

Achieving Workforce Sustainability with Competency Centers

Your workforce is your single most significant asset. The return on the investment you make in them, and they in you, depends largely on how your working relationship is managed and sustained.

In today's economy, work requirements are constantly changing - responding to economic, societal, and even politically driven agendas. These changes may create gaps in the competency base, and confidence, of the workforce. These lead to under-performance and low morale at a minimum, and, in the worst case, even catastrophic failure. How prepared is the workforce to execute on its mission? Can you future proof your workforce by continuing to invest in their skills and competencies?

Investing in the workforce through a dedicated competency center can greatly enhance the likelihood of success, especially before a major upgrade or rollout of a new system.

Competency Based Training

Competencies are the knowledge, skills, and experience that are needed to perform tasks. A competency may be defined in terms of what a person is required to do (an operational task), under what conditions it is to be done (operating conditions), what the task is intended to achieve (outputs and outcomes) and how well it is to be done (performance standards). Competencies commonly map to skills, which in turn may be simple or complex in nature.

Competency-based training (CBT) is a systematic, knowledge and skills-based approach to vocational education and training that focuses on what a person can do in the workplace as a result of completing a program of job- or task-specific training.

Competency models form the foundation for developing curriculum and selecting training materials, and for license and certification requirements, job descriptions, recruiting and hiring, and performance reviews.

Competency Centers

A competency center is a resource dedicated to employee learning and growth. It signals to your workforce that you value them and that you are committed to a long-term investment in them. This investment, this commitment aligns your workforce to your strategic planning objectives, and ensures that collectively you have the knowledge, skills, and experience needed to execute your mission.

The benefits that flow back to you from your investment are enhanced performance, greater employee productivity, employee satisfaction, and lower rates of churn in the staff base. Coupled with future proofing, deploying a competency center to a particular project can help to avoid costly overruns, competency gaps, and other issues which can derail its progress or ultimate success.

A competency center operates in five dimensions:

1. Capture and Transmission of Institutional Knowledge
2. Competency Based Training and Knowledge Transfer
3. Performance Support and Strategic Alignment
4. Future Proofing and Strategic Alignment
5. Scorecarding for Success

1. Capture and Transmission of Institutional Knowledge

Institutional knowledge exhibits the following characteristics:

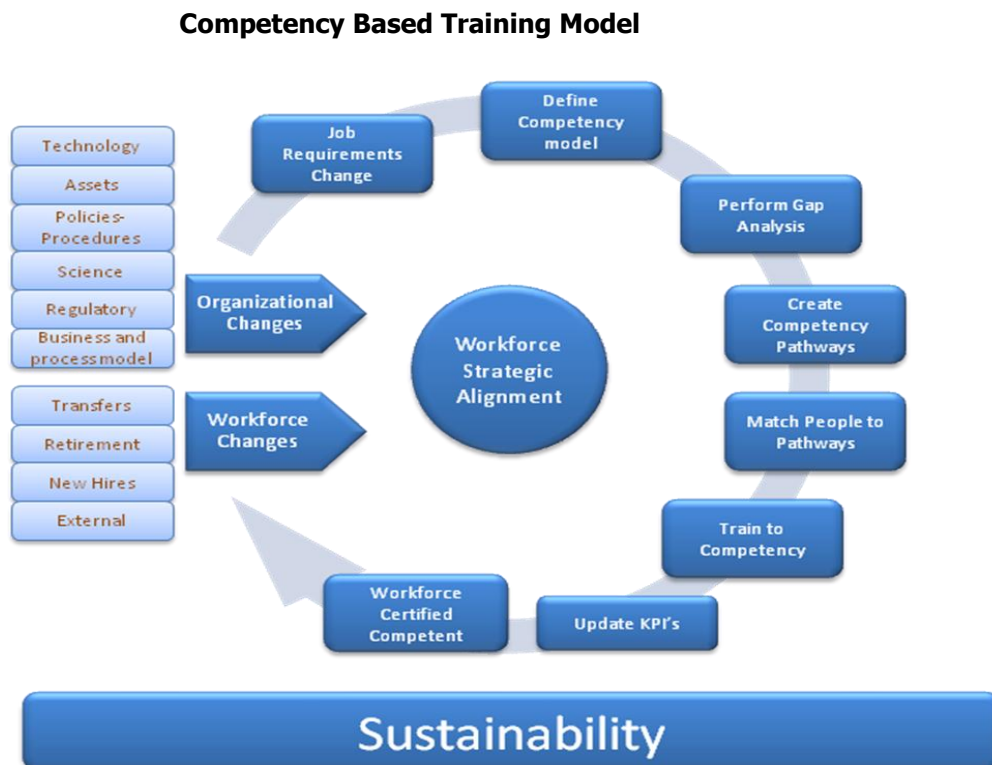
- Common Language, including Vocabulary and Definitions
- Operating Culture and History
- Business Processes and Procedures
- Business Rules
- Policies
- Meta Data
- Standards

The competency center captures and transmits this knowledge, organization-wide.

