

The Value of Competencies

Opportunities exist to enhance all core talent management practices including those designed to:

- Attract and select
- Integrate and align
- Develop and coach
- Engage and retain
- Deploy and manage succession

Competencies are at the core of all of these talent management practices. Competencies can align and seamlessly knit talent practices together as they run through them like a golden thread. Competencies will provide a clear and consistent vocabulary to use in talent management programs and in messages to inform and engage management, high-potential employees, and the total employee population.

A competency is a measurable skill, attitude, or attribute that contributes to success on the job. Examples include Business Acumen, Perspective, Priority Setting, Innovation Management, Process Management, and Listening. Because competencies shape behavior, they to a large extent determine how individuals do their jobs. In that way, competencies also serve to shape the culture of the organization.

Numerous research studies have established the value of competencies. Competencies promote alignment of talent management practices. They contribute to the financial success of the organization. A benchmarking study by the American Productivity and Quality Council in 2006 found that every one of the organizations identified as a “best practice organization” had developed a behavioral competency model designed to guide selection, promotion, development, and succession planning. Studies have shown that a competency-based executive assessment and selection process can generate as much as an additional \$3M annual profit per candidate selected, that the application of competencies is positively correlated with job satisfaction, and that competencies are linked to increased profit and reduced turnover. For all these reasons, the development of a strategically-aligned competency model is an imperative.