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INTRODUCTION TO COMPETENCY MANAGEMENT



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■ ■ ■ What is Competency Management?

First, let's define competencies. A competency is the combined knowledge, abilities, and expertise of an individual or an organization. So, competency management is the process of identifying, managing, and developing employee competencies. It aligns employees' skills and behaviors with the company's goals. When used as a framework to recruit, develop, engage, and retain employees, it gives organizations a competitive advantage.

At the highest level, the process is clear cut:

1. **Define** the jobs across your organization and the skills that employees need to do those jobs to create a "competency model."
2. **Assess** recruits' and employees' competencies to determine how well their skills and knowledge match their job requirements.
3. **Create** development plans to close the most critical skill gaps.
4. **Monitor, measure, and repeat** to achieve your individual, team, and organizational goals.



A competency is the combined knowledge, abilities, and expertise of an individual or an organization.

How Does Competency Management Help?

Essentially, competency management helps you develop the skills, knowledge, and behaviors your employees need, so you can realize the full potential of your workforce. A robust program can advance short-term and long-term workforce planning initiatives. Here are just a few:



Workforce Optimization: Be sure your employees have the essential competencies they need to do their jobs well. Conduct skills gap assessments to pinpoint crucial weaknesses, so you can provide exactly the targeted training they need. Competency management improves the impact and cost-effectiveness of your training, ensuring that your employees are spending their time on improving the skills that make a difference.



Leadership Development: Identify and prepare your future leaders. Use competency management tools such as skills assessments and gap analysis to identify which of your employees are best prepared to take on leadership roles today. Also, look for employees who could become leaders over time. Provide those employees the training, development plans, support, and experiences that will strengthen their leadership competencies. Then, they'll be ready when you need them.



Competency management is the process of identifying, managing, and developing employee competencies



Succession Planning: Start years in advance to plan for succession and to groom the next generation of leaders. Retirement. Changing business climate. Industry shifts. Whatever the reason, every organization should be planning now for a smooth transition when it's time for senior executives to step aside. Mature competency programs help ensure that the successors have the knowledge, tools, and skills to successfully manage through the critical transition – and beyond.



Business Continuity Planning: Expect the unexpected. Don't let natural disasters, pandemics, or other crises disrupt the business of your organization when groups of employees are suddenly unable to work. Up-to-date competency or skills management systems can provide a ready catalog of employee skills, so you can quickly analyze your losses and develop an actionable response.

Optimizing Competency Management

Too often, business leaders and leadership teams make important decisions in an ad hoc way. In the absence of data, they rely on gut feeling and best guesses. Even when things turn out great, they don't know why. Managing competencies provides a metrics-driven framework to make informed decisions about workforce priorities, productivity, and development.

As an enterprise initiative, competency management delivers powerful insights about an organization's workforce today – and its potential to thrive in the future. But it has a lot of moving parts. Use available competency tools to optimize your program, including these:

Competency Model: What is a competency model? This is the framework for defining the skill and knowledge requirements of a job. It's a collection of competencies that jointly define successful job performance. There are a variety of models to choose from. Take time to understand your options, weigh the pros and cons of each, then select and refine the model that will work best at your organization.

Skills Assessments: Today, most skills assessments are conducted online, but you may do some of your skills assessments in person. However you do your assessments, be sure that there is consistency from one to the next, so you have objective results that help you better understand the current skills of your workforce.



Competency Management System: At scale, competency programs benefit from using technology to assess, analyze, track, and manage the skills and competencies of your workforce. Without it, there is just too much data and too many variables to manage your information adeptly and make informed decisions. There are many competency systems to choose from, including [WebMentor Skills](#) from Avilar. Think through what's most important to you to find a system that fits your needs.

Avilar helps organizations align workforce performance with business strategies and goals.

How to Get Started With Competency Management

From recruitment through hiring, development, and promotion, many successful companies rely on competency management to optimize the skills of their workforce and give the company a competitive edge. By aligning the skills of your people with your organization's strategic goals and initiatives, you put the power of your entire workforce behind you.

Here are five steps to get you started.

1. Secure Support From the Top. To set up your competency management program for success, be sure your senior executive team is on board, providing you the support and resources you need to see the job through. Meet with them to outline the competency framework and to secure their buy-in for the process. Work to set realistic expectations about what to expect and what value a competency management program can deliver right away – and how the benefits rack up over time.

Consider a competency pilot in one part of the organization to capture what works, what doesn't, and to highlight early benefits to the team and company.

