

How the Competency Management Cycle can contribute to bridging the skills gap

Due to globalisation, technological innovations and changes in the labour market, skills development has become a pressing topic on the agenda of organisations globally. A skills gap is frustrating economic growth in countries all over the world. Skills development can thus be viewed as a condition for economic prosperity and growth, especially in emerging countries. Since skills development is such a universal issue, DECP came up with a project to support employers' organisations with that matter. A team of learning and development experts of Maastricht University has recently taken on the challenge to fight this problem. They have developed the toolbox CMC, which is a possible step to bridge the skills gap.



The importance of skills development

“The prosperity of any nation is dependent on its human capital” (Malik & Venkatraman, 2017). The quality of this exact capital is defined as a person’s knowledge, skills and abilities, which all refer to the corresponding core concept of ‘competencies’ (Boselie, 2014; Clardy, 2007). Taking this into consideration, the overall level of skills and competencies on the labour market predicts a nation’s economic development. Especially in emerging countries, if the competencies on the labour market are not aligned with the skill requirements of organisations this can have far reaching consequences, such as inhibited economic growth and increased poverty (Malik & Venkatraman, 2017; Dobbs & Madgavkar, 2014). Especially Small Medium-sized Enterprises (SMEs) identify the skills gap as the main cause of the current skills development issues. A skills gap is defined as a shortfall of the overall skills level of employees at the labour market (Dobbs & Madgavkar, 2014). Both current employees and new entrants do not possess the necessary skills and competencies to perform well on a certain job.

Cross-cutting workshops

Together with PUM, the Dutch volunteer organisation that sends senior experts to emerging countries, DECP has added skill development to their agenda. Recently, DECP gave three workshops (in Nairobi, Bangkok, and Abidjan) in which employers’ organisations from 8 to 10 partner countries identified specific problems, causes, and possible solutions for a myriad of skills development issues. Every employers’ organisation had sent a delegation of 3 staff members who are involved with the issue of skills development. Some of them had invited a sector representative who is part of the management team of a company and

Identifying problems, causes and possible solutions

deals with skills issues as well. The 3-day workshop focused on identifying the real problem from the viewpoint of business continuity and growth, unfolding the causes and conceiving solutions. Participants developed the outlines of concrete action plans they could start up themselves, involving member companies. The mutual feedback was highly appreciated. This resulted in the need of concrete tools to work with in order to take necessary steps.

Fourth industrial revolution

The need for skills development is not a new phenomenon. However, its impact has increased, due to technical and digital changes

in the labour market (World Economic Forum, 2016). Also Africa and Asia cannot evade the fourth industrial revolution. While these imminent changes on the one hand promise prosperity and job creation in the future, on the other hand they pose major challenges for organisations to cope with the change of required skills. As a matter of fact, sectors with high growth potential are obstructed by an insufficient availability of employees who possess the necessary skills and competencies. This concerns both new entrants as well as current employees.

It takes three to tango

In order to support organisations with analysing this challenge, employers' organisations can play an active role. Employers' organisations attempt to influence governments and policy-makers by lobbying and advocacy. Their work safeguards the interests of industries and cultivates mutual understanding between government, industries and organisations. However, before any results can be expected, a long and complex road has to be completed. After all, it takes at least three to tango: government, educational institutes and organisations. Furthermore, employers' organisations can set up programs alongside their action agenda - together with organisations from their constituencies - to compensate for the most prominent omissions. When they succeed, the dialogue with (vocational) educational institutions can be improved in a further phase.



University of Maastricht

In order to get well-founded insights in the skills development issue and to develop various concrete tools for employers' organisations and SMEs, DECP and PUM decided to cooperate with the University of Maastricht. A cooperation was found with a project team of the master program Management of Learning -

that challenges thinking about Learning & Development in an international business environment and finding effective, sustainable, and potentially far-reaching solutions. The project team was eager to support organisations to learn and develop further in order to face many of today's challenges.

