



The Role of Job Descriptions and Competencies in an International Organization

Case: Foster Wheeler Energia Oy

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Bachelor's Thesis

SAVONIA UNIVERSITY OF APPLIED SCIENCES THESIS Abstract

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<p>Abstract</p> <p>The purpose of this study was to research how job descriptions are used and viewed at Foster Wheeler Energia Oy and how they could be used more efficiently and actively in every phase of an employee's career. The research also examined how competencies could be used more in developing company employees' knowledge. The aim of the research was to produce suggestions on the content, use and development of job descriptions and competencies in the organization.</p> <p>This study involved qualitative case research comprised of a combination of structured and unstructured open-ended interviews and a group interview in the form of a thesis workshop with the company's human resource professionals. The company's operating environment and human resource management practices were examined as well. The study also investigates the use and possible broader use of the Hay Group job description template which is used to conduct an increasingly competency-based evaluation for the company's management.</p> <p>The interviews show that job descriptions are considered important in the company, but that there are some differences in viewing their content and use. Employees feel that their responsibility concerning job descriptions is to keep them up to date and to inform their manager of changes. According to the interviews, the Human Resource Department's role regarding job descriptions is to store them and make sure that they are used in the same way throughout the company.</p> <p>The interviews produced development ideas for the use of job descriptions, such as using a specific project job description along with official job descriptions, evaluating performance using competencies grouped in categories and competencies in planning employee education and training. The research also brought up many interesting development ideas and further topics for research at the case company. The next logical step would be determining FW core competencies, grouping them in broader categories and launching a competency-based job description program at Foster Wheeler Energia Oy.</p>			
Keywords Job Description, Competency, Human Resource Management/Development			

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APPENDIX 1 Current state analysis: job description

ABBREVIATIONS

FW	Foster Wheeler
FWEOY	Foster Wheeler Energia Oy
HRM	Human Resource Management
HRD	Human Resource Development
R&D	Research and development
CFB-Technology	Fluidised Bed Combustion (CFB) Technology

1 INTRODUCTION

This research is a thesis report for a Degree in Bachelor of Business Administration at Savonia University of Applied Sciences. It is conducted for the Foster Wheeler Energia Oy Human Resource Department. Foster Wheeler Energia Oy is a Finnish subsidiary of global engineering and construction contractor Foster Wheeler AG. The company is a world leader in Fluidised Bed Combustion (CFB) Technology and it designs, manufactures, supplies and erects steam generating and auxiliary equipment for power stations and industrial markets worldwide. The company employs over 500 people in Finland, Sweden and Germany. (Foster Wheeler Energia Oy, 2012)

The starting point for this thesis work was the company's need to develop the use and content of job descriptions in the organization. The company has observed that the current job descriptions are not flexible to use, are not used actively and that it is unclear who manages their use. The purpose of this study is to research how job descriptions are used and viewed at the company and how they could be used more efficiently and actively in every phase of an employee's career. The research also examines how competencies could be used more in the company's human resource development. The aim of the research is to produce suggestions on the content, use and development of job descriptions at Foster Wheeler Energia Oy.

The theoretical part of this thesis work is based on literacy reviews and examples on the use of competencies in job descriptions and organizations. The empirical part is carried out by conducting qualitative interviews for company employees to find out how job descriptions are seen and used at the company. The existing job descriptions and their content are also analyzed. The research also studies the use of competencies in the organization. The most important sources of information for this thesis are the company's employees, intranet and examples from literature and journals.

2 JOB DESCRIPTION AND COMPETENCIES

A job description is an important tool for arranging work into positions in an organization. The purpose of a job description is to explain the purpose, scope, duties and responsibilities of a specified job. Job descriptions are also used in various HR processes like recruitment, selection, orientation, performance assessment, succession planning and compensation. The forms and templates vary, but it is important to have a generic format that provides consistency as a basis for job descriptions in the company. Currently work is packaged into jobs portrayed with job descriptions and now the focus is shifting towards describing competences that are needed to perform well in the position with competency-based job description. The focus of using job description is from past-to-present whereas using competencies has a current-to-future focus. Competency means individual skills, experience, knowledge, values and personal attributes that a person has and uses in different tasks. This chapter describes how job descriptions are formed, what they are used for and how competencies and competency-based job descriptions can be used in organizations. It includes examples of organizations that are using competencies in their human resources. This chapter also provides information about how to establish a competency-based job description program and the benefits of using competencies in an organization.

2.1 Forming a job description

The organizational structure is a framework that helps to arrange work into positions described by job descriptions. The organizational structure illustrates the formal and informal relationship between people and positions in an organization. Usually, large organizations use the *bureaucratic organizational structure* with many levels of management and a top-down management approach. Boundaries between jobs and units are rigid and career paths are hierarchical within one function. In bureaucratic organization, jobs are specialized and job descriptions are narrowly defined. The *flat organizational structure* is usually used in organizations that have a strong focus on the customer. Flat organization emphasizes teamwork, has only a few levels of management and a decentralized management approach. Boundaries between jobs and units are flexible and career paths are horizontal and can cross functions. In the flat organizational structure, jobs are broadly defined and job descriptions are general.

Boundaryless organizations form alliances and relationships with customers, suppliers and competitors. Flexibility and co-operation are characteristics of boundaryless organizations, and resources are used for everyone's benefit. The *boundaryless organizational structure* emphasizes teamwork and mobility across organizational boundaries and management does not depend on formal structure. Teams are the building blocks for flat and boundaryless organizations but are also needed in bureaucratic organizations. In a team, people work towards a common goal independently, receiving leadership and support from the team's members. A team shares its competences and knowledge and is mutually accountable for its work. There are different types of teams used in organizations. A self-managed team is responsible for producing something entirely on its own, a problem-solving team consists of volunteers from different departments who meet to discuss improvements, a special-purpose team works on a special assignment within the company and a virtual team works together via Internet in different locations. (Gomes-Mejia, Balkin & Gardy 2010, 77, 79, 80. 83-85)

The modern approaches to designing organizations are project and *matrix organizational structures*. The *project design organizational structure* is also called the team or task force type. Project design organization usually coexists with the more traditional organizational structures and it is used to coordinate departments to work together in specialized teams for temporary, specific and complex problems. Individuals work as specialists in the team, and that specialization is written on the job description along with the main duty. Matrix organization blends project and functional organizational designs in attempt to provide a more permanent management structure than the project organizational structure. In matrix organization, department heads manage specialists and functional specialists who are assigned to projects. (Corporate Documents Repository)

The process of building a job description includes preparing a work-flow analysis, job design and job analysis. Work-flow is the way work is organized to meet the company's business goals. **Work-flow analysis** is the process where work moves from the customer's initiation to the organization and then out of it as a ready service or product. Work flows through individual jobs in a similar way; the input of work is initiated to the worker, the worker adds value by applying work in it and moves it on to another worker. Sometimes work-flow analysis reveals that some tasks could be combined, simplified or

even eliminated. Work-flow analysis is used in business process reengineering to improve quality, service, speed and costs by organizing human resources in a different way and taking advantage of technology. (Gomes-Mejia, Balkin & Gardy 2010, 81.)

Job design is the process of organizing tasks that are required to perform a job. Work-flow analysis, business strategy and organizational structure influence the job design that can be examined with five approaches. In a stable environment, *work simplification* can be an effective way to organize labor and produce large amounts of standardized outcomes. In an environment where employees perform simplified and highly specified jobs, *job enlargement* and *job rotation* can be good ways to create variation in the duties. Job enlargement expands duties and responsibilities and job rotation moves workers in different duties without disrupting the flow of work. *Job enrichment* attempts to improve employee motivation by putting specified parts of the work back together so that one person produces a whole product or service. (Gomes-Mejia, Balkin & Gardy 2010, 89)

Job analysis is the process of collecting information about the content of a specific job. The purpose of job analysis is to identify the differences and similarities between different jobs and attain knowledge and requirements on jobs in the organization. Job analysis is a prerequisite for preparing a **job description** and **job evaluation**. It should include information about the nature and purpose of the job; tasks included, expected outcomes and position in the organizational hierarchy. The job holder's characteristics should also be seen on the job analysis. Job analysis consists of collecting data and applying it by preparing job descriptions, job specification and job standards. When data is collected, jobs that need to be analyzed are identified by reading previous job analysis reports or organizational charts. Interviewing of current employees and a job analysis questionnaire are tools used to gather information on the duties, responsibilities, abilities and performance standards on a specific job. (Bratton & Gold 2007, 381-382.)

A **job description** is a written statement that explains the purpose, scope, duties and responsibilities of a specified job. It is prepared based on job analysis for internal use within the company and external use to gain the attention of people outside the company. Job descriptions can be used as a roadmap for recruitment, selection and orientation. They are also the building blocks used in performance assessment, succession planning, coaching, training and compensation. A job description helps to ensure effective performance and provides a clear guide to all that are involved about

the position, its requirements and expected outcomes. Job descriptions are subject to constant change and shift due to the nature of the environment in organizations and businesses. Organizational changes such as restructuring, growth, cutbacks and reassignments have a direct impact on job descriptions. It is important to know how changes affect relationships between positions and help identify possible overlaps or gaps between jobs. Periodical evaluation of the level of the job is important when deciding on pay level. (Bratton & Gold 2007, 382; Pavur 2010; Gupta 2011, Kennedy 1987)

Job description forms and templates vary in different organizations but it is important to have a generic format as a basis for job descriptions in the company. A *standardized job description format* helps to achieve consistency in content and use and leads to a comprehensive product. The information on job descriptions can be written specifically or generally. A *specific job description* emphasizes detailed planning, efficiency and control and is often used in bureaucratic organizations. The specific job description often includes special and personal knowledge and duties and can't therefore be used at any other position with the same title. The drawback to specific job descriptions can be their sheer quantity; the large number of specified jobs can erect false barriers between jobs and functions and forestall change. A *general job description* emphasizes loose planning, innovation and flexibility and is often used in flat organizations. A general job description documents duties, responsibilities and skills so generally that, for example, the "supervisor" job description could be the same in business, engineering or any other field that needs a supervisor. Using general job descriptions is fairly new in human resource management. The reasons it has started gaining popularity is customer management strategy. The benefits for using a written job description are having a signed agreement with management and employee about the duties and responsibilities of the job and having a written document as a base for measuring success and pay. (Kennedy 1987, Gomes-Mejia, Balkin & Gardy 2010, 97)

A job description template should include a list of duties performed in a job, purpose of the job, importance and frequency of the duties and reporting relationships. The header includes the job title with name, location and supervisors. The body describes the main purpose, context and summary of the job defining the position's contribution to the organization. Also, decision-making authorities and accountabilities of the position and scope of responsibilities such as the budget can be listed. A job description lists and

prioritizes responsibilities, often with a percentage indicating time spent on each task. Also, prerequisites for the position, such as knowledge, skills, abilities, certifications and degrees, can be included. Some job descriptions include additional information about problem solving, internal and external environment, key contacts, references and supervision given and received. (Kennedy 1987)

The communication related to a job description is important because the job description tells the employee about the tasks and responsibilities of that position. The job description communicates where an employee's position in the organization is and its relation to other positions in the company. Internal communication in a company is not only obligatory by law on co-operation in Finland, but it also has substantial effects on the fluency of operations and productivity. Well-managed internal communication increases the interaction within departments and teams and influences individual work and career development. The purpose of internal communication is to keep personnel aware of the company's strategy, vision, values, mission, products and services. Informing about any changes in the organization is also important. Internal communication creates a mutual knowledge base for the employees and increases employee motivation and effectiveness. (Gomes-Mejia, Balkin & Gardy 2010, 77, Kauhanen 2006, 168)

2.2 Using competencies in organizations

Organizations are using competencies increasingly in their human resource development. As the benefits of using competencies have been noticed, specific labor market demands described as skills and competencies have been added also in national occupational classifications. These different national competence categories attempt to make competencies comparable by standardizing them. This part introduces the classification of skills and competence, examples of the benefits of using competencies in organizations and examples of using a job description based on competencies in performance evaluation and recruiting. The importance of recognizing competencies as competitive assets in the company is also discussed. The last part guides how to develop a competency-based job description program in an organization.