2. Select Your Competency Model. You don't need to create your own library of competencies from scratch. There are many off-the-shelf competency models to choose from. Open source models like [O*NET](#) or [NICE](#) can save companies a great deal of time and effort.

Start with the core skills that every employee should have, then find and select a competency model that fits your organization. You can always add leadership, functional, and/or job competencies that are specific skills your company requires. Be sure to adopt the model across your organization so everyone is on the same page. Then update your job descriptions to identify the required skills and proficiencies that directly impact business outcomes and performance.

3. Implement Competency Management Software.

While it's possible to identify, analyze, and manage skills and competencies without competency management software, you wouldn't want to. Competency management systems such as Avilar's [WebMentor Skills™](#) streamline and automate the process, so you and your team can focus on learning and development initiatives that improve the skills and performance of your workforce.

By mapping the skills required by the jobs in your organization to the actual skills of your workforce, competency systems provide tremendous insight into potential workforce performance.

4. Conduct Your (First) Skills Gap Analysis. Identify workforce strengths and skill gaps with competency-based skills assessments. Employees can take online skills assessments to capture their understanding of how well they are mastering essential skills. Supervisors and mentors may also weigh in to capture a multi-rater view.

Home in on where to invest in development. To do this, analyze results to get a baseline understanding of individual and workforce strengths and skill gaps. This is just the first skills gap analysis. Most companies include competency-based assessments as part of ongoing performance management efforts.

5. Align Your Learning Program with Critical Skill Gaps. Use reports from your competency management system to identify strengths and skill gaps across your individuals, teams, and entire workforce. Where there are essential skill gaps, adjust your learning and development program to align with your competency framework. This will make a meaningful difference.

Individual learning plans and team training initiatives can effectively improve essential skills, knowledge, and behaviors. By measuring competencies over time, employees can track their progress and contributions.

A well-run competency management program takes the guesswork out of hiring, developing, and retaining top performers. With the right planning and preparation, you can start your successful program today.

■ ■ ■ Getting Your Workforce On Board

When competency management programs struggle to get off the ground or maintain their momentum, it's often because employees aren't fully participating. If you've initiated a competency management program but are struggling to get buy-in from your workforce, here are a few tips for getting them on board for building a competency-based organization.

1. Include Employees in the Planning Process.

People are more likely to support projects they help to create. You already know that to set up your competency management program for success, you need your senior executive team to provide support and resources to get started. But remember that employees have a stake in the project's outcome, too. And their direct input will be more accurate and insightful than that of managers.

Before the project begins, find a handful of employees who can represent the needs and wants of your workforce. Look for "connected" communicators — people who can accurately represent multiple groups or departments. Include employees who will naturally champion the competency management initiative back to their teams, keeping colleagues up to date along the way.

2. Be Sure Managers are Connecting the Dots.

Until it's part of the culture, a competency management program can feel like an abstract "nice to have" project managed by somebody else. Meet with your managers to be sure they understand competency-based management, how it works, and how your program fits into the big picture. Provide training or guidance for managers to start referencing skills and competencies in their every-day conversations with employees.

Ask managers to connect the dots for employees, helping them understand how their roles fit within the organization and how they fit within their roles. Managers can use competencies to demystify performance expectations and opportunities for career growth, providing clear guideposts for success and advancement.

3. Mark Your Competency Management Milestones.

As you begin to pilot your competency management program or roll it out across your organization, communicate milestones of each phase. This will help highlight the importance of competence in the workforce. Build interest and enthusiasm by sharing metrics and milestones that employees can relate to.

Is 87 percent of your sales team highly proficient in verbal communications? Is the marketing team the first to complete this year's competency-based approach to performance reviews? Did HR introduce two new career paths built on competencies? Look for changes that your employees will celebrate, then have fun with sharing the changes and results!

4. Catch (and Celebrate) Employees Doing Competencies Right.

Renowned speaker and author Ken Blanchard encourages leaders to "catch people doing something right." Most leaders are quick to home in on what's wrong. But one of the easiest and fastest ways to build an engaged workforce is to make a habit of noticing, encouraging, and celebrating the good things that are happening.

The same can be said for building a competency management program that sticks. Find employees who are focused on closing skills gaps to build the competencies they need – and let them know you noticed. Managers can call out individual growth and team successes at team meetings. Employees could be encouraged to share their stories of building new skills in the next company newsletter. When people earn promotions, share the good news and use the opportunity to highlight some of the skills, knowledge, and experiences they gained to prepare for the new role.

