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COMPETENCY FRAMEWORKS IN PRACTICE:

A review of how competency frameworks are used within organisations, for learning and development of people.



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INTRODUCTION

Competency frameworks can offer a clear definition of the knowledge, skills, and attributes required for roles within an organisation but for many, they remain a bit of a mystery. By creating a competency framework or fine-tuning an existing one you will be taking the first vital step to future-proofing your organisation as, according to a recent **Gartner report**, nearly 60% of HR leaders reported that building critical skills and competencies within their organisation will be their number one priority in 2022.

In this white paper, we will look at the key questions one comes up against when creating and embedding a functional competency framework within an organisation, the key challenges, trends and best practices to begin the journey.

This document encapsulates the learning from the Irish Institute of Training and Development (IITD) series on Competency Frameworks in association with Enovation (6th-19th of October 2021). In this series a range of experts shared their thoughts and experience in the development and embedding of a competency framework within an organisation. For more details on the people involved please see the sidebar.

CONTRIBUTORS

Angela O'Donovan

*HR Strategy and Organisation
Development Manager*
University College Cork

Aidan P. Harney

*Organizational, Leadership and Talent
Development manager*
Intel

Donald H. Taylor

Chairman
Learning and Skills Group

Cathal McGinley

*Commercial Capabilities Operations
Manager*
Boston Scientific

Sinead Heneghan

CEO
Irish Institute of Training &
Development

Mark Melia

Chief Product Officer
Enovation





What is a Competency Framework?

Competency frameworks are about people. The roles they hold, the tasks they do and the value they offer and how all of these facets interplay with each other. Indeed, a competency framework helps define the knowledge, skills, and attributes needed for people to be effective in their roles. What becomes a tool for companies to understand their skills requirement also acts as a map or a guide for employees to understand what's expected of them within their role. When done well, a competency framework can benefit the organisation as a whole - the leadership, HR, managers and employees.

A competency framework can quite effectively be captured in a static document but needs to be embedded within the organisation to offer value. This is achieved through career pathways and developmental activity. By embedding the competency framework into the ways the organisation works you increase the likelihood that the competency framework will be successfully adopted by the business.

Competency frameworks are not a new phenomenon and have been used for years in HR and L&D but there has been a renewed interest in them as an aid to addressing some of the major skill gap challenges facing organisations. We also note some key trends of late as organisations look to use competency frameworks:

- A movement beyond competency to capability. This looks at how well an individual can use a competency within a certain role or working scenario.
- Embedding of competencies into a broader framework of career pathway and learning platform.
- A move back to homegrown competency maps and away from competency libraries to embed the organisation's unique values and culture.
- Advent of non-role specific competency frameworks and instead aligned to organisational competency via an organisational strategic plan – tap technical and behavioural/ cultural aspects at all levels in the organisation.

Why Competency Frameworks Matter?

In a recent study, conducted by **Oracle**, it was discovered that **83%** of employees want to make career changes in the next year and **75%** of people feel “stuck” in their professional lives. One of the biggest reasons for this was due to the lack of career growth opportunities (**25%**) but employees also felt their skills were now stale due to the rapidly changing work environment (**20%**). A competency framework can assist employees in advancing or changing their career path with clear actionable steps to grow their skills in a way that lines up with their career aspirations.



Key benefits of a using a competency framework within an organisation include:

- Assisting both generalists and a specialist in advancing or changing their careers.
- Critical for the novice role holder with little exposure to other levels to understand what progression means.
- It informs HR and L&D programme development and indicates the standards required for the business to be competitive.
- It's crucial for accredited / licenced roles. For example, the **Minimum Competency Code from the Central Bank of Ireland** sets out the minimum level of competency required for people in key roles of the financial services sector, how to attain this competency and how to maintain it.
- Competency frameworks contribute to the development of high impact personal and team development plans.
- If done correctly, learning needs are identified along with the skills and behaviours that need to be exhibited for success.





Balancing the needs of the Organisation with that of the Individual

When developing a competency framework, one of the key challenges is to balance employees needs with organisational needs. Let's take a look at how this can be achieved:

- Finding a balance between being useful and usable. Competency Frameworks need to have enough detail in them to be useful from a people development perspective but also need to be simple enough for people to understand them and interpret personal actions that align with them.
- Achieving true differentiation in the framework and its use. Many of the competency frameworks used can feel very contrived or manufactured. For a competency framework to have an impact it must speak to the organisation's true capability needs for it to thrive in its market. The competency framework should also reflect the values and culture of the organisation.
- An organisation's competency framework must be flexible enough that it is reflective of individual role/emerging hybrid roles in the organisation.
- In some situations employees may have to deal with multiple competency frameworks. For example the organisation one and one defined by a professional body. It is important to be mindful of this and to, in so far as possible, design the organisational competency framework in such a way that it is complementary to the ones published from professional bodies.
- One of the biggest challenges of a competency framework is keeping it relevant. Competency framework champions within organisations must ensure the maintenance question is addressed from the outset to ensure the framework does not become redundant in time. Competency frameworks should therefore be seen as an investment in people, skills and capability rather than a means to an end in of itself.