2.2.1 International standard classifications for skills and competencies

After the mid-1990s, it became apparent that occupational classifications no longer met the changing needs and interdependencies of the professional labor market. Skills and competencies were becoming more important in job placement than occupations. This resulted in national occupational classifications being supplemented with specific labor market demands described as skills and competencies. There are different national competence categories attempting to make the description of competencies comparable by standardizing them. (Markowitsch & Plaimauer 2009)

Usually, the methods to describe skills and competences are developed by psychologists and are used, for example, in human resource development and education. The purposes for competence portfolios are to bring forth an individual's skills and competences and then to compose specific profiles. The first question that has to be asked when structuring a list of competencies is: "What does competency mean?" For example, the competencies listed on the European CV include the following personal skills and competencies: mother tongue and other language skills, social, organizational, computer, and artistic skills and competencies. (Markowitsch & Plaimauer 2009)

There are three international systems in use providing classifications of skills and competences for statistical purposes and practical applications in human resource management and education. These are DISCO, O*NET and Taxonomy_DB. DISCO is funded by the European Commission's Leonardo Da Vinci program and the Austrian Ministry for Education of the Arts and Culture. The program has a comprehensive list of skills and competencies in seven European languages and was developed from 2004-2008. In the USA, the primary source of occupational information is O*NET, the Occupational Information Network. O*NET's development started in the late 1980's and now consists of descriptions of characteristics that different occupations require. It was developed by researching jobs and organizational analysis. Taxonomy_DB is a classification system based on international standards such as the International Organization for Standardization. It was developed by AMS Sweden in 1996 and is now available in 21 languages throughout Europe. Competences and skills are listed under occupational groups and offer a common repository of competence descriptions in the European Union. The terminology used in the EURES Job Mobility Portal is based on

Taxonomy_DB. EURES is an information exchange network for the European Union (EU) and European Free Trade Association (EFTA). (Markowitsch & Plaimauer 2009)

There are different ways and forms to describe competencies. From a scientific point of view, the form for describing competence should be “ability to perform a task”, and from a practical point of view it should be “short expression in everyday language used in relevant context”. Taxonomy_DB and DISCO both use skills terms that are short statements such as: “French cuisine” when they mean: “Being able to prepare a French Cuisine meal”. They rarely use “statements of what learner knows, understands and is able to do.” The O*NET use generic descriptions that are short but specified with explanation or definition. An example of a skill “instructing” is defined as:”teaching others how to do something”. An example of knowledge in food production is defined as “knowledge of techniques and equipment for planting, growing, and harvesting food products (both plant and animal) for consumption, including storage/handling techniques.” The O*NET uses a format of specific activity phrases instead of abilities or knowledge. Tasks and competences are also measured on a job description. The three systems measure competences on job descriptions in different ways. Taxonomy_DB uses specific terms, DISCO uses a structure that starts with general concepts and describes specific terms in subordination and O*NET uses both generic and specific terms. O*NET’s advantage over the two other systems is the ability to scale the generic descriptors in several numerical levels and textual indicators. (Markowitsch & Plaimauer 2009)

2.2.2 Competency-based job description

As the job description portrays a job, a **person specification** describes a person that is needed for the job. It does not describe the last post holder or people in similar position nor a perfect person but a person who can perform in the job according to the desired standards. A **job specification** is a written statement that explains the human characteristics needed, including aptitudes, skills, experience, qualifications, motivation and mental and physical demands that are required to be able to perform well in the job. The criteria should be fair, relevant and justifiable with specific requirements that can be measured such as:”an ability to meet deadlines”, and “detailed knowledge of programming.” Two frequently cited frameworks for characteristics used as a basis for person specification and job description are the seven point plan (Rodger, 1952) and the

five-fold grading system (Munro Fraser, 1954). It is becoming very common that the person specifications are based on skills and competencies that are recognized most important concerning performance in the job. (Bratton & Gold 2007, 382; Gupta 2011; Beardwell & Claydon 2007, 200)

Skill is best seen when someone works on a task confidently without hesitation. Increasing skill level can be seen as being able to cope with wider range of disturbances without disturbing the performance on the task. **Competency** means skills, experience, knowledge, values and personal attributes that a person has and uses the focus is shifting towards competences that are needed to achieve customer satisfaction. Competence can also mean a person's underlying characteristics which result in effective or superior performance on the job. Beardwell and Clayton wrote in their book "Human Resource Management" (2007, 262) that Ulrich & Steward Black (1999) stress the importance of the employee's thinking and working "outside the box" of traditional job descriptions. Now, employees should be capable of working without prior experience, clear guidelines or close supervision. Flexibility is very important; employees should be prepared for any kind of change, e.g. new tasks, location or organization. (The Chartered Institute for Personnel and Development, 2002a) stresses the concept: "thinking performer", "who applies a critically thoughtful approach to their job" as their professional standard. (Borgher & Seaborne 1966, 128-129; Beardwell & Glaydon 2007, 201, 262-264, 271)

Growing instability of jobs has resulted in more work-oriented approaches to work-analysis such as strategic job analysis (Schneider & Konz, 1989) that focuses on skills needed in the future and strategic job modeling (SJM: Schippmann, 1999) that focuses on an organization's strategic and future-oriented needs. Schippmann divides a position into job description variables that describe the available capabilities and situational variables that describe work requirements. Competencies tie the two aspects together by fitting those that are required and those that are available. Schippmann divides competencies into technical competencies that relate to knowledge and skills and behavioral competencies that relate to personality and attitudinal factors. One of the main reasons for the growing emphasis on competencies is the ability to set jobs in their organizational context. Competencies provide a common language to talk about different jobs and communicate to employees how their work contributes to the organizations goals. (Chmiel 2011, 21-22)

According to Patricia Zingheim and Jay Schuster from compensation consulting firm Schuster-Zingheim, using competencies instead of a job description as a guide is a different way to look at jobs. Job descriptions used in companies have often been rigid and obsolete. Matching a job description with salary data can sometimes be difficult because the duties and responsibilities can fall under several different titles or descriptions. The focus of using job descriptions is from past to present. Using competencies as a guide has a current-to-future focus, and the salary matches the employees' competencies and responsibilities instead of a specific title. (Focus on Competencies, Not Job Descriptions, Bureau of National Affairs Inc.)

In their work, Schuster and Zingheim cite a study made in 2009 that examined 20 large non-profit, governmental, publicly traded and private organizations that had started using competencies and skills instead of job descriptions as a foundation for their HR-practices. The reasons the companies changed to using competencies were to be able to tie all HR programs together, create a high-performance organization and move from filling jobs to finding the most competent employees. Using competencies was also intended to simplify excessive organizational structure and reduce organizational hierarchy, as many layers and levels can cause an employee's individual skills and abilities to get lost in the semantics of different job descriptions. The companies defined competencies as individual knowledge, skills and capabilities, abilities, aptitudes, judgment and behavior applied to meeting performance goals in work, challenges and mission. The study found that using competencies had many positive outcomes. Competencies were used for training and development and that helped evaluate employee training needs, make decisions about promotion and transfers and encouraged career growth. Communicating how employees can add value to the organization and what is important in the company's business resulted in increased communication between management and employees. Overall, communication, engagement, career growth and rewarding improved significantly in the organizations that started using competencies. Using competencies also helped companies to find and keep the people who have the skills needed for successful business. Schuster and Zingheim ensure that using competencies instead of job descriptions is well worth the efforts that the change takes because it creates a win-win situation where people want to keep and enhance their skills. The main message of the study is to focus on people who do the work and their skills instead of jobs. People make business successful and are

therefore the business's most important asset. (Focus on Competencies, Not Job Descriptions, Bureau of National Affairs Inc.)

"A qualitative approach to middle managers' competence: MRN" was a study conducted by Ekaterini Galanou on Management Research Review in 2011. The purpose of the study was to create a list of competencies that relate to the effectiveness of a manager and find out how organizations can measure the performance of their middle managers in a competitive environment. The sources for identifying the competencies needed were the case company's strategy and vision, information from the Human Resource department and proper research studies on the subject. In the study, critical job requirements were identified as 21 relevant characteristics or competences. The 21 competences were grouped into five categories: competences orientated to management effectiveness, which includes for example strategic thinking and innovation, competences oriented to integrity such as fostering open communication, competences oriented to personal effectiveness, included knowing the organization and business, establishing plans and managing their execution and driving for results, competences orientated to people include fostering teamwork, rewarding achievement and attracting talent, and competences orientated to specialized knowledge which means focusing on quality and customer needs. These competencies are practical and can be used effectively in personnel's work. (Galanou 2011, 553-575)

Awareness about managerial competencies is important for intrapersonal development and interpersonal cooperation and, due to this study, awareness increased. Effective people-oriented competencies in managerial work create win-win situations where everyone is left with positive attitude. A manager with the right competencies can make a significant difference to the outcomes of intrapersonal relationships. The research found qualitative evidence on increased effectiveness and work satisfaction among employees who were led by a manager who has many of the managerial competencies. The study found that managers at Emporiki Bank can also manage a hostile or changing environment, develop flexible organizational models and motivate employees. The study showed that paying attention to manager's competencies helps create an environment that can attract, develop and keep managers who are capable of leading and developing satisfied and effective employees. (Galanou 2011, 553-575)

The State of California is modernizing its Human Resources Program. To match the right people with the job openings, the state has started using competencies in its HR practices. Job descriptions are duty statements that describe the work employees do. Based on the competency model, a competency-based job description that focuses on both WHAT you do and HOW you do it can be developed. State agencies have already put competency-based job descriptions to use. The following table reveals some key differences in using traditional task-based job descriptions and competency-based job descriptions. (Sacramento State College of Continuing Education)

<ul style="list-style-type: none"> ▶ Traditional task-based job descriptions Focus on <i>tasks and duties, knowledge, skills, abilities, education, required certifications</i> ▶ Account for <i>observable skills</i> ▶ Describe <i>responsibilities</i> ▶ Focus on <i>individual performance</i> ▶ Work is not described consistently ▶ Identify Essential and Non-Essential Functions ▶ With the traditional task-based job descriptions, employees are not able to align their skills and competencies with their job, identify performance expectations, nor see how they contribute to strategic goals. 	<ul style="list-style-type: none"> ▶ Modern competency-based job descriptions Focus on tasks and duties, knowledge, skills, abilities, education, required certification, and <i>on-the job behaviors</i>. ▶ Account for observable skills <i>and on-the job behaviors</i> ▶ Describe responsibilities <i>and how they are tied to competencies</i> ▶ Link <i>individual performance to organizational performance</i> ▶ Work is described <i>consistently using a common vocabulary</i> ▶ Identify Essential and Non-Essential Functions
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FIGURE 1. Modernizing California's HR Program (Sacramento State College of Continuing Education)

2.2.3 Competency-based recruiting

Job descriptions are important in recruiting. The key stages of the recruiting process are defining the vacancy, attracting applicants, assessing candidates and making the recruitment decision. In other words, the organization needs to find out what they want,

how to attract suitable employees, how to identify who is most suitable and how make the right decision. When recruiting new personnel, the traditional approach is to use a job description. In order to attract a suitable person, some companies use generic and concise job profiles with list of “bullet points” or accountability statements. A well-thought-out person specification and characteristics in job description can form the basis of recruitment advertisement, help determine selection methods and ensure that the selection is based on justifiable criteria. When the advertisement is formed, recruiters must make sure that prejudice or assumptions don't affect the specifications listed and hinder finding the right person. The job description should not be too constraining. It should reflect potential changes in the key tasks and duties. The organization should find skills and aptitudes that are also needed in the future; for this purpose the job profile can be more generic and concise. The purpose of the job description is not only to match the right position with the right person, but also the right organization with the right long-term employee in a changing organization. The objective for a job description in recruitment is to recruit people who can do the job and who also contribute to the wider long-term business goals of the organization. In many cases, using a combination of task-oriented and person-oriented job descriptions is adopted. (Beardwell & Glaydon, 197, 200-201)

There can be contradictions between the descriptive job description needed for internal planning and communication in the company and the contextual job description that is used in recruiting to attract many qualified applicants. Because the job description serves a dual purpose, it has to be realistic. The possible problem in using a job description in recruiting is that it might not give the correct picture of the position and the company. The reason for this is the management's and HR department's effort to maintain a good reputation and let the company be seen in a positive light in its job advertisement. Naturally, the company also wants to attract people with the best competences with their advertisement. In recruiting, it has to be ensured that hiring is not done on the basis of “want to have” but on “need to have”. (Pavur 2010; Stybel, 2010)

