



Hitting the mark: using Training Needs Analysis to improve customer satisfaction

Michael Carman

Picture this: the HR Director of a banking and financial services organisation wants to enhance staff skills in its mortgage processing area. After a cursory series of conversations about what people at various levels think they need and the organisation requires, the L&D area contracts a training provider to supply generic training in interpersonal skills, time management and team-building...

Compare that with the HR Director in a second organisation—also in banking and financial services—who wants to enhance staff skills in the mortgage processing area in order to improve customer satisfaction, reduce customer churn and use staff more flexibly. This organisation, in contrast to the first, has figured out the competencies needed to do this: direct customer service, document proof-reading, cross-selling and a higher standard of accreditation under the *Credit Act*. It incorporates these into relevant position descriptions, and has a formal assessment process in place to assess individual staff members' abilities against these competencies. This, in turn, is linked to the performance review process. Staff members know what competencies they need to progress to the next stage of their career. With this system in place, the L&D department aggregates individuals' training needs, and then puts out a tender to training providers to deliver this specific menu of training requirements.

Now, which of these two businesses do you think is better placed for success? In which is L&D going to provide the greatest contribution?

(Hint: this is a rhetorical question...)

Why identify training needs?

Three things distinguish the second organisation in the example above from its competitor:

1. There is a methodical, systematic approach to identifying training needs.
2. The training agenda supports strategic business goals (enhanced customer

satisfaction, reduced churn, etc.) via improved customer service, greater flexibility for staff movements through higher accreditation standards and the like, and

3. The identified training needs form part of an integrated HR function, with L&D and HR pulling in the same direction.

While integrating HR with L&D is beyond the scope of this article, the aim here is to help your organisation adopt a more structured approach to identifying training

Put to good use TNA can improve staff retention, boost quality of service and create happier more profitable customers

needs—a Training Needs Analysis (TNA)—and its use to support business goals. All of which should help make your organisation be more like the second of the organisations in the introduction rather than the first.

Twenty-seven percent of medium sized businesses, and twenty-three percent of large businesses identified 'lack of skilled persons' as a barrier to business performance (ABS 2012). For large businesses, this was a higher percentage even than 'lack of customer

demand for goods or services' or 'lower profit margins to remain competitive.'

A TNA helps ensure that an organisation's L&D effort hits the mark of its actual training needs, and so overcomes barriers to performance from skills gaps.

The two types of Training Needs Analysis (TNA)

There are two types of TNA. The first examines an organisation's overall strategic intent and assesses the gaps to be filled in order to accomplish business-wide strategic goals. A workshop of executives and senior managers is the workhorse for this type of TNA. I recommend preparing and distributing pre-read material to participants before a workshop of this kind; the material should scope emerging trends and observed best practice. A survey of participant views on their organisation's skill levels in certain areas is also a useful workshop input.

The other type of TNA is a more 'nitty-gritty' effort where individuals' skill levels relative to their own job requirements are assessed and then pooled so their organisation can organise training programs to meet these individual skill level requirements.

But what are individuals' own skill levels compared against? A competency framework provides a template of 'ideal types' of skill mixes required for each grade of position against which individual skill levels can be compared. So a competency framework is necessary before this type of TNA can be conducted.

Here's a straightforward nine-step process to develop a competency framework and training needs analysis:

1. Decide and agree on the major job categories (eg. Loan Officers, Account Managers) to be incorporated into the competency framework.
2. Draft and distribute corporate communications to inform staff of the process so they understand what will be happening, their involvement in it and the benefits to them (improved learning and personal growth, smoother career progression etc.).
3. Collate and review relevant documents setting out qualifications and competency units, using these as a base for the competency framework. Competency units under the National Recognised Training framework (freely available at training.gov.au)—while often quite general—provide a good starting point.
4. Cross-reference competency units to job categories and build a competency profile for each job category.
5. Review these competency profiles with business unit leaders and executives; adjust and refine the profiles as necessary by comparing them with recognised strategic needs and high performing individuals; convene and use working groups or review committees as necessary for this purpose.
6. Construct a matrix of skills and competencies against job categories, of which Figure 1 is a simplified example:

Figure 1: Sample competency matrix for mortgage processing staff

		Job Category		
		Documentation Officer	Loan Officer	Account Manager
Skill/ competency	Proof-reading	•	•	
	Customer service		•	•
	Extra accreditation – Credit Act	•	•	
	Cross-selling			•

The training needs analysis follows from the competency framework:

7. Develop individual assessment forms for each job category based on the competency framework. These

will list the competency, the staff member's scoring of their skill for each competency, a score for a 'second view' assessment of the staff member's skills (usually the staff member's direct manager) and the importance of the skill (as rated by the manager).

8. Distribute assessment forms to managers for them to forward on to their staff, ideally with details of a contact person available to answer questions, and
9. Collate completed forms and assimilate/tabulate results, building an overall organisational training requirement profile, in effect a 'menu' of current training needs.

Note that the two types of TNA are not mutually exclusive, and neither should they be.

Training needs analysis is a key management process too often under-utilised. Put to good use they can help organisations improve staff retention, boost quality of service and create happier and more profitable customers. ■

References

Australian Bureau of Statistics, 2012 *Selected Characteristics of Australian Business 2010-11* cat. no 8167.0. Medium sized businesses have 20-199 staff, while large businesses are those with 200 or more staff.

Michael Carman is a consultant who sets organisations on the pathway to improved results and helps them arrive there unscathed. He can be contacted at info@mcarmanconsulting.com

Ready to think outside the box?

NetDimensions[®]
Talent Suite

Corporate Learning • Performance Management
Compliance Enablement • Mobile, on-premise and Secure SaaS

NetDimensions[®] Performance.Knowledge. Learning.

www.NetDimensions.com.au