

## Background Paper

### WORKING GROUP CORPORATE MANAGEMENT SKILLS AND COMPETENCY DEVELOPMENT

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#### **General introduction**

PT organisations in Europe are finding themselves sometimes ill-equipped to compete in the market. The reason is that too many employees lack the right skills to help the organisation grow and succeed in continuously offering high quality public transport. In this case you can talk of a widening gap between the skills the PT organisation needs for success and the current competencies of the employees.

**What is a Skills Gap?** A skills gap is a significant gap between an organisation's skill needs and the current capabilities of its workforce. It is the point at which an organization can no longer grow and/or remain competitive in public transport because its employees do not have the right skills and competencies to help drive business results and support the organisation's strategies and goals.

#### **Four signs that a PT-organisation may be facing a Skills Gap**

1. There is a mismatch between the skills the organisation needs (current and future) and the capabilities of the workforce
2. The organisation did not train employees enough in the past few years and is struggling to catch up
3. The number of high skilled, specialised jobs needed to take the organisation forward is increasing, although the skill structure of the workforce is not changing
4. An ageing workforce, which means there is a high percentage of personnel that will be retiring soon, without an incentive policy to hire younger people

#### **Where are some of the biggest gaps?**

Research shows that there are deficiencies in both "hard" and "soft" skills among current and prospective employees. Shortages are reported in some key areas like:

1. Basic skills – customer service, communications etc.

2. Technical skills – computer/technology skills, mechanical/repair skills
3. Management and leadership – such as supervision, goal-setting, planning, teambuilding, motivation and ethical judgment
4. Emotional/social intelligence – such as self-awareness, self-discipline, and empathy.

### ***An example of changing jobs and skill requirements in our maintenance departments (bus, tram, metro, rail)***

Our maintenance departments of bus, metro and rail companies face a growing skills gap as the demands created by the introduction of new technologies, particularly the spread of microelectronics. When asked, maintenance managers identify two important set of skills where they perceive their mechanics' and supervisors' capabilities to be less than adequate:

- 1 – Technical skills associated with new technologies (e.g. electrical, electronics and computer skills)
- 2 – Skills associated with creating and functioning in new, more decentralised and flexible work organisations (e.g. the ability to operate in teams, communication skills, openness to new ideas and the ability to train or instruct others)

The most common way of developing mechanics' skills is a combination of informal on-the-job training and instruction provided by vendors when they supply new equipment. Maintenance managers and supervisors depend on these two forms of training along with short courses delivered by outside providers.

### **Ageing of the workforce and shortage of labour**

In the first place there are the effects of an aging workforce in most European countries and especially in the majority of our PT-companies, which already have a rather old(er) workforce at this moment. The percentage of personnel retiring from these PT-companies in the next couple of years will be quite high. In some cases 20% to 30% of the workforce in the coming 3 to 5 years will be retired.

The ageing of the population will also have an effect on our customers. More and more of our customers will be retirees and require other types of services and customer care.

Due to these trends the recruitment of new staff will become more difficult and PT-companies will have to compete with other organisations in the labour market in finding new personnel with the right competencies.

### **New recruitment strategies**

New recruitment and development methods will have to be developed, which allow the attraction of new talented staff for an increasing variety of assignments. Looking, for example, at the ageing of the management population of PT companies, these organisations will run into serious difficulty in hiring the right amount and quality of managers in the future. The other challenge is to find out which competencies are needed in the future in relation to the new core competencies of PT organisations. Also the image of the job as driver will have to be improved considerably and local PT companies will have to aim at hiring people in their regions, who sometimes have little education and should be trained for new jobs. Special emphasis should be given to hiring a larger percentage of women for jobs at different levels of the organisation.

Possible consequences for recruitment:

- v The overall challenge is to hire new employees who have the right competencies to fit into more flexible jobs and into teams.
- v The image of a job as driver should be improved and PT-companies should aim at improving their own reputation as an employer.
- v New staff members (other than drivers) will have to be selected more carefully by using modern assessment techniques in order to seize opportunities for improving the overall performance of a more flexible organisation and to avoid rigidity of status.
- v Especially women should be emphasised to work in public transport and special HR-policies on part-time working, childcare, sexual harassment etc. will have to be developed
- v Organisations will have to become even more attractive to older employees, in order to retain them.
- v More emphasis must be placed upon hiring immigrants, which will have its effects on hiring methods, pre-employment training, cultural issues, management of diversity and training & development programmes, with special emphasis on teambuilding.
- v In general, lower qualified personnel will have to be hired and for them special pre-employment training programmes need to be developed so that they can acquire the right knowledge and skills to enter the basic training as a fully-fledged member of the staff.
- v Attracting and hiring new employees via the internet will become very important

### **Development of (new) key competences**

As mentioned above increasing competitive pressures have emphasised the need for skilled and competent managers and employees. Therefore it is not surprising that the use of competences and competency frameworks is on the rise in PT companies in Europe. They are using competency frameworks for a variety of reasons such as:

- strategic planning of personnel
- improving the performance of teams/individuals
- improvement of recruitment and selection methods
- improving and adjusting training and development methods
- important for the use of Personal Development Plans (PDP)
- for use in appraisal systems and succession planning

We distinguish different competence factors such as: knowledge, skills, motivation, character and self-perception at different levels in the organisation. Present job descriptions should be modernised adding those competences that are needed to reach the right level of performance for that particular job.

In some cases, PT-companies (for example in France (RATP), Italy (SAB), Netherlands (Connexion) have developed their own set of competences for top level people or even for front-liners.

So, new knowledge and new competences can only be learned from experience. Learning is also important in the development of people's careers and their employability. Change in the nature of work and the skills and knowledge required is happening more quickly than

before and lifelong learning is becoming a more important requirement for lifelong employment.

Under the new market conditions in most European countries PT-companies are obliged to adopt a radically changed orientation towards the management of their human resources and in particular to the training and development of all levels of management in order to meet their new strategic objectives in the future.

There should be a focus on *middle managers* who feel the pressures of having to implement most of the changes from the top to the bottom of their organisations. Their knowledge and skills (competencies) are critical in building and maintaining the right levels of innovation, service, quality and efficiency within their companies and to create the right organisational culture, which is needed for a modern service providing public transport company.

### **Options for training and the use of new learning technology**

Training can play an important role in obtaining the right skills and attitude to handle all these different situations in an adequate way. So far, almost all PT-companies in Europe (and CEE) have spent a great deal of time, money and effort training front-line personnel and supervisors, how to handle conflicts and how to cope with stress which is caused by these various situations. It is not always clear how effective all this training has been in that respect.

Many employees can now access information and learning materials through company databases or the internet. Most training specialists believe that new learning technologies, like E-learning and Computer Based Training, are the most important development in training in a lifetime while others believe that it is just a hype and some uncertainty about its use. Research in Europe (Cedefop) and the USA (ASTD) shows that E-learning will play an important role in the on and off the job learning of all employees and the amount of classroom learning can then be lowered which will have an effect on training costs. The challenge is to offer non-traditional, innovative combinations of classroom and e-learning, which is called a “*blended learning approach*”.

### **General remark:**

It will not always be possible for the public transport sector itself to handle all above mentioned key challenges and constraints, as sometimes the necessary means (e.g. finances, legal framework, etc.) are missing. Therefore it will also be necessary to get support from stakeholders that are not directly part of the PT sector. The central question in this regard will be:

**“What can be done by the public transport sector itself about the above mentioned constraints and challenges, at organisational, national or even European level?”**

**Author:** Hans Brouwer (February 2008)