

The A - Z of Competency Management

A Glossary

Competency Management is the definition of competencies required for success, the mapping of these competencies to requirements sets or profiles, competency assessment, gap analysis and competency development for current and future operational needs as well as individual career development.

There is a great deal of confusion in the terminology used in Human Resource Management and in particular in Competency Management and its applications. This Competency Management Glossary of terms provides a comprehensive overview of what Competency Management is, how it is implemented and the benefits it provides, along with clarification of all the commonly used concepts and terminology.

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#)
[V](#) [W](#) [X](#) [Y](#) [Z](#)

A

Abilities

Abilities are attributes of an individual - a capacity to achieve something in general terms. Examples are mathematical ability - the capacity to work with numbers to solve problems. Mechanical ability - the capacity to use mechanical principles to solve problems. Verbal ability - the capacity to use language to convey messages effectively. Having ability is not the same as having a competency or being competent. Ability may be present but may not be used.

ABC Model

Psychological research has established that behavior is influenced both by its antecedents (cues, prompts, triggers) and by its consequences (rewards, recognition) .

Administration

Especially in a large organization with a large competency library and many people and assessments it is vital that competency management process is streamlined and as much as possible is automated so that administration is minimised.

Assessment

A key part of competency management is competency assessment. There are many assessment methods - including observation checklists, skills demonstrations, knowledge tests, case studies and projects, panel interviews.



Assessor

A person who is providing input to the assessment. An assessor can be the person themselves (self-assessment)

Assurance

Having a competency management system means having the capability to ensure that staff have the competencies required to do their jobs. It is obvious that this will reduce problems caused by people making preventable mistakes. Many insurance companies are now requiring organizations to minimize their risk profiles. Competency information is a key part of that.

B

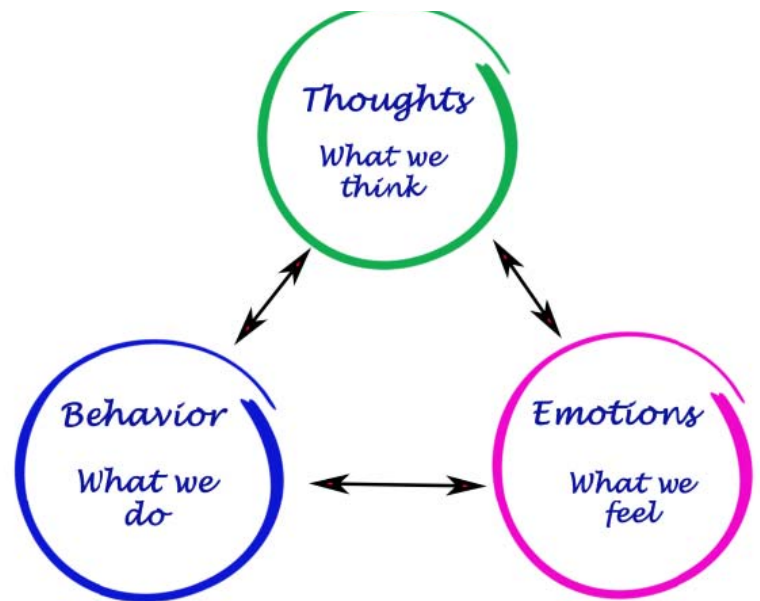
Based

We often read about Competency Based Management, Competency Based Talent Management. This means that Competencies are a key tool in selecting staff, training them, managing their performance and in planning for the future. The use of a Competency library

- when properly defined - can give organizations a common language for discussion of People and Capability.

Behavior

Many competency management systems are about behaviors. This is particular true of Core Competencies which tend to be about facilitating collaboration in organizations. A common competency is Teamwork and some typical behaviors included might be 'sharing knowledge and ideas with others in the team', 'stepping in to provide support to colleagues when needed'.



Benefits

There are many benefits of a competency management system. People need the soft skill competencies to collaborate with others, they need functional role based competencies in order to do their jobs and if they are leaders they need leadership competencies to be effective.