Key steps in developing a Competency Framework

During her keynote Angela O’ Donovan noted, the most significant thing you need to do before you begin your journey is to define the purpose of the competency framework. A competency framework that supports messaging around a profession needs a lot more detail than something that is around leadership or culture. It is important to note that a competency framework can be developed in many different ways but Angela shared a number of steps to Developing a Competency Framework that can get you started.

- **Identify & Engage Sources of information:** Conduct interviews, focus groups and surveys to get a diverse range of voices into the conversation.
- **Scan the span of roles:** Group jobs into categories and carry out a job analysis on each role. Ask, what is the domain that you’re trying to define as a competency?
- **Identify and define:** Identify dimensions and facets of importance and provide a brief definition.
- **Borrow from behavioural methods:** Techniques such as BARS allows you to systematically define the behaviours that would be exhibited by people of different proficiency levels for a given competency.
- **Re-translation exercise:** Taking the behavioural statements and asking the group to identify the competency it belongs to.
- **Structure:** Structure your framework by clustering domains and competencies. Outline from novice to expert level.
- **Pilot and review:** Pilot and review the framework with somebody who hasn’t been involved in the working group. It is important to get a fresh take on it to see if it is clear/ effective.
- **Generate behavioural statements:** Define the doing i.e. Ask what the person needs to do in the profession or role and at what proficiency level. Addressing critical things that would happen in a specific role. What should people be thinking if they’re excellent/average/not good? What should they be doing, how should they be behaving or perceiving information? What should their outlook be in the organisation?

Frequently Asked Questions:

1. Buy or build a competency framework?

While leveraging framework libraries will get you up and running faster and will cost less developing a custom solution from scratch, they have their limitations due to their cookie-cutter approach. One of the main reasons organisations design their own competency frameworks is that it helps drive the vision, goals, and culture of the organisation. If it reflects well on your organisation, you will get better buy-in from leaders, managers and employees. Many organisations therefore see a stronger value proposition with a home-grown competency framework.

2. What is the value of a competency framework?

A good competency framework empowers your employees because they own it. There's nothing more effective than peer-to-peer recognition to reinforce the adoption of your competency framework.

We know how hard it can be for leaders and managers to articulate proper coaching conversations with their direct reports and that's where the competency framework comes in. The simple fact of creating a framework provides a vocabulary and a common baseline to equip leaders and managers with the language they need to have efficient coaching conversations with their direct reports.

3. What are some common pitfalls?

Leaders have to keep a clear focus on what the organisation is trying to achieve. As trivial as it sounds, a lot of things can go wrong from the beginning if the overall aim of the process is vague. So the first question is to ask yourself: **What is the purpose of this project and what is the organisation trying to achieve?**

It's not unusual for more stakeholders to want to become involved in the project as it starts to take shape. Someone might want to include a new role or a new department because they feel it's being left behind. This is understandable but keep in mind that developing a competency framework is a big undertaking. So to prevent scope creep, set realistic timelines and roll out in phases that are aligned with the initial objectives.

An effective competency framework is a living, breathing document. Competency frameworks should be seen as statements of strategic intent for everyone in the organisation. It will be the North star for employees to understand the skills and competencies that will be valued going forward within the organisation.



Final Thoughts

Implementing a competency framework is a strategic initiative. Practitioners need to know what the business objectives behind the development of the framework are and must ensure there is a high level of buy-in and engagement from leadership. It's important to invest time into the framework to get each component right and ensure the components work together as a holistic unit. This will mean going slow, we would highly recommend taking a measured approach by conducting a pilot prior to rolling out the competency framework to the whole organisation. Developing and embedding a competency framework in an organisation takes time. Make sure to celebrate the small wins along the way and recognise those that have made the win happen.

Technology is a key enabler in embedding the competency framework across the organisation. It will bring the framework to life by embedding it in key people development processes and also help justify the organisation's investment through the performance, skills and HCM data generated through the lens of the competency framework from your peers. Reach out to people who have gone through the process. This might mean others in professional bodies like the IITD or indeed to suppliers who have successfully implemented competency frameworks in other organisations.



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info@enovation.ie



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