

# 7 Powerful Reasons to Use Competencies





For many organizations, the *business value* of the workforce can be difficult to assess. You need a clear understanding of the how well each employee's *competencies* match the requirements of their jobs. That's the way to ensure better hiring, smarter training to reach corporate goals, more efficient management, and more.

## What Are Competencies?

Competencies are an organization's cumulative fundamental knowledge and abilities or expertise in specific subject areas. A company's core competencies are the characteristics that distinguish an organization within the marketplace.

Competencies can be grouped into the following categories:

- **Professional skills:** The skills needed by employees (at all levels) to be successful regardless of technical or job-related expertise.
- **Leadership skills:** The skills needed by those in leadership and management positions within an organization.
- **Occupational skills:** Job-specific skills needed in roles like human resources, learning and development, finance, customer service, engineering, manufacturing, sales and marketing.

When striving to assemble a successful organization, the ability to track, measure and evaluate each individual's competencies will allow you to understand what you're working with and give you the opportunity to make informed decisions.

## Why Companies Use Competencies

### 1. Identify Skills Gaps

Within an organization, skills gaps are the difference between the skills employers require, and the skills that are available from the existing workforce or potential recruits.

With a competency model and assessment tools in place, organizations can easily define the skills that are required for each role as well as track and [identify the skills gaps within their workforce](#), allowing the company to run more efficiently.



### 2. Better HR, Better Hires

According to an annual survey by the ManpowerGroup, “Among U.S. employers, 48% acknowledge that talent shortages have a medium to high impact on their business, but few are putting talent strategies in place to address the problem.” When an organization understands exactly what skills are needed for a position, the recruiting and hiring process becomes more efficient.

Additionally, for many organizations, an employee’s tasks may change over time while a written job description stays the same. By taking note of the exact skills an employee needs for the tasks assigned, filling that position is infinitely easier should the existing employee get promoted, move laterally, or leave the company. By implementing a [competency model](#), HR can better understand the skills needed for the job and thus, have the opportunity to bring in the best candidates for the open position.

### 3. Alignment of Training to Reach Corporate Goals

You may have specific goals as an organization but if your workforce is not aligned with those goals, it will be difficult, if not impossible, to reach them. Competency assessments also allow for the examination of the current workforce in comparison to the desired workforce. By regularly assessing, tracking and measuring competencies, your organization can make intentional decisions to stay on track.

Whether it’s matching lower level employees with mentors to build skill sets or bridging skill gaps by training upper-level employees through an e-learning solution, creating goals and timelines through competency management is an essential element of an organization’s progression.

#### 4. More Effective Management

*How can you distinguish yourself in a world in which your competitors can copy everything you do?*

According to Sundar Pichai, the CEO of the world's top search engine – Google, [“Let others succeed.”](#) All that separates you from your competitors are the skills, knowledge, commitment, and abilities of the people who work for you. When leadership understands what their subordinates need to succeed in their jobs, they can manage people to the best of their abilities.

Knowing the skills needed to carry out the tasks required of each job makes it possible for leadership to create efficient teams and match employees with those that complement each other's core competencies, as well as intervene when skills gaps are perceived.



#### 5. Succession and Promotion Planning

When it's time for key people to exit an organization, those leadership positions should be filled by existing internal top talent. Understanding a workforce's skillsets makes filling key business leadership positions and planning for succession and promotion easy!

By making use of a **competency model**, leadership can begin to phase out those who plan to exit and groom existing employees to take over imminent positions.

Through competency assessments and individual employee career goals, leadership can better identify which employees display the capacity to lead and create employee trajectories.





## 6. Accelerate Organizational Growth

Numerous studies have demonstrated that organizations that have competency management initiatives in place exceed those that don't in revenue per employee, customer satisfaction and efficiency. A proactive approach can build organizational capacity and trust.

Knowing the landscape of your workforce allows you to recognize what needs to be improved to reach corporate goals and to develop a competitive advantage.

## 7. Anticipate Market Opportunities

When an organization's leadership knows their workforce's skill sets and capabilities, they can better respond to market demands or trends. Through the use of competency models and [assessment tools](#), organizations can better plan for and take advantage of opportunities within their industry.



## How to Implement a Competency Management System

Whether it's finding skills gaps, enabling HR to make better recruiting decisions, aligning employee training with company goals or gaining key data for future company growth, the case for implementing a competency management system within your organization is strong. Learn more about the progressive impact of competency management by reading our white paper - [Energizing Performance Through Competency Management](#) - or by contacting Avilar to [schedule a demo](#) of WebMentor Skills™.



Avilar Technologies, Inc.  
 6760 Alexander Bell Drive, Suite 105  
 Columbia, MD 21046 | (410) 290-0008  
[www.avilar.com](http://www.avilar.com)