire in selecting retail saleswomen. *Journal of Personnel Research, 3*, 366-374.

Del Gaizo, E. R., Erdman, D. & Corcoran, K. (1996). *The alligator trap.* New York: McGraw-Hill.

Digman, J.M. (1990). Personality structure: Emergence of the five-factor model. *Annual Review of Psychology, 41*,

417-440.

Dodge, A.F. (1938). Social dominance and sales personality. *Journal of Applied Psychology, 22,* 132-139.

Dunnette, M.D. (1972). Validity study results for jobs relevant to the petroleum refining industry. Washington, DC: American Petroleum Institute.

Flanagan, J.C. (1954). The critical incident technique. *Psychological Bulletin, 51,* 327-358.

Freyd, M. (1926). Selection of promotion salesmen. *Journal of Personnel Research, 15,* 142-156.

Gallup, G.H. (1926). Traits of successful retail salespeople. *Journal of Personnel Research, 4,* 474-482.

Ghiselli, E.E. (1942). The use of the Strong Vocational Interest Blank and the Pressey Senior Classification Test in the selection of casualty insurance agents. *Journal of Applied Psychology, 26,* 793-799.

Hampton, P., (1941). A comparative study of certain personality traits and success in retail selling. *Journal of Applied Psychology, 25,* 431-437.

Hogan, J., & Hogan, R. (1989). How to measure employee reliability. *Journal of Applied Psychology, 74,* 149-162.

Hough, L.M., Eaton, N.K, Dunnette, M.D., Kamp, J.D., & McCloy, R.A. (1990). Criterion-related validities of personality constructs and the effect of response distortion on those validities. *Journal of Applied Psychology, 75,* 581-595.

Hunter, J.E. & Hunter, R.F. (1984), Validity and utility of alternative predictors of job performance. *Psychological Bulletin, 96,* 72-98.

Kierstead, J. (1998). Personality and job performance: A research overview. Policy, Research, and Communications Branch, Public Service Commission of Canada.

Manson, G.E. (1925). What can the application blank tell? Evaluation of items in personal history records of four thousand life insurance salesmen. *Journal of Personnel Research, 4,* 73-99.

McClelland, D. (1973). Testing for competence rather than for intelligence. *American Psychologist, 28,* 1-14.

McClelland, D. C. (1998). Identifying competencies with behavioral-event interviews. *Psychological Science, 9*(5), 331-339.

Miner, J.B. (1962). Personality and ability factors in sales performance. *Journal of Applied Psychology. 46,* 6-13.

Mount, M.K., & Barrick, M.R. (1998). Five reasons why the "Big Five" article has been frequently cited. *Personnel Psychology, 51,* 849-857.

Oschrin, E. (1918). Vocational tests for retail saleswomen. *Journal of Applied Psychology, 2,* 148-155.

Reilly, R.R., & Chao, G.T. (1982). Validity and fairness of some alternative employee selection procedures. *Personnel Psychology, 35,* 1-62.

Russ-Eft, D. (1995). Defining competencies: A critique. *Human Resource Development Quarterly, 6,* 329-335.

Rodgers, D.A. (1959). Personality of the route salesman in a basic food industry. *Journal of Applied Psychology. 43,* 235-238.

Salgado, J. F. (1997). The Five Factor Model of personality and job performance in the European Community. *Journal of Applied Psychology, 82,* 30-43.

Sales Special Interest Group, Scholarly Articles, 1990-1998. http://mkt.cba.cmich.edu/salessig/resource.

Schmidt, F.L., & Hunter, J.E. (1981). Employment testing: Old theories and new research findings. *American Psychologist, 36,* 1128-1137.

Schmidt, F.L., Hunter, J.E. & Pearlman, K. (1981). Task and differences and validity of aptitude tests in selection: A red herring. *Journal of Applied Psychology, 66,* 166-185.

Spencer, L. M. J., McClelland, D. C., & Kelner, S. (1997). *Competency assessment methods: History and state of the art.* Boston: Hay/McBer.

Spencer, L. M., Jr., & Spencer, S. (1993). *Competence at work: Models for superior performance.* New York: John Wiley.

Strong, E.K. (1934). Interests and sales ability. *Personnel Journal, 13,* 204-216.

Tett, R.T., Jackson, D.N., & Rothstein, M. (1991). Personality measures as predictors of job performance: A meta-analytic review. *Personnel Psychology, 44,* 703-742.

Vinchur, A. J., Schippmann, J.S., Switzer, F.S., & Roth, P. L. (1998) A meta-analytic review of predictors of job performance for salespeople. *Journal of Applied Psychology, 83,* 586-597.

Worbois, G.M., and Kanous, L.E. (1954). The validity of the Worthington Personal History for a sales job. *Personnel Psychology, 7,* 209-217.

Competencies: The Triumph of a Fuzzy Concept

Jo Boon
Marcel van der Klink
Open University of the Netherlands

This paper discusses the backgrounds of he concept of competence. Following a survey on specific job characteristics from the point of view of demand for competencies, a review of literature and interviews were executed to gain more in depth knowledge about the concept of competencies. Findings from this literature analysis and from the interviews with experts on this topic are explored.

Keywords: Competence, Competency-based Management, Competency-based Education

The main roots of the concept go back to. the seventies of the former century. Especially in the USA, experiments where carried out in educational settings making use of competency based education approach (Eraut, 1994). The experiments in the domain of teacher training gained a lot of attention. Experiments, however, in the other professional domains did not receive much attention in literature. (Grant, 1979).

The most important characteristics of the competency approach in teacher training at that time were the idea that it was possible and useful to copy as precisely as possible the behaviour of excellent professionals. It goes without saying that this idea implied a strong behaviourist background of it.

Accordingly in the same period in labour organisations the same interest can be found in the application of the concept of competence. Recruitment and selection procedures were modelled along the same idea about the identification and reproduction of behaviour of excellent managers. For example, McClelland (1973) developed a list of competencies and he assumed that the assessment of competencies of potential managers was a better predictor of their future performance than the widely applied psychological tests for measuring intelligence.

In the eighties the competency approach loosed its importance in education circles, the approach was merely criticised for focussing too much on isolated abilities, instead of on the whole functioning of professionals. Also the assessment of competencies turned out to be a major problem (Eraut, 1994). By this time in labour organisations too the approach was heavily criticised for delivering too vague insights into competencies, for not giving enough attention to situation specific elements, the lack of attention for soft skills, and its questionable predictive value. Nevertheless the competency-approach remained and other significant contributions were published, like the work of Boyatzis (1982) and Spencer (1983). Further, during the eighties the application of the competency approach expanded from selection procedures to the use for reward systems and HRD.

In the Netherlands the notion of competencies did not get the same attention as in the USA. At the start of the former decade however, it became popular in the Netherlands through the work on core competencies of Prahalad & Hamel (1990). At this moment competence is one of the most discussed issues in the Dutch field of HRD and also it is an emerging concept in professional and higher education.

The research discussed in this paper is part of a more comprehensive study into the usability and application of the concept of competence. At the beginning of the project a survey was held among former students of an economic faculty, analysing the use of knowledge, skills and attitudes in their jobs and the relation of these elements to the faculty's curriculum (Van der Klink, Boon & Bos, 2000). The survey raised questions concerning the possible usefulness of the concept of competencies for the translation of labour market demands into curricula. To address these questions a case study was carried out. This paper discusses the design and outcomes of this case study. It focuses on the why and what of competence. Why did it become a concept of paramount importance? And what is in fact a competence? How can we define this concept?

