Competency versus Competence:
Moving beyond the rhetoric to an integrated approach

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Competence and competency

A long and not too helpful debate has been dominating the formation of competency frameworks in Australia and New Zealand organisations. This debate has become quite debilitating as vendors, national governments and ‘experts’ argue for specific approaches.

World-wide we have seen two distinct approaches to defining competence have emerged: personal and occupational

Occupational Competency = this technical-rational approach is more focussed on setting standards of performance (outputs). It is primarily concerned with task requirements and the occupational or vocational outcomes.

Personal Competence = The behavioural approach is based on critical incident analysis and evidence collected on the attributes individuals or groups display (inputs) that define, delimit, and/or differentiate competence within a given context. It is primarily about the person in a given context and role.

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Differentiation in an Australasian context

- **Competency** will typically describe what people do; relative to work requirements. It may be defined as "*the ability to perform particular tasks and duties to the standard of performance expected in the workplace*" (DEEWR, 2009 http://www.tpdh.deewr.gov.au).
- **Competence** will typically describe how an individual will do it; relative to other individuals. It may be defined as the *"skills and knowledge that compose a behaviour an individual must have, display or develop in a situation to achieve success, effectiveness or appropriate levels of motivation"* (Bowles, 2004).
- Competence and competency are different sides of the same coin:

COMPETENCE	COMPETENCY
Behaviour based	Performance based
Manner and context of behaviour	Standard attained
Measurement of individual behaviours and attributes	Measurement of outcomes and evidence of performance

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Myth 1 – Competence and competency are incompatible

- Different vendors and experts have dug their trenches and seem prepared to defend their approach as the ‘best’ or ‘only’ way to define competence. This is neither helpful nor accurate.
- However, personal (behavioural) competence and occupational (technical) competency do co-exist in the same organisational framework, for instance Working Futures™ enterprise clients:
  - Woolworths Limited
  - Qantas Airways Limited
  - Royal Dutch Shell PLC
  - Australian Public Service Commission
  - Santos Ltd.
  - BHP Biliton
  - Mater Health Services
  - Commonwealth Bank of Australia
  - St George Bank – Westpac Bank

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Response: Competencies need to cover a full range of attributes

Together personal and occupational competencies can give well-rounded coverage of the skills, knowledge and behavioural attributes organisations' require.

- **Performance (Skills and knowledge) attributes** can be tied to performance outcomes. These skills and knowledge may be demonstrated and assessed. Behaviours or attitudes may be included where they relate to how the individual thinks and behaves. When it cannot be tied to demonstrated performance attitudes fall into identity attributes.

- **Identity attributes** are the sum of a person's embodied beliefs, motivations and traits within a given context. The concept of identity encompasses both an individual's inner sense of self, their motivation, their social interaction, and traits such as how they think (cognition) and typically react.

