

What is Competency Management and Why Do You Need It?

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A fter years of seeing business transformation sparked by improved, intentional management of employees' skills and talent, implementing a competency management program should be an obvious choice. But if competency management is new to your organization, you'll need to first understand what competency management is exactly, how it can help, and how to get the most from your competency initiative. Let's find out!



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.

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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.

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 like these: **Competency management is the** process of identifying, managing, and developing employee competencies."



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 costeffectiveness 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.



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 <u>variety of models</u> 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 <u>WebMentor Skills</u> from Avilar. Think through what's most important to you to find a system that fits your needs.

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, <u>contact</u> us. We can show you how Avilar's WebMentor Skills[™] software can help.

About Avilar

Avilar consultants are recognized as industry thought leaders and have decades of experience in implementation and analysis. Let Avilar help you transform your organization from ordinary to extraordinary. Request a complimentary consultation or <u>visit our website</u> 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 talent management challenges you're facing.

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

Avilar – The Competency Company[™] is a leader in web-based competency management and learning solutions for corporations, government, and non-profit organizations. Formed in 1997, Avilar was a pioneer with its award-winning WebMentor[™] product line and has built itself on the basis of superior customer service and highly adaptable product design.