Theoretical Backgrounds

As mentioned in the introduction of this paper a remarkable confusion exists on the subject of the definition of what competencies are. In general the literature offers two perspectives:
- A geographic perspective
- A psychological perspective

First differences can be observed between nations, along the lines of different national educational policies and – often historically originated- different types of relations between education and the labour market. Fletcher (1992) concentrates on the difference between the American and British approach (see Table 1).

Table 1. *Definitions of competencies (Fletcher, 1992 in: Thompson & Carter, 1995)*

	British approach	American approach
purpose	Assessing and certification of employees	Development of competencies
procedure	Formulate standards of sectorial accepted performance standards of functions and professions	Description of excellent behaviour to define competencies
scope	Competencies are specific for functions and professions	Competencies are specific for organisations

In the British approach competencies are seen as standards for functions and professions, whereas in the USA the behaviour of excellent performers is the source for the development of lists with relevant competencies.

This differs slightly from what could be labelled as the German perspective, which explicitly distinguished qualification and competence. Qualification refers to the recognition in diplomas and professional degrees and this visualise a certain set of competencies. The notion of competence is restricted to a person's ability to perform certain tasks (Onstenk, 1997). The formulation of qualifications and the determination of its contents is a process wherein the government plays a major role, while the judgement of an employee's competencies are made by individual employers (Oliviera-Reis, 1994).

Another source for conceptual disagreement on the definition of competencies originates from theory on how people learn. Two different approaches can be observed (Simons, 1999); on the one hand a cognitive and on the other hand a constructivist view on learning. The main differences between the two approaches concern the description of competencies, the ideas on interaction and the measurement of competencies. In contrast with the cognitive approach the social-constructivist approach values highly subjectivity and motivational aspects and it questions the notion of transfer to other (job) contexts. The cognitive approach relies more heavily on the application of top-down approaches when the investigation and determination of competencies is at stake. There is a tendency in the cognitive approach, according to Simons, to link competencies with performance, while in the constructivist view the individual employee's perspective and preferences gains more attention in the composition of competencies.

The contemporary emerging attention for competencies in labour organisations is often attributed to Prahalad and Hamal (1990), who analysed the position of enterprises on the labour market from the idea of core competencies. These are unique clusters of factors allowing a firm to take a strong competitive position.

Various developments within and outside organisations contribute in a direct or indirect way to the attention for competencies. Examples of those developments are, among others, the shift towards more customer-oriented production, the emphasis on quality control, and the range and the speed of the upcoming of information technology in all facets of the production process. To respond to these developments organisations were forced to increase the flexibility of the workforce (in terms of time, e.g. flexible contracts, and in terms of tasks and responsibilities). Although the mobility patterns that are prompted by this flexibility strategy cannot for the Dutch context be described in terms of statistical significant developments yet (Fruytier & Klomps, 1999) it is without any doubt an important development for the generations entering the labour market recently. It is clear that the ability to cope with these levels of flexibility requires specific competencies of the workforce, for example competencies to manage your own (horizontal) career in the transitional labour market (Boon & Van der Klink, 2000).

Also new models of management emerged, as an alternative for the traditional Tayloristic models that contained detailed descriptions of required job demands and job tasks. These new models have in common their focus on output and performance. For example Galilee *et al (1998)* argued that in modern organisations a large scope of knowledge and abilities of workers could be seen. This hampers management to describe precisely the different tasks that have to be performed. This evidently leads to a focus on output and performance. Definition of the different tasks of the job is the longer the more part of the job itself. The essence of the competency approach is the fact that employees have to be assessed on performance and output. To realise this output without being controlled on the process, employers have to ensure the availability of a broad scale of productive characteristics.

The government's educational policy is trying to stay in touch with these developments by encouraging schools to give attention to developments in professions while designing curricula. The educational sector is the longer the more expected to become a partner in the creation of knowledge and in the deliverance of professionals able to work in innovative work environments (Ministry of education, arts and science1996, 1998). Notions such as 'regional knowledge centre' became fashionable to emphasise the new role of vocational education and professional education in the development and deliverance of competencies needed to perform adequately in jobs.

Methodology

As mentioned in the introduction of this paper, a former project was the main reason for conducting a study into the concept of competence. It was decided to opt for a small-scale study focussing on analysing literature and interviews with key persons.

Research Questions. The research questions that were addressed in this study were:
What is the explanation for the contemporary attention for the concept of competencies in enterprises and education?
What definitions are in use? How useful is the concept for a better translation of labour market demand into curricula.
How is this concept put into practice in enterprises and in education?
Will the current attention for this concept be of a temporary nature?
As these research questions reflect, the analysis was not limited to the domain of labour organisations, but also the usefulness of this concept in education. Education in this research was defined as vocational and higher education (which includes in the Dutch binary system academic and professional education as well). With exception of academic education, these types of education are highly related to and even - to a certain extend - determined by the labour market developments.

Research Method. Due to the kind of research questions, a qualitative research design was considered to be the most adequate. To answer the above-mentioned research questions a choice was made to hold face-to-face interviews with experts . An instrument was developed, allowing semi-structured interviews, focussing on background, definition, and application of the concept and persistence in time. Each expert was invited to express his opinions on these specific four matters. According to the respondents' specific expertise some topics where discussed more thoroughly.

Respondents. Respondents were selected on the significance and their topicality of their contribution to the Dutch debate on competencies. This selection was performed on the basis of publications in professional journals (in the domain of HRD and education) and/or prominences as invited speaker to congresses. Ten experts were selected, working in the educational sector, in the consultancy sector and in research. These experts can be regarded as the key persons in the Dutch competence debate. Table 2 provides an overview of the experts' backgrounds.

Table 2. *The Selected Respondents*

Expert	Background
Expert 1	Professor in HRD, member Dutch Educational council, HRM-manager in banking organisation
Expert 2	Professor in HRD, senior researcher in research centre for vocational education
Expert 3	Senior consultant in the field of higher and vocational education
Expert 4	Professor in HRD, senior consultant in HRD consultancy firm
Expert 5	Senior consultant in educational technology centre in the field of higher education
Expert 6	Senior consultant in HRM consultancy firm
Expert 7	Senior researcher and consultant in centre for vocational and higher education
Expert 8	Senior consultant in HRD consultancy firm
Expert 9	Professor in HRD
Expert 10	Professor in IT Education and manager in Telecom firm

Data Collection. Duration of the face-to-face interviews varied between 60 to 90 minutes. From every interview a detailed transcription was made and this was mailed to the respondent with the request to react when the respondent's opinions were not reflected adequately in the interview report.

Results

In this section the data are presented at an integrated and aggregated level. The following topics are discussed successively: definitions in use, the backgrounds of competencies as an emerging concept, the application of the concept in education and labour organisations respectively, the persistence of the concept of competencies.

