The Skills Base™ Competency Framework

Maximizing your organization’s greatest asset

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Contents

Abstract ............................................................................................................................................. 3
Overview ........................................................................................................................................... 4
Skills Management ............................................................................................................................. 5
  Skills Management Maturity ................................................................................................................ 5
Competency Framework ...................................................................................................................... 6
Competency .......................................................................................................................................... 7
  The components of Competency .......................................................................................................... 7
    Ability .............................................................................................................................................. 7
    Knowledge ...................................................................................................................................... 7
    Desire ............................................................................................................................................. 8
Identifying and defining Skills ............................................................................................................. 8
  Skill Classification .............................................................................................................................. 8
  Skill Categories ................................................................................................................................ 9
  Skill assignment ............................................................................................................................... 9
Measuring Competency ..................................................................................................................... 9
  Measuring Knowledge ........................................................................................................................ 10
  Measuring Desire ............................................................................................................................... 10
  Measuring Ability ............................................................................................................................. 10
    Measuring Ability Subjectively .......................................................................................................... 11
    Measuring Ability Objectively .......................................................................................................... 11
The Skills Base Structured-Subjective™ approach to measuring ability .............................................. 12
Abstract

The Skills Base Competency Framework is designed for organizations large and small and provides a best practice methodology for measuring and understanding the skills within a workforce, facilitating an effective skills management practice, and ultimately returning benefits to an organization through improved visibility, knowledge and understanding of its ability to deliver successful business outcomes.
Overview

A Competency Framework is a foundational component of a broader Skills Management framework. Competencies combine and summarize individual measures of Ability, Desire and Knowledge to drive value to an organization's business functions. That is, Competencies inform decision making and ensure that an organization has the skills required to achieve successful business outcomes.

Skills and Qualifications are the granular items that an organization tracks and measures in pursuit of a Competency. Skills are grouped into broader Skill Categories to provide higher level aggregate reporting.

Skills are measured via Ability and Desire, and Qualifications are measured via a person’s Knowledge. A collection of measured abilities forms a Capability, and the combined set of Ability, Desire and Knowledge form a Competency that is used to measure the extent to which an organization is able to satisfactorily execute its business functions and ultimately meet its objectives.
Skills Management

Skills Management is the practice of measuring and monitoring the skills of people within a group or organisation for the purpose of developing workforce capability and aligning it with organisational objectives.

Skills Management is essential in building and maintaining a high performing and competitive business by:

- Aligning capability to organizational objectives
- Indicating an organization's capability to deliver on its key business objectives (eg: by identifying strength and gap areas)
- Helping match the right people to the right job or project
- Informing organizational planning
- Aiding in decision making (eg: allocation of funds, resources, projects, etc)
- Informing employee development, performance management, and career & succession planning
- Guiding recruitment and placement decisions
- Planning and preparing the organization for the new and emerging skills of the future

Skills Management Maturity

The extent to which an organization adopts Skills Management as a practice can be measured on a maturity scale, with the lower levels indicating less defined and more ad hoc processes, and the higher levels indicating more defined or optimized processes.

Organizations should assess their current maturity level and decide on a target level that is reflective of the organization’s objectives, taking into account time, cost and resource constraints. For organizations that are currently at the lowest level of maturity a reasonable intermediary target may simply be to implement repeatable processes in order to minimise the cost and risk of the exercise while gauging and establishing organizational buy-in. It is not uncommon however to advance directly to a higher level depending on capability, available tools and resources, as well as the organization’s overall risk appetite.
Competency Framework

A Competency Framework is an essential component of Skills Management and provides a methodology for measuring the degree to which a workforce is able to meet the objectives of the organization.

A Competency Framework is at the center of a Skills Management framework and provides a foundation for Skills Management activities and functions, in turn driving value to broader organizational activities.

A Competency Framework in the context of an organization
**Competency**

A Competency is the combined set of abilities, desire and knowledge required to be considered "competent" in performing or executing a particular function. Competencies form the basis for measuring the capabilities of an organization's workforce.

**The components of Competency**

![The Skills Base™ Competency Model](image)

**Ability**

Ability is a measure of how well a person is able to carry out or perform a given skill. It is a measure of proficiency, talent, and the practical application of a skill within a reasonable amount of time and with a reasonable amount of energy.

A set of measured abilities can collectively form a "Capability". That is, a view of the spread of ability across a sub-section of the organization, or the organization as a whole. A Capability can be used to identify and highlight concentrations of low or high levels of ability for a group of skills, providing insight into specific business functions.

**Knowledge**

Knowledge is an understanding of information and is obtained through study and experience. It is a theoretical understanding of a subject, as well as comprehension and memorization of facts. A person that is knowledgeable in a subject may be able to describe it well and in detail, even in the absence of practical experience or exposure to it.
Desire

Desire is a measure of a person’s interest in a given skill. That is, their interest to perform, develop and maintain the skill.

