

Competency Model High-level Description

Competencies are the knowledge (e.g. content mastery on a subject such as business management or engineering), skills (such as problem solving), abilities (or capacity to perform) and behavioral characteristics that are exhibited in job performance and help to distinguish superior from average performance under specified circumstances. Competencies are relative to a person's job or role (current or future) and are worker-centered. The use of competencies is based on the behavioral principle that past performance is the best predictor of future performance. Also, in general, the more recent the effective behavior demonstrated, the higher the probability that an appropriate job fit will exist. In order to be applicable, competencies must be tangible and measurable so that employees can see the link between day-to-day behaviors and/or skills and improved job performance. Further, individual-level competencies must be aligned with key business objectives/values to help foster organizational success.

The idea of using competencies in business originated in the early 1970's, with research that found that competencies were the best predictor of job success while being the least biased. Models of competencies were derived primarily from observation and interviews with successful performers. The 90's have seen a dramatic rise of interest in competency models and approaches, including new web-based approaches to critical capabilities identification and skills risk management. Another development is that competency models are beginning to focus more on how best to develop an organization's human capability to support business strategies. This has shifted the focus to forecasting competencies which would lead to future success. To support future business success and business goals, competency models must include core competencies, which are the culture-forming and culture-enabling competencies required for successful performance.

Value Propositions:

Competency Management is best defined as the systematic process for identifying and defining the organization's core capabilities and, further, aligning and managing individual-level competencies essential for business success. Defining the organization's programs on competency models has many advantages:

- Competencies create a common link and terminology to describe performance expectations across different HR processes.
- Competencies help to translate business strategy into the requirements for individual superior performance.
- Competencies provide a consistent focus for HR processes to directly support business goals or desired cultural attributes.
- Competent people are more productive; there is less rework and waste. Competencies thus help to develop a more competent and flexible workforce that can adapt more readily to changing market conditions.
- Competencies build long-term organizational strength by communicating valued behavior and raising the bar on performance requirements.
- Competencies provide information to manage several aspects of the employee lifecycle, namely:
 - What kind of talent is required to achieve overall business objectives? Where do we source this talent?
 - Are we hiring and placing employees who possess the skills and capabilities required to successfully deliver organizational objectives?
 - Are we assessing and developing skills and capabilities consistently over time to align workforce talent to existing and future job and role requirements?
 - Are we rewarding and promoting desired behaviors?