In short, to get employees on board with your competency management program, get them involved early and often. Be sure they see the value – to them – of building the skills and competencies they need to advance their careers. And celebrate with them as they reach the milestones that are important to them.

You'll be glad you did!

■ ■ ■ Getting the Most From Your Competency Management Process

Whether you are ready to begin implementation of a competency management plan or you already have one in place, it's important to assess and adjust your process frequently. A stagnant competency management process that doesn't measure progress, incorporate feedback, or make adjustments simply won't be as impactful as one that is well maintained.

Check out these seven tips for optimizing your competency management process.

1. Start Small

Depending on the size of your organization, a comprehensive competency management process might be something that you work up to. If you try to do too much too quickly, staff may not be able to meet the demands and the framework could fall apart completely.

Don't try to roll out a high-stakes, organization-wide competency management process in one step. Start with one competency management project each quarter that will show all involved a good return on their investment. Clearly define the purpose and develop the appropriate team from all areas of your business. Make sure you have a roll out strategy that isn't too overwhelming. This will help key stakeholders embrace the initiative.

2. Let Stakeholders Know the Value

Competency management takes time and effort so it's important to keep all stakeholders motivated to do their part. What better way to motivate stakeholders to participate in competency management activities than to explain the value and what each stakeholder type will gain?

Senior Leadership. Communicate to senior leadership the value of assessing and adjusting your competency management process. A few key components that may be

most important to leadership include: How the competency management process will align with company goals, how it will allow the company to grow or progress in the marketplace and how it will affect the company's bottom line.

Management. Explain to management the importance of carrying out their designated competency management tasks. Whether it's evaluating employees, giving feedback on the framework, or simply communicating competency management items for their staff to complete, each manager's competency efforts affect how well their team(s) adopt the process.

Employees. Help employees understand that participating in competency management processes will teach them what is required for success in their role, and give them information and guidance on planning their career trajectory within the organization.

Talent Managers. Having an optimized competency management process means talent managers can optimally align talent management processes with business needs, making their job a whole lot easier and more efficient.

3. Develop a Clear, Easy-to-Use Framework

Having collected data, the next step is to create subgroups that define and categorize behaviors and skillsets. You may categorize your subgroups around supervising and leading, recruiting, staff development, project management and other general management competencies. Once you have a framework in place, that doesn't mean it can't be changed for the better. A good competency management framework should be flexible, and improved as time goes on.

One of the pain points of keeping key stakeholders involved in competency management activities is poor usability. If the processes laid out are not efficient, don't make sense or just don't deliver the results intended, stakeholders won't be motivated to do their part.

In addition to a usable framework, also consider competency descriptions. Work to clearly identify and describe what skills are needed for each position within the company. This will save precious time and resources down the road.

4. Be Consistent Throughout the Company

For a friction-free competency management plan implementation, do your best to make it as consistent as possible throughout the company. Make sure all senior leadership, management, employees and talent management staff adhere to the same structure. This is why your planning team is so important, and why they should represent many levels of internal stakeholders. Their support in educating their teams about the importance of this process is critical. Be sure to connect the framework back to business and team objectives and provide training or coaching so that staff working toward competencies know they are supported. This will make it easier to deploy adjustments to the competency framework, as well as easier for senior leadership to make decisions.

5. Assess and Measure

Once a competency management process is implemented, you should track what is working and what isn't. By establishing ongoing accountabilities, for both individuals and teams, you will ensure that the competency management process will progress at all levels of your organization.

To streamline your organization's competency management process, consider competency management software. With the right software, measuring progress is easy and automated. This saves management time and motivates them to do their part in the competency management process.

6. Use Feedback to Make Adjustments

A competency management process should never be stagnant. With the feedback gained from staff, you can learn more about challenges and brainstorm ways to adjust the framework, motivate staff, and plan for more efficient ways of completing competency management tasks company-wide. Regular check-ins, whether they be monthly or quarterly, will keep the organization informed and promote engagement in the process.

7. Use Competency Management Software

Your competency management process is all set up but

what about providing staff an optimal way to track, measure and report on the process? If competency management software isn't a key component of your competency management process, you are missing out on an essential piece of your overall plan. Good [competency management software](#) will save you time, help you track and report, make adjustments much easier and allow the process to be more easily integrated into the business routine.

Unleash the Power of Competencies

Here's how to unleash the power of competencies in your organization, building on a strong foundation to boost strategic impact.

