

Competency or Competence: Let's talk

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Abstract

One of the most significant challenges facing a business today is to stay relevant and competitive in an ever-changing market. To be successful in the turbulence and disruptions of a competitive market place organisations must also be successful in their projects. This puts the onus on the project managers to deliver the value through successful projects. In the intervening years there has been a dramatic growth in the number of businesses employing project management as an important tool in achieving business outcomes or gaining a competitive advantage. Unfortunately, the overall success rate of projects is still very poor as evidenced by the Chaos reports. This may be attributed to the selection of project managers who are a wrong fit for a certain type of project. There is growing recognition of the fact that hard skills such as technical or domain expertise may be essential in managing a project, it is the soft skills such as tacit knowledge of the organisational culture and clients that provide the most important contribution that a project manager brings to a project. The selection of a skilled project manager with recognized leadership competencies is becoming a critical determinant in the success of a project. To cater for this, industry organisations such as Project Management Institute (PMI) has developed the Project Management Competency Development Framework (PMCDF). The further development in this area has created a confusion between competence and competency. The aim of the paper is to add to the discussion and help understand the nature of confusion between the two terminologies.

Keywords

Project Management, Competence, Competency, Competency Models

1. Introduction

With the dramatic growth in project work throughout various industries in the economy, the management of projects has become an important business and economic factor (Turner et al., 2010). Despite the substantial increase in importance and the penetration of projects into almost every aspect of business (Winter et al., 2006) there has been only a marginal improvement in the overall success rates of projects since the issue of high failure rates was identified by the UK Industrial Society Kippenberger (2000) in the early 1990s. This lack of improvement has been reinforced by the Standish Groups Chaos reports since

1995 (Standish_Group, 1995). Industry and academia have been focused on the technocratic and rationalistic aspects of project management, namely the prescriptions and process or the hard skills. To date this approach has achieved little success in improving project success rates. While hard skills such as technical or domain expertise may be essential in managing a project, it is the soft skills such as tacit knowledge of the organisational culture and clients that provide the most important contribution that a project manager brings to a project (Langer et al., 2008). The selection of a skilled project manager with recognized leadership competencies is a critical determinant in the success of a project (Dvir et al., 2006, Thal Jr and Bedingfield, 2010). A capable and competent project manager is a contributing factor to project success (Crawford, 2000, p 21).

Industry and the project management associations have developed competency frameworks for project management as a means of documenting the minimum skills and traits required by an individual to become an effective and competent project manager. Business view a competent project manager as having a major influence on project performance and hence the achievement of a successful project outcome and therefore a positive impact on the performance of an organisation (Crawford and Pollack, 2004, Crawford, 2005). In 2002, the Project Management Institute released the initial edition of the Project Manager Competency Development Framework (PMCDF) as a means for an organisation to support the recruitment, deployment, training, promotion, reward management, and succession planning of project managers, and to provide project managers with guidance on their professional development (PMI, 2002). A second edition of the PMCDF was released in 2007. The Project Management Institute (PMI) acknowledged that achieving project management competency is a continuous activity and only through continuous improvement and self-reflection can a project manager hope to widen and deepen their experiences and knowledge in the pursuit of achieving competency. However, it has brought in view the discussion over competency vs competence. The aim of this paper is to contribute to this discussion and help make sense of often competing but complementing terminologies. The research is a part of a doctoral study being completed in the School of Property, Construction and Project Management at RMIT University. This doctoral study is investigating the impact of the project managers' Person-Fit on project success. In doing so, the research is evaluating the the emotional intelligence and personality behavioural characteristics of person-environment fit associated with project manager performance and project success outcomes and determining how organisations select Project Managers for different roles in upcoming projects and how the Project Manager's competency, experience, and qualification influence in the selection process.

2. Competency or competence

In 1982 Richard Boyatzis' influential book 'The Competent Manager' introduced the expression 'competency' into the business vernacular making it virtually the topic de rigueur for business managers and consultants (Boyatzis, 1982). The term was quickly appropriated by business consultants who in their enthusiasm over-used the term. Jubb and Rowbotham (1997) cited in Hoffmann (1999) unsurprisingly noted that there is little agreement in the literature on the definition of a competency. and by 1988 the meaning of the term became uncertain and according to Woodruffe (1991, p 2) "the situation was so bad that Warwick University's Chris Voss described defining a competency as a minefield".