Desire supplements and augments both ability and knowledge. A person with significant ability or knowledge can allow it to go to waste where there is insufficient desire to apply. No matter the level of ability and knowledge, a lack of desire results in a diminished competency. In contrast, a high level of desire coupled with a high level of ability and/or knowledge will generally yield a high level of performance and results.

There must be a genuine desire to not only perform at a high level, but to continually develop, manage and maintain the skills.

Identifying and defining Skills

Skill Classification

Skills can generally be classified into one of three classifications of Business, Personal, and Interpersonal.

These classifications provide a guide in identifying skills and ensuring coverage at the broadest level. Organizations can add weight to one or more of these classifications in line with the organization’s objectives. As such there may be more skills in the "Business" classification for example if the organization has a requirement to improve business operations.
The level of detail for defining skills is at the discretion of the organization, however when considering detail the most important factor that should influence decisions is the reporting that the organization wishes to derive.

**Skill Categories**

Skills can be further grouped into categories that logically group the skills. For example, the skills of "Shortlisting" and "Interviewing" could be grouped under the category of "Recruitment".

Skill Categories themselves can be arranged into hierarchies which allows the organization to assign skills to people based on their job function, and helps provide an executive view of skills across the organization.

**Skill assignment**

Skills should be assigned to people based on their job function. As the organization will be investing time and resources into recording, reporting, and maintaining records of these skills, they should be reflective of the skills that the organization requires from the specific job, and the objectives of the organization’s Skills Management practice.

Assigning skills by job function allows the organization to maintain control over the parameters of the job and ensure it aligns to the original intent as defined in the job description (or “Position Description”).

It is reasonable to be somewhat liberal in the assignment of skills so as to facilitate the discovery of hidden talents, however those talents should have the potential of adding value to the business in order to justify the effort in managing and maintaining the data.

**Measuring Competency**

To properly measure competency, each of its components must be individually measured. The follow section details the methods for measuring each of the components of competency.
Measuring Knowledge

Knowledge is best measured objectively through formal examination by a qualified (and generally independent) body, with the result being an awarded certification or qualification. Formal examination ensures objectivity, and independence strengthens integrity but also alleviates the potentially infeasible task of requiring the organization to manage and maintain a suite of exams across a potentially diverse set of specialist fields, whilst maintaining currency of each and being responsive to industry trends and developments.

However, formal examination comes at a cost. As such, the organization should prioritize the areas of knowledge that are most critical to the business, focusing on recording these certifications and qualifications first. It may never be necessary to measure knowledge across all areas of the business for every employee.

In many cases it is possible, or even necessary for the organization to self-examine its own employees. Examples include specialist activities that are unique to the business, or in cases where the business has a mature Organizational Development (OD) capability with the capacity and tools to conduct examinations. In these cases the outcome should again be an awarded certification which is recorded as a measurement of knowledge contributing to an employee's overall assessed competency level.

Measuring Desire

Desire is a personal attribute closely connected to feelings, emotions and want. As such it is best measured subjectively based on an individual's personal assessment of their own interest in a given skill. The individual themself is best qualified to make this assessment, however it is also possible for a supervisor that is closely familiar with the individual to contribute towards the measurement.

Measuring Ability

Ability can be measured objectively and/or subjectively. Both are valid approaches and can generally produce similar results, however they can vary significantly in the amount of effort, time and money involved to implement.
Measuring Ability Subjectively
Subjective measures generally include collecting the opinions of employees and supervisors based on their experience and knowledge of each other, themselves, and the work environment.

Measuring ability subjectively is the easiest and fastest way to achieve results. These results can also be reasonably accurate because:

- Individuals' themselves, and/or direct supervisors generally know their own level of ability, or that of their direct reports well, and in detail.

- Subjective measures allow for better organizational alignment by allowing organizational context to be factored into the measurement. That is, ability can be measured factoring the specific organization variables and conditions that apply to everyone equally across the organization.

However, although reasonably accurate on an individual basis, a purely subjective method can produce inconsistencies due to interpretation through lack of structure.

Measuring Ability Objectively
Measuring ability objectively can be an accurate way to assess a person's skills because it decreases or eliminates both conscious and unconscious bias and applies a formalised methodology to measurement. However, implementing this process can require significant planning and coordination, and generally requires the organization as a whole to adopt a structured approach to Skills Management.
Objective measurement of ability should generally be achieved via formal examination performed by an independent body. Formal examination ensures objectivity, and independence strengthens integrity but also alleviates the potentially infeasible task of requiring the organization to manage and maintain a suite of exams across a potentially diverse set of specialist fields whilst maintaining currency of each and being responsive to industry trends and developments.