Aside from job productivity there is strong research evidence that competency levels and information about them positively impact;

- Staff Engagement and Retention
- Organizational Culture
- Service and Product Quality
- Overall Organizational Success
- Organizational Risk Profile
- Talent Pipeline

C

Capability

Capability is a concept that is used in many different ways. We have found it useful to define Individual Capability quite broadly. It includes a number of dimensions - Education, Training, Experience, Competencies, Abilities, and Personal Attributes.

Career Development

Competencies are an essential tool for Career Development. People need to be able to see the competencies required for positions they may be interested in and how these change along different career pathways. They also need to see where their current competencies are in relation to roles of interest and where the gaps are.

Certificates

Certificates are awarded for various reasons. If awarded for completion of a training course the certificate does not mean the person is competent in the competencies taught. Similarly educational qualifications, often gained on passing exams and submitting

assignments, do not mean the person is going to be competent in job competencies. Nevertheless educational qualifications are often assumed to mean competence. Another question is for how long is a qualification or certificate valid? For example CPR (cardiopulmonary resuscitation certificates usually have an expiry of 2 years whereas university degrees have no expiry.



Checklist

Many competency assessments are essentially checklists of behaviors or standards that are rated by those assigned to do so. As with any kind of survey it is important these checklists are short and to the point. Where lists are long rating is not accurate because raters become fatigued.

Citizenship Behaviors

Citizenship behaviors are those behaviors that are not directly task related in terms of one's job role, but are helpful in working successfully with others and in promoting the organization. Often referred to as 'soft skills' and often part of the organization's core competency set. Citizenship behaviors are associated with better performance at all levels - individual, team and organization.

Clinical Competencies

Most clinical disciplines have competency sets - core competencies for the profession, and often a workplace specific set that sets out detailed requirements according to the organization's own context. For example competencies may address protocols, procedures and the use of equipment. Without a competency management system there is little

visibility of competency - the information may be scattered on various spreadsheets, on pieces of paper or in the heads of supervisors.

Competence

Competence is not the same as competency. Competence means achievement.



Competency

A competency can be defined as observable, measurable **knowledge and applied skills**. As an example the competency of driving requires;

- knowledge of the road code
- knowledge of the controls and capabilities of the vehicle
- skills in using the vehicle controls to navigate the roading system safely and in line with the road code

The skills must be demonstrated on the job. No good having the skill if it is not applied on the job.

Competencies are NOT personality traits, thoughts, or motivations.

Core Competency

A core competency is a competency that is fundamental to success. It can be defined at the individual, team, professional or organizational level. Examples of Core competencies are Citizenship behaviors.



Comment

Competency assessments need to include the facility for comments by assessors and by the subject of the assessment.

Comparisons

Competency reports usually show comparisons between

- previous competency levels for the individual
- competency levels of teams and departments

If these comparisons are to be valid it is important that competencies are defined so they are observable - (understanding is not directly observable) and measurable. The measurement must be consistent - not open to interpretation.

Compensation

Many organizations are considering implementing skill or merit based pay but this is not easy. Firstly competencies must be defined with multiple skill levels, and secondly the evaluation method needs to be fair and transparent. Both of these requirements are hard to meet. Then there are the unintended consequences - people trying to game or manipulate the system to advance their own interests. If you are just starting out with competency management it is best not to link it to your compensation system.

Compliance

Most organizations have to comply with at least some people centred regulatory requirements. A competency management system is a great way to ensure that people understand and comply with those requirements. It provides a real time view of compliance and helps organizations potential liabilities that can arise if regulatory requirements are not well managed. (See below Health & Safety).



Co-ordinator

Organizations using functional (job role) competencies typically have a Competency Co-ordinator or Manager for each business division. This person will help the subject matter experts in a consistent approach to defining and assessing competencies, help with identifying competency development resources and management reporting.

Culture

Values based competencies can be used to shape organizational culture. This is because competency requirements are expectations that management has of staff. If those competencies are assessed and tracked then people pay attention - 'people respect what you inspect' - and will change their behavior accordingly.