Definitions. The respondents agreed upon the idea that a prominent feature of the concept is the focus on clustering skills, knowledge and attitudes. But respondents' amplifications revealed substantially different meanings:
* Competence is a conceptual tool to describe the interdependency between professional skills and meta-cognitive skills. This facilitates the transfer to other contexts;

BEST COPY AVAILABLE

- Competence refers to innate abilities, emotions, attitudes, skills and knowledge, and the motivation and ability to apply these in certain contexts. Only to a certain extend competencies are trainable trough formal and informal learning experiences;
- Competence as an individual, personal ability to apply the right clusters of skills, knowledge and attitudes to perform adequately in various settings.
- Competence as conceptual framework, facilitating communication and interactions between education and labour market by providing a tool to discuss and negotiate the content of professions and the curricula o f educational providers in an integrated way.
- Competence as an organisational tool for competency-based management to enhance the communication between various stakeholders within an enterprise about what is regarded as valuable and measurable behaviour from an organisational perspective

In addition, some respondents pleaded for an enlargement of the definition by stressing the importance of 'civilian competencies', allowing participation as citizen in society.

Obviously respondents expressed contrasting opinions regarding the trainability of competencies. Opinions varied from completely trainable to trainable to a certain extend.

Explanations for the Ppopularity of Cconcept at This Specific Moment. Several respondents expressed a general sense of uncertainty as the main reason for the popularity of competence. Employers and HRM staff feel uncertain about how to select new employees, given the need for flexibility of the workforce. The certitude of changing job requirements makes it hard to define clearly the required attributes in terms of knowledge, skills, attitudes and motivation. Measurement of very different characteristics of employees is often seen as a solution, allowing to keep record of a large amount of characteristics that are registered, need to be trained, etc.. On the side of educational institutions a same sense of uncertainty can be seen. Institutions feel the need to train for good professional performance, but feel unsure about the authentic descriptions of this performance.

The main bases for this sense of uncertainty are he fast developments in (the sector of) information technology. Not surprisingly the issue of competencies is high on the HRM -agenda of organisations in this specific sector.

The various arguments respondents gave to substantiate their opinion can be presented in two clusters:

1) The attention for competencies in enterprises

Focus on output: Competence as a concept is in line with the contemporary focus on individual performance, the attention for the measurement of observable output, and the emphasis on skills.

Multidimensional concept allowing to integrate different aspects of functioning +: The competence concept has the advantage, compared to other popular concepts such as the Learning Organisation, that it is more tangible and it is easier to operationalise, both on the organisational level and on the individual level. Therefore it better fits into the (re)design of various processes within organisations, and will be thus not exclusively restricted to HRD in organisations. It is a concept that connects various groups in organisations, like HRD, HRM and the management that already was used to think in terms of core competencies.

2) The attention for competencies in vocational and professional education

Competency-based education holds the promises to improve the performance-based nature of curricula, which might be a valuable asset to attract students, new groups of students, and will reduce the gap distance between education and labour market.

The popularity is further increased by offering new perspectives on a better design for the alignment between education and labour market. The current procedures for determination of curricula content, through the composition of job and profession profiles, lack the flexibility to cope adequately with the fast changing labour market demands. Moreover, the concept of profession itself is eroding and does not function as a settled framework in the discussion on the content of curricula. There is an urgent need to develop a new framework that responds better to the contemporary situation allowing stepping away from the idea that professional performance can be described in separate skills and abilities.

Applications in Enterprises. Respondents agreed on the fact that although competency management is a relevant topic in HRM divisions of many organisations, the implementation on the other hand is rather limited in quantitative and in qualitative terms. Respondents opinions can be summarised as follows:

The high costs of the development of an enterprise policy based on competencies are seen as the most important obstacle. At the same time choosing the right moment to implement a competency approach is a major impediment. When the enterprise is in good shape, there is no obvious need for the development of a competency approach. At the moment problems arise in an organisation, the investment is often too expensive in terms of resources. Some respondents suggested that the concept of competence would be most often applied in sectors that are facing turbulent developments, like ICT companies. It is least applied in organisations that are not depending on market developments, such as non -profit sectors.

Respondents referred to the special position taken by consultancy firms in the implementation of competency-based management in enterprises. Although different kinds of competency management can be

distinguished, mostly the same methodology is adapted for its development: interviews, panel discussion and the organisation of feedback are the core instruments. Very often consultants confront companies with fixed and rather global lists of competencies, not allowing a firm-specific description of the competency-structure. At the same time only incidentally an (summative) evaluation of the predictive quality of the competence approaches takes place, which makes it difficult to assess its actual contribution to the improvement of HRM-policies.

Applications in Education. There are two arguments respondents mentioned for the application of the concept of competence in higher and vocational education:

The concept allows the use of the same language. It is clear that the concept of competencies originates from the need of labour organisations to define their demand for human capital. The adoption of the concept by edicational institutions points to their need to optimise the preparation for professional performance in such a way that it allows preparation of students for dealing with changing demand. Several respondents emphasised the point that the concept functions as a communication tool between education and labour market. Traditional tools, such as professional profiles have lost their function because they are static, fragmented and outdated Employers complain that newcomers on the labour market lack skills for today's demands, such as communication skills, and the capacity to solve problems.

A second motive for the adoption of the concept of competence stems from the observation that traditional curricula put to much emphasis on theoretical knowledge . The attempts to integrate the workplace into the curriculum lead to a greater focus on core professional problems as the cornerstone of the curriculum. This most often implies the use of problem-based or project-based types of learning, or even the design of dual training schemes where the training is partly located in the workplace itself.

So far, however, actual applications of competency based education in vocational and higher educational are scarce. Respondents mentioned some examples underlining the limited application in educational practices. Interviewees point at various problems that might explain the limited attention in education. A first problem respondents mentioned concerned the risk of giving too much attention to competencies in curricula might lead to an underestimation of reflective and/or academic competencies in the curricula. A second problem is certainly the role of assessment. The shift toward another pedagogical concept will only be successful if the assessment of students will alter too. If students in those reformed curricula would still be assessed on their knowledge only instead of their competences, then this would mean the fiasco of the educational reform . It is clear that assessment is a major problem in this respect, demanding the design of valid types of assessment that covers all aspects of competences in an integrated manner.

Competencies as Hype. The actual attention for the concept is yet very new. Most respondents perceived a remaining focus on output and performance in the future. The developments that can be described as the background of the popularity of the concept of competencies – the increasing flexibility and uncertainty - will become even more manifest in the near future. Given these developments it is very unlikely that the competency-concept will prove to be a passing hype.

In addition, respondents viewed new trends. They mentioned for example the shift from the focus on individuals to a focus on groups or larger entities, in organisations as well as in education (e.g. the current focus on collaborative and cooperative forms of working and learning). Also they viewed that work and learning will be integrated more closely. Examples of this integration are the emergence of (virtual) communities of practice. These are multidisciplinary or multiprofessional teams working and learning together. Another trend that is expected to become influential is knowledge management. This would mean a stronger accent on process and product related knowledge, away from traditional disciplinary knowledge. The focus here is more on the organisational level than on the individual level. As far as respondents mentioned new trends, these trends will not reduce the attention for competencies in organisations and education.

Conclusions and Discussion

The exploration of the concept of competence in this paper shows that the concept in fact serves as a container, with a very flexible content. This major vagueness proves to be rather attractive but at the same time it makes it difficult to use the concept as a cornerstone for designing HRD and educational practices. The confusion is partly the consequence of the application in different countries, in different settings (education and organisations) and for different purposes. The results underpin that it is necessary to define carefully the concept of competence.

In our research we encounter different opinions regarding the definition of competencies, such as:
- Competence as individual characteristic;
- Competence as characteristic of organisations;
- Competence as a tool to structure communication between stakeholders (within organisations and between education and labour market).