Competency-based recruitment involves selecting a set of competencies that are seen to be most important to the company. These competencies can be wide entities that are divided into different levels. The entities could be “project management”, “decision-making”, and “gathering and analyzing information” for example. The divided levels of these competencies can be matched to the requirements of different jobs. According to Feltman (Feltman, 1992), competency-based recruitment can contribute to the

effectiveness of recruitment in various ways. The competency analysis process helps identify the company's need from its human resources and specify how recruitment can affect it. Using a competency-based recruitment and selection system can yield the company practical benefits, because when systems are linked to competencies, evaluation is based on fairness, effectiveness and validity. In addition to recruitment and selection, the competency framework can be used throughout the company in different tasks and situations. With competency-based recruitment, it is easier to see whether recruitment or other solutions, such as training existing staff or hiring specialist consultants are the best way to move forward. Instead of recruiting new personnel, the company could consider restructuring the task, redeploying existing staff for the position, delaying recruitment to save costs or cover vacancy with temporary workers or overtime. These measures should be used only after careful planning and analyzing of the effects of the change. It should be remembered that redeploying does not always mean that the incoming jobholder is the "best person for the job" and that restructuring or delaying recruitment might offer short-term cost saving but harm the organization long-term. Using competencies helps the company see the competency-gap created, for example, because a key person has left the company. The application of the same competency framework within different parts of the organization ensures consistency and aids vertical and horizontal interaction. (Beardwell & Glaydon 2007, 199-201)

In some cases, a highly contextual approach to recruiting could be used. A system called "a practical approach to an integrated search and orientation process" uses specific contextual information to ensure a successful outcome. Edward J. Pavur Jr. from the University of Albany believes the approach can be even better if interpersonal characteristics, team dynamics and strategic challenges of the position would be specified. These characteristics needed in the job could be linked to personal characteristics which would be described generally in the job advertisement, but more specifically during selection and orientation. This includes personnel and future teammates and managers participating in the process by holding a confidential briefing for the final candidates about business objectives, company strategies, roles, positions and organization-related specific information. However, it has to be remembered that there could be flexibility in the environment or goals that could lead to some very specific part of a job description not be relevant anymore. When there is less stability in the content of the job, the job description has to be more general. The aim of recruiting is to

find suitable people with the right competencies and experience to perform well in the position and to make a positive impact on the organization. (Pavur 2010; Gupta 2011)

2.2.4 Competency-based performance appraisal

Performance assessment starts with two core questions: “What is meant by performance at work?” and “How is performance at work measured?” Performance appraisal includes the identification of the important areas of work to be measured, consistent measuring of performance within the company and managing employees by coaching them to achieve their potential in their work. Performance assessment requires clarity about what is expected and the standards which performance is based on. The first step of using a competency-based performance appraisal is to decide on the aspects of performance which determine effectiveness in work. Identifying performance dimensions are increasingly focused on competencies, the characteristics associated with successful performance. A set of the most important competencies needed in a job form a competency model. In this part three, examples of competency-based systems for performance appraisals are introduced. (Gomes-Mejia, Balkin & Gardy 2010, 217-218, 241-242)

Example 1: Job performance factors

In order to deal with the complexity and diversity of performance at work, two researchers (Campbell and Bartram) have identified job performance factors and competencies that are common to all work roles. In the research conducted in 1993, work psychologist Campbell and his colleagues identified eight general factors of job performance. These eight general factors include several more specific factors among them which Campbell calls for further studies on. These job performance factors help design assessment tools and can be used to measure performance across different types of work because the factors are important for all job roles. In his research, Bartram studied competency frameworks developed by many different companies for different positions to find common factors. He compared the similarities of competences needed in similar jobs in different companies and whether similar competences were needed in different jobs. Bartram’s study found “eight great factors” of job performance. In the example below, Campbell’s and Bartram’s job performance factors are compared. Interestingly, even though both researchers found eight factors, they differ from each

other. Together the two tables form a comprehensive description of the wide scope of factors effecting job performance. (Arnold & Randall 2010, 218-219)

<u>Campbell (1990)</u>	<u>Bartram (2005)</u>
1. Job-specific core task proficiency	1. Enterprising and performing
2. Non-job specific proficiency	2. Interacting and presenting
3. Written and oral communication	3. Analyzing and reporting
4. Demonstrating effort	4. Creating and conceptualizing
5. Maintaining discipline	5. Adapting and coping
6. Facilitating peer/team performance	6. Supporting and cooperating
7. Supervision/leadership	7. Leading and deciding
8. Management/administration	8. Organizing and executing

FIGURE 2 Job performance factors (Arnold & Randall 2010, 218-219).

Example 2: Competency framework for performance appraisal, recruitment, training and promotion

An American law firm started using performance appraisal whereby their competency model included knowledge, skills and capabilities, work management and character and commitment. Each of these is defined with one or two sentences. For example, knowledge is defined as having solid grasp of basic legal concepts, demonstrating intellectual curiosity and commitment to understand and taking ownership of assignments. Each competency and its description are followed by behavioral examples representing a performance level. Knowledge is followed by positive traits such as investing time to learn relevant laws and asking informed questions and negative traits, e.g. counting on others to know laws. (Gomes-Mejia, Balkin & Gardy 2010, 242-243)

<u>Competency</u>	<u>Behavioral illustrations</u>
<p>Knowledge:</p> <p>Associate has solid grasp of basic legal concepts.</p> <p>Demonstrates intellectual curiosity and commitment to understand.</p> <p>Takes ownership of assignments.</p>	<p>Invests time in learning relevant law.</p> <p>Asks informed questions.</p> <p>Counts on others to know law.</p>

FIGURE 3. Competency framework for performance appraisal, recruitment, training and promotion for a law firm (Gomes-Mejia, Balkin & Gardy 2010, 242-243)

Example 3: Behavioral competency program

Competency-based performance appraisal is also used as a trait appraisal instrument that is based on workers' characteristics which are consistent and a behavioral appraisal instrument that is based on workers' behavior. The Royal Canadian Mounted Police use a behavior-based appraisal system that is not based on a specific job but on a set of core competences. The competencies were identified by a job analysis of different positions. Now, The Royal Canadian Mounted Police use the core competencies of leadership, service orientation and delivery, thinking skills, personal effectiveness and flexibility, organization and planning, interpersonal relations, communication and motivation and their description for the appraisal of their whole personnel regardless of the position. There are BARS for assessing the performance in each competency and each officer level. (Gomes-Mejia, Balkin & Gardy 2010, 247-248)

<u>Core Competencies</u>	<u>Description</u>
<ul style="list-style-type: none"> • Leadership • Service orientation and delivery • Thinking skills • Personal effectiveness and flexibility • Organization and planning • Interpersonal relations • Communication and motivation 	<p>Leadership:</p> <p>Effectively sets and accomplished goals through the involvement and teamwork of others; inspires others to perform to highest standards</p>

FIGURE 4. Behavioral competency program of The Royal Canadian Mounted Police, 2007 (Gomes-Mejia, Balkin & Gardy 2010, 247-248)

2.2.5 Competencies as competitive assets

Research suggests that financial results account for 50 to 70 percent of a company's market value. "Intangibles" such as intellectual property and human capital also form a large part of a company's market value. Ulrich and Smallwood (2002:43) have listed seven critical organization capabilities that create intangible shareholder value. One of these is learning or knowledge management. Knowledge management's purpose is to make use of all range of competences that the personnel can use in their work. An organization's ability to move ideas vertically, horizontally, externally and globally implies that learning capacity has become an intangible asset. Since human capital can be difficult to measure employees can be seen only as expenditures. Human capital is, however, becoming increasingly recognized as a competitive asset. Employees are seeing the importance of investing in their own learning and personal development and employers have to take steps to retain talent, nurture it and manage it effectively. (Beardwell & Glaydon, 262-264, 273, 287)

Organizations have had to become more flexible, innovative, quality-conscious and customer-oriented due to the new information and communications technologies and increasingly global markets. In order to remain competitive, companies must constantly improve their performance. Today's companies are international with employees who move frequently and work on projects in different locations and at different times. This is why human resource development and lifelong learning is crucial for organizations and individuals. A competitive organization is one that is able to use all of its workforce's abilities and skills. An organization has to take responsibility for training and education and employees have to take responsibility for their own learning. Individual's competences are their best assets in working life. Employees with practical skills should also be trained continuously. The goal is to have individuals in the organization who have *"the capability to constantly redefine the necessary skills for a given task, and to access the sources for learning these skills."* People developing themselves identify their learning needs and find a way to meet the needs, assess their progress, outcomes and new goals. The learning process can be done alongside everyday work with other people acting as mentors and sources of information. Self-development is seen as entrepreneurial, proactive and positive but sometimes it is hard to provide evidence of it without some form of accreditation. (Beardwell & Glaydon, 262-264, 273, 287)

2.3 Competency-based job description program

A problem that companies often have with job descriptions is not using them actively. Job descriptions end up only be updated and used when needed in recruiting or during major changes in an employee's job description. Creating and maintaining a job description program takes time, effort and someone who is responsible for it. There are also pitfalls in creating job description programs such as mismanaging the program, missing critical elements of the job description, failing to describe the job accurately, failing to use the job description correctly and forgetting the format, organization and grammar (5 mistakes everyone makes with job descriptions and how to avoid them).

The purpose of this section is to provide a guideline on how to form and manage a competency-based job description program. The first task for companies who wish to change to a competency-based job description model is to establish competency guidelines and develop a competency model. Competencies that the companies use are based on an analysis of the work that the company needs to get done and examining the

competencies of the organization's most successful employees. A scorecard for evaluating descriptions of skills and competencies is needed. Main competencies considered can include skills needed in the basic professional or technical elements of the work in question, such as teamwork, customer service, ethics and result-oriented work. (Focus on Competencies, Not Job Descriptions, Bureau of National Affairs Inc.)

Step 1: Creating and managing a job description program

When the company is establishing a new job description program or enhancing an existing program the program, goals have to be set first. When goals are set, the company has to find out:

1. Why job descriptions are needed?
2. What is wrong with the existing job descriptions?
3. Why does the company need a new job description program?
4. How will job descriptions be used in the company?
5. What will the budget be for the job description program, and is it approved?
6. Who will be involved with the program and do they have time and motivation for it?
7. Is management committed to the idea?

(5 mistakes everyone makes with job descriptions and how to avoid them)

The next step is to determine who will prepare the job descriptions. Usually, the HR department does the job analysis and coordinates writing the job description with input from other departments. In a small company, top management can participate in writing a job description but that can often be too expensive and time-consuming. A job analyst or wage and salary analyst is a likely choice for preparing job descriptions because they can also relate it to wage and salary administration purposes objectively and equally. The disadvantage is that the content of the positions is often unknown to them, so it has to be described carefully. The supervisor and employee naturally know best what is involved in the position and should be involved in the writing process but their point of view could not be objective enough to do it without outside help. Many companies use someone from the HR department to interview the employee or supervisor about the content of the job. After a job description has been written, it also has to be approved, typically by supervisor, management, wage administrator and HR professional. Also, guidelines for access have to be determined; typically, employees should have a copy of

their own job description and supervisors and managers should have a copy of their subordinated job descriptions. The HR department should have access to the job description when the information is needed and other situations can be looked at case-by-case (5 mistakes everyone makes with job descriptions and how to avoid them).

Since one of the main problems with job descriptions is that they are not used actively, an important factor affecting the success of a job description program is making sure that the job description stay updated. To keep job descriptions up to date, a schedule for reviewing job descriptions should be followed and maintained by everyone. Job descriptions should also be reviewed when a key person effecting someone's job leaves or changes, if the employee or supervisor requests a review or if there are continuous problems in the department. Changes in essential functions, technology and organizational structure are factors that have an effect on job descriptions. Sometimes, small changes are ignored and accumulate until they make a considerable difference in work. Generally, the manager is the one who is responsible for arranging a review of the employee's job description. This is why supervisors and managers must recognize the importance and mutual benefit of keeping the job descriptions updated (5 mistakes everyone makes with job descriptions and how to avoid them).

Step 2: Pay attention to critical elements of job descriptions

The critical elements of the job description include job identification, job summary or purpose, essential functions and additional responsibilities, accountabilities and job specifications. The title is important to the jobholder, for establishing relationships among jobs, forming order in the organization and for comparing jobs in the company. The O*NET (Occupational Information Network) is a comprehensive occupational information and job description database that helps employers categorize positions within the organization. The job summary should highlight the job's characteristics and give an overview of the position. The O*NET's standardized descriptions can be used to describe the essential functions of the position. Instead of listing tasks, functions should be described as the required outcomes of an activity. Accountabilities mention standards for measuring performance in the objectives. Job specifications, such as skills which include education and experience, effort, responsibility and working condition, should be described in the job description (5 mistakes everyone makes with job descriptions and how to avoid them).

