# OPTIMIZE YOUR WORKFORCE

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# A call to Action: "If You're Not Helping People Develop, You're Not Management Material"

Optimizing your workforce—which includes assessing employee strengths and weaknesses, organizational needs, gap analysis, and deploying effective training—is a critically important element of an organization's success. While often overlooked, the value of workforce optimization is such a powerful competitive tool that it ought to be passionately championed to the point that it becomes part of an enterprise's DNA—a building block of its culture and a foundational part of its ongoing success.

The Harvard Business Review captured the essence of this need in a single headline: **"If You're Not Helping People Develop, You're Not Management Material."** Optimizing your workforce through needs analysis and training aimed at closing knowledge gaps and growing the individual can not only bring greater efficiency to organizational efforts—it can also reduce attrition through creating a greater sense of employee involvement and loyalty. Put simply:

## "The best managers ask,

- **'How can we harness employee strengths, interests and passions to create greater value for the firm?'"**
  *- Harvard Business Review[1]*

- **"Employees will always perform at their best when the environment is conducive to growth."** *- Forbes[2]*

- **The most significant general challenge facing CEOs this year, and every year, is talent—attracting, developing, and retaining the best people, that will help the company grow and prosper."** *The Wall Street Journal[3]*

1 *"If You're Not Helping People Develop, You're Not Management Material"* by Monique Valcour, Harvard Business Review, Jan. 23, 2014
2 *"Want Motivated Employees? Offer Ample Opportunities For Growth"* by Victor Lipman, Forbes, Jan. 24, 2014
3 *"CEOs Must Prioritize Human Capital"* by Kenneth Freeman, The Wall Street Journal, Feb. 27, 2015

> **"Every enterprise is a learning and teaching institution. Training and development must be built into it on all levels ..."**
>
> **- Peter Drucker**

Peter Drucker, the late and truly great patron saint of good managers everywhere, had a passion for the concepts of "human capital" and the need for everyone to be a "lifetime learner."

Drucker, the man Forbes termed "the founder of modern management,"[4] was eloquent and insightful as he frequently underscored the values organizations gain from investing in the development of their employees. A sampling of Drucker's thoughts include:

"Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant."
-On the Profession of Management by Peter F. Drucker[5]

"Every enterprise is a learning and teaching institution. Training and development must be built into it on all levels—training and development that never stop."
- Management by Peter F. Drucker[6]

"To be sure, the fundamental task of management remains the same: to make people capable of joint performance through common goals, common values, the right structure, and the training and development they need to perform and to respond to change." - The Essential Drucker by Peter F. Drucker[7]

## A Noble Calling

The take-home lesson from all of the above—from Forbes to The Wall Street Journal to

the Harvard Business Review, and from the legendary Drucker—is that managers, including those with a role within Human Resources, have a noble calling. Great managers are educators and coaches. By creating an environment that fosters lifetime learning, they help employees to grow, and the enterprise to thrive.

While these concepts aren't likely to be new to anyone within management, the mission critical element is in the doing—actually putting these concepts of assessing and training and fostering professional growth into action. The good news is that you aren't alone. Many organizations view training as a strategic advantage, especially within competitive markets where there is a premium on attracting and retaining top talent.

"Job seekers from entry-level to executive are more concerned with opportunities for learning and development than any other aspect of a prospective job," Valcour wrote in The Harvard Business Review. "This makes perfect sense, since continuous learning is a key strategy for crafting a sustainable career."

Valcour underscores the retention benefits of providing an environment of growth and training. "The number one reason employees quit their jobs is because of a poor quality relationship with their direct manager. No one wants to work for a boss who doesn't take an interest in their development, doesn't help them deepen their skills and learn new ones, and doesn't validate their contributions."

4 "The Best of Peter Drucker" by Steve Denning, Forbes, August 29, 2014
5 On the Profession of Management by Peter F. Drucker, A Harvard Business Review Book, 1963
6 Management by Peter F. Drucker, Harper Collins, 1985
7 The Essential Drucker by Peter F. Drucker, Collins Books, 2001

## A Value that Can't Be Ignored

The value proposition for training is so strong that it can't be ignored. Last year Forbes ran a headline "Spending on Corporate Training Soars: Employee Capabilities Now a Priority." [8]

Noting that spending on training had been increasing since 2011, prior to accelerating last year, the author Josh Bersin explained: "All our research tells us that organizations today suffer from a 'skills supply chain' challenge. Not only do more than 70% of organizations cite 'capability gaps' as one of their top five challenges, but many companies also tell us that it takes 3-5 years to take a seasoned professional and make them fully productive."