These different definitions indicate that competence is an ill-defined term. However, the strength of the competency concept seems to be that it is such an ill-defined term, serving as a link between education and labour organisations, between internal and external organisational experts, between HRM-divisions and management.

The attractiveness of the concept is that it offers the right balance between the certainties that knowledge, skills, motivation and attitudes matter, and the uncertainty about the mixture of these elements, about the flexibility etc. The concept recognises the importance of the ' ecological validity' of individual characteristics, in the sense that they only become significant when they are used in the concrete professional context. Another element of the attractiveness of the concept is that it focuses on output and at the same time offers hints on the way to organise the learning process to reach this output.

Most often respondents explained the growing importance of competencies from uncertainty: the fact that contents and positioning of tasks in labour organisations change fast and consecutively problems arise in defining clearly the attributes in terms of knowledge, attitudes and motivation needed to fulfil these tasks.

The actual importance of the competence concept is due to developments on the labour market bringing along a certain degree of uncertainty concerning the precise definition of professional requirements. At the same time the success of the concept is due to that fact that in the educational sector there is much attention for didactical models ensuring a good preparation of students for the requirements needed on the labour market. The concept of competence is functioning as a vague but useful term, bridging the gap between education and professional requirements.

Paradoxically from the interviews we can conclude that in practice enterprises meet large problems implementing competency-based management. Qualitatively and qualitatively poor dissemination of competency-based policies is mentioned. Partly this is due to the lack of good shaped and good focussed instruments, partly costs are responsible for this situation. In educational settings the same problems can be mentioned. In fact a paradoxical situation can be seen here. Although competency management is used to enhance the optimal functioning of employees, in practice it seems to be very hard to find the right level of accurateness in the description of competencies; either lists with very broadly defined competencies or very detailed descriptions are used.

The research presented here contributes to the understanding of the richness of the concept of competence. At the same time however, this study shows the need for clear definition. A comprehensive definition may be one step too far, and therefore it may be necessary to pay attention to the exact definition of competence, that fits with the specific purpose for the use of this concept in a particular setting. As this study showed, the application of the concept of competence on a large scale cannot be seen in practice. For the following years it is therefore recommended to study carefully the advantages and disadvantages of the concept of competence in various contexts. Especially the contribution of this concept to dealing with uncertainties should be a topic in research.

References

Boon, J., & Klink, M.R. van der (2000). *Risicomanagement in de risicomaatschappij. Over nut en noodzaak van* loopbaancompetenties. [Risk management in the Risky Society. About the usefulness and necessity of career competencies. Paper gepresenteerd op de 2de arbeidsmarktconferentie van het SISWO te Brussel, 2 maart 2000.

Boon, J., Klink, M.R. van der.,& Bos, E. (2000). *De waarde van beroepsprofielen in het hoger onderwijs* [The value of professional profiles in higher education] Tijdschrift voor Hoger Onderwijs, 18(1), 25-36.

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

Brown, J.S. Collins, A. & Duguid, P. (1989). *Situated cognition and the culture of learning. Educational Researcher, 18*(1), 32-42.

Bruel, M. & Colson, C. (1998). *De geluksfabriek. Over het binden en boeien van mensen in organisaties* [The happy factory. About bonding and motivating employees in organisations]. Schiedam: Scriptum Books.

McCleland, D.C. (1973). Testing for competence, rather than for intelligence. *American Psychologist,* 28, 1-14.

Eraut, M. (1994). *Developing professional knowledge and competence.* London: The Falmer Press.

Everwijn, S.E.M. (1999). Het hoe, wat en waarom van competentiegericht onderwijs [How, what and why competency-based education]. Schlusmans (ed.). *Competentiegerichte leeromgevingen,* 63-78. Utrecht: Lemma.

Fletcher, S. (1992). *Competence based assessment techniques* . London: Kogan page.

Fruytier, B. & Klomps, A.(1999). Employability: de zoveelste management-mode of structurele verandering? [Employability: the next management hype or a permanent change?].*Comenius,* 19(2), 133-153.

Gallie, D., M.White, Y.Cheng & M.Tomlinson 1998). Restructuring the employment relationship. Oxford: Clarendon Press Oxford.

Goudoever,B & J.A.C. van Overveld (1997) Competentiemanagement [Management of competencies]. In:

jaarboek personeelsmanagement 1998, Kluwer Bedrijfsinformatie, Deventer.

Grant, G. (1979). *On competence: A critical analysis of competence-based reforms in higher education.* San Francisco: Jossey-Bass.

Hamel G. & C.K.Prahalad (1990). The core competence of the corporation. Harvard Business review, May/June, 79-91.

Keursten, P. (1999). Het einde van strategisch opleiden? [The end of strategic training and education?] *Opleiding en Ontwikkeling, 12(10), 27-33*

Kern,H. & Schumann, M. (1987). Limits of the division of labour. New production and Employment concepts in West German Industry. *Economic and Industrial Democracy,* 8, 151-170.

Kessels, J. (1999). Het verweven van competenties: kennis als bekwaamheid [The acquisition of competencies: knowledge as an individual competence]. *Opleiding en Ontwikkeling,* 12(1/2) 7-11.

Klink, M.R. van der (1997). Opleiden en leren op de werkplek [Training and learning in the workplace]. Nijhof, W.J. (ed.) *Ontwikkelingen in het beroepsonderwijs en de volwasseneneducatie.* Onderwijskundig Lexicon, Deel Centrale Onderwijsthema's, 81 -102. Alphen aan den Rijn: Samsom.

Klink, M.R. van der & Bastiaens, Th. (2000). De kwaliteit van duaal hoger onderwijs [The quality of higher dual education]. *Opleiding & Ontwikkeling, 13*(3), 19-22.

Klink, M.R. van der, Boon, J. & E. Bos (2000). The investigation of distinctive competencies within Professional domains. *Proceedings of the First Conference on HRD Research and Practice Across Europe,* 105-114. Kingston upon thames: Kingston University.

Lave, J. & Wenger, E. (1991). *Situated learning. Legitimate peripheral participation.* Cambridge: Cambridge University Press.

Lodewijks, J.G.L.C. (1995). Leren in en buiten de school. Op weg naar krachtige leeromgevingen [Learning inside and outside schools: heading for powerful learning environments]. In Verwayen-Leijh, R.M. & Studulski, F. (eds.). *De leerling en zijn zaak.* ARO-werkdocument, nr.28, 21-57. Leiden: SDU-DOP.

Ministerie van OC&W (1998). *HOOP.* Den Haag: Ministerie van OC&W.

Oliviera-Reis, F. (1994). Kwalificatie versus competentie: een discussie over de betekenis van woorden, een nieuwe ontwikkeling in het begrippenapparaat of een politiek vraagstuk? [Kwalification versus competence: a discusion on the meaning of words:, a change in concepts or a political issue?] *Beroepsopleiding,* (1), 74-79.

Onstenk, J.H.A.M. (1997). *Lerend leren werken* [Learning to learn to work] (proefschrift). Delft: Eburon.

Onstenk, J. (1999). Het duale leertraject als krachtige leeromgeving [The dual training scheme as a powerful learning environment]. In Schlusmans e.a. (red.) *Competentiegerichte leeromgevingen,* 225-237. Utrecht: Lemma.

Onstenk, J. & Kessels, J. (1999). Employability: arbeidsmarkt, brede vakbekwaamheid en burgerschap [Employability: labour market, broad defined competencies and civilianship. *Comenius, 19*(2), 113-132.