Step 3: Describe the job accurately

If a job description is not correctly written and does not reflect the job, candidates without proper qualifications can be referred for hiring or promotion, jobs can be ranked improperly or a job description can list unrealistic standards of performance. Common deficiencies in describing the job are exaggerating or downplaying a job and failure to depict critical elements that determine successful or unsuccessful performance of the job. Also, not describing decision-making aspects and required behavior or describing requirements or characteristics that are not needed for the job are pitfalls in describing the job (5 mistakes everyone makes with job descriptions and how to avoid them).

Step 4: Use the job description correctly

In addition to the commonly seen use for a job description in salary administration and complying with employment laws, it can be used in many other ways. In wage and salary administration, the job description can be used in evaluating one job relation to others, classification of jobs into families, grades or classes for salary purposes, comparing wages to industry average and other numbers, forming a fair pay structure and in performance appraisal. In legal compliance, job descriptions can be used as evidence of compliance of different laws relating to for example labor standards and occupational health and safety. Collective bargaining means that the job description explains why the job is on a certain pay level. In human resource administration, job descriptions can be used in staff planning, as an information source during the whole employment process, as a framework for a new employee during orientation, in training and development and career planning. The other uses of job descriptions are in organizational development and strategic planning, in settling grievance problems and in preparing work-flow analyses (5 mistakes everyone makes with job descriptions and how to avoid them).

Step 5: Remember the format, organization and grammar

A well written job description gives a clear picture of the job to someone who is not familiar with it and makes it possible to compare this job to other jobs in the company. It tells why and how duties are performed as well as the scope, complexity, authority and accountability of the job. The job description format should be relatively simple and easy to follow and fill the blanks. There are different organizational frameworks to use, such as “the sequence of operations approach”, “the major duty approach”, or “the relative

importance approach.” The sentence content and structure vary depending on the position, but unnecessary words are not used, sentences should be positive and relative adjectives such as “extremely” or “moderately” should be avoided. Action verbs describing the tasks such as advise, calculate, evaluate, plan and report are recommended. Words and sentences should be double-checked to make sure they will be understood correctly. Using simple words and short sentences that focus on the outcome of the job function rather than the process used to get there are recommended. When writing a job description, the focus should be on essential activities, as minor and occasional tasks do not need to be described, but they can be included in “other responsibilities and functions”. Job descriptions within a company should be written in impersonal and consistent style throughout the company. (5 mistakes everyone makes with job descriptions and how to avoid them).

3 THE JOB DESCRIPTIONS AND COMPETENCIES OF FOSTER WHEELER ENERGIA OY

Foster Wheeler Energia Oy employs over 500 people in five locations in three different countries. The company's human resources department is located in Varkaus and consists of ten professionals. The department takes care of matters concerning employment, salaries, recruiting and employee development. This chapter describes how job descriptions and competencies are used at Foster Wheeler, introduces job description templates currently used and presents a suggestion for a competency-based job description template.

3.1 Case company introduction

Foster Wheeler Energia Oy is a part of the technology industry, the most important industrial sector in Finland. The industry accounts for 60 % of total Finnish exports and 80 % of total Finnish R&D investments and employs a quarter of the Finnish workforce directly or indirectly. Foster Wheeler belongs to the technology industry's mechanical engineering sector. In this sector, companies often build cooperative networks so that everyone can focus on their core competences. Knowhow and new technology can be quickly applied to products and production processes that are tailor-made based on the customer's needs. The Federation of Finnish Technology Industries is an organization whose mission is to make sure that the environment for the technology industry in Finland is favorable and results in global success. Technology industry exports are still at lower level than before the global financial crisis following the year of 2008. The moderate recovery during 2010 and 2011 is based on measures taken by countries, central banks and the growth of developing economies, and expectations for growth are based on global companies. On a long timeline, the outlook is positive due to the growing demand for infrastructure development, industry, environmental technology, energy and commodities. (The Federation of Finnish Technology Industries, 2012)

Foster Wheeler is a global engineering and construction contractor and power equipment supplier. The company delivers technically-advanced, reliable facilities and equipment of top quality and safety. Foster Wheeler is a multinational company with headquarters in Switzerland and permanent offices in 28 countries. The company employs 12,000 people worldwide. Foster Wheeler stock is traded on the NASDAQ

National Market in New York, and the company's turnover in 2011 was 154.5 million Euros. Foster Wheeler AG was established in 1884 and it has been known as Foster Wheeler since 1927. Foster Wheeler AG has two business groups, The Global Engineering & Construction (E&C) Group and The Global Power Group. The Global Engineering & Construction (E&C) Group designs and constructs leading-edge processing facilities for the upstream oil & gas, liquefied natural gas (LNG), gas-to-liquids, refining, chemicals and petrochemicals, power, environmental, pharmaceutical, biotechnology and healthcare industries. The Global Power Group has world-leading expertise in combustion technology, and it designs, manufactures, supplies and erects steam generating and auxiliary equipment for power stations and industrial markets worldwide. The group also provides a range of environmental products and aftermarket parts and services. (Foster Wheeler Energia Oy, 2012)

The Global Power Group is divided into four branches: Foster Wheeler Energia Oy Group, Power Group Asia, Foster Wheeler Power Systems and Foster Wheeler Energia Polska Sp.z o.o. Foster Wheeler Energia Oy Group is an important part of the Global Power Group because it generates 80 % of the energy business turnover. The headquarters for Foster Wheeler Energia Oy Group are located in Espoo. In Finland the company employs altogether 453 people in Espoo, Varkaus and Kurikka. Foster Wheeler Energia Oy has subsidiaries in Sweden's Norrköping with 26 employees and Germany's Krefeld with 14 employees. The newest part of Foster Wheeler Energia Oy is in Germany, as the company has finalized the acquisition of German family-owned Graf-Wulf. Graf-Wulf engineers and delivers equipment used in combustion gas cleansing in power plants and industry. (Foster Wheeler Energia Oy, Intranet 2012)

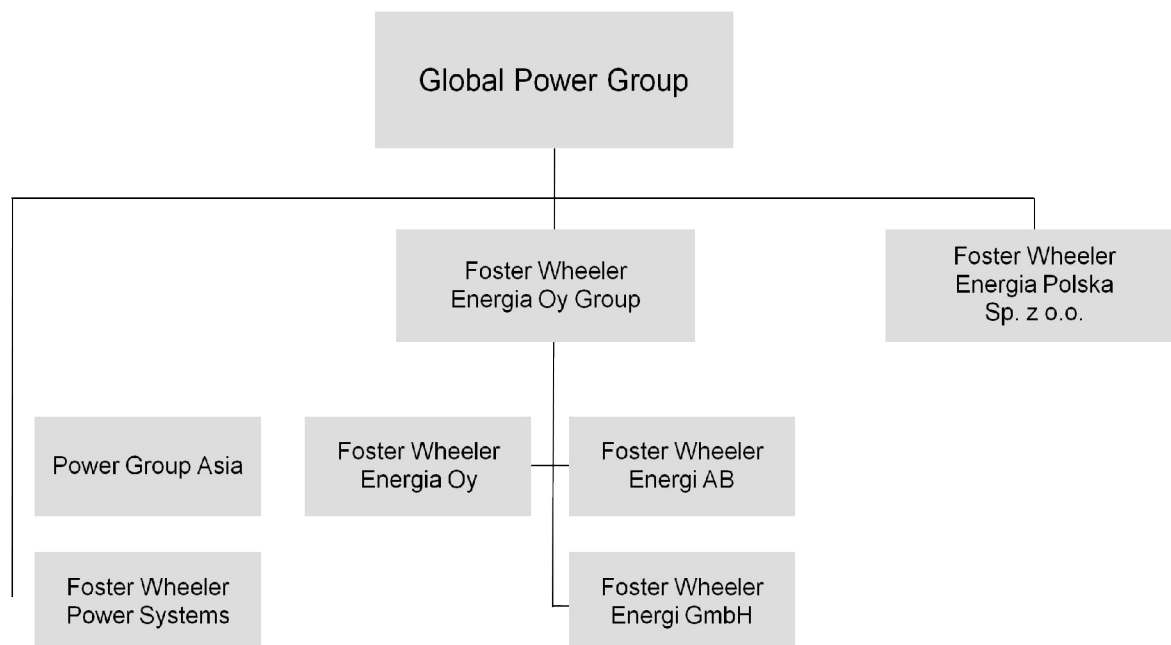


FIGURE 5. Foster Wheeler Global Power Group (Foster Wheeler Energia Oy, 2011)

Foster Wheeler is a world leader in Fluidised Bed Combustion (CFB) Technology. The Finnish subsidiary was born when, in 1995, Foster Wheeler bought Ahlström boiler business in Varkaus. Ahlström had been developing the CFB technology on which Foster Wheeler Energia's international business is still based. The first BFB boilers were delivered in the 1970s and the world's first CFB was supplied in 1979. The world's first once-through supercritical CFB started operation in 2009 in Lagisza, Poland. Flexi-Burn™ - air/oxy flexible CFB will be commercially available by the end of 2011. CFB fuel flexibility and multifuel capability provide for efficient utilization of fossil and renewable fuels. The boilers meet tough emission regulations without additional flue gas cleaning systems or with the help of world-class flue gas cleaning technology which Gran-Wulf has patented. Foster Wheeler has the capability and technology to meet current and future emission regulations. (Foster Wheeler Energia Oy, 2012)

In 2011, Foster Wheeler made history by signing the Finnish technology industry's largest export trade deal measured in mega-watts when Hyundai Engineering and Construction gave full notice to proceed with the Samcheok Green Power Project. This large trade deal includes the design and supply of four 550 MWe (gross megawatt electric) supercritical circulating fluidized-bed (CFB) steam generators for Korea

Southern Power Co., Ltd. (KOSPO), the owner and developer of the project. The state-of-the-art power plant is expected to start commercial operation in 2015. Foster Wheeler has delivered almost 500 boilers, of which over 300 units are based on Fluidized Bed Combustion (CFB) Technology. The slogan for Foster Wheeler is „*Better technology for a cleaner world*“. (Foster Wheeler Energia Oy, 2012)

3.2 Human resources

The Foster Wheeler Energia Oy Human Resource Department is lead by the Human Resource Director and consists of ten permanent employees. The Human Resource Department takes care of matters concerning employment, salaries, foreign assignments, insurances, monitoring of working times, handling of travel expenses, employee recruiting, training and development, occupational health care and internal communication. The Human Resource Department administrates job descriptions at Foster Wheeler and uses them in many processes including recruiting, orientation, performance review and learning and development. Every employee in the company has a job description. (Foster Wheeler Energia Oy, Intranet 2012)

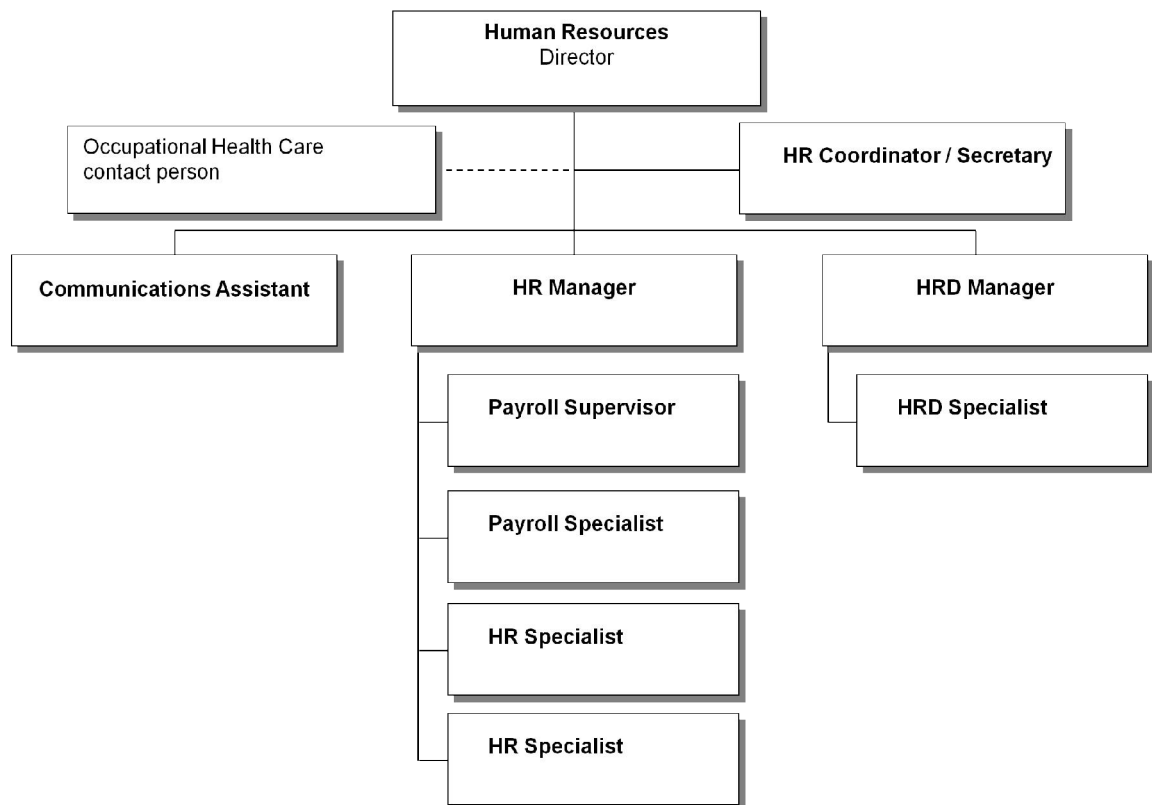


FIGURE 6. HR Department FWEYOY (Foster Wheeler Energia Oy Human resource department 2012)

The recruiting process at Foster Wheeler Energia Oy starts with charting the need for resources. Job description is used in recruiting to assess the competences needed in the position and from the potential candidate. Existing job description of the position is used to form the recruitment advertisement. Then the applications are handled and selected, interviews are held and applicants' backgrounds are checked. Before the interviews, the applicants take a short test online. The last phase of the interview process includes assessing all the applicants for a possible second round of interviews and making the final selection. The contractual terms are agreed on and a job contract is signed with the new employee. Job description determines the salary level of the position.