2.1 Competency defined

The competency construct can be traced back to an article by McClelland who did not define the word competency but used the expression as a "symbol for an alternative approach to traditional intelligence

testing" (McClelland, 1973, p 7). The term competency was popularized in the book 'The Competent Manager' in which Boyatzis (1982, p 21) defined the term competency as "an underlying characteristic of a person that could be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge which he or she uses". He further distinguished between job functions or tasks and competencies by pointing out that competencies are what people bring with them in order to perform jobs. Woodruffe (1993, p 29) defined a competency as "the set of behavior patterns that the incumbent needs to bring to a position in order to perform its tasks and functions with competence". Other authors have applied similar definitions to the term competency and it became generally accepted to refer to the behavioral characteristics of people and the dimensions of their behaviour that underlie the effective performance that an individual brings to a job in a defined context (Schuler and Jackson, 2003, Boyatzis, 2008).

Competency is often related to performance and the generation of results as demonstrated by Kochanski (1996, p 3) who describes competencies simply as "the success factors in an employee's organisation and profession" and similar definitions by Durand (1998) and Dutra et al. (1998) who have aligned competency with the interdependence of knowledge, skills and attitudes required to generate results. Similarly, Kennedy and Dresser (2005) defined competencies as anything employees have or acquire that contributes to organisational success. This approach to the definition of competency where the integration of knowledge, skills, and adoption of attitudes in a specific organisational context infers a relationship between the development of competencies within an organisation to generate results and the organisation's ability to develop and maintain a competitive advantage (Taylor et al., 1996).

It is tempting to treat the description of competency by Woodruffe (1993) in a simplistic way but it has some very important characteristics concerned with observable behaviour which are supported by Spencer and Spencer (2011) and clearly demonstrated Woodruff's point that competency is more complex than just an individual's traits, knowledge, skills, and motives that identify their patterns of behaviour. The concept of competency is also related to effective job performance and importantly it can include the traditional knowledge, skills, and abilities (KSAs). The various definitions of competency assert a relationship between individual characteristics that can be reliably ascertained and that can distinguish between effective and ineffective behaviour. That is an individual's competencies are noticeable characteristics associated with successful job performance and these characteristics could be clustered into recognizable patterns of behavior that make a positive difference within a particular context.

Competencies, according to Kennedy and Dresser (2005) can be divided into individual and organisational competencies as different businesses require different competencies. Individual competences are related to individual knowledge and skills and they may contribute towards the success of the whole organisation. Organisational competencies generate differentiated value through the organisation's systems and processes and may be recognized by consumers as differentiators which a competitor may find difficult to imitate (Prahalad and Hamel, 1990).

Organisations may benefit from the two types of competencies identified by Turner and Crawford (1994). They broadly classify these competencies as personal or corporate competencies. Personal competencies are an individual's characteristics and include knowledge, skills, abilities, experience, and personality. Corporate competencies on the other hand belong to the organisation and are embedded into the organisational systems, processes, and structures. Personal and corporate competencies are interlinked. Personal competencies can influence the organisation's culture and processes and may in-turn be transformed into corporate competencies while corporate competencies can influence the type of personal competencies that will fit best in the organisation and consequently may influence the recruitment processes. According to Hitt et al. (2012) competencies are a combination of resources and capabilities within an organisation that can be classified as distinctive or core competencies. The term

core competency is a useful descriptor to denote the portfolio of skill, motivations, resources, mindsets, and technologies of a particular organisation.

2.2 The confusion, competency or competence?

During the 1970s and 1980s Peter Drucker, the management guru, was instrumental in the development of management practices. It seems as if Drucker (1995) in his book 'People and Performance' may have unwittingly contributed to the confusion between the terms competency and competence. He explained the differences between 'efficiency and effectiveness' but failed to address a corresponding distinction between competency and competence, employing the terms interchangeably. This confusion has resulted in the terms competency and competence having multiple and confusing meanings in which the terms are used by different people to mean different things and has led to some authors to regard it as a vague and somewhat meaningless concept (Woodruffe, 1993, Dubois, 1993, Stuart and Lindsay, 1997).

When discussing competency and competence, one must make a clear distinction between the two terms to avoid confusion. Woodruffe (1991) employs a simple example using the UK's Government Information Service (GIS) to demonstrate the differences between the terms of competency and competence where competence is job or skill related and competency is person or behaviour related. Woodruffe (1993, p 29) later reinforces this distinction when he states "competency is the set of behaviour patterns which are needed to allow the incumbent to perform tasks and functions with competence". Further reinforcement to the idea that competency is person related is provided by Gonczi (1996, p 16) who states "The competency of individuals derives from their possessing a set of attributes (such as knowledge, skills, values and attitudes), which they use to undertake occupational tasks".

The lack of clarity in the terms has been exacerbated in the literature as scholars in the United States and the United Kingdom adopted different approaches when developing their respective definitions and assessments of competency. The approach in the USA was derived from the studies of McClelland and McBer & Associates as they attempted to identify the characteristics that distinguish superior managerial performance from average managerial performance. This research was focused on the behavioral aspects on the individuals. Whereas in the UK competence was associated with job performance of individuals and described something which a person who works in a given occupational area should be able to do (Cheng et al., 2003).