D

Database

Competency libraries or dictionaries need to be part of a database so that they can be properly managed.

Definition

Competency definition is tricky. The competency must be measurable. The wording needs to be appropriate for the scale being used. Competency statements should begin with a verb. This must be something that is observable or testable. For example 'Understands the use of statistical tests' is not observable - it is too broad a topic. 'Uses the appropriate statistical test to assess differences between research sample groups' is something that can be assessed by observing the person's work or by using a quiz.

Demonstration

Many functional competency definitions include the word 'demonstrates' - skills that can be demonstrated and observed by the assessor, or recorded in some way. For example ...
'Demonstrates correct use of fire extinguisher'.



Development Resource

Competency management systems should include a Development Resource catalogue that staff can use to find resources for the development of particular competencies. These may be informal on line resources or formal training or qualifications.

Dictionary

A Competency Dictionary or Library contains the competencies used by the organization - often organized by category for easy location and management. It must be easy to update.

Drill Down

A competency management system should provide the facility to drill down to view individual and team competency assessments and achievements over time - even at the behavioral level. This provides a current needs assessment input for planning of training. It also helps to identify competencies and standards that are poorly defined, or assessment methods that are not working.

Dynamic Competency Management

Organizations work in environments that are constantly changing. Competency systems must be able to change too and with minimal difficulty and administrative load.

E

Engagement

Having a competency system can help build engagement if it is set up to be used in career development



Evaluation

It is important that competency evaluation is done by someone who is in a position to observe the competency in action.

Evidence

A competency evaluation should include a means of attaching evidence, especially where there is a reliance on self-evaluation.

F

Feedback

360 feedback is a form of competency assessment where feedback is gathered from those who work with the individual. Since not all respondents will have the opportunity to observe all competencies it is important to provide a 'Not Observed' response option. If this is not available respondents have to guess and feedback may not be accurate



Forms

Customized on line forms for specific examples or case studies are often used in functional competency assessments - especially in healthcare.

Framework

A competency framework is a set of competencies - for example core competencies, leadership competencies, or a set of competencies for a particular area of job expertise. It is a blue print for success. Sometimes called a competency model.

Functional Competencies

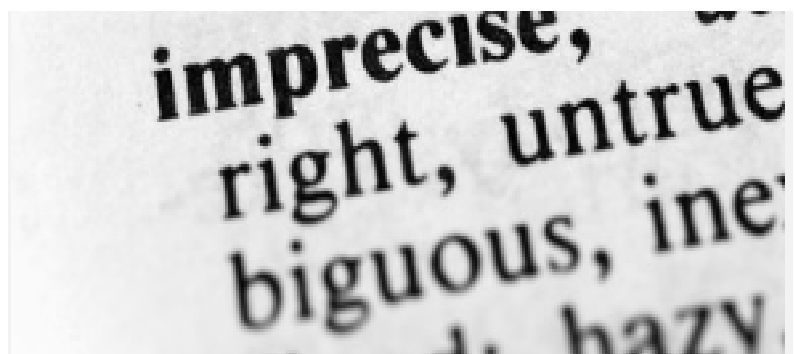
Functional competencies are those technical or clinical competencies that are role specific. The term competency model is mostly applied to generic or core competencies, and combinations of these may be assigned to job roles. However these they have much less positive impact on performance than job specific competencies.

G

Generic

Some vendors provide libraries of generic competencies that organizations can purchase. These are generally for core and leadership competencies.

If using generic competencies make sure that your staff will relate to the language and that it is not ambiguous - everyone should be able to interpret it in the same way if measurement is to be reliable (repeatable). Note that it is functional job competencies rather than core competencies that are most predictive of job success.



H

Health & Safety

Health and Safety is an example of a compliance area that can really benefit from the use of Competency Management. In many jurisdictions it is the responsibility of managers and organizations to ensure that hazards are identified and that people are trained and aware of safety procedures and safe operating standards. Adding them as assessable competency standards ensures people understand and meet requirements and provides the documentation organizations need to show that staff have been trained effectively.

