

## **L&D Managers: are you effectively managing competence-related risks?**

Many businesses, particularly those governed by legislation or regulation, rely on the competence of individual employees or contractors to continue operating safely and effectively.

It definitely makes sense for every business to have a focus on hiring, developing and retaining competent leaders and employees. But for some industries, including mining, manufacturing, aviation, road and rail transport, utilities and construction, it's often a legal imperative, and there can be serious consequences for employee, customer, community and environmental safety if company executives get it wrong.

Regardless of the jurisdiction of regulators, most of the legislation relating to safe and effective business operations will refer to the operator/business owner ensuring the effective management of risk. So it makes good business sense for organisations to analyse and manage employee or contractor capability using a Risk Based Competence Management approach.

### **What is it?**

Risk Based Competence Management is a process for identifying, analysing and prioritising the competence related controls (human knowledge, skill and behaviour) that help to manage or mitigate the risk of incorrect task performance.

## **How to get started with Risk Based Competence Management**

### **1. Understand the risk context**

The logical place to start is with your company's risk statement, risk policy, matrix, or whatever you have in place that captures your operating risks. Most organisations will also have some kind of risk quantification analysis, which, bleak as it is, defines the likelihood of a risk actually occurring, and what the consequence or impact would be. Don't get too hung up on the corporate risk documents at this stage – you will need them later on in the process.

### **2. Understand and analyse the 'risky roles'**

Now you need to get down to business with the competence related aspects of your model. You have two choices here – you could start from the macro-level, and brainstorm the critical aspects of your business that would be affected by a failure of competence, or you could start with those roles that are most critical to your business operations and work from the bottom up. Either way, it would be useful if you ended up with a list of critical roles that could be maintained for easy reference and cross checking in the future.

### 3. Understand and analyse the tasks that the 'risky roles' are responsible for

Because competence is always dependent on role and task context, your next step will be to break down each critical role into tasks that can be analysed more deeply. The information needed includes the technical and non-technical skills required to perform the task correctly, how difficult the task is, and how frequently it is performed. Difficulty and frequency are important factors, as they weigh heavily on how competence is maintained over time.

### 4. Analyse the controls already in place, and identify control gaps

This is an important step, as many risks are effectively managed by controls other than training or competence. In fact, on the scale or 'hierarchy of controls', human competence rates fairly low, behind more effective controls that can eliminate, substitute or engineer risk out of a process.

Learning or competence related controls should only be used when no higher control mechanism is available, and should then be prioritised to firstly manage the risks that relate to high task difficulty, and infrequent task performance.

### 5. Identify learning, assessment and competence management requirements

This final step is where the process bears fruit. With the rich information you have previously gathered and analysed, you will now be able to rigorously quantify and justify what the learning and competence management program should be. An important part of this analysis is the level of 'fidelity' that the program of learning and assessment requires. Fidelity is just a fancy way of saying how realistic the program needs to be compared to actual task performance. For example, if the required fidelity level is low, then a theoretical or hypothetical basis could be used to support understanding and future task performance. However, if the required fidelity level is high, then learning and assessment activities should be performed in a real-task, real-world, and real-time context.

## The value of a Risk Based Competence Management process

Learning, assessment and competence management is an important process for many organisations who need to manage the risk of incorrect task performance across critical roles. The use of a process that methodically analyses and quantifies risks, tasks and competence requirements can significantly reduce overall risk, through ensuring that high priority competence is assessed and maintained effectively and efficiently. L&D Managers can also use Risk Based Competence Management to generate a sound evidence base for reducing the time, cost and effort spent developing and delivering learning and assessment programs that may be targeted to low priority areas.

## is competence critical to your core business?

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### Need help?

Contact Open Access Learning if you'd like more information or support to implement Risk Based Competence Management in your organisation.

Risk Based Competence Management model: [www.openaccesslearning.com/resources/](http://www.openaccesslearning.com/resources/)