

Case Study: The Case for Competency

Suppose your company is required to prove the competency of your operations leaders and their workforce. Now, let's say you're part of a company dealing with a lot of changes – changes in technologies, changes in leadership, and changes in the way your workforce actually gets work done. Let's further pretend that you would really like to get a handle on what differentiates the best performers in your current workforce from your average performers. Since we're pretending, we'll really stretch here – you'd also like to get some sort of handle on what you think you'll need in the future. All hypothetical, of course.

How is Proving Competency different from just Training your Workforce and having them take a test?

This case study will hopefully help leaders in operating-type industries better understand how individuals learn and develop and how to properly measure their progress. We will also show some of the data behind why maintaining a skilled and competent workforce in the U.S. is in jeopardy to some degree and experts tell is it's only going to get worse.

The study takes into consideration the research and analysis carried out over the last few decades by experts in the fields of training and competency of workers and their ability to effectively learn and put into practice job skills in accordance with their company policies, practices, and procedures. By continuing to just provide training to our next generation workers and their leaders, without any formal assessments back in the workplace, we're already seeing the impact - and not in a good way.

US Bureau of Labor and Statistics Data

Dr. Gustavo Grodnitzky stated in his work, based in part on data from the U.S. Bureau of Labor and Statistics, Ready or Not, Here They come!,

"For the first time in the history of mankind, there are four generations in the workforce. There are 35 million Traditionalists (Silent Gen) and 84 million Baby Boomers, the largest number of workers, which began to retire in 2010-11. There are 68 million Generation Xers and 79 million Generation Yers (Millennials as they are better known). There will be no escaping the demographic reality that in the very near future, there will be 84 million retiring Baby Boomers, followed by 68 million Gen Xers to replace them. This will create an employee vacuum in the workforce that only the 79 million Gen Yers can fill, increasing the demand and competition for Gen Y employees, in addition to increasing the ongoing challenges of working with a multigenerational workforce."

Dr. Gustavo also points out in his work that not only are we facing a skills gap in the U.S. workforce, but if companies want to hold onto the next generation workers and their operations leaders, they need to be aware of what the data is showing and make adjustments within their organizations to retain them.



So what is the difference between Training & Competency?

Now, a Competency Management System process is not unheard of, especially in high-hazard industries, like space, aviation, nuclear, and medical here in the U.S. Yet, outside of those industries, companies in the U.S. have historically relied on “training” as the primary means to transfer knowledge and practical on-the-job skills to new workers.

Before we go any further with this study, we need to explain what is meant by competency management. We have found a very wide range of understanding around competency management and what it actually is. The majority of companies across the U.S., for years have been focused on knowledge transfer, which is why it appears “training” has played such a large part primarily in developing employees. Research shows the historical success here in the U.S. has not been from the training provided to the new worker, although that initial training is vital, rather, it has been in the capacity of the workforce with years of practical experiences behind them guiding and helping the newer worker to develop their skills over time on the job. Herein lays the dilemma: U.S. companies are facing an aging, more experienced and competent workforce retiring and leaving a skills gap in the workplace.

Competence and Competency are words that get thrown around a lot today. Unfortunately, individuals seem to use them to mean different things, so let’s look at what the experts tell us about this subject. For example, Prahalad and Hamel’s research published in part in the Harvard Business Review states, “The Core Competence of the Corporation”; used ‘competence’ – in the phrase ‘core competence’ to indicate something at the organizational level. What we’re addressing here in this study is about competence at the individual level.

Anntoinette Lucia and Richard Lepsinger provide this definition of a single competency in their book, *The Art and Science of Competency Models* : “... ‘a cluster of related knowledge, skills, and attitudes that affects a major part of one’s job (a role or responsibility), that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development.”

There are three primary areas that are looked at when measuring an individual’s competence in a given area:

1. **Knowledge & Understanding** – knowledge in the workplace is mainly transferred through the training program, but most stop short of explaining the “why” part of the subject matter and fail to transfer understand to the individual, who are left to figure it out on their own.
2. **Experience** - recent studies show the “lack of experiences” slows the ability to build skillset with the hands-on part of a job. This is even more critical when moved from a technical role into a frontline leadership role.
3. **Performance** – The ability to demonstrate in the workplace a skilled level of work delivery without any supervision, to the company’s documented policies, practices, and procedures.

Note: a fourth observable component is the individuals behavior/attitude while undertaking their daily work.

Table 1 shows a common Venn diagram to illustrate the occupational competency model.

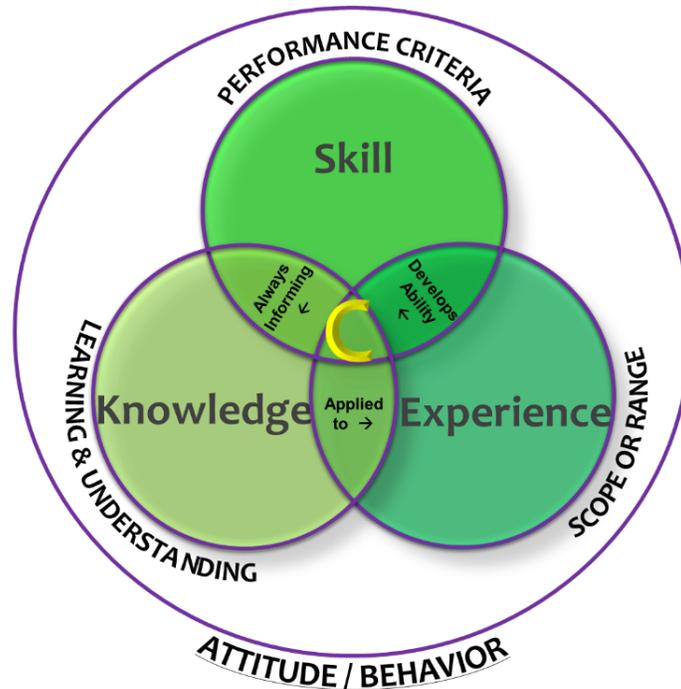


Table 1: Occupational Competency Model

How can you move from “just training” to actually knowing the competency of your employees?

Formalize your process

Time is running out to capture the “tribal knowledge and understanding” of your retiring “Boomer” workforce and frontline leaders. Start looking at developing and maintaining a formal competency management system, much like your HSE system. In the next post we’ll start to get into what that could look like.

Develop Standards & Assessment Guides

In our legal world today, most companies are walking a thin red line by just training and putting new workers in the workplace. Companies in the U.S. need to work with their HR and legal advisors to approve company standards for each job role and then develop assessment guides that focus on their workplace performance. We’ll look at this in upcoming post as well.

Independent Assessment

This has legal ramifications as well. The days of; “Joe showed me how to do it” are behind us. With approved company competency standards in place, you’ll need either outside qualified assessors or you’ll need to train internal assessors who know and understand the job roles they will be assessing in. More to come on assessors and their role in a CMS program.

To be Continued. . .