

- [Home \(/\)](#)
- [Knowledge hub \(/knowledge\)](#)
- [People management fundamentals \(/knowledge/fundamentals\)](#)
- [Getting, developing and keeping the right people \(/knowledge/fundamentals/people\)](#)
- [Performance management \(/knowledge/fundamentals/people/performance\)](#)
- Competence and competency frameworks

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Competence and competency frameworks

Examines the history, principles and current practice around competence and competency frameworks

On this page

On this page

Introduction

Competency frameworks, when done well, can increase clarity around performance expectations and establish a clear link between individual and organisational performance. When developing and implementing a framework, care needs to be taken to balance detail with flexibility and avoid an overly prescriptive and non-inclusive approach.

This factsheet investigates the nature of competence and competency frameworks, both in theory and practice, and outlines the past and current use of competence terminology. It highlights the strengths and weaknesses of competency-based approaches and offers guidance for developing and implementing frameworks effectively.

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[What are competence and competency frameworks?](#)

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Competence or competency?

The terms 'competency' and 'competencies' focus on someone's personal attributes or inputs. They can be defined as the behaviours (and technical attributes where appropriate) that individuals must have, or must acquire, to perform effectively at work.

'Competence' and 'competences' are broader concepts that cover demonstrable performance outputs as well as behavioural inputs. They may relate to a system or set of minimum standards needed to perform effectively at work.

A 'competency framework' is a structure that sets out and defines each individual competency (such as problem-solving or people management) required by individuals working in an organisation or part of that organisation.

In the past, HR professionals have tended to draw a clear distinction between 'competences' and 'competencies'. The term 'competence' (competences) was used to describe what people need to do to perform a job and was concerned with effect and output rather than effort and input. 'Competency' (competencies) described the behaviour that lies behind competent performance, such as critical thinking or analytical skills, and described what people bring to the job. More recently however, there's been growing awareness that job performance requires a mix of behaviour, attitude and skill, and the terms are now more often used interchangeably.

In line with the approach in other CIPD publications, we've used the term 'competency' in this factsheet except when specifically referring to the use of occupational standards (that is, an 'outcome-based' approach) when we use the term 'competence'.

[Basic principles of competency](#)

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Competencies are a key performance indicator from the organisation to an individual of their expected areas and levels of performance. They provide that individual with an indication or map of the behaviours and actions that will be valued, recognised and in some organisations rewarded. Competencies can represent the language of [performance management \(/knowledge/fundamentals/people/performance/factsheet/\)](#) in an organisation.

The concept emerged during the early 1980s as a response to organisational changes and a driver for higher performance levels. During subsequent decades, competency frameworks have become an increasingly accepted part of modern HR practice.

In contrast to our 2017 survey, our 2020 [Resourcing and talent planning survey \(/knowledge/strategy/resourcing/surveys/\)](#) revealed that while competency-based interviews are popular, 36% of employers prefer values-based interviews and 31% incorporate strengths-based questions into their selection process.

Changing focus of competencies

Competency frameworks originally consisted mainly of behavioural elements - an expression of the softer skills involved in effective performance. They have since become broader in scope to include more technical competencies. Technology developments have given this shift greater momentum.

Competency frameworks can be useful to support talent strategy and guide practice in areas such as recruitment, talent development and performance management. However, they'll only be successful in supporting decision-making if they accurately reflect the needs of both the organisation and job roles in terms of skills, experience and behaviours. They should therefore take account of job and person specifications and an organisation's medium- and long-term needs for talent, as well as reflecting the organisational ethos and values. It's become increasingly popular to also focus on an organisation's core values in the hiring process as they are more forward-looking and support the organisation's vision.

Communicating the competency framework's purpose is essential so that managers have a shared organisation-wide understanding and can implement it effectively when making hiring decisions and assessing performance. The framework should be a starting point to define shared expectations of skills and performance, but applied flexibly depending on the context of the job and individual worker's development levels and aspirations.

To reflect the changing nature of jobs and remain open to diverse career paths, competency frameworks should be constantly reviewed and informed by core values and future-focused [workforce planning \(/knowledge/strategy/organisational-development/workforce-planning-factsheet/\)](#) to assess the nature and requirements of future roles.

Developing a competency framework

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What should be included?

In designing a competency framework, care should be taken to include only measurable components. It's important to restrict the number and complexity of competencies, typically aiming for no more than 12 for any particular role (preferably fewer), and arranging them into clusters to make the framework more accessible for users. The framework should contain definitions and/or examples of each competency, particularly where it deals with different levels of performance for each of the expected behaviours. It should also outline the negative indicators for that competency competency - the behaviours deemed unacceptable.

A critical aspect of all frameworks is the degree of detail. If a framework is too broad (containing only general statements about individual competencies), it will fail to provide adequate guidance either for employees as to what is expected of them or to managers who have to assess their staff against these terms. If, on the other hand, it is too detailed, the entire process becomes excessively bureaucratic and time-consuming and may lose credibility.

Employer competency frameworks may include different types:

- **Core competencies** - support the organisation's values and mission. They will usually apply to all jobs in the organisation.
- **Common competencies** - relate to certain jobs. For example, in management roles common competencies may include strategic awareness, leading a team and managing team performance.
- **Technical or job specific competencies** - apply to certain roles or a 'job-family' or 'job function' within the organisation. They outline any technical expertise required and assess the depth and breadth of that skill and knowledge.
- **Leadership competencies** - skills and behaviours that contribute to leadership performance. By using a competency-based approach to leadership, organisations can better identify and develop their next generation of leaders. Essential leadership competencies and global competencies have been defined by researchers. However, future business trends and strategy should drive the development of new leadership competencies. While some leadership competencies are essential to all, an organisation should also define which leadership attributes are distinctive to it to create competitive advantage.
- **'Meta' competencies** - relate to the recruitment of high-potential individuals who the organisation would like to promote and develop, for example, into senior management posts in the next five to ten years. These are the competencies required in the future.