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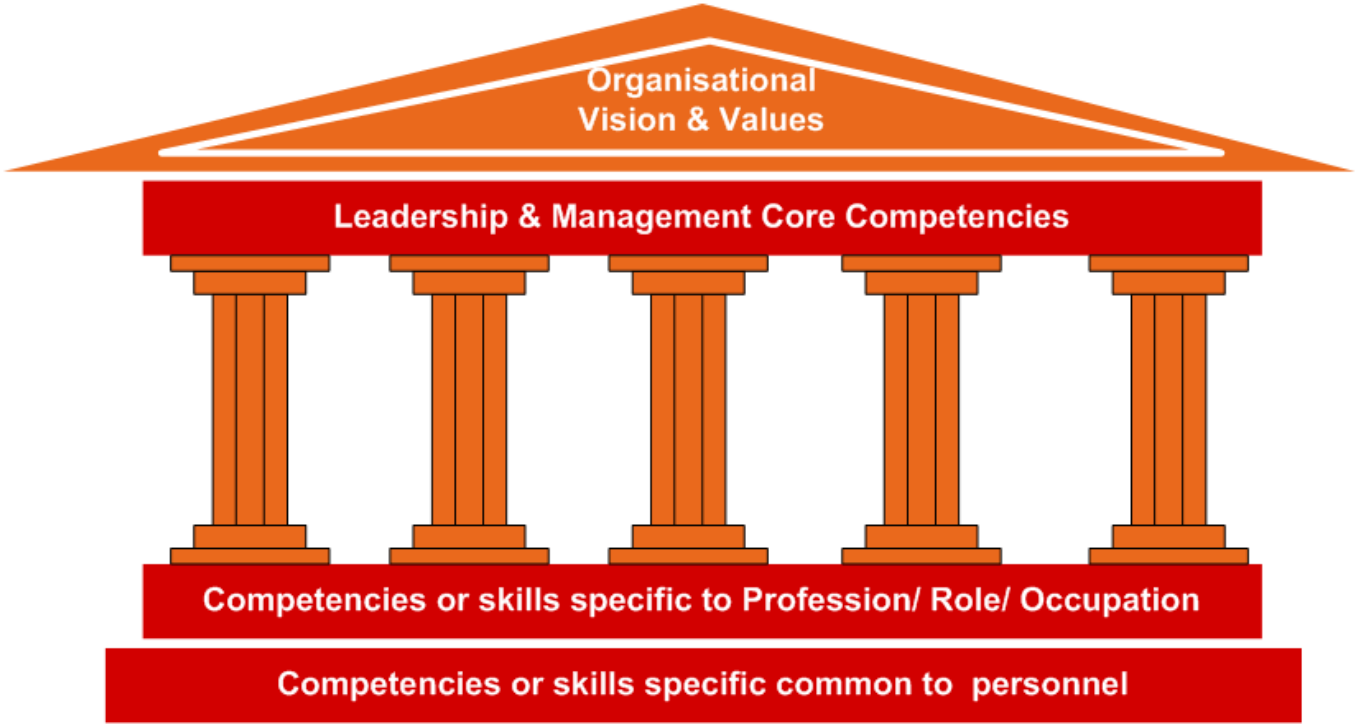
Response: Conceptual overview of an organisational competency framework

Competencies can co-exist in a single organisational framework. But each competence or competency may be used differently contingent upon what it is describing and who it applies to. . .



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Myth 2 - Personal competence is not tied to work outcomes

Many psychologists argue the use of personal (behavioural) competence models were never designed to have validity and reliability in the work environment. This is because:

- Competence descriptors can guide personal assessment only when using psychological constructs.
- Measurement of outcomes can only occur if psychometric indicators and assessment systems are used.
- Tying qualifications to behavioural outcomes assessed using psychological constructs is neither valid nor the purpose of the assessment
- Profiling competence in a position description or a job profile is about the individual and the requirements for selecting the right person, not job setting a standard of performance

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Response: Personal competence can be aligned to work outcomes

- Attributes of personal competence can be defined using skills, knowledge and attitudes that do contribute to individual performance
- Personal competence can be assessed and tied to work outcome in a manner that is:
  - Reliable
  - Valid
  - Authentic
  - Current
- Once levelled behavioural competence can be supported by both psychometric assessment and aligned to assessed occupational competency outcomes

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Myth 3 – Competencies should not be levelled

- Consistent with the previous Myth 2 many ‘purists’ argue competencies don’t need have descriptions at each level of proficiency – i.e. “Levelled”.
- Levelling is not required because:
  - A Likert 5 or 7 point scale can be used to ‘rate’ one competence description to different levels
  - Personal competence is an input and not an outcome able to be ‘evidenced’ using ‘performance criteria’ or objective statements
  - Scope needs to be left for individual difference and context

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Example: Personal competence rated using a Likert Scale