Types of competencies

Personal competencies, also known as soft competencies, include the personal characteristics of the individual project manager, such as their behaviour, traits, motives, and attitudes, that is their 'underlying characteristics' as defined by Boyatzis (1982) and 'behaviour patterns' by Woodruffe (1991, 1993) while Kennedy and Dresser (2005) noted that personal competencies are related to the individual skills one learns over a life-time. In discussing the relationship between personal and professional competencies Cheetham and Chivers (1998) sought to bring together the reflective practices of practitioner project managers. In doing so they cited Schön (1983, 1987) and were concerned with 'tacit knowledge' or 'knowing in action' and noted that professional workers draw on sets of unique solutions that fit the needs of a particular situation. Cheetham and Chivers (1998) in developing a model for professional competencies argued that professional workers make use of clusters of competencies they described as over-arching meta-competencies that includes: problem solving, learning and self-development, mental agility, analysis, and reflection.

Both Boyatzis (1982) and Spencer and Spencer (1993) observed that there is a link between personal and organisational competency, that competency is context sensitive and occurs within the organisational context. Shippmann et al. (2000) in their report on competency modelling noted that an individual's competencies forge the status of an organisation's core competencies, this is supported by Kennedy and Dresser (2005) who commented that an individual's competence is similar to and influenced by the organisational core competency and that the organizations' individuals' aggregated competencies form the foundation of the whole organisational competencies and that different businesses require different competencies. Organisational competencies generate a differentiated value, that is provide a competitive advantage for the organisation (Prahalad and Hamel, 1990) and while there is much literature on organisational competencies, none is directly related to project management although some elements may be useful in the context of project management.

3. The Project Management Competency Development Framework (PMCDF)

Crawford (2000) observed that there has been interest in aspects of project management competencies since the late 1950s commencing with an article by Gaddis in the Harvard Business Review of 1959 (Gaddis, 1959, cited in Crawford, 2000). Since the article by Gaddis, project management competencies have been the subject of considerable literature and debate in project management texts, magazines, and journal articles. Crawford (2000) discussed the primary research on project management competency and what it takes to be an effective project manager citing Einsiedel (1987), Dinsmore (1993), Turner (1993), Meredith and Mantel (1995), Dewhirst (1996), Kerzner (1998), and Pinto (1998) with this early work "...culminating in Frame's work on Project Management Competence published in 1999..." (Crawford, 2000, p 4). In the early 1980s it was recognized that project management was an emerging profession and was being adopted by an ever increasing range of industries. Projects were becoming more complicated and the demand for competent project managers was on the increase.

In 1981 the Project Management Institute (PMI) saw a need to put together a knowledge base for project management to document and guide the advancement and development of the project management profession and initiated a special project in that year. In 1983, as a result of the special project, a report titled the "Ethics, Standards, and Accreditation Committee Final Report" was released. That report was the forerunner of today's "A Guide to the Project Management Body of Knowledge" (PMBOK®). The Ethics, Standards, and Accreditation Committee's report was expanded and underwent further development during the subsequent years and in 1987, the expanded report was published as a standalone document. Finally, after further extensive consultation and revision the first edition of the PMBOK® Guide (A Guide to the Project Management Body of Knowledge) was published in 1996 to supersede the previous documents. By 1999 over 250,000 copies of PMBOK® had been distributed worldwide effectively making it the de-facto global standard project management knowledge base for managing a project.

A competency standard or model is a detailed, behaviorally specific description of the skills and traits that an individual needs to be effective in a particular job. The Project Management Institute, in 1998, sponsored the Project Manager Competency (PMC) project to develop a competency framework for project managers. Drawing heavily on the second edition of PMBOK® (PMBOK®-2000), the Project Manager Competency Development Framework (PMCDF) was released in 2002, it defined the key dimensions of project manager competency and the competencies that are most likely to impact a project manager's performance. The PMCDF was updated and a second edition was released in 2007.

3.1 Competence model approaches

Simply, a competency model is a descriptive tool that identifies the competencies needed to effectively perform in a specific job. There are two basic approaches to the development of a competency model, the 'single-job' competency model approach and the 'one-size-fits-all' competency model.

3.1.1 Single-job model

Arguably the first competency models were developed for single jobs thus making the single-job approach the most common approach to competency models. The single-job competency model approach is time and money intensive making it impractical for jobs whose competencies are not static. The approach is based on the assumption that the current job will not dramatically change.