Foster Wheeler has a comprehensive orientation program for new employees. When the recruited candidates start working they are introduced and familiarized with the company and its operational environment, the department, working community and connections and the actual work duties and responsibilities. If orientation is conducted well, the employee gets accustomed to the new position, working community and company quickly. Orientation helps the employee understand the importance of everyone's contribution to profitability and achieving the company's goals. During the orientation period, the employee gets to know the organization's operational principles and practices and is able to acquire competences and knowledge which help in starting the new job and developing in it. A well-conducted orientation to the job communicates that Foster Wheeler is a good employer and has a positive effect on well-being at work and employee commitment. (Foster Wheeler Energia Oy, Intranet 2012)

The job description is an important part of orientation because it helps the new employee get accustomed to the position. The job description is a written statement where the duties, responsibilities and reporting relationships of the new job are explained. The new employee orientation plan is a form that is used as a framework for the actual orientation process. A separate plan exists for health and safety orientation. All of these lists need to be signed by the employee after orientation and approved by the manager. Then the lists are sent to HR as a sign of completed orientation. The official orientation period

ends with a development discussion where future educational needs are charted and a development plan is formed. (Foster Wheeler Energia Oy, Intranet 2012)

Since many people start at Foster Wheeler initially as a trainee, summer employees go through orientation to the organization. The need for orientation also arises from any changes in job descriptions or departments. The company is developing the orientation process to be more effective and building an orientation package for new managers, employees going on foreign assignments, employees who change departments and people who return to work from family- or sick leave. Subcontractors who work at Foster Wheeler premises are another group that benefits from orientation. (Foster Wheeler Energia Oy, Intranet 2012)

Human Resource Department uses job descriptions also for external and internal salary comparison. The external salary comparison compares employees' salary in the same position in different companies. Foster Wheeler takes part in the national salary comparison to ensure that the company's salaries are competitive and legitimate. The internal salary level at Foster Wheeler is determined with the Job Matrix. The Job Matrix has different Job Grades which describe the levels of the job's demand and Job Families which describe the department and area that the job belongs to. The job description is needed when determining where the position belongs in the Job Matrix and therefore what the salary level of the position is. The actual salary is determined from where the position is in the Job Matrix and on the external markets. (Human Resource Director, Foster Wheeler Energia Oy 2012)

Human resource development at Foster Wheeler is based on the company's strategy, values and human resource strategy. Developing and maintaining the personnel's competences support the strategy. The objective for employee development at Foster Wheeler is to support the personnel so they can succeed in their work and to develop the whole working community to achieve the company's business goals. The frame of reference for competences and knowhow consists of various factors where the job description, competence, company strategy, learning and development all link tone another. Employees at Foster Wheeler can develop their competence and professional skills through job rotation, education and training. The career map is an active, continuously updated application developed at Foster Wheeler that helps employees to plan their career and develop their competencies in the desired direction. It provides

information about departments, jobs and examples of internal job rotation possibilities and career paths and supports orientation and recruiting. (Foster Wheeler Energia Oy, Intranet 2012)

Training and education are an important way to develop an employee's professional skills and abilities needed in their work. Education can be arranged by external consultants or internal specialists. A performance review tracks employee development and education needs, of which 75% can be carried out internally with existing knowledge of FW employees. Every department has a training budget for the year, and training and education are prioritized yearly. Training is divided into three categories: leadership and management education, technical education and other education, like language courses. The Human Resource Department collects feedback about the courses. The long-term effects of training are estimated in development discussions. (Foster Wheeler Intranet 2012)

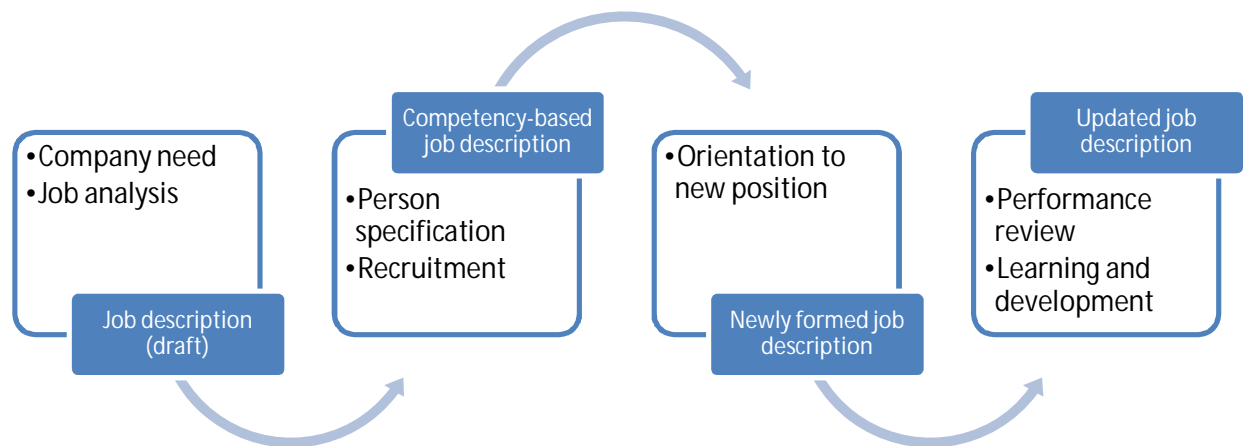


FIGURE 7. Job description life cycle (Human Resource Director, Foster Wheeler Energia Oy, 2012)

3.2.1 Benefits of using competencies in human resources

Using competencies can improve well-being at work. If the employee has been chosen for the position based on competencies, she/he is in the right position for individual skills and capabilities. When an employee is using individual strengths and skills at work and

feels confident in their own abilities, he/she manages the work better. Competencies that everyone needs at work are management and leadership skills to manage their own work, time-management and prioritizing skills. Competencies need constant updating because professional development is an ongoing process and employers expect more and broader competencies from their employees. (Suonsivu 2011, 48)

A competency-based job description helps to organize work in a company. Competencies can be used in resource planning by clarifying what competencies and how many employees the company will need. The employee point of view should be taken into account when planning human resources. Additional plans are needed for situation where the work load is exceptional. To ensure well-being at work, jobs have to be organized so that it is possible to get the duties done during working hours, and during vacations and weekends employees have to be able to rest. Constant hurry is a sign of excessive work load, and work should be organized more efficiently. (Manka, M.L, Hakala, L., Nuutinen, S., Harju, R. 2010, 13-15, 30-31)

3.2.2 Performance appraisal based on competencies

Foster Wheeler uses the global performance management system *Performance Review*. It is a tool for individual evaluation of performance and development. A performance review is scheduled once a year globally between January and April. In addition to a yearly development discussion and performance review, managers stay active and have a check-up with their employees every six months. The performance review tool is a comprehensive application used to help measure how well the employee has achieved goals that were set the previous year. Goals are set for the following year, and a development plan is formed based on competences needed in the person's duties. The development discussion is also meant for discussing different subjects that affect work. (Foster Wheeler Energia Oy, Intranet 2012)

Performance is evaluated on a scale from one to five, one being performance well below target level and five being performance well above target level. Measuring performance and competences is divided into eight general and five managerial subject areas. The development discussion template is divided into four parts. The first part is measuring achievement in the goals and tasks. The second part is evaluating competences. The third part is measuring how well the employee works according to Foster Wheeler values

which are integrity, accountability, high performance, valuing people and teamwork. The fourth part is a development plan where a person's strengths, development areas, development plan, timetable and planned action are agreed on. The development discussion also includes well-being at work, possible sources of stress and a plan of action on how to deal with them and feedback to the manager. (Foster Wheeler Energia Oy, Intranet 2012)

The performance review uses competencies in performance evaluation. The system has a set of leadership competencies. The leadership competencies include setting direction, enhancing relationships, engaging and motivating, developing people and delivering results. Setting direction means thinking strategically, planning and leading change. Enhancing relationships means communicating, building collaboration and influencing others to cooperate and achieve goals. Engaging and motivating means empowering people, leading by example and acknowledging and rewarding good performance. Developing people means identifying and selecting people with talent and competences needed, managing and enhancing performance and building effective teams. Delivering results include making decisions, leading execution and taking initiatives that provide competitive advantage to Foster Wheeler. (Foster Wheeler Intranet 2012)



FIGURE 8. Foster Wheeler Leadership Competences. (Foster Wheeler Intranet 2012)

3.2.3 Evaluating salary level based on competency-based job description

The job description determines the company's internal salary level and is used in external market salary analyses. Positions demand and salary level at Foster Wheeler are determined with the Job Matrix. Job Matrix is a global classification model for work and positions. Its purpose is to support learning, career development and clear and justified salary payments based on the demand level of the position. Job Matrix classifies duties according to their functions, nature of work or department. The duties demand level is classified according to the education, work experience, responsibilities and competencies.

One of the important functions of the job descriptions at Foster Wheeler is to determine employee's salary level. The company has taken the initiative to evaluate the management's salary levels based on key accountabilities, key challenges, competencies, decision making authority and dimensions of the positions by having them fill out a Hay Group competency-based job description. The purpose of this evaluation is to make sure that the HR manager's responsibilities, competencies and compensation are at the same level in different countries and to make sure managers are paid equally according to the position's demand level and market salary. Essentially, Foster Wheeler is using the Hay Group job description for management to position managers on the right level and salary category in the global environment in a global company. (FW Human Resource Director, March 2012)

When evaluating the differences of the Hay Group job description template and the Foster Wheeler job description template, the following issues were seen. Hay Group uses a job description template that includes:

- ▶ **Accountability statements:** Action verbs describing what is done, object describing to what and result or reason describing the outcome or standard. For example "Plan and control...the work of the sales function...so that sales forecasts are achieved." For a senior position 5 - 8 accountability statements would be expected.

- ▶ **Quantitative data:** Illustrates the dimensions of the job (financial, people, volume, other).
- ▶ **Key challenges:** Described with 2 or 3 sentences.

The key accountabilities are statements that outline the end result or key contributions required in the position. They answer the question: “*What are the main areas in which this job must get end results in order to achieve its purpose?*”? The key accountabilities should represent the main outputs of the job, focus on results instead of activities, and state the long-term permanent end result that is expected to be achieved in the position in a precise manner. Each accountability statement starts with an action verb to highlight the achievement aspect. The Hay Group job description or something similar could be used to evaluate all personnel to some extent to make sure everyone’s job descriptions and salary levels are consistent in a changing global environment. (Hay Group job description template)

3.3 Job description templates at Foster Wheeler Energia Oy

Foster Wheeler has general job description templates that are used within the company. The company intranet has specific instructions for filling out the template. One of the problems in the use of job descriptions at Foster Wheeler is that the templates are slightly different, with different information on them. Some job descriptions are very detailed and the template ends up being very long. The use of job descriptions also varies within the company.

Collective labor agreements pose restrictions and provide general objectives for the use of job descriptions in companies. METTOVA is an employee union with a demand level classification model that concerns registered employees in the metal industry. Positions and tasks are listed in order based on their demand level. METTOVA has its own job description model with positions demand level metrics. According to METTOVA, positions are measured based on skills and competences, the effect of solutions and decisions made, interactions and task and leadership responsibilities. Employees who belong to METTOVA have their own collective labor agreement. (Teknologiateollisuus)

3.3.1 Current job description templates

In this chapter, two job description templates currently used at Foster Wheeler are introduced. Their advantages and limitations are described. Below, there are two examples of job description templates currently in use in two different departments.