When preparing a framework, it's important to take account of the legal background to ensure that none of the competencies discriminate against any particular group of employees or potential employees.

It's also important that when frameworks are used to assess competence, they recognise an individual's potential to develop and don't just collect evidence of a certain behaviour in the past.

Internal versus external approaches

Competency frameworks can be developed in various ways. Methods range from importing an existing off-the-shelf package through to developing the entire structure from scratch.

It's possible to draw on the external competency or competence lists produced in support of occupational standards and the framework of National and Scottish Vocational Qualifications. Frameworks developed in this way are often linked with progression towards recognised qualifications.

Alternatively, organisations may develop their competency frameworks through an internal research programme – sometimes supported by advisers from an external consultancy.

The ideal solution could lie somewhere in between, internally generating a framework that builds in business relevance, while also drawing on external models that have been widely used and have proved successful.

Our research suggests that frameworks are usually designed in-house (with or without the help of consultants), while only a small minority use frameworks produced by an external organisation (for example a trade association or government body). Nevertheless, many of the subjects that are included in individual employers' competency frameworks tend to fall under expected generic headings.

The practical use of competencies

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[ComProCom \(http://devmts.org.uk/comprocom.htm\)](http://devmts.org.uk/comprocom.htm), an Erasmus+ strategic partnership project, described competence for higher-level occupations in six EU countries. It provides useful guidance on competence standards and frameworks that can be applied across sectors.

Our [Profession Map \(https://peopleprofession.cipd.org/profession-map\)](https://peopleprofession.cipd.org/profession-map) is a competency framework for the people profession. It is principles-led, evidence-based and outcomes-driven, to promote better decision-making in any situation.

How do employers use competencies?

Early applications of competencies and competency frameworks focused mainly on performance management and development, particularly of more senior staff. However, it's now recognised that an effective competency framework applies across the whole range of human resource management and development activities. The approach has become more popular in recruitment, for example, because it enables recruiters to assess against a clear range of criteria and behaviours.

Competency frameworks are now often seen as essential to achieve high organisational performance by focusing and reviewing each individual's capability and potential. A competency framework can be a key element in any change management process by setting out new organisational requirements.

Employers usually adopt competency frameworks to achieve the following goals:

- Consistency across recruitment practices.
- Fair performance reviews/reward.
- Increased employee effectiveness.
- Greater organisational effectiveness.
- Better analysis of training needs.
- Better career management.

Implementing competency frameworks effectively

Whiddett and Hollyforde, experts in this field, argue that many organisations develop a competency/behaviour framework to manage performance and progression more effectively. But they recognise that many managers and individuals find it hard to use the frameworks to help achieve their goals and, therefore, the organisation's goals.

The most common reason is that people don't see the benefit of the framework and are not trained adequately, clear links to organisational goals are missing, and many frameworks are a mix of different concepts making them unwieldy.

These steps will help assess whether a competency framework is fit for purpose:

- **Communicate the purpose** – Find out if employees understand what the framework's purpose is. If they don't understand how behaviours contribute to personal and organisational success, there's little point in updating or developing the framework.
- **Identify key themes** – Even if staff are clear about the framework's purpose, it must also support the organisation's aspirations (goals, values, business plans, and so on). If people aren't all working towards these, some individual efforts are likely to be diversions.
- **Get conditions right** – The organisation's procedures need to support the framework, and the culture, resourcing and management structures must be supportive too. Be realistic: if conditions inhibit behaviours then change the conditions or change

the behaviours.

- **Tackle the root cause** – As well as goals and conditions, behaviour is also influenced by underpinning characteristics (knowledge, skills and attitude). One underdeveloped characteristic, such as communication skills, can affect many different behaviours. If managers don't understand this distinction, they may focus on trying to improve the behaviour without tackling the root cause.
- **Keep it simple** – There are two key elements to ease of use – language and structure. However 'perfect' the framework, if it's too complicated, long or detailed it won't be used. The language has to be meaningful to the people who use it.
- **Train, don't blame** – Once the structure has been updated, make sure that everyone who uses it is trained. As with any tool, if users don't know how to use it, it will fall into disuse or fail to meet its full potential.

Strengths and weaknesses

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Benefits

The main benefits of a competency-based system include:

- Employees have a well-defined set of behaviours required in their work and are clear about how they are expected to perform their jobs.
- The appraisal and recruitment systems are fairer and more open.
- Recruiters are able to assess transferable skills and identify required behaviours regardless of career background.
- There's a link between effective individual inputs to work and organisational performance.
- Processes are measurable and standardised.

Criticisms

The main criticisms of competency frameworks suggest that they:

- Focus on the past and can't keep up with rapidly-changing environments.
- Fail to deliver on anticipated improvements in performance.
- Are unwieldy and not user-friendly.
- Create clones, as everyone is expected to behave in the same way.

While such criticisms have been levelled justifiably at poorly-developed frameworks, they also show poor understanding of competencies. The criticisms don't so much detract from the value of competency frameworks, as highlight the need for care and understanding when developing and implementing them.

Useful contacts and further reading

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Contacts

[OECD Competency Framework \(https://www.oecd.org/careers/competency_framework_en.pdf\)](https://www.oecd.org/careers/competency_framework_en.pdf)

[UK Civil Service competency framework \(https://www.gov.uk/government/publications/civil-service-competency-framework\)](https://www.gov.uk/government/publications/civil-service-competency-framework)

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