

Capability Development Enhancement to Sustain Business Needs

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Abstract — *Organizational capability is one of the most important qualities for a company to succeed. In order for a company to have a good organizational capability, their employees need to be capable of completing their jobs on time and with good quality. To have a capable workforce, first a robust capability development plan has to be in place. The company assessed is no different from other industries and, since it is basically a service company, it needs to be ahead in the business to maintain the competitive advantage. To achieve this, capability development plans were studied and strategies and best practices to be incorporated on the current plan were identified. Also, learning and development activities were also considered to determine which suited the business environment. Based on all research, an updated plan was proposed in order to enhance the capability development plan of all employees that are the recourses that make a company successful.*

Key Terms — *Capability, Capability Development Plan, Learning activity, Resources.*

INTRODUCTION

Throughout this paper will be demonstrated the importance of a good and robust process to enhance the capability of the employees. Capability development places value on people and their capacity to perform at high levels in a rapidly changing working environment. In order for a company to be successful and grow within its competitive business, it needs a set of capable employees with a delineated plan to grow and enhance its skills and abilities. This plan needs to be tied up with the job description and company goals for it to have successful results.

This plan will be incorporated on an aerospace company that provides engineering outsourcing and other professional services to the Defense, Aerospace, and Power Generation Industries. Due to the importance of customer service on this type of business, it is fundamental to develop their employees' capabilities. The best way to develop the abilities and skills of the employees is to update the capability development plan so it is aligned with the business needs, but without losing perspective of what the employee want to become in the future and what career path they want to follow.

Definitions

In order to understand the importance of this topic it is essential to begin by defining the term capability which is the ability to perform actions or certain task. Another important term is the capability development which has a leading role in the good execution of every company, since efficient and effective achievement of company outcomes depends on the capabilities of their employees. The last term that will be defined on this section is the organizational capability as how a company manages their resources in order to obtain competitive advantages in the business.

Objectives

Based on the information stated on the previous sections, the objectives for this project were established always keeping in mind the main purpose which is to enhance the capability development plan to improve the business, customer satisfaction and also revenues. The specific objectives are:

- Increase engineers capability by creating a development plan that suites both business and employees needs.

- Demonstrate the importance and advantages of a capability development plan.

These objectives will be key players in the outcome of the project and will regulate and generate the activities necessary. Clear and concise objectives are needed in every assignment since they will directly affect success of a business.

BACKGROUND

Importance of Business Capability

Capability incorporates the skills, knowledge and attitudes that a person brings to their work. It includes technical, business, personal and professional expertise which can be developed by formal and informal learning, observation, mentoring, guidance, feedback, lifelong experience and reflection [1].

Capability development, which is central to organizational performance, requires a systematic management approach for learning and development as an integral part of workforce planning. Another important advantage is the capacity to perform at high levels in a rapidly changing working environment.

Determining capabilities that requires development within current roles and progress in career aspirations, as well as negotiating effective ways to develop these capabilities, ensures the process is meaningful and worthwhile [1]. Knowing employees capability will help the company distribute the right people with the right skills at the right time to enable the company to deliver objectives and better outcomes in the future which will have great advantages in the future of the company.

A good capability development plan can result on increasing the value of the employee, increasing the skills and advantages as well as gaining the capacity to perform at high levels in a rapidly changing working environment. The company's organizational capabilities must focus on the business's ability to meet customer demand [2]. All of the rewards mentioned will definitely result on a better customer relationship. Good customer

relationships ensure the continued growth and competitiveness in the market. The relationship between the organization and its customers is an organizational capability that affects sales, reputation and loyalty for future business [2].

Advantages of a good and robust plan

Organizational Capability is the industry's ability to manage people to gain competitive advantage. Competitive advantage can be met since the industry creates organization competencies that are unique and cannot be easily imitated by a competitor; this is why employee skills and efforts are directed toward achieving organizational goals and strategies.

Competitive advantage has 3 fundamental sources, which are:

- Financial capability which refers to be able to produce good or service at lower cost than competitors.
- Strategic capabilities where products or goods that differentiate a company from its competitors by the value added.
- Technological capability which are products or services that customers receive are innovative and high-quality.

Organizational capability is fundamental in a company since it focuses on achieving goals through employee commitment and competence. If this organizational capability is successfully achieved, it will be perceived by the customer in three important areas: relationship, responsiveness and quality. These three areas are basically what will maintain a prospering business. Relationship is primary since it is the ability of developing permanent connection between the company and the customer. Responsiveness refers to ability of the business to understand the customer needs and requirements and most important to deliver the expected results. Quality is an extremely important attribute because it is necessary to complete deliveries and meet or exceed customer expectations in order to maintain the good relationship with the customer.

Finally it is important to affirm that the growth of a company depends of the employees, their skills

and abilities, but it is the company's responsibility to establish a strong plan to develop their capability in order become more competitive.

