Skills vs Competencies. What’s the Difference?

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The terms Skills and Competencies are used, virtually, interchangeably. In fact, with many HR practitioners, Competencies seem to only relate to “Behavioural” competencies as defined in a Competency Dictionary. But this really is not the case. So, we make an attempt at defining the difference between Skills and Competencies, and providing some insight into the different types of Competencies and the level of criticality of Competencies in organisations.

**What is a Skill?**

These definitions were extracted from a number of different sources, but they all seem to say, more-or-less, the same thing:

- Proficiency, facility, or dexterity that is acquired or developed through training or experience.
- The ability, coming from one's knowledge, practice, aptitude, etc., to do something well
- An ability and capacity acquired through deliberate, systematic, and sustained effort to smoothly and adaptively carry out complex activities or job functions involving ideas (cognitive skills), things (technical skills), and/or people (interpersonal skills).
- A skill is the learned capacity to carry out pre-determined results
- A learned ability to bring about the result you want, with maximum certainty and efficiency
- Proficiency, facility, or dexterity that is acquired or developed through training or experience.

So, a Skill is something Learned in order to be able to carry out one or more job functions.

**What is a Competency**

Again, these definitions were extracted from a number of different sources:

- A cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act effectively in a job or situation.
- Competencies refer to skills or knowledge that lead to superior performance.
- Measurable skills, abilities and personality traits that identify successful employees against defined roles within an organisation
- A competency is more than just knowledge and skills. It involves the ability to meet complex
demands, by drawing on and mobilising psychosocial resources (including skills and attitudes) in a particular context.

- A measurable pattern of knowledge, skills, abilities, behaviours, and other characteristics that an individual needs to perform work roles or occupational functions successfully.
- Competencies specify the "how" (as opposed to the what) of performing job tasks, or what the person needs to do the job successfully.

Competencies, therefore, may incorporate a skill, but are MORE than the skill, they include abilities and behaviours, as well as knowledge that is fundamental to the use of a skill.

**An Example**

An example of this in an IT context is “Programming”. To effectively write a computer program one needs good analytical, logical, and interpretive ability as well as the skill to write the program in a specific language. So, learning Java, C++, C#, etc. is a Skill. But underlying the ability to use that skill effectively is analytical, logical and interpretive ability – those are Competencies.

The reason that we suggest this is because it is relatively easy to learn other programming languages once one knows one language well (and I talk from personal experience). However, without the underlying Competence, it is virtually impossible to write an effective program – irrespective of the language.

**Types of Competencies**

Competencies effectively fall in three groups:

- **Behavioural (or Life Skills) Competencies** Life skills are problem solving behaviours used appropriately and responsibly in the management of personal affairs. They are a set of human skills acquired via teaching or direct experience that are used to handle problems and questions commonly encountered in daily human life. Examples are: Communication, Analytical Ability, Problem Solving, Initiative, etc.

- **Functional (or Technical) Competencies** Functional Competencies relate to functions, processes, and roles within the organisation and include the knowledge of, and skill in the exercise of, practices required for successful accomplishment of a specific job or task. Examples are: Application Systems Development, Networking and Communication, Database Analysis and Design, etc.

- **Professional Competencies** Professional competencies are competencies that allow for success in an organisational context. They are the accelerators of performance or – if lacking in sufficient strength and quality – are the reason people fail to excel in jobs. Examples are: Business Environment, Industry and Professional Standards, Negotiation, People Management, etc.

**Levels of Criticality**

In any organisation there are some Competencies that are more important than others, based on different
criteria:

- **Core Competencies** - Core competencies are those competencies that any successful employee will need to rise through the organisation. These Competencies would generally relate in some way to the business of the organisation.

- **Key Competencies** - Key competencies contribute to valued outcomes of the organisation, defining the abilities of individuals to meet strategic demands, and are important not just for specialists but for all individuals.

- **Critical Competencies** - Critical competencies are competencies without which the organisation will be unable to achieve its goals and strategy.

**Summary**

When implementing Competency Management it is important therefore to understand the difference between Skills and Competencies as well as the different types of Competencies needed in the organisation. It is also extremely important to categorise the Competencies so that investments in core HR initiatives, such as Development, Workforce Planning, Career Management, etc. are based on initiatives that will deliver sound Return on Investment.