

From competency to capability: How AI is accelerating the future of work - People Matters - HR News

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Executive Summary

This article, authored by Vidya Mohan, a Partner at EY India's People Consulting practice, addresses the perceived inadequacy of legacy hiring and competency-based talent assessment in an era of rapid skill obsolescence. The central argument is that AI-driven capability intelligence represents a paradigm shift in talent management, moving organisations from measuring past experience to predicting future potential and enabling dynamic workforce redeployment. Key evidence presented includes SHRM data citing AI adoption in HR rising from 26% in 2024 to 43% in 2025, and an unattributed claim that AI-driven skills assessments have yielded nearly 25% improvements in performance outcomes. The article further argues that AI enables lattice career paths, role portability through skills clustering, personalised learning, and more inclusive talent pools by reducing pedigree bias. The author concludes that capability intelligence will become a core strategic asset, analogous to financial or operational metrics, and that human oversight remains essential to responsible AI deployment in HR functions.

Key Insights

1. AI adoption in HR functions rose from approximately 26% in 2024 to 43% in 2025, according to SHRM, indicating a shift from pilot programs to mainstream deployment.
2. The article distinguishes between competency-based assessments (what a person did) and AI-driven capability intelligence (what a person can do, learn, and contribute next), framing this as a fundamental architectural change in talent systems.
3. The author positions responsible AI governance — including audits, explainability, and human oversight — as a non-negotiable complement to automation, rather than an optional safeguard.

Practical Takeaways

- Organisations are described as moving toward dynamic capability maps that integrate behavioural, cognitive, and competency signals to guide both individual career mobility and organisational workforce planning.
- The article describes a model where AI handles pattern detection and scale while human judgment retains responsibility for strategic and contextual decisions — presented as the design principle for high-impact HR functions.

Critical Analysis

Strengths: The article identifies a genuine and well-documented tension between static competency models and the pace of skills evolution. The SHRM adoption statistics, while presented without full citation context, are directionally consistent with published industry data. The human-AI balance framing is measured and avoids techno-utopianism. **Limitations:** The 25% performance improvement figure is presented without attribution, sample size, methodology, or definition of 'performance outcomes,' making it unverifiable and potentially misleading. The article makes sweeping causal claims without distinguishing correlation from causation. The India-specific reference is anecdotal and insufficiently evidenced. **Biases:** The author is a Partner at EY India's People Consulting practice — a firm that sells talent transformation services — creating a material conflict of interest that is disclosed only in the byline and not acknowledged in the body of the article. The piece functions partly as a thought leadership marketing asset. Classification as research or data-driven analysis would be inappropriate; it is an opinion piece with selective data points.

Organizational Practice

The article describes organisations deploying AI-driven capability platforms that integrate competency indicators, behavioural signals, and cognitive data to produce dynamic capability maps. These maps are used to identify transition-ready talent, personalise learning pathways, enable cross-unit talent mobility, and expand inclusive talent pools by de-emphasising educational pedigree in favour of measured skills and potential.

Strategic Implications

The article reflects an emerging industry narrative in which capability assessment is framed as a continuous, data-driven process rather than a periodic, credentials-based one. If the adoption trajectory cited holds, PMS architectures may increasingly incorporate real-time skills intelligence alongside traditional performance metrics. The framing of AI as an 'amplifier' rather than a replacement also signals a governance trend toward explainability and human-in-the-loop design as regulatory and reputational pressures on AI in HR intensify.

Validation Status: passed