1. Innovation	
Identifying and understanding issues, problems, and opportunities in a work situation while generating improved or innovative ways to address, monitor and measure and improve solutions.	
BEHAVIOURAL INDICATORS:	
Identifies and tests current thinking and approach – Identified existing assumptions and 'state of play' while defining the issues, process, problems, or opportunities that need to be addressed or improved.	
Gathers sound ideas and relevant information – remains open to ideas offered by others and actively identifies and sources information required to better understand the issues, problems, and opportunities.	
Thinks creatively - Integrates information from a variety of sources; detects trends, associations, and cause-effect relationships; views situation from multiple perspectives; and works with others to derive ideas and inspiration.	
Encourages boundary breaking – Challenges existing processes or assumptions while seeking relevant options for addressing problems/opportunities that will achieve the desired outcomes.	
Gathers support for actions - Formulates clear decision criteria; evaluates options by considering implications and consequences; overcomes individual resistance to decision or resulting change; shows empathy for people likely to be affected by the decision; and chooses the optimal option.	
Implements solutions – Tests solutions, sets baseline measures to evaluate success, gathers feedback and implements decisions or initiates action within required timelines.	
Recognises and rewards others - Includes others in the innovation, solution or decision-making process and informally and formally recognises their contributions to improvement and resulting innovation.	
RATING	
Level 1 Some knowledge about skills, principles and usage	❍
Level 2 Sufficient working knowledge and level of skill to be able to work alone	❍
Level 3 Good working knowledge or level of skill to support self and others	❍
Level 4 High level of knowledge, highly proficient at applying skill and at coaching others	❍
Level 5 Recognised expert in knowledge and application of skill. May include contribution to development of body of knowledge	❍

Title (domain)

Description

Indicators

Rating Scale

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Response: Competencies have to be levelled in some circumstances

Competencies need to be levelled if you seek to:

1. Package personal and occupational competencies together (i.e. in a position profile, 360 degree survey, etc.)
2. Objectively and consistently measure and report performance (i.e. for pay or job design reasons)
3. Want to align professional or occupation competencies (e.g. clinical, engineering, accounting, etc.) with behavioural competencies that underpin career ladders (e.g. in leadership)
4. Package competencies across occupations and performance contexts (i.e. Competencies may be common to many roles but have a variety of levels)
5. Seek to use the measurement of competencies in career or learning frameworks that align levels to competence (i.e. grades or qualifications)

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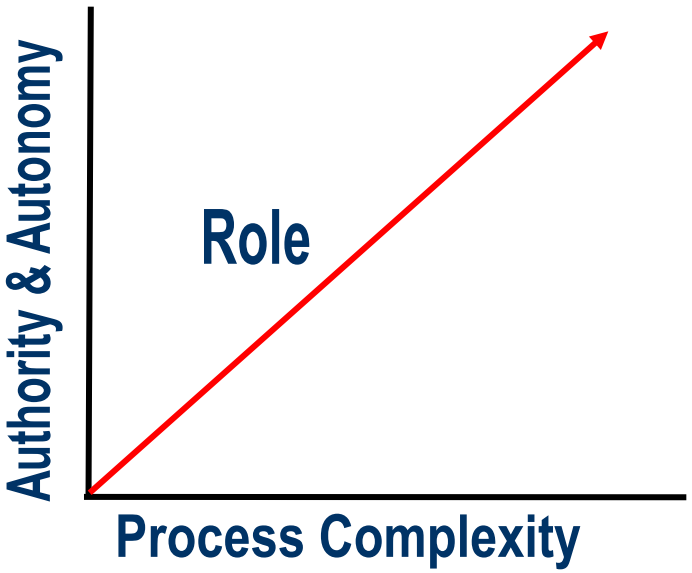
Response: Different types of competencies can be levelled within one Framework

A consistent level can be set for all competencies by determining:

1) **Authority and autonomy**
   The level and range of responsibility and accountability for actions

2) **Process complexity**
   The depth and range of complexity faced from routine to highly complex and variable situations

3) **Role**
   The specific outcomes requirements that delimit how a competency will be described and the attributes required such as the skills, knowledge and/or behaviours required to perform.



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Myth 4 - There is only one ‘right’ framework for defining competencies

- Many occupational competencies exist that cover all aspects of work and specific professions and occupations. There are national frameworks in UK, Australia, New Zealand, Canada, South Africa, many other Asian and European countries.
- Just as many occupational leadership competency frameworks exist, so there are many, many more personal competence approaches. Some frameworks are more robust, for instance in Australia and New Zealand the globally validated, tested and implemented frameworks such as Egon Zehnder International and Lominger International are commonly used.