Example 1

JOB DESCRIPTION

Job Title:
Statement of job purpose:

Main duties	Description of task	Proportion of time%
	<i>Specification of the tasks</i>	
<i>Other duties</i>	<i>Substitutes ect.</i>	
Date		
Employee's name	Manger's name	
Employee's signature	Manger's signature	

Necessary knowledge and skills	
List of skills and knowledge needed in the position	Points
Impact of solutions and decisions	
Description of how decisions affect the department and company	Points

Interaction	
Describes how the employee interacts with the environment	Points

Job-related and managerial responsibility	
Describes managerial responsibilities	Points

Job requirement points	
Job requirement category	

FIGURE 9. Job description template (Foster Wheeler Energia Oy, March 2012)

The job description above is very specific; when it was filled out it listed all of the possible duties that are involved in this position. It also describes in detail what competences and skills are needed listed under “Necessary knowledge and skills”, “Impact of solutions and decisions”, “Interaction” and “Job-related and managerial responsibility”. These skills and competences form points that are used to calculate the demand level of the position according to METTOVA. The problem with this job description is that, when it is filled out, it can be up to four pages long and so detailed that it is difficult to read and see the most important competences needed in this job. This could be a good personal record chart for the use of the employee but there should be a clearer and shorter one for other purposes. The next example of a job description is clearer and has the most important information presented in a concise way.

Example 2

JOB DESCRIPTION FORM

Name:		
Position /Title		
Reports to:		
Last update:		
Job Description:	<i>Please specify the main functions and duties at the detailed level:</i> Main tasks and duties	
Other relevant information:	<i>Please identify special tasks (training, induction of the new employees, lecturing, co-operation with external parties etc.)</i>	
Deputy/Substitute:		
Measures of success:	<i>Please specify how the job can be measured, the metrics and the follow-up period</i> Measures	
Author:	Approved:	Date:

FIGURE 10. METTOVA Job description template (Foster Wheeler Energia Oy, March 2012)

This job description includes the main tasks and duties, other relevant information such as training and cooperation and substitution. This job description also measures success by listing competencies needed in that position. It is good that it has information about updating the job description, however, this job description does not have the statement of purpose or inform about the importance of each task and time used for it.

3.3.2 Suggestion for competency-based job description

Since Foster Wheeler already uses competences in the development discussion, performance appraisal and determining management's salary level, the company could also use competences for all employees' job descriptions. According to the Human Resource Director, Foster Wheeler AG is developing a competency library that includes the core competencies that are most important for the company's core products and business line. These, in addition to managerial and individual competencies currently used, could form a competency framework that would be the base for competencies used in a Foster Wheeler competency-based job description.

A combination of the job description templates Foster Wheeler currently uses and the Hay Group job description template could possibly serve the company well. The new job description should be clear and specific enough, but not too long. It should have a statement of job purpose and use competencies and measures of success. The importance of the tasks and time used for them in percent should be mentioned. The template should show when the job description has been updated last to keep the profile up to date. The Hay Group job description templates Key Accountabilities and Key Challenges, as well as quantitative data on financial aspects, people and communications, volume and other duties and relevant information, should be listed. This new job description would take the best qualities of existing Foster Wheeler job description templates and the Hay Group job description template and forge them together into a new job description template that includes competences. On the next page, a suggestion for new competency-based job description template is introduced.

COMPETENCY-BASED JOB DESCRIPTION FORM

Name:	The name of the job holder	
Position /Title:	Job title	
Reports to:	Supervisor, manager	
Statement of job purpose:	Summarizes the reason the job exists in one or two sentences.	
Last update:	Recording the latest changes keeps the profile up to date.	
Key Accountabilities, Key Challenges (Hay Group model)	<i>Please specify the main functions and duties at the detailed level:</i> Main tasks and duties and described in Key Accountability statement form. The most challenging aspects described under Key Challenges.	Proportion of time in %
Quantitative data: (Hay Group model)	<i>Please identify special tasks (training, induction of new employees, lecturing, co-operation with external parties etc.)</i> Financial, people, volume and other duties and relevant information.	
Competences and measures of success:	<i>Please specify how the job can be measured, the metrics and the follow-up period</i> Describing the main areas of skills, knowledge and experience required to do the job, focusing on requirements of the role.	
Deputy/Substitute:	Recurring substitute position.	
Author:	Approved:	Date:

FIGURE 11. Proposal for job description template

4 RESEARCH ON THE USE OF JOB DESCRIPTIONS AT FOSTER WHEELER

The empirical part of this thesis is carried out by researching the company's operating environment, practices in the use of job descriptions and the use of the Hay Group job description template, which is used to conduct a competency-based evaluation for the company's management. Research also included employee interviews and a workshop with the company's HR professionals.

4.1 Research problem

The objective for the interviews was to acquire information and get an overview of the current practices and use of job descriptions at Foster Wheeler Energia Oy and to prepare a current state analysis of how the job descriptions are used. Also, attitudes towards job descriptions and their use and new ideas for their use are charted in the interview. The main research questions are: What is the purpose of the job description and how is it used at FWE? What is the employee's responsibility concerning the job description? How important is the job description seen to be? How can the job profile be developed into a flexible application that can be used efficiently in every phase of an employee's career?

The aim of this research is to find ways to develop the content and use of job descriptions in the company so that they are functional, up to date and flexible to use. The study takes into account the employee's, manager's and HR department's points of view because they all need and use job descriptions.

4.2 Research methods

The research methods used in this thesis work are qualitative because the subject is difficult to research only numerically or quantitatively. Group interview in the form of brainstorming session in a thesis workshop and a combination of structured and unstructured open-ended interview were used in this research. The aim of the research is to examine employee viewpoints and attitudes towards the use of job descriptions and their content as well as chart new ideas for their use in the company.

4.2.1 Job description workshop

The thesis workshop was initiated by the case company's Human Resource Director for the purpose of discussing the theoretical parts and interview's findings and decide on the areas which the empirical part of the thesis would concentrate on in addition to the interviews. The workshop's brainstorming group consisted of the thesis student, Foster Wheeler's Director of Human Resources, the Human Resource Manager, the Human Resource Development Manager and the HR specialist. Since everyone in the group gave their time, input, recommendations and support to the research, it can be considered that this thesis had four supervisors on behalf of the case company.

The workshop was held on the 22nd of March at Foster Wheeler Varkaus when the initial theoretical part of the thesis research was written, interviews were held and results transcribed and analyzed. The theoretical part was sent to the group before the meeting so that everyone could familiarize themselves with the subject and the theoretical findings. The interview results about the current practices, attitudes and ideas on the use of job descriptions in the company were presented during the workshop by the researcher. The workshop lasted for two hours and consisted of the research presentation and introduction of findings, discussion, suggestions and decision on further research for this thesis. The company's need for job descriptions and future plans for the use of competencies and competency-based job descriptions were discussed. Comments and suggestions were given to the thesis student about the theoretical part of the thesis. It was decided that the introduction and suggestions for the case company's processes will concentrate on performance and salary level based on competencies. The thesis workshop was an exceptional opportunity to gather further information for this Bachelor's thesis and it offered immensely valuable and helpful information and feedback to the thesis student.

4.2.2 Interview

The interview is a qualitative research method used to collect and analyze empirical material. The three major forms of interviews are structured, unstructured and group interviews. The structured interview asks the same pre-established questions with limited response categories. There is little flexibility in how questions are asked and answered, and usually open-ended questions are not used. Therefore, there is generally

little room for the interviewee's improvisation or variation in the responses. The unstructured interview is a method that can produce a wide variety of data due to its qualitative nature. The traditional form of unstructured interview is the open-ended ethnographic (in-depth) interview which attempts to understand the complex behavior of the members of society without prior categorization that could limit the research results. The group interview is a qualitative data gathering technique where several individuals are questioned simultaneously. The group interview has been used for marketing research to find out consumer opinions, in politics to find out voter reactions towards issues and in sociological research. Even though there is variation in the types of group interviews used, usually they are generically designed *focus group* interviews where the interviewer asks specific questions about a topic that he or she has already researched. The interview is not a neutral research method but rather a conversation where questions are asked and answered between at least two people. Interviews produce understandings based on specific situations and interactions and are therefore influenced by the personal characteristics of the interviewee, including race, class, ethnicity and gender. (Denzin & Lincoln 2000, 633, 649-653)

Qualitative research is important for this thesis because the subject is difficult to research only numerically or quantitatively. When examining the company's practices in the use of job descriptions, it is essential to find out employees viewpoints and attitudes towards job descriptions and their use. This research is a qualitative case research which aims to find out how job descriptions are used and seen in the company. For this research, a combination of the structured and unstructured open-ended interviews was used. A questionnaire was sent to responders in advance, and the same questions were asked in the interview situation. Using pre-determined questions is typical for structured interview and the questions' being open-ended is typical for the unstructured interview. This thesis process also included a workshop where the theoretical part's and interview's findings were discussed in a group that consisted of the thesis student and the case company's Director of Human Resources, Human Resource Manager, Human Resource Development Manager and HR specialist. The workshop was a group interview- type *brainstorming* that is characterized by a formal or informal setting, nondirective role of the interviewer, very structured question format and exploratory purpose. (Denzin & Lincoln 2000, 653)

The research insights and findings are reported as a written research report which includes findings, interpretations a conclusion and recommendations based on the interviews. The written report requires the researcher to maintain objectivity because is authoritative one-way communication. There are two types of long written research reports, a technical and a management report. This report is a technical report that includes the full documentation and information on what was done and how it was done for the purposes of other researchers, in this case for the Human Resource Department of Foster Wheeler. (Cooper & Schindler 2011, 562-564)

The restrictions of this research were the limited time frame and the defining of the scope of research to correspond to a 15 credit Bachelor's thesis. The thesis contract was made according to the case company's Bachelor's thesis guidelines for three months from the beginning of February to the end of April. The subject area of competencies and job descriptions is broad and includes a wealth of information. At points, it was difficult to decide what to include and what to leave for further research.

Due to the large number of employees and narrow sample of interviews the interviewing process and results are not meant to be extensive research within the whole company but to give direction, examples and general information about the current use of job descriptions at Foster Wheeler Energia Oy. The process aspires to find development ideas for job description use and to help develop a coherent and active way to use them in the future. Interviews enable employees and managers tell their point of views and attitudes about the meaning and importance of job descriptions. It also gives insight to how job descriptions are used in different departments at Foster Wheeler and whether there are differences in their use.

4.3 Interviews at Foster Wheeler Energia Oy

Foster Wheeler Energia Oy consists of the headquarters and two offices in Finland and subsidiaries in Sweden and Germany. Because of limited time and resources, only a group of professionals in Varkaus was interviewed. In order to get an overview of the use of job descriptions at Foster Wheeler, interviews were held with nine employees from different departments and positions. All the interviewees were suitable for participation in the research because job descriptions are used by everyone and

knowledge about the practices and importance of them is relevant to every employee in the company. Personality and position did not affect the outcome when the objective was to find out how job descriptions are used generally in the company, but they may have influenced attitudes that the employees have towards job descriptions and their importance and experiences in their use. The current state analysis focuses on the general use of the job description in the company, but attitudes and ideas are recorded and analyzed in the discussion and suggestions section.

The interview process started with choosing the interviewees together with the Foster Wheeler Energia Oy Human Resource Director. The employees chosen were sent an e-mail that explained the meaning and topic of the interview. The interview questions were attached in the message so that the interviewees could orientate to the subject. The questions had been prepared in advance together with the company's Human Resource Director. The interviews were held between the 9th and 22nd of February at Foster Wheeler Energia Oy Varkaus in private offices or meeting rooms. The time and date were set up for a meeting lasting from 30 minutes to an hour depending on interviewee's timetable. The interview situation was private and encouraged individual opinions and truthful answers.

The answers were handled confidentially and only the researcher was able to use the information that the interviewees gave. The results are recorded confidentially without names. Comments and suggestions are unnamed. All the questionnaires, notes and documents concerning the thesis are only available to the researcher. Individual interviews were a good way to get a truthful picture of the current practices, procedures and attitudes about job descriptions in the Foster Wheeler Energia Oy Varkaus office. Interview questions are attached in the thesis appendix 1.