Employers' organisations can set up programs to compensate for the most prominent omissions

Sectoral approach

Findings from research and insights from the practical field have been combined in order to come up with concrete tools. The skills gap issue is prominent in many regions, however, DECP's recent focus lies –among others- in Sub-Saharan Africa, as it is an emerging developing region with a lot of potential which may benefit substantially from stable economic growth. Three important sectors in

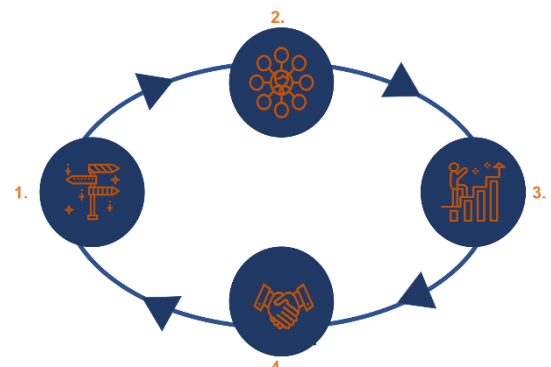


Figure 1: Competency Management Process.

1. Mapping phase: determining required skills
2. Diagnosing phase: identifying missing skills
3. Developing phase: improve skills lacking
4. Monitoring phase: following up on progress made

that region are IT, services and agriculture. To provide adequate recommendations for the implementation of concrete tools, it has been decided to focus on one sector, namely the hospitality sector. The hospitality sector is of key economic importance to Sub-Saharan Africa due to its impressive growth in the recent years (Anderson, 2015). In addition, particularly in the service sector employees require a broad set of skills, however, that can

relatively easy be developed with the right tools.



Cross-cutting workshop by DECP on skills development. Abidjan, Ivory Coast, March 2018

A first attempt

The Competency Management Cycle (CMC) is a first attempt to develop a universal toolbox that can be used in SMEs of any kind of industry branch in order to assess potential skills gaps of individual employees or likewise to support their skills development process. The toolbox is designed in a practical manner as to increase the usability and accessibility for the users. DECP will develop a training programme to facilitate this process. Further, to assure high effectiveness for the end users, it is created based on scientific research, by means of experts in the learning and development field and with the help of industry experts, providing contextual insights.

CMC is a first attempt to develop a universal toolbox

Taking a closer look into the toolbox, one will find in the long run specific tools for every phase of the competency management process. This process revolves around four stages that allow SMEs to stimulate their employees' skills growth. Firstly, they will discover which competencies are needed in their organisation; secondly, assess which competencies their employees already possess; thirdly, devise a plan on how to improve the competencies necessary for

business development; and at last, make continuous skills development a solid main pillar in their organisation. A great benefit of the CMC's tools is that they can be easily customised to the special needs of one's own organisation. And it will therefore serve to assess the skills that are precisely relevant for achieving personal business success.

DECP will develop the CMC tools in such a way that they can be put into practice during workshops and training sessions

DECP will develop the CMC tools the coming period in such a way that they can be put into practice during workshops and training sessions. If the tools have achieved the level of maturity DECP will provide CMC to all interested organisations and employers' organisations in the near future. They will introduce and explain the toolbox to support their business partners in emerging countries in the matter of skills development. Concretely, in Mongolia, the first try-out of CMC will be implemented in the short term to put the toolbox into practice. DECP is guiding country-specific and has already planned further workshops in West Africa and Asia. By collaboration and merging different perspectives, they will leave a footprint in the skills development matter.



The project team consisted of Camille Puissant Baeyens, Hannah Bettenhausen, Janique Jacobs, Khiva Fürst, Niels Van Der Baan and Robbin Bosch. This article is one of the deliverables for DECP

Are you interested to read more about the toolbox and gain more background information on the matter of skills gaps and skills development? Please contact: Jos van Erp (erp@decp.nl)



References

Anderson, W. (2015). *Human resource needs and skill gaps in the tourism and hospitality sector in Tanzania*. Consultancy Report submitted to The Ministry of Education and Vocational Training, Tanzania.

Boselie, P., (2014). *Strategic Human Resource Management: A Balanced Approach*. Maidenhead (UK) McGraw-Hill, (2nd. ed.).

Clardy, A. (2007). *Strategy, core competencies and human resource development*. Human Resource Development International, 10(3), 339 - 349.

Dobbs, R., & Madgavkar, A. (2014). *The world at work: Matching skills and jobs in Asia*. Prospects, 44(2), 197-210.

Malik, G., & Venkatraman, A. (2017). "The great divide": skill gap between the employer's expectations and skills possessed by employees. *Industrial and Commercial Training*, 49(4), 175-182.

World Economic Forum. (2016). *The future of jobs: Employment, skills and workforce strategy for the fourth industrial revolution*. World Economic Forum, Geneva, Switzerland.