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Response: Competencies often are ‘common’ across many Australia and New Zealand* entities

There are many ways to describe competence. But consistency across Frameworks does emerge in non-technically specific competencies; for instance in leadership . . .

Egon Zehnder Leadership Competencies	Lomenger	Self-developed Frameworks^
1. Strategic Thinking	1. Action Oriented	1. Coaching
2. Change Leadership	2. Dealing with Ambiguity	2. Team Building
3. Relationships & Influence	3. Business Acumen	3. Strategic Orientation
4. Commercial Orientation	4. Customer focus	4. Communication
5. Results Orientation	5. Managing Vision and Purpose	5. Relationships & Influence
6. Market Knowledge	6. Understanding Others	6. Customer Focus
7. Customer Focus	7. Listening	7. Change Management
8. Team Leadership	8. Integrity and Trust	8. Leadership & influence
9. Strategic Change	9. Intellectual Horsepower	9. Self Knowledge/ Awareness
10. Developing Organisations & People	10. Interpersonal Savvy	10. Commercial acumen
11. Analytical Thinking	11. Motivating Others	11. Decision Making
12. Process Orientation	12. Perseverance	12. Visioning
	13. Building Effective Teams	13. Ethics
	14. Drive for Results	14. Listening
		15. Innovation

** Working Futures™ analysis of 15 major public & private organisations*

^ Top 15 ranked by frequency

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Response: Avoiding pitfalls of DIY frameworks

- Start small and validate
- Identify competencies that will have the most business impact (i.e. common to occupations or in key performance areas)
- Tie competencies to business and strategic outcomes
- Viewing the previous slide it is possible to see how common headings have emerged or can be consolidated. In principal the headings may be fine but has the need to make them simple traded off their valid use in workforce planning, job design, training needs analysis, and the management of leadership development, performance, recruitment and talent?
- Without a robust sense of progression within a role or across occupations and functions (height, depth and breadth), personal competence descriptions cannot support performance, pay or outcomes-based components of an HR strategy.
- A common approach is to use Lominger International headings and customised the descriptions. But they are still not levelled. This will make their integration with national frameworks more difficult and validity as assessable work outcomes less robust.
- Can they be meaningfully assessed?

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Myth 5 – A competency gap can be directly tied to a training intervention

- It is quite wrong to believe a standardised, ‘one size fits all’ approach can be put in place to tie a training intervention to every assessed competency gap.
- Depending on the competency attribute training may only be one of the appropriate options.
- Nevertheless, competencies can be used in the learning and development process to:
  - Focus employee-manager discussions
  - Plan development priorities
  - Reduce costs
  - Improve benefits
  - Improve organisational agility and responsiveness

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Response: Isolating attributes allows us to see how they affect an individual's competency

Skills	Ability to do something, e.g. operate a computer; "I cannot use that computer"
Knowledge	Knowledge of, know how, know why, e.g. knowledge of programming; "I don't know anything about programming"
Identity	This is what I want or perceive myself to be. e.g. I need control, "I don't want to do that"
Traits	Enduring characteristics e.g. intellect, shy, precision; "I find that hard to do"
Motives	Underlying emotional drivers e.g. ambition, power; "I don't want to do that"

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Response: We can tie certain competency attributes to specific development opportunities

Skills	- Education courses - Applied projects - Skills coaching
Knowledge	- Training courses - Role changes - Peer mentoring
Identity	- Appoint a mentor - Study tour - Conferences
Traits	- Intensive coaching - Self-awareness workshop/ profiling - Work rotations
Motives	- New challenges - New, different job roles - New responsibilities

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Myth 6 – Competencies once set never change

- Competencies will change, mainly due to:
  - Different performance contexts
  - Changing organisational priorities (some may have a very short and targeted purpose)
  - Change will affect occupations/vocational outcomes through alterations to technology, systems, processes or the design of a job/work
  - Change to behavioural expectations
  - Talent management or skill plans that affect recruitment and selection profiles

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Myth 7 – Defining competencies is complex and time consuming

- Many companies opt for organic solutions that are perceived to be less complex, less costly and quicker to author.
- They are based on:
  - Behavioural/personal competence domains
  - Review of common headings used by other companies
  - Not levelled and use Likert Scale to determine ‘shades’ of proficiency within a single competence
  - Have limited detail, usually just a title, a description and perhaps dot point indicators
- Such approaches have an established place. But they are often result in competencies that are not ‘fit for purpose’; effort has to be proportional to the expected business value-add.
- Competency development need not be costly or complex.