METHODOLOGY

In order for successfully achieve the objectives established, a DIVE process was applied. DIVE is a process used for problem solving on the company and it is equivalent to Six Sigma DMAIC tool. The company's lean methodology is known as ACE, achieving competitive excellence.

This lean methodology consists of tools that help the organization identify and solve problems, improve its processes, eliminate waste, and make effective strategic decisions. Through the repeated application of these tools, the organization drives the ACE operating system to close gaps between actual and business goals, and to eliminate waste through lean process flow [3]. DIVE stands for:

- Define
- Investigate
- Verify
- Ensure

More in detail, this refers to define the problem; investigate to find and correct root causes; verify that proposed corrective actions will solve the problem and not create other problems; and ensure the corrective action are working effectively.

For this project the main focus was on the first three areas, define, investigate and verify. On the define phase, the problem and objectives were identified, on the investigation segment research was completed and on the verification part the new plan is proposed.

RESEARCH

Current Plan

During the investigation phase it was evaluated the current plan in order to identify gaps that could beneficiate of an update; below is the process of capability since the employee is hired:

- Complete basic trainings and orientations for important aspects of the company. This may

include trainings related to corporate-level and departmental as an overview to the company policies and specific knowledge and skills required to complete a specific task.

- Complete a technical capability assessment where the level of capability is determined.
- Begin working toward the advancement in employee's capability by taking trainings and completing requirements in order to get promoted.
- After training and learning activities are completed another assessment is completed in order to determine if the employee is ready for the next level.

Figure 1 shows the current capability development plan.

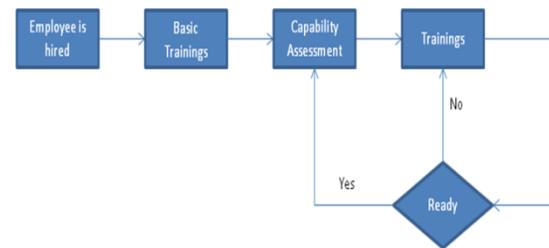


Figure 1
Current Plan Flowchart

Capability Development Plan in Other Companies

Based on the information gathered on the current plan, the project continues by evaluating strategies other companies used for their capability development plan. On this sections are grouped most of the best practices industries that contributed toward the completion of the project.

The first business assessed is the oil and gas industry, by this research was conclude that some companies based on the increasing project demands and the lack of qualifying employees are investing on a way to re-invent the capability approach and created an online resource that help them implement new strategies by a revolutionary way of skills

transfer and information exchange without having to leave your desk.

Below is a list of the most important best practices found and the ones that can be successfully apply to the current plan:

- Establish a clear and concise vision and roadmap - Cultivate a working knowledge of your strategic plans and objectives. Possess an understanding of your products, services, markets and customers.
- Promote Competitive Advantage – In order for the organization to continue to develop and grow on the existing abilities and to create new capabilities and develops existing ones that will maintain the advantage over its competitors.
- Flexibility and Responsiveness - Understand the business development within the society and understand what is necessary to positively affect revenue results.
- Knowledgeable Workforce – Understand and identify the human resources to be successful in business development process. Identify how the success of an education and professional development process will be measured and at what pace.
- Measurable – The performance must be measurable in order to be able to rank employees. Metrics should be established in order to make it easier to decide whether the employee met the requirements or not.
- Improve Customer Relationships – The relationship between the organization and its customers is an organizational capability that affects sales, reputation.
- Establish an online resource – Create the opportunity to transfer skills and information exchange without having to abandon the desk.
- Invest in Resources - Budget investment ensures the completion of appropriate initial education and professional development training that addresses existing challenges. Effective behavioral change leading to increased revenue generation occurs only when business development personnel are provided an

education that challenges them to elevate their thinking to a higher level in essential areas [4].

Learning and development Activities

After best practices and strategies research was completed it was time to begin working on the learning and development of the employees phase in order to obtain all the compensation and growth mentioned. Learning and development are critical processes for enhancing productivity and organizational performance [5]. The best place to start is with an in-depth understanding of your people [6]. Knowing and understanding the business and engineers needs is the best way of deciding which training is the adequate for every audience. Learning and development includes a wide range of activities designed to improve the capabilities of people.

In order to choose the best training is important to understand each type and who would benefit from it, always taking into consideration that the principal reason for the trainings is to prepare and equip the employee on improving on their tasks. To ensure a good return on investment for the time and budget invested in capability development, options must be clearly linked to the performance and development goals in a Developing Performance plan [1].

With that information in mind, there are few items to think about as the goal, audience, time and resources available. Using several methods for each training session may actually be the most effective way to help employees learn and retain information [7]. Based on the articles studies the company has many options to choose from beginning with the most traditional, the classroom training which can result as a cost effective training very efficient is when a large group need to be train for the same skill. Interactive methods can be added to this type of training in order to make the training more dynamic, like case studies, quizzes and demonstrations, this will maintain the people engage and more receptive.

Other type of training is the hands on training. This is a more experimental type of training, very beneficial for a new equipment or new process, but not very good for large groups because of the

resources necessary to actively participate. Another very common training is the computer based training, which is good to practice new skills and it is also very easy to use.

