The Measurement Challenge: Employee Competency

Introduction

How do you recognise the competency of your employees? What key performance indicators have you clearly defined and established to accurately measure this success?

In general, businesses invest a substantial amount of time and money on measuring 'outputs'—the quantity of finished goods, quality of services delivered, levels of customer satisfaction, etc., however, measuring the real competency and capability of their workforce fails to illicit the same concrete facts and figures.

KPIs are critical to a company's performance and people are essential to almost every KPI output, and yet companies do not register this fact, and what's even more worrisome is that they don't measure it in an accurate, meaningful and non-emotional way. Ironically, while employees are the biggest influencing factor on most KPIs, their knowledge, capability and competency is not measured with anything like the same degree of diligence as the KPI itself. Where firms do attempt to measure employee capability and competency, the methods used are often mechanical, flawed and fail to give the full picture. This paper will discuss the reasons why.

End of Training Assessments and Testing

After a training intervention, traditional or otherwise, many employers conduct some sort of test or assessment to measure the knowledge levels of their employees, the results of which are usually positive and yield high percentages of employee competency. However, these tests, at best, only test initial understanding and short-term memory and highlight the ability of individuals to remember enough to score a pass or even high rate on a test taken immediately after receiving the training.

What happens when this test is conducted 24 hours later or even two weeks later? Over 100 years ago, German psychologist Hermann Ebbinghaus published his discovery of the *forgetting curve* and the *spacing effect* where he discovered that humans have a very poor ability to learn and retain knowledge from a single exposure and proved that humans will forget 60% of what they are trained within the first 24 hours. Perhaps unsurprisingly, this percentage increases to 80% within 28 days if no interventions are made.
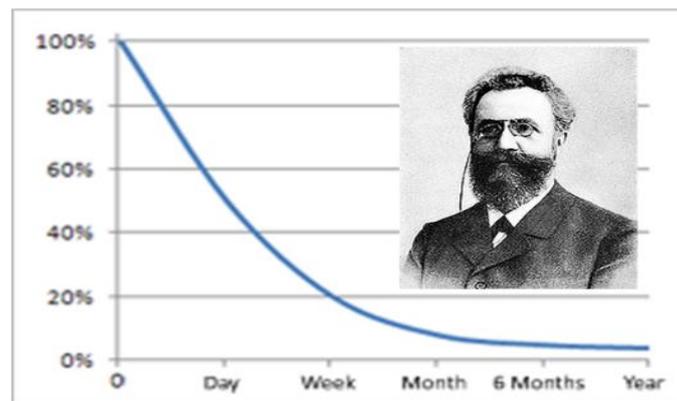
Hermann Ebbinghaus Forgetting Curve

Despite all of our advancements in the last 100 years and the advent of the Information Age which has transformed the presentation of materials to be learned, our brains are still wired to simply forget such large quantities of learning presented to us in one sitting.

So, do you really believe that your organisation has the ability to accurately assess actual employee capability and competency? Unless continuous assessment is in place, employee competency and productivity will fail to produce the desired results.

Systems and Processes vs. People

With assessments and testing failing to measure what employees know and don't know, management tends to opt for improvements to systems and processes due to the difficulty of 'improving' employees. There is, of course, the fact that systems can be capitalised where you can determine the profit and loss impact which in turn makes it easier to request funding for a system's development. Indeed, the attractiveness of this option undoubtedly increases when faced with the 'job-hopping' partiality of many Millennials in the workforce.

As we have established, people have the greatest impact on the performance of the majority of your KPIs, thus, you have to invest in your people to make them effective, to turn them into your greatest asset, despite the potential brevity of their career in your firm. Indeed, you may be mandated by law to train your employees, however, since you do not know for certain what they know and don't know how can you assess, identify and remedy their weaknesses?

A manufacturing business, for example, would measure and monitor the performance of every piece of machinery to 'sweat the asset,' and ensure efficiency is optimised to the nth
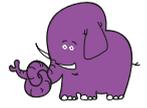
degree. According to a report published by the Chartered Institute of Personnel and Development (CIPD) 96 per cent of companies claim to access the impact of their learning and talent development, however, the reporting methods used leave much to be desired, with many participants admitting to using 'corridor conversations,' 'gut-feeling,' and even 'happy sheets,' to test immediate reactions and views. These methods are purely measurements on a macro-level, with little interest taken in the individual competency of each employee, which undoubtedly fail to 'sweat the asset,' as thoroughly and effectively as a business' systems and processes.

Why does management continue to accept and write off the sizeable gulf between the training delivered and the level of knowledge retained as a bad debt? Perhaps, if management knew the long term effects of failing to invest in their employees then investment would be forthcoming.

This is where our unique and engaging Artificially Intelligent software, Clever Nelly, comes in. Drawing on the recent trend of gamification in both the learning and development industry and beyond, Clever Nelly ensures that whatever is trained is learned and retained by continually assessing the critical workplace knowledge of individual employees and simultaneously fixing each and every gap she discovers.

How? Nelly uses a range of sophisticated, employer specific, multiple-choice questions delivered randomly to the employee via email, an app on a smartphone, tablet or desktop every working day. As with many software applications, Nelly can be customized and tailored to suit both the employer's and employee's needs simultaneously. It can be scalable to match the former's requirements and can focus on specific industry issues, while it varies the quantum and subject matter of the questions for the latter, based on that individual's past responses.

The best part? On average Nelly delivers 3.4 questions per employee per day and uses on average 1 minute 47 seconds of an employee's day so that even the busiest contact centre agent, the most time poor salesperson and over-active manager can find time to engage with Nelly each day. Using a combination of the most successful learning techniques such as spaced learning, repetition and self-testing, Clever Nelly guarantees users that they will learn what they have been trained.
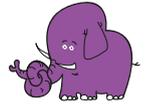
Conclusion

It's safe to assume that a new light have been shone on workforce competency and that its value has a direct effect on an enterprise's performance so much so that by increasing the former, the latter will automatically improve. With management unaware of what their employees know when exposed to a training intervention and indeed, what is retained as time progresses, it is impossible to know how competent they are in the duties and responsibilities assigned to them.

These findings, however, present a significant opportunity for improvement for any enterprise, provided individual employee competency is measured and addressed in a meaningful way to help management reap dividends in various elements of their outputs and KPIs. Indeed, using Clever Nelly provides management with a numerical competency rating for every employee, team, department, function, site and business unit. Nelly can be used to calculate a Competency Performance Index (CPI) for any part or sub-set of your organisation. Armed with this information, you can not only target all future training with laser-like precision, but also link and model employee competency to the KPIs you use to run the business.