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Approaches to defining competencies

- Many approaches exist to the definition of competency within an organisation. Workplace approaches could include:

Direct observation, analysis and checks – May cover a range of techniques and approaches but basically involves using a predetermined tool to survey or compare behaviours or people performing in similar job roles or tasks. This may include visiting the workplace and checking position descriptions, performance profiles, selection profiles, skill audits, etc…,

Functional analysis – Functional analysis is very useful when organisations or sectors analyse traditional occupational and job structures to derive 'families' of related functions or roles. A process of benchmarking and validation can then be used to set individual requirements that will support organisational outcomes. Functional analysis usually will be supported by deriving a "strawman' set of competencies that are then tested in the workplace using either direct observation, surveys or focus groups.

Focus Groups or Subject Matter Exert Forums – Is a meeting of stakeholders with agreed (pre-meeting) and related perspectives on the given personal requirements, job, task, or performance area under review. The group agree on performance outcomes for the area covered and identify barriers or problems associated with attaining this performance. The group is facilitated in a manner whereby key issues are isolated and methods to address these performance problems determined. The groups may be informally structured with formal reporting of findings by the facilitator using agreed tools and templates. This may be supported by DACUM or CODAP approaches.

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Approaches to defining competencies

- Workplace approaches that use a more systematic and scientific approach could include:

DACUM – is a group technique normally used to assist **D**evelop **A Cu**rriculu**M.** This technique has been modified and used globally by nations and major corporations seeking to define occupational competencies. An expert group of job holders or managers of the job holders are convened into a group to define the nature of a particular job area. This technique also ensures relationships between jobs and jobs within a process (value chain) are considered together. The DACUM may have some initial information of a job area to consider (and this has been show to assist many DACUM groups) but it is not unusual for occupational analysis information to be ignored to permit groups a 'greenfields' approach.

CODAP – **C**omprehensive **O**ccupational **D**ata **A**nalysis **P**rograms were developed to analyse occupational data across a large range of subjects and define roles and rating scale **or** levels. It is heavily reliant on questionnaires and surveys (usually online) or workshops where data is captured on computers. All data is then processed to detail break downs of occupations and the relevance of competencies to the sample/ population/positions surveyed.

Delphi – This is a group technique dealing with forecasts of projected competency or skills sets that are placed into an iterative process whereby groups consider, modify and eventually gain consensus on the final descriptions for a job, occupation or such like. Usually a series of questionnaires interspersed with controlled opinion feedback are used to narrow and agree to the competency descriptions. A number of rounds may be conducted to achieve the desired outcomes.

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Response: Using modified DACUM

This is one approach that can be scaled to the level of detail or inherent imperative driving the need for competencies . . .

1. Complete research and analysis on existing frameworks
2. Complete a ‘draft’ competency dictionary by benchmarking research and comparing it with functional analysis and a review of organisational information on competencies and skills (PDs, etc..)
3. Identify Subject Matter Experts and Stakeholders. This will usually include appointing a Project Steering Committee.
4. Undertake a DACUM workshop with key stakeholders:
   a) Present findings by occupation
   b) Validate and check competency attributes by role/field
   c) Confirm behaviours or tasks (unit of work) and discrete, observable activities
   d) Check sequencing, clusters/packaging and levels (e.g. career ladder)
   e) Refine and finalise (editing and wording)
   f) Complete ‘gap analysis’ – ask “what is missing, now or in the future?”
5. Finalise an action plan for formal workplace validation

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Response: Check validity and reliability in the workplace

Competencies need to be checked to see if they add value and are useful.

Validity is broadly concerned with the competency actually relating to the behaviours or the required performance and the evidence necessary to assess attainment of the standard, as specified.