Table 1 summarizes the most used learning and development activities in the industry for the engineering capability development.

Table 1
Professional Development Activities

Formal Activities	Informal Activities	Professional interaction	Contributions
Structured Courses	On the job training	Mentoring	Presenting
Seminars	Workshops	Demonstrating	Writing technical article
Technical Trainings	Learning by reading	Activities in the community	Volunteering

After the development activities were studied, a research for understating the retention level was complete. Figure 2 shows the type of activities and the average retention level of each of the activities. This will help the management decide which type of activity is better, depending on the type of audience and the type of knowledge is intended to provide.

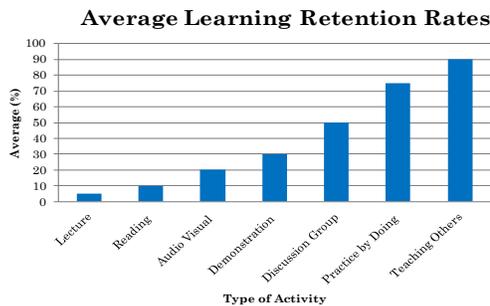


Figure 2
Learning Retention Level

PROPOSED NEW PLAN

After all research is complete, it's now time to incorporate best practices on the current plan and determine how this plan will be accomplished, which trainings or learning activity will be implemented to achieved the desired goals.

All discussed practices and strategies discussed on the previous topic have big potential and will be very beneficial to the company if they are applied correctly to the plan. Each and every one of them will help the company achieve its objectives and goals.

Based on research made regarding learning activities for the type of audience, it was determined that the best activities to used will be mentoring, on the job training, and seminars. It was understood that lectures and seminars do not have good retention level, but for new hire employees is the best resource.

New plan with all best practices and strategies will begin with an employee arriving to the company as new hire. Then, employee begins the new hire program that will have an approximate duration of one week. Working time for that will be divided in two sessions. One session each day will be dedicated to understanding the organizational capability of the company explaining the mission, vision and the importance of the quality and customer services. On those periods, the employee will be assigned a series of courses to complete online, each one with a quiz at the end that will provided acknowledgment that the information was understood as intended.

On the second part of the day, the new hire employee will be assigned to a more experienced employee that will serve as a mentor. Both employees will be from the same department and that daily session will serve as the technical part of the day. On these sessions the mentor will guide the new hire to the basics and fundamental task of the department as well as give him or her opportunity to provide a more detailed training of some areas if the opportunity arises. Using mentors will also help the career ladder of the mentors themselves since it will make them more proficient on some areas and will help them increase their capability

Each department manager will be responsible to provide a list of basic knowledge or training required for an employee to begin working full time on the department. After the training week is complete, the new hire employee will be awarded with Capability

A, and the journey for him or her development doesn't stop there, it is only the beginning.

As basic organizational training, a monthly flow down should be completed in order to take advantage of the changes in the business and be able to develop the competitive advantage. As mentioned earlier on the paper, it is extremely important for the workforce to understand the business and where it's going. That's why a monthly flow down can help the capability development and competitive advantage grows.

After Capability A is obtained, the employee will begin working towards the next level of capability. For this a series of workshops established by the company will need to be completed. The learning activities at this level will include mentoring other on strong areas, development of soft skills such as communication skills and customer services, and also some will include some areas of improvement preferred by the employee.

After all requirements have been completed and online assessment will be done. If the assessment is completed successfully, an interview with the department's manager is scheduled. The employee will need the approval of the manager and the assessment in order to be awarded to the next capability level. After that next level is achieved, the journey to obtaining the new level begins always emphasizing soft skills development, mentoring and company goals.

It is very important to highlight that the employee's salary will be positively affected by each level of increase. This can result on salary raise due to a promotion or due to a performance bonus.

Capability levels indicate the level of independence of a practitioner in executing technical projects. The levels are A, B, C, and D.

- Capability A practitioner executes projects with full technical guidance. This individual is typically new to the discipline or has limited experience in it.
- Capability B practitioner can execute projects with technical guidance. This practitioner demonstrates comprehension of the discipline

and is able to implement his/her knowledge in solving technical problems.

- Capability C practitioner can execute projects without technical guidance. This practitioner demonstrates systematic understanding to analyze technical problems on his/her own.
- Capability D practitioner is considered an expert contributor could mentor and teach Capability A, B and C practitioners.

CONCLUSION

By completing this project it was well understood the importance of a good capability development plan since the workforce of an industry are responsible of the success or failure of a company. By understanding employees' needs it is more probable to successfully achieve company goals and metrics.

This is a never ending topic and it's important that every company maintains an updated plan in order to keep competitive. The business is changing today faster than ever and all organizations need to stay ahead of their competitors. During this project it was well understood that the only way of doing that is by knowing the needs of the workforce and how to resolve and attend those needs. These will help avoid losing valuable employees as well as good and positive revenues.

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