Develop Competency-Based Individual Training Plans

Putting a competency management program in place is a project. It takes time, discipline, tools, and stakeholder buy-in for the long haul. *Success of any competency project is closely tied to the expectations of results.*

Align your team on what's involved and when to expect your return on effort; then identify one set of employees where you can quickly address an important skills gap. You'll start to see results when your individual training plans address essential competency deficits. Once the program is implemented across your organization, individuals will systematically close their competency gaps, improving overall workforce performance.

Align Competencies Within and Across Groups

Don't stop with individual training plans. Too many organizations put in the effort to implement a successful competency project but fail to build on the foundation once the initial hard work is done.

When you know which individuals have which competencies – and those that are building new ones – you can do so much more! Arm your managers with data and insight

about their teams. Encourage them to look across their teams and align resources to address the business needs for which that team is responsible.

A savvy manager will incorporate cross-training and succession planning to build up the depth of skills on a team and optimize long-term performance. If a team member leaves or is moved to another part of the organization, a competency-aligned team will continue performing without missing a beat. By aligning competencies with business goals, you'll see an impact on your bottom line.

Hire Today for Tomorrow's Competencies

When your competency "machine" is humming across the organization, you can start looking ahead 12 to 18 months. Use the data from your competency program to help project your organization's future needs.

Be sure to update your job descriptions to reflect the skills and competencies that will be required over the next year to 18 months. Using competency-based job descriptions, your new hires will fit the company's needs today and transition into your future workforce. At this level, competencies are supporting your organization's future success.

Rely on Competencies to Guide Workforce Decisions

Once your organization is routinely using, updating, and analyzing the competencies of your workforce, you'll notice that competencies naturally support many planning efforts and strategic decisions. Just about any workforce decision is improved by the use of competencies.

- **Working on your emergency response or pandemic plan?** Make a note of how you'll rely on competency data to continue serving customers despite a sudden disruption of your workforce.
- **Facing a merger or acquisition?** Review your competency data to evaluate how well the combined organization will be positioned to succeed as one entity. You'll know where you have strengths and where you will have gaps to fill.

- **Entering a new market?** Anticipating a significant loss in your workforce due to retirement? Worried about continued low unemployment? Mine the analytics from your competencies to help inform what to do next. You'll quickly get a sense of whether you'll need to build up the competencies of your existing workforce, recruit new workers with important skills, and/or work with others in your industry or community to shape the competencies you'll need in three, five, or 10 years from now.

A Case in Point

Is your organization facing a talent shortage or finding it difficult to fill certain positions with a very specific skill? If so, how will you address the situation?

The U.S. Air Force has found themselves in a similar situation with a pilot shortage. How have they been addressing it? They are adjusting job descriptions to make the work more appealing – in hopes of reducing the number of pilots who retire. They plan to build out a training program, encouraging current pilots to stay on and share their skills with those who are just starting out. Furthermore, they are coordinating with civilian airlines, cross training, and extending home leave.

There are quite a few options on the table – all designed to preserve, extend, and build the pilot competencies required by the Air Force and civilian airlines for years to come. In short, they have analyzed their pilot competencies against their strategic needs and are making competency-based workforce decisions. It's just one example of unleashing the power of competencies for strategic decisions.

Just about any workforce decision is improved by the use of competencies.

Why Competency Projects Fail and How to Avoid It

Competencies are the collective knowledge, abilities, and expertise of an organization's workforce. When used as a framework to focus individual, team, and company skills on what matters most, a well-honed competency program will make an organization stand out. By supporting smart decisions around recruiting, developing, engaging, and retaining employees, a competency program can create a competitive edge.

As a competency-first approach has moved from novel idea to mission-critical business strategy, organizations have – with varying degrees of success – put competency programs into place. Let's take a look at why some fail and how to prevent it.

REASON ONE: Failure to Start at the Top.

Shifting to a competency-driven approach for employee and company performance must have the strategic backing of senior executives. Competencies are all about aligning the skills, knowledge, and behaviors of every employee – so the organization becomes a well-oiled machine designed to achieve company goals.

Without senior-level buy-in, a competency project will languish. It will either atrophy and fade away or leadership will actively step in to halt the project, believing it to be a distraction with no value.

PRO TIP:

If you're thinking of starting a competency project, meet with your senior leaders so they can understand the purpose, path, and value of a competency program. Have them clearly articulate the company goals and success plan.

Only move forward when you have the explicit backing of senior leaders and their commitment to support the full process.

REASON TWO: Poorly Defined Competencies.

One of the great things about competencies is that they can be observed, evaluated, and measured. Well-defined competencies take the guesswork and bias out of performance-related decisions. Using competencies to assess talent informs recruiting and hiring decisions, guides learning and development plans, and shapes future leaders as individuals grow and as the climate in which they operate continues to evolve.

