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Bridging the Skills Gap through Human Capital Management

[By David Ludlow]

The imminent retirement of the Baby Boomers presents American organizations with an important challenge: how to ensure that crucial information is shared among employees and passed down to the younger workers who will soon be the backbone of corporate America. With the aging Boomers vacating the workforce, many organizations are warily eyeing a skills shortage that could well affect their ability to meet strategic business goals and thrive in an ever-more competitive marketplace.

Human resources (HR) executives, with one foot in the boardroom and the other in day-to-day business operations, need to develop up-and-coming employees while meeting increasingly stringent regulatory requirements. The choice is clear: develop and train staff members and quantify their skills, qualifications, and certifications, or face irrecoverable “brain drain” along with fines and work interruptions.

Fortunately, technology can help HR support employee education and knowledge transfer efforts. Gone are the days when HR applications only handled basic employee record-keeping, payroll, and benefits management. In their place are sophisticated human capital management (HCM) systems that can serve as a central hub of workforce-related information. With access to this information hub through a corporate portal, employees can now take a more active, personal role in their own training and development. Organizations can seamlessly transfer to their employees the skills and knowledge they need to support both their career aspirations and the organization’s strategic objectives.

Spread the Word through Portals

With HCM systems, organizations can easily empower employees with self-service, allowing them to manage their own personal information online as well as select and enroll in training and development courses.

HCM systems offer services that span the entire training and development realm.

Using these services, companies can:

- enable employees to enroll for traditional classroom, virtual classroom, and web-based courses through a browser;
- allow employees to demonstrate their understanding of subject matter online;
- collect digital signatures from employees attesting that they have completed required courses, and then date-and-time-stamp the signatures for auditable reporting purposes; and
- update skill and competency profiles immediately upon successful completion of courses.

Educating Employees about Education

To ensure organizations and employees receive the most benefit from emerging learning technologies, companies must do more than present employees with training and development offerings and expect them to make the right decisions. Employees are casual users of these systems and, understandably, are focused on their day-to-day responsibilities. They need tools, guidance, and prompts to trigger enrollment in certain courses or to take specific actions — for example, to renew critical certifications.

HCM systems can provide the type of prompting that helps employees and

managers make timely decisions about training opportunities. The systems can automatically track the validity period of a certification and notify employees when their certifications are about to expire, by email or through the organization portal. In addition, employees can use the portal to compare their skills and competencies to their job’s ideal profile or to another job they aspire to within the organization.

By identifying skills gaps and finding training and development programs that will help bridge those gaps, employees can prepare themselves for greater responsibilities, higher salaries, and more challenging roles. Companies, in turn, can monitor the development of their workforces and address potential weaknesses ahead of time.

Empower Managers with Self-Service

HCM systems also offer managerial self-service, which can play a key role in automating training and development processes. Self-service is generally consolidated with other manager-based services, such as performance management, making it easier for managers to access all processes and information, including training and development, from one familiar place.

Using self-service, managers can make certain courses mandatory for employees in their business unit or mass-enroll all of their direct reports in a particular course. Managers can approve enrollments and later verify that skills or certifications were actually imparted to employees. Analytic



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“dashboards” can help managers track expiring competencies and certifications, course participation and completion, and pass/fail rates for their employees.

Many organizations in regulated industries are using HCM systems to track and audit each employee’s certifications to perform certain jobs and handle specific materials. But by enabling managers to take an active role in training and development processes, organizations can encourage their employees to learn new skills and competencies beyond what regulations require. In doing so, these organizations help reduce accidents or incidents and avoid lawsuits. Integrating HCM systems with health and safety applications can actually help organizations measure the payback on courses, for example, by displaying incident rates for employees who have completed safety courses versus those who have not.

Your Action Plan

So, how can your organization take advantage of new HCM technology to enhance your training programs?

First, identify the biggest workforce-related pain points, such as retirements, compliance, or safety issues. Second, pinpoint which training and development programs can be leveraged to address that pain point. Third, use a combination of HCM, portal, and e-learning technology to ensure that the necessary training and certification programs are easily available to employees. Finally, measure the training’s impact. Did safety training help reduce incident rates? Did an updated “how to” course reduce scrap rate? These kinds of measurements enable HR executives to illustrate to senior management that HR has contributed to organizational success.

Managers and employees need more than HCM technology — they also need guidance. By providing strategic input, HR executives can help organizations transfer knowledge to employees, build a comprehensive corporate knowledge base, improve employee morale and performance, and avoid regulatory issues.

About the Author

David Ludlow is vice president for HCM solution strategy at SAP, responsible for identifying the solution direction and roadmap. He has been with SAP for more than nine years and in the HCM/HR field for nearly 20 years.

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