HRM (Human Resource Management)

Competency Management can be used across all areas of People Management;

- Recruiting, Selection and Onboarding
- Performance Management
- Learning and Development
- Talent Pool Development
- Career and Succession Planning

Done properly it creates a common understanding of what knowledge and skills are needed for success in all roles across the organization.

I

Indicator

Competencies have indicators - (standards/behaviors) that are descriptions of actions that represent the competency. Not an exhaustive list - but those actions that are important to the organization. Indicators may be assigned to a competence level.

Implementation

The key to implementing a Competency Management system is to start simple - with core competencies, and build from there. You should select a system that enables easy updating of competency models because competencies are constantly changing - especial job competencies.

J

Job Competencies

The biggest single predictor of job success is job knowledge - so job competencies are a vital part of a competency management system. Job competencies are the specific knowledge and skills required to complete job tasks successfully.



K

Knowledge

Knowledge is only one part of a competency. Skills and appropriate application of both knowledge and skill on the job are the other components. Knowledge is about principles, processes and procedures as well as task relevant knowledge of equipment and skill steps.

L

Leadership competencies

As with any competency there needs to be a starting point for the definition. In the case of leadership it is advisable to look at the research on current theories of leadership to determine the competencies that will make a difference.

Level

Competencies are often defined with indicators at different levels of competence. Common levels for leadership competencies are Contributor, Supervisory, Tactical, Strategic.



Library

The competency library or dictionary is the repository for all the competencies used by the organisation. Requirements will change over time as the operating environment change and so the library must be dynamic - easy to update.

M

Mapping

Competency mapping is the process of assigning competencies and competency indicators (standards/behaviors) from the competency library to requirement profiles. These may be a general profile for Values based competencies or Core competencies or a Leadership Competency set or a role specific profile for example for an Intensive Care Unit Nurse or a Project Engineer.



Matrix

A competency matrix is a report that shows a list of people and a list of competencies and the level achieved in each person/competency cell. This is a great tool for managers, for Learning & Development staff and for Project staffing.

Measurement

Competencies must be measurable. To be measurable they must be observable or able to be tested in some way. For example thinking and motivation are not observable. The measurement instrument is usually some form of rating scale. The simplest being Yes/No. Other rating scales indicate degrees of competence - for example Not competent, Needs Development, Competent with guidance, Competent, Expert.

Model

A competency model or framework (see above) is associated with a particular method of assessment. For example leadership competencies are usually assessed with a rating and comment. One competency model can cover multiple levels of leadership competency.

On the other hand some areas of clinical expertise have different frameworks for Entry Level, General Level and Advanced Level because the assessment method and competency structure differs.



N

Not Rated options

Depending on the type of competency assessment it may be important to have some 'not rated' options. These include 'Not Applicable' and 'Not Observed'. These may apply at the indicator (standards/behavior) level and at the competency level. A competency management system should have a selection of rating scales to allow for these options.

O

Observation

In most cases assessments are done by using an observation checklist or form. For functional competencies The 'observer' (assessor/reviewer) can be the person themselves - self assessment, a colleague, their manager or an expert or any combination. There may be a number of assessors for each assessment if there are experts with different areas of expertise. For Core and Leadership Competencies assessors may also include those who report to the person and significant stakeholders outside the organisation.



Overall Comment

It can be beneficial to have the facility for an overall comment on the assessment itself. For example in Leadership 360 feedback a general comment may be invited at the end of the survey;

- Comment on something this person does really well
- Comment on an area where this person could improve

For functional competencies there may be a comment on overall validation.

P

Process

The Competency Management Process is an iterative one;

- Define/update competencies
- Map to profiles/update profiles
- Link staff to requirement profiles
- Create Assessments & assign Assessors
- Complete Assessments
- Assessment confirmation
- Individual & Consolidated reporting
- Gap Analysis
- Plan and track Individual Competency Development

Profile

Competencies from the competency library are mapped to requirement profiles. Since operating environments are dynamic profiles must be easy to update.