Peiperl, M. & Y.Baruch (1997). Back to square zero: The post-Corporate Career. *Organizational Dynamics.*

Ravens, J. van (2000). Dualisering in de kenniseconomie [the dual knowledge economy]. *Opleiding & Ontwikkeling, 13*(3), 29-32.

Resnick, L.B. (1987). Learning in schools and out. *Educational Researcher,* 16(9), 13-20.

Schlusmans, K., Slotman, R., Nagtegaal, C. & Kinkhorst, G. (1999). Competentiegerichte leeromgevingen, Voorwoord [Competency-based learning environments, Introduction]. In Schlusmans (ed.). *Competentiegerichte leeromgevingen.* Utrecht: Lemma.

Simons (1999). Competentieontwikkeling: van behaviorisme en cognitivisme naar sociaal-constructivisme [Development of competencies: from behaviorism and cognitivism towards social constructivism]. *Opleiding & Ontwikkeling,* 12(1/2), 41-45.

Stoof, A., Martens, R. & Van Merriënboer, J. (2000). *Paper over constructivistische benadering van het competentiebegrip* [Paper on the constructivistic approach on the concept of competence]. ORD te Leiden, The Netherlands.

Simons, P.R.J. (1990). *Transfervermogen (oratie)* [Transferability]. Nijmegen: Katholieke Universiteit Nijmegen.

Sociaal en Cultureel rapport (1998).25 jaar sociale verandering [25 years of social change]. Sociaal en cultureel Planbureau., Rijswijk, September

Spencer, L.M. (1983). *Soft skills competencies.* Edinburgh: Scottish Council for Research in Education.

Thijssen, J.G.L. (1998). Hindernissen voor competentiemanagement [Barriers for the management of competencies]. *Opleiding & Ontwikkeling (11)*7, 17-23.

Thomson, J.E. & Carter, S. (1995). The development of competence: National standards for managers. Mulder, M., Nijhof, W.J. & Brinkerhoff, R.O. (eds.) *Corporate training for effective performance,* 13-31. Boston: Kluwer Academic Publishers.

Vandenbrande, T. (2000). *De mobiele arbeidsmarkt. Kwantitatieve analyse van transities op de arbeidsmarkt in Europese landen* [The mobile labour market. Quantitative analysis of transitions on the labour markets of

17

European countries]. Paper gepresenteerd op de 2de arbeidsmarktconferentie van het SISWO te Brussel, 2 maart 2000.

Verreck, W. & Schlusmans, K. (1999). *Over competenties en het beroeps- en opleidinsgprofiel van een opleiding* [About competenciess and the professional profile and the educational profile of educational programs] (interne notitie). Heerlen: OTEC, Open Universiteit Nederland.

Webbink, D. & Paape, A. (1997). *De dynamische relatie tussen hoger onderwijs en arbeidsmarkt* [The dynamic relationship between higher education and labour market]. Amsterdam: SEO.

Savings-and Credit Interventions: Are They Empowering the Poor?

Ranjini Swamy
Ramesh C. M.
Goa Institute of Management

Savings-and-credit interventions are aimed at providing poor people (especially women) with access to credit. Poor women form groups to save money and avail credit; some participate in the administration of these groups. Could participation in such interventions empower the women? Could empowerment differ for women with and without administrative responsibility? Women members of a savings-and-credit intervention were interviewed. Findings indicate differences in the level of empowerment among respondents with and without administrative responsibility.

Keywords: Empowerment, Women, Developing Countries

Savings and credit interventions are aimed at providing poor people with access to credit. The poor in many countries are not considered creditworthy. Traditional banks do not give them loans. Therefore, many non-governmental organizations (NGOs) are helping them obtain credit for themselves. These NGOs act as intermediaries between funding agencies and the poor. They help the poor (in many cases, poor women) to organize themselves into small groups, pool their savings, access commercial finance and lend these funds to members at interest rates that are lower than those prevailing elsewhere (Robinson, 2001). These loans are used to start tiny businesses, to fund working capital for these businesses, and for personal consumption (esp. during times of crises or for special events such as weddings).

In these interventions, the poor are encouraged to participate in managing the activities of these savings-and-credit groups. In the process, they get an opportunity to do things they have never done before. This is especially true for women. Historically, many poor women in Asia, for instance, have little freedom to talk to strangers and to move out of their village alone. In Bangladesh, the *purdah* and other cultural constraints hamper women's mobility (Zaman, 1997). Women have limited access to resources and outlets outside their homes (Vijayan & Sandhya, 2001). They have less control in determining whether to work or not, and in choosing their work environment. They have little discretion in family decisions such as what to spend on, how much to spend and so on (Viswanathan, 2001). In other words, they are not empowered.

Participating in the groups' activities has the potential to empower women (MacIsaac, 1997). First, this enables them to become an important source of income to the family. Second, the experience of administering the groups - of persuading members to pay their installments regularly, ensuring that all members have access to credit, of recovering loans - can provide them with opportunities to develop knowledge and skills needed to deal with the external world. Together, these can create a new confidence in women, which can in turn help them acquire the freedom to choose how to live and exercise reasonable control over the decisions that directly or indirectly influence their lives.

This could help society in many ways. Women could learn to address many social evils such as dowry and exploitative labor practices; they could demand accountability of institutions set up to serve the poor. In addition, the empowered women could provide new role models for the girl child and open up avenues for them that did not exist in their minds before. Newer and more secure occupations may be explored in the future, thereby creating a more stable source of income for women. This in turn could ensure the sustainability of the credit institutions in the long term.

The Problem

Some of the NGOs who help the poor access credit, obtain their funds from international organizations such as the UN. These funding agencies have tended to evaluate the effectiveness of the NGO's interventions using financial measures such the quantum of the savings; the earnings from these savings; the extent to which loans given are repaid; whether the beneficiaries have paid the costs involved in administering the activities of the group and so on (Report of the Secretary General, n.d./2002). Besides this, some surveys explored the dynamics within the savings-

and-credit groups: whether they met regularly, the attendance at these meetings, whether their accounts were regularly audited, and so on (Guidelines for the evaluation of self-help groups, n.d./2002).

However, effectiveness needs also to be examined in terms of the outcomes for the beneficiaries. Some studies (Fernandez, 1995) explored whether members of these groups had begun to voice gender concerns. Greater voice within and outside their families could be seen as an indicator of increased empowerment. Given the condition of women, especially in rural households, the empowerment of women could be considered a desirable outcome. Of the 1.3 billion poor, women constitute 70 % and their representation is only increasing. Women perform a great proportion of the world's work; yet, they do not receive proportionate benefits (Supporting women's livelihoods, n.d./2002).

Women's Empowerment Through Savings-and-Credit Interventions

Schuler and Hashemi (1996) define women's empowerment in terms of their sense of self, mobility, economic security, status and decision-making power in the households, the ability to interact effectively in the public sphere and participate in non-family groups.

Research suggests that the impact of participation on empowerment is not uniform. Amin et al (1994) showed that membership in a credit institution positively affected women's role in decision-making and their control over resources. Respondents also said they felt more secure in their marriages because their husbands were less likely to desert them now. Naved (1994) found that women who participated in credit interventions reported improved status within their households. They were more active in making household decisions and exercised more control over household income derived from their earnings. They also expressed confidence in dealing with social problems jointly.