In the absence of formality and independence, the benefits of the objective method decline significantly to the extent that it may at best offer no advantage over the subjective method, with the significant overhead incurred essentially becoming wasted time, effort and money. Worse, the skills management practice can lose credibility within the organization when collected data is perceived to be misaligned with individuals' first-hand experience within the organization (As summarised above, individuals' and their supervisors have a detailed level of first-hand knowledge of their own abilities and that of their direct reports).

The Skills Base Structured-Subjective™ approach to measuring ability

Ultimately, the best method for measuring ability should achieve a balance by taking advantage of the benefits that a subjective approach offers, whilst introducing objectivity to the process.

The Skills Base Structured-Subjective approach achieves this through 7 key components:

- Utilising an organization-authored assessment
- Providing a fixed, structured list of skills with detailed descriptions
- Grouping skills by job function or organizational structure
- Providing a fixed, universal numeric rating scheme
- Specifying the criteria for each rating via a detailed description
- Conducting an employee self-assessment
- Performing an additional, supervisor-conducted assessment
Components of the Skills Base Structured-Subjective approach

<table>
<thead>
<tr>
<th>Component</th>
<th>Benefit</th>
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</thead>
<tbody>
<tr>
<td>Organization-authored assessment</td>
<td>• Ensures employees are assessed equally and consistently</td>
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<td></td>
<td>• Improves fairness and accuracy</td>
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<td></td>
<td>• Facilitates the ability to effectively compare entities</td>
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<tr>
<td>Fixed, structured list of skills</td>
<td>• Ensures the needs of the organization are met</td>
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<td></td>
<td>• Ensures ambiguity is managed by the organization</td>
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<tr>
<td>Skills grouped by job function</td>
<td>• Achieves specificity without surplus amounts of data</td>
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<td></td>
<td>• Improves response accuracy</td>
</tr>
<tr>
<td>Fixed, universal numeric rating scheme</td>
<td>• Declares an organization-wide standardised methodology</td>
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<td></td>
<td>• Creates a level playing field</td>
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<td></td>
<td>• Ensures data compatibility for combining and comparing</td>
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<tr>
<td></td>
<td>• Ensures the structure will adapt to future needs</td>
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<tr>
<td>Defined rating criteria</td>
<td>• Guides employees in their assessments</td>
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<td></td>
<td>• Provides a set of rules and references</td>
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<td></td>
<td>• Achieve fast and accurate results</td>
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<tr>
<td>Employee self-assessment</td>
<td>• Provides first-hand data</td>
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<td></td>
<td>• Provides an accurate &quot;first-cut&quot; of information</td>
</tr>
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<td></td>
<td>• Significantly reduces effort, time and administration</td>
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<tr>
<td>Supervisor-conducted assessment</td>
<td>• Verifies and validates employee responses</td>
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<td></td>
<td>• Further increases data accuracy</td>
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An organization-authored assessment helps ensure that all employees are assessed equally and consistently. This improves both fairness and accuracy, and facilitates the ability to effectively compare entities such as employees, teams, roles and locations.

A fixed, structured list of skills ensures the needs of the organization are met and that subjective overlap or ambiguity in defining skills is managed and determined by the organization itself.

By grouping these skills by job function or organizational structure, the organization can achieve a suitable level of specificity without generating surplus amounts of data which can also overwhelm employees and result in a degraded level of accuracy.

Providing a fixed, universal numeric rating scheme declares an organization-wide standardised methodology for measuring ability that will apply to all employees, and all skills, creating a level playing field and ensuring all data is compatible. This allows data to be combined, compared, and "slice and diced" in any direction. Those abilities are possible only through standardising on a rating scheme that can be applied universally. This additionally ensures that the structure will always be able to adapt to the changing needs and skills of the organization into the future.

Defining a detailed criteria for each rating within the organizational rating scheme guides employees in their assessments by providing a set of rules and references. These can include:
Level of knowledge (eg: Self trained, real-world experience, formal training)
Ability to train others
Ability to explain subjects
Ability to sell, install, configure or maintain products
Years of experience

Following is a simple example of a possible description for a rating of "2":

"2. Foundational: 1-2 years' experience, some real-world experience but no formal training, can explain basic concepts, able to perform routine maintenance tasks".

With the above point, the Structured Subjective approach to measuring ability can achieve fast and accurate results in measuring ability throughout an organization.

An employee-conducted self-assessment provides first-hand data of the employees perceived abilities. This method not only provides an accurate "first-cut" of information, it also significantly reduces the effort, time and administration required in establishing a skills management repository by distributing the data entry load amongst all employees. This results in rapid results that are generally accurate.

A second supervisor-conducted skills assessment of the employee serves to review, verify and validate the employee responses. The supervisor responses should not generally be used to override the employee’s, but rather combine to achieve a weighted assessment. This serves to further increase the accuracy of the data.