The content of the interviews was recorded by writing it down during the interview. That was possible because there was only one interviewee at the time. After the interviews, the answers were transcribed on the computer as separate interview files. Then the current state analysis was formed based on the answers explaining the general use of the job description in the company. The analysis does not describe each answer separately if there was similar information and attitudes and development ideas recorded

together. The interview results are handled as is and discussed in the deliberation and suggestion part.

4.3.1 Interview results

The interviews produced a lot of insight on the purpose and use of job descriptions at Foster Wheeler Energia Oy. The employees' attitudes and points of view toward the job descriptions were also revealed. The importance of job descriptions for employees and the company is also discussed in this chapter as well as ideas for future use of job descriptions.

The purpose and use of job descriptions at Foster Wheeler Energia Oy

The first question was to HR Manager of Foster Wheeler Energia Oy to find out the official purpose and ideal use of job descriptions in the company. The HR Manager stated that job descriptions at Foster Wheeler complement the employment contract, give the employee a clear picture of the position, the content, relevant tasks, scope of duties and responsibilities as well as an authorization and reporting relationship. The job description is also used in recruiting. The job description includes functional competencies, but competencies with knowledge and skills are part of the job description. That is why it supports recording knowledge. The collective labor agreements *METTOVA* position demand evaluation is adapted for employees. That is the basis for the minimum salary for each position. The position's demand evaluation is based on the job description which has to include skills and competences needed in the position, scope and effect of decisions and judgment, communication and mentoring, negotiations, meetings, special team and interaction skills and management responsibilities. (FW HR-Manager, March 2012)

The HRD Manager stated that job descriptions at Foster Wheeler are needed and used by everyone. Managers have their subordinates' job descriptions and form a "jigsaw puzzle" of employees' duties and responsibilities with job descriptions to get the work done. Employees have their job descriptions updated and signed. The Human Resource Department stores updated job descriptions for internal use. (FW HRD-Manager, March 2012)

Employee viewpoint on job descriptions and its content

“Job descriptions are essential in human resource management and the development discussion,” stated one employee. All interviewees except for one said that they have a job description that has information about their job including the content of work, competences, responsibilities and interfaces in relation to others. The job description explains what the job includes and what has to be known to be able to perform well in the position. The job description was described as a written definition of the job’s content, responsibilities and demands that helps the employee know what he is committing to and what is demanded at the position. Employer uses job description when defining the demand level of the job and employee has to recognize the demand level of his or her position. Knowing the demand level makes it possible to compare different jobs and positions. Two interviewees also said that even though they have a job description as a basis for their work, they do not need or use it that often because they have internalized it in their memory.

According to an interview, the job description is seen as important for the company because it is part of the organization’s job puzzle. It divides responsibilities and tasks so that everything gets done and individuals know what they and others are doing in the company. In an international organization where the circumstances change constantly, the job description is an anchor in changing projects, teams and countries. For an individual, the aim is to stay within the limits of their own job description.

An employee who has worked at Foster Wheeler for almost twenty years says that during his/her time there have been different styles of job descriptions. At first, job descriptions were very specific and had detailed tasks, then they changed to be more general with the objective of widening job descriptions and tasks. He/she thinks that the general model was flexible and personal development was taken into account. Now, the company’s practices have moved back towards a more strictly defined job description. Currently he/she has a quite specific job description which does not describe the tasks which he/she performs for the other departments. In his/her opinion, all the tasks should be seen on the job profile and it should be more flexible with generally described tasks and room for development.

“I see the job description as a continuation of the contract of employment” said one interviewee. When tasks change, the work contract does not change but the job

description changes. This employee does not have a job description in his/her current position, which he/she has had for over a year. Last fall, during the development discussion, there was talk about needing a job description, but nothing has been done about it. The reason for not having a job description is that his/her manager is on a longer leave and his/her substitute is fairly new in the company. When he/she started his/her current position the responsibilities and duties were unclear and it was agreed that after the situation had calmed down a job description would be formed. She used to have a job description in her former job within the company and it served her very well. The job description defined and prioritized the main responsibilities and direction. For this interviewee the job description is very important because it functions as a foundation for his/her work. A good job description would also define the boundaries between positions and responsibilities. It should not be too specific in describing the duties and it should be flexible in use. When he/she started his/her new position, a job description would have been very useful. The job description is also very important in substituting.

Updating job descriptions

The general practice of updating job descriptions according to the interviews was similar in the company. Most of the employees have updated their job descriptions yearly together with their manager in a development discussion or when changes in the tasks, focus or environment have occurred. Most also mentioned that during the development discussion their development goals are set and looked through. One employee said that usually the manager asks whether there have been changes in the tasks, but that this depends on who the manager is.

There are two deviations in the updating of a job description. One employee does not have an updated job description in her current position, and his/her former job description has been updated in 2008 because of an initiative from the team. He/she feels that it would be good if the job description would be updated during the development discussions because it would describe and follow development and objectives. One person has written his/her job description by him/herself, as he/she is the expert in what is done in his/her position. His/her job description is updated yearly before the development discussion and then looked through together with his/her manager.

Owning job descriptions

Ownership of job descriptions includes many different points of view. Two employees out of seven had the viewpoint that everyone owns the job descriptions. The Human Resources Department manages the big picture, the manager knows what kind of profile is needed to fit the other jobs and the employees know the personal competences needed and tasks performed in the job. The employee, manager and HR department own the job description together because it serves them all with its information.

Four persons felt that the manager owns an employee's job description because it is his or her job to make sure that the tasks are divided well and that they get done in the best possible way. The employee's duty is to inform the manager about the changes and needed updates. The job description is also updated together with the manager. One employee sees that manager and employee as the owners because the employee makes sure that his/her job description is up-to-date and notifies if there are changes in the job, and since job descriptions are updated together with the manager, the manager is also owner. One employee felt that the owners of job descriptions are the company and employee. He/she did not see how a manager would own employees job descriptions. The Human Resources Department is not seen as an owner of job descriptions, and the department's task is to store the updated job descriptions. According to one opinion: "*The Human Resource Department cannot own something it has no part in.*"

Responsibility concerning job descriptions

According to the interviews, employees are very aware of their own responsibility concerning job descriptions. Everyone felt like their responsibility is to keep their job profile up to date and inform their manager if something changes in their job and to make sure the job description matches the job. Keeping the job description updated was seen as an employee's benefit. Employees also felt that the manager has responsibilities concerning their subordinates' job descriptions. One employee's opinion is that it is the manager's responsibility to know and make sure the employee's job profiles are up to date. The manager knows about changes in the organization that affect

the employee's duties in the organization, so the manager is also responsible to inform the employee about changes and make them in the job description.

Two managerial-level interviewees shared the outlook that their responsibility is to know what their responsibilities and tasks are and fulfill them according to their job description. One manager said that: *"Understanding the possibility of influencing one's own career could increase employee motivation to update the job description."* The Human Resource Department's responsibility concerning the job description is to make sure that it is used in the same way within the organization.

The result of not having job descriptions

What would happen if there was no job description? What would it mean? This question clarified the importance of job descriptions because most of the answers stated that if there were no job descriptions, the responsibilities, duties and what is expected from employees would be unclear. Employees would be working but it would be more unclear and disorderly because organizing and making timetables and plans would be more difficult. If work would continue as usual, nothing substantial would happen until there would be conflict situations and changes in the job or tasks which would create challenges. If there were no job descriptions, it would be difficult to divide responsibility and keep track of project team duties and responsibilities. The scope of duties and responsibilities would not be as clear and therefore they would have to be defined in some other way. If there were no job descriptions, employees would not know how their salary is determined, what other people do, where the department boundaries are and where to find information.

One employee's view is that the consequence of having no job descriptions depends on the size of the department or unit and management. In a large company like FW, not having a clear division in duties would cause a lot of ineffective work and confusion. The manager's duty is to keep the lines in order in his/her department. The employee who does not have job description feels like there is no foundation for his/ her work. To him/her not having a job description is disturbing and makes her feel a little insecure about her tasks even though she knows her main responsibilities.

The importance of job descriptions

All the responders stated that the job description is important because it clarifies the domain of work, defines the content of the job, states responsibilities and commitments and records them in the form of a written document. This all brings a feeling of clarity and security to the employee. It also tells about employee knowledge and competences and therefore has an effect on and functions as a basis for salary. The job description is important also because work is divided in an organization with job descriptions. They are tools for organizing work, recruiting and helping in new employee orientation. It is also an important discussion tool for the manager and employee. The general message was that employees recognize the importance of job descriptions; it should be seen as important by everyone in the company, everyone should have one, and its use should be identical within the company. This is why it would be wrong if the management would not be interested in it.

Job descriptions impact on salary

One interviewee thinks that the job description is directly linked to salary, as the employee stated that:” *The job description is a written definition of the job’s content, responsibilities and demands. The employee knows what he is committing to and what is demanded at the positions and recognizes the demand level of the job. The employer uses the job description when defining the demand level of the job. That makes it possible to compare different jobs and positions. The job description defines the demand classification and therefore affects salary.* Other interviewees had different perspectives on how the job description impacts salary. One person said that the job description does not affect salary; the level of demand determines it. If the employee moves on to another salary level, the job description also changes. One person said that salary is based on the position and how well the employee manages in the position.

Three interviewees made a connection between job descriptions, salary and competences. One employee said that the job description has a direct impact on salary and this is why it is important that all the special knowledge, competences and responsibilities are written down, up to date and known. Asking for a raise in salary is based on this information. Another one said that just updating the job description does not have a direct impact on salary because it is based on the level of competence and

responsibility and the job description has to be at that level. When an employee has developed to the next level, the job description is updated to meet the requirements of the next pay grade level.

One interviewee was unsure about the connection between the job description and salary. He/she said that salary and personal development is paid attention to, but a salary's relationship to development is unclear and that he/she does not know his/her salary pay grade. Salary is usually talked about during the development discussion with the manager. One employee feels that the job description had a bigger impact on salary before. Now it depends more on the level of duties and responsibilities. Even though there were differences and uncertainty about how the job description and salary are connected, the connection was recognized and the employees trust that salary is based on duties and personal competences in a fair and equal manner.

Ideas on the use of job descriptions

The job description can be used in recruiting, new employee orientation and job rotating. In recruiting, the HR department can see straight away what is needed in different positions. Knowing an employee's tasks and competences from the job descriptions could help find experienced and needed work force for new available positions within the company. The interviewees use and would use the job description as a foundation for work and career planning by being able to compare and plan career tracks with job descriptions. Job descriptions help to make sure that salaries are fair. Job descriptions can expose employee's multiple skills which can have an effect on salary.

Managers should always know their employees' job descriptions. New managers could get to know employees' responsibilities from the updated job descriptions. Job descriptions help keep track of positions and their demand when resources change and people holding positions change. Job descriptions are important in substituting because the employee knows what to teach and the substitute gets a picture of the job. Even though it is an assumption that every member of the team knows all the tasks, for the sake of clarity it would be good if the substitutes would be mentioned in the job descriptions. The engineering department has launched a completely new instrument for using job descriptions in projects.

Personalized or generic job description

The general view is that the basic structure of job descriptions is the same, but everyone has some personal duties and specifications, for example in different departments, recorded in their job descriptions. For example, one employee had both general and individual responsibilities listed in the job description but the individual focus and responsibilities were divided within a team. Even though there are others with the same job title and general description, the employee's job description is more personalized because everyone's job descriptions are based on their individual background and knowhow.

Managerial positions, on the other hand, seem to be more personalized. On the managerial level, the job description is based more on competencies and background and career track in the company. For example, one manager has a job description different from anyone else in the company because he/she manages various different branches. The job description is not standard because his/her competences enable him/her to take care of all of these different tasks. He/she expresses that getting the job done is more important than standards. Also, two other managers said that their job descriptions are specified for their position.

One employee thinks that job descriptions should be personalized based on individual competences, special knowledge and development. One thinks that job descriptions should be specific enough to be useful. Another employee thinks there should be both a personal job description and a more general project job description. In a position where there are many people working under the same title, there should be a generic job description. That can be specified for the individual in a way needed, for example during the development discussion.

Managing own development profile

Two employees did not see a problem in managing their own development profile because they already keep track of their personal know-how and courses taken. For them, it has worked well and has not been a time-consuming or difficult task. One employee manages updates and keeps track of his/her own job profile gladly because it is for his/her own benefit. He/she finds courses and training that he/she needs

independently on Internet or through a network of professionals in the same field according to his/her development needs and interests. Training and gaining knowledge should always be seen somewhere concretely, most preferably in salary. If the training has an effect on job description then he/she documents it there.

One employee sees that the danger in managing one's own development profile is that the personal development profile could end up being either too specific and complicated to use or too simple. Some kind of CV-type list of competences and knowledge should be available for everyone because sometimes customers want the whole project team's CVs before a project even starts. One person thinks that managing one's own development profile is a reasonable idea because the current system does not serve the purpose.

