

# Competence, Competency, and Competencies: A Misunderstanding in Theory and Practice for Future Reference

Muhammad Aiman Arifin

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Perlis,  
Kampus Arau, 02600 Arau, Perlis, Malaysia  
Email: aimanarifin@uitm.edu.my

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## Abstract

The term competence has been widely applied in the field of human resource and management. This term is also used interchangeably with other terminologies, including competency and competencies. Despite their ubiquitous usage in scientific literature, it remains unclear whether all these terminologies pose the same meaning or should be differentiated in theory and practice. Therefore, an enhanced understanding of these terms is contingent upon a firm grasp of their history and importance. This paper consists of three parts: (1) the definition of terms related to competence, competency, and competencies; (2) the categories of competencies; and (3) a proposed diagram to differentiate between these terms. Several academic journals have served as references in obtaining a clear understanding of the differences between the terms competence, competency, and competencies.

**Keywords:** Competence, Competency, Competencies, Human Resource

## Introduction

The competency-based approach has been utilized in organisational settings to measure the levels of employees' knowledge, skills, and abilities. Similar to several other terms, competence and competency also have different versions of meanings from general to specific. Sykes (1980) defined 'competency' and 'competence' as the ability to do a task and these definitions are readily interchangeable with another. In the management literature, the definitions for 'competence' and 'competency' are inconsistent. For instance, Burgoyne (1989) also defined competence as the ability to perform a task.

However, McClelland (1973); Spencer and Spencer (1993) proposed definitions with specific characteristics, such as motives, traits, and skills which are needed to become a superior performer in the organisation. This second definition is in line with the definition offered by Boyatzis (1982), whereby competence is defined as 'an underlying characteristic of a person,

which results in effective and/or superior performance in a job.’ More confusion can arise due to the different definitions found in dictionaries and from the management context, despite the fact that these terms are often interchanged in the plural form (Moore et al., 2002).

In addition, the academic context (Dirani et al., 2020; Oberländer et al., 2020) of these terms also differs from the management context (Atan & Mahmood, 2019), which has left it unclear whether to use lay meaning from the dictionary or to apply the management context. At times, inconsistency may occur in terms of which definition to use in similar contexts between the academic and the management side.

Confusion due to inconsistent meanings may affect the outcome of performance management assessment used by an employer to measure the current level of knowledge, skills, and abilities of an employee (Moore et al., 2002). It is also a possible cause of employee conflict in the organisation, which could reduce teamwork performance, since there is more than one person in a group for a particular department. Thus, this issue needs to be addressed to reduce the multiple definitions of competence, competency, and competencies. This paper will discuss the definition of each term, which could guide future scholars in finding the best way to understand each term for future studies which adopt the competency-based approach.

### **Literature Review**

From the pioneering work of ‘testing for competence rather than for intelligence’, McClelland (1973) argued that traditional intelligence or aptitude tests and school grades are less accurate in predicting an individual’s job and life performance. Instead, the underlying personal traits and enduring qualitative behaviours, or known as ‘competencies’, could be used to predict both outcomes more accurately. Since then, many studies have been conducted across various fields of study (Arifin & Rasdi, 2017; Suhairom et al., 2014), in both local (Huei et al., 2019; Mohd Salleh et al., 2015) and international contexts (Frezza et al., 2018; Kakemam et al., 2020). With many research going on until now (Efimova et al., 2021), a number of misperceptions about the use of the term ‘competency’ have been found in literature (van der Klink & Boon, 2003). The subsequent sections of this paper aim to summarise different definitions proposed by different scholars (Richard E. Boyatzis & Boyatzis, 2008; Cernusca & Dima, 2007; Dubois & Rothwell, 2004; Evarts, 1987; Hager et al., 1994; Hoffmann, 1999; McClelland, 1973; Spencer & Spencer, 1993), as shown in Table 1. This paper will also discuss the most apt definitions for competence, competency, and competencies.

Table 1

*Definition of Competencies by Authors in Competency Studies*

<b>Author(s)</b>	<b>Competency Definition</b>
Aiman et al. (2017)	A set of personal and job knowledge, skills, abilities, or attitudes for a specific task, job, or profession within a job performance scope.
McClelland (1973)	A set of traits towards effective or superior job performance.
Boyatzis (1982, 2008)	The relationship between an individual and superior job performance.
Spencer & Spencer (1993)	Ability and skills gained through training, and job and life experiences.
Evarts (1987)	Managers' underlying characteristics related to superior performance.
Hager, Gonczi, and Athanasou (1994)	The standard or quality as the outcome of an individual's performance.
Hoffmann (1999)	Underlying qualification and attributes of a person, observable behaviours, and standard on a person's performance.
Dubois and Rothwell (2004)	The combination of knowledge, thought patterns, skills, and characteristics that resulted in a successful performance.
Cernusca and Dima (2007)	A person's underlying criteria that lead to individual performance and career development.