Program

Development programs with suitable resources that will help staff to become competent in competencies in the organization's competency library.



Professional Competencies

Most professions have a set of core competencies defined by their associations. In addition most professionals will have a set of job specific competency requirements.

Progress

Competency Management systems need to have a way to manage assessments and track their progress, as well as progress on individual competency development plans.

Q

Quality Assurance

Competency Management is an essential tool for Quality Assurance. Most quality programs require a methodology for ensuring staff competence.



Questions

Multiple choice questions - properly constructed - are a good way to assess the knowledge component of competencies - most useful for entry level.

R

Rating

Rating is the most common form of competency assessment. Rating scales can vary from simple Yes/No (2 point scale) to those with 7 or more rating



points. It is important to anchor each rating point with a clear description. People usually tend to avoid the extreme high and low points of a rating scale so scales with fewer rating points will have assessments clustered around the mid-point. It is important to pick a rating scale option that is suitable for your assessment purpose.

Regulatory Compliance

Competency Management can be used to support regulatory compliance. Pre-requisite knowledge and operating procedures can be defined as competencies. Regular assessments are used to demonstrate compliance.

Reliability

Reliability is a concept that is used in assessment to explain the quality of the measure. In competency management the measure is the competency definition (including standards) plus the rating scale. Reliable means that;

- all components contribute equally to the concept we are measuring
- consistent on re-test - if we are assessing the same person at the same level of competency at two different time points the result should be the same if the competency level has not changed between point 1 and point 2.
- inter-rater agreement - there should be a high level of agreement between different assessors doing the same assessment.

Risk Management

A major part of the risk in organizations comes from people. A competency management system can be used to reduce risks of mistakes and liability from lack of job competency. Demonstrating this to insurers is increasingly important.

Reports

In a competency management system there should be real information on;

- Individual Competency Assessments
- Customizable 360 feedback reports
- Competency Level reports
- Competency Gap reports
- Comparative reports - by time, by team, dept, division
- Matrix reports - people and competency



S

Self Assessment

Self-assessments may form part of any evaluative process. In competency management they are used in 360 feedback but also in job competency assessments. At more advanced levels a self- assessment including evidence may be the primary assessment. This is then reviewed and moderated by a manager or expert colleague.

Skills

A skill is one component of a competency. Something a person can do - as opposed to something they know. It is not enough to have a skill, the person must know when to use that skill in the work setting. This is why qualification and certification is not necessarily the same thing as competence. Very often it does not occur to us to apply a skill learnt in one situation to a different setting.



Standards

Competency standards - otherwise known as competency indicators, or behaviors, are a vital part of competency management. They are the specific action statements that are relevant to the competency in your particular organization. It is important that competencies are assessed at this level of detail as well as in overall terms.

SOPs
Standard
Operating
Procedures



Use these as competencies and standards to help train and ensure compliance.

Subject Matter Experts

When defining functional/job competencies it is important to use the experts in the field. They will need some help to define the competencies in a way that is measurable and observable.

Survey 360 Feedback

Often used for core competencies and leadership competencies. The feedback is giving by multiple assessors and these typically include the self, immediate managers, direct reports, colleagues, and

any significant external relationships. The relationship to the subject is recorded, and if anonymity is required there should be more than 1 assessor in each relationship category.



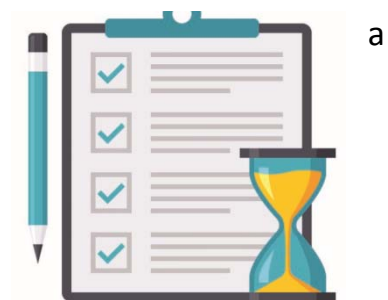
T

Technical

Research has shown that it is technical competencies that have most impact on job performance. By technical we also mean functional competencies (such as HR competencies) and clinical competencies. This is because it is job knowledge that drives successful job performance. Despite the interest in core competencies, whilst rated highly by supervisors, they are actually less effective in helping achieve desired results.