# Four Steps to Optimizing Your Workforce

While the value of training can't wisely be ignored, many organizations—especially those within the small to medium range of fewer than 1,000 employees, can find it challenging to move from inspiration to implementation.

"The best managers ask, 'How can we harness employee strengths, interests and passions to create greater value for the firm?'" Valcour noted in the Harvard Business Review article. "Systematically linking organizational performance and individual development goals in the search for learning opportunities and better ways to work is a hallmark of organizations where sustainable careers flourish."

Whether trying to create a skills assessment and training program on your own, or trying to find the right learning management system (LMS) to deploy, here's a 4-step plan that will help you succeed.

### ■ Step 1: Define your Competency Model

A "competency model" defines the skills and levels of proficiency in those skills that an employee needs to possess to do a particular job effectively.
Based on best practice research, a competency model contains three parts.

*Professional Skills*
The professional skill set includes the knowledge, skills, abilities and other characteristics that employees at all levels need to be successful regardless of technical or job related expertise. This set includes emotional intelligence skills such as self-awareness, self-management and relationship management which have repeatedly shown significant impact on job success.

*Leadership Skills*
The leadership skill set includes the knowledge, abilities and other characteristics needed by managers and leaders at all levels of the organization. Performance management,

8 *"Spending on Corporate Training Soars: Employee Capabilities Now A Priority" by Josh Bersin, Forbes, Feb. 4, 2014*

> "We now accept the fact that learning is a life-long process of keeping abreast of change. And the most pressing task is to teach people how to learn."
>
> — Peter Drucker

project management, team leadership and application of business acumen are examples of these skills.

***Occupational Skills***

Several occupational skill sets include job specific knowledge, abilities and skills needed in such fields as human resource management, learning and development, information technology, finance, customer service, manufacturing, sales and marketing, etc. Industry analyst Josh Bersin writes that "86 percent of HR managers believe that competency management is critical to their success…only 15 percent believe that their competencies are well-defined at an enterprise level." [9]

### ■ Step 2: Assess Employees' Skills

Assessments may be conducted online using modern polling tools to collect skills data. Employees may assess themselves, managers assess their employees, and other relationship roles (peer, subordinate, mentor, customer, and more) may also contribute input on the skills of each employee.

Data from such online assessments help identify both hidden strengths and critical weaknesses within your workforce. This critical step allows organizations to make important planning decisions about training and staffing based on data rather than anecdote or guesswork.

### ■ Step 3: Analyze the Skills Inventory and Individual and Organizational Skills Gaps

After assessing their skills, users should be able to access both a "Strengths Report" and an "Individual Skill Gaps Report." Organization leaders can analyze this data for individuals and across the entire organization to create action plans based on skills gaps overall or by role, providing valuable insight into workforce skill levels. Armed with this data, managers and leaders are able to make better informed decisions resulting in improved staff performance and reduced training and staffing costs.

### ■ Step 4: Take Action to Achieve Your New Objectives

The logical next step is to provide training materials tailored to building specific competencies and to closing identified skills gaps. Training can be delivered through online courses, on-the-job training, mentoring, creation of job aids, and harvesting knowledge into books. One of the biggest paybacks you get is from employees and supervisors discussing the outcome of the gap analysis, since this fosters an environment of open discussion where both gain further understanding of employees strengths and weaknesses.

As you take action and implement an assessment, training, and analytics solution to support training, you help your organization move closer to the goal that Peter Drucker sketched out when he wrote: "We now accept the fact that learning is a lifelong process of keeping abreast of change. And the most pressing task is to teach people how to learn."

    9 *"The Role of Competencies in Driving Financial Performance" by Josh Bersin, SuccessFactors.com*

Avilar, The Competency Company™, is a leader in web-based competency management and learning solutions for corporations, and nonprofit and government organizations. Based in Columbia, MD, we believe in taking a competency-based approach to workforce development. Formed in 1997, we were an industry pioneer with our award-winning WebMentor LMS.

In 2006 we continued our innovation with WebMentor Skills™, our web-based competency management solution. An experienced consulting team, a competency model designed for small businesses and non-profits, and a growing catalog of elearning courses on nearly every business topic make us the ideal partner for growing organizations.