Source: Adopted from Arifin et al (2017)

Boyatzis (1982); Le Deist and Winterton (2005) mentioned that competency studies are contextual and vital for a specific job position. Different professions require different competency elements to be included in the competency framework. Table 2 summarises the various categories of competencies from different authors.

Table 2

*Levels of Competencies*

<b>Author(s)</b>	<b>Classification of Competencies</b>
Spencer and Spencer (1993)	Competencies (threshold and differentiating)
Arifin et al. (2017)	Comprehensive competencies (job and personal competencies)
Kuijpers et al. (2006)	Career competencies (functional, learning, and career)
Abraham et al. (2001)	Problem skills, result focused, leadership, customer oriented, flexible, team
Rothwell (2002)	Competencies (foundational and intermediate)
Jacob (1989)	Competencies (hard and soft)
Prahalad and Hamid (2007)	Competencies (core)
Thomas and Sireno (1980)	Competencies (control, leadership, and communication)
Raven and Stephenson (2001)	Competencies (meaning, relation, learning, and change)
Hunt and Wallace (1997)	Competencies (leadership, strategic management, administrative, problem solving)
Boyatzis (1982)	Competencies (leadership, HRM, and goal and action management)
Le Deist and Winterton (2005)	Competencies (functional)

Source: Adopted from Shet et al. (2017)

### **Misinterpretation**

The term 'competency' is a 'fuzzy' concept (Wong, 2020) which may lead to misinterpretation because the terms 'competence' and 'competency' can be used interchangeably without proper justifications. The first term, competency, is a person's knowledge, skills, and abilities or attitude. The second term, competence, refers to task-oriented behavioural approaches. Table 3 describes the differences between both terms from various perspectives.

### **The Issues of Definitions**

Competence can be used to refer to areas of work in which the person is competent, the so-called 'areas of competence'. However, when the areas being referred to are the dimensions of behaviour lying behind competent performance, with a meaning that can be regarded as being 'person-related', Woodruffe (1991) recommended that the term 'competency' should be used instead. Similarly, Armstrong (1998) sought to differentiate between 'competence' and 'competency'. Armstrong's perspective was that 'competence' describes what people need in order to be able to perform a job well; the emphasis is on doing (perhaps in terms of achieving the desired output). 'Competency', in contrast, defines dimensions of behaviour lying behind competent performance. These are often referred to as behavioural competencies, because they are intended to describe how people behave when they carry out their jobs. The differences between these two terms can seem overly subtle and may be disregarded by some. Such a possibility would be unfortunate if realised in the context of performance assessment carried out within an organisation.

Table 3

*Comparison between 'competency', 'competence', and 'competencies'*

<b>Competence</b>	<b>Competency</b>	<b>Competencies</b>
Focuses on the results	Focuses on a person's behaviours	Focuses on more than one behaviour of a person
Describes the features of the area of work tasks or job outputs	Describes the attributes of the person	Describes more than one attribute of the person
Constitutes the various skills and knowledge needed for performing the job	Constitutes the underlying attribute of a person with superior work performance	Constitutes underlying attributes of a person with superior work performance.
Not transferable as each skill and knowledge is more specific to perform the job	Transferable from one person to another	Transferable from one person to another
Assessed by performance on the job	Assessed in terms of behaviours and attitude	Assessed in terms of knowledge, skills, and abilities
Task-oriented	People-oriented	People-oriented

Source: Adopted from R. Yuvaraj (2011)

As shown in Table 3, there are several differences between 'competency' and 'competence'. However, people tend to use these terms interchangeably when conducting their research. Zemke (1982) suggested that there is still no standard definition for these terms, since they would be based on the different objectives of each study. Along with 'competence' and 'competency', there is also the term 'competencies'. This term reflects on the recognition for an employee who possesses the required knowledge, skills, and abilities required by a specific profession. Coming from this perspective, the following characteristics of these key terms are suggested by Moore et al (2002):

Competence – an area of work supported by an employee's knowledge, skills, and abilities.