Tests

Tests can be used to determine the knowledge component of competency. Tests typically cover knowledge of principles, procedures, products and services, use of equipment, calculations, impact of actions. They can be in any Q and A format, including interviews. Multiple choice questions (MCQ) provide the most automated method of assessment. However MCQ need to be formulated with care.



Templates

It is useful to create templates - or lists of particular competencies for assessment. These requirement profiles can then be re-used for multiple assessments or tests.

Training Transfer

One of the key reasons for the use of a Competency Management system - especially for job/functional competencies - is that training transfer is hard to achieve. Just attending a course does not mean that the knowledge and skills learnt will be applied on the job.



Type

There are many different types of competency;

- Generic competencies - provided by vendors such as Lominger typically cover core competencies and leadership competencies.
- Customized Values based behaviors to support organizational culture
- Customized Core competencies - so they relate better to the organization's operating environment
- Professional core competencies - such as Medical or Accounting usually developed in a generic format by professional associations
- Functional core competencies - such as HR Management, Risk Management, Project Management - often developed by associations in a generic format.
- Role specific technical competencies - such as in Customer Success Partner, Front End Software Engineer, Aircraft Engineer - these may adapt functional core competency sets.

Research shows that the less generic and the more specific the competency is to a person's job role, the more useful it will be in driving successful job performance.

U

Understanding

Understanding is an indicator of knowledge which is one element of a competency. Understanding is thinking - and as such is not observable. Competencies worded in terms of understanding will need to be assessed by a knowledge test. If this is not possible then the competency needs to be worded in terms of an action that will demonstrate understanding. Example: 'Understands the road code' - would be re-worded as 'drives in compliance with road rules and road signs'.

V

Validation

Competencies and Competency Models need to be validated. Relevant types of validation

- Face validity means that on the face of it the competency definition is describing what is intended - there is a common understanding.
- Content validity means that in our definition we have covered all the relevant aspects.
- Predictive validity - achievement of the competency should predict successful job/task performance and or organizational effectiveness.
- Concurrent validity - our definition and rating scale should be able to distinguish reliably between people who are at different levels of competence.

Validity?

Verification

When an assessor is giving a rating it is useful to know how this appraisal of competence was verified. Was it for example observation on the job, or question and answer, or a skill demonstration.

Values

Most organizations have a set of values - such as 'courage', 'respect', 'integrity' and 'teamwork'. These can translate into a set of values based behaviours such as 'voice your opinion directly and honestly', 'demonstrate empathy in dealing with others' that staff are expected to show at all times.



Assessing Values based behaviors as part of performance management communicates their importance and shapes organizational culture.

W

Why have a competency management system

Competency Management systems are an essential tool especially in larger knowledge intensive organizations in healthcare, engineering and technology. They help;

- Drive successful job performance
- Improve productivity
- Ensure regulatory compliance
- Achieve quality assurance programs and certifications
- Reduce risk and liability from error
- Boost staff engagement through visibility of development and career opportunity
- Plan for the future

Workforce Planning

Competency Management helps organizations plan for their future workforce. A dynamic competency management system supports the definition of future skill requirements and tracks competency needs against actual competency levels.

X

X factor

One approach to competency management is to look at those people who are successful in a role, for example sales people, and build a competency model which is a repertoire of the behaviors they exhibit. Research does show however that most top salespeople are successful because of a strength in only one or two competencies and are often quite deficient in others. This does support the 'play to the strengths' approach.



Y

Yes/No ratings

Assessments of competency always have a degree of subjectivity and bias. For this reason when assessing at the behavioral or standards level there is an argument for using a Yes/No or Pass/Fail type of rating. If using a rating scale with more points it is advisable to decide what constitutes a pass because there is a need to identify competency gaps.

Z

Zoom In

A Competency Management System must have a way to zoom in to the details, for example to see

- Which behaviors are best and worst in a particular department, in a particular time period?
- If using knowledge tests which questions have been too easy to answer or too difficult to answer.
- Which assessors are more strict and which are more lenient.

