



# REINVENTING COMPETENCY

PRACTICES

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# 2024

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# REINVENTING COMPETENCY PRACTICES 2024



The **"Reinventing Competency Practices – 2024"** report is part of AscentHR's ongoing commitment to providing valuable insights and practical solutions for "Powering People Practices."

AscentHR is a leading HR technology company with comprehensive products and services that deliver unparalleled value through cutting-edge technology, industry-specific knowledge, and continuous innovation.



# Reinventing Competency Practices

2024

## Objective

The industry research report titled "Reinventing Competency Practices – 2024" intends to summarize the responses, derive inferences and propose interventions aimed at enhancing competency-based Talent Management.

## Methodology

A survey was administered using AscentHR's "SurveyBerry" in the month of June 2024, to gather comprehensive insights into current organizational practices in Talent Management processes, specifically in areas such as Talent Acquisition, Learning and Development, Career Planning, and Succession Planning.

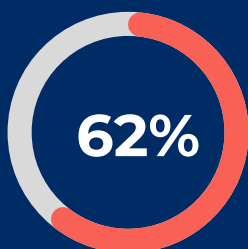
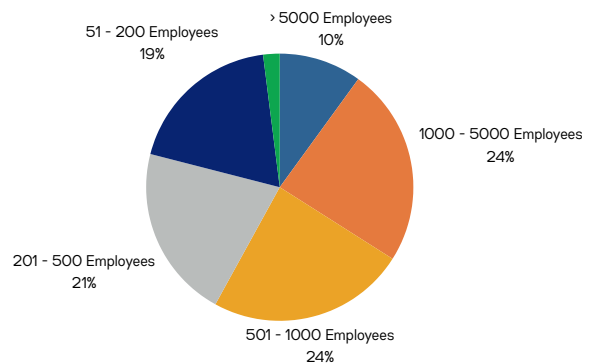
## Survey Response Composition

The survey was structured into five key dimensions and included firmographic details to contextualize responses.

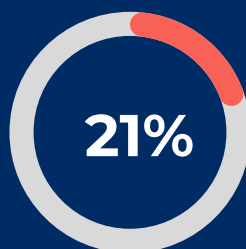
1. Role-based Competency Framework
2. Integration of Competencies to Other Talent Processes
3. Competency Assessment
4. Competency-based Talent Management Decisions
5. Technology Use

## Participated companies size in terms of employees

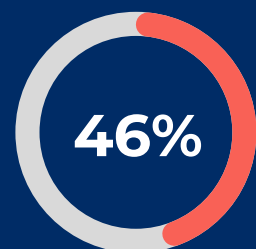
■ > 5000 Employees   
 ■ 1000 - 5000 Employees   
 ■ 1000 - 5000 Employees  
■ 501 - 1000 Employees   
 ■ 51 - 200 Employees   
 ■ Less than 50 Employees



The diversity in company types composed of 62% Indian entities



Companies operate in over 10 locations



Organisations operated for 21-50 years

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## The Insights

### Competency Assessment Overview

Organizations employ varied stakeholders for competency assessments, with internal HR teams (28.57%) and department managers (23.81%) playing significant roles.

### Basis of Competency Framework Development

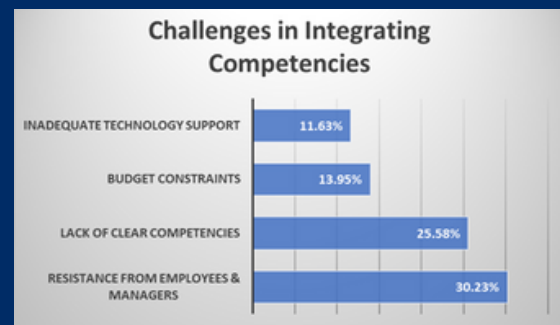
Internal job analysis (45.95%) forms the primary basis for competency framework development, often combined with industry standards (37.84%)

### Competencies Across Talent Management

Competencies are integrated across Talent Management Processes, with a majority (44.19%) reporting extensive integration. However, partial integration (16.28%) and lack of integration (6.98%) highlight cohesive alignment needs.

### Adoption of Role-Based Competency Frameworks

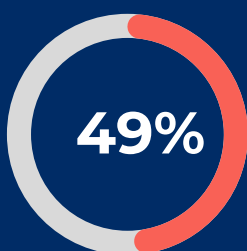
Role-based competency frameworks are extensively used in Talent Acquisition (79.07%), indicating their strategic importance in organizational processes.



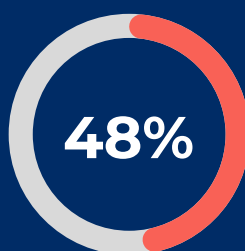
### Integration with Succession Planning

While 42.86% partially integrate competencies into succession planning, 28.57% have achieved full integration. This indicates partial efforts to align successors with role requirements.