Competency – the behaviour(s) supporting an area of work through knowledge, skills, abilities, and attitude.

Competencies – the attributes underpinning a behaviour.

The competence of an employee should be the main concern for a specific task, job, or profession as a reflection of their individual 'competence'. In this context, the results for whether an employee is able to perform a specific competency would be based on their actions against a prescribed standard of competency element and vice versa. When organisations in one country are acquired by organisations from a different country, the

differences in terminology will cause greater confusion and conflict, for instance, between organizations and countries in Europe and Asia. This definition confuses behaviour (competency) with outcomes, or area of work (competence). In order to gain some clarification from this confusing situation, an analysis of the differences between countries in Europe and Asia was conducted using different models to offer better definitions of the terms competency, competence, and competencies.

This study proposes the following diagram to explain the position for each term. Figure 1 shows four main terms discussed in this paper, namely competent, competence, competency, and competencies. Competent refers to a condition where a person is able to meet the performance criteria set by the organisation. Competence means the ability to meet the performance criteria (knowledge, skills, abilities, attitude, and behaviours). Competency is a set of knowledge, skills, abilities, attitude, and behaviours. Competencies are different sets of knowledge, skills or abilities that are transformed into several competency domains to represent a specific task or profession. It is clear that different terms contain different explanations for each one. This diagram is in line with most of the definitions proposed by previous authors in competency studies (Richard E. Boyatzis & Boyatzis, 2008; Cernusca & Dima, 2007; Dubois & Rothwell, 2004; Evarts, 1987; Hager et al., 1994; Hoffmann, 1999; McClelland, 1973; Spencer & Spencer, 1993).

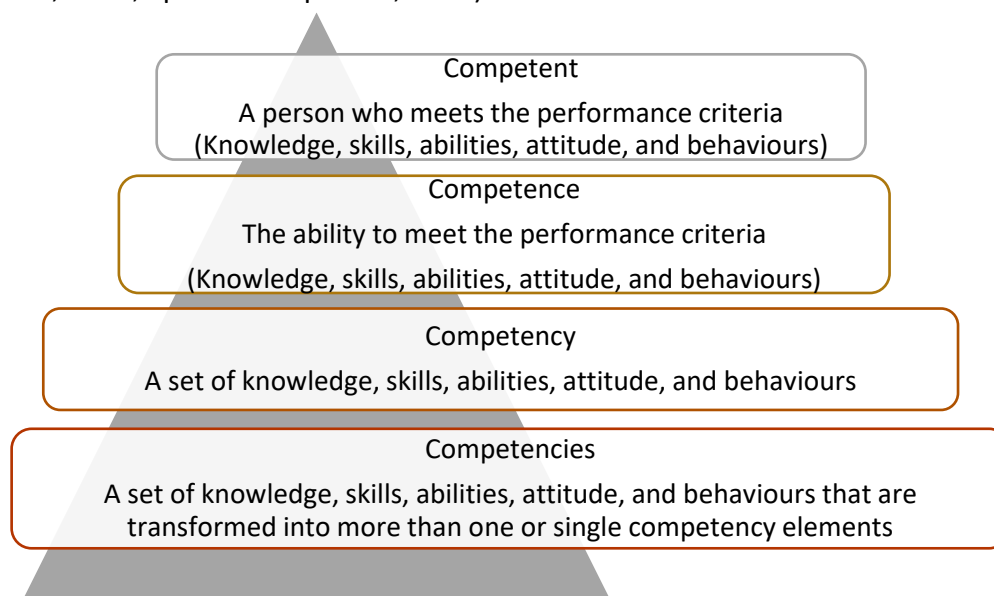


Figure 1. Proposed Diagram to Explain the Differences between 'Competence', 'Competency', and 'Competencies'

## Conclusion

A number of confusions related to the area of study on competence, competency, and competencies have been highlighted in this paper. Apart from the articles written by McClelland (1973) and Moore et al. (2002), there is no consensus among scholars on how to address the misconceptions regarding the definitions of competence, competency, and competencies. In this paper, a new explanation for each term is addressed by proposing a pyramid diagram that can be used as a guide by other HR and management researchers and scholars concerning the future direction of competency-based assessments. A particular aspect of this diagram is to ensure that the right decision is made by HR departments and researchers when adopting a competency-based approach. It is anticipated that future

competency studies will further contribute to this debate through the implementation of competency-based approach across various organisational context, profession, and nation. Output from this study can be utilised towards arriving at an overall consensus regarding the right terms to use for the right study or perspectives.

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