

# Skills & Competencies

## 2 Sides of the Same Coin

Material and perceived differences exist between skills and competencies. But instead of focusing on these differences, forward-thinking orgs are finding ways to reconcile skills, competencies, and the data they both offer to solve their people challenges.

### Key Characteristics

#### Skills

- Granular
- What an employee can do
- Descriptive
- Learned ability
- Transferable across orgs
- Enabled & maintained by tech
- Dynamic / continually updating
- Owner = employee

#### Competencies

- Broad
- How a job is done
- Prescriptive
- Set of behaviors
- Specific to an org
- Manually built & maintained
- Static / point-in-time
- Owner = HR



### Skills & Competencies Help Answer 2 Critical Questions

What can our workforce do now?



What will our workforce need to be able to do in the future?

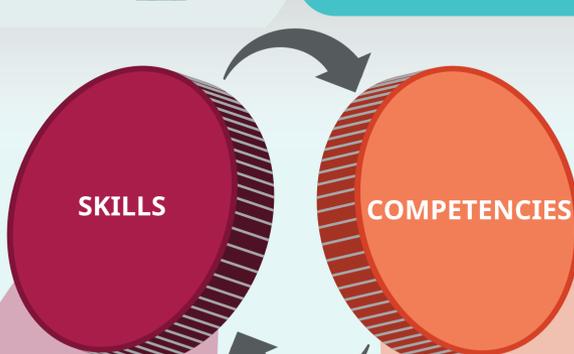
### Reconciling Skills & Competencies

With no one "right" way to implement skills and competencies in an org, our research led us to 3 key strategies leaders can use to find what works best for them.

## 1.

### Use skills & competencies to solve business challenges

Like most people decisions, the use of skills and competencies should depend on what orgs are trying to do. Skills and competencies can help with 4 primary business challenges.



#### 1. Employee development



Enable personalized delivery and curation of what an employee needs, when they need it

Enable managers to track an employee's growth and progress toward performance goals

#### 2. DEIB<sup>1</sup>



Help identify DEIB patterns in employee populations regarding development, performance, mobility, and promotion

Help identify (via tech) differences in how various employees and / or groups are represented

#### 3. Mobility



Used by tech (e.g., talent marketplaces built on skills inventories) to identify employee skills and corresponding mobility opportunities

Used to set standards for all employees in an org, most often around behaviors and cultural expectations

#### 4. Performance management



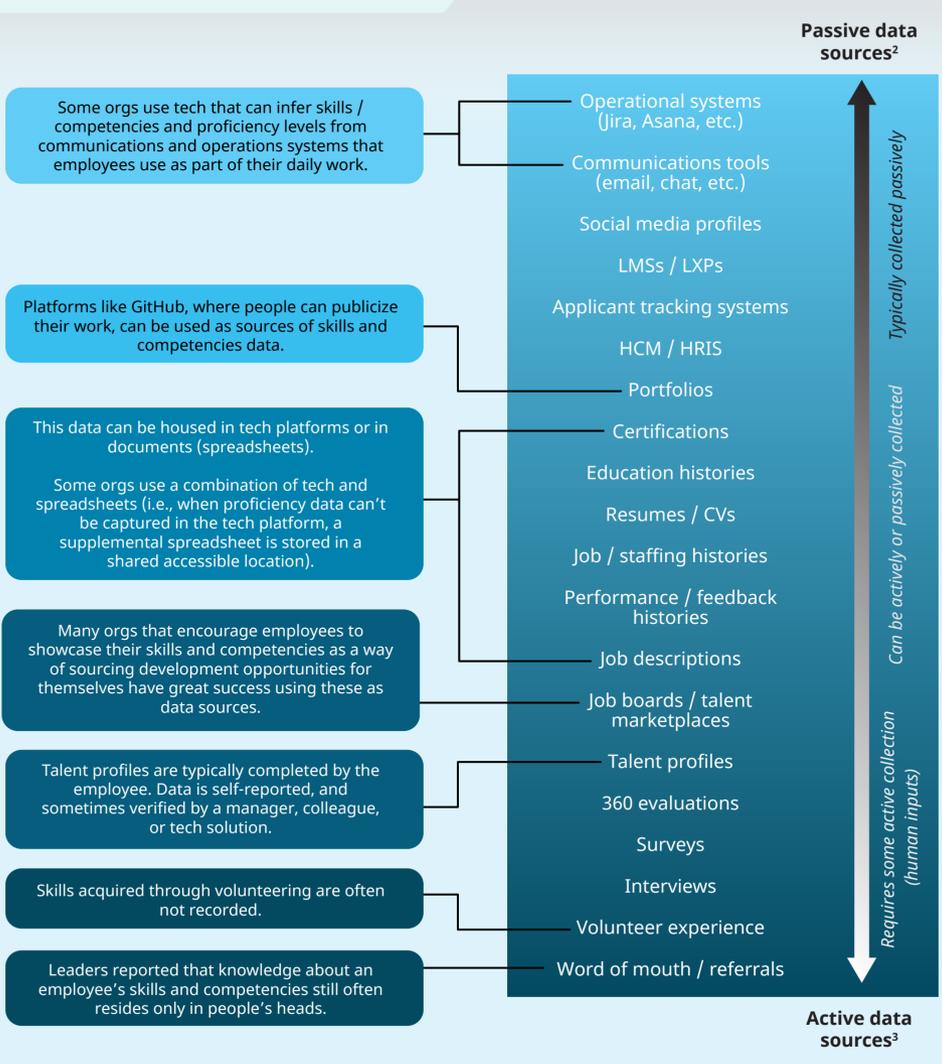
Document an employee's growth via new and / or advanced skills gained

Add a deeper level of information to performance reviews by providing robust and defensible criteria for evaluations, promotion decisions, and proficiency ratings

## 2.

### Use all the data

Accounting for the data provided by both skills and competencies can help to more fully inform an org's strategies and decisions. We found 20 data sources—we're sure there are more.



## 3.

### Craft clear messaging for employees

The differences between skills and competencies matters to HR—but they often confuse leaders and employees. To create clarity, orgs need 3 things.

#### Consistent terminology

Help all parts of the org talk about skills and competencies using the same language.

#### Clear communication of expectations

Employees want to know, "What do you need from me?"

#### Clear communication of benefits to employees

Employees want to know, "What's in it for me?"

### Examples of Messaging Strategies

Different orgs use different messaging strategies—but they all use consistent terminology and communicate both expectations and benefits.



#### Pick one term and stick to it

Some orgs pick one term—say, skills—and use that term with employees to refer to anything related to skills or competencies.



#### Talk about what's needed; categorize later

Instead of using terms that employees and leaders must work to understand, some orgs instead focus on concrete descriptions and examples of specific needs.



#### Make clear and public distinctions

Some orgs create clarity and employee buy-in to their skills and competencies systems by very clearly distinguishing between the two and giving reasons for the differences.

Read the whole report: <https://www.redthreadresearch.com/skills-and-competencies-report-2021>