However, others did not find such an impact on women's empowerment. For example, Goetz et al (1996) studied 253 female borrowers who were members of one of four rural credit institutions in Bangladesh. Borrowers were classified into five categories, depending on the extent of control they had over loan utilization. They found that about 63% of the respondents had partial, very limited or no involvement in these matters.

The differences could at least partially be explained by the nature of the sample observed. It is possible that empowerment is more among women beneficiaries who have taken up administrative responsibility in their groups. Those who do not take up this responsibility may not feel empowered. This is what we sought to explore in our study.

This study relies on in-depth interviews of seven women who have participated in the savings-and-credit groups initiated by an NGO called PRADAN in the Madurai district of Tamil Nadu, India.

Background of PRADAN's Savings-and-Credit Intervention

PRADAN aims at helping the poor obtain sustainable livelihoods through income generating projects. The experience of initiating these projects brought home to them the importance of credit for the poor. Since banks were unwilling to extend credit to the poor, PRADAN decided to do it themselves in the year 1990.

The larger purpose was to demonstrate that the poor were creditworthy. They identified poor families in a village. Then they convinced the women of these families to form groups and save money regularly. They explained how this money could be circulated as loans to meet contingent expenses. Gradually, women across several villages agreed to form such groups. Each group was to decide how much to save every month and ensure that the savings are made regularly. The money so saved was then loaned to one or a few members depending upon the need.

The women struggled to enforce discipline among members in saving and paying the monthly interest due on loans regularly. They sought ideas from groups in other villages to grapple with the management of the group and its resources. Meanwhile, the demand for credit increased. The money generated from savings of one group was often inadequate to meet the requirements of all its members. So groups from 7-8 neighboring villages came together to form a *Cluster*. The cluster members created a cluster-committee, comprising representatives of all the groups in those villages. The committee had a president, a secretary and a treasurer, who were all elected from among the groups.

The committee obtained loans from the bank against the cumulative savings of the members of the cluster. They opened accounts in the bank and learned how to audit their accounts. The loans were disbursed to the savings-and-

credit groups depending on their needs. When groups found it difficult to recover a loan, they referred the matter to the cluster committee. New savings schemes were communicated to the groups and administered by the committee. Also, new groups were formed in the villages and were given advice about how to sustain themselves.

Later, the clusters were in turn grouped under a *Federation*. The federation comprised of women who represented the various clusters. It helped develop new savings and credit schemes, in consultation with PRADAN staff. It helped clusters access larger loans from banks as well as other sources and helped coordinate among the clusters.

It's been a decade since the groups have been initiated. PRADAN reports suggest that the groups have been able to mobilize a considerable savings. The groups have been able to raise money from banks and have been successful in recovering more than 90% of the loans and interest due to them. Financially, therefore, the intervention has been a success. It has demonstrated the creditworthiness of the poor.

Research Questions

However, these results do not capture the nature and extent of transformations occurring in the lives of the women, following this intervention. Would they be more empowered? For instance, would there be changes in the roles they play at home? Would their husbands' role change? Would they be more independent in their decision-making? Do they have an independent identity now? Do women take on a more proactive role in community affairs after the intervention? Are they for example, collectively or individually addressing social traditions like the caste system, 'untouchability' and poor status of the girl child? Would there be differences in the experiences of women who actively took part in administering the groups and those who did not? These were the research questions I went with.

Method

Given the nature of our interest, we decided to interview women who are members of the savings-and-credit groups, to understand how they lived before the intervention, why they joined the savings-and-credit groups, whether the intervention has changed their lives and in what way. We felt semi-structured interviews would give us an understanding of the changes in their lives and what the unforeseen cost and benefits have been since the intervention. We were not even sure that changes had occurred. So we decided to do an exploratory study.

One of us conducted the interviews over three trips between 1995 and 1997. On the first trip, it was difficult for the women to find time for interviews. Most of them worked on the fields as agricultural labor during the agricultural season. When there was no work on the field, they went to the forests and picked up fuel that was later sold. If at all they had time, it was in the late afternoon.

Accordingly, some women were interviewed in the afternoons, either at their homes or in the fields or in the PRADAN office. During a visit to the village, a group of women would discuss general issues about their lives. Some among them who seemed interested in sharing their experiences were interviewed at length. PRADAN had provided us with a list of people who could be interviewed. They largely included women with administrative positions in the groups. The final sample, however, included women who were not on the list and who did not have any administrative responsibility.

Interviews were conducted in the local language through an interpreter. The interviews were recorded on audiotapes and later translated and transcribed. Many women had not talked about their life to anyone and consequently there was a lot of to-ing and fro-ing between the present and past, which was confusing. Therefore, every interview was conducted over a few days. Clarifications were sought over the period.

Many repetitions occurred. This was taken as an indicator of the reliability of the data. Some incidents were common to two members who belonged to the same cluster. These became opportunities to validate the facts pertaining to the incident. Some clarifications were sought and obtained from some project officers of PRADAN who had worked with the women I was interviewing. In this way, I tried to establish the authenticity of data.

The weakness of this method is the reliance placed on the memory of the respondents. Second, the sample is small and hence poses constraints in generalizing the findings to the population. Third, there could be transmission losses in the data since we did not understand the language and had to rely on an interpreter.

Sample Profile

The women interviewed had been members of the savings-and-credit groups for at least three years. Six of the seven respondents belonged to the lower castes. One belonged to the higher caste and was a member of the local governing body of her village, called the *panchayat*. Three were illiterate, while two had studied upto middle school. One had completed a diploma in pharmacy.

Four of the respondents held administrative positions at varying levels of responsibility at the time of interview. Three of these four respondents were illiterate while one had studied until senior school. They were older and had grown up children, either married or of marriageable age.

Findings of the Study

1. Dependence on the husband. Do women have a say in decision-making within their families or do they depend on their husbands to make decisions for them? The dependence of respondents varied depending on the nature of decisions.

Five women described the process of making the decision to join the savings-and-credit groups. Four of them required the permission of their husbands to join the savings-and-credit groups. One of them, who happened to be the leader of the Federation, said she had made this decision independently.

The decision to stay on in administrative positions was made after joining the groups. The four respondents made the decision to continue in these positions, despite opposition from their husbands. When one respondent's husband objected, she reminded him of the timely loans they had received from the group. She convinced him that her involvement in the administration was necessary for the group's survival. She even got the staff of the NGO to persuade him to let her continue. Two respondents dealt with the objections by quietly taking on additional work at home and not reacting to the abuses of their husbands. The fourth respondent however, when faced with opposition from her husband, requested other members to take over her responsibilities. When none came forward, she compromised by sharing certain responsibilities with other members of her group. For instance, other members of her savings-and-credit group attended meetings held outside her village.

Among other personal decisions, three respondents discussed the decision on family size and sterilization. One respondent, who had administrative responsibility in the group, said she made the decision to undergo sterilization and informed other members of her family before implementing it.

The other two respondents, who did not have administrative responsibility in their groups, made this decision differently. One said she was forced to undergo sterilization. She had desired a fourth child - a girl - but given her poverty and poor health, her brother was against this. So, after obtaining the consent of her husband, he forced her to undergo sterilization. The other said the decision to undergo sterilization was made jointly with her parents, her husband and her in-laws.

On decisions about what to purchase for the family, the respondents with administrative responsibility claimed greater freedom. They said that their husbands did not interfere with their decisions. Two of them claimed that they even advised their brothers and sisters about what to purchase.