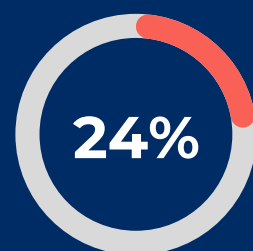
**The insights gathered underscore the complexity and diversity within competency-based talent management. While many organizations have made strides in integrating competencies across various processes, challenges such as resistance, standardization, and technology adoption persist.**



Of organizations employ diverse assessment methods



Rely on manual processes, for competency management



Use competency gap assessments to identify learning needs

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## Cross-Dimensional Analysis

### Adoption of Role-Based Competency Frameworks

Companies operational for 21-50 years and 5-10 years primarily utilize career development discussions.

Competency assessments against aspired roles are less common among younger companies (5-10 years).



### Assessment Frequency

Companies with 21-50 years of operation conduct assessments annually (17.54%) and bi-annually (7.02%).

### Priorities for Improvement

Multinational Corporations (MNCs) prioritize comprehensive competency profiling tools (15.58%) and better integration with HR systems (15.58%).

### Effectiveness of Applicant Tracking Systems

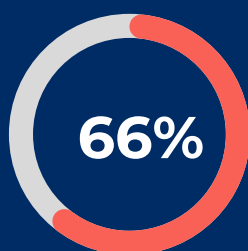
Companies operating for 21-50 years report varied effectiveness levels of their ATS, with 9.76% finding it moderately effective, and 12.20% very effective.

### Challenges & Solutions

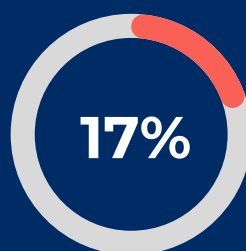
A significant challenge across sectors is the lack of clear competency definitions (37.21%), necessitating standardized skills taxonomy frameworks for effective alignment with organizational goals.

Organizations express a need for better integration with HR systems (35.00%) and comprehensive competency profiling tools (27.50%) to enhance skill assessment processes.

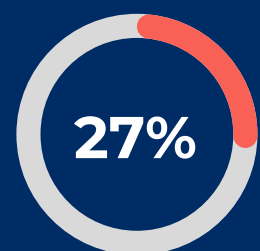
The interplay between competency frameworks, technology adoption, and Talent Management strategies underscores the need to align skills development with organizational goals.



across all industries lack a specified assessment method



primarily opt for bi-annual assessments in companies with 5-10 years of operation



expressed the need for comprehensive competency profiling tools

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## Key Takeways

### 01. Standardized Skills Taxonomy & Competency Frameworks


Establishing frameworks based on a standardized skills taxonomy is crucial. This approach ensures clarity and alignment of required competencies across all roles within the organization. By defining and articulating competencies systematically, organizations can streamline talent management processes, improve role clarity, and enhance organizational agility.

### 02. Leveraging Technology-Enabled Tools

Embracing technology-enabled tools for competency management is essential for modern organizations. Implementing HR Management Systems (HRMS) with integrated competency management functionalities can automate processes, streamline data management, and provide real-time insights into employee skills and development needs. This approach not only improves operational efficiency but also supports data-driven decision-making in talent management strategies.

### 03. Enhancing Intergration Across Talent Management

To maximize the benefits of competency frameworks, it's crucial to ensure seamless integration across all talent management processes. This includes aligning competencies with recruitment strategies, performance management, learning and development initiatives, succession planning, and career development pathways. Integrated approaches facilitate consistency in talent assessment, development, and deployment, ultimately driving organizational success.



Moving forward, organizations can enhance competency-based talent management by focusing on the following key areas

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## Key Takeways

### 04. Addressing Challenges & Buildings Buy-In

Overcoming challenges such as employee and managerial resistance, budget constraints, and technology limitations requires proactive measures.


Organizations should focus on building buy-in through clear communication of the benefits of competency-based approaches, providing adequate training and support, and continuously refining frameworks based on feedback and evolving organizational needs.

### 05. Continuous Improvement & Evaluation

Competency management is not a one-time endeavour but a continuous process of improvement and evaluation. Regularly assessing the effectiveness of competency frameworks, reviewing competency assessments, and adapting to changes in industry standards and organizational goals are essential practices. This ensures that competency management remains responsive to organizational dynamics and strategic priorities.

### 06. Investing in Talent Development & Empowerment

Lastly, investing in talent development and empowerment is key to sustaining a competitive advantage. By identifying learning needs, providing targeted training programs, and fostering a culture of continuous learning and growth, organizations can cultivate a skilled workforce capable of driving innovation and achieving long-term success.



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## Conclusion

By prioritizing standardized skills taxonomy, leveraging technology-enabled tools, enhancing integration across processes, addressing challenges, fostering continuous improvement, and investing in talent development, organizations can optimize competency-based talent management practices.

These efforts will not only enable organisations to meet current and future organizational objectives effectively but also enhance organizational agility and competitiveness, fostering a supportive and engaged workforce aligned with organizational goals.

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The industry research report  
"Reinventing Competency Practices – 2024"  
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