3.1.2 Common-job model

Organisations that are seeking a broad, quick, and consistent improvement in competency levels across a discipline within the organisation often adopt a 'one-size-fits-all' approach by defining one 'common' set of competencies for a broad range of jobs (e.g., all project management roles). The first step is to identify the population for whom the model will apply, such as all project managers. The main strengths of the common competencies approach are the competencies apply to a large number of employees, there is a single consistent framework of concepts describing the required skills and behaviour and all employees in the population can be assessed against the same competencies and can be compared with each other. The main disadvantage of this approach is that the 'one-size-fits-all' competency model is generalist by its nature and does not clearly describe what is needed in a specific role. A second disadvantage is that the competencies may be viewed as espoused values rather than as skills needed to obtain results, consequently it is of limited use in guiding selection for specific jobs.

3.2 The value of a competency model

The value of a competency model is in the ability to conduct a 'whole-person' assessment that can be used to identify the competencies that an individual possesses, the depth of those competencies, and which competencies may need to be improved or acquired (Rodriguez et al., 2002). Competency models provide individuals with guidance on planning their careers and self-development through specifying the skills and behavioral aspects expected at various levels within a particular job. They provide a framework for detailing training programs and studies show that competency-based programs offers a return on investment (ROI) nearly ten times higher than the ROI of traditional training methods (Spencer, 1997). As competency models clearly state the job information in terms of skills and behaviour they provide a solid basis for recruitment and selection. The job information also acts as a self-selecting mechanism for candidates and during interviews they facilitate structured questions that allow the candidates to be compared along similar job requirements. Competency models also provide an excellent basis for employee assessment and performance management.

4. Concluding Remarks

The PMCDF perpetuates the confusion of the terms competency and competence. Competency is the underlying (behavioral) characteristics of an individual (Boyatzis, 1982) and competence is a job-skill

(Woodruffe, 1993). The confusion permeates the document but it is most obvious in the Table of Contents where competencies, the plural for competency (behavior) is used to label the Performance category which describes job-skill competences and under the Personal category the individual behavioral competencies are labeled as competence (job-skills). It seems evident that this confusion in the use of the terms competency, competence and their respective plural terms competencies and competences has come about in part due to the lack of acknowledgement of the confusion in the use of the terms in the introduction to the document and that separate volunteer practitioner teams develop different chapters of the document.

The PMCDF is developed primarily by members of the Project Management Institute (PMI) who volunteer their time and expertise. The development process is 'development by voluntary consensus'. In essence the PMCDF is developed by practitioner project managers, the majority of having achieved their Project Management Professional (PMP) certification using a generalist or 'one-size-fits-all' approach that describes a common set of competencies enabling it to be applied in a wide range circumstances as a foundation for the development of project management competencies. The document is tightly coupled to the PMP examination specification and therefore to A Guide to the Project Management Body of Knowledge (PMBOK®). Thus the foundation of the PMCDF is firmly rooted in project management practitioner practices.

The authors of the PMCDF state that it is aligned with a number of other PMI publications including the PMI's Portfolio and Program Management standards. This stated alignment infers that the competencies detailed within the PMCDF not only pertain to project managers but also to portfolio and program managers. The underlying assumption is that portfolio and program management are just bigger versions of project management. This assumption is reinforced when the authors are discussing the design of the PMCDF and state "Project management is a core component of both standards" (PMI, 2007, p 5). This is questionable as project managers are concerned with the delivery of capability through the execution of discrete projects, whereas program managers don't deliver projects, they facilitate the management of a group of projects that contribute to a common business objective or benefit and portfolio managers manage a process that selects and prioritizes the selection of candidate projects through a business value optimization process. This misunderstanding of the relationship between portfolio, program, and project management is often made, in particular program management is often used interchangeably with project management resulting in the terms being confused.

The PMCDF describes three types of competencies required by a project manager; knowledge, performance, and personal. Knowledge competencies refers to project management practices knowledge as described by PMI's PMBOK® and a demonstration of that knowledge is the attainment of a PMP or similar certification. Performance competencies refers to the project management actions applied to a project and the delivery of planned outcomes, the competencies can be demonstrated by (i) self-assessing against the competency criteria, this may result in an overly optimistic rating of the project manager's abilities due to the optimism inherent in rating one's own abilities and (ii) using an independent assessor to measure the level of competency by inspecting project artifacts such as a stakeholder list or communications plan. Personal competencies refer to the project manager's behaviour. Unlike performance competencies, the PMCDF does not include self-assessment as an assessment method for personal competencies, these competencies are assessed by both the presentation of suitable project artifacts and the observation of the project manager's behaviour by a stakeholders and or team members as independent raters.

In conclusion, the popularity of the PMCDF within the project management community will lead to the confusion between the terms competency and competence being further exacerbated as the practitioners

who contribute to the PMCDF and other PMI publications do not have a clear understanding of the terms. A simple explanation of the terms early in the PMCDF and a consistent usage of the terms throughout the document would go a long way to overcoming the confusion in the practitioner community.

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