Two of the three members without administrative responsibility said their husbands played an important role in purchases. One said that was because she was a spendthrift while her husband was careful with money. The other said she had no exposure to going outside home and shopping. Her husband did all the purchases.

Economic dependence on the husband, however, continued, in view of the size of repayments to the savings-and-credit group and the requirement of saving a fixed amount every month. In case of respondents with administrative responsibility, the dependence was mutual. One of them even claimed that she now gave money to her husband for his daily requirements. This was because he was sick and could not work as before.

Two out of the three respondents without administrative responsibility seemed to be very dependent on their husbands for economic support. This may be because the two were in poor health and could not earn wages. The third respondent, who was educated, had her own sources of income. In her case, the dependence was mutual.

There were other reasons for economic dependence. One respondent explained that though she also worked on the fields, her earnings were not sufficient to meet obligations. First, she worked in larger groups so that she could finish work fast and then attend to household chores. The wages earned by her group had to be shared among more members. So each earned less. Second, as a woman, she could do only certain jobs on the field, for which the payment was less.

2. New Identities, a New Sense of Self: All four respondents with administrative responsibility reported identifying with the interests of the groups and were willing to set aside personal matters to address the problems of

group members. They said that helping the poor women of the villages gave them satisfaction. They expressed happiness that other women in the groups trusted them and felt obliged to live up to the trust reposed in them. One of them said she put the group's interest before that of her family because the women had faith in her. She said she saw herself now as a social worker.

At least three of the four respondents with administrative responsibility reported increased confidence in talking to strangers, going to new venues and presenting their opinions to people from banks and other institutions/government agencies. They learnt to visit far-away villages, sell the idea of forming savings-and-credit groups to women from those villages. They learnt to speak in public. Two of them said they had learned to confront people employed by the savings-and-credit groups, who were embezzling funds.

Two respondents who did not have administrative responsibility also learnt to visit other places and mingle with others. Both of them said they learnt these when they had briefly held administrative positions in their groups.

What Was The Consequence for Traditional Roles Performed by Men and Women? Did this change, following the emergence of new identities? The women who had administrative responsibilities said they had to make time for visiting other groups, attending meetings, following up on loans and savings and so on, *in addition to performing household tasks.* Often meetings took them out of their village and they returned late. In such situations, the men did not make alternate arrangements. They just waited for the women to return and then cook food. Often food was served late on such occasions. One respondent said she was beaten for reaching home late and keeping her husband waiting. Two others said they were often abused for coming late.

Respondents without administrative responsibility said that responsibilities in the family prevented them from taking up responsibilities outside. Looking after the young children, cooking for the family, looking after the in-laws, fetching water and so on were still the women's primary responsibility. Any activity that took them away from these was therefore avoided. One respondent said she often did not attend meetings because the children needed looking after. Since her children were young, group members did not insist on her attendance. Even if she does take up administrative responsibilities in the future, she would not be able to visit distant villages because of household responsibilities. Another said that she would never spend the night at any place outside her home or her mother's home. She has avoided administrative responsibility for this reason. The third respondent said that her children's health and education were more important than participation in the group's activities and her self-development. She wanted to learn tailoring but family took precedence over this.

One respondent described in considerable detail, the expectations from a girl or woman in her society. "Even if a girl is from a royal family, on entering her in-law's house, she has to adapt to their situation". Once she entered her in-law's house, she had to do the household work. "If I do not do these things (*household work in the in-law's family*) I felt others would curse me, say I am arrogant," she said. Her decision to start working immediately after marriage was to ensure that the family did not have to borrow money from others. Her views about her daughters' future remain traditional. "They will become part of another family. So they have to learn to involve themselves in household work." Therefore, even when they were 7 years old, she got them to light the fire for cooking, sweep the house and so on.

3. Addressing Societal Problems: Did participation in the savings-and-credit groups encourage women to address other social problems - like inter-caste relations, dowry, discrimination against the girl child, and so on - in their villages? In the villages of India, people are divided into several castes, some of whom are considered high castes and others as low castes or untouchables. Relations between castes are often sensitive, particularly between the "untouchable" people and the higher castes. How did participation in the savings-and-credit groups influence the relations between castes?

A respondent, who heads the Federation, gave us one example of how activities initiated by the savings-and-credit groups could affect inter-caste relations. For the first time, members of these groups took up the cultivation of fish in the village fish-tank. Traditionally, the village body contracted out this tank to a party - usually higher caste landlords- for a specified period. In return for a commission to the village body, the contractor could cultivate fish and later sell them for a profit.

However, the fish-tank was later taken over by the government. At the instance of Pradan functionaries, the members of three savings-and-credit groups (many of them were lower-caste women) collectively bid for the fish tank. The government officer in charge of contracting out the tank, decided to give the contract to the women. The upper caste men reacted adversely to the decision, and applied pressure on the local bodies to undo the decision. However, the women succeeded in retaining the contract. Despite ridicule and skepticism from the local populace and

threats from the higher castes, they succeeded in running it profitably. They even bid for and obtained fish-tanks in other villages after this experience.

But this was not without its costs. The respondent, who was leading the women in the bid for the fish-tank, lost her daughter. The upper castes accused her of having murdered her child and reported the same to the police. She felt this was done to avenge the loss of the contract and for daring to defy the social hierarchy. She was able to get the case dismissed. However, getting work on the fields of the upper-caste landlords was not easy for a long time. She had to seek work outside her village.

Another respondent cited an instance where women are beginning to cooperate across caste lines in the groups. In a cluster committee meeting, the women of a savings-and-credit group approached the cluster for help in redeeming a loan. It was suggested that members of another group (of lower caste women) should help them. Some members raised objections to lower-caste members helping higher caste members in redeeming loans. The respondent then gave them an instance where this had happened and the loan had been redeemed.

What Has Been the Outcome for Inter-caste Relations Outside These Groups? One respondent observed that members of higher castes now traveled together with the "untouchable" castes, even paid for each others' tickets; they invited each other to their houses on festive occasions, exchanged paddy / rice with them. However, there was no attempt to marry into each other's caste or eat in each other's houses. Another respondent, said that the lower castes still had no say in the village-level decision-making body. They were not allowed to stand for elections except in reserved constituencies. There was still fear of the higher castes. She had wanted to construct a road through the village but the elders dissuaded her from doing so, fearing a backlash from the higher castes.

There are other social problems like excessive drinking, gambling, dowry, child marriage and discriminatory treatment towards the girl child. Five of the seven respondents expressed a strong desire to educate their children, even the girl children. It was only when the children themselves showed a disinclination towards studies that their studies were discontinued. There is no data on their views about the other problems.

4. *Participation in community affairs:* Three respondents, who handled administrative responsibilities in the group, said that they had been able to get a hand-pumps for water and streetlights for their village. Two of them also initiated smaller groups (locally called "chit funds") where money or grain was saved and loaned to members.

Among respondents with no administrative responsibility, one of them had initiated a chit fund and was still running it. Confidence in initiating and running it came because of participating in the savings-and-credit groups. She adopted many of the rules of the savings-and-credit groups in the chit-fund she initiated. Another was heading the local government institution called *panchayat*. She said she had made it possible for a TV room to be constructed in her village. She had also helped bring in a new water pipeline to the village. Her parents and in-laws were politically active people. Her entry into politics and subsequent work for the benefit of the community did not seem to have been the result of joining the savings-and credit groups.