2. Competency Based Training and Knowledge Transfer

Each trainee or trainee group is profiled by requisite competency, using competency first as a diagnostic tool to identify deficiencies in knowledge, skill and expertise and then as a goal. The gap between current and proposed future competency allows the creation of a tailored training or education program suited to the individual or working group, a process that can also factor in other requirements such as working culture, language and wider stakeholder influences and expectations.

This in turn creates a robust platform for capacity-building. The Competency Based Training Model centers growth and development around the strategic objectives of the company:



Tapping into that growth process and capturing emerging knowledge and experience on an ongoing basis is part of the process of ensuring sustainability.

Once captured, the knowledge has to be transferred, a process that has a variety of available means, such as:

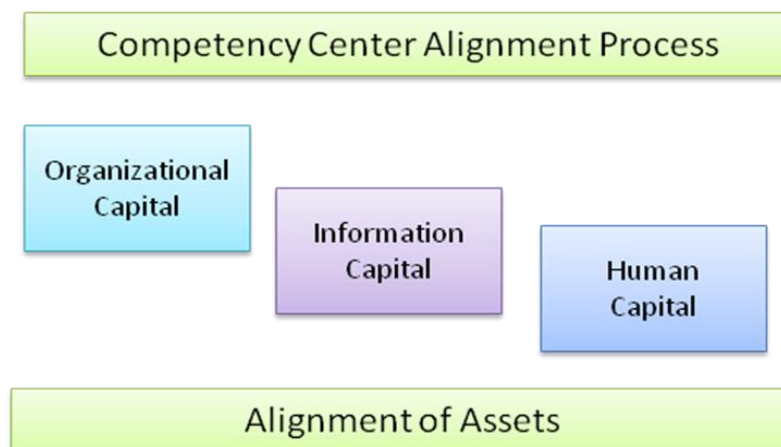
- Use of Best Practices
- Lessons Learned
- Bench Marks
- Change Management Objectives
- Communications

3. Performance Support and Strategic Alignment

The competency center helps overall organizational performance in general and strategic alignment in particular. This ensures that individual and team activity is appropriately contributing to enterprise goals as a whole (micro/ macro alignment). The focus is on capital – human and intellectual as well as financial.

There are three categories of investment capital in play:

1. *Human* – the skills, talents, and knowledge that a company’s employees possess including employees’ ability, and willingness, to share knowledge.
2. *Information* – the company’s intellectual property and expertise, including databases, information systems, networks, and technology infrastructure.
3. *Organizational* - the company’s culture and leadership – including how well in tune its people are with its strategic goals. This includes its financial resources (Capital (capex) and Operational (opex)), making sure in particular that tangible and intangible assets are organizationally aligned, as shown in the figure below:



4. Future Proofing and Strategic Alignment

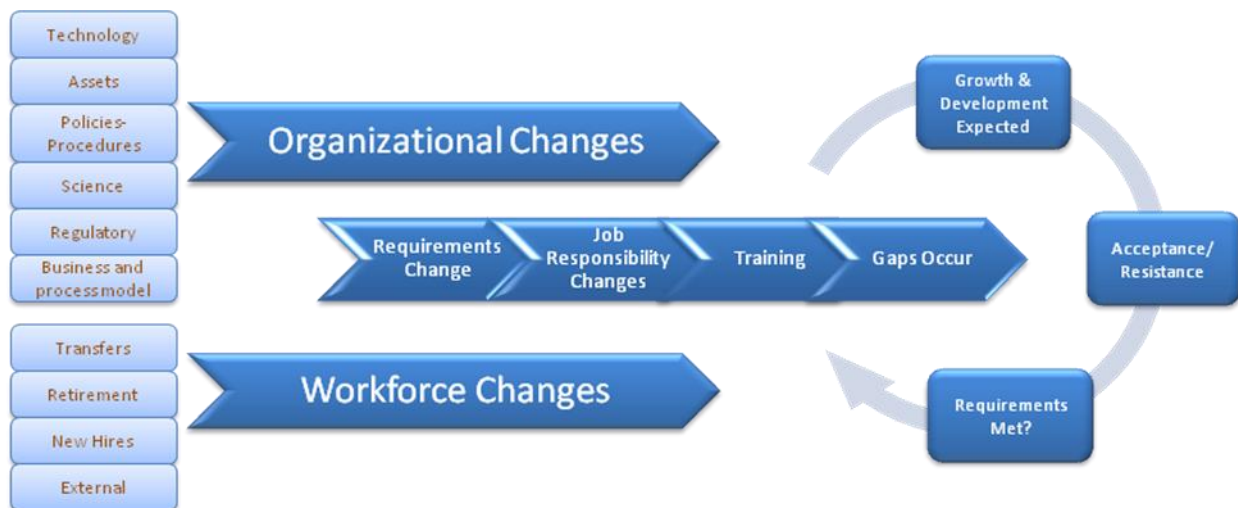
Future proofing is a method that protects the investments your organization makes in its human and intellectual capital as well as in its management systems from erosion by external forces beyond your immediate span of control. Key areas of attention for future proofing include:

- Readiness assessments
- Trend analysis
- Backward induction (from future state scenarios).