...86 percent of HR managers believe that competency management is critical to their success – [but] only 15% believe that their competencies are well-defined at an enterprise level.” –Josh Bersin

As Mr. Bersin points out, though, too many organizations skimp on the effort to define competencies at the enterprise level. When the standard for competent performance varies from one department to the next for the same competency, the system breaks down. Unless you have a shared set of competencies across the board, you can't really know how well your workforce is performing – and where there are skills gaps that need to be closed.

PRO TIP:

Select and adopt a competency model that fits with your organization. Start with the skill sets you need every employee to have. Then, add functional and job competencies that are specific to the technical skills and departmental requirements.

REASON THREE: Lack of Involvement by Key Stakeholders.

Leaving middle managers and team leaders out of the competency implementation process creates two major problems. First, it's difficult to define the competencies required for certain functions and jobs without their input. Second, if the competency project doesn't reflect the jobs that people do every day, managers won't care. Efforts to measure performance will simply become a pointless task to complete; one that doesn't recognize, reward, or encourage the development of core skills displayed by top performers. Stakeholders will either explicitly disparage the project or quietly ignore the effort, in hopes that it will just go away.

PRO TIP:

Engage middle managers and other stakeholders early on. Explain why the company is adopting a competency-based approach now. Outline what to expect and secure their agreement to participate.

Interview key stakeholders to help define the core competencies in their functional areas. Developing a common language and company-wide understanding will increase the odds of success.

REASON FOUR: Going for the Big Win First.

Anyone who has experienced a competency-driven performance culture knows how powerful it can be. They know the energy and momentum that comes from a group of people working together to accomplish the same goals. Going for the big, showcase win to start can be tempting. After all, if introducing competencies into a large department can make a difference, let's go make it happen! Right?

In truth, there's much to be gained from starting small. Most successful competency projects start with a small pilot project and a defined goal.

PRO TIP:

Select a small team to start with competencies. Use that experience to help build the skills and experience of not just that team, but also the people who are leading the competency project. Working out the kinks on a small stage will help accelerate the learning. And, with a pilot project, there's more likely to be a quick win that the organization can celebrate together.

REASON FIVE: Overlooking the Power of Communication.

Any enterprise project has many moving parts. People, tools, deadlines, shifting priorities, and market distractions all threaten to get in the way. It can feel like enough to just push the competency project forward and report to the senior executive team on quarterly progress.

However, stopping at status reports is a missed opportunity. People will form their own opinions about what's happening if too few people in the organization are privy to what's going on a few weeks or months into the project. They'll believe that no news is bad news and that the project is behind, failed, or abandoned. It could take on a self-fulfilling prophecy of demise.

There are a wide variety of competency projects that work. By planning, gaining stakeholder support, and communicating success, you'll be on the right track to gain all the many benefits of a competency program.

PRO TIP:

From the start, plan what and how you'll communicate about the project. Look for milestones and successes that people can celebrate. Interview people who believe in the project and those who have benefited; then share their stories at company meetings, company newsletters, or even team meetings.

People want to know that their effort is making a difference and is being recognized. They'll feel excited and proud to be part of something that's working.

Does Your Organization Need a Competency Management Program?

For decades, organizations of all sizes and industries have relied on competency management to inform their strategic decisions and guide their workforce development initiatives. If you're interested in learning more about competency management and whether or not it's right for your organization, contact us. We can show you how Avilar's WebMentor Skills™ software can help.



■ ■ ■ About Avilar

What's Next?

Implementing a competency management method with Avilar – The Competency Company – can help move your organization from ordinary to extraordinary. Contact us today at info@avilar.com for a complimentary consultation or visit our website www.avilar.com to schedule a demo. You can be confident that we will listen to your organization's specific needs and help you find the best solutions to the competency management challenges you're facing.

About Avilar

Founded in 1997, Avilar is a leader in competency management and workforce optimization. We believe that a competency management method is one of the most effective ways to develop a workforce and deliver results in an organization. Our flagship WebMentor product line, introduced in 1998, includes a complete suite of affordable, easy-to-use, and full-featured competency development and management tools. Avilar is a recipient of the Excellence in E-Learning for Customer Satisfaction Award from Brandon Hall Group and eLearning Magazine, and has been cited by Training Magazine as a top "price-to-value" provider. Avilar blends leading human capital management and business intelligence professionals with our state-of-the-art workforce management system to solve the complex issues facing managers in the globalized business arena.