Verification can be assured by taking the output from the DACUM session and undertaking a pilot/ test of the dictionary through either an online survey with those in the key roles or areas under study (CODAP – rank importance and relevance of each competency to work/role), and/ or completing workplace observation (check list competencies and sequence against real job activities)

Reliability relates to how accurate, precise and consistent competency assessment can occur over time.

Reliability can be checked by the Steering Committee – or experts - ensuring future trends are considered and the detail in the competencies is not so specific as to require constant reauthoring as new practices emerge or change occurs.

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DACUM and a competency authoring template

Title: Domain or occupation

	Level 1	Level 2	Level 3	Level 4	Level 5
	Individual Operative	Team leader and/or Professional	Seasoned professional specialist and/or manager	Senior professional and/or leader of other managers	Senior professional and/or executive leader
Role/ Field	Title at his level				
	Indicators for competency at this level				

Evidence or performance criteria for each indicator (if required)

Validation:

- **Competency standard/behaviours described is accurate?**
- **Competency is at the correct level?**
- **Competency is in the right role/field or domain/occupation?**
- **Has the competency relevance to other domains or occupations?**

Assessment

- **Person possesses competency at this level – YES or NO**

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Example: Competencies with descriptor and indicators at a level

MANAGEMENT AND LEADERSHIP GENERIC OCCUPATIONAL COMPETENCY FRAMEWORK – SUMMARY				
DOMAINS AND COMPETENCIES	LEVELS			
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
A. ACT STRATEGICALLY				
Create a vision and lead the business	Inspire a sense of purpose and commitment	Lead others	Lead operations	Lead the way
Build relationships	Work effectively with others in the team	Communicate and influence others	Build networks and relationships with other organisations	Promote strategic partnerships
Plan strategically	Implement and review business goals and indicators	Plan program and business outcomes	Manage and review business plans	Coordinate and evaluate corporate plans
Lead change	Foster and promote change	Manage change	Lead change planning and processes	Monitor and review change

etc….

Senior Manager Level 4 - Lead the way	
1. Reflect on personal efficacy	
1.1	Identify and apply strategies to create a climate that encourages and allows for the receiving and giving of effective feedback
1.2	Regularly review personal efficacy, personal competence, and attainment of professional competence outcomes and personal development objectives and priorities
1.3	Review capacity as a role model in terms of ability to build trust, confidence and respect of diverse groups and relevant individuals
1.4	Evaluate personal efficacy and ability to build an effective organisational and workplace culture
1.5	Analyse and evaluate personal effectiveness in developing the competence required to achieve operational accountabilities and responsibilities
2. Lead in a transformational manner	
2.1	Apply transformational and transactional leadership practices in a given context
2.2	Demonstrate empathy in personal communication relationships and day-to-day leadership role
2.3	Lead consistently, in an inclusive manner that is respectful of individual differences
2.4	Control and appropriately regulate own potentially disruptive emotions and impulses
2.5	Manage work-based relationships effectively
2.6	Integrate emotions with cognitions in personal leadership style
2.7	Evaluate personal leadership style and apply to a given context
3. Model and cultivate collaborative thinking	
3.1	Display judgement, intelligence and commonsense when undertaking day-to-day leadership role
3.2	Analyse relevant legislation, information and intelligence sources when evaluating business opportunities
3.3	Draw upon personal expertise of self and relevant individuals to achieve strategic results
3.4	Seek and encourage contributions from relevant individuals
3.5	Use collaborative communication and learning approaches to model and encourage such practices in the workplace
3.6	Cultivate existing and new, collaborative and participative work relationships
4. Provide strategic leadership during change processes	
4.1	Convey organisational direction and values positively to relevant individuals and relevant stakeholders
4.2	Analyse impact and role of leadership during organisational change
4.3	Analyse and confirm capacity and competence of relevant individuals consistent with their ability to contribute to change processes and plans
4.4	Develop learning and communication solutions to address problems and risks arising for individuals during organisational change
4.5	Identify leadership styles and develop approaches to best respond to the impact of change on people and processes

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