Using job descriptions actively

According to one interviewee "*The job description should be used actively during changes and new tasks.*" The general view in these interviews was that the job description could be used more actively. The job description could be always updated together with the manager so that the employee describes the content of his work. Development possibilities and direction of one's career should also be discussed. This would increase well-being at work because employees would feel like they are being heard and their opinions valued.

Three employees said that the job description could be used for updating and keeping track of personal knowledge, courses and competences. Right now, the secretaries are information centers and expected to know everything and keep track of everyone's course history. There could be an attachment with the job profile that would concentrate on personal competences and special knowledge. Everyone's talents should be known and used if possible; human talent and capital should not be wasted. This would be economical for the company. It would be easier to tell about talent and knowhow on paper because Finns don't usually feel comfortable advertising themselves. Individual competences and knowhow could be brought up more and used more actively. Many people do not want talk about their special knowhow if not asked. Using the individual competences could be interesting and bring variation to work and possibilities and knowledge to others. The manager should know and use her employee's competences.

Could there be a list of special knowhow for everyone to know where to ask for a person who has it?

One interviewee sees the job description and education registry as strictly different matters. This employee already keeps up his own job description together with his manager because that position is the only one of its kind in the company. Usually, job descriptions are so specific and/or include professional vocabulary that their use in recruiting would not be reasonable. They would be "too boring" for recruiting advertisement. Job descriptions can be used in all of the points mentioned but not as is, excluding development discussions and development plans.

Storing job descriptions

All of the interviewees agreed that their manager should have the signed job description, they themselves should have a copy of it and the HR department should also have everyone's updated job descriptions. Managers should have all of their subordinate's job descriptions. Job descriptions are kept in HR performance management system. Power Wheel has an example of general job description.

Managements' use of employees' job descriptions

"The managers' responsibility is to know subordinates' competences and responsibilities," stated one manager as an answer to this question. The basis is that both the manager and the subordinate understand what the job description includes and requires. Job descriptions and career planning are based on the information on a Job Family. A manager who was interviewed said that he knows his employees' job descriptions very well because he has defined them. Even if some people would have the same job description structure, everyone's tasks are based on their individual interests and competences.

Conclusion

Job descriptions at Foster Wheeler complement the employment contract; give a clear picture of the position, the content, relevant tasks, scope of duties and responsibilities as well as the authorization and reporting relationship. The job description is used in recruiting and includes functional competencies. The collective labor agreements

METTOVA *position demand evaluation* is the basis for the minimum salary for each position. All but one employee has a job description that is updated during the development discussion. The manager or supervisor, employee and Human Resources Department together are seen as owners of job descriptions. Some think the Human Resources Department is not an owner because the department's task is to store the updated job descriptions. The employee's responsibility is to keep their job profile up to date and inform their manager if something changes in their job. The Human Resources Department's responsibility is to make sure that job descriptions are used in the same way in the company. All of the interviewees agreed that their manager should have the signed job description, they themselves should have a copy of it and the HR department should also have everyone's updated job descriptions.

Job descriptions should not be too specific and should be flexible in use. Job descriptions are important because they clarify the domain of work, define the content of the job, state responsibilities and commitments and record them in the form of a written document. If there were no job descriptions it would be difficult to divide responsibility and keep track of project team duties and responsibilities. Job description also defines the demand classification level and therefore affects salary. The job descriptions can be used in substitution, finding competencies in the company, career planning and helping new managers get to know employees' jobs. Job description templates have a basic structure, but they include personal information based on employees' competencies.

Two employees manage their own development in a form of profile where all competences, skills and courses are recorded. One employee sees that the danger in managing one's own development profile is that the personal development profile could end up being too specific and complicated to use or too simple. Some kind of CV-type list of competences and knowledge should be available for everyone because sometimes customers want the whole project teams CVs before a project even starts. One employee suggested that there could be an attachment with the job profile that would concentrate on the personal competences and special knowledge.

4.3.2 Suggestions based on interviews

The interviews resulted in a wealth of information, and two new ways for using job descriptions at Foster Wheeler were suggested. The suggestions are introduced and explained below.

Project job description

According to one interview, the engineering departments use two different job descriptions: a personal job description and a project job description. The personal job description includes each person's main tasks and duties, person-specific responsibilities such as training or co-operation connections and measures of success which lists skills, competences and goals needed to perform well in the job. The personal job description has the same main duties in all of the same jobs plus specialized duties that come about from the employee's skills, competence or interests. The person always performs the same duties in different projects.

The project job description is a new instrument that the engineering department has launched for using job descriptions in projects. The tool has been in use since 2008 and it has proven very beneficial for managing and working in projects. First, an engineering process flowchart that has all of the project's duties divided in tasks and times is needed. Then, instructions and directions are needed for all the functions that participate in execution. Based on the process flowchart and instructions, job descriptions can be formed. The project job description collects and combines the main tasks for the employee. This leads to the process and the job description meeting and completing each other.

According to the interview the project job description is an efficient tool and an essential part of working on projects. The tool is needed in all kind of projects by different functions such as management and controlling. The project job description's greatest benefit is the information that it gives employees and management, with which it is easy to see what different people do in different phases of the project. It acts as a guide to new employees and a remainder for current ones. If there is confusion at any phase of the project, it is easy to go and see which tasks belong to which person or department. This would also let people know what employees from other departments are doing

during different phases of the project. The interviewee's opinion is that everyone who works with any projects should have a project job description because of the advantages it brings.

Using project job descriptions alongside personal job descriptions prevents the personal job description from becoming too long. The employee's duties in projects are referred with only one sentence such as: "Works as a layout engineer in project X." This sentence includes all the information needed about working as a layout engineer in projects. The duties and responsibilities can be checked from the project job description for layout engineers. In the figure below the process describes the duties specified with the engineering process flowchart, the job description combines and describes the main tasks to a person and instructions direct the execution.

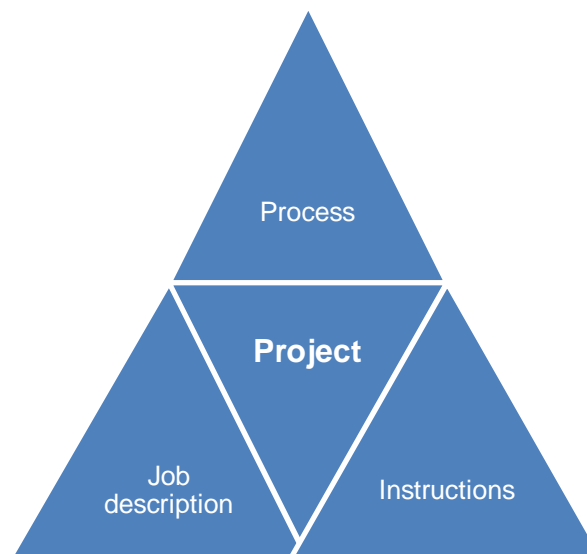


FIGURE 12. How to form a project job description

Performance evaluation with competencies

Currently, there is a long list of competencies and skills to be evaluated in performance management. In one interview, it was suggested that performance management could evaluate these skills or tasks under broader headings which each would contain similar subject area skills and competencies under it. These more specific skills and areas to be

evaluated could be listed under “Project management” or “Leadership” and evaluated as one. This would reduce the time used for evaluating everything separately, even if they belong to a similar subject area. Both employee and manager would know what is included under “Project management” and therefore what is evaluated.

Planning employee education and training

Employee education and training needs are assessed yearly during the development discussion, but the system for charting these training needs is inadequate because the needs do not stay up to date. A simple and easy to fill out and use application is needed to record education and training needs. Education and training could be planned as the figure below illustrates.



FIGURE 13. Planning employee education and training

The needs could be assessed and picked directly from the development discussion for the use of Human Resource Department. The HR department could then evaluate the education and training needs that were identified in the development discussion, the costs of arranging the training and the resources available for it. Then the HR department could arrange an education and training plan according to time, funds and resources available. Department managers and the Human Resource Department could then decide on education to be arranged based on the training plan.

5 CONCLUSIONS AND DISCUSSION

Job descriptions are increasingly being supplemented with competencies. Competencies are combinations of behavior and manners that help employee achieve good performance in their position. The employee decides on the competencies and behavior needed for a good contribution at work. Competencies are measured by tests, interviews and other evaluation tools. Competencies are used increasingly in organizations, and competency-based job descriptions are already used in many different fields. Even though the field varies from business to healthcare and government purposes, the competencies used are still similar. When a company starts to use competencies, they have to form a framework of competencies which are most important to the company. Descriptions for competencies can be found in international standard classifications for skills and competencies such as DISCO, O*NET and Taxonomy_DB. The competency-based job description program has to have someone designated for managing it. Employees' competencies are competitive assets for the company and can be used in job descriptions, recruiting and performance appraisal.

Foster Wheeler already has a set of individual and managerial competencies used in performance appraisal and evaluating salary level which could also be extended to use in other areas. Since the Hay Group competency-based job description already determines management's salary levels in a global environment the process could be extended to all employees of the company. The current job descriptions used in the company are different and used only at the development discussion. Starting to use a competency-based job description and forming an active competency-based job description program would be a logical step because competencies are already used in the company. The competencies that would be used in the new job description could be the ones already used and competencies from the competency library which is being developed at Foster Wheeler AG. A new job description template would be the same template for everyone, used in the same way and updated actively. It would take the collective labor agreement into account, use competencies and utilize current METTOVA, FW and Hay Group job description templates. The job description would be employee driven and updated together with the manager. The job description could be used in new ways in the company, such as in projects, as a "project job description", in performance evaluation as competency groups which bundle tasks under wider

competency groups such as “project management” and in planning employee education and training.

5.1 Reflections on this thesis

This thesis process has been a tremendous learning experience, as the starting point of the work for me was not knowing a lot about human resource management and development. However, being familiar with the case company through working in three different positions helped this process greatly. Because the topic on job descriptions and competencies affects almost every aspect of human resources, I have acquired a wealth of insight about the field. After working on this thesis for three months intensively at the HR department, I learned so much about HRM and HRD practices, processes and methods that it feels like I have received a minor in human resource management.

All in all, this thesis work has been an interesting experience, and I hope the message from the employees regarding the importance of job descriptions and recognizing employee competences is heard. It was wonderful that professionals in the human resource department were enthusiastic about this process and shared their knowledge and feedback in the thesis workshop. Also the employees that I interviewed were very cooperative and interested in the topic.

5.2 Suggestions for future research

The research brought up many interesting development ideas and further topics to research at the case company. My suggestion for future research is to determine FW core competences and their grouping in broader units and start a competency-based job description program in the company based on them. My suggestion for a competency-based job description template could be used as a basis for developing a new competency-based job description for the company. Competencies and their use in every aspect of the company's operations is a very interesting, current and necessary topic for further research at Foster Wheeler.

Future research could also be conducted on the new ways to use job descriptions and competencies in projects, performance evaluation and development and training. One idea for human resource development is to develop a public “portal” which combines or

stores together the tools already developed at Foster Wheeler such as the career map, job matrix, development discussion tool and Foster Wheeler core competences in the same location. This “portal” could be used actively by the personnel and promote communication and transparency in the company. Education management tool is listed as one important topic in the Foster Wheeler HR strategy. Employees managing education and training records by themselves could be researched. Could employees’ competences, skills and courses taken be recorded in the form of some kind of employee development profile? All in all, job descriptions, employee development and competencies are topics that provide a lot of material for future research at Foster Wheeler Energia Oy.

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APPENDIX 1

Current state analysis: job description

Questionnaire

Purpose

1. Why has job description been created? What is the purpose of job description and how is it used at FWE? (HR Manager)

Current use

1. Do you have a job description? What does it include? If not, why not, do you need one and why?
2. Has your job description been updated? When, how often and why?
3. Who owns your job description? You, human resources department, your manager?
4. What is your own responsibility concerning job description?
5. What would happen if there was no job description? What would it mean?
6. What is job description needed for? How important do you think it is?
7. How does the job description impact salary?
8. How could job description be used? Ideas?
9. Do you think your job description is the same as others who work in the same position or is it more personalized?

Should the job profile be generic or personalized in your opinion?

What do you think about managing your own development profile? (For example by updating training and education information)

10. Could the job profile be used more actively? How? (For example in recruiting, when starting in a new position, during development discussion, in monitoring learning and development, when resigning)
11. Where is the job description kept?
12. Manager: How do you use your employee's job descriptions? How well do you know your employees job descriptions and personal know-how?