An ounce of prevention saves a pound of cure

Preparedness requires continuous, thoughtful investment. The figure below represents the AMC approach to assessing and sustaining workforce readiness through the competency center. This puts the concept of future proofing into “business as usual” practice. The old maxim applies: an ounce of prevention is worth a pound of cure:

The AMC Competency Center approach to future proofing workforce readiness

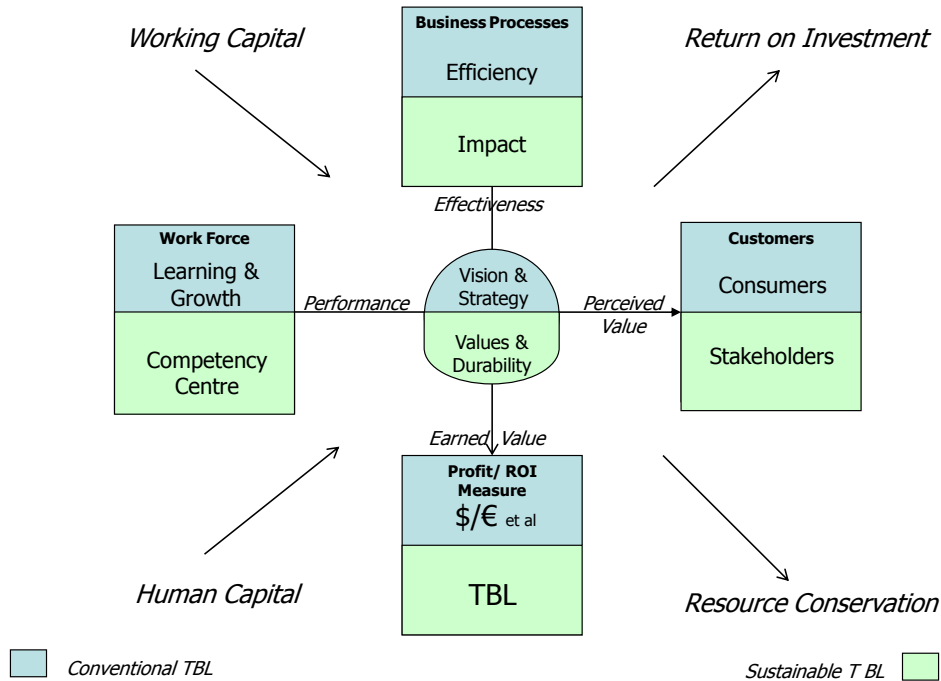


Applying this model as a diagnostic tool may help identify competency gaps early enough in the change management cycle to be able to deal with them preventively rather than remedially. Unaddressed gaps will become visible during new system rollouts or major upgrades, particularly ones with cross-functional impact. These may be very difficult and expensive to cure.

The more you can anticipate and respond to emerging needs in workforce competency before they are required “under fire”, the less time and money you will waste downstream and the less the organization is at risk of systemic failure. This is something the Toyota management for example, should well have understood, but their problems in recent times illustrate well what can go wrong when priorities get distorted.

5. Scorecarding for Success

The model, as shown in the figure below, transforms traditional balanced score card techniques into ones that can be applied to the new requirements of sustainability and Triple Bottom Line (TBL) performance analytics:



Triple Bottom Line measures performance according to a balanced combination of financial, social and environmental criteria. In some jurisdictions statements of performance and financial condition are required to report under all three headings; in others TBL is more a matter of good practice, as part of Corporate Social Responsibility. In either setting, basing performance goals and assessment around enduring core values is one of the most effective ways of future-proofing organizational capacity and capability.



About AMC

AMC specializes in the implementation and sustainability of workforce competency centers. We guide you through each step of the process, and help you to start and maintain a competency based workforce. Our founders and key leaders have deep experience in higher education, professional training, and management systems. Contact AMC to find out how a Competency Center can help you realize the full potential of your business and get the most out of your ERP system implementations.

Does your organization have competency gaps?

Try our quick check list:

- Are all of the competencies that are required to run your organization known and safeguarded?
- How effective and sustainable are your training programs?
- Do customers or stakeholders inquire about the competency of your organization?
- How fast could your workforce acquire new competencies if needed?
- Would you rate you organization as high performing?
- Are you experiencing underperformance of assets purchased?