Conclusions

These findings are based on a small sample of respondents from one district in a state. The conclusions we draw will therefore have to be tentative.

Women with administrative experience display more independence in making the decision to continue in administrative positions in their groups. They also report greater freedom in purchasing for the family. (It is difficult to say that this was a result of participation in the groups.) They still depend on their husbands economically, though this dependence is mutual rather than one-sided. They are developing confidence and forming new identities. This is evident in greater articulation in public forums, greater ease in interacting with people of other institutions and following up with them for facilities like hand-pumps and streetlights, greater mobility outside their villages. They express strong identification with the group and derive satisfaction from being looked up to for advice. They enjoy being trusted by other women. They want to help other women increase their wealth and purchase new things. However, traditional identities of being primarily responsible for looking after the family continue to coexist with the new identities.

Respondents without administrative responsibilities (and who were financially dependent on their husbands) participate in some family decisions. However, they do not make any decision independently. They are not exploring new identities as actively. They are not initiating activities that question societal norms or address societal problems.

They are not involved in obtaining facilities like roads and streetlights to their community. They have not acquired many of the skills that respondents with administrative responsibility have.

It is difficult to say whether participation in the administration of groups *caused* more empowerment. Some of these respondents were selected to be leaders of their groups because they were seen (by other members) as more talkative and assertive. But, respondents with administrative responsibility attribute much of their confidence and abilities to their experience in the savings-and-credit groups.

Implications for HRD

For Research: Accounting for differences among the women.
Since the sample is so small, it is difficult to generalize the findings and conclusions. However, the study throws up some new questions that need systematic study.

1. Are there significant differences in the empowerment across beneficiaries of savings-and-credit groups? Are women with administrative responsibility in these groups more empowered than those without such responsibility? Our study suggests that differences in empowerment between those with and without administrative responsibility could exist. Larger samples are needed to establish the significance of these differences.

If there are differences in empowerment, what causes them? Do women who take up administrative responsibility have different backgrounds or personality profiles that account for these differences? Or is it their experience of administrative responsibility that enables empowerment? Our study indicates the possibility of self-selection for administrative positions. However, once administrative responsibilities are assumed, their exposure to a variety of experiences does appear to empower them further.

2. Traditional roles of men and women in their families seem to continue despite this intervention. Consequently, women with administrative responsibilities in the groups are often working more and tiring more. The existing gender imbalance in terms of the work done and returns received would continue unless the roles are renegotiated.

What is required is a change in the mindset of women and men. How can this be achieved, especially among the lower castes, who have faced centuries of discrimination?

References

Amin, S., Pebley, A. (1994) Gender inequality within households: the impact of a women's development programme in 36 Bangladeshi villages. *Bangladesh development studies: Special issue on women,development and change.*
Vol. XXII, no. 203, 121-155.

Fernandez, A.P. (1995) *Self-help groups – The concept.* Retrieved on 10 Jan. 2002 from
    http://www.myrada.org/paper_rural_management.htm

Goetz, A.,& Sengupta, R. (1996) Who takes credit? Gender, power and control over loan use in the rural credit programmes in Bangladesh. *World Development, Vol. 24(1),* 45-63.

Guidelines for the evaluation of self-help groups (n.d.) Retrieved 10 Jan. 2002 from
    http://www.myrada.org/paper_rural_management.htm

Hashemi, S.M., Schuler, S.R., Riley, A.P. (1996). Rural credit programs and women's empowerment in Bangladesh. *World Development, Vol.24 (4),* 635-53.

MacIsaac, N. (1997) Role of microcredit in poverty reduction and promoting gender equity. Retrieved 10 Jan. 2002
    http://www.acdi-a.gc.ca/cida_ind.nsf/vLUallDocByIDEn/BOC96EA1ADD10C738525684E00787D6DD?Open Document.

Naved, R. (1994) Empowerment of women: listening to voices of women. *Bangladesh Development Studies: Special issue on women, development and change, Vol. XXII, Nos. 2&3,* 121-55.

Report of the Secretary General (n.d.) *Role of microcredit in the eradication of poverty.* Retrieved 10 Jan. 2002
    from http://www.grameen-info.org/mcredit/unreport.html.

Robinson, M.S. (2001) *The microfinance revolution: Sustainable finance for the poor.* Washington: IBRD.

Schuler, S.R. and Hashemi, S.M.,(1996) cited in M. Carr, M. Chen, & R. Jhabvalla, (Eds.) *Speaking on women's economic empowerment in South Asia.* London: IT.

Supporting women's livelihoods: Microfinance that works for the majority (2001) Retrieved from *Innovating from Experience: Gender initiatives in microfinance. Proceedings from the July 2001 Roundtable.* Website: http://www.uncdf.org/sum/reports/gender/supporting/part_1.html.

Vijayan, A., & Sandhya, J. (2001) cited in G. Dietrich, Globalization and women in India in the nineties. *Vikalp, Vol. IX (3),* 77-90.

Viswanathan, R. (2001) Development, empowerment and domestic violence: Karnataka experience. *Economic and Political Weekly, Vol. XXXVI (24), Jun 16-22,* 2173-77.

Zaman , H. (1997), *Assessing the poverty and vulnerability impact of microcredit on poverty and vulnerability in Bangladesh.* Retrieved 10 Jan.2002 from the World Bank Group policy Research Working Papers. Website: http://www.bln0018.worldbank.org/research/workpapers.nsf.

Community banking - Our Guruthimpu: The Padmavathy experience. Brought out by the Padmavathy Mahila Abyudaya Sangam, India.

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

ERIC

REPRODUCTION RELEASE
(Specific Document)

I. DOCUMENT IDENTIFICATION:

Title:
2002 AHRD Conference Proceedings

Author(s): Toby Marshall Egan & Susan A. Lynham

Corporate Source: Academy of Human Resource Development	Publication Date: February 2002

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign at the bottom of the page.

The sample sticker shown below will be affixed to all Level 1 documents

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

_____
Sample
_____

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

1

Level 1

☒

Check here for Level 1 release, permitting reproduction
and dissemination in microfiche or other ERIC archival
media (e.g., electronic) and paper copy.

The sample sticker shown below will be affixed to all Level 2A documents

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL IN
MICROFICHE, AND IN ELECTRONIC MEDIA
FOR ERIC COLLECTION SUBSCRIBERS ONLY,
HAS BEEN GRANTED BY

_____
Sample
_____

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

2A

Level 2A

☐

Check here for Level 2A release, permitting reproduction
and dissemination in microfiche and in electronic media
for ERIC archival collection subscribers only

The sample sticker shown below will be affixed to all Level 2B documents

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL IN
MICROFICHE ONLY HAS BEEN GRANTED BY

_____
Sample
_____

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

2B

Level 2B

☐

Check here for Level 2B release, permitting
reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits.
If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche or electronic media by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign here,→ please

Signature: _____

Organization/Address: Academy of Human Resource Development
College of Technology
Bowling Green State University
Bowling Green, OH 43403-0301

Printed Name/Position/Title:

Telephone: 419.372.9155   FAX: 419.372.8385

E-Mail Address: office @ ahrd. org   Date: 2-28-03

(over)

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:

Address:

Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:

Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse: Acquisitions Coordinator
ERIC Clearinghouse on Adult, Career, and Vocational Education
Center on Education and Training for Employment
1900 Kenny Road
Columbus, OH 43210-1090

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being contributed) to: