

# EMPOWER YOUR ORGANIZATION - DRIVING WORKFORCE ANALYTICS

Using tactical workforce intelligence to optimize talent and set the cornerstone to manage workforce competency risks.



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## Introduction

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The volume of human capital data in modern organization expands day by day; modern organizations need to rapidly respond to align their business strategy with their human capital investment by optimizing employee productivity. Organizations need to be empowered with an efficient and accurate technology solution. The solution must enable analytical tools to provide management insight into employee competencies by facilitating data driven decision making.

## Enterprise Success with Competency Risk Management

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Competency Risk Management is recognized globally as one of the essential functions of an employee's Health, Safety, Security and Environmental (HSSE) related activities and associated financial liabilities in the current business scenario.

In the Energy & Utilities Sector, companies have an urgent need to manage their employee competency as well as employee regulatory compliance. This management of competency enables employees to be deployed into the correct job / role safely. As witnessed in the recent past, the many hazardous incidents that have occurred in both the oil and gas industry have made the companies in these sectors realize the urgent need for greater scrutiny of competencies and regulatory compliance in managing the risks during job performance.

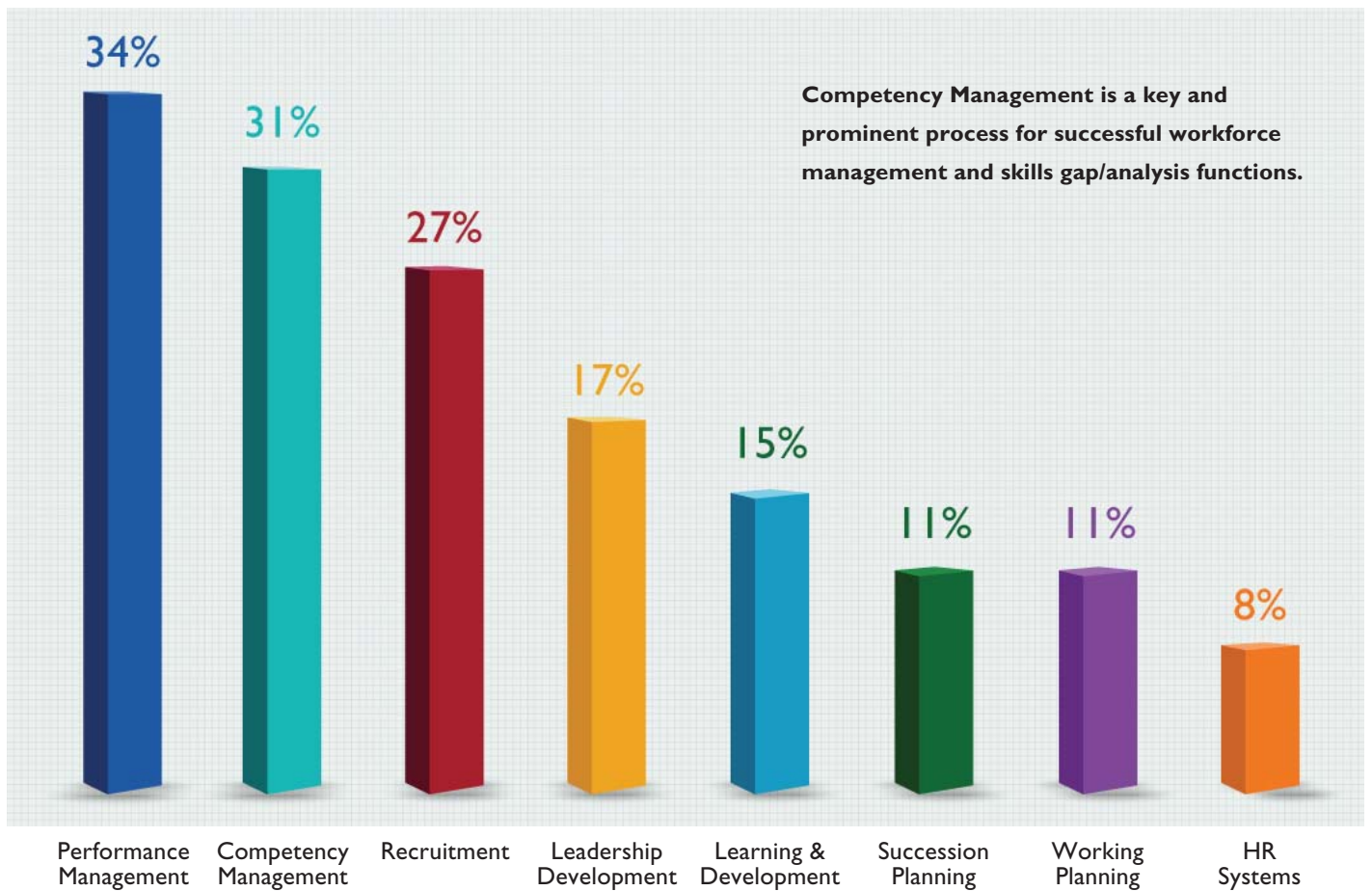
In a day-to-day scenario, an employee might be asked to multitask across a number of roles due to (for example) shortage of resources or urgency for job completion in the field. In such scenarios, an employee may be deployed into the field with no accurate evidence validating their competencies and training requirements. Lack of these measures to monitor employee competency will eventually lead to serious consequences including high probability of incidents in the field. These incidents invariably lead to major environmental and life threatening results that also drive large scale financial and reputational consequences.

Companies in the Energy & Utilities Sector need to reduce their employee costs by increasing their flexibility and adaptability. For such companies to emerge as market leaders, they must innovate and implement global employee practices, train their workforce and have robust workforce planning tools and methodologies in place.

Competency Management is a complex process that focuses on an employee's competency with respect to knowledge, skills and performance. Competency analysis enables the management to ensure that all employees are enabled with the correct competencies to successfully perform their duties in the field. This eventually leads to successful achievement of business goals for the organization. The key factor that drives performance driven business success is having the right people with the right skills and competencies deployed in the field.

Competency Management forms the foundation for any corporate HR function in an organization that includes Recruitment, Workforce Planning, Succession Planning, Learning and Development, Performance Management and Talent Planning. Competency Management has strategic integration points with all the functions of Talent Management. The Talent Management Process areas are typically enabled via a combination of technology solution with an HR Management System as the core.

Figure 1: High Impact Process Areas



Source: Bersin & Associates Research

According to a research conducted by Bersin & Associates (Figure 1 above), Competency Management is one of the top-most high-impact process areas impacting business execution results. Some of the key drivers for this are:

- Performance driven organizations thrive on well-defined Competency Frameworks which are critical for the success of any business
- Competency Risk Management ensures that qualified people with the necessary skills are deployed on the job
- Competency Risk Management identifies employee skill gaps and supports employees with career development opportunities

## The Problem: Reducing Organizational Risk

Modern organizations rarely have time or relevant metrics pertaining to their employee's competency and evidences required to perform their jobs efficiently and safely. In today's data rich organizations, the management is facing continual demand to drive performance and they do not have a substantial way to identify correct competencies and providing accurate analysis about their workforce.

The challenge we face is that our subcontractors and internal organizations typically use different terminology and have different taxonomies of competencies. Without automated tools to map one set of competencies to another, managers are faced with the daunting task of determining what competence gaps subcontractors or employees have as they are deployed to working teams. When competence gaps exist, we must offer proper training interventions to address them.

Competency assessment is eventually carried out on the basis of static generalities derived from summaries of qualification and certifications rather than individual competency and evidences. Organizations have no way to determine what information is relevant to a particular job at a particular time in a particular environment and to evaluate concrete evidence that demonstrates competence.

This approach leads to inaccurate conclusions which appear to be valid in a particular context but easily misinterpreted when viewed from a cross functional perspective in an organization. Modern, rapidly changing work environments require a dynamic and adaptive workforce that is assessed on the basis of the actual training taken rather than only on the reported results of that training. Some of the typical scenarios are as below -

- Organizations need to be accurate in hiring people with the right skills, knowledge and behavioral traits for each role, as it is difficult for businesses to identify the competency risks hidden within a composite workforce
- Inexperienced decisions by an employee or contractor can seriously damage a well-established business

- Due to the gaps in the key positions and core skills required, the proficiency of an individual gets affected and thereby the efficiency of the workforce reduces which could create risks in the workplace
- It is difficult to identify which employee needs which type of training. This increases the cost in giving irrelevant training to the employees and results in wastage of time
- Due to lack of competencies in employees, there is a loss of employee fitment within the company and this leads to dependency on contractors and increased costs

To address these problems, a standards based Competency Management system is needed. This system must provide functionality that enables taxonomies of competencies to be mapped across organizations or organizational units, training to be mapped to competencies on the basis of multiple factors including the actual content used in the training, and employee skill gaps to be recognized and remediated using available training interventions.

## Why not a Learning Management System?

As one looks deeper into the problem of mapping training to competencies, one finds the issue aggravated by the way that Learning Management Systems (LMS) work. LMSs typically store competency data internally in ways that cannot be shared with other systems and the competency data they do track is defined by the content in the form of learning objectives that are not matched to global competencies. Moreover, objectives are often hierarchical, with “enabling learning objectives” that imply or are required by “terminal learning objectives.” Data about these hierarchical relationships must be stored and acted upon to successfully identify competency gaps.

In the case of Learning Management Systems, providing access to enterprise competency definitions is a significant advance. However, the primary focus revolves around enabling learning content and related outcomes defined by the content creators and consumed by the LMS. Mapping learning content to competencies in an enterprise is usually an ad-hoc process which may not be fully supported by an LMS. Workforce competency risk is elevated as the management has no way to track or monitor their workforce skills readiness using an LMS. This leads to a substantial need to have a system to manage and mitigate competency risks.

## Moving Beyond One-Line Definitions

Organizations traditionally rely on systems that define jobs and competencies using general descriptions and job titles (e.g. technician). Competency models built on such descriptions work well in a given context but lead to high degree of misinterpretation when communicated across multiple organizations or when viewed by a manager who is not a domain expert.

Competency and job definitions may have different meaning in a

different context within the same or different organization. This creates significant risk when a company outsources tasks to a subcontractor or when departments with different responsibilities team up or transfer personnel.

Today, organizations need a technology that is able to objectively analyze and map the competency models using a standard taxonomy and reduces risk by providing the organization with accurate mapping of people to jobs and competencies.

# Importance of Enterprise-Wide Competency Risk Management

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Human risk must be managed across an entire enterprise rather than in silos, as is often done today. If organizations embrace competency management in their growth plan, it will lead to centralized and standardized system in the organization with an efficient mechanism to manage the workforce. Suitably tracked competency management benefits your enterprise to:

- Identify gaps in skills, knowledge and performance
- Identify where training is needed
- Identify the right person with the right competency in the right role
- Map all competencies and thereby will develop an effective education, training and skill upgrading scheme for the entire organisation

- Align the entire workforce to the overall strategic goals of the organisation

This will eliminate operational risk, financial risk and risk to brand image.

To conclude, implementing a Competency Risk Management Framework sets a strong foundation for the HSSE practices at the organization level and extended enterprise aligning the critical talent processes and enabling smooth business operations. Competency assessment, mapping and management ultimately leads to change management to transition individual, team and organisation from current state to desired future state.

## About the Author

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Suvrat has more than 12 years experience in consulting, solution design and delivery of Talent Management product implementations for large global clients.

Suvrat has successfully led global transformation projects for customer's technology implementations in the HCM space including Competency Risk Management Solution, Performance Management, Succession Planning, and eLearning technology. Suvrat has pioneered customer value orientation solving complex business problems for customers in US, Australia & India.

As part of the Competency Risk Management Services at Wipro, Suvrat has been leading the technology deployments and providing functional domain expertise in solution development for global customers in Oil & Gas industry.

Suvrat specializes in business process architecture and solution designing translating customer business problem into sustainable technical solutions. Suvrat holds a Bachelor of Engineering in Computer Science.

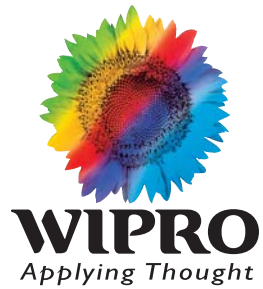
## About Wipro Technologies

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